Entrepreneurial Marketing: Moving beyond Marketing in New Ventures

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Abstract: This paper discusses an alternative conceptualization of Entrepreneurial Marketing that can be understood as “marketing with an entrepreneurial mindset”. By combining the definition of marketing of the American Marketing Association (AMA) and two conceptualizations of entrepreneurship (entrepreneurial orientation and entrepreneurial management), we arrive at a definition of Entrepreneurial Marketing as the organizational function of marketing by taking into account innovativeness, risk taking, proactiveness and the pursuit of opportunities without regard for the resources currently controlled. This definition must not be restricted to young and small ventures, but can equally be applied to larger firms. We illustrate the concept of Entrepreneurial Marketing by highlighting Guerrilla Marketing, Buzz Marketing and Viral Marketing.

Key words: Marketing, Entrepreneurship, Entrepreneurial Marketing, Buzz Marketing, Guerrilla Marketing, Viral Marketing

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1 Introduction

The term “Entrepreneurial Marketing” (EM) has come to describe the marketing activities of small and new ventures. As such, EM has developed within a vibrant and promising fresh field of research. While the analysis of marketing in new and small ventures is an important issue, given the large share of economic activities that can be attributed to these kinds of firms, we argue that EM is more than that: it can also describe marketing activities with an entrepreneurial mindset, irrespective of firm size or age. EM research might want to explore the idea that EM can be implemented regardless of firm size or age in order to broaden the scope of the field.

First, starting with the presuppositional knowledge that entrepreneurship is often connotated with innovativeness and risk-taking, business reality shows that most new ventures are in fact not very innovative, but rather imitative. For example, according to the ZEW (2007), only 6-7% of all new ventures of a founding cohort are
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technology-oriented ventures, i.e. founded to exploit the technological knowledge of its founders (Klofsten, 1997). Most small business entrepreneurs are not very risk-oriented either. Bhidé (2000) points out that for most entrepreneurs, the best business would be a mailbox that customers send money to. In reality, most ventures start with an established business idea in an established market. Hence, to bestow the adjective “entrepreneurial” on the type of marketing that is associated with new ventures in general might overstretch the meaning of EM.

Second, by labelling the marketing behaviour of all new ventures as “entrepreneurial”, one implies that the marketing activities of larger firms are not. However, there are a number of examples from large firms that use marketing in an innovative and sometimes even risky way, which will be illustrated in section 2.4 with the example of several “entrepreneurial” promotion tactics.

Now that we have argued what EM is not, we would like to argue what EM might be. Accordingly, the remainder of this paper is organized as follows: First, we argue that because of the heterogeneous interpretations of both domains – entrepreneurship and marketing – it is difficult to come up with a “standard” definition of EM that is widely agreed upon. Second, we argue that the term “entrepreneurial” might be interpreted as a strategic orientation influencing the organizational function of marketing. Thus, “entrepreneurship” is an adjective that describes an approach to marketing that embraces the opportunities of the marketplace in terms of an effective implementation of price, place, promotion, and product tactics (4p) by being risk-taking, innovative, and proactive. Then, we argue that marketing in new and small ventures faces some challenges that may be overcome with an entrepreneurial approach to marketing, while others may not be. Finally, we illustrate the concept of “entrepreneurial marketing” by highlighting the most important entrepreneurial marketing activities pertaining to promotion such as guerrilla marketing, viral marketing, and buzz marketing. We conclude our article by suggesting entrepreneurial approaches to marketing in other fields and by outlining future research options.

2 Definitions and Nature of Entrepreneurial Marketing

Definitions of Entrepreneurial Marketing

EM seems to be a concept which so far has been hard to grasp. Morris et al. state that “the term ‘entrepreneurial marketing’ has been used in
various ways, and often somewhat loosely” (2002, p. 4). A potential reason for this difficulty might be that each concept can be interpreted in many different ways. Hence, there might be many possible combinations of the conceptualizations of entrepreneurship and marketing, and their interrelations.

With regards to entrepreneurship, Gartner (1990) asked the question: “What are we talking about when we talk about entrepreneurship?” in order to discover the underlying meanings and to approach the content validity of the concept of entrepreneurship. In his analysis, heterogeneous issues such as value creation, organization creation, growth, innovation, or the personal and governance aspects of the entrepreneur appeared. About 10 years later, Low (2001) still characterized the field of entrepreneurship as a “potpourri” of weakly related topics, a situation that still pertains to entrepreneurship research (Harms & Grichnik, 2007). However, there might be a silver lining. Pertaining to firm-level entrepreneurship, the conceptualizations of entrepreneurial orientation (EO; Miller, 1983) and entrepreneurial management (Brown et al., 2001) are widely debated (for example at the Academy of Management 2008 Professional Development Workshop on “The questions we ask about the Entrepreneurial Orientation construct”).

According to these perspectives, entrepreneurship might be regarded as a strategic orientation (Venkatraman, 1989), which is related to the interpretation of strategy as perspective (Mintzberg, 1987). Such a perspective might influence strategies as plans (intended actions) and strategies as ploys (realized action). Such a strategic orientation can have different characteristics. For example, the literature discusses orientations such as quality orientation (Buzzell & Gale, 1987, Kotler & Armstrong, 1994, Peters, 1992), market orientation (Narver & Slater, 1990, Slater & Narver, 2000), network orientation (Evanschitzky, 2003) or entrepreneurial orientation in the sense of EO or Entrepreneurial Management (for a further discussion see section 2.2.).

With regards to marketing, the American Marketing Association (AMA) recently defined marketing as an “organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (Keefe, 2004, p. 17, emphasis by the authors). However, there might be other interpretations of marketing such as marketing activities of individuals, or pertaining to marketing not so much as an organizational function but rather as a cultural orientation (Zinkhan & Williams, 2007).

Since there might be many different conceptualizations for each entrepreneurship and marketing, it is no wonder that a multitude of definitions exist for entrepreneurial marketing. On the one hand, Morris et
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al. (2002) identify a stream of usage in which the term refers to marketing activities in firms that are resource-constrained and hence apply marketing in an unsophisticated and personal way. On the other hand, Morris et al. also find a stream of research that describes “unplanned, non-linear, visionary marketing actions of the entrepreneur” (Morris et al., 2002, p. 4). The following table (see Table 1) lists some of the definitions of EM which could be identified in the literature. As a starting point to this list, we investigated articles in the leading entrepreneurship journals (Journal of Business Venturing, Entrepreneurship: Theory & Practice, Small Business Economics, Journal of Small Business Management, Entrepreneurship and Regional Development) from 2002-2005 and included articles that were known to the authors from other sources. This list only covers articles in which an explicit attempt is made to define “Entrepreneurial Marketing” and excludes those which define the concept “somewhat loosely” (Morris et al., 2002, p. 4).

Indeed, some definitions refer explicitly to marketing in small ventures (Hill and Wright, 2000; less explicitly Stokes, 2002a). Some make no explicit reference to the firm size or age (Morris et al., 2000; Bäckbrö and Nyström, 2006), and others focus on qualitative aspects of EM such as innovativeness (Bäckbrö and Nyström, 2006; Stokes, 2002a) or value creation (Morris et al., 2000; Bäckbrö and Nyström, 2006; less explicitly Stokes, 2002a).

Thus, from the discussion in literature two perspectives can be identified: The first one defines EM with an emphasis on the quantitative aspect of the company as marketing for small or new ventures. The second one highlights the qualitative aspect of EM by defining it as marketing with an entrepreneurial spirit (marketing by entrepreneurs). We argue that both attempts of defining EM might be two sides of the same coin, as the qualitative characteristics (smallness and newness) seems to be a context which favours marketing activities which are driven by an entrepreneurial, i.e. innovative, risk-oriented and proactive spirit.

Table 1 Definitions of Entrepreneurial Marketing

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<tr>
<th>Authors</th>
<th>Entrepreneurial Marketing</th>
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<tr>
<td>Bäckbrö and Nyström</td>
<td>“Entrepreneurial marketing is the overlapping aspects between entrepreneurship and marketing; therefore it is the behavior shown by any individual and/or organization that attempts to establish and promote market ideas, while developing new ones in order to create value.”</td>
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<tr>
<td>Bjerke and Hultman</td>
<td>“EM is the “marketing of small firms growing through entrepreneurship.””</td>
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<tr>
<td>(2002), p. 15</td>
<td></td>
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<tr>
<td>Duus (1997).</td>
<td>“The distinguishing feature of this new interpretation, which is</td>
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p. 297 essentially a market-oriented inside-out perspective, could be the development of the specific competencies of the firm by entrepreneurial action with a view to serving future customers' latent demand for products that do not yet exist. [...] this can be called "the entrepreneurial marketing concept."

Hill and Wright (2000), p. 25
"A new stream of research describes the marketing orientation of small firms as 'entrepreneurial marketing'. This means a style of marketing behavior that is driven and shaped by the owner manager's personality."

Miles and Darroch (2006), p. 488
"[...] firms adopting EMPs [entrepreneurial marketing processes, the authors] will engage in marketing processes emphasizing opportunity creation and/or discovery, evaluation and exploitation."

Morris et al. (2000)
"the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation.” (p. 5)

"EM synthesizes critical aspects of marketing and entrepreneurship into a comprehensive conceptualization where marketing becomes a process that firms use to act entrepreneurially.” (p. 2)

Shaw (2004), p. 197
"[...] four themes relevant to understanding entrepreneurial marketing within a social enterprise context emerged: opportunity recognition (OR); entrepreneurial effort (EE); an entrepreneurial organizational culture (EOC); and networks and networking (N&N)."

Stokes (2000a), p. 2
"marketing carried out by entrepreneurs or owner-managers of entrepreneurial ventures"

Stokes (2000a), p. 13
"The entrepreneurial marketing concept is focused on innovations and the development of ideas in line with an intuitive understanding of market needs; [...]"

2.1.1 Entrepreneurial Marketing as Small or New Venture Marketing (Quantitative Aspect)

Marketing is widely considered as the key to survival, development and success of small or new ventures (Bjerke & Hultman, 2002; Carson et al., 1995; Gumpert, 1997; Teach & Tarpley, 1987). Although marketing is tremendously important for these enterprises (McGrath et al., 1996) – venture capitalists even rate its overall importance for the success of new ventures at 6.7 on a scale of 7, above all other functional areas (Hills & LaForge, 1992) – it is practiced in a way different from textbook guidelines. Until the 1990s, it was widely assumed that small or new ventures required a simplified version of the more ‘sophisticated’ marketing practices that were developed for larger companies. However, there might be a gap between standard textbook approaches and actual
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marketing practice in smaller enterprises (Hills, 1995), and a specific approach to marketing is called for that takes into account the specific challenges that most small or new ventures face.

First, the liability of smallness (Aldrich & Auster, 1986) refers to limited financial and human resources, limited market power and a small customer base (Carson, 1985). In small ventures (which new ventures typically are), the owner-manager is the focal person for all decisions (Stokes, 2002) and shapes all its activities (Hill & Wright, 2000). As a consequence for marketing, this implies that marketing may be performed in a relatively unsophisticated way, is strongly tied to the person of the owner/manager and might have to be executed with limited resources.

Second, the liability of newness describes a lack of established relationships with market partners and a lack of routines in the firm (Aldrich & Auster, 1986). As a consequence for marketing, new ventures are faced with a lack of trust in their products due to a missing track record or an unknown company or brand name and a lack of expertise and experience in marketing (Gruber, 2004).

2.1.1.1 Consequences of the Liability of Smallness I: Low Formalization

Formal marketing plans are regarded as beneficial in that they help to identify competitive advantages and secure resources, gain commitment through communication with participants, and set objectives and strategies. This claim is supported by empirical evidence that suggests that there is a relationship between formal strategic planning and small and new enterprise survival and success (Kraus et al., 2008).

However, small and new ventures seem to perform marketing planning in a rather informal way (Dess & Robinson, 1984). The marketing style of small enterprises is said to be more simplistic and ad hoc, based on intuition, with little or no formal structures (Hill & Wright, 2000). Formal marketing planning may be rejected due to a number of reasons.

First, these ventures tend to focus on short-term survival rather than on long-term growth (Barrett & Sexton, 2006). It is likely that these top-level corporate goals (survival vs. growth) might impact the organizational function of marketing. This argument is supported by the fact that if small and new ventures plan, they tend to focus on financial planning rather than marketing planning, as liquidity constraints might put a firm out of business. For example, Lancaster and Waddelow (1998) found that in a sample of 20 British SMEs (small and medium enterprises), all of them had a formal financial plan, but only three of them had a formal marketing plan. In the same vein, Kraus et al. (2008) discovered that less than one third of all Austrian start-ups performed formal marketing planning.
Second, criteria for marketing planning such as *customer loyalty* or *return per customer* are difficult to measure and need experienced marketers to perform planning. Due to the liability of smallness, this kind of expertise may not be available.

2.1.1.2 Consequences of the Liability of Smallness II: Strong Impact of the Entrepreneur

Against the background of the entrepreneurs’ dominant role in SMEs, his management orientation and especially his attitude towards marketing are critical. However, entrepreneurs may tend to underestimate the importance of marketing. For example, in an investigation of 68 small Irish firms, none of the interviewed entrepreneurs classified themselves as sophisticated marketers, whereas 60 percent even regarded themselves as non-marketers, and the remaining 40 percent only as “implicit marketers” (Carson & Cromie, 1990).

The strong reliance on a single entrepreneur may have negative consequences. A study on 100 VC-backed startups from Germany shows that marketing planning that is carried out in a team is significantly more successful (Gruber, 2005).

According to Hills and Wright (2000), the term “marketing” is understood by SME owner-managers mostly in terms of “sales”. This may, particularly in the case of younger small ventures, be the result of the general corporate goal of survival, as initial sales are needed to keep the company afloat.

2.1.1.3 Consequences of the Liability of Newness

According to Gruber (2004), key challenges for marketing in new ventures result from the fact that these ventures and their products are unknown to their customers, which results in a lack of trust for these parties. A primary task for new ventures will be to build up trust and to win their first customers.

Pertaining to the necessity to build up trust, a study by Witt & Rode (2005) on 311 new ventures from Germany shows the importance of a *timely* corporate brand-building process that includes the corporate culture, behaviour, design and communication, and is addressed not only to external, but also to internal stakeholders. With regard to the acquisition of customers, personal networks play an important role for the acquisition of first customers (Carson, 1985, Tyebjee *et al.*, 1983). The use of personal networks may be both an effective and cost-efficient way to address customers.
In the context of new ventures, a number of articles discuss that these firms tend to begin with informal marketing efforts, only gradually professionalizing and formalizing them as the venture grows and an official marketing department becomes a necessity (Carson, 1985, Tyebjee et al., 1983). According to Carson and Gilmore (2001), SMEs develop in a stage model when it comes to marketing behaviour: in the start-up stage, business activity will focus mostly on the product and its customer acceptance. Marketing is thus likely to be dominated by reactions to customer demands and market changes. Marketing in SMEs seems to be more ad hoc like in the initial phases of enterprise existence. As the business develops, more experimenting will take place. Over the years, the enterprise will develop its own marketing style and practice. These steps imply a development from uncontrollable to relatively controllable marketing circumstances when growing within the organizational life cycle.

2.1.2 Entrepreneurship as a Qualitative Aspect of Marketing

We argue that the organizational function marketing may be influenced by the degree of entrepreneurship of the firm. For conceptualizing entrepreneurship, we base our arguments on EO and Entrepreneurial Management. According to Miller (1983), an entrepreneurial firm is “one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with proactive innovations …” (p. 771). By enhancing the focus from product-market innovations to the execution of (other) organizational functions, a conceptualization of EM emerges. Entrepreneurial Management describes “the process by which individuals – either on their own or inside organizations – pursue opportunities without regard to the resources they currently control” (Stevenson & Jarillo, 1990, p. 23). This conceptualization adds the elements of the pursuit of opportunities and the disregard for currently controlled resources to our conceptualization of entrepreneurship.

Combining the AMA definition of marketing and the definitions of entrepreneurship, we propose a new definition of entrepreneurial marketing:

“Entrepreneurial marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders, and that is characterized by innovativeness, risk-taking, proactiveness, and may be performed without resources currently controlled.”
Our definition is closely related to the conceptualization of entrepreneurial marketing processes (EMP) by Miles and Darroch (2006). EMP are marketing processes that emphasize “opportunity creation and/or discovery, evaluation and exploitation” (Miles & Darroch, 2006, p. 488). This definition also has a process orientation, but is restricted to the aspect of opportunity recognition, while innovativeness, risk taking and proactiveness are not included. Hence, we believe that this definition may be somewhat narrow. However, the elaborations of Miles and Darroch (2006) on the nature of marketing processes that are related to the creation/identification, the assessment and the exploitation of opportunities are very insightful for these particular aspects of EM.

Our definition is very close to the one proposed by Morris et al. (2000, p. 5). The difference between the definitions is not so much the order in which the concepts are introduced, but that we refer to “processes to create, communicate and deliver value” rather than to the “identification and exploitation of opportunities”. This is a crucial distinction since the concept of “opportunity” has so far not been clarified in entrepreneurship research (Chiasson & Saunders, 2007; McMullen et al., 2007), which might render our definition as more precise.

Taking the example of promotion, a “conservative” approach to marketing might be to use classical communication channels (print, TV) with commonplace text and images in reaction to a competitor’s campaign, with the own campaign being paid fully by the firm. An entrepreneurial approach to marketing would use innovative communication channels (e.g. Internet, mobile marketing) or use classical channels in an innovative way (see the examples in section 2.4) with new content, and would be ahead of the competition in doing this. In addition, the communication strategy makes use of resources that are external to the firm, such as word-of-mouth from customers. In the same vein, other marketing functions used to create and deliver value to customers and to manage customer relationships (Ahuja et al., 2007, Keefe, 2004) might be either conservative or entrepreneurial.

This example shows that conservative and/or entrepreneurial marketing is possible for both small and large firms. Small firms with a conservative approach to marketing might advertise in a local newspaper with commonplace advertising, while a large firm that uses entrepreneurial marketing might launch a sophisticated viral advertising campaign. To underpin this view on EM, in the next section we will discuss various examples of an entrepreneurial approach to promotion.

Entrepreneurial Marketing: Entrepreneurial Approaches to the Marketing Functions
2.2.1 Entrepreneurial Marketing: Entrepreneurial Approaches to Promotion

EM pertaining to promotion is based on word-of-mouth communication and recommendation to develop a customer base (Stokes, 2000b). This approach may be more cost-efficient than classical advertising. In addition, EM aims at target groups that are often not accessible via TV or print. It is grounded on the exponential diffusion of communication contents. Because the communication is distributed not by the company, but by the customers themselves, using their private or professional networks, the customers need to have a high involvement in the product in order to spread the message (Ahuja et al., 2007).

The following sub-sections deal with the three best-known and momentarily most successful forms of EM in terms of an entrepreneurial approach to promotion: guerrilla marketing, buzz marketing, and viral marketing (see Table 2). These three forms are partially overlapping, since they are all based on the concept of word-of-mouth marketing (Ahuja et al., 2007; Creelman, 1992).

Table 2 Forms of Entrepreneurial Marketing in the Domain of Promotion

<table>
<thead>
<tr>
<th>Form</th>
<th>Main characteristics</th>
<th>Source</th>
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<tbody>
<tr>
<td>Guerrilla Marketing</td>
<td>Bootstrapping, creative/leveraging use of available resources and a highly targeted mix of innovative and effective communication techniques, networking, using energy and imagination; low cost.</td>
<td>Levinson (1984)</td>
</tr>
<tr>
<td>Buzz Marketing</td>
<td>Customer-generated information distribution by verbal means, especially recommendations, through personal networks by creating excitement, infatuation and enthusiasm, often connected to events.</td>
<td>Rosenbloom (2000)</td>
</tr>
<tr>
<td>Viral Marketing</td>
<td>Self-replicating promotion spreading and multiplying like a virus over community webs. Similar to buzz marketing, but more Internet-oriented.</td>
<td>Jurvetson &amp; Draper (1998); Godin &amp; Gladwell (2001)</td>
</tr>
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2.2.1.1 Guerrilla Marketing

The term guerrilla marketing was coined by Jay Conrad Levinson in 1984 (Levinson, 1984). It stands for a variety of low-cost, high-impact marketing techniques that allow small companies and/or individuals to act like big companies. Guerrilla marketing can be regarded as the ancestor of
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the other EM concepts. It is about the attempt to achieve wide-ranging results with an untypically low utilization of resources by acting like a guerrilla. Guerrilla marketing is meant to be surprising, efficient, rebellious, infectious, and in the best case even spectacular, thereby bursting through conventional perceptions and leading to a “wow factor”. It focuses on simplicity, and aims for the recipient to be riveted to the message, which stimulates a willingness to distribute it further (Ahuja et al., 2007). Guerrilla marketing actions are often only one-time, limited in scope, and seldom repeatable.

A successful example of guerrilla marketing is a Vodafone emblem on a streaker’s naked body at an Australian football match, where the streaker was finally arrested amidst both public and media attention. Another example was the henna tattoo of the German condom producer CONDOMI! on the back of the head of a boxer in a world championship fight, cunningly bypassing the broadcasting TV stations’ advertising contracts. A third example from sports is the “Go Heinrich Go!” campaign in Germany that was initiated by the sporting goods producer Nike. The campaign sponsored the participation of the 80-year-old runner Heinrich at the famous Berlin marathon. The aged runner completed the 42 km run, which resulted in an enormous media echo for Heinrich and for Nike, and in a serious defeat of the Berlin marathon’s official main sponsor, ADIDAS. This campaign ultimately called traditional sports sponsoring and the modern image of the sports brand ADIDAS into question (Kraus et al., 2008).

2.2.1.2 Buzz Marketing

Buzz marketing is a new form of word-of-mouth communication which emerged as a reaction to the fact that more and more consumers are critical towards classical advertising. It is the attempt to stimulate the recipients through the use of spectacular actions so much that the product becomes the subject of discussions or gossip (Rosenbloom, 2000). Buzz marketing uses the recipient’s Internet, e-mail or cell phone networks to generate a buzz around a product or a brand, thereby leaving the actual advertising to the customers. These actions can e.g. be an event or an activity which causes a ruckus and thereby builds publicity, enthusiasm and information for the customers and leads to brand-building (Ahuja et al., 2007). The consultancy McKinsey estimates that the sales volume of up to 67 percent of all products and services in the US is influenced by buzz (Dye, 2000). Buzz is not only initiated by media campaigns; media coverage itself is a part of buzz. In the ideal case, a cleverly designed buzz marketing action is covered by the media and further distributed at no costs for the marketer.
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Buzz marketing’s target persons are often opinion leaders with central hub positions in their social networks. Therefore, they can disseminate the message in an exponential way. The major strength of buzz marketing is its credibility, since people never trust advertising as much as the statements of other persons which they know. The biggest weakness of buzz marketing is that it can be counterproductive when the product itself does not ultimately convince the customer. In addition, buzz marketing is suited only for new products or services since it addresses the appeal of novelty the product has for the customer. Therefore, buzz marketing functions best with products that are perceived as exciting and innovative. Only few companies successfully manage to constantly create new rumours and buzz around their products (Kraus et al., 2008).

A successful example of buzz marketing is the low budget movie *The Blair Witch Project*, which was filmed in 1999 in the style of an amateur video. The producers used the new medium of the Internet to create word-of-mouth communication for the movie. They initiated the rumour that the original film-makers, three college film students, disappeared during their inquiries in the Maryland woods, and that the movie contains the last shots the three had made with their camera. Half of the world asked themselves, accompanied by a background documentary on the American SciFi Channel, what might have happened to the three students. The film industry web site IMDB.com even proclaimed the students “missing, probably dead” over the course of many weeks. The movie, which was financed with a mere 35,000 USD by the two young producers, finally became a world-wide success with box office takings of more than 250 million USD. An ensuing Hollywood sequel cost about 15 million USD, but only earned 26 million USD in the US (Kraus et al., 2008).

However, buzz marketing is not restricted to small or new firms. For example, the multinational consumer goods company Procter & Gamble founded a spin-off called Tremor Inc. which specialized on the stimulation of word-of-mouth. Tremor built up a panel of more than 250,000 teenagers who exclusively receive information about the newest movies, music and products, and forward these messengers to their friends. In the meantime, “Buzz Agencies”, i.e. marketing or advertising agencies that specialize in the creation of buzz for their clients have been founded (Ahuja et al., 2007).

2.2.1.3 Viral Marketing

The term viral marketing was used for the first time in 1997. It describes a form of marketing that uses social networks (family, friends, neighbours, colleagues) to draw attention towards brands, products or campaigns by
spreading messages – mostly through word-of-mouth marketing – like a virus (Phelps et al., 2004). Viral marketing is about spreading messages and rumours about the product through voluntary and honest communication by the customer himself with the aim of acquiring new customers (Rosenbloom, 2000). Viral marketers spread their campaign like a virus, seemingly uncontrolled, mostly over the Internet. The success of viral marketing depends on whether the client has a personal benefit to forward the marketing message (Dobele et al., 2005). If successful, the message can be distributed with low costs by the marketer to a large number of recipients (Mohr & Spekman, 1994). Its main advantages are extraordinarily low costs, resulting from the use of new communication channels, particularly Internet and email (Dobele et al., 2005). Viral marketing can accordingly be understood as the impersonal (lacking face-to-face communication) and technology-backed version of buzz marketing (Mohr & Spekman, 1994).

A successful example for viral marketing is the free Internet shooter *Mohrhühnjagd* (English: “Grouse Hunt”), which was used by the Johnnie Walker liquor company as a marketing instrument. The game was advertised only by word-of-mouth through the Internet and newspaper and TV coverage. The game became so popular that the media reported productivity losses of several million euros in Germany alone, as the game was played mostly during official working hours.

Other prominent examples are Internet services such as the first file sharing network Napster, YouTube.com (a video hosting service), Skype (a communications facilitator), messages in chat rooms which are bundled with advertising contents, or – in the non-digital world – free postcards in bars. The rock band Nine Inch Nails used viral marketing to promote its 2006 album. For this campaign, “secret” messages were printed on T-shirts, USB sticks with songs were hidden in club toilets, and several anonymous websites were launched. In addition to that, the band used answering machine messages that could be listened to over telephone numbers which could be found on the Internet, flyers, and “illegally” published Internet tracks of the new album.

A recent example of viral marketing is the communication strategy for the 2008 catastrophe movie *Cloverfield* that earned an open day box office taking of 17 mn USD. The viral marketing campaign was based on secrecy coupled with the publication of little snippets such as fake news broadcasts in several languages, which were spread over YouTube and other Internet channels. The campaign began with a teaser trailer published long before the movie. After the teaser, cryptic messages sent moviegoers on a scavenger hunt to decode clues about the movie. As the movie’s release date got closer, viral websites (such as 1-18-08.com, the movie opening date), trailers, and more clues popped up, such as slusho.jp,
a fake drink company which appeared in the movie and had its own website. At the same time, a weblog of the proclaimed antagonists of the chief character appeared in Nepalese. In addition to that, MySpace profiles for the movie characters were set up, and an interactive comic story was developed in cooperation with fans. As a result, buzz developed, and people wanted to know more about the movie.

2.2.2 Entrepreneurial Marketing: Entrepreneurial Approaches to Product, Place and Price

The examples from the previous section illustrate EM as applied to the field of promotion. However, an entrepreneurial approach to marketing can also cover the elements of product, place, and price.

An impressive example of EM focused on product development was a young entrepreneur from New Zealand named Jeremy Moon who created a company called Icebreaker. He realized that wool underwear had a negative image (itchy, bad smell, outdated designs). So he decided to draw up a global product line of underwear made of merino wool. He was sure that the long, fine wool which already was used for high-end suits and ties would be a best seller. Moon spent half of his seed financing on creating a concept of what his global brand would look like in a few years time. Starting from this vision, he developed the product in a retrograde manner and started to build a global brand (Birchfield, 2000).

Another example of EM which focuses on the element of place is the fund raising program of the non-profit organization Two Wheel View. Based on the insight that young adults distrust the media and traditional advertising, the organization developed a concept that directly reaches the target group by taking them on adventure trips to countries such as Argentina. The participants return with a deep understanding of the problems and are devoted to the aims of the organization. By bringing the target group to the “product”, a very strong commitment to the aims of the organization is established (Edwards, 2007).

An interesting case of entrepreneurial marketing that used mainly the price as point of leverage was the online-distribution of the latest Radiohead album *In Rainbows*. The customers could download the album and decide how much to pay for it. Some fans paid up to 1,000 USD. The band successfully communicated its new distribution policy as a struggle for freedom of idealistic artists against the corrupt music industry (Peitz & Waelbroeck, 2005).
3 Discussion and Conclusion

In contrast to defining EM as the marketing of small and new ventures, we conceptualize EM as a particular type of marketing that is innovative, risky, proactive, focuses on opportunities and can be performed without resources currently controlled. In particular, the latter aspect of the resources might make EM especially attractive to small and new ventures that face the liabilities of newness and smallness. However, we believe that EM can be implemented irrespective of firm size.

The benefit of our conceptualization is that it disentangles EM from new venture marketing and innovation marketing (i.e. the marketing of innovations, not an innovative approach to marketing). This might add clarity to the understanding of EM in the current literature. Moreover, it stresses the fact that entrepreneurial aspects of marketing in large enterprises might also be subject to research.

A potential drawback of our conceptualization may be that it adds yet another approach to the many definitions of this concept. However, as we draw on established concepts for both marketing and entrepreneurship, we hope to find some support for our proposition.

To tap the full potential of EM, it is necessary to customize these alternative approaches to marketing for less sophisticated marketers as well. For this, a standard set of EM measures could be defined. Such an EM toolkit might serve as a first orientation and as a starting point for the conceptualization of EM activities. So far, the marketers can only refer to more or less elaborate compilations of best-practice cases. To provide a set of norm strategies for different applications and contexts, we need to understand the mechanisms behind EM activities in greater depth. This implies two tasks for future research in this field: First, we have to interlink our research activities and current results with those of neighbouring disciplines such as sociology and psychology to get a more holistic picture and a better understanding of the underlying mechanisms and their interdependencies. Second, we need to pursue empirical research in EM to build up a basis for the evaluation of the theses formulated in current literature. Against the backdrop of the research object’s characteristics, field experiments seem to be an attractive option. Other methods of empirical social science such as participative observational research or narrative interviews also appear promising.

A prerequisite for concerted efforts in empirical research on EM is to reach a basis consensus on what we mean when we talk about EM. In this article, we challenged the misperception that EM might only be regarded as marketing for new ventures. Rather, it goes beyond this: marketing with an entrepreneurial spirit is well-suited to address the liabilities of newness.
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and smallness, although most small/new ventures might not perform entrepreneurial marketing. On the other hand, entrepreneurial marketing can also be found in larger firms. In addition to our conceptual arguments, we provided a variety of examples that support our ideas. We hope that the arguments presented in this text contribute to an integrative understanding of EM, and lead to vital academic discussions.

References


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