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**Entrepreneurial Marketing in Small Firms: A Comparative Study of Small
Software Technology Firms in Central Finland, Wales, UK and Silicon
Valley, US**

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Entrepreneurial Marketing in Small Firms: A Comparative Study of Small Software Technology Firms in Central Finland, Wales, UK and Silicon Valley, US

Introduction- This paper reports on the present and, future planned research of Entrepreneurial Marketing (EM) in small software technology firms (SSTFs) in order to investigate and compare the effects of ecosystems in three different countries and, the effect this has on a firm's EM orientation and, on firm growth. Firms today operate in a business environment characterized by increased risk, decreased ability to forecast, with fluid firm and industry boundaries and high levels of information asymmetry. Markets are uncertain and are fragmenting and becoming frictionless, with firms interacting as competitors, customers, and collaborators in a global, knowledge economy. Such changes have had an effect on marketing (Schindehutte, Morris and Pitt 2008) and reflect the type of marketing practiced in small firms, being informal, unplanned and non linear (Fillis 2002). That said, it is still possible to identify EM practices which may lead SSTFs to have sustainable business growth strategies.

Research rationale- There is growing interest in research at the interface between marketing and entrepreneurship (Bjerke and Hultman 2002; Hills, Hultman and Miles 2008) together with the importance of SME marketing, EM and Market Orientation (MO) for firm growth which is well documented in the SME literature (Carson et al. 1995). MO researchers recognise that firms who adopt other strategic orientations combined with MO are likely to perform better than firms adopting only a market orientation (Grinstein 2008). It is also suggested that marketing has much to offer the study of entrepreneurship as empirical evidence suggests that there is a significant correlation between a firm's marketing and entrepreneurial orientations, both being responsible for business success. These orientation relationships are described in greater depth in Jones and Rowley (ISBJ, forthcoming) whereby any concept of EM that is an accurate reflection of the way in which successful small

businesses market must embrace aspects of behaviors that have traditionally been researched in the entrepreneurship, innovation, and customer engagement and relationship fields. In addition it is also proposed that being market oriented is an essential prerequisite for technology firms who need to bring products and services to market that create value for customers while technology firms also need to be entrepreneurially oriented, investing in research and development, and being proactive in the marketplace.

Currently, there have been few comparative qualitative studies which consider EM practices inherent in different business ecosystems. This paper addresses this issue by using the 'EMICO' framework (Jones and Rowley, 2009) which contains fifteen identified dimensions of EM and will enable exploration as to how EM is practiced in SSTFs, in different contexts. This will enable assessment of how and why such EM oriented behaviors may lead to sustainable growth in challenging markets.

Earlier findings- This research methodology is based on the foundations of two separate empirical studies in 2008-9, one comparative study of both Central Finland and Silicon Valley, US and, one study in North Wales, UK. In the first study, qualitative empirical data derived from a purposive sample of six Finnish and three North American SSTFs and application of Morris et al.'s (2002) seven identified EM dimensions indicated that EM activities differ in the Finnish and Silicon Valley areas. Key findings arising from this study included the way in which opportunities were exploited, how resources were leveraged and, how value was created for customers. Silicon Valley firms were predisposed towards innovative marketing and market driving behaviors, while Finnish firms relied on serendipity, slowly moving towards more aggressive methods of tapping market opportunities. Also, Finnish entrepreneurs were reluctant to use personal contact networks (PCNs) while Silicon Valley entrepreneurs evidenced effectuation principles (Read et al. 2009) in their views of

future markets, risk taking, customer orientation and resources; using PCNs for the co-creation of customer value in value constellations (as defined by Bjerke and Hultman, 2002), for brand building from firm start-up stages and, for idea testing.

The second reported study based in North Wales, UK focused on six SSTFs, using similar purposive sampling procedures (firm size, location etc). This research produced a theoretically and empirically tested research framework (Jones and Rowley, 2009) with which to explore small firm activities, attitudes and behaviors in relation to EM orientation. Both studies reported here evidenced some common themes, these included: use of business and university networks for resource leveraging (US and UK) and a focus on customer relationships with niche market approaches (Finland and UK). It also highlighted differences which require further investigation.

Proposed methodology- Using these foundations, the researchers will now apply the 'EMICO' framework to an equal sample of Finnish and US SSTFs and, apply performance measures so as to establish those marketing activities, attitudes and behaviors which contribute to firm growth. Application of the framework will be replicated from the Jones and Rowley study (2009). This involves the following procedures: a SSTF sample will be chosen using purposive sampling procedures (Shaw 1999) and four criterion: firm age (over 5 years old); size (micro and small firms with under 50 employees); offering both a software product and service support; and, in the same geographic area (Central Finland and Silicon Valley). Interviews with both owner-managers and employees will be undertaken in order to ensure content validity of the findings (Carson et al 2005; Shaw 1999). An informal interview approach using a semi-structured interview protocol will be applied, being considered more likely to gain valuable insights into the attitudes and behaviours of individuals in the firm. A semi-structured interview protocol and card methodology (Müthel and Högl 2007) will be

included in the interview context. This method is most suitable for capturing intangible notions such as individual and firm behaviours. Other data to be captured includes respondent data and firm data, including firm % increase in turnover over the last five years and annual turnover for the last financial year. En vivo statements from respondents will be gathered and EM dimension priorities will be ranked by importance and relevance in each firm and context. Data will be coded and analyzed using coding matrices (Miles and Huberman, 1999) and compared with firm performance data. Comparisons will then be drawn from each study based in Finland, the UK and the US.

Research value- Application of the 'EMICO' framework to a sample of SSTFs in Central Finland and Silicon Valley, US, together with comparison with a SSTF sample from Wales, UK allows for further in-depth investigation of small firms and addresses the paucity of research concerning the EM orientation of SSTFs and, the identification of certain activities, attitudes and behaviors which such firms emulate in order to achieve business growth in challenging markets. In particular it will extend knowledge and understanding of EM from the SME perspective and further our understanding as to whether and how, EM differs in diverse ecosystems.

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