Entrepreneurial Marketing- How Marketers Can Satisfy Customers’ Needs When Applying Entrepreneurial Marketing Approaches

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Abstract

This paper aims to elaborate the role of marketing and the emergence of EM. It addresses the influence that EM has on the development of start-up enterprises. We lay emphasis on the importance of innovation in companies, which is one of the key elements of EM and the segment marketing and marketing research is expressed.

Keywords
Marketing; Entrepreneurship; Innovation

Introduction

In contemporary society, marketing is deemed as a dominant function that plays a key role in the development of companies. In recent years, with the increasing momentum gained by entrepreneurship, a large number of researches are done on entrepreneurial marketing (EM).

This paper aims to elaborate the role of marketing and the emergence of EM. It addresses the influence that EM has on the development of start-up enterprises. We lay emphasis on the importance of innovation in companies, which is one of the key elements of EM and the segment marketing and marketing research is expressed.

The Role of Marketing in a Firm

Marketing is the management concept of anticipating, identifying and satisfying customer requirements profitably (UK Perspective, CIM, 2007). Here, marketers should first identify what customers need in certain market and assess if the company is able to meet the needs with resources on board and then enable the company to grasp the opportunity and gain profits.

Since society’s well-being is the outcome, not so much of altruistic behavior, but rather of the matching, through voluntary and competitive exchange, of the buyer and seller’s self-interest (Smith, 1776), the central idea of marketing is of a matching between a company’s capabilities and the wants of customers in order to achieve the objectives of both parties (McDonald, 2007).

Therefore, many companies apply the customer-focused approach and try to generate better products/services when compared with competitors in order to gain more market share. However, when a company gains certain market share in a market segment, the company starts to pay more attention on how to maintain its market share and stops to develop products and services that will meet the new needs of customers.

Market is context dependent, but the context is continually changing (Morris et al., 2002). However, marketing thought and practice have been criticized as focusing on mundane issues, defining problems narrowly, and emphasizing tactical responses (Deshpande, 1999). Even though the environment has changed, marketers tend to keep current strategy and focus on existing customers. Companies are driven to achieve the financial goals of high return and more profit rather than develop a new market and gain a new life circle of their products. Therefore, Webster (1981) argues that marketers are not “sufficiently innovative and entrepreneurial in their thinking and decision making”.

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With the development of technology, customers are offered more choices, global access of products or services and new possibilities in addressing individual and very specific needs (Constantinides, 2006). Therefore, marketers find themselves operating in increasingly turbulent environments (Morris et al., 2002) since the needs of customers are changing rapidly and it is impossible to offer generic products and services to customers who prefer personalized and specific outcomes.

A growing body of evidence suggests the more successful firms are the ones that engage in higher levels of entrepreneurial activity (Morris et al., 2002). Entrepreneurship has been defined as the process of creating value by bringing together a unique package of resources to exploit an opportunity (Stevenson et al., 1989). Instead of concentrating on an existing market and attempting to improve financial performance by encouraging repeated buys, entrepreneurs grasp the new demands of market and create new markets.

EM is defined as the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation (Morris et al., 2002). Since EM enables companies to pay more attention to the niche in a market and encourages companies to create new advantages within new market, companies can enter the newly created market at the very early stage. It stands a great chance that the entrants of a new market gain advantages to provide customers with new values and generate novel consumption patterns. Companies can also gain great sales during the diffusion process of new product/service; they may even have the right to set the standards for such newly created market. Therefore, EM helps the firm to build, at lower cost and more speedily than competitors, the core competencies that spawn unanticipated products, alternative communication and distribution capabilities, and unique types of customer relationships (Hamel and Prahalad, 1994).

As Morris et al (2002) have stated: “EM is proposed as an integrative construct for conceptualizing marketing in an era of change, complexity, chaos, contradiction, and diminishing resources, and one that will manifest itself differently as companies age and grow “, companies, star-up enterprises in particular, which may suffer lack of economies of scale, resource constraints and little market share in an existing market can identify new opportunities in the market and develop different purchase behavior to achieve the marketing success. Bjerke and Hultman (2002) have addressed that “marketing of small firms growing through entrepreneurship”.

Marketing Mix, Marketing Research and Target Market

The majority of marketing practitioners consider the Mix as the toolkit of transaction marketing and archetype for operational marketing planning (Gronroos, 1994). The marketing mix framework, such as 4Ps, is always deemed as the dominant marketing management paradigm and identifies market developments, environmental changes, and trends (Constantinides, 2006). However, because of the changes in commercial landscape and increasing needs of specific customers, scholars and researchers consider 4Ps inadequate in modern marketing situations. The limitations of 4Ps are clarified as: “the model’s internal orientation and the lack of personalization” (Constantinides, 2006). In other words, marketers should not only concentrate on internal organizational development but also adapt to the external environments. Companies can gain benefits from close monitoring the frequently changing customer needs.

Therefore, it is imperative form marketers to generate marketing research according to the changing market conditions. However, it is demanding for start-up enterprises to generate market research of the entire market due to their limited resources and small capital. Firms which apply entrepreneurial approach always adopt segment marketing which focus on subgroups of potential customers with similar needs and behavioral characteristics (Lambin, 2000) so that a company can better design, price, disclose and deliver the product/service to its target segments (Kotler and Keller, 2006). After adequate marketing research which is used to generate ideas, evaluate and develop new product concepts and to help with the pricing structure (Easey, 2009), marketers may decrease the environmental uncertainty and provide products and services satisfying customers’ needs.

Innovation in the Firm

In modern economies, where basic needs are well met and where penetration and equipment rates of
consumer goods among households are very high, primary demand stagnates and the growth potential comes more and more from creative innovations (Lambin, 2000). Since products and services of generic demands are always generated by large, established firms, small firms are advised to create new markets which differ from or will replace existing needs.

Entrepreneurs are seen as creating imbalances by introducing innovations to drive market (Schumpeter, 1934) and they also attempt to move economies away from equilibrium by exploiting previously unidentified opportunities (Kirzner, 1973). Therefore, entrepreneurial marketers often creating new products and market opportunities through the innovation of products, process, strategy, or domain (Hills et al., 2008) and innovation is quickly identified as a key element in the interface (Hills and Hultman, 2006). Gardner (1994) has proposed that “the interface of entrepreneurial behavior and marketing is that where innovation is brought to market”.

With the adoption of innovation, firms create imbalances and provoke changes in a market. Firms can create new customer value and deliver better performance to meet customer needs through innovation. In fact, creating something that buyers can use to produce own customer value, the offer to the market, can be regarded as the ultimate purpose of marketing (Bjerke and Hultman, 2002) and there are many examples of entrepreneurial firms that gain and grow through the intentional use of innovations (Hills and Hultman, 2006).

Entrepreneurial marketers use innovation to create value-added differences in their marketing programs (Hills et al., 2008) and such differences are always deemed as disruptive. These products or services are launched to market of which boundaries are not well defined and customer needs are not clear. Marketers play the role as a pioneer in discontinuous environment. These disruptions frequently result in not only profit opportunities for the firm, but a range of innovative activities from competitors attempting to exploit the market opening created by pioneering firm (Morris et al., 2002). Therefore, firms gain pioneer advantages through its disruptive behavior.

**Conclusions**

Successful marketing is undertaken by firms that identify new opportunities, apply innovative techniques to bring the product/service to the market place and successfully meet the needs of their chosen target market (Hills et al., 2008). We will not only focus on the fulfillment of customer needs but also be sensitive with the changes in market. We gain competitive advantage from existing market as well as newly created market with the adoption of innovations to provide better product/services to customers. Therefore, we should keep exploiting new opportunities in market and remain entrepreneurial approach towards marketing.

**REFERENCES**


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