Title

A study into the entrepreneurial marketing of high technology based small firms.

Introduction

Contemporary business to business (B2B) marketing approaches are focused mainly on relationship development (Reijonen, 2010), however, with the introduction of the consumerisation of B2B buying behaviour (James, 2012), contemporary B2B marketing alone is no longer sufficient to keep a competitive advantage. Being market oriented is an essential requirement for high technology based small firms who need to bring products and services to market that creates value for customers. High technology based small firms also need to be entrepreneurially oriented, investing in R&D and being proactive in the marketplace. (Jones, et al., 2009).

For technology driven companies, it is important to advance from generic traditional marketing functions into effective, responsive and resource-optimized style technical marketing solutions that are applicable to the sector. Many of the methods and approaches used in taking technology to market are based upon models developed for an economic era that no longer exists (Bjerke et al., 2002), before the evolution of computer, such as McCarthy’s P’s and Booms and Bitner’s 7P’s. It is not without some surprise then to observe that many accepted marketing methods are out of date for the dynamic technology driven economic and global era that firms now have to compete within (Helander, et al., 2006). The reality for many high technology based small firms, and SME’s in general, is that whilst a deep understanding of the technology exists within the firm little, if any, knowledge of how to take the technology to a viable market exists, or even what the market is looking for, meaning that these firms will develop innovative technologies without know what their customers or the market in general really want (Mannermaa, et al., 2000).

Literature review

The literature review will critically analyse a brief history of how marketing has evolved, and what contemporary scholars define what ‘marketing’ is. It will also look at how B2B marketing is changing, along with the change in technology and how this is creating the need for innovative and entrepreneurial marketing, most particularly in the high technology area that is being studied. Moreover it will look at the inter-relationship of entrepreneurial marketing, B2B marketing, and high technology based small firms (Appendix 1).

Marketing

Marketing has been evolving ever since the introduction of McCarthy’s (1960) description of a marketing mix - product, price, promotion and place, which has widely become regarded as an ‘infallible’ guide for the effective marketing strategy (Gronroos, 1994).

In 1999 the Journal of Research in marketing and entrepreneurship was introduced showing that there was believed to be a link between entrepreneurship and marketing, and most specifically small business marketing. When this was created marketing may have been an area where entrepreneurial or small businesses were regarded to be at a disadvantage (Shaw 1999). If ‘entrepreneurial marketing’ is recognised as the label used to describe the
innovative or creative use of an organisation's resources for marketing purposes then Interface research implies that networks and the activity of networking are core to such activities. (Shaw 1999), showing the development of marketing theory and practice.

**Business to business Marketing**

The differences between consumer and business markets have been discussed previously (Hutt et al., 1998; Simkin, 2000; Kotler et al., 2005), and organisational buyers were found to differ in their type of purchase and decision processes (Mudambi, 2002; Thompson, et al., 1998; Wilson, et al., 2001).

The world of business across the industrialised world has, in the last 25 years, undergone continuous and turbulent change. The obvious changes are the influence of technology both on firms and the markets they serve, followed closely by the impact of globalisation. But perhaps the most dramatic change to affect the way in which business is conducted has been driven by individual small firms, located in local neighbourhoods and typically owner/managed. (Deacon et al., 2011)

The B2B environment has changed and so has the B2B buyer (James, 2012). As one of the most serious internet users, the B2B buyer has been transformed through adaptation to the new online environment which includes Social Media, Online Discussion boards, Peer Reviews. The internet has changed the B2B buying process so radically that it’s difficult to recollect exactly how the pre-internet B2B buyer used to go about the business of making a purchase. Gone are the days when sales people actively ‘sold’ to prospects and buyers had to use the phone and directories. However is it important to remember that the basic information needs of the B2B buyer for product information, pricing, delivery etc. haven’t changed, just the way in which they go about sourcing this information has (Marketo, 2011).

**High Technology Marketing**

The IT industry in the UK is comprised of a mixture of businesses of different sizes, so a study of the marketing experience, perceptions and activities in this sector provides an opportunity to consider whether marketing differences are dependent on firm size. Much of the earlier research on marketing in small businesses has suggested that conventional marketing theory and practice, developed mostly with reference to large firms is not applicable to small firms, but there have been few direct comparative studies (Jones et al., 2009).

However, very little attention has been directed towards marketing of high technology based small businesses. One notable exception is the contribution from Boussouara and Deakins (1999). They found that small hi-tech businesses associated marketing primarily with dealing with customers, developing products and developing new markets. They also concluded that traditional marketing tools are inappropriate, whilst the social networks of entrepreneurs and strategic alliances are wholly appropriate to this business context (Jones, et al., 2009).

From a high technology based small business point of view, two major marketing challenges are able to be derived from pre-existing literature. There is the challenge to have large enough customer base, i.e. markets, for the developed component. The other major marketing challenge for is to deal between the product and service marketing logic: high technology based small business is in its nature product marketing, but on the other hand practical
experiences have shown, that the problems that should be solved before the real growth of high technology based small business need relationship marketing and customer relationship management skills that are more characteristic for service oriented project marketing (Helander, et al., 2002).

Entrepreneurship

Entrepreneurial small firms have redefined the way business is done (Burns, 2005; Bjerke and Hultman, 2002; Carter and Jones-Evans, 2000). It is a business model that challenges many traditional economic assumptions: out goes the need to “own” the resources of production in favour of a need to “own” knowledge about production (Bjerke and Hultman, 2002), and customer centricity has been challenged (Morrish et al., 2010).

The marketing function in SMEs is hindered by constraints such as poor cash flow, lack of marketing expertise, business size, tactical customer-related problems, and strategic customer-related problems (Doole et al., 2006; Chaston, 1998; Carson, 1985). Yet, despite such restrictions, SMEs successfully use marketing to generate sales (Guersen, 1997; Romano and Ratnatunga, 1995). This highlights the value of seeking to understand innovative marketing as practised by SMEs. Despite the significance of marketing and innovation to SMEs, Simmonds (1985), Hills and LaForge (1992) and Kleindl et al. (1996) note that there is a lack of formal acknowledgement of innovation in marketing theory, and, in turn, a lack of innovative marketing theory relevant for SMEs. (O'Dwyer, et al., 2009). Eggers’ presentation on clusters suggests that there is a foundation of research for SME marketing upon which to build. Beyond that, there is tremendous practical significance to researching small business or SME marketing, (Hansen et al., 2010).

Initial Conclusions from the literature review

It can be seen in the literature that there is not yet a link connecting entrepreneurial marketing, marketing in high technology based small firms and business-to-business marketing. The supposition of the research is this link is needed to help high technology based small firms successfully go to market. Hultman, (1999) suggests that in future research, especially at the marketing and entrepreneurship interface; it may be fruitful to integrate concepts from both the marketing-mix and the relationship-marketing frameworks.

The researcher seeks to show how the combination of Market Intelligence (Industry, Customer and Prospect information scanning), Marketing Innovation (entrepreneurial and contextual marketing) and Human Interfacing (relationship marketing) can be combined along with some more administrative marketing methods to provide the best possible chance for market growth in a technology based small firm (Appendix 2). This type of marketing looks at the Fourth Perspective from the Charleston Summit (Hansen, et al., 2010), looking at the combination of Marketing and Entrepreneurship, and what uniqueness the interfacing creates.

Bearing this in mind, this research aims to answer, through case study research, the following question: How does the combination of Intelligence, Innovation and Interfacing help high technology based small firms go to market?
References


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Appendix 1

The integration of literature to be reviewed.
Appendix 2

Conceptual Model for B2B high technology based small firms marketing: