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Marketing and entrepreneurship: implications, perspectives, and opportunities for marketers

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ABSTRACT

Entrepreneurship is a growing phenomenon in the competitive markets. In the past, marketing and entrepreneurship have been regarded as two distinct fields of study. A growing awareness of the importance of entrepreneurship and innovation to marketing, and of marketing to successful entrepreneurship, has recently led to attempts to combine the two disciplines as "entrepreneurial marketing". The purpose of this paper is to address entrepreneurship perspectives, differences between small firms and entrepreneurial firms, entrepreneurial marketing processes, determinants of entrepreneurship and its implications for marketing, and finally, opportunities for marketers.

Introduction

The interface between marketing and entrepreneurship has received considerable attention in recent years. It has been the subject of numerous symposia, research tracks and special sessions at international conferences, published articles and special issues of major journals. The first American Marketing Association (AMA) "Research Symposium on Marketing and Entrepreneurship" was held in 1987, and has become an annual event as the AMA's "Research at the Marketing-Entrepreneurship Interface Conference". In the UK, a "Special Interest Group" was established within the Academy of Marketing as a focus for research in this area in 1994 (Hulbert et al., 1999). Some attention has also been devoted to examining the application of entrepreneurial thinking to the marketing efforts of firms, regardless of size (Murray et al, 1981; Morris et al., 1988; Davis et al., 1991). In the latter case, principles and concepts from the entrepreneurship literature have been applied to the formulation of marketing strategy and tactics, new product development, sales management, buyer behavior, and marketing education (Bonoma, 1986; Zeithmal and Zeithmal, 1984; Morris et al, 1991). Evidence also suggests that company performance is related to a firm's marketing orientation (Davis et al., 1991; Cooper, 1979) as well as to its entrepreneurial orientation (Covin and Slevin, 1989; Zahra, 1986) and that a significant relationship exists between a firm's marketing and entrepreneurial orientations (Miles and Arnold, 1991).

Such findings have led some observers to conclude that marketing and entrepreneurship are highly interdependent, if not part of the same construct (Miles and Arnold, 1991; Davis et al., 1991). To the extent that marketing affects the success of entrepreneurial ventures, and/or entrepreneurial approaches affect the success of marketing efforts, it would seem vital for marketers to understand entrepreneurship. The purpose of this article is to: 1) describe the relationship between entrepreneurship and marketing, related perspectives and differences between small firms and entrepreneurial firms, 2) provide entrepreneurial marketing processes, 3) highlight determinants of entrepreneurship and its implications for marketing, and 4) present the opportunities for marketers in the field of entrepreneurship.

The relationship between entrepreneurship and marketing

"Entrepreneurship, in its narrowest sense, involves capturing ideas, converting them into products and, or services and then building a venture to take the product to market" (Johnson, 2001, p. 138). Entrepreneurship represents organizational behavior. The key elements of entrepreneurship include risk taking, proactivity, and innovation (Miller, 1983). However, Slevin and Covin (1990, p. 43) have argued that the three elements are not sufficient to ensure organizational success. They maintained that "a successful firm not only engages in entrepreneurial managerial behavior, but also has the appropriate culture and organizational structure to support such behavior". Entrepreneurship would appear to have much in common with marketing. Marketing concepts can be divided into four distinct elements (Kohli and Jaworski, 1990; Webster, 1992): (1) Marketing as an organizational philosophy or culture requires that an understanding of customer needs should precede and inform the development and marketing of products and services, the concept of market or customer orientation (Kotler, 1997), (2) Marketing as a strategy defines how an organization is to compete and survive in the marketplace. Most marketing textbooks review marketing strategy through the stages of market segmentation, targeting and positioning. (3) The marketing mix refers to the specific activities and techniques, such as product development, pricing, advertising and selection of distribution channels, which implement the strategy (commonly summarized as the 4Ps, or 7Ps in services marketing). (4) Market intelligence underpins each of these marketing principles. The members of a marketing-oriented organization undertake information-related activities defined by

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Kohli and Jaworski (1990, p. 3) as the “organization-wide generation, dissemination and responsiveness to market intelligence”. Thus marketing can be defined in terms of the organizational philosophy of market orientation, guided by segmentation, targeting and positioning strategies, operationalised through the marketing mix and underpinned throughout by market intelligence. Approached in this manner, Hills and Laforge (1992) have identified numerous points of interface between marketing and entrepreneurship. For instance, venture idea identification, innovation and the exploiting of opportunity logically fit between environmental scanning and market opportunity analysis. Similarly, the business plan includes market feasibility analysis and marketing strategy. Value creation is dependent on customer feedback and the ongoing assessment of customer needs. Murray (1981) has suggested not only that they interact, but that marketing is the logical home for the entrepreneurial process in organizations. He indicates (p. 96) that “... marketing is uniquely equipped and indeed should feel uniquely responsible for analyzing environmental evolution and translating its observations into recommendations for the redesign of the corporate resource base and its product-market portfolio”. In this view, marketing is a boundary function in organizations, and must be both opportunity-driven and flexible in order to address turbulence in the external environment. Bonoma (1986) has proposed that marketers must fill the role of the “subversive” in order to circumvent conventional wisdom in organizations and create necessary change. Zeithaml and Zeithaml (1984) claimed that the fundamental responsibility of marketing is to effect and manage change in the external environment.

Marketers are engaged in a process not only of identifying change opportunities, but also of inducing continual change in their organizations and, by extension, in the marketplace. The change to which Simmonds (1986) refers includes “ideas, practices, or things adopted within the immediate social environment for the first time” (p. 488). Two related streams of research have examined empirically the marketing and entrepreneurial orientations of established firms. The first of these involves work on failure and success rates of new products and new businesses, and has consistently demonstrated the critical impact of a marketing orientation on performance (Cooper, 1979). The second has found that the entrepreneurial orientation (or intensity) of firms was significantly and positively related to a number of financial, market and employment outcomes, especially under conditions of environmental turbulence (Jennings and Seaman, 1990; Schaeffer, 1990). Building on these sets of findings, both Morris and Paul (1987) and Miles and Arnold (1991) have identified a statistically significant relationship where firms that were more entrepreneurial also tended to demonstrate a stronger marketing orientation. Both studies raise the possibility that being marketing oriented and entrepreneurial are part of the same underlying business philosophy. Both at the organizational and societal levels, higher levels of entrepreneurship imply new products and services, shorter product life cycles, new markets and market niches, and new forms and methods of promotion and distribution. All this not only creates a greater need for marketing, but can be accomplished only as a function of marketing.

Perspectives on entrepreneurship

Based on the work of Schumpeter and others in the first half of this century, a school of thought emerged that associated entrepreneurship with innovation, or carrying out unique combinations of resources so as to create new products, services, processes, organizational forms, sources of supply, and markets (Schumpeter, 1950). Entrepreneurs were engaged in an activity labeled “creative destruction”, where they continually made existing methods obsolete by successfully introducing innovations. A related development was the distinction drawn in the 1970s and early 1980s between the entrepreneur and entrepreneurship. The latter was conceptualized as a process activity which occurs in an organizational context (e.g. Moore, 1986). Accordingly, Stevenson et al. (1985) defined entrepreneurship as “the process of creating value by bringing together unique combinations of resources to exploit an opportunity”. More recently, the focus has shifted to the pursuit of growth (Churchill, 1992).

Growth in this context refers to a significant increase in sales, profits, assets, employees, and/or locations. The entrepreneurial firm is one that proactively seeks to grow, and is not limited by the resources currently under its control (Davidsson, 1989; Hambrick and Crozier, 1985). An analysis by Birch (1987) has demonstrated that meaningful growth occurs in a relatively small number of firms in a given industry. Reynolds (1986) has produced empirical evidence indicating that most firms experience little significant growth in sales beyond the first year in business, and that most new firms start small and stay small. Based on these findings, the entrepreneurial sector is defined as a relatively small subset of the small business sector. The studies that produced these insights have been replicated in a number of countries throughout the world, with similar conclusions (Fritsch, 1992; Garofoli, 1992). Others have attempted to identify specific differences between entrepreneurial firms and traditional small businesses (Ginn and Sexton, 1990). Table I summarizes a number of these differences.

In general, small businesses are relatively complacent, and are more personally- and family-oriented than professionally-oriented. They demonstrate a preference for low-risk/low-return activities and are principally concerned with generating a lifestyle for the owner(s). They tend to be resource-driven, where the resources currently controlled dictate their behavior. Resources also determine their time horizon (short-term) and their goals (income levels for the owner). Entrepreneurial ventures, alternatively, are more change-oriented, dynamic, formal, professional and strategic. They are opportunity-driven, and will do whatever is necessary to obtain or leverage the resources necessary to capitalize on a perceived opportunity. While creating more of an external and strategic focus, this orientation also produces continual turbulence inside the organization (Morris et al, 1996).

Determinants of entrepreneurship

Entrepreneurship is determined by environmental conditions operating at a number of levels. Figure 1 represents these environmental determinants by grouping them into three general categories: 1) the environmental infrastructure which characterizes a society; 2) the degree of environmental turbulence present in a society; and 3) the personal life experiences of a society's members. The combined effect of these environmental influences is the level of entrepreneurial intensity in society.

Although these environmental influences are admittedly interdependent, each represents a relatively distinct construct that has a differential impact on societal entrepreneurship.

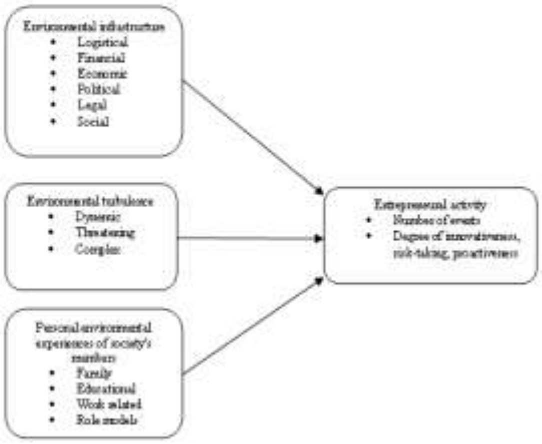

Figure 1. The environmental context of entrepreneurship

Environmental infrastructure

The environmental infrastructure includes the economic, political, legal, financial, logistical and social structures which characterize a society. Certain structures appear to facilitate both entrepreneurial attitudes and entrepreneurial behaviors (Kent, 1986). Key aspects of the economic system include freely fluctuating prices in the markets for products, capital and labor, as well as private ownership, strong profit incentives, limited taxation and a limited role for government (Gilder, 1988; Poterba, 1990). Each of these is an incentive for individual action and helps ensure that scarce economic resources are allocated to value-creating activities. Similarly, the political system fosters entrepreneurship when it is built around freedom of choice, individual rights, democratic rule and a series of checks and balances among the executive, legislative and judicial branches of government (Schumpeter, 1950). Such designs are apt to be more tolerant of diversity, more conducive to ongoing change and more accepting of innovation in all walks of life. Legal structures are a significant, positive factor to the extent that they recognize the corporate form of enterprise, permit limited liability, ensure contract enforcement and patent protection, and allow liberal treatment of bankruptcy, but impose fairly strong restrictions on monopolistic (restraint of trade) practices. These arrangements serve to encourage risk-taking activity and pre-empt many of the obstacles to new product and process development. Financial systems are more encouraging of entrepreneurship when they are developed around institutional autonomy, competition among sources of capital, competitive interest rates, stable currencies, partial reserve requirements, well-backed deposit insurance and large private investment pools (Birch, 1981). Such circumstances give rise not only to more diverse investment strategies on the part of mainstream financial institutions, but also to novel types of investment organizations and to creative financing mechanisms. As a result, those individuals and businesses wishing to engage in entrepreneurial activity find the supply of financial resources is greater, and are afforded more choices in terms of the trade-offs which must be made to obtain funding (Eisenhardt, 1984). Logistical arrangements include the development of roads, waterways and airports, efficient communication systems and well-integrated channels of distribution. Where each of these areas is highly developed, entrepreneurs are better able to identify and serve marketplace needs quickly and to capitalize on new methods and technologies. Social structures that foster attitudes of individual freedom and an orientation towards self-direction and personal achievement are conducive to entrepreneurial initiatives (Tropman and Morningstar, 1989). In societies where the primary concern is at an individual level, rather than at a more collective level, reward systems are more likely to encourage risk taking, proactivity and innovation. Individual goal setting, independence and personal ambition are not only recognized, but are encouraged in societies with individualistic social structures. Further, social systems that facilitate the development of networks are conducive to entrepreneurial activity. Social relationships provide a forum for entrepreneurs to share information, identify opportunities and marshall resources (Carsrud and Johnson, 1989).

Environmental turbulence

Rapid change in the technological, economic, customer, competitive, legal and social environments has produced both threats and opportunities for those engaged in commerce. The contemporary manager is confronted with short decision windows, diminishing opportunity streams, changing decision constituencies, increased resource specialization, lack of predictable resource needs, fragmented markets, greater risk of resource and product obsolescence, and a general lack of long-term control (Hayes and Abernathy, 1980; Jian, 1987). The result has been intensified pressure for innovation and entrepreneurship over the past two decades (Kaplan, 1987). Historically, environmental turbulence has been a factor in a large percentage of new product and technological innovations (Myers and Marguis, 1969). More recently, it has been demonstrated that the more dynamic, hostile and heterogeneous the environment, the higher the level of innovative, risk-taking and proactive behaviors (Covin and Slevin, 1989). Brittain and Freeman (1980) have suggested that technological and demographic changes create opportunities for those positioned well to capitalize on such changes. Tushman and Anderson (1986) proposed that technological change, whether competence-enhancing or competence destroying, created opportunities to be exploited through entrepreneurial behaviors. The conclusion is that change is a catalyst for entrepreneurial activity. In stable environments there is little need to develop creative responses to changing conditions. There are fewer rewards for innovative behavior and perhaps fewer penalties for the failure to innovate. In contrast, under conditions where survival is dependent on an effective response to market variations, innovation and entrepreneurship must occur. Smaller, more organic structures appear to be more adept at capitalizing on opportunities brought about by environmental change. Organizations with such structures are more capable of identifying potential opportunities, reallocating resources, shifting managerial commitment quickly and developing products, services and/or processes to capitalize on strategic opportunities that result from changing environmental conditions (Waterman, 1987). Entrepreneurial efforts and behaviors are virtually a necessity for coping with such environmental change. These efforts, in turn, create additional environmental turbulence by bringing product and process innovations to markets and changing the way business is done. Entrepreneurship is more than a response to the environment. It represents a source of institutionalized societal change, where firms initiate changes in technology, marketing or organization, and strive to maintain the lead in changes over competitors.

Personal life experiences

There has been a significant amount of research directed at identifying the personal traits and characteristics associated with entrepreneurs. However, attempts to develop a psychological profile of the entrepreneur have met with only marginal success because of the significant degree of variation among entrepreneurial types (Gartner, 1985). Most research efforts in recent years have focused on the more relevant research issue of "what" personal life experiences lead to the development of the entrepreneurial personality? (Delacroix et al., 1983). Research suggests that family background/childhood experiences, exposure to role models, previous job experiences and educational experiences have an influence on the development of the entrepreneur. Aspects of family background which seem to affect entrepreneurial behavior include parental relationships, order of birth, family income and immigrant status. Parents instill an early sense of independence and desire for control in the future entrepreneur (Hisrich and Brush, 1984). Entrepreneurs often experience turbulent and disruptive childhoods. A particularly important aspect of entrepreneurs' familial experience is their relationship with their fathers. Several researchers have found that many entrepreneurs experience relatively negative relationships with their fathers (e.g. Zaleznik and Kets, 1985). Having been raised with a distant and/or uninvolved father figure, the entrepreneur develops a need for independence, self-reliance, and control. Consequently, in an effort to avoid authoritarian relationships, loss of control, and to fulfill his or her need for success and achievement, the individual turns towards developing entrepreneurial ventures. Evidence also exists that suggests entrepreneurs are often first-born children from poorer families and immigrants or the children of immigrants (Gilder, 1984). It appears that those whose lives contain an extra degree of struggle to fit into society will more frequently develop entrepreneurial tendencies. Another important determinant of entrepreneurial behavior is the individual's exposure to successful role models (Scherer, 1989). Studies have shown that many entrepreneurs have parents who were self-employed (Hisrich and Brush, 1984).

However, role models may also be other family members, teachers, business associates or social acquaintances. Such individuals demonstrate to the prospective entrepreneur that risk taking, a tolerance for ambiguity, proactivity and innovation lead to independence and self-control. This, in turn, leads to the development of values and attitudes that are conducive to entrepreneurial behavior. Previous work experience is another important personal life experience that shapes the entrepreneur. Brockhaus (1980) found that job dissatisfaction "pushes" entrepreneurs out of the organization and towards the development of an entrepreneurial venture. Brockhaus also found that the greater the job dissatisfaction, the more likely it was that the entrepreneur would be successful. Finally, educational experiences influence entrepreneurship. Brockhaus and Nord (1979) found entrepreneurs had a lower level of education than did managers. This lower educational level could lead entrepreneurs to feel limited in traditional organizational career paths. Further, the traditional educational approaches which are relied on at the primary and secondary levels may stifle entrepreneurship. By fostering conformity, stressing standardization and penalizing creative and/or novel approaches to problem solving, educators serve to discourage the development of an entrepreneurial orientation in young people (Shapero, 1980). Additionally, business schools and management consultants tend to perpetuate the resistance to entrepreneurship through their emphasis on structured organizational processes and decision making (Hisrich, 1988; Shapero, 1985).

Implications of entrepreneurship dimensions for marketing

Entrepreneurship is the most dynamic force operating in free market economies. It is a major factor both in creating economic wealth and advancing societal quality of life (Morris and Lewis, 1991; Morris et al., 1993). To the extent that it is a part of marketing, and marketing is a part of it, the underlying determinants of entrepreneurship hold important implications for the marketing discipline. The model suggests that entrepreneurship is environmentally-driven and, by extension, so is marketing. Moreover, it is our position that entrepreneurship plays an instrumental role in affecting the evolution of marketing both at the societal and organizational levels. Where higher levels of entrepreneurial intensity occur, not only is economic growth and development facilitated, but the nature and scope of the marketing function change as well. Countries evolve through various stages of economic development (Rostow, 1971). Sirgy and Fox-Mangleburg (1988) describe a movement through marketing stages (e.g. production-oriented, selling-oriented, customer satisfaction-oriented, societal benefits-oriented) as society advances the stages of economic development. Thus, the forces that facilitate entrepreneurship at the societal level also affect movement through stages such as these. A similar set of inferences can be drawn at the level of the firm. Higher levels of entrepreneurial intensity affect company performance and, by extension, the movement of a firm through the organizational life cycle (Adizes, 1978). This movement is accompanied by changes in the role of the marketing function. Implications for marketing can also be drawn from each of the three environmental components in the proposed model. To begin with, as the environmental infrastructure evolves from undeveloped to highly developed, there is likely to be greater interdependence and co-ordination of the marketing institution with other societal institutions (Sirgy and Morris, 1987). Marketing's role becomes more complex along the way. A weakly developed infrastructure is likely to find marketing approached from a sales orientation, with a movement towards a customer-driven marketing orientation, and then towards social and societal marketing as the infrastructure becomes more sophisticated (Sirgy, 1984). Entrepreneurship facilitates this movement to the extent that it fosters competition among organizations (private, public and non-profit), and emphasizes innovative approaches to solving organizational and societal problems. Of course, marketing institutions are also part of the infrastructure (e.g. distribution, transportation), and the development of these institutions serve to facilitate entrepreneurship. Next, as the environment becomes more turbulent, marketing is affected both directly and through the impact of turbulence on entrepreneurship. There is some evidence that turbulence is associated with a stronger marketing orientation (Davis et al, 1991). Turbulence creates both threats and opportunities for organizations, changing the way they have to compete. McKenna (1991) argues that a faster changing and more complex technological environment has resulted in niche marketing, relationship marketing, more customization of marketing programs, the obsolescence of advertising, speed as a marketing strategy and the general pervasiveness of marketing throughout organizations. Entrepreneurship plays a key role here, as it produces an opportunistic approach to environmental change and thus a steady stream of new products, services and processes. Finally, the implications of the personal experience of individuals for marketing would seem to be primarily indirect (i.e. they impact marketing through entrepreneurship). Little attention has been devoted to the question of whether certain personal traits and experiences are related to success in marketing. Some work has been done in the personal selling area and, while the findings are not conclusive, they do suggest parallels between sales and entrepreneurship in terms of the personal traits and characteristics that are associated with success (e.g. Morris et al., 1990). Even so, the more relevant implication is the fact that these traits and characteristics are learned, not inherited. At the societal, organizational and family-unit levels, environments that are conducive to creativity, independence, autonomy, achievement, self-responsibility and assumption of calculated risks are likely to induce entrepreneurial behavior. This, in turn, creates a greater need in entrepreneurs for marketing knowledge. In conclusion, both marketing and entrepreneurship are opportunity-driven, value-creating processes and can be applied in a wide variety of contexts. Both are not only products of environmental forces, but also agents of change in the environment.

The processes of entrepreneurial marketing

The main thrust of entrepreneurial marketing is an emphasis on adapting marketing to forms that are appropriate to small and medium-sized enterprises (SMEs), acknowledging the likely pivotal role of the entrepreneur in any marketing activities. The four main elements of entrepreneurial marketing process can be conceptualized as shown in Figure 2. Successful entrepreneurs tend to focus first on innovations to products and services, and only second on customer needs (Stokes, 2000). They identify customer groups through a bottom-up process of elimination, rather than more deliberate segmentation, targeting and positioning strategies. They rely on interactive marketing methods communicated largely through word-of-mouth, rather than a more controllable and integrated marketing mix. They monitor the marketplace by gathering ad hoc information through informal networks, rather than formalized market research strategies. A bottom-up targeting process has advantages over the topdown approach for new ventures. It requires fewer resources and is more flexible and adaptable to implement. It does have corresponding disadvantages which correspond to some of the marketing problems of small businesses. It is less certain of success because it is over-dependent on reactive rather than proactive marketing strategies. It takes longer to penetrate the market to full potential, resulting in a limited customer base (Stokes, 2000). However, many successful entrepreneurial firms have found niche markets or gaps in larger markets through this process. Likewise, reliance on word-of-mouth marketing is no bad thing for many entrepreneurs as it is more suited to the resources of their business. Referrals incur few, if any, additional direct costs; most owner-managers prefer the slow build-up of new business which word-of-mouth marketing implies because they would be unable to cope with large increases in demand for their services. Word-of-mouth marketing has disadvantages (Stokes, 2000):

1) It is self-limiting: reliance on networks of informal communications restricts organizational growth to the limits of those networks. If a small business is dependent on recommendations for new customers, its growth is limited to those market areas in which its sources of recommendations operate.

2) It is non-controllable: entrepreneurs cannot control word-of-mouth communications about their firms. As a result, some perceive there to be few opportunities to influence recommendations other than providing the best possible service. In practice, successful entrepreneurs find ways of encouraging referrals and recommendations by more proactive methods.

There are inferences in some of the literature that marketing undertaken by entrepreneurs is somehow inferior to the more traditional marketing carried out by larger organizations (e.g. Barclays Review, 1997). Critics assume that entrepreneurs market in this way only because of inadequate resources to carry out larger scale programs. However, the processes summarized here have actually worked in practice. They were described by entrepreneurs who had successfully grown their businesses using these methods.

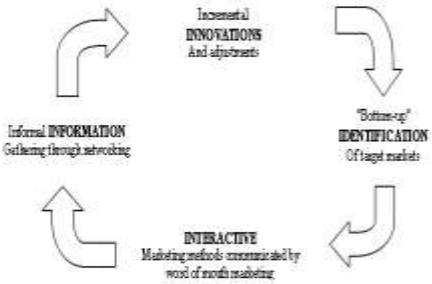

Figure 2. Entrepreneurial marketing processes

Entrepreneurship and opportunities for marketers

Opportunity identification is an important focus of entrepreneurship research (Shane and Venkataraman, 2000; Kirzner, 1997; Hills et al., 1997), as it is one of the most important abilities of successful entrepreneurs (Ardichvili et al., 2003) and is one of the core intellectual questions for researchers (Gaglio and Katz, 2001).

Entrepreneurship research has shifted its attention from the equilibrium and person-centric approach (which assumes perfect information, rational expectations, optimization by members of the society, and fundamental attributes of people than information as the determinants of entrepreneurship (Begley and Boyd, 1987) to a disequilibrium and behavioral approach, which focuses on the understanding of opportunities (Eckhardt and Shane, 2003; Hills et al., 1997; Shane and Venkataraman, 2000) and the behavior of enterprising individuals (Shane and Venkataraman, 2000; Jones and Coviello, 2005; Lumpkin and Dess, 1996). Kirzner distinguishes between entrepreneurial and non-entrepreneurial opportunities, with the latter being optimization and efficiency chances. Entrepreneurial opportunities are characterized by (Eckhardt and Shane, 2003):

● creative decisions; and

● uncertainty with regards to the consequences of realizing the opportunity.

Eckhardt and Shane (2003, p. 336) define entrepreneurial opportunity as situations in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships. These situations do not need to change the terms of economic exchange to be entrepreneurial opportunities, but only need to have the potential to alter the terms of economic exchange.

In addition, unlike optimizing or satisfying decisions, in which the ends that the decision maker is trying to achieve and the means that the decision maker will employ are given, entrepreneurial decisions are creative decisions. That is, the entrepreneur constructs the means, the ends, or both. Kirzner views entrepreneurship as the enabler of the market process. The market is characterized as being in a state of constant disequilibrium due to market errors or inefficiencies (e.g.

shortages, surpluses, and misallocated resources) because information asymmetry (Hayek, 1945), or knowledge imperfection, prevents market participants from constantly matching plans being made simultaneously by others. Entrepreneurs are the alert perceivers of market errors or inefficiencies that they, or others, have previously overlooked. The act of entrepreneurship removes market inefficiencies such that the economy moves from its previous disequilibrium condition to an equilibrium condition, i.e. corrective entrepreneurship. Exploitation of profit opportunities by the entrepreneur creates information spill-over, or learning, about profit opportunities, which then draws imitators into the market such that competition diminishes profits and resource owners appropriate profit by pricing resources so that the entrepreneurs' profit approaches zero (Shane and Venkataraman, 2000). Exploiting opportunities and market entry need not result in the founding of a new firm or the use of market mechanisms, however, "it does require the creation of a new way of exploiting the opportunity (organizing) that did not previously exist" (Shane, 2003, p. 7). This organizing is a process (not a state). Researchers have categorized a number of different entrepreneurial opportunities by: the locus of the changes that generate the opportunity (whether exogenous or asymmetries of information); by the source of the opportunities themselves (whether rent-seeking or productivity-based); and by the initiator of the change (whether governmental, commercial or individuals) (Eckhardt and Shane, 2003).

Conclusions

There is no doubt that entrepreneurship is growing in popularity and importance as is evident in the growing number of graduate and undergraduate teaching programs (Busenitz et al., 2003; Finkle and Deeds, 2001; Fiet, 2000). As markets continue to compete, the focus will become increasingly entrepreneurial marketing.

Our major conclusions are fourfold. First, a strong literature is being developed around the relationship between entrepreneurship and marketing. Second, we have highlighted perspectives on entrepreneurship and differences between small firms and entrepreneurial firms.

Third, we identified determinants of entrepreneurship including environmental infrastructure, environmental turbulence and personal life experiences that will provide important implications for marketers. Finally, the processes of entrepreneurial marketing and opportunities for marketers were presented.

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Table 1. Differences between small firms and entrepreneurial ventures

Stable	Unstable
Status quo oriented	Change oriented
Not aggressive	More aggressive
Socially oriented	Commercially oriented
Interaction between personal and professional activities	Clear separation of personal and professional activities
Involvement of family members	Involvement of professionals
More informal	More formal
Tactical	Strategic
Present oriented	Future oriented
Preference for low-risk/low-return activities	Preference for high-risk/high-return activities
Internally oriented	Externally oriented
Steady number of employees	Growing employee base with high potential for conflicts
Level resource needs	Expanding resource needs with ongoing cash shortages
Resource-driven	Opportunity-driven
Seek profit, income substitution	Seek growth and appreciation of business value