

## Marketing perceptions and conceptualizations of entrepreneurs in European mid-size firms: Case evidence

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### Abstract

The interface between marketing and entrepreneurship has emerged as one of the significant research areas in the past decade. Our research explores this interface through the perceptions and practices of marketing among entrepreneurs in Europe in 'conventional' and 'high-tech' industries. We explore entrepreneurs' ideas of market orientation identified in the literature namely; opportunistic behaviour, sales and marketing approach, visioning of the future and customer orientation. Our findings suggest that the entrepreneurial response to marketing and sales is sector but not country or context specific. The European entrepreneurs across industries and contexts are driven by the identification of business and sales opportunities which evolve into lasting relationships with clients. The entrepreneurs clearly provide evidence of visioning of the future and importance of leadership, involvement, trust, freedom, autonomy and strategy in the context of their business. To cope with the dynamism and continuous change within the market they have developed fast decision making styles and shorter meeting cycles. However, while they all vision the future for their firm, European entrepreneurs also provide some evidence that their vision is not converted into a structured business plan. Rather plans are kept lucid and flexible. Our paper contributes to the ongoing debate of the role of entrepreneurship in developing knowledge of marketing by providing empirical evidence of entrepreneurial thought on strategy and marketing as well as emphasises the context specific nature of entrepreneurial decision making.

### Keywords

Entrepreneurial marketing, medium enterprises, entrepreneurial mindset, entrepreneurship

### Introduction

The role of the entrepreneur is one of scanning the organization looking for opportunities and problems to be solved "both as initiator and as designer of important controlled change in his organization" (Mintzberg, 1973, p. 81). Mintzberg (1973, p. 78) further defines entrepreneurial traits as the decision-making ability, innovation, risk-taking and "managerial work associated with systematic change in ongoing (as well as new) organizations". Drucker (1985) also holds the broader view of entrepreneurship as part of the managerial function to create change in a firm's economic potential and refers to entrepreneurial management irrespective of firm size. Defining entrepreneurship has taxed the minds of leading scholars in the field with a common definition being elusive. However, for the purpose of this paper we are looking at entrepreneurship in the context of independent medium sized enterprises which is further defined in the selection criteria in the methodology section.

One of the marketing contexts that achieved greater prominence in the 1990's was marketing in small to medium-sized firms (Carson et al., 1995) and more recently on the interface between marketing and entrepreneurship (Knight, 2000). Throughout the world, small and medium scale enterprises are regarded as fountainheads of entrepreneurship, innovation, nimble-footed change agents, major employers in terms of absolute numbers and major contributors to economies (Fujita, 1995; Acs et al., 2003; Shukla, 2004). Cullinane (1993) observed that in most cases small-scale manufacturers lose out in comparison with large firms in terms of financial sustainability, depth and range of products, marketing clout, brand image and bargaining power. Shukla (2002) also observed that these problems make the entire small-scale sector vulnerable in the global competitive environment.

The success of SMEs under conditions of globalization depends in large part on the formulation and implementation of strategy (Miles and Snow, 1978; Porter, 1980). The strategy of a firm reflects the short and long-term visions and response to the challenges and opportunities posed by the business environment (visioning of the future). Companies execute strategies to attract customers (customer orientation; marketing and sales approach) and deal effectively with myriad environmental concerns, such as competitors, suppliers, and scarce resources (opportunistic mentality). This study focuses on strategies and the marketing function especially the opportunistic mentality, sales and

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marketing approach, visioning of the future and customer orientation. Prior research suggests that the pursuit of marketing strategy may be supported when management has an entrepreneurial orientation (Dess, Lumpkin, and Covin, 1997). Entrepreneurial orientation reflects the firm's propensity to engage in innovative, proactive, risk-seeking, autonomous, and competitively aggressive behaviours to achieve strategic objectives (McGrath and MacMillan, 2000; Dess, Lumpkin, and Covin, 1997). Despite the importance of SMEs in the global economy, virtually no research has assessed the role of entrepreneurship and its linkage to marketing strategy and tactics.

Even less research and scholarly activity and attention has been paid to possible within category differences in marketing theory and practices of firms. Commonly micro, small and medium-sized enterprises are studied as a single category of firms (Corbetta, 2005; Perks, 2003) despite the significant differences in scale and scope measured in terms of the number of employees or market power indicated by revenues. Medium-sized enterprises (ME) contribute significantly to economic growth (Prašnak, 2005) however there is limited knowledge of similarities and difference between small, medium and large scale firms.

Given the relative shortage of research in the interface between entrepreneurship and marketing especially in a European context as well as the MEs we pose the following research questions: How does an opportunistic mentality, sales and marketing approach, visioning of the future, and customer orientation affect the behaviour of an entrepreneur in the European context? Furthermore, we also explore the issue as to whether entrepreneurs' marketing activities are driven by the context they operate in? In the following section we develop four propositions from the literature. In the final sections, we discuss our methodology and using the case studies present our findings and conclusions.

### **Entrepreneurial orientation**

According to Carson and Gilmore (2000) the nature of SME marketing is such that it is influenced by the inherent characteristics of the SME entrepreneur and the SME enterprise itself. Entrepreneurial orientation is associated with opportunity seeking, risk taking, and decision action catalyzed by a strong leader or an organization possessed of a particular value system (Dess, Lumpkin, and Covin, 1997; Miles and Snow, 1978). Firms with an entrepreneurial orientation engage in product market innovations, undertake relatively risky ventures, and initiate proactive innovations through the window of opportunity (Miller and Friesen, 1984; Morris and Paul, 1987). Risk taking and opportunity seeking reflect the propensity to devote resources to projects that entail a substantial possibility of failure, along with chances for high returns. Proactiveness is the opposite of reactivity and implies taking the initiative, aggressively pursuing ventures, and being at the forefront of efforts to shape the environment in ways that benefit the firm.

### **Market orientation**

Kohli and Jaworski (1990) define market orientation as the organization-wide information generation and dissemination process that results in an appropriate response related to current and future customer needs and preferences. Specifically, Narver and Slater (1990) suggest that the market orientation concept is defined by three behavioural components (customer orientation, opportunistic mentality and the approach of the company towards the market) and strategic visioning and profitability. Several researchers have pointed to the positive relationship between market orientation and marketing performance (Slater and Narver, 1995; Kohli, Jaworski and Kumar, 1993; Narver and Slater, 1990). However, this research has been confined to large firms and American marketing managers (Narver and Slater, 1990; Kohli, Jaworski and Kumar, 1993). There has been relatively little coherent research of European SMEs and their market orientation effort (Carson and Gilmore, 2000). On the basis of the above discussion we infer the following proposition.

*P1 The European entrepreneurs' thinking and opinions conform to the characteristics of entrepreneurial and market orientation defined in the literature.*

### **Customer orientation and relationship marketing**

The origins of the marketing concept lie in the transaction economy where sellers and buyers exchange goods and services (Vargo and Lusch, 2004). However, the very nature and essence of the buyer-seller relationship in itself has not been studied in-depth by academic researchers until recently (Grönroos, 1999; Axelsson, 1995). Instead of dealing with transactions only, marketing has gradually developed into a more complex activity which now considers these encounters as a continuum. From this point of view, transactions only represent a starting point for the total relationship marketing process. By solely focusing on customer relationships, relationship marketing

became the basis of the exchange process (Harker, 1999; Payne, 1995; Peck, 1995). Cardwell (1994) argued that a company's very survival in the 21<sup>st</sup> century will depend upon the ability to move closer to the customer, fully understanding their needs and wants and thereby creating a continuous dedication to the customer. A study carried out of SMEs in the UK by Day, Dean and Raynolds (1998) suggested that entrepreneurial SMEs with market orientation practised relationship marketing more thoughtfully and competently. They also concluded that these SMEs were far more effective in employing relationship marketing in comparison to the non-entrepreneurial SMEs. From the above discussion we have developed the second proposition.

*P2: European entrepreneurs across the industries understand the importance of customer orientation and employ relationship marketing to remain competitive.*

### **Marketing roles, functions and professionalism**

Harris and Wheeler (2005) argue that the most obvious function of relationships is to fulfil a sales or marketing purpose for the firm. The sales and marketing approach developed by the firm becomes decisive in how market opportunities are exploited innovatively (Walter et al., 2001), how firms combine their activities, and how new unique capabilities are created (Håkansson and Snehota, 1995). The sales and marketing approach is likely to be critical for the success of any firm, and entrepreneurs are likely to involve inter-personal as much as contractual relationships (Dubini and Aldrich, 1991; Johnsen and Johnsen, 1999). Many factors have been identified as contributing to the development of relationships, including time (Harris and Dibben, 1999) trust (Leonidou and Kaleka, 1998) and communication (Leonidou, 1995). However, we are not primarily concerned with how relationships are developed. Rather, we will address questions relating to the importance given to the sales and marketing approach in the European entrepreneurial context. We are interested in knowing how important the marketing function is, what are these functions, and marketing organizations. Further, we are interested in the emphasis on the marketing or sales roles, functions and organization of the firms in the study. We define marketing as the extent to which the firm has established a marketing function at the top level and the employment of marketing staff in product or marketing management functions (Simon, 1996). Our definition of sales orientation is the extent to which the firm has established a sales function at the top level and employs sales staff with no marketing functional structure. So the proposition we developed out of the above discussion is:

*P3: European entrepreneurs across the industries understand the importance of having a marketing function and employing marketing professionals as well as sales personnel.*

### **Marketing strategy and planning in SMEs**

A study carried out by Baum et al (1998) stated that vision attributes and content affect the subsequent growth of a firm. Murray (1984) stated that a firm's ability to create entrepreneurial behaviour is largely determined by the compatibility of its management practices with its entrepreneurial ambitions. Among the management practices believed to facilitate entrepreneurial behaviour are a firm's strategic management practices derived from its strategic vision (Covin, 1991; Miller, 1986; Murray, 1984; Zahra, 1991). Many researchers have stated the importance of strategic vision for entrepreneurial firms (Das, 1991; Ryne, 1985). However, others note that although management and ownership of SMEs as well as entrepreneurs develop new ideas and solutions they rarely utilize formalized strategic marketing and planning processes (Perks and Bouncken, 2004; Kisfalvi, 2002). On the basis of the above discussion we propose that:

*P4: European entrepreneurs across the industries understand the importance of strategic leadership, vision and direction but do not adopt or practice the strategic marketing planning process.*

### **Methodology**

To meet the research aims and to investigate the propositions described above both grounded theory and the multiple case study method were deemed as appropriate. The particular strength of this approach is the collection of rich data, *in vivo*. The multiple-case methodology allows for replication and development of 'a rich theoretical framework' (Yin, 1994). The methodology for the research does not seek to apply sampling logic because it would be 'misplaced' (Yin, 1994). The firms in the study do not represent the total population, as we were not looking for the frequency of a particular phenomenon. The findings are based on 14 case study interviews. The ideal number of cases is, in the main, judgemental but should be the number deemed necessary or sufficient for the study. There seems to be some consensus that twenty case studies are the maximum required, and between two and ten are often thought adequate (Yin, 1994). Documents provided by the respondent's were used in parallel with the primary data

to support or add to our knowledge of the organization. All of the responding firms provided us with information ranging from internal company documents, catalogues, books, annual reports and press cuttings. Such triangulation also helps to overcome the problem of ‘mistaken’ memories on the part of interviewees as it facilitates confirmation of a statement(s) via comparison with documentary evidence.

### Criteria for the selection of firms and profiles

The firms were selected on the basis of meeting the aims of exploring concepts of entrepreneurship and marketing in small to medium sized firms in the context of ‘conventional’ industry and high-tech sectors in three European countries.

**Table 1: Selection criteria for firms**

Criteria for selecting the firms
Criterion 1: Entrepreneurial involvement-privately owned
Criterion 2: Operating in high-tech (electronic, telecommunications and software) or ‘conventional’ industries (mechanical engineering, metal).
Criterion 4: Located in France, Germany and Italy .
Criterion 5: Employing between 100-499 staff.

30 companies were contacted and 14 agreed to participate in the interview process. Each respondent was interviewed twice to enable the researchers to probe further and make some clarifications. In total 18 people were interviewed.

### Questionnaire design and data collection

The questions were open-ended, designed to prompt and encourage discussion by the respondents about their company, its history, opinions on marketing, structures, existence of marketing departments, strategies and plans and their approach towards markets and customers. The free flowing open-ended questioning method allowed the respondent to report on his/her experiences, which may or may not correspond with existing frameworks. The data was collected using a combination of note taking and tape recorder. The notes and tapes were written up immediately after the interview (Miles and Huberman, 1994). Each interview lasted 1-3 hours, with some supplemented by tours of the respondent’s facilities. Once all of the tapes were transcribed, the case studies were typed into the Nvivo data base for the analysis. This was supplemented with data provided by respondents’ in the form of annual reports and internal documents (Strauss and Corbin, 1998). For the purposes of the research each company is referred to by a case number from 1 to 14. Table below profiles the firms.

**Table 2: Case study firm profiles**

Case Number, country and respondent job title	Employees	Business Sector
1 Germany Marketing Director (Board Member) and PR manager	130	Computer and Internet Services SIC code 7372
2 Germany Marketing Director (Board Member)	410	Computer and Internet Services SIC 7372
3 Germany (Purchasing and Operations Director (Board Member)	150	Metal industry/industrial machinery & equipment SIC 3471
4 Germany Managing Director	200	Electrical products and cables SIC 3643
5 Germany President	181	Computer networks SIC 3573
6 Germany President	375	Electronic-computer graphics and data communications SIC 3678
7 France Marketing Director (Board Member)	230	Software-Internet SIC 7372
8 France Export Director (Board Member) & Financial Controller	185	Plant transfer and maintenance SIC 3441
9 France Corporate Affairs Director (Board Member)	245	Electronic telecoms and data coms SIC 3662
10 Italy President	110	Electronic devices SIC 3679
11 Italy President and Marketing Manager	105	Electronics SIC 3573
12 Italy President	333	Metal and plastics (SIC 3079)

13	Italy Director of Administration (Board Member)	101	Metal shaping and prototypes SIC 3465
14	Italy President and Director of Quality	129	Metal-work SIC 3446

For the purposes of the research we adopted the definition of high-tech following Butchart (1987) based on the ratios of R&D expenses per sales turnover and employees working in R&D per total employees. In table 2 above cases 1, 2, 5, 6, 7, 9, 10 and 11 are classified as high-tech and cases 3, 4, 8, 12, 13 and 14 as 'conventional' industries.

## Discussion

P1 The European entrepreneurs' thinking and opinions conform to the characteristics of entrepreneurial and market orientation defined in the literature.

The pattern of responses related to seeking opportunities in foreign markets indicated that entrepreneurs spent a substantial amount of their time seeking opportunities in domestic and international markets. Most respondents stated that they spent 25%-50% of their total time travelling and developing the market for their company. This phenomenon was observed across countries and business contexts. Travelling was looked upon as a positive market building exercise by many:

“Yes, I am travelling all of the time, inside and outside of Germany visiting customers and attending international fairs” [respondent case 2].

Case 12 stated that he and his sales-force “spend, on average, 50% of our time travelling”. Similarly the respondents of cases 3 and 4 spent 50% and 25% of their time travelling and looking for new opportunities. Case 9 specifically mentioned visiting international trade fairs as an avenue for new opportunities. The respondent of case 6 co-operated with suppliers and customers to develop products “which the market will readily accept”.

The entrepreneurs made statements typifying the entrepreneurial mindset such as the engagement of the energies of others in the organization to pursue innovation, freedom, allowing for autonomous behaviour among staff. The responses suggest that the proxy they use for the term entrepreneurial are defined as the freedom and authority (*autonomy*) to make decisions in the markets they operate in without interference from the centre. A respondent in one firm spoke of his involvement in the recruitment of most staff and the selection of country general managers, with a sense of autonomy and independence (*leadership and control*). The culture in the firm was one of action and rapid decision-making, based on short but effective meetings (*focus on execution*) and *adaptation* to emerging circumstances. The founding entrepreneur was still in control but trusted each general manager to manage each business.

The entrepreneurial orientation was clearly observed in the internal operations of some firms. Case 7 stated that the company is focused on sales and recruits people who are entrepreneurial and autonomous. The same opinion was reflected in the responses of entrepreneurs in cases 1 and 2 who discussed the importance of an entrepreneurial approach among their employees. This view was also seconded by Cases 4 and 6 who discussed intrapreneurship as a necessity within their organization.

The rapid decision making style and opportunity seeking behaviour were also reflected within the responses of case 1, 2, 8, 12 and 14. They all stated that the decisions taking process was very quick across the organizational layers due to the dynamic market situation and all emphasised the importance of industry experience and knowledge of the market place. Focusing on the uncertainty of the future they stated that it was very important for them to have employees who were experienced enough to exploit a small window of opportunity rapidly.

The evidence from the case analysis supports the proposition that the European entrepreneurial firms conform to the characteristics of entrepreneurial and marketing orientation defined in the literature.

P2: European entrepreneurs across the industries understand the importance of customer orientation and employ relationship marketing to remain competitive.

The analysis of the responses shows that the entrepreneurs view the customer and relations with them as critical to their business. All entrepreneurs stated with emphasis that they work closely with their customers and are engaged in developing solutions and innovations in collaboration with them. The respondent in case 1 said his firm followed the customers wherever they were by stating:

“The customer has a parallel project in London and Singapore, you have to deliver, you go where the customer wants you to go, we have to go where they want us”.

This view also emerged from the analysis of discussions from cases 5, 7, 9 10 and 13. The respondent in case 2 mentioned the issue of proactivity and customization by focusing on the issue understanding and innovating products and services for the customers. It could be observed from the discussion that the customer orientation was not only limited to the marketing activities and relationship building but also channelled into the production, engineering as well as the R&D departments. The issue of positive customer partnership in innovation was observed across all of the responses. However, activity intensity and integration of customer partnership ranged widely. Entrepreneurial views ranged from formal market research (cases 5 and 6) to collaborative product development (cases 1, 2, 3, 4, 7 – 14) in customer partnerships. The entrepreneurs also frequently quoted themselves as being customer driven organizations. The respondent in case 8 even discussed the benefits of the customer orientation in development of trust between both parties. However, a few (cases 7 and 9) raised concerns regarding the relationship building approach which indicated that the customers were increasingly demanding and difficult to satisfy.

Given the importance and number of the comments for the customer orientation of the entrepreneurs and that many have mechanisms for supporting and interacting with customers then proposition 2 is supported. Further there is no variation due to industry sector or country context.

P3: European entrepreneurs across the industries understand the importance of having a marketing function and employing marketing professionals as well as sales personnel.

SMEs are frequently reported as rarely having marketing departments or employing marketing professionals. In our analysis there is evidence that several of the firms have marketing departments and marketing professionals in product management and marketing communications. This is prevalent among the high-technology firms. However, among the ‘conventional’ industries there are no marketing departments or marketing professionals (see Figure 1). Rather these firms have a sales function and director of sales. These patterns occur across the three countries. From the discussion we also observed that the marketing orientation of the firms varied to a certain extent. In the case of case 1, 2, 7, 9 and 11 marketing was seen as an integrated part of the total strategy of the firm and the marketing function was well defined. However, in Cases 6, and 10 it was observed that the firms were in the transitory face of shifting from sales orientation to marketing orientation. The firms had an aligned marketing structure with clear function based strategy but the marketing orientation was not seen to be clearly integrated with the overall strategy of the firm.

**Figure 1: Industry vs. marketing and sales orientation among companies**

	<b>Marketing and Sales orientation</b>	<b>Sales orientation</b>
<b>Conventional industries</b>		Cases 3,4, 8,12*,13,14
<b>High-tech industries</b>	Cases 1,2,6,7,9,10,11	Case 5

\*Sales led but has a marketing function

We conclude that there is a sector difference in the adoption of a marketing function and employing marketing professionals. The high-tech firms are likely to be more marketing oriented than firms in ‘conventional’ industries. However, there are no differences across the three countries in their marketing or sales orientation.

P4: Entrepreneurs across the industries understand the importance of strategic leadership, vision and direction but do not practice the strategic marketing planning process.

### **Evidence of the importance of strategic leadership, vision and direction**

There is evidence to support that these firms are more likely to be led by entrepreneurs who take a visionary approach towards marketing. In most cases the entrepreneurs' discussed strategy in terms of intuition and experience rather than formalized managerial analysis and decision-making (Cases 1, 2, 5, 7, 8, 9, 11, 12, 13, 14). The firms also refer to the involvement of the top managers in leadership and strategic direction and vision. Few statements which correspond to this phenomenon are expressed as follows:

"We have a strategy, vision we want to be a leading supplier of Java platform" [respondent firm 1]  
 "The owners and the top managers in the subsidiaries are strong leaders and have strong opinions but make decisions based on limited information. The top managers do not use the term strategy they prefer the term vision" [respondent firm 2].  
 "Yes we are a company that is always looking to the future. The entrepreneur decides on the direction" [respondent firm 5].

Another firm was in the process of re-organizing to delegate responsibilities around leadership, innovation, thinking and action.

"We are going through a period of organizational change from one line reporting to the owner to a system of 5 senior managers based around four themes: Innovation; Thinking; Leading; Doing"[respondent firm 3].

### **Evidence of the use of business and marketing plans**

Some of the respondents articulated explicit views which indicated they were using formal strategy making and business and marketing plans. However, many of them also suggested a cautionary approach towards the structured marketing planning process. The 'academic way' of developing marketing plan was also questioned by the respondent in Case 2. The following quotations summarise some of the thoughts presented by various entrepreneurs.

"The firm uses a global control system from SAP. We use flexible plans; we do not have textbook plans. We want to retain entrepreneurship versus control" [respondent case 1].  
 "We did this planning stuff because when we established this new acquisition, this company was planned from a spreadsheet. It's not a success now (the new acquisition), it means the academic (planning) way as we describe it has a negative image now" [respondent case 2].  
 "Business and market plans are the responsibility of the purchasing manager. The company does have a form of formal planning [respondent case 3].  
 "Recently we have introduced a five-year marketing plan [respondent case 4].  
 "Yes there was a plan there was a major strategy. Yes I write it down, yes there's a system a business strategy. A one year plan" [respondent case 5].

Looking at the above responses and our in-depth discussion with the entrepreneurs, we conclude that these firms are less likely to have formalized marketing plans as they are to emphasise leadership, vision and direction. However, there are firms that are attempting to use flexible planning systems with leadership, vision and direction. There is some evidence that the German entrepreneurs were more likely to use formalized marketing plans.

### **Conclusions**

The case evidence strongly suggests the European entrepreneurs have an exceptional understanding of their markets and adapt to the changes swiftly using entrepreneurial orientation as a foundation. The European entrepreneurs across industries and contexts are driven by the identification of business and sales opportunities which assist them to form lasting relationships with their clients. These findings are in line with those of Gilmore, Carson and Grant (2001) as well as Lindman (2004) who found that marketing is based on the SME managers own network and corresponding relationships.

By measuring customer satisfaction regularly, firms can control the state of their relationship strategies and the progress made (Roos, 1999). However, the case evidence indicates that formal measurement systems, has little if any relevancy in the context of SMEs. On the other hand, the European entrepreneurs are found to be continuously seeking to improve the existing relationships as well as looking for alternative avenues to build new relationships.

The limited number of key customers, which SMEs typically seem to have, also implies that reasonable information regarding customer satisfaction can be received via personal contacts alone (Kempenars and Hart, 1999; Palmer, 2000). This ability to find and get into workable business relationships provides a firm with growth options (Littunen, 2001). However, it also has to be noted here that the approach towards developing relationships and understanding the customers varies widely across the organizations.

The definition and selection of a firm's business scope defined in terms of the sector it operates in is considered the corner stone of a firm's marketing or business strategy (e.g. Abell, 1980; Day, 1984). In the case of the European SMEs it clearly is observed that the response to marketing and sales approach is sector specific but not country or context specific. When their clients are located across the European Union and internationally the traditional expectation of developing competitive advantage by concentrating on a particular market is not an option. Rather the European entrepreneurs focus on more customer partnerships across and beyond the region instead of focusing on one country. This contradicts the finding of (Sudharshan and Winter, 1998; Campbell and Cunningham, 1983) who stated that firms establish a competitive advantage by concentrating on a particular market. However, it does support the findings of Simon (1996) which identified firms that gained competitive advantage through geographic market expansion.

The European entrepreneurs clearly provide evidence of visioning of the future. They understand the issues of leadership, involvement, trust, freedom, autonomy and strategy in the context of their business. To cope with the dynamism and continuous change within the market they have developed fast decision making styles and shorter meeting cycles. Moreover, they have devised a strategy of building intrapreneurs which supports their ability to look into the future. However, while they all vision the future for their firm European entrepreneurs also provide some evidence that their vision is not converted into a structured business plan. Rather plans are kept lucid and flexible, which again provides confirmation of Mintzberg's (1973) conceptualization of an entrepreneur. However, there is evidence that German entrepreneurs are more likely to develop and use business and marketing plans, indicating a country contextual influence.

One of the interesting findings of the study is that the European entrepreneurs are proactive towards the market changes across the industries and contexts rather than being reactive. Even though their marketing and sales approach remains primitive in some 'conventional' industries the market orientation is robust. We observed a moderate impact of industry driven market orientation but there is no evidence of a country specific market orientation. This provides evidence that an SME's response in Europe could be industry specific but it might not differ much across countries.

### **Future research direction**

The findings of the study clearly indicate that components of market orientation as identified by (Narver and Slater, 1990) are clearly observed in these European SMEs. However, on the relationship front, instead of any well-planned customer programs European SMEs tend to manage their customer relationships in the contextual setting of the deliveries made and by personal customer care only. In this respect, especially, the question of how SMEs grow deserves to be studied in more detail from the customer management point of view. Another key issue which should be focused on by researchers is the strategic visioning of future and how entrepreneurs define, develop and communicate this. There also is a need for a large scale study focusing on the four propositions developed through research to provide a strong external validity.

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