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Entrepreneurship and marketing as ways of firm development in the context of the provision of equal socio-economic opportunities

INTRODUCTION

Nowadays fast changing economy in juxtaposition with the local environment as a place of human existence poses many threats to socio-economical life and business development. Entrepreneurship is one of the ways which offers equal opportunities for local inhabitants not only in poor areas: entrepreneurship and its inherent innovation function strengthens business position in the context of their competitiveness on the market. It is a great chance not only for firms but also for local inhabitants because of a possibility of increasing their incomes.

It is important to understand that people are an immanent part of business and free market economy game, and therefore all activities of a business entity on the marketing directly influence them. Based on this, we need to emphasize the cultural and social factors which bring a new dimension of the problem: we need to understand that these factors make life better and easier for people who may feel more comfortable as members of society.

IMPORTANCE OF ENTREPRENEURSHIP AND ITS INNOVATION FUNCTION FOR CORPORATE BUSINESS DEVELOPMENT

Entrepreneurship is mostly related to the beginning of organization. However, in growing organizations entrepreneurship expands its meaning – there we can talk about corporate entrepreneurship. It reveals itself through new business creation in the active organization, through renewal, change and development of current organization, through breaking and changing of established rules inside or outside organization, so organization becomes more flexible, adaptive and competitive, also improving effectiveness of organization activity. However, when entrepreneurial organization grows, it becomes more professionally controlled and loses advantages provided by entrepreneurship.

Since corporate entrepreneurship is closely related with the successful activity of the organizations, question arises how to keep current entrepreneurship’s features and do not lose competitiveness advantage gain due to it. Since organizational culture is rather stable construct, main assumptions, attitudes, confidences of entrepreneurship formed in it can help to keep corporate entrepreneurship [Duobienè, 2008, p. 90]. Source Definition (Table 1.)

Table 1. Timeline of Entrepreneurship

Schumpeter (1934)	Carrying out of new combinations of firm organization–new products, new services, new sources of raw material, new methods of production, new markets, and new form of organization
Hoselitz (1952)	Uncertainty bearing, coordination of productive resources, introduction of innovations and provision of capital
Cole (1959)	Purposeful activity to initiate and develop a profit-oriented business
McClelland (1961)	Moderate risk taking
Casson (1982)	Decisions and judgments about the coordination of scarce resources
Gartner (1985)	Creation of new organizations
Stevenson, Roberts Grousbeck (1989)	The pursuit of opportunity without regard to resources currently and controlled
Hart, Stevenson and Dial (1995)	The pursuit of opportunity without regard to resources currently controlled, but constrained by the founders’ previous choices and industry-related experience Source

Source: Dollinger M. J., 2003. *Entrepreneurship: Strategies and Resources*, 3rd edition, p. 6, Prentice Hall, New Jersey.

The importance of entrepreneurship – the process of recognizing opportunity and addressing it through an organization to foster economic growth – has been emphasized for many years. In the presence of market imperfections, entrepreneurs are needed to “search, discover, and evaluate opportunities, marshal the financial resources necessary for the enterprise, make time binding arrangements, take ultimate responsibility for management, (and) be the ultimate uncertainty and/or risk bearer”. Many public officials around the world have also supported the intuitive notion that entrepreneurship has a positive impact on Gross Domestic Product (GDP) growth and employment [Joshi, Ganapathi, 2008, p. 35].

Success in Small and Medium Enterprises is one of the few topics in entrepreneurship on which very few in-depth and elaborate studies have been conducted. The early studies into entrepreneurship focused on the industry characteristics and personal traits of entrepreneurs. Over the past two decades, the entrepreneurship field has seen considerable expansion into disparate arenas as corporate entrepreneurship, macro environment linkages and international entrepreneurship (Figure 1).

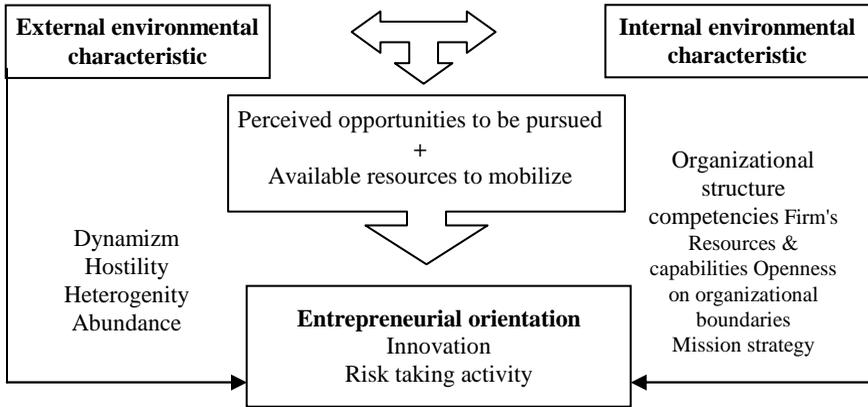


Figure 1. Determinants of Entrepreneurial Orientation

Source: Aloulou Wassim, Fayolle, Alain; 2005. A conceptual approach of entrepreneurial orientation within small business context, *Journal of enterprising culture*, p. 32.

Entrepreneurship research is exceedingly difficult because of the complex nature of the field. The following tasks are particularly challenging: Decisions related to the independent variables that ought to be studied; the way these variables should be operationalized; the most appropriate approaches for getting data; the techniques that should be used to analyze the data; and the unit of analysis issue and the question of generalizability.

In the context of start-ups, some of the important tasks that entrepreneurs will embark upon are as follows: working intensely despite uncertainty and lack of capital and other resources; fending off retaliatory activities from rivals in the market place; dealing with informed investors (like venture capitalists, angel investors, etc.); transforming technological discoveries into marketable items; and identifying hospitable niches and strengthening their presence in the market place [Venkata, Ramachandra, Nagayya, 2008, p. 32–33].

Innovation is the specific function of entrepreneurship, whether in an existing business, a public service institution, or a new venture started by a lone individual in the family kitchen. It is the means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth. Today, much confusion exists about the proper definition of entrepreneurship. Some observers use the term to refer to all small businesses; others, to all new businesses. In practice, however, many well-established businesses engage in highly successful entrepreneurship. The term, then, refers not to an enterprise's size or age but to a certain kind of activity. At the heart of that activity is innovation: the effort to create purposeful, focused change in an enterprise's economic or social potential [Drucker, 1998, p. 149].

Sources of innovation are, of course, innovations that spring from a flash of genius. Most innovations, however, especially the successful ones, result from a conscious, purposeful search for innovation opportunities, which are found in only a few situations. Four such areas of opportunity exist within a company or industry (unexpected occurrences, incongruities, process needs, industry and market changes).

Three additional sources of opportunity exist outside a company in its social and intellectual environment (demographic changes, changes in perception, new knowledge). True, these sources overlap, different as they may be in the nature of their risk, difficulty, and complexity, and the potential for innovation may well lie in more than one area at a time. But together, they account for the great majority of all innovation opportunities [Drucker, 1998, p. 150].

As for development, transfer of technology is also important as it offers substantial opportunities for development.

Technology transfer includes a range of formal and informal cooperations between technology developers and technology seekers. Technology transfer involves the transfer of knowledge and technical-know how, as well as physical devices and equipment. This usually involves moving a technological innovation from a research and development organization to a receptor organization such as a private company. While there are numerous models for technology transfer into different industries, including publication of science/technology, the formation of spin-off companies, licensing agreements, and cooperative R&D agreements between government laboratories and private companies, there is a growing body of information that human factors and organizational/environmental factors play a very significant role in determining the success or failure of technology transfer and commercialization ventures. While market forces and economic factors are known to affect new technology uptake by industry, the objective of this review is to capture the current knowledge on the human and organizational factors that can influence behavior towards innovation and new technology uptake, with a view to using this information to promote innovation and new technology uptake in the food manufacturing industry. Much of the information in the literature covering behavior, attitudes and values of individuals and organizations towards innovation and new technology uptake appears under the headings of individual and corporate entrepreneurship [Roupas, 2008, p. 4–5].

For development of the competitive market it is important to pay attention to entrepreneurship, innovation and a really important activity of firm transfer technology. The most important of them is entrepreneurship in every area of human activity: it is always the beginning of successful development, nevertheless entrepreneurs also have to take high risk, too.

IMPORTANCE OF MARKETING FOR THE ORGANIZATIONAL CULTURE AND COSTUMER VALUE CREATING

Marketing is a very important firm activity and brings a new dimension to creating competitive advantage on the market.

Marketing is referred to as one of the functional areas of a business, distinct from finance and operations. Marketing can also be thought as one of the activities, that, along with product design, manufacturing, and transportation logistics, constitute a firm's chain value. Decisions at the every stage, from idea conception to after-sale support, should be assessed in terms of their ability to create value to customer. Historically, marketing was considered just another link in the chain. Today, however, many organizations are emphasizing the effective coordination of marketing with other functional areas. Competitive pressures have prompted many firms to involve markets in design manufacturing, and other value-related decision from the start [Keegan, Green, 2005, p. 3]. Marketing strategy cannot be formulated in isolation. It has to reflect the objectives of the organization and be compatible with the strategies pursued elsewhere in the organization. It means that marketers must refer back to corporate goals and objectives before formulating their own strategy, to ensure consistency, coherence and relevance [Brassington, Pettitt, 2000, p. 835]. Marketing occupies a critical respect to the eco-economic development of underdeveloped "growth" countries. Indeed marketing is the most important "multiplier" of such development. It is in itself in every one of these areas the least developed, the most backward part of the economic system. Its development, above all others, makes possible economic integration and the fullest utilization of whatever assets and productive capacity an economy already possesses. It mobilizes latent economic energy. It contributes to the greatest needs: that for the rapid development of entrepreneurs and managers, and at the same time it may be the easiest area of managerial work to get going. The reason is that it is the most systematized and, therefore, the most learnable and the most teachable of all areas of business management and entrepreneurship [Drucker, 1992, p. 68].

Analyzing the role of marketing in the context of market activities is important to understand the internal role of marketing (inside of the firm), which is building firm's organizational culture and value not only for consumer bur also for employees.

Organizational culture and values or corporate culture comprises of the attitudes, beliefs, values and shared norms of an organization. The culture of an organization plays a vital role in creating employer branding. The physical working environment, the structure of the organization, the size of the organization and the organization's approach to work are part and parcel of an

organizational culture. Organizational culture and values have a greater impact on the mission and vision of an organization. They are powerful communication tools for creating both internal and external branding. Organizational culture is the basic personality of any organization. It is one of the important factors, which account for the success and failure of any organization. There are different dimensions of the culture. Organizational values, heroes, rites and rituals and cultural network are some of its dimensions. Values are the beliefs that exist in the heart of corporate culture. Informal network and communication, which is hidden in the hierarchy, is called cultural network. This acts as the basis for building employer branding.

Employ(ee/er) Branding – Discrepancies and Integration Imperatives. An organization's brand image and reputation integrate its employee and employer branding. Both should have balance, should play a major role in projecting the organizational culture and image and should be used in recruiting and retaining employees. With the combination of marketing and human resource management, the employee and employer branding has emerged as a new concept, like internal and external marketing techniques, for identifying and retaining skilled personnel. In employee branding, the strategy focuses on huge competition for production and markets, resources, competencies and talent investors. The strategy is used even for bringing benefits in recruitment and training. The major advantage of employee branding as a competitive source is it is interrelated with employer branding, to place the organizational brand image on an external platform. This external platform acts as an effective communication tool for attracting competent resources to the system. Both of these are interrelated even for the implementation process by the human resource. Although there are no major discrepancies existing between these, proper alignment is required to affect a synergy [Gaddam, Soumya, 2008, p. 48].

In the quest for value, organizations have become more and more concerned with the profitability of their actions. The study of profitability at different levels in a firm has taken a central stand in all areas of business, from both academic and managerial perspectives. The analysis of profit drivers has abandoned the exclusivity of finance to be an important part of other disciplines in business, including marketing. There is a general consensus that some areas of a business create more value than others, that some products generate more profit than others. Having just a notion of the overall financial performance of the firm is not enough. Understanding the differences in profitability by areas is essential to evaluate performance, but even more important to make strategic managerial decision [Piscopo, 2007, p. 190].

Before a firm begins to build a brand it must have a product that consumers will hopefully consider to be uniquely valuable in some way. It then needs to make the public aware of the product's existence. However, public awareness of

a product is no guarantee that consumers will buy it. It has to be made attractive through positive brand associations. However, it is only through repeat purchases and consumption by the public (namely, customer loyalty), that a product can become a strong brand. Although each asset is significantly different from any of the others, its value adding potential is dependent on the efficacy of all the others. In other words, core brand assets rise and fall together. Ironically, however, a product's progression through the brand building process is marked by a decline in the level of control that strategic marketers and brand managers have over its success. Thus, the final stage in the process – that of building brand loyalty – is to all intents and purposes beyond the total control of the firm and in the hands of consumers [Ponsonby-McCabe, Boyle, 2006, p. 177].

At least a buyer and a seller must exist before a market exchange can occur. The origins of the marketing discipline extend from the distribution function, in which merchants (i.e., intermediaries) have historically played a dominant role [Sheth, Usley, 2007, p.303]. The value a customer places on a product or service can vary depending on project size, product or service need and relationship with the supplier. At one extreme is the customer who sees the product or service purely as a commodity (transactional) vs. the other end of the spectrum where the customer puts high value on growing with the supplier at various locations in multiple capacities (strategic). In short, customers want to work with vendors who are easy to do business with and vice versa. Given the project load many vendors face in hot market, this relationship can have a tremendous impact on the project's success or failure [McKay, 2008, p.23].

Values are always flux and the marketing constantly seeks way for delivering more value to consumer which has important meaning during competitive process on the market. Marketing is giving a competitive advantage over the firm in the branch but there is need to emphasize the role of internal marketing into the organization because of its importance of creating culture of the business, this activities delivering noticeable advantages outside and inside of the firm.

FIRMS AND REGIONAL DEVELOPMENT AS PROVIDING EQUAL OPPORTUNITIES TO COMMUNITY

Some may argue that founder quality warrants regional development policies that in turn includes efforts to incubate firms by high-quality founders. In some industries, notably high-tech industries where spin-offs are common, even small improvements in the ability to do so can induce large changes in the long-term size of a local industrial cluster. However, government programs designed to identify, attract and incubate high quality firms, including

technology-based grant programs and public–private venture capital partnerships, have had only limited impacts. This study has shown that expansion of local development strategies that focuses on nurturing nascent entrepreneurial talent among the local student population, incubating them, and retaining them in the local economy [Thompson, 2007, p. 97].

The potential of foreign direct investment to contribute to the welfare of host economies is of great interest to both academics and policy-makers, and is one reason foreign direct investment is increasingly sought after by both developing and developed economies. The importance of Foreign Direct Investment to host countries has been demonstrated by literature that examines the relationship between economic development and levels of foreign investment at the level of the economy. [Scott-Kennel, 2004, p. 625].

The developmental role of large firms is not a question of use and promotion of highly productive local economic resources within a logic of development that is fundamentally non-local. It is instead a question of combination with a different logic, that is a logic of local development. Paths of local development can be based on small and medium sized firms, when they work in teams and are embedded in a local structure of social relations. The supply of sets of local public goods has to complement the private offer of local specialized services to the manufacturing companies. When progressive characters of the inner social structure and related sources of collective action are in place, helping the supply of local public goods and the constitution of production/innovation projects in teams of firms, the same characters are local factors of economic development. A coherent set of local factors is included in the experiences of vital industrial districts, boasting a virtuous circle of local development. The combination of the large firm logic with the local development logic may be positive, fruitless or negative, and the possible effects may be reciprocal or asymmetrical, according to a set of conditions (random or chaotic effects implicitly included) that have been specified in quite general terms. It is a conceptual framework that suggests the opportunity of successive analytical refinement and empirical specification and testing [Bellandi, 2001, p. 204].

There is a need to pay attention to possibilities of regional development and the crucial blend of three factors (university–industry–government), which has great meaning for firm and regional development.

The emergence of university–industry–government interactions – the triple helix – can also be identified as a key factor in regional development [Etzkowitz, Henry, Klofsten, Magnus, 2005, p. 243].

Three fields of transition in science and technology policy can be identified in innovation, technology and institutions. The first transition is in the relationship among basic research, applied research and product development. The three heretofore relatively distinct phases are moving together. There will

no longer be such strict boundaries among different types of research. Instead, they will blend into each other and move back and forth, without strict separation among them. The second endless transition is between different technological areas. They had been thought of as being connected to different disciplines and different industries but they are now cross-fertilising each other. Previously, there were strong boundaries between individual disciplines. More recently, interdisciplinary collaboration has expanded and new disciplines have been created at the intersections between old ones. Biochemistry is an early example. Moreover, new interdisciplinary synthetic disciplines have been created such as bio-informatics, whose components came out of the previous syntheses that created computer science and molecular biology. Now these two have themselves been brought together to form a new field in a continuing process of combination and recombination that has created other new fields such as behavioural economics. The third transition is toward the 'triple helix' of university, industry and government, discussed above. In some circumstances, especially where institutional configurations are in the process of transformation, organisational innovations, traditionally constrained by culture, transfer occurs extremely rapidly. For example, in late nineteenth-century Japan and Scottish engineers introduced modern product development techniques that became widely accepted, initially in university engineering schools and then in industry [Etzkowitz, 2002, p. 8].

There is important to pay attention on few cases which have significant meaning for firms and region development and decreasing of society distances. It is not possible to discuss about region development if business improvement has not been taken into consideration. Existing firms and its amount and scale of production are a catalyst for socio-economical changes and have positive influence for people activity on this area. One of the ways to raise a new big and known firms is a foreign direct investment but it is achievable for only very few regions. Major factor which has significant meaning for development business is a relation between university, industry and the government. This is a crucial factor of development, cooperation and taking a synergy effect and a great influence for existing firms and socio-economical changes for the locals.

FINAL REMARKS

Entrepreneurship is a very important human activity. There is a need to emphasize its role in establishing one's own business. It plays a role in decreasing social distances by binding people and giving them opportunity for a better existence. Marketing has a very significant role in the process of market development as it makes the business stronger by building more value for

consumer and by bringing a new dimension to the competitive advantage of the business. It is possible to describe many different ways of marketing activities but all of them make a joint effort for better market position and possibility of development of the business.

Analysis of the ways business and region develop and some crucial factors in this process, when describing a firm which is a part of the region and offers people living there better living conditions, draws attention to cooperation between firms. Without significant cooperation in the field of exchanging ideas or technology transfer, it is not possible for regions to develop fast and decrease socio-economical barriers.

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Summary

Changing economy in juxtaposition with the local environment as place of people existing, brings many threats in socio-economical live and business development. Entrepreneurship is one of the ways of giving equal opportunities for the locals not only for the poor areas, entrepreneurship and its function innovativeness makes stronger business position in the context of competitiveness on the market place. Marketing has a very significant role in the process of market development, which is making the business stronger by building more value for consumer and by bringing a new dimension to competitive advantage of the business.

Przedsiębiorczość i marketing sposobami rozwoju firmy w kontekście stwarzania równych szans społeczno-gospodarczych

Streszczenie

Globalna ekonomia w zestawieniu z lokalnym środowiskiem jako miejscem życia spowodowały wiele zagrożeń w życiu społeczno-ekonomicznym całych społeczności. Przedsiębiorczość jest jednym ze sposobów wyrównywania szans lokalnej społeczności w regionach ubogich, innowacyjność jako jej funkcja wpływa na silniejszą pozycję przedsiębiorstwa w kontekście działań konkurencyjnych na rynku. Bardzo istotne znaczenie posiada również marketing w procesie rozwoju rynku, który powoduje wzmocnienie przedsiębiorstwa poprzez budowanie większej wartości dla konsumenta i jest czynnikiem budowania przewag konkurencyjnych przedsiębiorstwa.