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**Entrepreneurial Networking and
the Development of
Marketing Capabilities in SMEs.
A Study of Irish Entrepreneurs**

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List of Acronyms

- A2A - Actor to Actor
- AMA - American Marketing Association
- AAR - Actor bonds, Activity links and Resource ties
- B2B - Business to Business
- B2C - Business to Consumer
- C2B - Consumer to Business
- C2C - Consumer to Consumer
- CRM - Customer Relationships Management
- CSO - Central Statistics Office
- EI - Enterprise Ireland
- EM - Entrepreneurial Marketing
- EO - Entrepreneurial Orientation
- EU - European Union
- IDA - Industrial Development Authority
- IMP - International Marketing and Purchasing
- LEO - Local Enterprise Office
- MO - Market Orientation
- NPD - New Product Development
- PR - Public Relations
- RBV - Resource Based View
- RQ - Research Question
- SD - Service-Dominant
- SIG - Special Interest Group
- SMEs - Micro, Small and Medium Sized Enterprises
- WOM - Word of Mouth

Declaration

I hereby certify that this material, which I submit for assessment on the programme of study leading to the award of Doctor of Philosophy, is entirely my own work. It has not been taken from the work of others, except to the extent that such work has been cited and acknowledged within the text of my work.

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Abstract

It is widely accepted across the marketing, entrepreneurship and strategic management literatures that relationships and networks are instrumental for the growth and performance of SMEs. In particular, in the entrepreneurial marketing domain, the literature suggests that networking enables the practice of marketing within the typical resource-confines of SMEs. However, there is limited knowledge of the extent to which entrepreneurs engage in networking and a lack of understanding of how exactly entrepreneurs do ‘marketing by networking’.

As the literature firmly acknowledges that marketing capabilities are essential mechanisms in achieving firm competitiveness, the overarching question driving this research is: *How does entrepreneurial networking contribute to the development of marketing capabilities in SMEs?* To address this research question, the study specifically explores: 1) the role of the entrepreneurs’ mindset and human capital on the development of the entrepreneur’s networking capability (also referred in this thesis as entrepreneurial networking capability); 2) the networking activities that entrepreneurs engage in (forms of networking); and 3) the types of marketing capabilities SMEs can develop through entrepreneurial networking.

Entrepreneurial marketing and relevant research streams from marketing, entrepreneurship and management were the domains of literature examined from which a conceptual framework with supporting propositions was developed to address the research objectives of the study. Within a qualitative approach, empirical data was generated through semi-structured interviews with 27 Irish entrepreneurs, combined with graphical representations of each of the entrepreneurs’ networks. A further series of semi-structured interviews was conducted with 9 representatives of Irish-based networking support organisations.

This study offers a number of contributions to theory and insights for practice and policy. Firstly, from a theoretical perspective, the main contribution of this study is advancing the entrepreneurial marketing literature. The research results indicate that entrepreneurial networking capability (defined as the set of activities and routines implemented by the entrepreneur with the aim of initiating, establishing, maintaining and leveraging relationships for the benefit of the firm) is critical for the development of marketing capabilities and thus an essential element of entrepreneurial marketing in SMEs. Secondly, the study also advances knowledge within the realm of network-based research in the entrepreneurship literature with new insights in relation to the role of the entrepreneur’s persona (his/her characteristics) in networking processes and classifies different forms of entrepreneurial networking (i.e. personal, operational, strategic). Thirdly, adopting a holistic approach in exploring specialised, cross-functional, architectural and dynamic marketing capabilities, this research contributes to the marketing capabilities literature and brings fresh evidence of marketing practice in SMEs.

From a practical standpoint, this study emphasises the importance of networking for entrepreneurs and their firms and provides several valuable insights into networking 'best practice', as well as into the specifics of developing a firm's marketing capabilities through entrepreneurial networking. From a policy-making point of view, the findings of the study indicate that government agencies and private organisations supporting SMEs have an important role in educating entrepreneurs in relation to networking, as well as in the facilitation of networking opportunities which are responsive to the entrepreneurs' needs.

Chapter 1. Introduction

1.1 Introduction

The aim of this study is to deepen our understanding of how entrepreneurs do ‘marketing by networking’ (Coviello and Munro, 1995, Carson et al., 1995, Gilmore et al., 2001, Hills and Hultman, 2006). In particular, the research aims to explore how entrepreneurs leverage networking to accrue benefits and develop the marketing capabilities of their firms.

The purpose of this chapter is to introduce this research dissertation. Section 1.2 presents the background of the study and the rationale for conducting the research. Section 1.3 outlines the research questions guiding the study. Section 1.4 presents the methodological approach and outlines several limitations of the study, while Section 1.5 summarises the main contributions of the research. Section 1.6 provides an overview of the organisation of this study and Section 1.7 concludes the chapter.

1.2 Background of the Study and Rationale for Research

According to the most recent European Commission study (Muller et al., 2015), micro, small and medium-sized enterprises (SMEs) form the backbone of the EU economy, accounting for 99.8% of enterprises in the non-financial business sector across the EU28 in 2014 (that is 22.3 million SMEs). The majority (92.7%) of these are micro-enterprises, with fewer than ten employees; around 6.1% are classified as small enterprises (employing between 10 and 49 people) and the remaining 1% as medium-sized enterprises (50-249 employees) (Muller et al., 2015). In 2014 the SMEs in the European Union accounted for 67% of total employment (almost 90 million people) and generated more than EUR 3.7 trillion, 58% of the sector’s total value added (Muller et al., 2015). The statistics in Ireland paint the same picture. The CSO Business in Ireland study reports that in 2011 SMEs accounted for almost 99.8% of active enterprises, 68.6% of persons engaged and 51.5% of turnover in Ireland (Central Statistics Office Ireland, 2013).

It is thus with no surprise that SMEs and the issues surrounding their success and growth have become a significant point of interest for both academia and policy makers/government agencies. In Europe, funds are being granted at both national and EU level to assist SMEs to start up, grow and develop. In turn, these smaller firms drive innovation and employment and impact on further development of the bigger firms and on the economy overall. However, as much as they have been identified as an engine of economic growth (Zimmerer and Scarborough, 1994, Kuratko and Hodgetts, 1995, Muller et al., 2015), many new ventures still fail a few years after inception or are

unable to grow (OECD, 2008, Ladzani and Van Vuuren, 2002, European Commission, 2015).

Notwithstanding the importance of financial and other resources for the SMEs' survival and growth (Storey, 1994, Mc Cartan-Quinn and Carson, 2003, Freel, 2000), marketing has been identified as one of the greatest challenges for founders/entrepreneurs (Huang and Brown, 1999, Carson, 1985, Nwankwo and Gbadamosi, 2010, Resnick et al., 2016). Marketing has also been identified as one of the areas where small firms differ fundamentally from large firms (Hills and LaForge, 1992, Bhide, 1994, O'Dwyer et al., 2009, Jones and Rowley, 2010, Bettiol et al., 2011, Gamble et al., 2011, Gilmore et al., 2006b).

In academia, this has led to calls for the development of new concepts and models that would more realistically address the particularities of marketing in smaller firms, rather than the use of existing traditional theoretical models that have been developed from the perspective of large corporations and would thus reflect quite a different reality. As Westhead and Storey (1996, p.18) put it, "the small firm is not a 'scaled-down' version of a large firm. In short, theories relating to SMEs must consider the motivations, constraints and uncertainties facing smaller firms and recognise that these differ from those facing larger firms". SMEs have limited resources (Carson, 1985, Siu and Kirby, 1998, Gilmore et al., 2001) and the marketing role usually rests with the founder/entrepreneur or the owner/manager (Hite and Hesterly, 2001, O'Donnell, 2004, Kropp et al., 2006, Hills et al., 2008, Bettiol et al., 2011, Sullivan Mort et al., 2012), which also implies that the personality of the firm is tightly connected with the personality of the entrepreneur (Gamble et al., 2011, Deacon and Corp, 2003, Hultman, 1999).

Research in entrepreneurial marketing (EM), defined as the "marketing of small firms growing through entrepreneurship" (Bjerke and Hultman, 2002, p. 15) is the academic field, which emerged as an avenue for exploring and better understanding marketing in the specific context of SMEs. EM is an integrative construct that creates a synthesis of important overlapping aspects of marketing and entrepreneurship and views marketing as a process guided by entrepreneurial thinking and implemented through entrepreneurial behaviour (Carson et al., 1995, Carson and Gilmore, 2000a, Collinson and Shaw, 2001, Bjerke and Hultman, 2002, Morris et al., 2002, Hills et al., 2008, Stokes and Wilson, 2010, Hills et al., 2010, Franco et al., 2014, Whalen et al., 2015).

Within the entrepreneurial marketing frameworks, resources can be owned by the firm, but also be generated in the firm's interaction with external actors, or secured from outside partners (Bjerke and Hultman, 2002). As opposed to traditional marketing, where the focus is on resource allocation and the most efficient use of existing resources, in EM actions are not constrained by resources currently controlled. Instead, entrepreneurs aim to do more with less, including obtaining new resources, using other actors' resources, stretching resources, combining resources and utilising resources in

new ways (Gruber, 2004, Miles and Darroch, 2006, Sullivan Mort et al., 2012, Bjerke and Hultman, 2002, Morris et al., 2002, Hills et al., 2008).

The entrepreneur's relationships and networks are thus seen as a means to facilitate, aid and enhance marketing in small and medium firms (Birley et al., 1991, Shaw, 1999, Gilmore et al., 2001, Stokes, 2000a, Hill, 2001, Gruber, 2004, Evers and O'Gorman, 2011, Sullivan Mort et al., 2012, Collinson and Shaw, 2001, Kraus et al., 2012, Morris et al., 2002, Stokes, 1999, Hills and Hultman, 2006, Hill and Wright, 2000, Whalen et al., 2015). In particular, the conceptualisation of 'marketing by networking' signals the growing practice of networking amongst entrepreneurs to market their firms, products and services (Coviello and Munro, 1995, Carson et al., 1995, Gilmore et al., 2001, Hills and Hultman, 2006).

However, because "it is not the existence of a network per se, but rather the use of that network through the process of networking, from which benefits accrue" (O'Donnell, 2004, p. 207), not all firms benefit from network relationships in the same way. Yet, current knowledge about how SMEs create and manage networks and networking remains limited (Torkkeli et al., 2015). The limited empirical evidence we have so far suggests there are substantial differences among firms in their ability to network (i.e. their networking capability) (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mitrega et al., 2012). Because in SMEs the entrepreneur is the main networking agent (Birley, 1985, Aldrich and Zimmer, 1986, Dubini and Aldrich, 1991, Evers, 2011b, Vasilchenko and Morrish, 2011, Evers et al., 2012), the firm's ability to network is contingent on the entrepreneur. Building on extant research on the networking capability construct (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mitrega et al., 2012), this study defines entrepreneurial¹ networking capability as the set of activities and routines implemented by the entrepreneur with the aim of initiating, establishing, maintaining and leveraging relationships for the benefit of the firm.

Similarly, firms differ significantly in terms of their marketing capabilities, which are the mechanisms by which firms achieve marketing goals, generate economic rents and create and sustain competitive advantage (Morgan et al., 2009b, Morgan, 2012, Kozlenkova et al., 2013, Evers et al., 2012, Barrales-Molina et al., 2014).

Drawing on this literature, this study explores how SMEs do 'marketing by networking' and seeks to explain how entrepreneurs leverage networking (i.e. entrepreneurial networking capability) to accrue benefits and develop the marketing capabilities of their firms.

There are several factors contributing towards the rationale behind undertaking this research.

¹ The term 'entrepreneurial' is used here with the meaning "of the entrepreneur". Thus entrepreneurial networking capability is the networking capability of the entrepreneur.

Firstly, the marketing literature has traditionally and predominately focused on the functionalist, normative perspective rooted in the marketing practice of large corporations (Brown, 1995) and often overlooked the SME/entrepreneurial context, which differs fundamentally from large firms (Hills and LaForge, 1992, Bhide, 1994, Gilmore et al., 2006b, O'Dwyer et al., 2009, Jones and Rowley, 2010, Bettiol et al., 2011, Morris et al., 2002, Hills et al., 2008).

Almost three decades ago, in 1987, the first American Marketing Association's (AMA) Research Symposium on Marketing and Entrepreneurship took place in the University of Illinois, USA (Collinson, 2002). Since this momentous event, the interest in the marketing/entrepreneurship interface has been growing and EM has developed into a recognised field of academic research. Yet, despite its advancements, EM remains a young field of academic inquiry, with fragmented research findings (Gruber, 2004, Hills and Hultman, 2011). Today EM is described as an area “with limited theory and empirical work” (O'Cass and Morrish, 2016, p. 1), but a “fertile field warranting further research” (Whalen et al., 2015, p. 9). Contributing to the advancement of the EM field is a core motivation behind this study.

Secondly, while both the marketing and entrepreneurship literatures have been interested in the role of relationships and networks on firm development, we don't know enough about the dynamics of networking. Within the entrepreneurship literature particular attention has been given to network structure and the study of entrepreneurial start-ups (Aldrich and Zimmer, 1986, Ostgaard and Birley, 1994, Lechner and Dowling, 2003, Jack et al., 2004, Coviello and Cox, 2006). However, less attention has been paid to networking behaviours/activities and scholars call for more research in the field to uncover the characteristics of networking (Hoang and Antoncic, 2003, Zaheer et al., 2010, Jack, 2010) and the factors that drive or inhibit entrepreneurial networking (Neergaard, 2005, Chell and Baines, 2000, Batjargal, 2010). This study aims to contribute to this literature by deepening our understanding of entrepreneurial networking activities.

Thirdly, while we know that networking can contribute towards marketing in an SME context (Shaw, 1999, Chaston, 2000, Chell and Baines, 2000, Gilmore et al., 2001, Stokes, 2000a, Gruber, 2004, Evers and O'Gorman, 2011, Sullivan Mort et al., 2012), we need further insights to understand how this actually happens (O'Donnell, 2011, Hoang and Antoncic, 2003, Jack, 2010). As well as that, there is a need for more research on the emergence of capabilities in entrepreneurial firms (Torkkeli et al., 2015) and, in particular, in relation to the development of marketing capabilities (Bruni and Verona, 2009, Evers et al., 2012, Pérez-Cabañero et al., 2012). By exploring how entrepreneurs leverage networking to accrue benefits and develop the marketing capabilities of their firms, this study aims to advance knowledge in this area of the literature.

Finally, there are calls in the EM field for more process oriented, qualitative research studies that can uncover actual networking behaviours (O'Donnell, 2004, O'Donnell,

2011) and investigate and observe exactly *how* SMEs market (Chaston and Mangles, 2002, Day and Reynolds, 2011). Through its qualitative approach, this study aims to explore entrepreneurial networking and provide new insights into how entrepreneurs market to grow and develop their firms.

To conclude, while significant progress has been recorded in the academic literature in the last three decades, we still don't understand enough about marketing in an SME/entrepreneurial context (Siu and Kirby, 1998, Gruber, 2004, Hills and Hultman, 2011, Kraus et al., 2012, Webb et al., 2011, Ritchie and Lam, 2005, Hulbert et al., 2015). While it is a commonly accepted truth at this stage that network relationships offer opportunities for small businesses (Carson et al., 1995, Hill and McGowan, 1996) and that networking can contribute towards marketing and firm performance (Shaw, 1999, Chaston, 2000, Chell and Baines, 2000, Gilmore et al., 2001), we have little understanding of how that actually happens. The current knowledge on the structural network properties in the extant literature must be complemented with research focusing on "the quality of resources held by entrepreneurs' network contacts and the mechanisms through which they can be accessed and leveraged" (Stam et al., 2014, p. 16). We still need to understand what engaging in meaningful network relationships to enhance performance really means (Human and Naudé, 2009).

1.3 Research Questions

As outlined in the previous section, this research is based on the premise that entrepreneurial networking is a resource acquisition method, which can become a valuable and unique capability that can help SMEs develop their marketing capabilities. Whereas the research interest in entrepreneurial marketing and network relationships has been growing, academic knowledge and industry insights in this area are limited and a lack of understanding of how exactly entrepreneurs do 'marketing by networking' remains. Further, how entrepreneurial networking specifically influences the development of marketing capabilities in SMEs has yet to be explored.

To address this research gap, the overarching research question of this study is:

How does entrepreneurial networking contribute to the development of marketing capabilities in SMEs?

This translates into three specific research questions (RQs), as detailed below.

In the context of SMEs, the entrepreneur is the main networking agent of the firm (Shaw, 1999, Lechner and Dowling, 2003, Evers, 2011b, Vasilchenko and Morrish, 2011, Evers et al., 2012). Consequently, the entrepreneur's persona (his/her characteristics) will influence entrepreneurial processes/behaviours and their results (Alvarez and Barney, 2007). In particular, the entrepreneur's mindset (operationalised as mental attitudes, i.e. cognitions, perceptions, mental models etc.) (Weick, 1995,

Hodgkinson and Healey, 2008, Dew et al., 2009) and human capital (operationalised as education and experience) (Wright et al., 2014, Colombo and Grilli, 2005, Audretsch and Monsen, 2008, Parker, 2009, Andersson and Evers, 2015) have been identified as two essential explanatory factors for entrepreneurial behaviour/activities. This leads to the first research question of the study:

RQ 1: What is the role of the entrepreneur's mindset and human capital in the development of entrepreneurial networking capability?

Based on the extant literature, this study argues that, while networking is a natural, habitual and integrated entrepreneurial activity (Carson et al., 1995, Coviello and Munro, 1995, Ramaswami et al., 2009), entrepreneurs are not passive actors in their networks. Networking is the activity through which networks are created, developed and leveraged (Chell and Baines, 2000, O'Donnell, 2004, O'Donnell, 2011, Walter et al., 2006, Mitrega et al., 2012). It is only through networking that entrepreneurs can transform networks into a "strategic entrepreneurial marketing tool" (Shaw, 1999, p. 26). Thus, in order to understand how entrepreneurs leverage their relationships and networks, we need to gain insights into how entrepreneurs network (i.e. the networking forms and activities that entrepreneurs engage in). This leads to the second research question of this study:

RQ 2: How do entrepreneurs network? (What are the networking forms and activities that entrepreneurs engage in?)

Finally, entrepreneurs are not only the main networking agents of the firm, they are also at the core of the decision-making process for marketing strategy and implementation, often being personally engaged in specific marketing activities, from marketing intelligence generation to promotional activities (Bettiol et al., 2011, Morris et al., 2002, Hills et al., 2010, Resnick et al., 2016, Gamble et al., 2011). However, marketing has been identified as one of the greatest challenges for entrepreneurs (Huang and Brown, 1999, Carson, 1985) and as one of the areas where small entrepreneurial firms differ fundamentally from large firms (Hills and LaForge, 1992, Gilmore et al., 2006b, O'Dwyer et al., 2009, Jones and Rowley, 2010, Bettiol et al., 2011).

Extant empirical studies support the importance of the entrepreneur's networks in facilitating, aiding and enhancing marketing in SMEs (Gilmore et al., 2001, Stokes, 2000a, Gruber, 2004, Evers and O'Gorman, 2011, Sullivan Mort et al., 2012). However, we don't fully understand how networking is leveraged to accrue marketing benefits. The end goal of marketing is to attract customers and to establish long lasting customer relationships, thus gaining customer life-long value (Kotler and Keller, 2011). Marketing capabilities are the mechanisms by which firms can achieve this goal, generate economic rents and create and sustain competitive advantage (Morgan et al., 2009b, Morgan, 2012, Kozlenkova et al., 2013, Evers et al., 2012, Barrales-Molina et al., 2014).

Building on this core argument, this research seeks to explore the types of marketing capabilities developed through entrepreneurial networking. This leads to the third research question of this study:

RQ 3: What types of marketing capabilities are developed from entrepreneurial networking activities?

A summary of the research gaps and the research questions guiding this study is presented in Table 1.1.

Table 1.1 Research gaps and research questions

RQ: HOW DOES ENTREPRENEURIAL NETWORKING CONTRIBUTE TO THE DEVELOPMENT OF MARKETING CAPABILITIES IN SMES?	
Research gaps	Research questions
Lack of understanding of the individual factors impacting on entrepreneurial networking.	<i>RQ 1: What is the role of the entrepreneur's mindset and human capital in the development of entrepreneurial networking capability?</i>
Limited focus on the process of networking, i.e. the actual networking forms and activities that entrepreneurs engage in.	<i>RQ 2: How do entrepreneurs network? (What are the networking forms and activities that entrepreneurs engage in?)</i>
Lack of understanding about how networking is leveraged to accrue marketing benefits.	<i>RQ 3: What types of marketing capabilities are developed from entrepreneurial networking activities?</i>

1.4 Research Methodology

The main objective of this research is to explore how entrepreneurial networking influences the development of marketing capabilities in SMEs. Entrepreneurship and marketing are complex processes of social interactions (Vargo and Lusch, 2004, Gaddefors and Anderson, 2009) and networking is a social process, where reality is continuously interpreted, as actors construct meaning (it does not have “an objective existence”) (Chell and Baines, 2000, p. 196).

Thus, the very nature of the research objective positions the study within the realm of the constructionism/interpretivism paradigm, where the world is viewed as constructed by social actors (Guba and Lincoln, 1994). This philosophical perspective is appropriate when the research question is open ended and tries to capture complexity in social situations (Creswell, 2009).

The typical methods associated with interpretivism are qualitative in nature, as the investigation aims for richness and depth and does not attempt to measure, test correlations or causations from a statistical perspective. The qualitative approach is also congruent with the methodological tradition at the marketing/entrepreneurship interface, which encourages the use of qualitative research as a promising avenue for developing the field further (Shaw, 2006, Hills et al., 2010, O'Donnell, 2011, Sullivan Mort et al., 2012, O'Donnell, 2014, Whalen et al., 2015).

The empirical data for this study was mainly generated through face-to-face semi-structured interviews with 27 founding-owners/entrepreneurs of SMEs from the Republic of Ireland. These interviews were preceded by 4 pilot studies, which helped the researcher develop the research instrument, as well as further clarify the conceptual framework guiding the study.

In order to obtain a level of data triangulation and to increase the depth of the empirical insights, the participating entrepreneurs were also asked to produce visual/graphic representations of their networks. Semi-structured interviews were also conducted with 9 representatives of Irish-based networking support organisations (government agencies and private organisations), in order to generate data from a different perspective. These primary sources of data were complemented by secondary sources, such as information from websites, social media platforms, as well as third party information (i.e. news clippings), which were used both to select the participants and to contribute to findings, thus also assisting data triangulation (Creswell and Miller, 2000).

Thematic analysis, “a method in its own right”, “an accessible and theoretically flexible approach to analysing qualitative data” (Braun and Clarke, 2006, p. 77-78) was employed to examine the data generated during the interviews, leading to a mixture of deductive themes (from the literature, reflected in the interview schedule) and inductive themes (‘emerging’ from the data) that contributed towards answering the three research

questions of this study. The analysis of the qualitative interviews was an iterative process, as the researcher moved between data analysis and data collection, while also making reference to the extant theory that guided the study. Ideas were refined as the data was generated, analysed and compared to extant research simultaneously.

Research Limitations

As described above, the study's objectives required a qualitative approach. However, this choice of methodology, further amplified by the deliberate selection of cases, has repercussions in terms of the generalisability of the study and its results are not transferable outside of the context in which they have been generated. The research context is limited both from a geographic/cultural (i.e. Ireland) and a temporal perspective (cross-sectional research design). Nonetheless, generalisability was not an objective of this research; instead, the main objective of the research was to contribute to the body of knowledge by furthering our understanding of how entrepreneurial networking contributes to the development of marketing capabilities in SMEs. This approach allows for analytic generalisation, i.e. generalisations to theoretical propositions, as opposed to populations (Yin, 2003).

Another aspect of the study that is limiting refers to the unit of analysis. Positioned at the marketing/entrepreneurship interface, this study explores the influence of entrepreneurial networking (individual level) on the marketing capabilities of the firm (firm level). While this somewhat dual approach is suitable in achieving this study's objectives, using single respondents (i.e. the entrepreneurs) places further limitations on the research results, both from an organisational point of view (where other organisational actors could provide new or different insights) and a network perspective (where dyadic, or network level views could be obtained). Using single respondents also increases the possibility for respondent bias in qualitative research. Considering these limitations, several steps were taken to ensure honesty in informants and a level of triangulation was obtained by generating data from representatives of networking support organisations, as well as using supplementary sources of secondary data.

Alongside respondent bias, researcher bias is also a limitation typically associated with qualitative research. One of the ways in which this study aimed to reduce both respondent and researcher bias was by combining different techniques in data generation (i.e. semi-structured interviews and graphic representations of networks) to provide more clarity and to increase the reliability of the data. Further, a thematic analysis process was conducted to analyse the data, by following the six steps outlined by Braun and Clarke (2006), which helped the researcher obtain a true picture of the empirical evidence. Finally, these limitations must also be observed within the constructionism/interpretivism paradigm, where this study is positioned and where reality is seen as subjective and meaning as constructed and created by the social interaction of individuals (Eriksson and Kovalainen, 2008, Guba and Lincoln, 1994, Bryman and Bell, 2011).

1.5 Contributions of the Research

From a theoretical perspective, the main contribution of this research is to the advancement of the EM literature. The research uncovers how entrepreneurs do ‘marketing by networking’ (Gilmore and Carson, 1999, Coviello and Munro, 1995, Carson et al., 1995, Gilmore et al., 2001, Hills and Hultman, 2006) by comprehensively linking entrepreneurial networking to the development of marketing capabilities in the specific context of SMEs. The study’s findings show that networking is a critical task for entrepreneurs in developing the marketing capabilities of the firm and can compensate for the inherent limitations of SMEs, enabling them to be more competitive. The study thus advances the EM literature by showing that entrepreneurial networking capability (i.e. the entrepreneur’s ability to initiate, develop, manage and leverage relationships) is instrumental in our understanding of entrepreneurial marketing in SMEs.

This study also advances knowledge within the realm of network-based research in the entrepreneurship literature. The study brings new insights in relation to the role of the entrepreneur’s persona (his/her characteristics) (Altinay and Wang, 2011, Hayton et al., 2002, Alvarez and Barney, 2007, Carson and Gilmore, 2000a, Hultman, 1999) in networking activities and classifies different forms of entrepreneurial networking (i.e. personal, operational, strategic). The study also deepens existing knowledge in relation to the networking capability construct (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mu and Di Benedetto, 2012, Sullivan Mort et al., 2012) in an entrepreneurial context.

The study is specifically relevant, given that very few studies have actually investigated the mechanisms through which the entrepreneurs’ relationships lead to outcomes that have an economic impact on the focal firm (Reagans and McEvily, 2003, Anderson, 2008, Gedajlovic et al., 2013, Baron and Markman, 2000, Baron and Markman, 2003). This research makes a contribution to knowledge in this area of the literature, by linking the content of the entrepreneurs’ relationships to the development of marketing capabilities, which are crucial in enabling firms to generate economic rents and create and sustain competitive advantage (Morgan, 2012, Kozlenkova et al., 2013, Evers et al., 2012, Barrales-Molina et al., 2014).

The study also brings new insights into the marketing literature, in relation to the concept of marketing capabilities. While a body of literature emphasises the role of marketing capabilities for firm survival, market performance and growth (Morgan, 2012, Kozlenkova et al., 2013, Barrales-Molina et al., 2014, Bruni and Verona, 2009, Day, 2011, Evers et al., 2012, Ramaswami et al., 2009, Vorhies et al., 1999, Vorhies and Morgan, 2005), there has been little research on these issues in the context of SMEs. Furthermore, through its holistic exploration of specialised, cross-functional, architectural and dynamic marketing capabilities, this study contributes to this literature and brings fresh evidence of marketing practice in SMEs.

From a methodological point of view this study offers a contribution by combining semi-structured interviews with visual representations produced by research participants to generate empirical data. Combining the pictorial level (the visual representations), a methodological tool used in the industrial marketing literature (Ford and Håkansson, 2006a, Henneberg et al., 2010, Ramos et al., 2012, Ramos and Ford, 2011) with the textual level (the semi-structured interviews) provided a more comprehensive perspective, contributing towards achieving the objectives of the research and increasing the trustworthiness of the study.

Complementing the theoretical and methodological contributions outlined above, this study also has implications for practitioners/entrepreneurs, policymakers and organisations providing support to SMEs. From a practical standpoint, this study emphasizes the importance of networking for entrepreneurs and their firms. Networking to accrue benefits is particularly important in SMEs due to their limited resources (Woodcock et al., 2000, Carson, 1985, Siu and Kirby, 1998, Gilmore et al., 2001). Therefore, the study's findings suggest that it becomes essential that entrepreneurs, as managers of their firms, develop their networking capability to effectively exploit the resources embedded in their networks. Entrepreneurs have to appreciate the value of networking, understand they are an important rent-generating resource for their firms (Castanias and Helfat, 2001, Alvarez and Busenitz, 2001) and invest in networking. The findings of the study provide several valuable insights into networking 'best practice', as well as into the specifics of developing a firm's marketing capabilities through entrepreneurial networking.

This study also has implications for policy makers and for public and private organisations which aim to foster entrepreneurship and support the development and growth of SMEs. From a policy-making point of view, the study's findings suggest that there is a need for additional support structures for SME owners to complement existing ones. The research results further indicate that government agencies and private organisations supporting SMEs have an important role in educating entrepreneurs about the relevance of networking, as well as in the development of skills required for effective networking. Furthermore, the findings suggest that public organisations should be more responsive to the entrepreneurs' needs in the facilitation of networking.

1.6 Structure of the Thesis

This thesis comprises eight chapters.

Chapter 2 gives an overview of the development of EM as a new field of research within the broader context of the marketing literature. The definitional spectrum of the EM concept and the marketing/entrepreneurship interface are discussed. The chapter also examines the particularities of EM as compared to traditional marketing, and describes EM as a balancing act between transactional and relational exchanges. The chapter concludes by providing a synthesis of the dimensions of EM.

Chapter 3 focuses on the role of relationships and networks in the marketing and entrepreneurship literatures. Within the marketing domain, the chapter addresses relationship marketing, the interaction and network approach to marketing (industrial marketing) and the Service-Dominant Logic. Within the entrepreneurship domain, the chapter pays attention to the main areas of network-based research: the content of relationships, the governance of the network, the structure of the network, network development and nodal constructs. Addressing the marketing/entrepreneurship interface, the chapter concludes with a review of the concept of ‘marketing by networking’ in SMEs, and, further identifies relevant typologies of network ties and networking forms.

Chapter 4 defines the concept of networking capability and reviews its theoretical foundations: the resource based view of the firm, the dynamic capabilities of the firm and the relational view. Chapter 4 also provides a review of the literature on marketing resources and capabilities and identifies Morgan’s (2012) framework as a comprehensive classification of marketing capabilities. To address the three RQs guiding this study and on the basis of the extant literature, a conceptual framework is developed, supported by 9 propositions.

Chapter 5 outlines the research methodology employed in the study. The chapter presents the philosophical underpinnings guiding the research and justifies the qualitative methodology employed in this study for the generation of empirical data. The research design, the sampling techniques and fieldwork are described. The chapter also offers a detailed outline of the steps employed in the analysis of qualitative data through thematic analysis (Braun and Clarke, 2006) and discusses the criteria for assessing the trustworthiness of the study (Guba, 1981, Guba and Lincoln, 1981, Lincoln and Guba, 1985), as well as ethical considerations.

Chapter 6 presents the findings of the research, addressing the three research questions and their corresponding propositions. The first part of the chapter details the views of the participating entrepreneurs in relation to networking (i.e. their mindset), as well as the way in which human capital influences their networking behaviour (RQ 1). The second part of Chapter 6 focuses on the different forms of networking that entrepreneurs engage in (RQ 2), while the third part of the chapter presents the findings relating to the outcomes resulting from entrepreneurial networking and their implications for marketing, i.e. how entrepreneurial networking influences the development of marketing capabilities (RQ 3).

Chapter 7 discusses the findings of the study in light of extant research to effectively fulfill the study’s research objective. The chapter examines the empirical insights gained in the study against the propositions developed within the conceptual framework of this research (Chapter 4) and within the broader context of relevant literature.

Chapter 8 concludes this study. This final chapter presents an overview of the research and outlines the contributions of the thesis to theory and practice. The chapter also addresses the limitations of the study and offers recommendations for future research.

1.7 Conclusion

The purpose of this chapter was to introduce this research study. Drawing on relevant streams of research from the EM, marketing, entrepreneurship and management literatures, this study explores the concept of ‘marketing by networking’ in Irish SMEs and seeks to explain how founders/entrepreneurs leverage networking to accrue benefits and develop the marketing capabilities of the firm. This introductory chapter positioned this research study in the realm of the EM literature in an SME context and identified several research gaps that the study aims to address. The chapter has provided an overview of the research questions guiding the study and has outlined the methodological approach adopted by the researcher, as well as the limitations inherent in this methodological choice. This was followed by a summary of the main contributions of the research. The chapter concluded with a section setting out the organisation of the study.

Chapter 2. Entrepreneurial Marketing

2.1 Introduction

Entrepreneurial Marketing (EM) has been defined as the “marketing of small firms growing through entrepreneurship” (Bjerke and Hultman, 2002, p. 15), “a spirit, an orientation as well as a process of pursuing opportunities and launching and growing ventures that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility” (Hills et al., 2010, p. 6). While promising, EM is still a developing paradigm and a relatively new field of scientific inquiry (Gruber, 2004, Hills and Hultman, 2011, Kraus et al., 2012, Webb et al., 2011, O’Cass and Morrish, 2016).

This chapter aims to provide a review of the EM literature. Section 2.2 presents the history of EM and positions this developing field into the marketing domain, while Section 2.3 outlines the broad definitional spectrum of the EM construct on the basis of several different streams of research and discusses the marketing/entrepreneurship interface. The chapter continues with Section 2.4, where EM is compared and contrasted to traditional marketing. Finally Section 2.5 defines the seven dimensions of EM, as conceptualised in the extant literature, and Section 2.6 concludes the chapter.

2.2 The History of EM

The term entrepreneurial marketing emerged at the interface of two distinct disciplines and it is used to describe marketing processes through the particularities of entrepreneurial behaviour (Carson et al., 1995, Carson and Gilmore, 2000a, Collinson and Shaw, 2001, Bjerke and Hultman, 2002, Blankson and Stokes, 2002, Morris et al., 2002, Hills et al., 2008, Stokes and Wilson, 2010). Small and medium entrepreneurial firms have limited resources (Carson, 1985, Siu and Kirby, 1998, Gilmore et al., 2001) and the marketing role usually rests with the entrepreneur or the owner/manager (Hite and Hesterly, 2001, O’Donnell, 2004, Kropp et al., 2006, Hills et al., 2008, Bettioli et al., 2011, Sullivan Mort et al., 2012), which also implies that the personality of the firm is tightly connected with the personality of the entrepreneur (Gamble et al., 2011, Deacon and Corp, 2003, Hultman, 1999).

EM can equally be considered an essential part of the entrepreneurship literature and a subset of the marketing discipline (Hills et al., 2010). It has more recently been argued that EM, as the fusion between marketing and entrepreneurship “leads to a unique school of thought that goes beyond either of these subsets” (Kraus et al., 2012, p. 7). This section has two aims: firstly, to place EM within the marketing domain and,

secondly, to trace the evolutionary milestones in the development of EM as a field of scientific inquiry.

2.2.1 EM and the (Other) Schools of Marketing Thought

The foundational premises of marketing thought have their roots in economics. Since the main areas of interest in traditional economic theories were production, distribution and pricing issues, so was the initial focal point in marketing. However traditional economic theory proved inadequate in explaining the dynamics of external conditions, firm level developments and the irrational dimensions of consumer behaviour. Economics assumed homogenous markets, while marketing dealt with heterogeneous markets; economics focused on the allocation of resources, while marketing dealt with sorting/assorting and understanding buyer behaviour at an aggregate level. Hence, where the restrictive view of economic theories did not allow for understanding, explanation or prediction of market phenomena, the discipline of marketing had to draw on concepts and theories from the social sciences: sociology, anthropology, psychology, political sciences etc. (Alderson, 1958).

While marketing has been defined as “particularly ahistorical and even antihistorical” (Hollander, 1986, p. 22), marketing history is crucial in our understanding of marketing education, practice and thought. An overview of the main marketing schools of thought, presented next, is essential in providing the context in which marketing has come to its present day conceptualization. The development of schools of marketing thought can be roughly divided into four periods or ‘4 Eras’ (Shaw and Jones, 2005, Wilkie and Moore, 2003).

During the first era (1900-1920s), the marketing discipline emerged as a branch of applied economics (Wilkie and Moore, 2003). It was a time when business was thriving in the United States and commodities needed to move from sources of supply to places of demand. Consequently, improvements in market distribution were pressing issues and those became the focus of marketing thought (Shaw and Jones, 2005).

The second era (1920-1950s) included the development of the traditional approaches to marketing thought: the functional school (studying the work performed in channels of distribution, the functions of middlemen and their role in the economy), the commodity school (studying the characteristics of goods as the objects of market exchange and how different classes of goods were marketed), the institutional school (studying the description and classification of the exchange specialists –the marketing middlemen and theories of marketing channels)(Shaw and Jones, 2005). The functional, commodity and institutional schools all focus on marketing operations and their economic efficiency. This is also the time when the foundations of a marketing infrastructure for knowledge started to evolve (Wilkie and Moore, 2003).

The third era (1950-1980s) marked a shift in marketing thought under the influence of Wroe Alderson, namely a turn to a managerial perspective, combined with an effort to

infuse mathematics and statistics in the US business schools. There was more empirical work conducted and this allowed for considerable progress in consumer research; it is also the period when the marketing concept was broadened, as proposed by Kotler and Levy (1969) from its conventional and historical business context to non-profit organisations and then further to various forms of human activity related to any generic or social exchange (Bagozzi, 1975). This has led to the development of social marketing and the study of marketing in relation to public policy (Wilkie and Moore, 2003). It is the era of the modern schools of marketing thought:

- marketing management, studying the practice of marketing viewed from the sellers' perspective; the main purpose was to guide managers in their actions with easy to understand and follow frameworks. The dominant view was that rational planning and marketing planning models were key to the success of the firm;
- marketing systems, studying the interrelationships between the parts and the whole of the marketing system;
- consumer behaviour, studying motivation, personality, attention, learning, emotions, diffusion and adoption of innovation, influence of opinion leadership, culture, family life cycle, joint decision-making etc.;
- distribution and marketing channels (continuing to focus on channel behaviour)
- macromarketing, studying the bi-directional impacts of marketing as an institution with the social system;
- and exchange, studying the types and context of exchange included in the realm of marketing (Shaw and Jones, 2005, Bjerke and Hultman, 2002).

In the latter part of the third era, from the 1970s onwards, the idea of exchange as the heart of marketing found its way in most of the conceptualizations of the term and began to be perceived as the foundation of a “general theory of marketing” (Bagozzi, 1975, p. 39). Marketing as ‘exchange of values’ was finally seen and understood as a primary, basic and essential human activity and a given function of society.

The fourth era (1980-present) shows fragmentation of mainstream thinking in the field of marketing and specialisation of research, with a wide range of topics and issues. The managerial perspective continues and there is a strong belief that marketing research should enhance the effectiveness of managers in making marketing decisions (Wilkie and Moore, 2003), but marketing thought is also reflecting the new world order.

The new business environment brought about major changes: global markets, technological sophistication, intense competition, more demanding customers etc. New types of business organisations began to appear, based on partnerships, alliances, and networks (Coviello et al., 2000). Marketing practice and thought have mirrored these environmental, economic and social changes. A new paradigm of marketing thought began to develop (Kotler, 1992, Webster, 1992, Achrol and Kotler, 1999). During the fourth era, the frames of reference in marketing began to move away from the 4 P's and

be largely independent of the standard microeconomic paradigm. Relationship marketing, services marketing, industrial marketing, quality management, market orientation, supply and value chain management, international marketing, resource management, and networks emerged as the new sub-fields of interest (Vargo and Lusch, 2004).

EM, born at the marketing/entrepreneurship interface, was among these new areas of interest, aiming to explain marketing in the specific context of small and medium entrepreneurial firms.

2.2.2 Evolutionary Milestones in the Development of EM

EM has been gradually evolving over the last three decades. In 1982 EM emerged as a topic of interest, when Professor Gerald Hills organised the first Symposium on marketing and entrepreneurship. Following this, the first American Marketing Association's (AMA) Research Symposium on Marketing and Entrepreneurship took place in the University of Illinois, USA in 1987 (Collinson, 2002). The purpose of these symposia was to identify researchable propositions and hence commence work into a promising avenue. The starting point was an inductive process, adopting the "theories in use" approach, which assumed that the current practices of successful entrepreneurs were an appropriate source for identifying researchable propositions (Hills and Hultman, 2011). In 1990 and 1991, the first EM tracks were created at the AMA conferences. The interest in the marketing/entrepreneurship interface also developed in Europe, with the foundation of a Special Interest Group (SIG), which held its first UK annual conference in 1995 at the University of Glasgow (Collinson, 2002).

One of the most important milestones in the evolution of EM was marked in 1999, when the *Journal of Research in Marketing and Entrepreneurship* was founded, a joint venture between the UK and US academics from the two special groups. In parallel to this, the growing interest in research in the field of EM was reflected in the increasing numbers of special issues on EM in other journals (e.g. *Journal of Marketing Theory and Practice*, 2000, *Journal of Small Business Management*, 2008, *International Journal of Entrepreneurship and Innovation Management*, 2010). Numerous other conceptual and empirical journal articles on EM also appeared in a range of journals from the marketing, entrepreneurship and management disciplines. In parallel, books were published, formally establishing the field of EM:

- Carson, D., Cromie, S., McGowan, P. & Hill, J. (1995) *Marketing and Entrepreneurship in SMEs. An Innovative Approach*, Prentice Hall
- Bjerke, B. & Hultman, C. M. (2002) *Entrepreneurial Marketing. The growth of small firms in the new economic era*, Edward Elgar
- Schindehutte, M., Morris, M. & Pitt, L. (2008) *Rethinking Marketing: The Entrepreneurial Imperative*, Prentice Hall
- Sethna, Z., Jones, R. and Hariggan, P. (Ed) (2013) *Entrepreneurial Marketing: Global Perspectives*, Emerald Publishing

- Nijssen, Ed (2014) *Entrepreneurial Marketing: An Effectual Approach*, Routledge
- Cacciolatti, Luca and Lee, Soo Hee (2015) *Entrepreneurial Marketing for SMEs*, Palgrave Macmillan
- Chaston, Ian (2016) *Entrepreneurial Marketing. Sustaining growth in All Organisations*, Palgrave

As the research interest widened from the US to Europe (especially in the UK) and Australia, leading to theoretical and empirical journal articles across different continents and contexts, EM began to be regarded as a legitimate field of academic research in both the disciplines of marketing and entrepreneurship and at their interface.

2.3 The Definitional Spectrum of EM

As it is seldom the case in new and dynamic academic fields, there are several different research streams employing the concept of EM and consequently different definitions of the EM construct. One dominant research stream is represented by studies investigating SME marketing. The academic field of EM initially emerged as a more promising avenue for marketing in the specific context of small firms. Since small firms are not “scaled-down” versions of a large firm (Westhead and Storey, 1996, p.18), there was a need in the marketing literature for an alternative to the traditional theoretical models that have been developed from the perspective of large corporations.

This literature epitomises some of the early endeavours to understand the particularities of marketing in small and medium firms. SMEs’ marketing behaviour is different than the marketing behaviour of large firms; it is very much driven by the personality, goals and preferences of the owner/manager, with decisions often confined by scarce resources. This stream of research contributed significantly to the EM context, by emphasising that traditional marketing may not fully apply to small and medium firms (Kraus et al., 2012).

Another stream of research in the EM field focused on the behaviour of the entrepreneur (Hills and Hultman, 2011). Based on the initial dichotomy of traditional marketing versus SME marketing, this literature emphasised the relationship between marketing and entrepreneurship and attempted to map the particularities of marketing in an entrepreneurial context. Once again, the normative mainstream marketing models and theories were deemed insufficient in explaining the marketing behaviour of entrepreneurial firms. EM was identified as a more promising avenue to explain the marketing of firms, which are small, and resource constrained, but driven by the visionary actions of the entrepreneur. This more purely “entrepreneurial marketing” stream has recently began to consolidate as the main direction of the field (Hills and Hultman, 2011, Kraus et al., 2012).

Another perspective views EM as an early or premature stage in the evolution of marketing alongside the lifecycle of the firm. EM is seen here as an ‘undeveloped’, informal and unsophisticated initial approach to marketing, followed by a move towards a more formal and specialised marketing function, as the firm grows and develops (O’Cass and Morrish, 2016). In this view, EM can be fully incorporated and understood within the existing paradigm of the traditional or the administrative approach to marketing.

Another stream extends EM as a different model of marketing to all organisations: new and old, small and large. This approach proposes that marketing across all organisations can be revitalized by becoming more entrepreneurial (Hills et al., 2008, Schindehutte et al., 2008).

Given the complexity and interdisciplinary nature of EM, no single, generally accepted definition of EM exists. Table 2.1 illustrates the most relevant definitions of EM in chronological order and in the context in which they have been employed.

Table 2.1 Definitions of the EM construct

Author, Year	Definition	Context
Carson and Gilmore (2000a)	“The nature of SME marketing is that it is dominated by the inherent characteristics of the entrepreneur/owner/manager and the SME itself. The effect of the inherent limitations of SMEs coupled with the way entrepreneurs /owners/ managers take decisions will determine and often dictate the nature of SME marketing” (p. 1).	SMEs
Stokes (2000b)	EM is “marketing carried out by entrepreneurs or owner managers of entrepreneurial ventures” (p. 2).	Entrepreneurial ventures
Bjerke and Hultman (2002)	EM is the “marketing of small firms growing through entrepreneurship” (p. 15).	SMEs
Morris et al. (2002)	EM is “the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation” (p. 5).	All firms (small and large)
Miles and Darroch (2006)	EM is the ability to “proactively leverage innovation and manage risks throughout the marketing process for creating, communicating and delivering value to the customer in ways that benefit the organisation and its stakeholders” (p. 488).	All firms (small and large)
Gaddefors and Anderson (2009)	“Entrepreneurial marketing is [...] the very heart of the entrepreneurial process”. (p. 19) “Entrepreneurial marketing is not about “managing” marketing at all; but about a creative, even eclectic approach invoking a mixing of resources” (p. 24).	New ventures
Hills et al. (2010)	“EM is a spirit, an orientation as well as a process of passionately pursuing opportunities and launching and growing ventures that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility” (p. 6).	Entrepreneurial ventures
Morrish et al. (2010)	“EM is not simply the nexus of marketing and entrepreneurship, but both wholly marketing and wholly entrepreneurship – both customer-centric and entrepreneur/innovation-centric” (p. 311).	All firms (small and large)

Compiled by author

This fragmentation of research is not surprising, considering that EM is an emerging field, with a compound heritage, resting on the foundations of marketing, entrepreneurship and general management (Kraus et al., 2012). While no single definition of EM exists, most definitions share commonalities and emphasise the central role of the entrepreneur/business owner, relationships and customer centricity, innovation and resource leveraging.

Similarly, while in most recent conceptualisation, EM is seen as applicable to all organisational contexts, SMEs still provide the most appropriate setting to investigate EM practice (Sullivan Mort et al., 2012, Becherer et al., 2008, Bjerke and Hultman, 2002, Chaston, 2000., Franco et al., 2014, Gilmore and Carson, 1999, Hallbäck and Gabrielsson, 2010, Hulbert et al., 2015, Jones and Rowley, 2010, Morrish et al., 2010, Miles et al., 2015). It is particularly in the SME context that the overlap between marketing and entrepreneurship was first highlighted (Hills et al., 2008). The marketing/entrepreneurship interface and its explanatory potential for marketing practice in SMEs are discussed in more detail next.

The Marketing/ Entrepreneurship Interface

An interface is the “area at which any two systems or disciplines share the same concepts, objectives and goal-oriented behaviour“ (Gardner, 1994, p. 37). The interface between marketing and entrepreneurship has been signalled more than 50 years ago; it is to be found in some of the seminal articles which laid the foundations of marketing thought. Drucker (1954, p. 39-40) argued that marketing and innovation are the “only two basic functions” of any business. Drucker (1958) also described marketing as essentially entrepreneurial in nature: a key function and driver of business, the greatest tool towards economic development; a “creator” of business, a catalyst that puts in motion economic energy, developing entrepreneurial skills and standards. Similarly, Alderson (1965) talked about innovation as a fundamental component of the marketing function and Levitt (1960, p. 177) linked the practice of good marketing to “the visceral feel of entrepreneurial greatness”.

However, the two fields of marketing and entrepreneurship seemed to advance independently of one another (Miles et al., 2015), and while innovation has been of some interest to the marketing scholars, it was in the entrepreneurship literature that the concept became a central research topic (Webb et al., 2011). It was really only in the last three decades that academics began to agree that entrepreneurship and innovation play an important role in marketing and that marketing plays an important role in entrepreneurship (Stokes, 2000b). After all, creating customer value is the fundamental objective of both marketing and entrepreneurship (Hills et al., 2010). Once the complementary roles of marketing and entrepreneurship within the firm, and particularly in SMEs, began to be emphasised (Hisrich, 1992, Coviello et al., 2000, Collinson and Shaw, 2001, Hills et al., 2008, Hills et al., 2010, Stokes and Wilson, 2010, Collinson, 2002), the marketing/entrepreneurship interface became a fruitful focus for research (Hills et al., 2008).

Marketing and entrepreneurial behaviour are similar in nature: “they are both boundary spanning, involve extensive interplay with the environment, require the assumption of risk and uncertainty, and inevitably interface the complexities of human behaviour with commercial and other endeavours” (Hills and LaForge, 1992 p. 33). Even the definitions of marketing and entrepreneurship are seen as complementary (Kraus et al., 2012) and it has even been suggested that substituting the word entrepreneurship for marketing, and vice versa in the definitional spectrum, could still provide viable descriptions for the two terms (Hills, 1994).

The relationship between marketing and entrepreneurship, viewed as business orientations or business philosophies has also been tested empirically. Most studies investigating the relationship between marketing and entrepreneurship (conceptualized as market orientation and entrepreneurial orientation respectively) found that the two firm level orientations, although separate, are correlated (Becherer and Maurer, 1997, Miles and Arnold, 1991, Smart and Conant, 1994, Matsuno et al., 2002). The empirical evidence suggests that successful entrepreneurs practice good marketing and the best marketers are entrepreneurial (Day et al., 1998). “Good marketing is inherently entrepreneurial. It is coping with uncertainty, assuming calculated risks, being proactive and offering customers attractive innovations relative to competitors. And good entrepreneurship is inherently marketing oriented. A customer focus by everyone in the enterprise is a way of life“ (Hills, 1999, p. 6).

The interface between marketing and entrepreneurship has contributed to the development of EM as an explanatory paradigm for marketing in SMEs and positioned EM as an alternative to traditional, classic or administrative marketing (Carter and Jones-Evans, 2006). The way in which the extant literature compares and contrasts EM with traditional marketing is reviewed in the following section.

2.4 EM and Traditional Marketing

The differences between EM and traditional or administrative marketing, reflecting the marketing management perspective, can be discussed on two related grounds: context and practice. From the point of view of context, EM has been differentiated from traditional marketing on the basis of factors characterising small and medium firms. SMEs have a different context as compared to their larger counterparts and consequently they view and employ marketing differently (Hills and Hultman, 2006, Hills et al., 2008). From the perspective of practice, EM has been compared and contrasted to traditional marketing in terms of the actual process (i.e. how marketing is done), on the basis of the argument that entrepreneurs do marketing differently when compared to managers/administrators.

Following Webster (1992) and Stokes (2000b), Table 2.2 compares EM to traditional marketing on the three dimensions of marketing: marketing as culture, marketing as a

strategic process, and marketing as a series of tactical actions or methods. A more detailed discussion follows.

Table 2.2 EM and traditional marketing: culture, strategy and methods

MARKETING DIMENSIONS	TRADITIONAL MARKETING	ENTREPRENEURIAL MARKETING
<i>CULTURE</i>	Customer-orientated: Market-driven, product development follows	Innovation oriented: Idea-driven, intuitive assessment of market needs
<i>STRATEGY</i>	Top-down segmentation, targeting, and positioning	Bottom-up targeting of customers and other influence groups
<i>METHODS</i>	The marketing mix Four / Seven P's	Interactive marketing methods Word-of-mouth marketing

Adapted from Stokes (2000b, p.13)

As culture, marketing acts as a guiding philosophy for the organisation and represents a set of values that places the customer at the centre of the organisation and guides decision-making (i.e. the customer centric organisation). Whereas, traditional marketing is mainly customer and market oriented, EM is more innovation-driven and intuitive and supports an organisational culture where all employees across all functional activities engage in innovative customer value creation (Miles et al., 2015). While traditional marketing is responsive to the customers' expressed needs, EM is intuitive and can anticipate future or un-expressed needs. This essential difference in the "logic" that underpins these values is similar to the one expressed in the entrepreneurship literature by Sarasvathy (2001) in the causation/effectuation dichotomy. Effectuation processes, implemented by entrepreneurs differ from causation processes, implemented by managers. Entrepreneurs do not start with goals and then try to gather the means by which these goals can be achieved. Rather, they start with a set of means (who I am, what I know and whom I know), which allows entrepreneurs to change their goals and even to construct them over time, making use of contingencies as they arise (Sarasvathy, 2001). This is similar to the essence of EM, its creative, flexible and opportunity-oriented stance (Hills and Hultman, 2011) and thus the effectuation theory makes an important contribution in explaining the characteristics of EM.

At a strategic level, marketing deals with key decisions around the competitive position of a value proposition. Traditional normative marketing books mostly underline formal, analytical, market-led, reactive processes that marketing managers must engage in for marketing success. In traditional marketing models and frameworks, once market needs have been identified and understood, through marketing research, a customer driven strategy should follow, whereby the market is first broken down into different segments. Market segmentation is an objective process, involving dividing large, heterogeneous markets into smaller segments that can be reached more efficiently and effectively with

products and services that match their unique needs (Kotler et al., 2008). Targeting follows: evaluating the various segments identified during the segmentation process and deciding how many and which segments the firm can serve best. Companies must then focus on communicating the value proposition to the target market/s and establishing the position it wants to occupy in those segments, which will differentiate it from competing offerings. Marketing appears as “objective, dispassionate science”, a reactive and adaptive approach (Morris et al., 2002, p. 6).

As opposed to this, the EM process is mostly informal and proactive, often involving ad-hoc activities, mainly driven subjectively by the entrepreneur or the entrepreneurial team (Carson et al., 1995, Gilmore et al., 2001, Stokes, 2000b, Carson and Gilmore, 2000a, McPherson, 2007), characterized by a doing rather than thinking culture (Lancaster and Waddelow, 1998). The entrepreneurial streak, often accompanied by a lack of formal planning, is often seen as the antithesis of strategic thinking in the traditional normative models. EM is an innovative, opportunity-driven and opportunity-seeking way of thinking and acting (Morris et al., 2002), often going beyond clearly identified market needs. It “involves intensity and motivation” as compared to the “dispassionate, analytical planning process” of traditional marketing management (Hills et al., 2010, p. 6). EM is characterized by “passion, zeal, persistence and creativity”(Morris et al., 2002 p. 6) and strong commitment, features that also distinguish it from conventional marketing (Schindehutte et al., 2008). This means that an entrepreneurial marketing strategy differs from the traditional marketing strategy described above. Entrepreneurs are proactive change agents, who often start with a few interested customers, increasing the customer base gradually as experience and resources allow it. Stokes (2000b) has found that often target customer groups emerge through a process of self-selection and encouragement from the entrepreneur, rather than through formal research and segmentation and targeting processes.

At a tactical level, marketing is concerned with the implementation of strategy; the traditional marketing models suggest that marketing strategy should be implemented through the marketing toolbox, the various tactics, methods and activities available to the marketer. The marketing mix framework is again described as an objective and analytical process, whereby firms must take decisions around product (variety, design, features, brand name, packaging, ancillary services etc.), price (unit price, discounts, credit terms etc.), place (channels of distribution) and promotion (advertising, personal selling, sales promotions, public relations, direct marketing methods etc.), with the ultimate goal of creating satisfaction and building long-term customer equity.

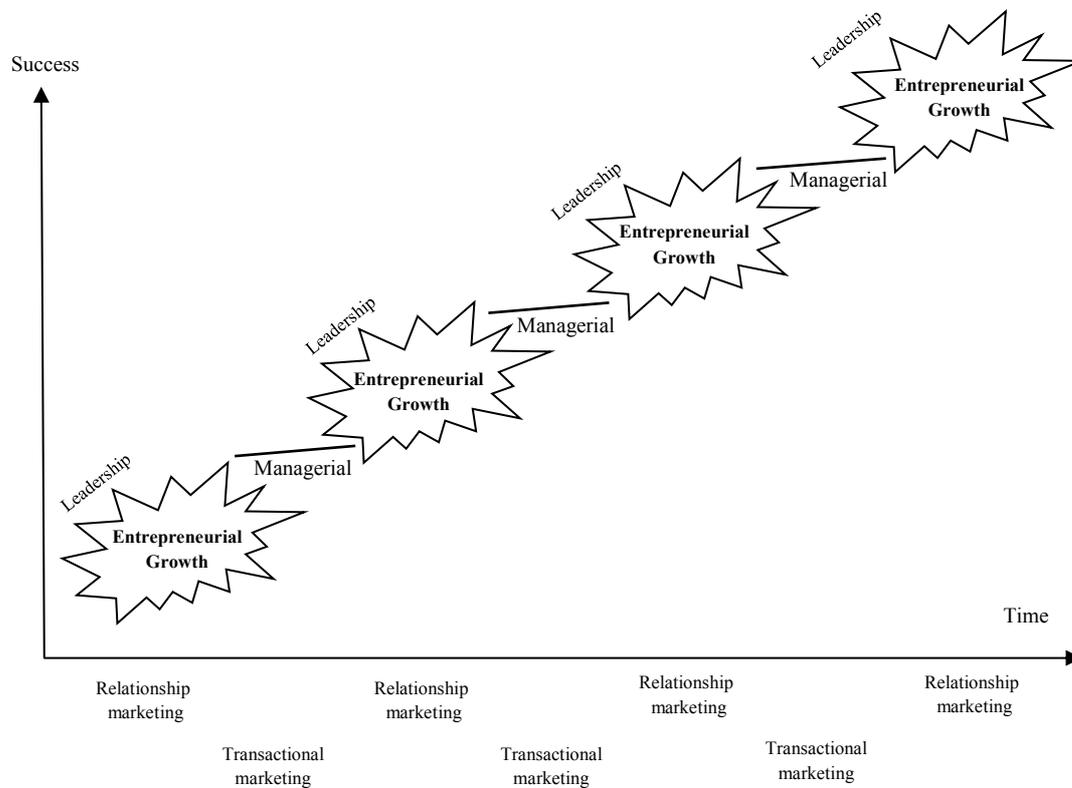
While the end goal is the same in EM, the way in which this is achieved differs. As compared to traditional marketing, EM is highly relational in nature. Empirical research shows that successful entrepreneurs are very active networkers and that for most entrepreneurs, marketing is a social, personal activity more than an organisational function (Gilmore et al., 2001, Gruber, 2004, Hills et al., 2008, O'Donnell, 2004,

O'Donnell, 2014). The close interaction between the entrepreneur and the customers and other stakeholders is the single most important marketing tool in EM.

Entrepreneurial Marketing: Balancing Transactional and Relational Exchanges

While conceptualizations of the entrepreneurial marketing construct often compare and contrast it with traditional or administrative marketing, most of the literature agrees that in reality a continuum exist in between the two and firms will be more entrepreneurial or more administrative in their approach to marketing depending on specific contexts and times. It is unlikely that organisations can maintain high levels of entrepreneurial marketing for undetermined periods of time; firms move from new markets/new products, when a more entrepreneurial and relational approach to marketing is suitable, to being more concerned with marketing efficiency, when a more traditional approach to marketing is required (Morris et al., 2002).

Bjerke and Hultman (2002) have described the way in which the level of entrepreneurship varies in a firm over time as a cycle where leadership/entrepreneurship (underpinned by relational marketing) or management (underpinned by transactional marketing), take precedence according to the firm's needs. Figure 2.1 illustrates this process. In stage one, as the firm is born (a period of entrepreneurial growth) leadership is needed more than management; the entrepreneur must be a leader for his or her employees, and build many different types of alliances and relationships with external stakeholders. In this stage, relationship marketing takes precedence over transactional marketing. In stage 2, as the firm grows "on its own", management becomes more important. With a focus on growth, operational efficiency and sales, transactional marketing becomes predominant. However changing market conditions will prevent the firm from growing "on its own" indefinitely. For a firm to keep its competitive edge it must develop new value constellations (stage 3) and entrepreneurship takes precedence once again, implying a renewed focus on relationship marketing. If these efforts have been successful, the firm enters growth and management and transactional marketing become more important once again (stage 2).

Figure 2.1 The entrepreneurial growing firm

Adapted from Bjerke and Hultman (2002)

As illustrated in Figure 2.1, balancing the transactional and relationship orientations in marketing actions is a capability that firms need in order to grow (Bjerke and Hultman, 2002). This is also supported by empirical findings. Coviello et al. (2000) found that entrepreneurs employ both the traditional transactional view of marketing, alongside the development and management of relationships with customers and other important stakeholders, which is reflective of the relational marketing paradigm. Consequently, a more realistic approach is to incorporate aspects of both transactional and relationship approaches in the assessment of entrepreneurial marketing (Coviello et al., 2000, Bjerke and Hultman, 2002).

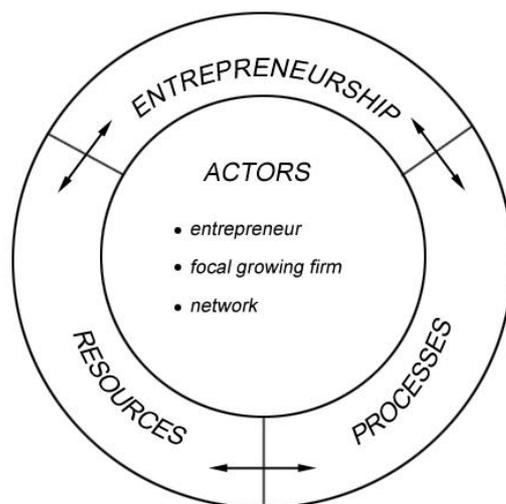
Nonetheless the emphasis on relationships, the proactive entrepreneurial stance and the entrepreneur's immersion in the market are all characteristics that define the nature of EM and they are reflected in the dimensions that underpin EM conceptually. These are the focus of Section 2.5 next.

2.5 EM Dimensions

The most comprehensive conceptualizations of EM are those of Bjerke and Hultman (2002) and Morris et al. (2002).

Bjerke and Hultman (2002) identify the four pillars of entrepreneurial marketing as entrepreneurship, processes, actors and resources (Figure 2.2). Entrepreneurship emphasises proactiveness, the search for opportunities and innovation. The term processes incorporates all the means and activities through which a firm creates customer value. Actors represent individuals/entrepreneurs, organisations or networks of organisations. Finally resources are the inputs needed to generate customer value. Resources can be owned by the firm, while others are generated in the firm's interaction with external actors, or secured from outside partners (Bjerke and Hultman, 2002).

Figure 2.2 The four pillars of entrepreneurial marketing



Source: Bjerke and Hultman (2002, p. 187)

According to Morris et al. (2002) EM incorporates the entrepreneurial orientation (EO) and marketing orientation (MO) constructs. As mentioned in Section 2.3.1, EO and MO have an established tradition in the extant literature and they have been tested empirically both individually and together. Empirical evidence shows that, while different, EO and MO are correlated and may be components of one predominant organisational philosophy (Morris and Paul, 1987, Miles and Arnold, 1991, Evers, 2011a).

Capturing the interface between entrepreneurship and marketing, Morris et al. (2002) identify seven underlining dimensions of EM. The first four dimensions of EM: proactiveness, risk management, innovation focus and opportunity driven reflect the components of the EO construct (Miller and Friesen, 1982, Covin and Slevin, 1986,

Lumpkin and Dess, 1996, Lumpkin and Dess, 2001). The next two (customer intensity and value creation) are representative of the MO construct (Kohli and Jaworski, 1990, Kohli et al., 1993, Narver and Slater, 1990, Ritter, 2006, Slater and Narver, 1995), while resource leveraging incorporates the ability of the entrepreneur to do more with less and to access resources in his/her networks - emphasised in both the entrepreneurship and marketing literatures (Morris et al., 2002). Drawing on extant literature employing Morris et al.'s (2002) and similar conceptualisations of EM, these seven dimensions are discussed in more detail below.

1. Proactive orientation

The proactive orientation dimension signals that EM does not consider the external environment as given, but as something that can be influenced, created and enacted through the entrepreneur's behaviour. Conditions can be redefined, and firms can create change, just as well as adapt to change created by others (Morris et al., 2002). This view in which entrepreneurs are seen as proactive creators and co-creators of their environments is present in both marketing (Gaddefors and Anderson, 2009, Vargo, 2011) and entrepreneurship (Sarasvathy, 2001, Ardichvili et al., 2003) theory.

2. Risk management

As opposed to the APIC model – analysis, planning, implementation and control, which in traditional marketing mitigates risks and decreases firm vulnerability, entrepreneurs tend to be more intuitive in their decision-making. EM is situation specific, inherent, practical and pragmatic (Carson and Gilmore, 2000a) and risks are managed through higher levels of innovation and flexibility (Carson and Gilmore, 1999).

Marketing plays an active role in mitigating the company's risk profile within the EM approach. Risk is reduced by the way entrepreneurs choose to actively interact with their operating environment and networks. Resources are managed in a way which allows for flexibility, as firms collaborate with customers, other firms and network actors. Such initiatives include collaborative marketing programmes, strategic alliances, joint development programmes, working with lead customers to test/launch products (Morris et al., 2002). By reducing environmental uncertainty the firm lowers its vulnerability.

3. Innovation focused

Despite their limited resources, entrepreneurial firms have a particular ability to innovate (Freel, 2000) and the EM literature has emphasised a broad spectrum of innovation. Being innovation focused moves beyond opportunity recognition, into using new resources or existing resources in new ways (Morris et al., 2002).

The role of innovation in the entrepreneurial process has been highlighted since the seminal work of Schumpeter (1934). Subsequently, it has been consistently included as one of the main dimensions of entrepreneurial orientation (Miller, 1983, Lumpkin and

Dess, 1996, Wiklund and Shepherd, 2005, Covin and Lumpkin, 2011, Smart and Conant, 2011, Covin and Wales, 2012) and linked to small firm performance (Wiklund and Shepherd, 2003).

4. Opportunity driven

Hills et al. (2008 p. 107) identify “commitment to opportunities” and “opportunity-recognition skills” as factors that set EM apart from conventional marketing. ‘Opportunity-driven’ means much more than ‘opportunity identification’ (Sullivan Mort et al., 2012, Shane and Venkataraman, 2000, Miles and Darroch, 2006, Gruber, 2004); it is more than scanning the environment for trends, it involves spark and creativity and uncovering uncharted space (Morris et al., 2002, Chan and Mauborgne, 2005). ‘Opportunity driven’ encompasses the view that opportunities are not only imprecisely defined market needs that the entrepreneur may become aware of (Kirzner, 1997), but rather, that opportunities can also be created by the entrepreneur (Ardichvili et al., 2003, Lumpkin and Lichtenstein, 2005, Kjellberg and Helgesson, 2007, Gaddefors and Anderson, 2009, Sarasvathy, 2004).

In EM often “the idea comes first and the check for market acceptance comes second” (Stokes, 2000b, p.7). Market analysis is not random, but different (i.e. as compared to the formal approach) (Bjerke and Hultman, 2002). As opposed to formalised research and complex marketing intelligence systems, entrepreneurs gather their market information through informal networking, are very close to the market and often act on intuition, previous experience and "gut feeling" (Morris et al., 2002, Stokes, 2000b), adopting a learn-by-doing philosophy (Hills et al., 2008).

5. Customer intensity

Customer intensity or customer orientation (Jones and Rowley, 2010) is a key dimension of EM, and of the well-established market orientation construct (Kohli and Jaworski, 1990, Kohli et al., 1993). Within the EM domain, customer intensity shows that for entrepreneurs marketing is not an abstract phenomenon. “EM includes entrepreneurs' day-to-day immersion in the marketplace, contributing to an understanding of customers and clientele rarely achieved by large corporations” (Hills, 2012). In EM there is a greater intensity of customer orientation. Often the entrepreneur is deeply involved and personally committed to serve customers and to respond directly (timely and positively) to the customers’ needs and wants (Hills, 2012). Entrepreneurs “live” continuously with the market, their vision and customers’ preferences constantly in their minds (Hultman, 1999, p. 60) and this often translates into a special market sensing capability. This creates a heightened level of “responsiveness to the marketplace and seemingly intuitive ability to anticipate changes in customer demands” (Collinson and Shaw, 2001, p. 764). Hills et al. (2008) found that entrepreneurs are often prepared to incur significant efforts and costs to satisfy the preferences of customers and that they regard this ability to make rapid decisions and to adapt quickly, as a crucial strategic capability.

Furthermore, customer intensity is very much embedded in the culture of the organisation and from that perspective everyone in the firm is in charge of marketing. This resonates with the part time marketer concept from the relationship marketing literature (Grönroos, 1990, Gummesson, 2008).

6. Value creation

Both the transactional and relational approach to marketing view value creation to be the epitome and the end goal of interaction in the marketplace. In EM, customer intensity is combined with a focus on innovation and thus “the focal point of EM is innovative value creation, on the assumption that value creation is a prerequisite for transactions and relationships” (Morris et al., 2002, p. 8). Furthermore, given the high level of customer closeness and intensity, entrepreneurs are better positioned to develop value propositions based on points of value that really matter to customers.

7. Resource leveraging

Resource leveraging or resource enhancing (Hills et al., 2008) refers to doing more with less, including stretching resources, utilising resources in new ways, combining resources, obtaining new resources with/from existing ones (Gruber, 2004, Miles and Darroch, 2006, Sullivan Mort et al., 2012). As opposed to traditional marketing where the focus is on resource allocation and the most efficient use of existing resources, in EM actions are not constrained by resources currently controlled. Instead entrepreneurs aim for leverage and doing more with less. This is where small entrepreneurial firms can compensate for the lack of resources that their large counterparts have.

The most critical form of leveraging is “the ability to use other people’s resources to accomplish the marketer’s purpose” (Morris et al., 2002, p. 8). The entrepreneur’s relationships and networks, and the way he/she interacts with the environment through networking thus become important avenues for resource leveraging, creating value and maximising marketing efficiency (Coviello and Munro, 1995, Carson et al., 1995, Gilmore et al., 2001, Hills and Hultman, 2006).

It is this very aspect of EM that this research focuses on. While the concept of ‘marketing by networking’ in EM literature encapsulates the way in which entrepreneurs leverage their relationships to facilitate, aid and enhance marketing (Birley et al., 1991, Shaw, 1999, Gilmore et al., 2001, Stokes, 2000a, Hill, 2001, Gruber, 2004, Evers and O’Gorman, 2011, Sullivan Mort et al., 2012), there is a limited insight into how this actually works (O’Donnell, 2011, Hoang and Antoncic, 2003, Jack, 2010). Given the importance of relationships and social connectedness for our understanding of EM (Morrish et al., 2010), Chapter 3 delves further into the role of relationships and networks in the relevant extant literature.

2.6 Conclusion

This aim of this chapter was to chart the evolution of the EM literature from its origins in the 1980s to the present day conceptualizations. To that end, the first half of the chapter positioned entrepreneurial marketing on the map of the marketing literature; it also provided an overview of the history of EM and how it fits within the main schools of marketing thought. The second part of the chapter discussed the broad definitional spectrum of EM within different research streams, explored the marketing/entrepreneurship interface and compared and contrasted EM to the traditional marketing approach. The chapter concluded with an overview of the dimensions that conceptually define the nature of EM. Herein the prevalence of networks and networking in the way entrepreneurs do marketing was emphasised. Chapter 3 reviews the main streams of research focusing on relationships and networks in the entrepreneurship and marketing literatures, the parent disciplines of EM.

Chapter 3. Relationships and Networks

3.1 Introduction

As set out in Chapter 1, entrepreneurial marketing (EM) is a field of research, which has developed at the marketing/entrepreneurship interface in response to calls for more appropriate models and frameworks to explain the particularities of marketing in the context of SMEs.

The importance of relationships and networks has been recognized in the entrepreneurship (Slotte-Kock and Coviello, 2010, Hoang and Antoncic, 2003, Birley, 1985, Jarillo, 1988, Jack, 2010) and marketing (Ballantyne et al., 2003, Coviello et al., 1997, Day, 2000, Ford et al., 2003, Grönroos, 1994, Gummesson, 2008, Hunt, 1997, Morgan and Hunt, 1994, Vargo and Lusch, 2004) literatures, the parent disciplines of EM, as well as in the management literature (Dyer and Singh, 1998, Brass et al., 2004, Uzzi, 1997, Burt, 1997, Stuart, 2000, Pfeffer and Salancik, 1978). The theoretical foundations of this interest on connections, relationships, interaction and networks rest with social exchange theory (Homans, 1958, Blau, 1964, Emerson, 1972, Cook and Emerson, 1978), focusing on social relations and exchanges of values among actors and network analysis literature (Cook and Whitmeyer, 1992, Mitchell, 1969, Mitchell, 1974, Marsden, 1990), which pays more attention to the structural dimensions of networks.

Mirroring these considerations, researchers at the marketing/entrepreneurship interface employed the notion of ‘marketing by networking’ to explain the prevalence of networking in the way entrepreneurs do marketing (Chaston, 2000, Coviello and Munro, 1995, Gilmore and Carson, 1999, Stokes, 2000b, Carson et al., 1995, Gilmore et al., 2001, Collinson and Shaw, 2001, Hill, 2001, Hills and Hultman, 2006). However, while the extant literature has emphasised that network relationships offer opportunities for small and medium businesses and that networking activity contributes towards marketing, we have little understanding of how that actually happens.

This chapter reviews the role of relationships and networks in the marketing literature in Section 3.2, paying particular attention to relationship marketing, the interaction and network approach to marketing and the Service-Dominant Logic. Following this, Section 3.3 reviews network-based research in entrepreneurship (the content of relationships, network governance, network structure, network development and nodal constructs). The chapter then progresses to show how these theoretical underpinnings are reflected in the EM literature in Section 3.4, while Section 3.5 presents a typology of relationships/network ties and a typology of networking. Section 3.6 concludes the chapter.

3.2 Relationships and Networks in the Marketing Literature

As set out in Chapter 2, during the 1990s the marketing mix paradigm was starting to lose its position, new approaches in marketing research were emerging and a paradigmatic shift was under way. Interaction, relationship building and management were identified as the underlying common principles in the new research streams (Grönroos, 1997). Marketing thought began to move away from the traditional view examining actors in isolation, towards “a focus on building value-laden relationships and marketing networks” (Kotler et al., 2008, p. 387).

Even though these developments were “new”, relationships and the importance of the interaction between buyer and seller are concepts with deep historical roots in marketing, which can be traced back to the institutional and functionalist schools and the traditional marketing channel literature. Many of these new ideas in marketing thought have been linked to the writings of Wroe Alderson on marketing channels. Alderson (1965) was among the first to place emphasis on the cooperative aspect of economic behaviour, which has been relatively neglected by economic theory. Alderson (1965, p. 239) described channels as “sufficiently integrated to permit the system to operate as a whole”, but “loose enough to allow for the replacement or addition of components... In cohesive channels the firms think of themselves as being highly interdependent. In other cases the relationships between firms are loosely structured and fluid”.

By the early 1990s several groups of researchers in the marketing sphere were pursuing separate but related work, which would ultimately lead to a paradigmatic shift. Relationship marketing and the interaction and network approach to marketing, the most developed streams of research, are discussed next.

3.2.1 Relationship Marketing

While relationships between trading partners are as old as trade itself, it was only in the 1980s that relationship marketing began to attract serious attention in the marketing discipline. The foundations of relationship marketing are to be found in the marketing of services, where the central concern for service quality led to increasing interest in the buyer-seller interaction. Academics concluded that the marketing of services needed a different approach than what was the established tradition in marketing. In Europe, researchers from Sweden and Finland introduced concepts such as “perceived service quality”, “interactive marketing”, “part time marketers” focusing on the customer - suppliers interface. From here relationship marketing was born and quickly gained a wide audience (See, for example, Grönroos, 1990, Grönroos, 1994, Gummesson, 1987, Gummesson, 1997), becoming the marketing topic of the decade (Ballantyne et al., 2003).

Relationship marketing has initially focused on customer relationships and was defined accordingly, as “attracting, maintaining and -in multi-service organisations-enhancing

customer relationships” (Berry, 2002, p. 61). Other definitions were more generic, with a holistic perspective, including not only customers, but all stakeholders, such as the examples below:

"Relationship Marketing is an emergent disciplinary framework for creating, developing and sustaining exchanges of value between the parties involved, whereby exchange relationships evolve to provide continuous and stable links in the supply chain" (Ballantyne, 1994, p. 3).

“Relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met”; and “ this is done by a mutual exchange and fulfilment of promises” (Grönroos, 1996, p. 7).

“Relationship marketing refers to all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges" (Morgan and Hunt, 1994, p. 22).

“Relationship marketing is interaction in networks of relationships” (Gummesson, 2008, p. 5).

As illustrated in Table 3.1 below, relationship marketing is often compared and contrasted to traditional or transactional marketing in order to signal the significant shift in marketing thinking.

Table 3.1 Traditional/transactional versus relationship marketing

Traditional/transactional marketing	Relationship marketing
Marketing is a function / the marketing department is concerned with marketing	Marketing permeates all levels of the organisation. Everyone is a part-time marketer
The key concern is the management of the marketing mix.	The key concern is the management of relationships.
Focus on volume (obtaining new customers)	Focus on customer retention (relationships)
Episodic customer contact	Continual customer contact
Focus on product features	Focus on customer value
Short term horizon	Long term horizon
Little emphasis on customer service	High emphasis on customer service
Limited customer commitment	High customer commitment
Limited customer contact	High customer contact
Primary concern with product quality (quality of output)	Concern with relationship quality (quality of interaction)
<i>Ad hoc</i> customer satisfaction surveys	Real-time customer feedback system
The firm communicates <i>to</i> the market	The firm communicates <i>with</i> the market

Adapted from Bowen and Shoemaker (1998), Payne (1994), Coviello et al. (1997), Grönroos (1997), Ballantyne et al. (2003).

The two approaches, transactional marketing and relationship marketing, address the exchange paradigm in very different terms. Within the traditional transactional marketing paradigm the focus is on the transaction itself. It is short-term oriented, concentrated on product features and product quality, with limited customer commitment and contact. The goal is to get the customer to buy the product or service and customers and other stakeholders are mostly seen as passive players in the market. In contrast, relationship marketing places great emphasis on relationships and it is long-term oriented; value is created through customer service, commitment and contact. While the value proposition must deliver, the transaction itself is but one step in the creation and maintenance of customer relationships (Boussouara and Deakins, 1999, Christopher et al., 2002, Ballantyne et al., 2003, Gummesson, 2008).

As opposed to the stimulus-response model of exchange on which the marketing mix approach is founded upon, the relationship philosophy focuses on customer value and retention in the long run. Its founding concepts include promises (and their fulfilment), trust and commitment, dialogue, co-operation (Grönroos, 1997). The overall guiding

philosophy is customer centric and everyone in the company is concerned with marketing and customer relationships, not only the marketing department. Marketing is not a one-way process, directed to passive consumers, but an interactive social process, where due consideration is given to all those involved. “The fundamental thesis of relationship marketing strategy is that, to achieve competitive advantage and, thereby, superior financial performance, firms should identify, develop, and nurture an efficiency-enhancing, effectiveness-enhancing portfolio of relationships” (Hunt, 2010, p. 414). As the literature on relationship marketing was growing, at the beginning of the century, relationship marketing was seen as having “by far the best prospects for providing the basis for a new theory of marketing” (Saren, 2000, p. 37).

3.2.2 The Interaction and Network Approach to Marketing / Industrial Marketing

Overlapping the relationship marketing school of thought, starting with the early 1970s, the International Marketing and Purchasing Group of Researchers (IMP), originally consisting of twelve researchers from Germany, France, Italy, Sweden and the UK, focused on the particularities of B2B (business-to-business) marketing. Equally dissatisfied with the dominant marketing paradigm of the time, these scholars were the first to analyse industrial markets from a network perspective. The IMP group drew on behavioural theories from sociology in their analysis of buyer-seller relationships and networks. The two European wide studies conducted by the IMP group (IMP 1 and IMP 2) led to the development of a rich literature (See, for example, Håkansson, 1982, Håkansson and Johanson, 1992, Anderson et al., 1994, Ford et al., 2003). The initial conceptualization of the interaction and network approach was introduced as a “challenge” to mainstream marketing. Rather than concentrating on firm level series of independent transactions in the buying-selling process, the IMP literature proposed a more holistic interaction approach to marketing and suggested that research should investigate the long-term relationships between market actors embedded in business networks (Håkansson and Snehota, 1995). The main premise of the interaction and network literature is that ‘no business is an island’ (Håkansson and Snehota, 1989) and that all organisations are part of complex and dense networks. In contrast to the traditional view, “business markets aren’t made up of a large number of individually insignificant customers. Nor do they consist simply of action by suppliers – who assemble a marketing mix and launch it towards a group of passive buyers, whose only reaction is to choose whether or not to buy” (Ford, 2004, p. 139). Relationships are reciprocal and companies are inter-dependent on one another, in terms of both opportunities and constraints (Ford and Håkansson, 2006a). The main aim of the IMP research was thus to analyse interaction, envisioned as “a single, but rather complex process that takes place between all business actors”, suggesting that “the business landscape has a heterogeneous network-like structure that is comprised of the interconnected relationships that develop between actors that are individually significant to each other” (Ford and Mouzas, 2013, p. 433).

The theoretical foundations of the interaction and network approach to marketing rest on the AAR or ARA model developed by Håkansson and Snehota (1995). The AAR model contends that any business relationship incorporates three substance layers: actor bonds, activity links and resource ties. The *actors* are the companies and individuals in business networks. Actors form bonds or special connections over time and guide actors' behaviour. Each interaction between actors is based on the history of the relationship and influences all future interactions. Bonds also indicate that actors in a relationship have to comply with some specific rules governing the relationship. The second layer refers to the numerous different *activities* performed and coordinated within each company. Depending on the firm's relationships, some of these activities are performed together with / between other firms. These are activity links. Within business relationships activity linking emphasises the level of coordination (mutual adjustments of activities, i.e. adaptations) between partners.

Finally, the AAR model views *resources* as heterogeneous in use and value; they are not given entities but rather a variable. Resources can be 'available' but also 'developed'. Consequently, relationships are regarded in themselves as resources and at the same time are mechanisms to access resources, thus blurring up the traditional clear division between internal and external resources. As companies access each other's resources or develop resources of new quality, they develop resource ties (Håkansson and Snehota, 1995).

Furthermore, change is intrinsic to any network; relationships are continuously established, maintained, developed, and dissolved within a network and no single actor or hierarchy is fully in charge of network structure and governance. That is, any network "is a structure with inherent dynamic features, characterized by a continuous organising process" (Håkansson and Snehota, 1995, p. 271) and any change in one part of the network, at a dyadic level, creates change in other dyads and, consequently change throughout the whole network. Exchanges within a network typically have a history, which results in the customisation and stabilisation of linkages among members. The IMP literature also emphasises that network actors are never completely free in their actions (Håkansson and Ford, 2002). Firm actions always occur in context and past behaviour affects present and future behaviour. This means that actors take actions not only in light of the outcomes of those actions for themselves, but also for the consequence those actions might have for other actors in the network. Networks are borderless and fluid, never static, but dynamic adaptive systems. The market is always emergent and network development is cumulative (Ford et al., 2003). Similarly, not all relationships between network actors are beneficial; some relationships have a "burden" dimension (Håkansson and Snehota, 1995).

As illustrated by the AAR model, through its theoretical foundations, the interaction and network approach made a statement of separating itself from the microeconomic paradigm (Håkansson and Snehota, 2006). The IMP researchers noted that the vast marketing literature, drawing on its management counterpart, was mainly based on the

premises of competitive strategy and did not pay enough attention to the partnership/cooperative aspects among firms (Ford and Mouzas, 2013). As opposed to the US channel strategy literature, focused on the issues of control, conflict and opportunism, the IMP literature was more concerned with the benefits of relationships and the multiple interaction dimensions that created, sustained and changed business networks (Wilkinson, 2001). Managing within a network is more about participating, responding and learning rather than about controlling or engaging in opportunistic behaviours. Consequently, the major determinant of market performance of a company in business markets “is maintaining and developing the existing customer base and portfolio of relationships that define the market position of the company” (Håkansson and Snehota, 2002, p. 519).

This explosion of interest in the areas of relationships and networks has led to the idea of a paradigm shift in marketing. Relationship marketing and the interaction and network approach to marketing began to attract more and more interest as academics started to signal their similarities. Towards these efforts to synthesise commonalities and build a general theory of marketing we turn our attention next.

3.2.3 Cross-Fertilisation across Different Areas of Marketing and the Service- Dominant (S-D) Logic

While neither of the two groups of researchers, focusing on relationship marketing and the interaction and network approach to marketing respectively, claimed universal application of their ideas to marketing, senior US marketing professors, such as Philip Kotler, Shelby Hunt, Jagdish Sheth and Fred Webster became interested in "relationships" as a general form for marketing exchange and as the foundation of a possible generic marketing concept (Mattsson, 1997).

In an interview in the Marketing Science Institute Review, Phillip Kotler, as quoted by Grönroos (1997), stated:

“A paradigm shift, as used by Thomas Kuhn..., occurs when a field’s practitioners are not satisfied with the field’s explanatory variables or breadth...What I think we are witnessing today is a movement away from a focus on exchange – in the narrow sense of transaction – and toward a focus on building value-laden relationships and marketing networks...We start thinking mostly about how to hold on to our existing customers...Our thinking therefore is moving from a marketing mix focus to a relationship focus” (Kotler, 1991).

The growing attention on relationship marketing and the interaction and network approach to marketing began to extend from the North to the rest of Europe and the US. Even though the original articulation of the premises of the interaction and network approach did not use the label “relationship marketing”, the IMP foundations have many affinities with relationship marketing (Hunt, 2013). Both view marketing as an interactive process in a social context, carrying echoes from the systems based approach

to marketing in Alderson's theory (Grönroos, 1997). The main difference between the two is to be found in the fact that relationship marketing focuses more on the dyads rather than on the macro level and the interdependence between relationships. The "embedded" nature of the individual relationships has only been treated to a limited extent in relationship marketing, while it has been the main focus of the IMP literature (Mattsson, 1997). However, more recent conceptualizations of relationship marketing incorporate both the interaction aspect and the broader network level. For instance Grönroos (1994) links relationship marketing to a network context: "a process including several parties or actors...done by mutual exchange and fulfilment of promises, a fact that makes trust an important aspect of marketing. Inherent in this definition is a view of suppliers or service providers interacting in a network...". Similarly, Gummesson (2008, p. 5) defines relationship marketing simply as "interaction in networks of relationships".

These developments in marketing thought were announcing a new dawn: interactivity and relationship began to supersede the one-way flow models, the network orientation began to replace the dyadic perspective and the findings and frameworks of the B2B literature began to be perceived as applicable to all of marketing, rather than just the industrial context (Vargo and Lusch, 2011).

During the 1990s academics from different research traditions started to pinpoint the similarities among these separate streams. Some even questioned why the growing research communities of relationship marketing and interaction and network approach did not interact more (Mattsson, 1997). In the new millennium there has been increased attention given to bridging this divide and cross-fertilisation attempts across apparently different areas of marketing appeared; for instance, Hunt (1997, 2010, 2013) and the Resource Advantage Theory, Gummesson (2006) and his conceptualization of many-to-many marketing or the stakeholder approach developed by Payne et al. (2005). This has culminated with the Service Dominant logic (S-D logic), which aimed to replace the goods dominant logic (representative of the traditional micro economic paradigm in marketing) and "nudge marketing thought away from fragmentation and toward a more unified theoretical conceptualization and framework" (Vargo and Lusch, 2011, p. 181).

Building on the contributions of the earlier research in services marketing, relationship marketing and industrial/B2B marketing, the S-D logic tries to progress marketing theory. Abstract designators that encompass the complexity of similar terminology from various marketing research streams are employed to dissolve differences from previous theories. The "goods" versus "services" divide is transcended by 'it is all about service'; service, understood as the application of resources for the benefit of another party, is always exchanged for service; the customer-business-buyer-seller terminology (B2C, B2B, C2B and C2C) is replaced by 'actor-to-actor' (A2A). All parties engaged in economic exchange are resource-integrating, service-providing enterprises that share the purpose of value (co)creation (Vargo and Lusch, 2004, Vargo and Lusch, 2008b, Vargo and Lusch, 2011). As opposed to a goods-dominant logic, where firms generate meanings, which they then distribute to customers through marketing activities, within

the S-D logic meanings are co-created by various market actors (Vargo and Lusch, 2004, Vargo and Lusch, 2008b). Markets are viewed as “socially constructed human artifacts” (Nenonen and Storbacka, 2010), as market actors co-produce, exchange and co-create value, thus fabricating their environments (Lusch et al., 2010).

This process of abstractisation has led to “(1) cross-fertilization among what have been seen as fragmented sub-disciplines and (2) a better vision of the collaborative, systemic nature of value creation and the implications for marketing theory and practice” (Vargo and Lusch, 2011, p. 182). The S-D logic builds on the historical evolution of marketing thought and illustrates the shift in academic interest from the thing exchanged to the process of exchange and its dynamics (Vargo and Lusch, 2004).

As set out in Chapter 2, marketing is contextually bound. This implies that the rules of marketing developed in the industrial American context may not apply to other contexts and thus the transference of marketing concepts “across time and space” is extremely limited. The borderless, connected knowledge economy has brought changes in marketing practices and consequently “fundamental theoretical shifts in marketing” (Burton, 2001, p. 723). It is then of no surprise that the dominant marketing mix paradigm was found inadequate and a new marketing paradigm began to emerge (Thomas and Gupta, 2005).

Vargo and Lusch (2008a) suggest that the similarities between the separate and somewhat distinct bodies of thought, reflecting different research streams in marketing were not mere coincidence, but rather a consequence of the inadequacies of the traditional (i.e. goods-dominant logic), based on the neoclassical model of equilibrium economics, which has been unable to explain many marketing phenomena. The S-D logic can thus be viewed as the latest step in the journey that the discipline of marketing has taken since its birth at the beginning of the 20th century. The new logic is the result of a process of learning and evolution as marketing has moved from a narrowly defined commercial activity and business function to a broad holistic perspective. The S-D logic is thus envisioned not as an academic invention, but as an organic evolution, bridging the gap between convergent ideas in different enclaves of marketing and elsewhere (Vargo and Lusch, 2011).

Contemporary developments in industrial or B2B marketing, services marketing, relationship marketing, not-for-profit marketing, societal marketing, international marketing, and indeed entrepreneurial marketing etc. are moving away from traditional models, while at the same time moving towards converging ideas: connectivity, interaction, relationships, reciprocity, within a more holistic perspective of markets as systems (Vargo and Lusch, 2008a).

3.3 Relationships and Networks in the Entrepreneurship Literature

In the entrepreneurship literature, starting with the 1980s researchers also began to acknowledge that entrepreneurship is “embedded in networks of continuing social relations” (Aldrich and Zimmer, 1986, p. 17). There is now broad agreement regarding the importance of networks and network relationships for the entrepreneurial firm’s survival and growth (Gulati, 1999, Gulati et al., 2011, Jarillo, 1988, Jarillo, 1989, Larson and Starr, 1993, Clarke, 2006, Coviello et al., 2000). Researchers in the field of entrepreneurship have proved the immense value of informal and formal relationships for entrepreneurs aiming to start and grow their business; the survival and development of the firm have been linked to the entrepreneur’s ability to establish, develop and exploit the value of their networks and relationships (Danov et al., 2003). On the basis of this logic, entrepreneurship itself has been defined as “inherently a networking activity” (Dubini and Aldrich, 1991, p. 305).

Exchange relationships are critical properties of emergent organisations (Katz and Shapiro, 1986). The entrepreneur’s personal network of relationships entails actual and potential resources that he/she may access and this has been referred to as social capital (Nahapiet and Ghoshal, 1998). Social capital has been defined as “the information, trust, and norms of reciprocity inhering in one’s social networks” (Woolcock, 1998). It is now largely accepted that although entrepreneurs must invest considerable resources to develop their networks, social capital creates value for small firms (Stam et al., 2014, Adler and Kwon, 2002).

The network approach to entrepreneurship appreciates the embeddedness of economic relationships within social, technological, political and cultural conditions and emphasises the complexity and the multidimensional nature of business relationships (Granovetter, 1985, Larson and Starr, 1993, Jack et al., 2004, Hagedoorn, 2006). The concept of embeddedness also incorporates the idea that in modern economic systems, actions and outcomes are affected by both the dyadic relationships between actors (relational level) and the overall structure of the network (structural level) (Granovetter, 1985). To encompass this complexity, Hagedoorn (2006) has conceptualized embeddedness at several interactive levels that correspond to different social contexts, namely, environmental embeddedness, interorganisational embeddedness, and dyadic embeddedness.

Network-based research in entrepreneurship has developed considerably in the last three decades and it has mainly focused on four areas, while also drawing on the broader literature of social capital (Gedajlovic et al., 2013, Hoang and Yi, 2015, Stam et al., 2014); the four areas are: the content of relationships, the governance of the network, the structure of the network and network development (Hoang and Antoncic, 2003, Amit and Zott, 2001, Slotte-Kock and Coviello, 2010, Gulati et al., 2011). Work has also focused on nodal constructs, investigating how characteristics inherent in the

entrepreneur, the team or venture influence network development processes (Phelps et al., 2012, Hoang and Yi, 2015). The key focus of these areas, alongside examples of representative studies is summarized in Table 3.2 and discussed in more detail below.

Table 3.2 Network based research in entrepreneurship

Area of interest	Focus	Representative Studies
Network content	Interpersonal and interorganisational relationships and the content that is exchanged; the nature of relationships and gaining access to the resources they provide. Resources can be tangible and intangible, and relationships can be characterised by multiple exchanges (multiplexity).	Birley (1985), Birley et al. (1991), Brüderl and Preisendörfer (1992), Stuart et al. (1999), Shane and Cable (2002), Elfring and Hulsink (2003), Adler and Kwon (2002), Borgatti et al. (2003), Davidsson and Honig (2003), Gulati and Higgins (2003), Jack (2005), Lechner and Dowling (2006), Watson (2007), Ozgen and Baron (2007), Klyver and Hindle (2008), Papagiannidis (2009), Hoang (2010), Bhagavatula et al. (2010), Newbert and Tornikoski (2012), Vissa (2012), Stam et al. (2014)
Network governance	How networks and resource flows are coordinated; trust, implicit, open-ended contracts, power and influence, the threat of loss of reputation have all been identified as important mechanisms that coordinate network exchanges as opposed to legal contacts.	Jarillo (1988), Krackhardt (1990), Starr and MacMillan (1990), Uzzi (1997), Lorenzoni and Lipparini (1999), Hite (2005), Adegbesan and Higgins (2011)
Network structure	The patterns of relationships within the network; the actors' positioning within a network structure has an impact on resource flow and can influence entrepreneurial outcomes. Structural dimensions include network size, centrality, strength of ties, density, heterogeneity, (bridging) structural holes.	Granovetter (1973), Birley (1985), Burt (1992), Hansen (1995), Krackhardt (1995), Uzzi (1997), Hansen (1999), McEvily and Zaheer (1999), Greve and Salaff (2003), Burt (2005), Maurer and Ebers (2006), Evald et al. (2006), Elfring and Hulsink (2007), Mosey and Wright (2007), Burt (2009), Batjargal (2010), Vissa and Chacar (2009)
Network development process	How networks come to be and change over time; changes are driven both by the concrete actions of the entrepreneur, as well as by the different needs of the firm at different stages in its life-cycle.	Larson and Starr (1993), Hite and Hesterly (2001), Butler and Hansen (1991), Greve and Salaff (2003), Hite (2005), Evald et al. (2006), Koka et al. (2006), Jack et al. (2010), Vissa (2012)

Nodal constructs	Attributes (such as traits, motivation, behavioural styles) inherent in the entrepreneur, entrepreneurial team or the venture can explain network development and change.	Baron and Markman (2003), Neergaard (2005), Baron and Markman (2003), Maurer and Ebers (2006), Zott and Huy (2007), Martens et al. (2007), Batjargal (2010), Oh and Kilduff (2008), Baron and Tang (2009), Vissa and Chacar (2009), Kreiser et al. (2013), Phillips et al. (2013)
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Adapted from Hoang and Antoncic (2003) and Hoang and Yi (2015)

Network content refers to “the media through which actors gain access to a variety of resources held by other actors” (Hoang and Antoncic, 2003, p. 166) at both inter-personal and inter-organisational level. The focus has been on the intangible resources that networks provide for the entrepreneurial firms, including access to information and advice (Birley et al., 1991, Borgatti and Cross, 2003, Jack, 2005, Papagiannidis et al., 2009), emotional support (Brüderl et al., 1992), ideas for new product and opportunity recognition (Birley, 1985, Bhagavatula et al., 2010), reputational content through association, as entrepreneurs try to gain legitimacy (Elfring and Hulsink, 2003, Stuart et al., 1999). Relationships can be characterized by multiple exchanges, with sometimes different content, i.e. the same actor can provide access to information on the market, but also be a co-operator in the development of a new product. The concept of multiplexity, referring to the different types of exchanges which can occur within the same relationship, has been introduced to address this phenomenon (Hoang and Antoncic, 2003).

Governance is about the mechanisms that coordinate network exchanges, with trust between partners as the most cited element impacting on relationships (Hoang and Antoncic, 2003). Trust enhances relationships, often governed by social rules more than formal contracts, leading to cost savings for the parties involved, as they commit to fulfil their obligations (Jarillo, 1988, Uzzi, 1997). Trust has also been identified as a key-driving factor for successful innovation through inter-firm collaborations (Lorenzoni and Lipparini, 1999).

Network structure refers to the pattern of relationships that are created through the direct and indirect ties between actors. Important network structural dimensions investigated in the entrepreneurship literature include: size, centrality, diversity, the sum of strong and weak ties, density and the presence or absence of structural holes. Some of these concepts partly overlap.

Network size (the number of direct links between a focal actor and other actors) and centrality (the ability to access resources through direct and indirect links) are important mediators for both the flow of resources and the amount of resources an actor can access (Hoang and Antoncic, 2003). Network diversity refers to the extent of heterogeneity in the attributes of an entrepreneur’s network contacts (family versus non-family relations, occupational diversity, demographic diversity, memberships to various associations etc.) (Stam et al., 2014).

A classic distinction related to the diversity of resources within a network is that of **weak versus strong ties** (Granovetter, 1973). The strength of a tie is the result of the combination between the amount of time, the emotional intensity and intimacy, the reciprocity which characterises the tie (Granovetter, 1983, Granovetter, 1973), as well as the level of maturity, the past history and the degree of trust between partners (Johannisson, 1986). Strong ties represent intense relationships, multiple, often complex connections, mutually beneficial and based on trust (Granovetter, 1983, 1973) and have been described as those that the entrepreneur can “count on”. In contrast, weak ties are

more superficial, less trustworthy, with less emotional involvement, with increased levels of uncertainty and opportunism (Birley, 1985).

The value of strong and weak ties has been debated in the literature, with mixed results. Strong ties and dense, homogeneous networks, with shared cognitions and values facilitate more communication and cooperation (Hansen, 1999). Network cohesiveness generates trust, which results in reciprocity and better cooperation (Hansen, 1995, Obstfeld, 2005). However, strong ties are limited in the terms of the breadth of information, and the access to new information and other resources they can provide (Chell and Baines, 2000). As ties become stronger, there is a danger of network actors being constrained by the shared ideas and assumptions of their close relationships, inhibiting innovation, assimilation of new information and development of new knowledge (McEvily and Zaheer, 1999). In turn, weak ties can offer a vast pool of information and advice, and have more potential in providing access to diverse resources. Granovetter (1973) has encapsulated this idea in the concept of “the strength of weak ties”.

Similarly, there are also different types of weak ties. An actor’s weak ties, which are connected to other weak ties, from the same actor’s network, become redundant. The most valuable weak ties are thus the non-redundant ties, which give access to unique information resources. Networks with structural holes (i.e. the absence of ties between actors) (Burt, 2009) can provide bridging opportunities to actors. By bridging structural holes, actors can be in a position of power or influence (with more access to external resources) over the otherwise unconnected actors (Krackhardt, 1995, Burt, 2005, Batjargal, 2010). Network density is a commonly used measure for structural holes, as it captures the number of ties among the entrepreneur's network contacts (Hansen, 1995). In a network characterized by many connections, there will be fewer structural holes between the contacts; dense networks imply that new resources are less likely to enter and existing resources will recirculate within the group (Hoang and Antoncic, 2003).

Access to a varied pool of resources is particularly important for new firms, as entrepreneurs deal with the uncertainty about the type of resources they need and where to find them; a diverse network may reduced search costs for the entrepreneur (Birley, 1985, McEvily and Zaheer, 1999, Elfring and Hulsink, 2007, Batjargal, 2010). Network diversity may also help the firm with its reputation and legitimacy gain, as more actors become familiar with who the firm is and what they do (Stam et al., 2014).

The **network development** stream of research focuses on the evolution of networks, investigating the dynamics of network relations during the stages of new venture development and beyond (Jack, 2010). Larson and Starr (1993) propose a model that describes the processes by which the essential relationships between an entrepreneur and resource providers evolve to create an organisation. They posit that the network development process is driven by the entrepreneur, as he/she explores, selects and uses ties; the network will increase in density, complexity, and interdependence of actors, as the organisation is formed, establishes itself in the market and grows. Relationships

evolve from relatively simple dyadic exchanges toward more complex multidimensional relations. The authors identify three stages. In the first stage, the focus is on purposefully identifying the contacts that will provide critical resources to start off, such as information, physical and capital resources. Within this stage, family, friends, and existing business contacts are the most important ties. The second stage is characterised by multiplexity, as single-dimensional relationships are purposefully converted into complex relationships, including both social/affective and economic/instrumental dimensions. The network stands now as a visible proof of successful mobilization and can be leveraged to establish new ties and mobilize new resources. During the final stage, the initial exchange relationships are layered with additional business functions, activities, and levels of exchange. As trust grows, so does the quality of exchange. Equally, as patterns and routines are established, the exchange dyads shift in emphasis from a personal to a more organisational exchange. The final stage is thus characterised by inter-organisational relationships, when the direct involvement of the individuals is no longer needed for the relationships to be sustained (Larson and Starr, 1993).

Hite and Hesterly (2001) argue that networks progress from being identity-based, mainly social, path dependent (based on the personal connections of the entrepreneur) to more calculative, proactively managed by the entrepreneur, incorporating more arm's-length ties. If initially the network is cohesive and close, with a majority of strong ties, in time it becomes more loosely integrated, characterized by structural holes and including more weak ties.

As the firm changes in time, so do its network needs, implying that network relations of emerging firms change depending on the type of resources they require. A firm's strategic goal during emergence is survival, but the firm lacks critical resources and capabilities and suffers from the liabilities of newness and smallness (Stinchcombe, 1965). With no or low degrees of legitimacy and reputation, potential resource providers can question the firm's future (Stinchcombe, 1965, Katz and Gartner, 1988). This initial difficulty may be overcome by relying on strong ties based on trust and reciprocity with family and friends (Larson and Starr, 1993, Lechner et al., 2006, Jack, 2005). As the firm matures, its legitimacy increases, affording entrepreneurs the chance to be less dependent on strong ties and develop their weak ties, which can provide access to more resources, while at the same time being more flexible and easier to manage (Hite and Hesterly, 2001, Coviello, 2006). In this maturity stage, strong ties can become a liability, as they are more costly to maintain (Maurer and Ebers, 2006) and may lock the entrepreneur in. Hite and Hesterly (2001) emphasise this coevolution aspect between firm and its network and argue that entrepreneurial networks become more strategic and manageable as a business grows.

Both models (Larson and Starr, 1993, Hite and Hesterly, 2001) imply that networks become more complex over time, and that the entrepreneur plays an active role in the creation and management of network relationships. Equally, both models are consistent with the extant literature, which sees entrepreneurship activity embedded in social

settings. Where the models differ is that Larson and Starr (1993) emphasise that networks become more dense in time as relationships strengthen, while Hite and Hesterly (2001) posit that network density and cohesion will decrease in time (Slotte-Kock and Coviello, 2010).

Other studies, such as Butler and Hansen (1991), view the networks of entrepreneurs as evolving from an idea generating stage, to a business development stage, and finally to a strategic stage, concluding that both social and inter-organisational strategic networks are important for a successful start-up and ongoing competitive advantage. Evald et al. (2006) also depict network development gradually changing from strong social informal dependencies, like family, friends and close business contacts (strong ties), who play the most important role in the emergence phase, to a mix of strong and weak ties in the phase of the newly established firm and in the phase of the mature firm.

Finally, **nodal level** research investigates how characteristics or attributes (such as traits, motivation, and behavioural styles) inherent in the entrepreneur, the team or venture influence network development processes (Phelps et al., 2012, Hoang and Yi, 2015). This newer stream of research aims to uncover individual differences that can positively influence tie formation, development and leverage. Studies have identified the entrepreneur's social competence (Baron and Markman, 2000), effectiveness in sharing common values and meanings with others (Phillips et al., 2013), confidence in being an effective networker (Batjargal, 2010) and reinforcing personal credibility (Zott and Huy, 2007) as important attributes for impactful network relationships. Similarly, other studies have focused on the role of the members of entrepreneurial teams (characteristics, size, diversity, social performance, level of collaboration etc.) for network development and management (Neergaard, 2005, Maurer and Ebers, 2006, Vissa and Chacar, 2009, Brinckmann and Hoegl, 2011).

From the above discussion we can deduce that, while, there is broad agreement that networks (and implicitly the social capital embedded in networks) constitute a key asset for SMEs, it is not clear which of the specific dimensions of networks (cohesiveness, strength of ties, diversity etc.) are likely to be more beneficial. Network research in the entrepreneurship literature has produced disparate research findings, as researchers have employed different definitions, levels of analysis and research methods (O'Donnell, 2004, Shaw, 1999).

Addressing this issue, in a recent meta-analysis of social capital of entrepreneurs and small firm performance, Stam et al. (2014) review these conflicting conceptualizations: the “bonding view” of social capital, which maintains that small, cohesive personal networks composed of strong ties are more effective and the “bridging view” of social capital, arguing for the value of large, diverse, and weakly connected personal networks. They conclude that the network configuration needs of small firms change over time (Slotte-Kock and Coviello, 2010, Lechner et al., 2006). This implies that the bridging and the bonding views can both be effective under specific circumstances. The “best” configuration depends on the age of the firm, the industry and the institutional

contexts in which they operate. Overall, weak ties, structural holes and network diversity (i.e. the bridging form of social capital) were found to be relatively more valuable in the small firm context. Network diversity had the strongest positive relationship with firm performance, followed by structural holes and weak ties. However, network diversity had greater positive effects among new firms as compared to old firms. Strong ties were found to be more valuable to old firm than new firms, while structural holes were found to be more valuable to new firms than old firms.

In terms of the operational context, Stam et al. (2014) contend that the bridging dimensions are more valuable to firms operating in high tech industries, which are typically dynamic and uncertain environments. In this context, weak ties can offer access to information from a variety of sources on market changes and trends, as well as innovation opportunities, novel solution and insights. By contrast, firms operating in stable industries will benefit more from established, homogenous networks, focusing on efficiency and best practice rather than on innovation.

One final point should be made about the possible negative effects of network ties. Granovetter (1985) was among the first to suggest that networks are not always beneficial, and, just as they help actors, they can also build and enforce barriers for others. Equally, Uzzi (1997) spoke about “the paradox of embeddedness”, whereby deep involvement and dependency can isolate firms, lock them into unproductive processes and make them more vulnerable from exogenous shock. Chell and Baines (2000) have also identified negative aspects of networking in their study of entrepreneurs’ networking practices in the UK. Partners may engage in opportunistic behaviour only to get ahead (Hamel and Prahalad, 1994). Furthermore, relationships may continue beyond their useful lifespan, and not be terminated when the strategic interests of the partners would require it (Inkpen and Ross, 2001).

This chapter has so far reviewed the growing importance of relationships and networks in the marketing and entrepreneurship literatures. It is now time to turn our attention on how these theoretical developments have been reflected in the EM literature.

3.4 ‘Marketing by Networking’ in Small and Medium Firms

Since the traditional marketing theories could not fully explain marketing in SMEs, the EM literature has built on these developments on relationships and networks from both the marketing and the entrepreneurship literatures, its parent disciplines. The characteristics of small firms, as well as the characteristics of the entrepreneur are naturally compatible with the relationship and network approach (Dubini and Aldrich, 1991).

Networks and networking feature strongly in the EM literature from the foundation books (Carson, 1985) to more recent studies from the last decade (Gilmore et al., 2001, Terziovski, 2003, O'Donnell, 2011, Read et al., 2009a, O'Cass and Morrish, 2016).

There exists a substantial amount of empirical studies that support the importance of the entrepreneurs' networks as a means to facilitate, aid and enhance marketing in small and medium firms (Birley et al., 1991, Shaw, 1999, Gilmore et al., 2001, Stokes, 2000a, Hill, 2001, Gruber, 2004, Evers and O'Gorman, 2011, Sullivan Mort et al., 2012). More specifically, within the context of SMEs, the activity of networking has been regarded as a means to conduct marketing (Carson, 1985). In particular the conceptualisation of 'marketing by networking' signals the growing practice of networking amongst entrepreneurs to market their firms, products and services (Coviello and Munro, 1995, Carson et al., 1995, Gilmore et al., 2001, Hills and Hultman, 2006).

But what exactly does 'marketing by networking' mean? Networks and networking are different constructs (Shaw, 1997). The verb 'to network' and the participle form 'networking' "denote the action by which an owner-manager develops and maintains contacts for trading and business development purposes. 'Networking' is associated with, but distinct from, the noun 'network'" (Chell and Baines, 2000, p. 196). A network is "a set of nodes and the set of ties representing some relationship, or lack of relationship, between nodes" (Brass et al., 2004, p. 795) and it provides static pictures. Networking, by contrast, implies a dynamic process and is concerned with individual behaviour (Neergaard, 2005).

Networking is "an activity in which the entrepreneurially oriented SME owners build and manage personal relationships with particular individuals in their surroundings" (Carson et al., 1995, p. 201). This implies that networking, as a process/set of activities, is essential for our understanding of the role networks play for SMEs. In other words, "it is not the existence of a network per se, but rather the use of that network through the process of networking, from which benefits accrue" (O'Donnell, 2004, p. 207). Networking is an inexpensive way to win and keep customers (Coviello and Munro, 1995). It allows for the sharing of expertise and resources leading to better marketing processes, internal growth and development and market expansion (Chaston, 2000.). Network ties and relationships can provide motivation, support and encouragement (Szarka, 1990). Networking can lead to increased co-operation between market actors, resulting in new contacts and new business partners and associates, pooling resources and talents together and leading to results which otherwise would not be possible (Dean et al., 1997). Overall networking is seen as positively related with organisational growth (Coviello and Munro, 1995, Hansen, 1995) and may provide a base for competitive advantage (Gilmore et al., 2001, Terziovski, 2003, Braun, 2002).

The entrepreneur has an instrumental role in this process, because "networking does not have an objective existence independent of the person who is networking. It is a social construction that exists only so far as the individual understands and uses it" (Chell and Baines, 2000, p. 196). It is thus up to the entrepreneur to engage in networking, i.e. "social processes over and above the normal economic trading relationship" (Chell and Baines, 2000, p. 196), in order to accrue marketing benefits from network relationships.

On the basis of this literature and following (Shaw, 1999, p. 26), this study views networks as a “strategic entrepreneurial marketing tool” and the activity of networking as “a critical competency which must be developed and strengthened to acquire the marketing benefits which can result from the entrepreneurial use of networks”.

Chapter 4 focuses in more detail on networking, as an essential entrepreneurial capability and on its role in the development of marketing capabilities in SMEs. Preceding this review, because networks/relationships are different from networking, this chapter outlines a typology of relationships/network ties and a typology of different forms of networking in Section 3.5 next.

3.5 Typologies of Relationships and Networking

3.5.1 A Typology of Relationships

Relationships or ties have been classified in terms of their strength: strong/weak ties (Granovetter, 1973), formality or the nature of the relationship (business/industrial/formal versus social/personal/informal relationships) and the relationship to the firm (vertical or horizontal relationships). Evers and O’Gorman (2011) offer a comprehensive typology of relationships, as illustrated in Figure 3.1 below.

Figure 3.1 A typology of relationships

		Nature of the relationship	
		Business Relationship	Social Relationship
Relationship to the firm	Vertical	<ul style="list-style-type: none"> - Clients - Suppliers to the firm - Agents and intermediaries - Ancillary suppliers 	<ul style="list-style-type: none"> - Former clients - Other suppliers in the industry - Other operators in ancillary support firms
	Horizontal	<ul style="list-style-type: none"> - State support agencies and export promotion agencies - University/research institutions - Trade associations - Advisors/consultants - Joint Venture partners 	<ul style="list-style-type: none"> - Competitors - Community organisations - Friends/Family - Acquaintance

Source: Evers and O’Gorman (2011, p. 553)

Relationships or ties can be either horizontal or vertical. Vertical business relationships are those the firm has with its current business partners, suppliers, agents and clients, part of the supply chain (Piercy and Cravens, 1995). Horizontal business relationships include state support agencies, research institutions, the trade associations the firm is part of etc. Horizontal networks may also refer to situations where actual and potential competitors may pool together to share resources.

In turn, vertical social ties (sometimes referred to as informal business acquaintances) are those positioned in the supply chain, but who do not currently have a direct business relationship (business exchange) with the firm. Horizontal social ties include the relationships with family, friends, relatives, and community organisations, as well as competitors within the industry (Hoang and Antoncic, 2003, Evers and O’Gorman, 2011).

The overlap of social/personal and business/inter-organisational relationships for entrepreneurs

Generically speaking, networks can be defined as “patterned relationships between individuals, groups and organisations” (Dubini and Aldrich, 1991, p. 305). Social network research tradition focuses on the interpersonal perspectives whereby actors “pursue repeated, enduring exchange relations with one another and, at the same time, lack a legitimate organisational authority to arbitrate and resolve disputes that may arise during the exchange” (Podolny and Page, 1998, p. 59). Within the IMP tradition, network relations are mainly analysed at inter-firm level (Håkansson and Snehota, 1989, Håkansson and Ford, 2002), with business networks defined as “a set of two or more connected business relationships, in which each exchange relationship is between business firms that are conceptualized as collective actors” (Anderson et al., 1994, p. 2).

In entrepreneurship and SME research, the entrepreneurial network is defined as “the sum total of relationships in which an entrepreneur participates, and which provide an important resource for his or her activities” (Dodd and Patra, 2002, p. 117) and incorporates both inter-personal and inter-organisational perspectives (Hoang and Antoncic, 2003, Slotte-Kock and Coviello, 2010).

As the entrepreneur is the driving force behind the firm (Hite and Hesterly, 2001, Gulati, 1999) and envisioned as a resource coordinator (Larson and Starr, 1993, Hite and Hesterly, 2001), there is an intrinsic overlap between the entrepreneur’s network and the firm’s network. Furthermore, in the context of small firms, social relationships are often the basis of business relationships, moving from uni-dimensional to multiplex exchanges (Larson and Starr, 1993, Hite and Hesterly, 2001, Stam et al., 2014). Personal networks, including family members, friends, and other contacts with whom an entrepreneur is connected, have been deemed critical for small firms (Maurer and Ebers, 2006, Dubini and Aldrich, 1991). Network relationships are not static, they continuously change and what starts out as a social relationship may evolve into a business relationship (i.e. a personal connection becomes a client or business partner)

(Birley, 1985, Evers and O’Gorman, 2011).

Thus the entrepreneur’s network includes both formal and informal ties with both individuals and organisations (O’Donnell, 2004, Chaston, 1998, Gilmore and Carson, 1999). That is why, in the context of SMEs the two categories (social/personal networks and business/inter-organisational networks) are frequently incorporated into one generic “network” construct (O’Donnell, 2004).

3.5.2 A Typology of Networking

Personal, operational and strategic networking

There are very few studies which have paid attention to different networking forms or types. Defining networking as “creating a fabric of personal contacts who will provide support, feedback, insight, resources, and information”, Ibarra and Hunter (2007, p. 40) identify three distinct, but interdependent forms of managerial networking: personal, operational and strategic.

Personal networking refers to the networking that occurs through personal relationships, professional associations, clubs, alumni groups, personal interest communities. Personal networking is the most natural form of networking and can provide information, coaching and mentoring. Personal networking can also cater for the social needs of the individual, leading to “emotional support or friendship” (Casciaro et al., 2014, p. 705). As well as that, personal networking enhances personal and professional development, as individuals “reach out to kindred spirits outside their organisations to contribute and multiply their knowledge” (Ibarra and Hunter, 2007, p. 46). Personal networking is also really powerful through its referral potential. For personal networking to render results at organisational level, it is up to the individual to learn how to bring personal connections to bear on organisational strategy.

Operational networking occurs as individuals focus on accomplishing immediate tasks and current responsibilities efficiently. Operational networking ensures coordination and cooperation among people who have to know and trust one another in order to accomplish operational tasks. Consequently operational networking includes internal networking, with team members, as well as external networking with outsiders such as suppliers, distributors, and customers. Relationships are directly task-related, and involve clear, routine, short-term demands. While operational networking is a necessity, since these relationships must be in existence for any business to function, it is up to the individual to deepen and develop the ties. Hence it is “the quality of relationships—the rapport and mutual trust—that gives an operational network its power” (Ibarra and Hunter, 2007, p. 42).

Finally, strategic networking requires insight and the realisation of the fact that organisational strategic issues often “involve relational—not analytical—tasks” (Ibarra and Hunter, 2007, p. 44). Strategic networking refers to leverage, defined as “the ability

to marshal information, support, and resources from one sector of a network to achieve results in another” (Ibarra and Hunter, 2007, p. 44). Strategic networking is based on the ability to figure out who needs to be part of your network and how you can network with them in order to seize or create opportunities in the future and have stakeholder support. Hence, strategic networking takes time and its results are not immediate. Strategic networking requires “a shift from the confines of a clearly defined operational network” to “the ambiguous process of building and working through networks” (Ibarra and Hunter, 2007, p. 44).

Personal, operational and strategic networking are not mutually exclusive, but interdependent and symbiotic. Consequently, a personal network can provide “a foundation for strategic networking” (Ibarra and Hunter, 2007, p. 42) and operational networking can be leveraged for strategic advantage.

A summary of the purpose, temporal orientation and network attributes of personal, operational and strategic networking is presented in Table 3.3 below.

Table 3.3 Personal, operational and strategic networking

	Personal	Operational	Strategic
Purpose	Enhancing personal and professional development; referrals	Getting work done efficiently	Figuring out future priorities and challenges; getting stakeholder support
Temporal orientation	Current interest and future potential interests	Current demands	Oriented towards the future
Network attributes	Breadth	Depth	Leverage

Source: Adapted from Ibarra and Hunter (2007, p. 43)

Networking variation

O’Donnell (2004) identifies two key dimensions of networking variation: the level of networking and networking proactivity. The author positions the level of networking along a continuum from “limited” to “extensive”, while networking activity ranges from “reactive” to “proactive”. Limited networking consists of infrequent, short and irregular interaction while extensive networking is defined as frequent and regular, with at least some interaction of significant duration. In turn reactive networkers engage in unplanned and ad-hoc networking, with unsure outcomes, while proactive networkers engage in planned and deliberate networking, with keen expectations of the benefits of networking.

While proactive networking is planned and reactive networking is unplanned, proactive networkers can also engage in unintended or serendipitous networking. Unintended or

serendipitous networking occurs when actors take advantage of unexpected networking opportunities that appear serendipitously and may evolve without a clear intention, but may however provide real benefits for the actors involved (Tahvanainen and Steinert, 2013).

3.6 Conclusion

This chapter has reviewed the growing attention relationships and networks have received across the parent disciplines of EM: marketing and entrepreneurship. Next, Chapter 3 focused on the idea of ‘marketing by networking’ which incorporates the many ways in which entrepreneurial networking can facilitate, aid and enhance marketing in small and medium firms (Birley et al., 1991, Shaw, 1999, Gilmore et al., 2001, Stokes, 2000a, Hill, 2001, Gruber, 2004, Evers and O’Gorman, 2011, Sullivan Mort et al., 2012). This chapter has also distinguished between networks and networking and outlined typologies of relationships/network ties and networking.

On the basis of the extant literature this study views networks as a “strategic entrepreneurial marketing tool” and the activity of networking as “a critical competency” (Shaw, 1999, p. 26). In further dissecting the concept of ‘marketing by networking’, Chapter 4 reviews the extant literature with a focus on marketing capabilities, networking capability and their relationship in an SME context.

Chapter 4. Networking and Marketing Capabilities

4.1 Introduction

The main aim of this research is to contribute to the field of Entrepreneurial Marketing (EM) from a networking perspective. Chapter 2 has presented a review of the field of EM, while Chapter 3 has focused on the prevalence of relationships and networks across the marketing and entrepreneurship literatures and at their interface. This chapter aims to endorse the premise of this thesis that entrepreneurial networking is an important capability and, in particular, an instrumental element in the development of marketing capabilities of SMEs.

This chapter addresses the issue of resources and capabilities, as sources of competitive advantage, through a discussion of the resource-based, dynamic capabilities and relational views of the firm in Section 4.2. Section 4.3 proceeds with a discussion of the main conceptualisations of marketing capabilities in the extant literature and introduces Morgan's (2012) comprehensive framework, which this study employs for the operationalisation of the marketing capabilities concept. Following this, Section 4.4 examines in detail the role of networking capability as a key asset for a company's competitive advantage, and discusses the dimensions used to underpin the construct of networking capability in the extant literature. Finally, the chapter presents the conceptual framework of the research in Section 4.5. Building on extant constructs, the section defines the concept of entrepreneurial networking capability and outlines a set of 9 propositions to be explored by the study. The chapter concludes with Section 4.6.

4.2 The Resource Based View of the Firm

There are two main views regarding a firm's source of competitive advantage in the management literature: the outside-in view or the external approach, which takes the industry as the unit of analysis, and the resource-based view of the firm (RBV), an internal approach, which takes the firm as the unit of analysis. The external approach focuses on the structural characteristics of the industry, which, when favourable, can lead to competitive advantage (Porter, 1980). In this view, performance differences among firms are determined by firms' ability to find markets low in competitive rivalry (market selection) and ability to exploit market imperfections in order to gain positional advantages (industry analysis).

The RBV has challenged the excessive determinism of the external approach (Hooley et al., 2001) and argues that the competitive advantage of an organisation is explained by the distinctiveness of its strategic resources and capabilities. There is no doubt that all

ventures come to be because of an existing set of resources and capabilities. However, the different performance levels experienced within the same industry, by firms facing the same external environmental conditions, can only be explained by the heterogeneous and idiosyncratic resources residing inside the firms (Wernerfelt, 1984, Barney, 1991, Barney, 1995). Within the RBV the emphasis is thus on firm-specific resources, not on market and industry characteristics. Empirical data has mostly supported the RBV approach, and the fact that firm specific factors generally influence profitability more so than industry factors (Rumelt, 1991, McGahan and Porter, 1997).

Penrose (1959) was the one who focused first on the resource perspective, but ‘the resource-based view of the firm’ (RBV as we know it today) was developed by Wernerfelt (1984) Rumelt, (1984) and Barney (1991) with many others significantly contributing to the elaboration of the theory (E.g. Barney et al., 2011, Eisenhardt and Martin, 2000, Priem and Butler, 2001, Wang and Ahmed, 2007). Wernerfelt (1984) was the first to articulate the resource-based view of a firm, as a source of competitive advantage, with Barney (1991) then outlining the core tenets of the view. In order to create a competitive advantage, a firm must control physical, human or organisational assets (i.e. resources) that are valuable, rare, inimitable, and non-substitutable (Barney, 1991). This has come to be known as the VRIN framework.

Only resources meeting these four conditions have the potential to generate competitive advantage. A resource is valuable if it can either decrease costs or increase revenue, rare if it is controlled by a small number of competing firms, inimitable or imperfectly imitable if it is substantially costly and/or difficult to obtain or develop for competing firms (Barney and Hesterly, 2012) and non-substitutable if it can not easily be replaced by any other strategically equivalent valuable resource (Barney, 1991).

The VRIN framework has more recently been updated to the VRIO framework (Barney and Hesterly, 2012) addressing the criticism that the RBV is tautological and acknowledging that resources need to be leveraged effectively by the organisation versus simply possessed by the firm. The “O” in the VRIO framework emphasises that a firm must be “organised to exploit the full competitive potential of its resources and capabilities” (Barney and Hesterly, 2012, p. 94).

4.2.1 Firm Resources and Capabilities

There is various terminology used in conjunction with the RBV approach. One approach takes the generic term strategic capability as having two components: resources and competences (Johnson et al., 2011), while another approach takes the term resources as the generic one, with capabilities or competences seen as a subset of the firm’s resources. Barney (1991, p. 101), for instance, defines *resources* as “all assets, capabilities, organisational processes, firm attributes, information, knowledge, etc., controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness”. A *capability* then represents “an organisationally embedded non-transferable firm-specific resource whose purpose is to

improve the productivity of the other resources possessed by the firm” (Makadok, 2001, p. 389). For other authors the term *competence* is used to represent the same concept (i.e. capability). For instance, for Hunt (2000), competences are those enabling firms to use resources efficiently and/or effectively and may be regarded as “higher order” resources. Within current terminology the borders between the concepts of capabilities and competences are blurring furthermore and the terms are often used interchangeably (Johnson et al., 2011). In this research, the preferred term is capabilities, also incorporating what several authors have termed as competences.

The important distinction however remains that between resources, being the assets that organisations have or can access (“what they have”) and capabilities or competences, which are the ways these assets are used or deployed effectively (“what they do well”) (Johnson et al., 2011).

Resources are inputs into the production process, but, on their own, few resources are productive. Productive activity requires the cooperation and coordination of groups of resources. In other words, while resources are the source of a firm’s capabilities, capabilities are the main source of its competitive advantage (Grant, 1991). Capabilities are developed as firms use and combine resources over time through complex interaction. This means that resources are necessary for the creation of capabilities, but it is the firm’s capabilities (i.e. how these resources are employed and used or what the firm can do) that lead to real value creation in the market (Grant, 2010). Capabilities are embedded organisational routines performed well relative to rivals, consisting of the application of knowledge and skills by the firms’ human resources and are idiosyncratic to each individual firm. While valuable, rare, inimitable, and non-substitutable resources may be beneficial, firms also require complementary capabilities that would allow them to successfully deploy resources and create value offerings. Accordingly, both resources and capabilities and their interaction are important in explaining performance variations (Teece et al., 1997).

4.2.2 The Dynamic Capabilities of the Firm

The changing and often dynamic environments of the 1990s questioned the static perspective of strategic capabilities presented by the RBV. As a consequence, new perspectives have emerged, bringing forward the idea that firms must change and reconfigure their existing bundle of resources in order to be congruent with the environment. Teece et al. (1997, p. 516) have introduced the concept of dynamic capabilities (DC) to encompass “... the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments”.

Eisenhardt and Martin (2000, p. 1107) propose that DC are “the firm’s processes that use resources – specifically the process to integrate, reconfigure, gain and release resources – to match and even create market change” and “the organisational and strategic routines by which firms achieve new resources and configurations as markets emerge, collide, split, evolve, and die”.

Wang and Ahmed (2007, p. 35) state that DC consist of “a firm’s behavioural orientation constantly to integrate, reconfigure, renew and recreate its resources and capabilities and, most importantly, upgrade and reconstruct its core capabilities in response to the changing environment to attain and sustain competitive advantage”. This means that in dynamic market environments, resources do not persist over time and hence cannot be a source of sustainable competitive advantage. Only dynamic capabilities are the ‘ultimate’ organisational capabilities conducive to long-term performance (Wang and Ahmed, 2007).

Thus, in order to compete successfully firms require dynamic capabilities to be able to deploy their available resources in ways that match the firm’s market environment and the changes within (Eisenhardt and Martin, 2000, Teece, 2007). DC enable “both the exploitation of existing internal and external firm-specific capabilities and developing new ones” (Teece et al., 1997, p. 515).

Dynamic capabilities are a special type of capabilities. Static capabilities manage current resource (asset) configurations, whereas dynamic capabilities achieve new resource (asset) configurations in response to market changes (Eisenhardt and Martin, 2000). A similar distinction is made between ordinary or functional capabilities and dynamic capabilities (Winter, 2003, Helfat and Winter, 2011). Ordinary or ‘zero-level’ capabilities are those that permit a firm to ‘make a living’ in the short term, they are the operational routines of an organisation over time, while dynamic capabilities are those that operate to extend, modify or create ordinary capabilities or those that create change (Winter, 2003, Helfat and Winter, 2011).

To conclude, the dynamic capabilities perspective advances the RBV by emphasising the dynamic nature of both markets and organisational capabilities (Helfat and Peteraf, 2003). Dynamic capabilities are the capacity of an organisation to purposefully create, extend, or modify its resource base in a changing environment (Helfat et al., 2009, Teece, 2007).

4.2.3 The Relational View of the Firm

Also complementing the RBV is the relational view of the firm, which posits that firms can access not only the resources that they own (i.e. internal), but also resources from other market actors, outside of the traditional firm boundaries (i.e. external). The proponents of the relational view, Dyer and Singh (1998, p. 661) emphasise that “idiosyncratic interfirm linkages may be a source of relational rents and competitive advantage”, as trading partners combine resources in unique ways among themselves.

The relational perspective, suggesting that firms’ critical resources extend beyond firm boundaries into interfirm routines and processes, makes relationships and networks an increasingly important aspect in the attempt to understand how firms succeed in the market (Dyer and Singh, 1998). The RBV focuses on how individual firms gain competitive advantage based upon resources, assets, and capabilities that are housed

within the firm. Based on the initial foundations of the RBV, an individual firm should protect its resources in order to be able to maintain its competitive advantage. As opposed to this, in the relational view, firms should systematically cooperate and establish value-creating linkages, thus leading to inter-organisational rent generation (Dyer and Singh, 1998). Where the traditional approach in the resource based view of the firm assumes resources immobility, the relational view argues that firms choose to offer, exchange and trade some of their resources through their networks (Lorenzoni and Lipparini, 1999).

4.3 The Marketing Capabilities of the Firm

According to Kozlenkova (2013), the use of the RBV in marketing research has increased by more than 500% in the past decade, which suggests its importance as a framework for explaining and predicting competitive advantages and performance outcomes. The RBV and the DC perspective have contributed immensely to the marketing literature and are naturally the foundations of the concept of marketing capabilities. Marketing capabilities have been identified as playing a crucial role in enabling firms to create and sustain competitive advantage (Morgan, 2012, Kozlenkova et al., 2013, Evers et al., 2012, Barrales-Molina et al., 2014).

Following the distinction between resources and capabilities from the RBV literature, within the marketing sphere, resources are usually defined as the tangible (e.g., plant and equipment) and intangible (e.g., knowledge, reputation) assets of a firm, while capabilities are processes by which the firm acquires and transforms resources into marketplace value offerings (Morgan, 2012, p. 103).

The end goal of marketing is to attract customers and to establish long lasting customer relationships, thus gaining customer life-long value (Kotler and Keller, 2011). In order to do this, an organisation must attract the right customers by providing superior value compared to its competitors. Superior customer value is created by leveraging market-based assets and by employing market-based capabilities (Srivastava et al., 2001).

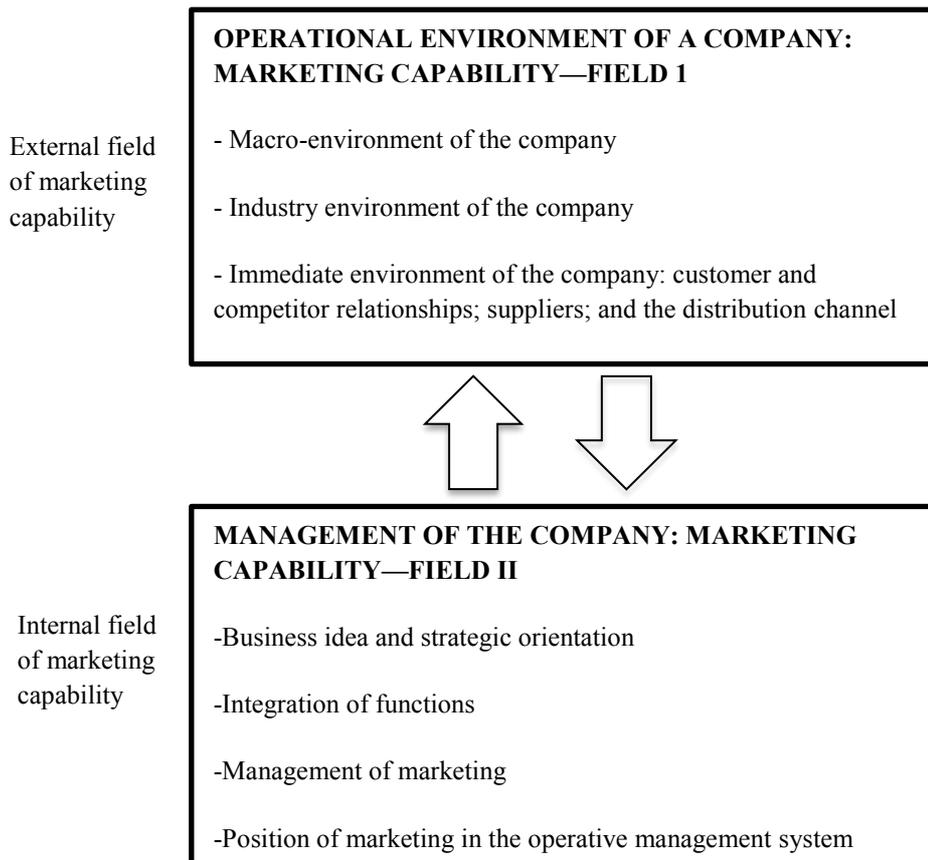
Some authors have taken a holistic approach and focused on the marketing capability of the firm as a generic concept to incorporate the firm's overall competence in marketing. Others have attempted to classify marketing resources and capabilities. While it may be impossible to have a fully exhaustive classification of capabilities, since every business develops its own capabilities configuration, certain types of capabilities corresponding to core processes of creating market value can be recognised in all businesses.

Möller and Antilla (1987) conceptualised a firm's total marketing capability as having two subdomains. The *external subdomain* focuses on assessing a company's position within its environment, evaluating customer and competitor behaviour and managing the company's relationships with its customers, competitors, suppliers, and distributors. The external subdomain is further divided into the dimensions of macro environment,

industry environment, and task environment (Möller and Anttila, 1987).

The *internal subdomain* is focused on the management of the firm and includes managerial responsibilities and tasks, such as defining the business and strategy of the firm, the integration of key functions of the firm (R&D, marketing, production), operational planning and the general management of the marketing function in the firm (Möller and Anttila, 1987). The two subdomains are illustrated in Figure 4.1.

Figure 4.1 Subdomains and dimensions of marketing capability



Source: Möller and Anttila (1987, p. 188)

Other conceptualisations (Srivastava et al., 2001, Day, 1994, Day, 2011) differentiate among marketing assets, processes and capabilities. Assets are the tangible and intangible endowments, such as brands, facilities, intellectual property, and networks that can be leveraged in order to create competitive advantage. Market based processes occur when business assets are absorbed, transformed and leveraged and converted into products or solutions that customers desire, thus generating economic value for the organisation (Srivastava et al., 2001). These processes may include: product innovation management, supply-chain management, and customer relationship management. Capabilities are the glue that brings the assets together within processes; they are deeply embedded in organisational processes, are based on cumulative learning and tacit

knowledge and they enable the firm to deploy their resources, leading to competitive advantage (Day, 1994, Day, 2011).

Day (1994) and Srivastava (2001) emphasises the importance of intellectual and relational market-based assets. **Intellectual assets** refer to the knowledge that the firm acquires on its operating environment (know-what and know-how embedded in individuals and processes). **Relational assets** are the outcomes of the relations between the firm and its key stakeholders, including customers, channels, strategic partners, providers of complementary goods and services, outsourcing agreements, networks and eco-system relationships.

Two distinctive corresponding marketing capabilities are needed for creating, deploying and leveraging intellectual and relational assets, namely market sensing and customer linking (Day, 1994, Srivastava et al., 2001, Day, 2011). **Market sensing** encapsulates the well-established concept of market orientation (MO) (Kohli and Jaworski, 1990, Narver and Slater, 1990), standing for the systematic acquisition, dissemination, and use of information in responding to market trends. The main tenet of the MO literature is that companies which exhibit MO have greater understanding and knowledge of customers' expressed and latent needs and wants, and of the entire market environment, including competitors, channel members and other stakeholders (Kohli and Jaworski, 1990, Narver and Slater, 1990). Market sensing refers to how well the company can sense and anticipate changes in the market and adequately respond to those changes with appropriate marketing actions. Market sensing is about continuously learning about customer and markets, actively acquiring and distributing information, anticipating the market's response to marketing actions and supporting a marketing driven culture within the organisation (Day, 1994). Continuously embedding new knowledge across an organisation about various aspects of the market is a key stepping stone for the development and improvement of all marketing capabilities (Morgan et al., 2009b, Vorhies et al., 2011).

In turn, the relational market-based assets are supported by **customer linking**, another essential and distinctive marketing capability (Day, 1994). The customer linking capability is about establishing, maintaining and enhancing collaborative relationships with customers over time; it is based on skills, abilities and processes that identify individual customer needs and respond to them through close communication, joint problem solving and coordination of activities (Day, 1994).

Day (1994) has also differentiated between Outside-In, Inside-Out and Spanning capabilities. The **Outside-In capabilities** encompass those skills and competencies of the firm that help it to understand and effectively respond to changes in its operating environment. Both market sensing and customer linking, as distinctive marketing capabilities, are outside-in processes.

Inside-Out capabilities are more in line with the resource-based perspective (Day, 2011) and build upon the firm's internal resources and capabilities such as financial

management, manufacturing, human resource management or technology development.

Finally, **Spanning capabilities** encompass those skills and competencies that integrate inside-out and outside-in capabilities. Day (1994, p. 41) argues that in order to “exploit” outside-in capabilities, “there has to be a match” with inside-out capabilities. Elsewhere, Day (2011) argues that firms need to maintain a balance between the outside-in or the exploration of new possibilities and the inside-out or exploitation of existing resources. He proposes the concept of **adaptive capabilities**, which would enable the firm to respond to changing market conditions while still building on its strengths. Adaptive marketing capabilities include vigilant market learning (which implies being emerged in the market, adopting a sense and response approach and the willingness to act on partial information), adaptive experimentation (curiosity, trial and error learning, willingness to challenge existing beliefs, to experiment) and open marketing (opening up the marketing organisations, doing marketing together with and alongside other network actors, coordination and sharing skills, acting on the insights from diverse partners).

A Comprehensive Classification of Marketing Capabilities (Morgan, 2012)

Synthesising the RBV and the DC perspective with the extant strategic marketing theory, Morgan (2012) has developed a comprehensive conceptual model linking marketing resources, capabilities, strategy, and business performance. This model has been identified as a suitable base for the way in which marketing capabilities are operationalised in this research.

According to Morgan (2012, p. 104), marketing resources are “the assets available to marketers and others within the organisation that—when transformed by the firm’s marketing capabilities—can create valuable outputs”. In turn, marketing capabilities are intangible processes by which firms acquire and transform resources into marketplace value offerings. Morgan (2012) further identifies four main types of marketing capabilities:

- 1) specialised (marketing program-related processes based around the classical “marketing mix” of activities),
- 2) cross-functional (drawing together numerous specialised marketing capabilities and combining these with inputs from R&D, accounting, production, operations etc.),
- 3) architectural (the processes used to select, integrate, and orchestrate multiple specialised and cross-functional capabilities and their associated resource inputs for marketing planning and implementation), and
- 4) dynamic capabilities (the firm’s ability to engage in market-based learning and to continually change, develop, reconfigure its resources and enhance its capabilities in ways that reflect the firm’s dynamic market environment).

Table 4.1 illustrates and defines these four groups of marketing capabilities, as conceptualised by Morgan (2012) and identifies the key studies on which these conceptualisations are based.

Table 4.1 A classification of the marketing capabilities of the firm

Capability group	Capability type	Definition	Studies
1. Specialised marketing capability	Product management	The process of producing and delivering current product and service offerings to satisfy customer needs.	(Greenley and Oktemgil, 1997, Adler et al., 1996, Slater and Narver, 1995)
	Pricing management	The ability to develop appropriate pricing strategies and quickly and effectively execute and communicate pricing changes when required, while being knowledgeable about price's impact on customer value perceptions and about competitors' current and planned pricing strategies and actions.	(Shapiro et al., 1987, Blattberg and Wisniewski, 1989, Marn and Rosiello, 1992)
	Channel management	The ability to efficiently and effectively manage mutually beneficial relationships with channel members.	(Weitz and Jap, 1995, Anderson and Narus, 1990)
	Marketing communication management	Communicating effectively with customers and prospects. This incorporates selling capabilities and the competencies of personnel engaged in selling activities.	(McKee et al., 1992, Brown et al., 1998, Aaker, 2008)
	Market research	The ability to provide answers to market-related questions set by management.	(Vorhies et al., 1999, Srivastava et al., 1998, Möller and Anttila, 1987)

2. Cross-functional marketing capabilities	Brand management	The ability to develop, grow, maintain, and leverage a firm's brand assets.	(Morgan et al., 2009a, Morgan et al., 2009b, Andriopoulos and Gotsi, 2000, Aaker, 2008)
	CRM	The ability to identify attractive customers and prospects, initiate and maintain relationships with these attractive customers, and leverage these relationships into customer-level profits.	(Reinartz et al., 2004, Morgan et al., 2009a, Ramaswami et al., 2009)
	New product development	The ability to create meaningful new value offerings for target markets.	(Griffin and Page, 1996, Ramaswami et al., 2009, Sethi et al., 2001)
3. Architectural marketing capabilities	Strategic market planning	The ability to conceive appropriate marketing strategies in order to leverage the resources and the specialised and cross-functional capabilities available to the firm to achieve strategic goals and build and maintain competitive advantage.	(Day, 1994, Day and Wensley, 1988, Slotegraaf and Dickson, 2004)
	Marketing strategy implementation	The ability to acquire, combine, and deploy needed resources, depending on the choice of market and customer targets, desired value proposition, and timing, through the selection of the most appropriate set of marketing tactics.	(Day and Wensley, 1988, Vorhies and Morgan, 2003, Vorhies and Morgan, 2005, Slotegraaf and Dickson, 2004)

4. Dynamic marketing capabilities (they draw together and coordinate a number of resources and lower-level capabilities)	Market-learning	The ability to actively and purposefully learn about customers, competitors, channel members, and the broader business environment in ways that not only allow a deep understanding of the current marketplace conditions but also permit future marketplace changes to be predicted.	(Day, 1994, Day, 2011, Morgan et al., 2009a)
	Resource reconfiguration	The ability to retain, eliminate, and acquire resources in ways that fit with the requirements of the firm's environment. This can involve resource development or resource acquisition, either individually in the marketplace or collectively through acquiring or merging with another firm.	(Karim and Mitchell, 2000, Capron and Hulland, 1999, Barney, 1991)
	Capability enhancement	The ability to retain, eliminate, acquire, and improve the firm's capabilities in ways that are consistent with the requirements of the firm's environment, which can be achieved through organisational learning including "learning by doing" and "learning by imitation".	(Eisenhardt and Martin, 2000, Helfat and Peteraf, 2003, Day, 1994, Vorhies et al., 2011)

Adapted from Morgan (2012)

4.4 Networking Capability

As relationships and networks have begun to gain prevalence in the emerging economic environment and in the academic system, there has been growing interest in finding out more about what firms need to do in order to successfully engage in meaningful network relationships and to leverage these connections for increased firm performance (Ritter et al., 2002, Ritter and Gemünden, 2003a, Walter et al., 2006). The limited empirical evidence we have so far seems to suggest that there are substantial differences among firms in their ability to network (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mitrega et al., 2012).

This raises the question of what do firms need to do in order to be able to derive benefits accruing from network relationships? What do some firms do differently or better than others in order to manage their network of relationships and leverage these benefits? Little attention has been paid so far to answering these questions (Baraldi et al., 2007). The literature has proposed the concepts of network or networking capability or competence, which have been used interchangeably (Torkkeli et al., 2015). Definitions of the concept (and other similar concepts) are presented in Table 4.3. A discussion of the dimensions of the networking capability construct follows.

Table 4.3 Definitions of networking capability and similar constructs

Concept	Definition	Study
Relational capability	“The capability to interact with other companies” which “accelerates the lead firm’s knowledge access and transfer with relevant effects on company growth and innovativeness”.	(Lorenzoni and Lipparini, 1999, p. 317)
Network competence	“The degree of network management task execution and the degree of network management qualifications possessed by the people handling a company's relationships.”	(Ritter et al., 2002, p. 120)
Network capabilities	“Abilities to initiate, maintain, and utilize relationships with various external partners”, including relational skill, partner knowledge, and internal communication.	(Walter et al., 2006, p. 546)
Collaboration capability	“The actor’s capability to build and manage network relationships based on mutual trust, communication and commitment.”	(Blomqvist and Levy, 2006, p. 31)
Dynamic networking capability	“The capacity of the firm to develop a purposeful set of routines within its networks, resulting in the generation of new resource configurations and the firm’s capacity to integrate, reconfigure, gain and release resource combinations.”	(Sullivan Mort and Weerawardena, 2006, p. 558)
Networking capability	“The set of activities and organisational routines which are implemented at the organisational level of the focal company to initiate, develop, and terminate business relationships for the benefit of the company”.	(Mitrega et al., 2012, p. 741)
Networking capability	“The ability of firm actors in building, managing, and leveraging network relationships.”	(Mu and Di Benedetto, 2012, p. 4)

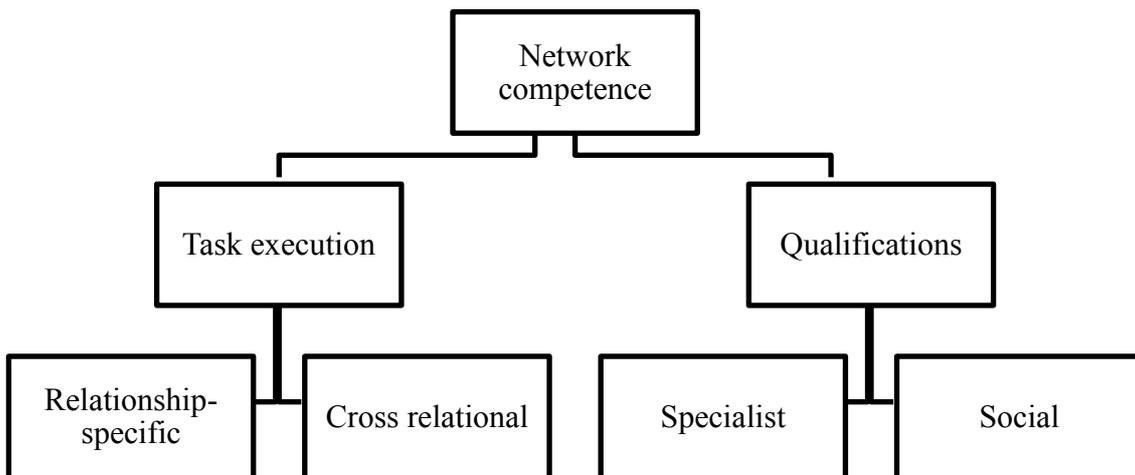
Network capability	“The ability to build, handle, and exploit relationships.”	(Vesalainen and Hakala, 2014, p. 938)
Network competence	“The ability of companies to develop and manage relations with key partners such as suppliers, customers and other organisations, and to deal with the interactions occurring among these relations.”	(Torkkeli et al., 2015, p. 462)

Compiled by Author

4.4.1 The Dimensions of the Networking Capability Construct

Networking capability has been operationalised in several different ways. Ritter and Gemünden (2003b, p. 748), building on previous work (Ritter, 1999, Ritter et al., 2002) operationalised network competence as a two-dimensional construct, illustrated in Figure 4.2: “(a) the degree of network management task execution and (b) the extent of network management qualifications possessed by the people handling a company’s relationships”.

Figure 4.2 Elements of a company’s network competence



Source: Ritter (1999, p. 471)

The first dimension, network management tasks, is further subdivided into tasks relevant to managing a single relationship (a dyad) and tasks necessary to manage a portfolio of relationships or a network. The tasks to maintain a single relationship include initiation of the relationship, exchange (of products, services, money, information, know-how, and personnel), and coordination (synchronize activities so that both actors are in tune with each other). The cross-relational tasks refer to the activities required to maintain the network of connected relationships as a whole and involves planning, (targeting of a desirable state in the future) organising (the contributions of each party to achieving the plans), staffing (personnel need to be allocated to specific relationships), and controlling (through continuous feedback).

The second dimension concerns the qualifications of those managing relationships, and includes specialist and social qualifications. Specialist qualifications are those required when handling “the technical side” of relationships: technical, economic, legal skills. Knowledge about the other actors is another important resource. Social qualifications include several dimensions such as communication ability, extraversion, conflict management skills, empathy, emotional stability, self-reflectiveness, sense of justice, and cooperativeness.

Ritter and Gemünden (2003b) have focused on considering the impact of network

competence, i.e., the ability to develop relationships, on technological interweavement and on innovation success and found a strong and significant relationship between network competence and both these variables across international settings. In a previous study, Ritter et al. (2002), also found that market orientation and network competence are highly correlated.

Walter et al. (2006) operationalised networking capability as a four dimensional construct:

- Coordination between collaborating firms, which is a boundary-spanning activity, connecting firms to other firms, based on mutually supportive interactions.
- Relational skills or social competence, which focuses on the inter-personal aspect of business relationships (which are often the basis of business relationships), including communication ability, extraversion, conflict management skills, empathy, emotional stability, self-reflection, sense of justice, and cooperativeness.
- Partner knowledge, seen as a prerequisite for effective coordination between parties, because it enables “situation-specific management”; partner knowledge also leads to reduction of transaction costs and a proactive and solution oriented conflict management and it stabilizes a firm’s position within a network.
- Internal communication, a central element to a relational perspective and a requirement for effective organisational learning within partnerships, helping to avoid redundant processes and miscommunication.

All these components are interrelated and support each other; the networking capability increases in magnitude as each of the four components increases. On a sample of university spin-offs, Walter et al. (2006) found that networking capability positively influences performance, while also moderating the relationship between entrepreneurial orientation and organisational performance.

Following Reinartz et al. (2004), Mitrega et al. (2012) measured network capability by focusing on the three main stages of the relationship management process, i.e. initiation, development, and termination. Hence, networking capability is conceptualised as comprising:

- a relationship initiation capability (the ability to attract both, new business partners with whom entrepreneurs have some (often social) direct ties, as well as partners with no prior ties at all.)
- a relationship development capability (the ability to develop, manage and strengthen business relationships for the benefit of the company, both at the inter-personal level and inter-company level, which should stimulate information sharing, communication between partners and joint decision making, risk and benefit sharing, as well as knowledge sharing and conflict management) and

- a relationship termination capability (the activities and organisational routines which are implemented at the organisational level of the focal company aimed at selecting and discontinuing undesired business relationships).

Mitrega et al. (2012) found that networking capability is a key asset for a company's competitive advantage.

The empirical evidence from the aforementioned studies indicates that networking capability has a positive impact on performance. However, the authors of these studies stress the need for further research (Ritter and Gemünden, 2003b, Walter et al., 2006, Mitrega et al., 2012). More specifically, there is a need for more research to understand how networking capability can be developed (Walter et al., 2006), how it influences other business areas (Ritter and Gemünden, 2003b) and how it impacts firm performance (Mitrega et al., 2012). Responding to these calls, this study aims to explore how networking capability influences the development of marketing capabilities in an SME context. The central role of the entrepreneur in this process is discussed next.

4.4.2 The 'Networking Entrepreneur'

Within an entrepreneurial context, as set out in Chapter 3, an important stream of research in entrepreneurship examines how various tangible and intangible resources are obtained through the entrepreneur's relationships.

Both successful new venture creation and venture growth are seen as facilitated by the social ties of the entrepreneur and the resources these ties give access to (Aldrich and Zimmer, 1986, Lechner and Dowling, 2003, Lechner et al., 2006, Starr and MacMillan, 1990, Anderson and Jack, 2002, Jack, 2005, Jack et al., 2004, Jack, 2010).

Further, the extant literature posits that, in entrepreneurial contexts, networking is generally carried out mainly by the entrepreneur (Birley, 1985, Aldrich and Zimmer, 1986, Dubini and Aldrich, 1991, Hansen, 1995, Shaw, 1999, Lechner and Dowling, 2003, Evers, 2011b, Vasilchenko and Morrish, 2011, Evers et al., 2012). As it is the individuals inside the firms that handle relationships, the owner/manager and his/her decision-making style become significant factors (Ruokonen et al., 2006). Thus the entrepreneur himself/herself becomes an integral part of the networking capability construct described above. This implies that the entrepreneur's individual characteristics, such as knowledge and social skills, as well as the ability to manage individual and multiple relationships (Ritter and Gemünden, 2003b) become essential determinants of networking capability in SMEs. The individual characteristics can also explain why some individuals may be more adept at capturing the resources inherent in their networks as compared to others (Ibarra, 1995).

The entrepreneur's persona (his/her characteristics) influence entrepreneurial behaviours and activities (Altinay and Wang, 2011, Hayton et al., 2002, Alvarez and Barney, 2007, Carson and Gilmore, 2000a, Hultman, 1999, Nummela et al., 2005). In

SMEs, the environment is analysed, understood, and constantly reinterpreted through the eyes of the entrepreneur (Hultman, 1999, Hills et al., 2008). Thus, the cognitive frames entrepreneurs employ to understand their environments, including the way in which they perceive social structures (Balkundi and Kilduff, 2006) will determine the actions they take (Dew et al., 2009).

The literature also argues that the personal resource endowments of the entrepreneur (such as education, experience, reputation, knowledge, network contacts etc.) and their interplay have a strong bearing on the resource base of the firm (Brush et al., 2001). This is because, in small firms the entrepreneur is often the primary resource on which all other resources are composed (Hurmerinta-Peltomäki and Nummela, 2004). Similarly, the literature on managerial resources, sees the individual “skills and abilities of managers”, as “key contributors to the entire bundle of firm resources” (Castanias and Helfat, 2001, p. 661). While entrepreneurs bring their individual resources into their firms, they must purposefully apply and integrate these resources at firm level in order to generate rents for the firm; the entrepreneur must transform “individual strengths into organisational strengths that can lead to a unique advantage” (Brush et al., 2001, p. 73). Consequently, the quality of the human capital inherent in the entrepreneur/ owner-manager has significant implications for firm performance (Evers, 2011b).

So far, this chapter has presented an overview of the resource-based view of the firm and the complementary perspectives proposed by the dynamic capabilities and the relational views. It has also outlined how these approaches have contributed to the marketing literature, by discussing the concept of marketing capabilities and the idea that firms can access, leverage and develop resources and capabilities through their relationship and networks. Finally the chapter has introduced the construct of networking capability and has emphasised the central role of the entrepreneur for networking in an entrepreneurial context. Drawing together the theoretical underpinnings reviewed in Chapters 2, 3 and 4, the conceptual framework of the study is presented next.

4.5 Conceptual Framework

The aim of this study is to deepen our understanding of how entrepreneurs do ‘marketing by networking’ (Coviello and Munro, 1995, Carson et al., 1995, Gilmore et al., 2001, Hills and Hultman, 2006). In particular, the research aims to explore how entrepreneurs leverage resources through networking activities and the impact this has on the development of marketing capabilities in SMEs. In order to achieve this aim, the study primarily draws on relevant streams of research from the marketing (Grönroos, 1990, Gummesson, 1997, Ballantyne et al., 2003, Håkansson, 1982, Ford et al., 2003, Ford and Mouzas, 2013), entrepreneurship (Hoang and Antoncic, 2003, Coviello and Munro, 1995, Curran and Blackburn, 1994, Lechner et al., 2006, Slotte-Kock and Coviello, 2010, Jack, 2010, Evers and O’Gorman, 2011) and entrepreneurial marketing (Carson et al., 1995, Collinson and Shaw, 2001, Bjerke and Hultman, 2002, Morris et

al., 2002, Hills et al., 2008, Kraus et al., 2012) literatures, which share common interests around the role of relationships and networks for the resources of the firm.

4.5.1 Entrepreneurial Marketing and Resource Leveraging

Bjerke and Hultman (2002) identify the four pillars of entrepreneurial marketing as entrepreneurship, actors, processes and resources. Entrepreneurial marketing becomes manifest as actors (individuals, organisations or networks of organisations) engage in processes, underpinned by entrepreneurship, to create customer value. This conceptualisation is in line with the 7 dimensions of EM identified by Morris et al. (2002). The four dimensions of proactiveness, risk management, innovation focus and opportunity driven reflect the entrepreneurial orientation concept (Miller and Friesen, 1982, Covin and Slevin, 1986, Lumpkin and Dess, 1996, Lumpkin and Dess, 2001) and encapsulate the entrepreneurial drive which permeates marketing in entrepreneurial contexts (Morris et al., 2002). The two dimensions of customer intensity and value creation capture market orientation (Kohli and Jaworski, 1990, Kohli et al., 1993, Narver and Slater, 1990), while resource leveraging emphasises the ability to do more with less and not be constrained by resources owned. In traditional marketing, the focus is on resource allocation and the most efficient use of existing resources. As opposed to this, in EM actions are not constrained by resources currently controlled and entrepreneurs aim to do more with less, including obtaining new resources, using other actors' resources, stretching resources, combining resources, utilising resources in new ways (Gruber, 2004, Miles and Darroch, 2006, Sullivan Mort et al., 2012, Bjerke and Hultman, 2002, Morris et al., 2002, Hills et al., 2008).

The 'resource leveraging' dimension also emphasises the fundamental role of relationships and networks for the entrepreneurial firm and its resource base (Morris et al., 2002). Within the entrepreneurial marketing frameworks, resources can be owned by the company, but also be generated in the firm's interaction with external actors, or secured from outside partners (Bjerke and Hultman, 2002).

This conceptualisation of EM, highlighting relationships and networks, finds support in the relationship marketing literature and the interaction and network approach to marketing. For instance, Gummesson (2008, p. 5) defines relationship marketing as "interaction in networks of relationships", while Hunt argues that "the fundamental thesis of relationship marketing strategy is that, to achieve competitive advantage and, thereby, superior financial performance, firms should identify, develop, and nurture an efficiency-enhancing, effectiveness-enhancing portfolio of relationships" (2010, p. 414).

Similarly, within the interaction and network approach to marketing, Håkansson and Snehota (1995) contend that resources are heterogeneous in use and value; they are not given entities but rather a variable. Resource can be 'available' but also 'developed'. Consequently, relationships are regarded in themselves as resources and at the same time as mechanisms to access resources, blurring up the traditional clear division between internal and external resources. Thus, business relationships and their

development have a considerable impact on the company's strategy, affecting the generation of economic rents (Håkansson and Snehota, 1995, Ford and Håkansson, 2006b).

The entrepreneurship literature has also examined how various tangible and intangible resources are obtained through the entrepreneur's relationships (Coviello et al., 2000, Hoang and Antoncic, 2003, Clarke, 2006, Slotte-Kock and Coviello, 2010, Jack, 2010, Gulati et al., 2011, Stam et al., 2014). There is broad agreement that networks (and implicitly the social capital embedded in networks) constitute a key asset for small firms (Nahapiet and Ghoshal, 1998, Woolcock, 1998, Gulati, 1999), and although entrepreneurs must invest resources to develop their networks, the entrepreneur's social capital can create significant value for small firms (Adler and Kwon, 2002, Brush et al., 2001, Stam et al., 2014). Blyler and Coff (2003, p. 680) contend that without the social capital of individuals "firms would be unable to acquire, recombine, and release resources".

Within the EM literature, extant empirical studies support the importance of the entrepreneurs' relationships and networks as a means to facilitate, aid and enhance marketing in SMEs (Birley et al., 1991, Shaw, 1999, Gilmore et al., 2001, Stokes, 2000a, Hill, 2001, Gruber, 2004, Evers and O'Gorman, 2011, Sullivan Mort et al., 2012). Entrepreneurs are constantly immersed in the market, often personally committed to serve customers, which translates into a special market-sensing capability and a heightened level of responsiveness to the marketplace (Hultman, 1999). Injected by the entrepreneurial drive and the entrepreneur's closeness to the market, this high level of customer intensity can lead to significant customer value creation (Morris et al., 2002).

Building on these streams in the extant literature, this study explores the concept of 'marketing by networking' in small and medium firms and seeks to explain how entrepreneurs leverage networking to accrue benefits and develop the marketing capabilities of the firm.

4.5.2 Entrepreneurial Networking Capability

As discussed in Section 3.4 of Chapter 3, the verb 'to network' and the participle form 'networking' "denote the action by which an owner-manager develops and maintains contacts for trading and business development purposes". Thus 'networking' is associated with, but distinct from, the noun 'network' (Chell and Baines, 2000, p. 196). Networks cannot exist on their own, as distinct social entities (Emerson, 1972); they are created by individuals and the interactions between individuals. In order to provide value, networks have to be kept alive through networking (Gilmore et al., 2006b). This implies that networking, as a set of behaviours or activities, is essential for our understanding of the role networks play for the firm.

Networking is a crucial element of entrepreneurial behaviour and an enabling factor of marketing in SMEs (Birley et al., 1991, Shaw, 1999, Gilmore et al., 2001, Stokes, 2000a, Hill, 2001, Gruber, 2004, Evers and O’Gorman, 2011, Sullivan Mort et al., 2012). Networking, as a mechanism to access resources external to the firm, is specifically important in SMEs, where, because of resource limitations, marketing is often identified as one of the most challenging areas of business management (Huang and Brown, 1999, Carson, 1985, Nwankwo and Gbadamosi, 2010, Resnick et al., 2016). Consequently, the development of marketing capabilities, which are essential in creating and sustaining competitive advantage (Morgan, 2012, Kozlenkova et al., 2013, Evers et al., 2012, Barrales-Molina et al., 2014), becomes a crucial aspect for the SMEs’ survival, development and growth.

However, the limited empirical evidence we have so far seems to suggest there are substantial differences among firms in their ability to network (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mitrega et al., 2012). Firms need to successfully engage in meaningful network relationships and to leverage these connections for increased firm performance and this is reflected in the concept of networking capability (Ritter et al., 2002, Ritter and Gemünden, 2003a, Walter et al., 2006). Networking capability is defined in the extant literature as “the set of activities and organisational routines which are implemented at the organisational level of the focal company to initiate, develop, and terminate business relationships for the benefit of the company” (Mitrega et al., 2012, p. 741). Given that the entrepreneur is the main networking agent of the firm (Birley, 1985, Aldrich and Zimmer, 1986, Dubini and Aldrich, 1991, Evers, 2011b, Vasilchenko and Morrish, 2011, Evers et al., 2012), this study argues that in SMEs, networking is a function of the entrepreneur and can become a key entrepreneurial competency or capability (Chaston, 2000, Ford and Mouzas, 2010, Gilmore and Carson, 1999, Gilmore et al., 2001, Hill and McGowan, 1996, O’Donnell, 2004, O’Donnell, 2011).

On the basis of this literature, this study defines **entrepreneurial networking capability** as

the set of activities and routines implemented by the entrepreneur with the aim of initiating, establishing, maintaining and leveraging relationships for the benefit of the firm.

4.5.3 Research Questions and Propositions

This research is based on the premise that entrepreneurial networking is a resource acquisition method, which can become a valuable and unique capability that can help SMEs develop their marketing capabilities.

Whereas the research interest in the areas of entrepreneurial marketing and network relationships has been growing, both academic knowledge and industry insights in this area are limited and a lack of understanding of how exactly entrepreneurs do ‘marketing

by networking' remains. An important assumption in the EM literature is that networking is a 'natural' and 'habitual' entrepreneurial behaviour (Carson et al., 1995, Coviello and Munro, 1995, Ramaswami et al., 2009). However, not all entrepreneurs network in the same way and not all networking behaviours have the same drivers or the same outcomes. Further, if and how entrepreneurial networking influences the development of marketing capabilities in SMEs has yet to be explored.

To address this gap, the main research question of this study is:

How does entrepreneurial networking contribute to the development of marketing capabilities in SMEs?

This translates into 3 specific research questions:

RQ 1: What is the role of the entrepreneur's mindset and human capital in the development of entrepreneurial networking capability?

RQ 2: How do entrepreneurs network? (What are the networking forms and activities that entrepreneurs engage in?)

RQ 3: What types of marketing capabilities are developed from entrepreneurial networking activities?

In answering these questions, the study aims to move beyond "gap-filling" in the extant literature (Alvesson and Sandberg, 2011) and question underlining assumptions in the EM literature, as detailed below.

Research Question 1

RQ 1: What is the role of the entrepreneur's mindset and human capital in the development of entrepreneurial networking capability?

In the context of SMEs, networking is generally carried out mainly by the entrepreneur (Birley, 1985, Aldrich and Zimmer, 1986, Dubini and Aldrich, 1991, Hansen, 1995, Shaw, 1999, Lechner and Dowling, 2003, Evers, 2011b, Vasilchenko and Morrish, 2011, Evers et al., 2012). This is also recognized by the interaction and network approach to marketing, which abstracts organisations into a notion of a collective actor, but acknowledges that "it is individuals who endow business networks with life" (Håkansson and Snehota, 1995, p. 192), "interacting on behalf of their organisations in a business relationship" (Håkansson and Snehota, 1995, p. 15). The AAR model emphasises that "actors carry out activities and activate resources" (Håkansson and Snehota, 1995, p. 35). Consequently it can be argued that entrepreneurs are not passive actors in their networks but, rather, they can actively build and manage their relationships and networks (Chaston, 2000, Ford and Mouzas, 2010, O'Donnell, 2011,

Gilmore et al., 2006b) through the process of networking.

While networking is typically seen as a natural and habitual entrepreneurial behaviour, networking capability is not equally distributed across firms. Extant research supports the argument that some firms network and accrue networking benefits better than others (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mu and Di Benedetto, 2012, Sullivan Mort et al., 2012). Networking capability is grounded in the ability to initiate, establish, maintain and leverage relationships (Reinartz et al., 2004, Mitrega et al., 2012), and it depends on the characteristics of the individuals involved in networking (Ritter and Gemünden, 2003b, Walter et al., 2006). This implies that entrepreneurial networking differs across entrepreneurs; the entrepreneur's persona (his/her characteristics) influences networking behaviours/activities and consequently networking outcomes. However, there is very little literature exploring how individual differences affect networking behaviour and subsequent outcomes (Stevenson and Greenberg, 2000, Casciaro et al., 2014).

The Entrepreneur's Mindset

In SMEs the environment is analysed, understood, and constantly reinterpreted through the eyes of the entrepreneur, as he or she continuously interacts with the market (Hultman, 1999, Hills et al., 2008). The personality of the firm is tightly connected to the entrepreneur and "it would be naive to suggest that a behavioural separation can be made between that of the entrepreneur and that of the enterprise" (Deacon and Corp, 2003, p. 4). The entrepreneur's "actions, feelings and behaviour have a direct impact on firm behaviour" (Hultman, 1999, p. 60).

In particular, the role of the individual cognitions, attitudes, perceptions, knowledge structures etc. of the entrepreneur have been signalled in the entrepreneurship literature as very important for the entrepreneurial firm. (Alvarez and Busenitz, 2001, Mitchell et al., 2002, Dew et al., 2009). The fact that SMEs' owner-managers are driven by varied and sometimes profoundly divergent views has substantial effects on a firm's strategies and development (Jaouen and Lasch, 2015). The entrepreneurial cognitions view has thus been identified as an important perspective to help us understand how entrepreneurs think and "why" they do some of the things they do (Mitchell et al., 2002).

The entrepreneur's cognitive frames used to make sense of the environment, will impact on entrepreneurial behaviour (Weick, 1995, Hodgkinson and Healey, 2008). Dew et al. (2009, p. 289) contend that the particular frames entrepreneurs use influence "how they formulate problems, what alternatives they perceive, generate and attend to, which constraints they accept, reject, and/or manipulate". This implies that the entrepreneur's views or cognitive frames around networking will impact on networking behaviours/activities. Intrinsic to entrepreneurial cognition, is the individual's ability to get exposed and interact with different people and situations, which allow entrepreneurs to accumulate resources in an economical manner (Alvarez and Busenitz, 2001). This

strengthens the premise that the content of relationships is dependent on the meaning people attribute to those relationships (Mitchell, 1969).

Similarly, building on the concepts of managerial cognition (Helfat and Peteraf, 2003) and managerial sense making (Weick, 1995), the interaction and network approach to marketing also argues that all interaction is subject to perceptual and other behavioural limits of the individuals involved (Håkansson and Snehota, 1995). Individual mental models determine decision-making and behaviour (Ford et al., 2002, Ford and Håkansson, 2006a). This literature has employed the concept of network pictures, defined as the ‘theories-in-use’ or sense-making mechanisms employed by managers to decipher their environment and to guide their decisions within networks (Ford et al., 2002, Henneberg et al., 2006). Because actors are “bounded in their perceptions, knowledge and capabilities and therefore different from each other” (Håkansson and Snehota, 1995, p. 192), their perception of networking will influence networking behaviour/activities.

Elsewhere, in a recent study, borrowing from the motivational psychology theory, Kuwabara et al. (2016) show that beliefs and attitudes toward the utility and morality of networking (the psychology of networking) has consequences for networking behaviour and can undermine people's motivation to network. Consequently, the way individuals think about networking affects the time and effort they put into it, and ultimately, the return they get from their investment (Ibarra, 2016).

More specifically within network-based research in entrepreneurship, the attributes of the entrepreneur (motivation, traits, behavioural styles) are employed as factors influencing network change and development (Phelps et al., 2012, Hoang and Yi, 2015). An entrepreneur’s attitude to and perception of networking as a useful activity can have a major influence for the degree of networking intensity (Burt et al., 1998). The entrepreneur’s social competence (Baron and Markman, 2000), as well as the level of confidence in their being effective and motivated networkers influences networking behaviours/activities (Batjargal, 2010).

To summarise, the extant literature argues that entrepreneurs’ cognition, mental models, perception, attitudes, sense-making mechanisms etc. are determinant factors for entrepreneurial decision-making and action and are particularly relevant in entrepreneurial networking. This research employs the concept of mindset from a generic perspective to encapsulate these factors. Mindset² is defined as the mental attitudes that individuals hold or simply, a way of thinking (McGrath and MacMillan, 2000). The concept of mindset has been previously employed in international

² The dictionary definition of mindset is “a person’s way of thinking and their opinions” CAMBRIDGE DICTIONARY 2015. / “the established set of attitudes held by someone” OXFORD DICTIONARY 2015.

entrepreneurship to include both attitudinal and behavioural elements (Nummela et al., 2004).

In line with the arguments presented above, this study proposes that what entrepreneurs think of networking (i.e. their mindset or mental attitudes in relation to networking) will influence networking behaviours/activities and networking outcomes (i.e. the benefits they can accrue from networking).

Thus this study argues:

Pl1a. The entrepreneur's mindset influences entrepreneurial networking capability development.

The Entrepreneur's Human Capital

Actors are not only bounded in their cognitions and perceptions, but also in their "knowledge and capabilities" (Håkansson and Snehota, 1995, p. 192). "As individuals act within relationships between two companies they bring in their limits ('the bounded rationality') but also their capabilities to learn and reflect" (Håkansson and Snehota, 1995, p. 204). Acquisition and exploitation of knowledge is one of the main components of human capital. An individual's human capital "comprises knowledge, education, experience, and skills" (Wright et al., 2014, p. 361). In an organisational context, human capital has a direct influence on managerial capabilities (Becker, 1964, Castanias and Helfat, 2001) and impacts on a firm's ability to innovate, act proactively and perform better than competitors (Day, 1994, Grant, 1996a, Teece et al., 1997).

The literature on managerial resources sees the individual "skills and abilities of managers", as "key contributors to the entire bundle of firm resources" (Castanias and Helfat, 2001, p. 661). Entrepreneurs, as managers of their firms, become rent-generating resources and the type and quality of the human capital inherent to the entrepreneur has implications for firm performance (Evers, 2011b, Andersson and Evers, 2015).

The literature distinguished between generic and specific components of human capital (Campbell et al., 2012). Generic human capital refers to the general knowledge acquired by entrepreneurs through both formal education and professional experience (Colombo and Grilli, 2005). Specific human capital includes knowledge of the industry obtained through prior work experience (industry-specific human capital) and knowledge of how to manage a new firm (entrepreneur-specific human capital) (Colombo and Grilli, 2005). Extant research has identified previous start-up/entrepreneurial experience as a significant determinant of human capital, since it provides individuals with specific resources and skills, which may not be acquired/developed in other contexts (i.e. non-entrepreneurial) (Chandler and Hanks, 1994).

In SMEs, the entrepreneur is the main agent in accessing and leveraging resources held by others (Shaw, 1997). However, "the entrepreneur's reputation, capabilities, commitment, and conduct, as well as all the other components of human and social

capital, are often determinants of his or her ability to attract resource partners” (Brush et al., 2001, p. 75). This further explains why not all actors with desirable social networks benefit equally from networking, as some may be more adept at capturing the resources inherent in their networks (Ibarra, 1995).

While networking presents opportunities, it is important to differentiate between the potential and realized opportunities within social networks (Adler and Kwon, 2002, Anderson, 2008). Network resources must be complemented by internal resources and capabilities which can take advantage of external benefits (Day, 1994, Dutta et al., 1999).

In the entrepreneurship domain, Adler and Kwon (2002, pp. 24-25) emphasise that while an “actor’s network of social ties creates opportunities for social capital transactions”, the “mere fact of a tie implies little about the likelihood that social capital effects will materialize”. Similarly, the IMP literature argues that the value of a relationship, as a resource element, lies in its use in combination with other resource elements and an actor’s ability “to handle relationships and mobilize resources” is an important factor in its performance” (Håkansson and Snehota, 1995). “Resources are heterogeneous and their form and usefulness are dependent on how and with which other resources they are combined” (Ford, 2011, p. 233).

Even if networking is a normal and natural activity for entrepreneurs (Gilmore et al., 2001), entrepreneurs must use networking in a practical way (Gilmore et al., 2006b). Networking will provide returns of economic capital only if opportunities are appropriately identified and pursued to add value to the organisation (Luo, 2003, Hulbert et al., 2015). With the objective to emphasise the critical role of the entrepreneur, and starting from the premise that the environment is full of resource, Bjerke and Hultman (2002, p. 189) proclaim that for any firm “the only resource really needed in-house is human brain capacity to put it all together”. Thus, entrepreneurs, as managers of their firms, must purposefully utilise well their endowments and “devote effort in order to generate rents from their human capital” (Castanias and Helfat, 1991, p. 666).

Thus it is up to the entrepreneur to apply and integrate his/her individual resources with resources leveraged through interaction with other market actors in order to generate rents for the firm; the entrepreneur must transform “individual strengths into organisational strengths that can lead to a unique advantage” (Brush et al., 2001, p. 73). This ability to bootstrap resources in an economical manner becomes a resource in itself (Alvarez and Busenitz, 2001).

Consequently, the value of any network resource is dependent on how the entrepreneur can leverage it, combine it with other resources and create value that can be embedded within the firm. Entrepreneurial networking can only have a positive impact on the firm if the entrepreneur has the knowledge, skills and abilities (i.e. human capital) to utilise the resources accessed through networking to generate rents for the firm.

Thus this study argues:

P1b. The entrepreneur's human capital influences entrepreneurial networking capability development.

Research Question 2

RQ 2: How do entrepreneurs network? (What are the networking forms and activities that entrepreneurs engage in?)

Based on the extant literature, this study has argued that networking is the activity through which networks are created, developed and leveraged (Chell and Baines, 2000, O'Donnell, 2004, Gilmore et al., 2006b). Networking as an activity is an essential element in our understanding of how entrepreneurs leverage resources within their relationships and networks, because it is only through networking that entrepreneurs can transform networks into a “strategic entrepreneurial marketing tool” (Shaw, 1999, p. 26). On the basis of this argument, this study defines **entrepreneurial networking capability** as the set of activities and routines implemented by the entrepreneur with the aim of initiating, establishing, maintaining and leveraging relationships for the benefit of the firm.

While networking is a natural and integrated entrepreneurial activity (Carson et al., 1995, Coviello and Munro, 1995, Ramaswami et al., 2009), not all networking behaviours are the same. However, with a few exceptions (O'Donnell, 2004, Vissa, 2012), the literature has failed to address the specific behaviours or activities in which entrepreneurs engage in order to benefit from networking and these dynamic characteristics of networking require more research attention (Zaheer et al., 2010, Jack, 2010).

O'Donnell (2004) identified two key dimensions of networking variation: the level of networking, where entrepreneurial networking activity can vary on a continuum from “limited” to “extensive”, and networking proactivity, where networking activity varies on a continuum from “reactive” to “proactive”. Limited networking consists of infrequent, short and irregular interaction, while extensive networking is defined as frequent and regular, with at least some interaction of significant duration. In turn, reactive networkers engage in unplanned and ad-hoc networking, with unsure outcomes, while proactive networkers engage in deliberate networking, with keen expectations of the benefits of networking.

Further, entrepreneurs can engage in different forms of networking with different outcomes for the development of marketing capabilities. As discussed in Chapter 3, Ibarra and Hunter (2007) identify three distinct, but interdependent forms of networking: personal, operational and strategic.

Personal networking enhances personal and professional development, contributing towards an individual's knowledge and has referral potential (Ibarra and Hunter, 2007). Personal networking is also important for the social needs of the individual and can provide emotional support (Casciaro et al., 2014). For personal networking to render results at organisational level, it is up to the individual to learn how to bring personal connections to bear on organisational strategy (Ibarra and Hunter, 2007).

Operational networking occurs as individuals focus on accomplishing current organisational tasks efficiently. Operational networking includes internal networking, with team members, as well as external networking with outsiders such as suppliers, distributors, and customers. While in operational networking relationships are directly task-related, and involve clear, routine, short-term demands, it is “the quality of relationships—the rapport and mutual trust—that gives an operational network its power” (Ibarra and Hunter, 2007, p. 42).

Finally, strategic networking requires insight, is more long term focused and refers to leverage, network management and development and individuals must proactively invest in it. Strategic networking is based on the ability to figure out who needs to be part of your network and how you can network with them in order to seize or create opportunities in the future and have stakeholder support. Hence personal and operational networks can provide a foundation for strategic networking as they are leveraged for strategic advantage.

Understanding the different types of entrepreneurial networking forms, as well as their variance in proactivity and intensity is essential in elucidating the relationship between entrepreneurial networking and entrepreneurial marketing.

Based on the above, this study argues:

P2.a. Entrepreneurs engage in personal networking for their own personal and professional development and emotional support.

P2.b. Entrepreneurs engage in operational networking to accomplish current organisational tasks efficiently.

P2.c. Entrepreneurs engage in strategic networking to develop and grow their business.

Research Question 3

RQ 3: What types of marketing capabilities are developed from entrepreneurial networking activities?

Entrepreneurs are not only the main networking agents of the firm, they are also at the core of the decision-making process for marketing strategy and implementation, often

being personally engaged in specific marketing processes, from marketing intelligence generation to promotional activities (Bettiol et al., 2011). Within the small firm context, marketing is “dominated by the inherent characteristics of the entrepreneur/owner/manager” and “the inherent limitations of SMEs” (Carson and Gilmore, 2000a, p. 1). The prominent role of the entrepreneur makes marketing “a process of passionately pursuing opportunities” (Hills et al., 2010, p. 6), while the limitations of small firms often require flexibility, innovativeness, creativity, resource leveraging, market immersion and networking in “acquiring and retaining profitable customers” and creating “perceived customer value through relationships” (Morris et al., 2002, p. 5, Hills et al., 2010, p. 6).

The end goal of marketing is to attract customers and to establish long lasting customer relationships, thus gaining customer life-long value. Recent literature recognizes marketing capabilities as having a crucial role in achieving this goal and enabling firms to create and sustain competitive advantage (Morgan, 2012, Kozlenkova et al., 2013, Evers et al., 2012, Barrales-Molina et al., 2014). Morgan (2012) identifies four main types of marketing capabilities: specialised (Product management capability, Pricing management capability, Channel management capability, Marketing communication management capability, Market research capability), cross-functional (Brand management capability, CRM capability, New product development capability), architectural (Strategic market planning and implementation) and dynamic capabilities (the firm’s ability to engage in market learning and reconfigure its resources and enhance its capabilities).

In an SMEs context, marketing has been identified as one of the greatest challenges for entrepreneurs (Huang and Brown, 1999, Carson, 1985) and as one of the areas where small and medium entrepreneurial firms differ fundamentally from large firms (Hills and LaForge, 1992, Bhide, 1994, Welsh and White, 1981, Martin and Staines, 1994, Gilmore et al., 2006b, O’Dwyer et al., 2009, Jones and Rowley, 2010, Bettiol et al., 2011).

Within the EM domain, researchers have studied relationships and the networks in which the entrepreneurs are embedded as a means of understanding marketing (Shaw, 1999, O’Donnell, 2004). Extant empirical studies support the importance of the entrepreneur’s networks in facilitating, aiding and enhancing marketing in small and medium firms (Gilmore et al., 2001, Stokes, 2000a, Gruber, 2004, Evers and O’Gorman, 2011, Sullivan Mort et al., 2012). However, while networks and networking have been identified as enabling factors in entrepreneurial marketing, there is a limited insight into how this actually works (O’Donnell, 2011, Hoang and Antoncic, 2003, Jack, 2010).

This study argues that through networking entrepreneurs can develop the marketing capabilities of the firm, thus emphasising the role of external processes (outside the firm) that can complement the internal processes (within the firm) through which marketing capabilities are typically developed (Morgan, 2012).

Entrepreneurial networking capability becomes manifest as entrepreneurs engage in personal, operational, and strategic networking with the aim of initiating, establishing, maintaining and leveraging relationships for the benefit of the firm. While benefits can be accrued within different functional areas of the firm (Mitrega et al., 2012, Sullivan Mort and Weerawardena, 2006, Mu and Di Benedetto, 2012, Ritter and Gemünden, 2003b, Ritter et al., 2002), this research focuses on the role entrepreneurial networking capability plays in the development of marketing capabilities in the specific context of SMEs.

In summary, this research is based on the premise that entrepreneurial networking is a resource acquisition method, which can become a valuable and unique capability that can help SMEs develop their marketing capabilities.

Thus this study argues:

P3.a. Entrepreneurial networking influences how SMEs develop specialised marketing capabilities.

P3.b. Entrepreneurial networking influences how SMEs develop cross-functional marketing capabilities.

P3.c. Entrepreneurial networking influences how SMEs develop architectural marketing capabilities.

P3.d. Entrepreneurial networking influences how SMEs develop dynamic marketing capabilities.

A summary of research gaps, research questions and propositions is presented in Table 4.4.

Table 4.4 Research gaps, research questions and propositions

RQ: HOW DOES ENTREPRENEURIAL NETWORKING CONTRIBUTE TO THE DEVELOPMENT OF MARKETING CAPABILITIES IN SMES?		
Research gaps	Research questions	Propositions
Lack of understanding of the individual factors impacting on entrepreneurial networking.	<i>RQ 1: What is the role of the entrepreneur's mindset and human capital in the development of entrepreneurial networking capability?</i>	<p>P1a. The entrepreneur's mindset influences entrepreneurial networking capability development.</p> <p>P1b. The entrepreneur's human capital influences entrepreneurial networking capability development.</p>
Limited focus on the process of networking, i.e. the actual networking forms and activities that entrepreneurs engage in.	<i>RQ 2: How do entrepreneurs network? (What are the networking forms and activities that entrepreneurs engage in?)</i>	<p>P2a. Entrepreneurs engage in personal networking for their own personal and professional development and emotional support.</p> <p>P2b. Entrepreneurs engage in operational networking to accomplish current organisational tasks efficiently.</p> <p>P2c. Entrepreneurs engage in strategic networking to develop and grow their business.</p>

<p>Lack of understanding about how networking is leveraged to accrue marketing benefits.</p>	<p><i>RQ 3: What types of marketing capabilities are developed from entrepreneurial networking activities?</i></p>	<p>P3a. Entrepreneurial networking influences how SMEs develop specialised marketing capabilities.</p> <p>P3b. Entrepreneurial networking influences how SMEs develop cross-functional marketing capabilities.</p> <p>P3c. Entrepreneurial networking influences how SMEs develop architectural marketing capabilities.</p> <p>P3d. Entrepreneurial networking influences how SMEs develop dynamic marketing capabilities.</p>
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4.6 Conclusion

Chapter 4 presented an overview of the resource-based, dynamic capabilities and relational views of the firm. The chapter then focused on the literature on marketing capabilities, as key contributors to a firm's competitiveness, and identified a comprehensive classification of marketing capabilities by Morgan (2012), which will be employed in data generation and analysis for this research. Finally, the chapter discussed in detail the concept of networking capability and, drawing on the theoretical underpinnings reviewed in Chapters 2, 3 and 4 outlined the conceptual framework of the study.

This study argues that entrepreneurial networking is a resource acquisition method which can become a valuable capability that can help SMEs develop their marketing capabilities and thus become more competitive. Building on extant literature, this research has developed a set of 9 propositions and further argues that entrepreneurial networking capability is dependent on the entrepreneur's mindset and the entrepreneur's human capital. Entrepreneurial networking capability becomes manifest as entrepreneurs engage in personal, operational and strategic networking with the aim of initiating, establishing, maintaining and leveraging relationships for the benefit of the firm. From a marketing perspective, the study further argues that the benefits accrued through entrepreneurial networking can lead to the development of specialised, cross-functional, architectural and dynamic marketing capabilities of SMEs.

Chapter 5: Methodology

5.1 Introduction

Academic research is an organised and systematic method of finding answers to questions and it should be reported in such a way that would ensure a level of transparency to the reader, which ultimately could allow the research to be taken further or be replicated by others (Allison et al., 1996). While all research has “the generation of knowledge” as a main objective, different methods achieve this objective “at varying levels of detail, sophistication and generalisability” (Goodwin and Goodwin, 1996, p. 5).

Herein lies the main purpose of the methodology chapter. The chapter explains the motivations behind the researcher’s choices out of several different alternatives, each decision in itself having somewhat of a ripple effect on others. Section 5.2 restates the research questions and the rationale for inquiry, while Section 5.3 presents the philosophical underpinnings of the study. The research design is presented in Section 5.4, while an overview of the methods used for selecting research participants is provided in Section 5.5. The following sections outline the way in which the data was generated (Section 5.6) and analysed (Section 5.7). The chapter also discusses the issue of research outcome quality, around specific criteria employable in qualitative research in Section 5.8, while ethical issues are considered in Section 5.9. Section 5.10 concludes the chapter.

5.2 Research Questions and Rationale of Inquiry

This research aims to explore how entrepreneurial networking contributes to the development of marketing capabilities in the context of SMEs. The overarching research question of this study is:

How does entrepreneurial networking contribute to the development of marketing capabilities in SMEs?

As Saunders et al. (2009) indicate, the main research question typically generates more detailed questions. These more specific research questions of this study are outlined below:

RQ 1: What is the role of the entrepreneur’s mindset and human capital in the development of entrepreneurial networking capability?

RQ 2: How do entrepreneurs network? (What are the networking forms and activities that entrepreneurs engage in?)

RQ 3: What types of marketing capabilities are developed from entrepreneurial networking activities?

The relevance of this research lies in the predominance of SMEs. According to the most recent European Commission study (Muller et al., 2015), SMEs form the backbone of the EU economy, accounting for 99.8% of enterprises in the non-financial business sector across the EU28, employing almost 90 million people - 67% of total employment, and generating more than EUR 3.7 trillion of value added. The majority of these (92.7%) are micro-enterprises with fewer than ten employees; around 6.1% are classified as small enterprises (employing between 10 and 49 people) and the remaining 1% as medium-sized enterprises (employing between 50 and 249 people).

The statistics in Ireland very much mirror the same picture; SMEs account for almost 99.8% of active enterprises, 68.6% of persons engaged and 51.5% of turnover in Ireland (Central Statistics Office Ireland, 2013).

Since SMEs are the most common form of business, advancing our understanding around some of the mechanism through which these firms can develop and grow is essential not only to individual businesses, but also to economic development in a broader sense. Entrepreneurship and the issues surrounding the survival and growth of SMEs have become a major point of interest for both academia and policy at national and European levels.

However, many small and medium firms still fail in the few years after inception and many are unable to grow (OECD, 2008, Ladzani and Van Vuuren, 2002). As discussed in Chapter 3, marketing has been identified as one of the greatest challenges for entrepreneurs (Huang and Brown, 1999, Carson, 1985) and as one of the areas where small entrepreneurial firms differ fundamentally from large firms (Hills and LaForge, 1992, Bhide, 1994, Welsh and White, 1981, Martin and Staines, 1994, Gilmore et al., 2006b, O'Dwyer et al., 2009, Jones and Rowley, 2010, Bettiol et al., 2011). While significant progress has been recorded in the academic literature in the last three decades in this regard, particularly through the development of the Entrepreneurial Marketing field of research, we still don't understand enough about marketing in an SME/entrepreneurial context (Siu and Kirby, 1998, Gruber, 2004, Hills and Hultman, 2011, Kraus et al., 2012, Webb et al., 2011, Ritchie and Lam, 2005). This study aims to contribute to the EM literature from a networking perspective.

More specifically, the study aims to shed light on marketing within an SME context by exploring the way in which entrepreneurial networking can contribute towards the development of marketing capabilities. Thus the study has both academic relevance and practical applicability to SMEs, policy makers and the professional bodies and voluntary organisations that offer support to small and medium businesses.

5.3 Philosophical Underpinnings

The starting point for all methodological choices lies in the philosophical paradigm of the researcher, which represents “a *worldview* that defines, for its holder, the nature of the “world”, the individual’s place in it and the range of possible relationships to that world and its parts” (Guba and Lincoln, 1994, p. 107). Each paradigm’s basic beliefs and assumptions can be defined by the answers given to three questions: the ontological question, the epistemological question and the methodological question (Guba and Lincoln, 1994). The ontological question refers to the essence of the ‘reality’ that is investigated; the epistemological question refers to the link between reality and the researcher; the methodological question refers to the approach through which the researcher aims to discover this reality (Healy and Perry, 2000). Different epistemological and ontological positions employ different methodologies (Guba and Lincoln, 1994).

5.3.1 The Ontological Question

The ontological question asks whether social entities can be considered objective entities, external to social actors or if they should be considered social constructions, created by the perceptions and actions of social actors (Bryman and Bell, 2011). The two main opposing options are objectivism and constructionism. The ontological position of objectivism views social phenomena as external facts, with an existence independent or separate from social actors. In contrast, constructionism is an ontological position which views reality as subjective, as social phenomena are continuously being created and accomplished by social actors through social interaction. From a constructionist perspective, meaning does not exist out there, waiting to be discovered, but rather is constructed by the social interaction of individuals (Bryman and Bell, 2011).

5.3.2 The Epistemological Question

The epistemological question asks how knowledge can be produced. The ontological position of the researcher will determine his or her epistemological stance. Hence an objective view assumes that the social world exists externally and can be objectively researched and studied. A subjective view assumes that what can be known is limited to an actor’s own observations and interpretations, and gaining totally objective knowledge of the outer world is impossible (Eriksson and Kovalainen, 2008). Thus from an epistemological perspective, there are three main worldviews: positivism, interpretivism and realism.

Positivism is derived from the natural sciences and it is based on the ontological assumption that the social world exists externally. Knowledge is produced by investigated phenomena objectively through rational analysis. The truth can be uncovered by empirically testing hypothesis through a deductive process employing the

scientific method of research. Based on objective observation of reality, theoretical models and laws can be developed; they are generalisable and can predict outcomes. The researcher must be detached of any values and take an outside perspective to what is being studied (Guba and Lincoln, 1994, Turner, 2006, Creswell, 2009, Easterby-Smith et al., 2012). While positivism has many merits in the rigour and robustness of its guiding principles, its methods can be perceived as inflexible and artificial, and often not appropriate in uncovering the nature of complex social situations (Easterby-Smith et al., 2012).

At the opposite end, interpretivism provides an alternative to the positivist orthodoxy (Bryman and Bell, 2011). Given that meaning and hence reality is constantly constructed by the actors who enact it, an objective representation of reality is not possible, as it will always be ultimately influenced by an actor's values. Thus there is no absolute general truth, as realities are local and specific, based on each individual's experience and expectations (Guba and Lincoln, 1994). The researchers' influence on the research process is much stronger, as they focus on the interpretations of social actors and it is up to them to grasp the subjective meaning of social actions. Data is contextual, subjective and not widely generalisable and the focus is on the understanding of human behaviour rather than on the explanation of human behaviour (Saunders et al., 2009, Bryman and Bell, 2011).

Finally, realism tries to find middle ground between the over-deterministic stance in positivism and the relativistic view in constructivism. In realism, reality is viewed as existing independent of human consciousness, but knowledge is seen as socially constructed (Healy and Perry, 2000, Creswell, 2009). Realism sees science as rational and objective, while acknowledging that social objects exist and hence can be researched on multiple levels. In critical realism, objectivity is a "regulatory ideal", while in historical realism there is more emphasis on the link between the investigator and the investigated object (Guba and Lincoln, 1994).

5.3.3 The Methodological Question

The methodological question asks "how can the inquirer (would-be-knower) go about finding out whatever he or she believes can be known?" (Guba and Lincoln, 1994, p. 108). The answer which can be given to this question is very much constrained by the answer given to the first two questions. That is, the ontological and epistemological positions of the researcher, alongside the research question, will determine the research strategy: the research design and the data collection approach.

The choice between a quantitative/deductive and a qualitative/inductive research strategy indicates the general orientation to the conduct of business research (Bryman and Bell, 2011). The way the two research strategies engage with theory is different. Quantitative research entails the deductive approach to the relationship between theory and research. The researcher starts out with a/several theory/ies, deduces hypotheses and then subjects these to empirical scrutiny in order to test the theory/ies (Ketokivi and

Mantere, 2010). In contrast, qualitative research emphasises the inductive approach to the relationship between theory and research, aiming for the generation of theories. The researcher starts with specific observations, learns as he/she goes along and a/some theory is developed based upon those observations (Bryman and Bell, 2011). The fundamental differences between the two are illustrated in Table 5.1 below.

Table 5.1 Quantitative versus qualitative research strategies

Fundamental differences between quantitative and qualitative research strategies		
	Quantitative	Qualitative
Principal orientation to the role of theory in relation to research	Deductive; testing of theory	Inductive; generation of theory
Epistemological orientation	Natural science model, in particular positivism	Interpretivism
Ontological orientation	Objectivism	Constructionism

Source: Bryman and Bell (2011, p. 27)

As illustrated in Table 5.1, quantitative research incorporates the natural scientific model of positivism and views physical reality as external to the researcher and thus objective. Quantitative research aims to control/manipulate conditions, and is mostly focused on testing hypothesis and measuring relationships between variables (Saunders et al., 2009).

Qualitative research is based on the epistemological position of interpretivism and places more emphasis on the individual interpretation of the social world according to the subjective view of the researcher who himself/herself is, in part, creator of that reality (Bryman and Bell, 2011).

Where quantitative research aims to generalise its results to the wider population by controlling the variables involved, qualitative research is generally focused on exploring a phenomenon and deepening our understanding. It allows for in-depth exploration of phenomena about which little is known or where the meaning is unclear (Yin, 2003, Eisenhardt and Graebner, 2007, Easterby-Smith et al., 2012).

Even though essentially different in terms of the role of ontological and epistemological considerations, and the role of theory in the research process, the dichotomy quantitative/ qualitative is often over-simplified. In reality, quantitative and qualitative research approaches are not antithetical, they can often be closely intertwined and many research studies use a combination of the two (Quinton and Smallbone, 2006, Creswell, 2009, Harrison and Reilly, 2011).

5.3.4 The Approach of This Study

The main aim of this research is to explore how entrepreneurial networking influences the development of marketing capabilities in SMEs. More specifically, the study's objectives are to explore how entrepreneurs develop networking capability, how they engage in networking and how they can accrue marketing benefits for the firm through networking (i.e. how they can develop marketing capabilities).

Thus, the very nature of the research objectives positions the study within the realm of the constructionism/interpretivism position, where the world is viewed as constructed by people and “the aim of inquiry is understanding and reconstruction” (Guba and Lincoln, 1994, p. 113). This perspective is appropriate when the research question is open ended and tries to capture complexity in social situations (Creswell, 2009).

The trajectory followed by the researcher in terms of the methodology employed in the research process stems from the philosophical perspective, which in turn is aligned to the research objectives and questions. The typical methods associated with interpretivism are qualitative in nature, while the positivist quantitative methods are seen as limited in their ability to provide depth and detail in contextual situations. As this study is attempting to contribute to a greater understanding of how networking influences the development of marketing capabilities in SMEs, the research strategy must afford the generation of deep insights. Consequently, the qualitative methods were the most suitable for this study, as the investigation aims for richness and depth and does not attempt to measure, test correlations or causations from a statistical perspective.

Morse et al. (2002, p. 18) argue that “methodological coherence”, which is the congruence between the research question and the components of the method is an essential element on the process of verification that ensures the validity and reliability of a study.

From a research tradition point of view, while the positivistic tradition seems to predominate in many business fields, including marketing, in the last three decades the prominence of the positivist stance has diminished and there have been calls for a more inclusive, interpretative approach (Gummesson, 2000). Similarly, within the entrepreneurship field, since the year 2000 the predominant quantitative paradigm has been complemented by a growing interest in the use of qualitative methods for data collection and analysis (Nummela and Welch, 2006).

Given the research objectives of this study, there is a strong rationale for a qualitative approach. First, the study is placed at the intersection of entrepreneurship and marketing, which are both complex processes of social interaction (Chell and Baines, 2000, Vargo and Lusch, 2004, Henneberg et al., 2006). Entrepreneurship has been defined as “a collaborative social achievement”, “like the rest of social life” (Downing, 2005 p. 196). Similarly, in the marketing domain, many concepts are intangible social

constructs and the positivistic approach may not always be appropriate (Hirschman, 1986). Moreover, markets have been recently conceptualized as social structures that can only come to be through the interactions and interpretations of social actors (Gaddefors and Anderson, 2009, Vargo, 2011).

Second, networking is “a social construction that exists only so far as the individual understands and uses it” and it is not a phenomenon with “an objective existence independent of the person who is networking” (Chell and Baines, 2000, p. 196). Moreover, in the network research tradition, while the morphological dimensions of networks can be measured using quantitative methods, the interactional aspects of networking demand a qualitative approach (Curran and Blackburn, 1994).

It has also been argued that qualitative, inductive research is unfortunately “often too quickly dismissed because of concerns regarding generalisability and the criticism that it tends to be descriptive rather than predictive” (Hoang and Antoncic, 2003, p. 183). However, “only through more qualitative methods of enquiry is it possible to offer access to the context in which network relationships are pursued (or rejected) or how owner-managers make sense of their experiences” (Chell and Baines, 2000, p. 206). The study adopts the assumption that individuals can shape their environment by being actively involved and interacting with that environment (Carson et al., 2001). Qualitative research allows the researcher to capture the complexities and dynamics of relationships (Ngugi et al., 2010), and overall “the potential contributions of such studies far outweigh their limits” (Hoang and Antoncic, 2003, p. 183). This is in line with constructionism, where “reality is not objective and exterior, but is socially constructed and given meaning by people” (Easterby-Smith et al., 2012, p. 23).

Third, this approach is also congruent with the methodological tradition at the marketing/entrepreneurship interface, which encourages the use of qualitative research as the most promising avenue for developing the field (Shaw, 2006, Hills et al., 2010, O'Donnell, 2011, Sullivan Mort et al., 2012, O'Donnell, 2014). EM research can benefit from a qualitative approach, since its main interests incorporate socio-relational processes (Steyaert and Katz, 2004, Chell and Baines, 2000). Researchers in the field of EM have deemed the positivistic approaches as limited in what they can offer to our understanding (Carson and Coviello, 1996, Hill and McGowan, 1999, Gilmore and Coviello, 1999, Collinson, 2002, Gilmore, 2010). It is unlikely that conventional quantitative research can provide the closeness, richness and depth required to provide a genuine understanding of phenomena at the marketing/entrepreneurship interface (Gilmore, 2010).

Thus the only way in which we can understand marketing in entrepreneurial contexts is by investigating actual behaviours and by employing softer methods of enquiry (Gaddefors and Anderson, 2009). Reviewing the methodologies for research at the marketing/entrepreneurship interface, Gilmore and Coviello (1999) and Gilmore (2010) contend that while many methodologies have been employed in the field, the qualitative approaches that allow for in-depth investigation are the predominant ones, because they

are suitable to “uncover insights that more normative, quantitative methodologies overlook” (Whalen et al., 2015, p. 10).

In summary, because this study seeks to explore individual mindset (perceptions, cognitions etc.) and behaviour, and hence socially constructed meaning, and following the methodological tradition of research at the marketing/entrepreneurship interface, the constructionism/interpretivism perspective is the most appropriate. The current research does not aim to produce over-arching generalisations. Rather, its main purpose is to explore and gain further understanding of a specific area, i.e. entrepreneurial networking and marketing, within a specific context, i.e. SMEs. This would allow for the development of useful knowledge, with both theoretical/academic and practical relevance.

5.4 Research Design

The research design is a framework or plan for collecting and analysing the data (Bryman and Bell, 2011) and it details the ways in which the research objectives will be reached (Malhotra, 2010).

Similarly to recent studies, the researcher was interested in ‘owners/managers’ opinions and attitudes, the resultant actions and the influence of these upon outcomes. The focus of the research was on the investigation of respondents to gain depth of understanding regarding their motivations, associations and explanations” (Hulbert et al., 2015, p. 8).

Since this research aims to gain insights into entrepreneurial networking and its influence on the development of marketing capabilities in SMEs, the research design is exploratory. Exploratory studies are those aiming to consider phenomena in a new light (Saunders et al., 2009, p. 139). From a time horizon perspective, the research design is cross-sectional, consisting of a “snapshot” taken at a particular time, which is the prevalent approach in business research (Saunders et al., 2009, Bryman and Bell, 2011).

5.4.1 Primary and Secondary Sources of Data

Before discussing in more detail the methods employed in generating data for this research, a distinction between secondary and primary data and their role in this project is noteworthy. Secondary data can be simply defined as a review of existing data or the existing knowledge base and, in academic research, it mostly consists of the literature review (Saunders et al., 2009, Bryman and Bell, 2011). Conducting a literature review has two primary purposes: on the one hand, it informs the research and brings together relevant aspects of different studies; on the other hand, it offers the foundation on which the study can extend and contribute to the extant knowledge base. Thus, the literature review limits the scope of the research, but it also positions the enquiry within an established context. The literature review for this study is presented in Chapters 2, 3 and 4 of the thesis. Other secondary sources of data, such as information from websites,

social media platforms, as well as third party information (i.e. news clippings) were additionally used in this study, both to select the participants and to contribute to findings, thus assisting data triangulation (Creswell and Miller, 2000).

In contrast, primary data is original data, “collected first-hand by the investigator for the specific problem on hand” (Domegan and Fleming, 2007, p. 81). While clearly distinct, secondary and primary sources are often highly intertwined in a research project. While this qualitative study mainly follows an inductive approach, this is not without the use of extant theory. In fact, most studies of this type use theory as a background to the qualitative investigations, in the form of the literature review which precedes the empirical stage of the research. Furthermore, during primary data collection, the researcher is involved in an iterative process, moving back and forth between theory and data (Bryman and Bell, 2011), which was the case of this research.

5.4.2 Data Generation Instruments

In quantitative research data is collected through methods such as surveys, experiments, and structured observations (i.e. counting instances). Within qualitative research, the methods used to generate data include interviews, focus groups, observation, reflective journals, field notes, reviewing documents (Marshall and Rossman, 2014).

The data for this research was mainly generated through face-to-face semi-structured interviews with entrepreneurs and visual or graphic representations (network maps or network pictures), produced by entrepreneurs. In order to obtain a level of data triangulation interviews were also conducted with representatives of networking support organisations (government supported organisations and private ones).

This was complemented by secondary sources of data, such as information from websites, social media platforms, as well as third party information (i.e. news clippings). Generic searches (on Google) were conducted for each of the businesses whose owners participated in the research, as well as for the networking support organisations. This was done prior to the interviews, so that some basic understanding of the company/organisation/group could be gained. This also ensured that the researcher was better prepared in asking relevant questions. In several cases, the researcher also received documents from interviewees (e.g. reports, brochures, event leaflets etc.).

a) Semi-structured interviews

The primary instrument for generating data was the personal qualitative interview, which is the most commonly used technique in qualitative research (Lee and Lings, 2008, Easterby-Smith et al., 2012). According to Saunders et al. (2009) there are 4 main aspects, which indicate that qualitative research interviews are an advantageous method for data generation in a research project:

- **The purpose of the research**

The qualitative interview is a suitable data generation instrument if the study is exploratory or incorporates an exploratory element, where the researcher aims to understand the reasons for respondents' attitudes and opinions. This study meets this criterion: it is exploratory and it aims to understand attitudes and opinions (RQ 1), behaviours/activities (RQ 2) and the outcomes of these (RQ 3).

- **The significance of establishing personal contact**

Saunders et al. (2009) contend that personal contact acts like an incentive, as compared to other methods, such as self-completion questionnaires, where participants may be reluctant to complete it for a number of reasons, such as lack of trust on how the information will be used or lack of time. Given the time constraints that entrepreneurs usually experience, personal interviews were an appropriate option for this project. Furthermore, the nature of the research aiming for richness and depth and personal opinions required the personal interaction between researcher and participants.

- **The nature of the data collection questions**

Qualitative interviews are the most suitable tool when there are a large number of questions to be answered, where the questions are either complex or open-ended, and where the order and logic of questioning may need to be varied. These criteria are all met by this study.

- **Length of time required and completeness of the process.**

Entrepreneurial networking and the influence it has on the development of marketing capabilities in SMEs is a complex research topic. It can require a significant amount of time to provide the researcher with the ability to ask numerous questions to obtain detailed answers in order to generate relevant data, thus making the qualitative interview a very suitable alternative.

More specifically, the researcher employed the semi-structured interview, which provides a broad framework and allows for flexibility depending on the interviewee and the flow of the conversation, and thus has the potential to enhance the data (Saunders et al., 2009, Bryman and Bell, 2011). The nature of the semi-structured interview allows researchers the opportunity to 'probe' answers, which is important when adopting an interpretivist epistemology, concerned with understanding the meanings that participants ascribe to various phenomena. Equally, the open structure of this type of interview allows for diversion and the emergence of new areas of discussion that may not have been previously considered, but which are significant in answering the research question/s (Silverman, 2007). Furthermore semi-structured interviews have been identified as a particularly effective tool for collecting data from SME owners/managers (Curran and Blackburn, 1994, Hulbert et al., 2015).

The researcher used an interview schedule covering a main set of issues, but answers were often probed and the order of questions changed as topics came up. Similarly, new questions were added as new matters of interest arose in the conversation or as interviewees lingered on a topic. Consequently, the use of open questions was relevant in seeking entrepreneurs' views on networking and marketing. Furthermore, qualitative interviewing has been identified as a particularly useful method in the EM field (Gilmore, 2010) and is consistent with past studies in the context of entrepreneurship and small business marketing (Gilmore et al., 2001, Carson et al., 2004, Rocks et al., 2005, Elfring and Hulsink, 2007, Kocak and Abimbola, 2009, Morrish, 2009, Harris and Deacon, 2011, Vasilchenko and Morrish, 2011, O'Donnell, 2011, Evers et al., 2012)

Alternative data collection methods could have been structured interviews, unstructured interviews and focus groups.

Structured interviews are interviewer-administered questionnaires and use predetermined and 'standardized' set of questions (Saunders et al., 2009). This method is mainly used in gathering quantitative data as part of a survey strategy and was hence inadequate in obtaining individual perspectives, which was an objective of this research. Semi-structured interviews are much more suitable when the research aims to understand the "what" and the "how" and to explore the "why", which is what the present study aims to do (Gilmore, 2010).

The unstructured or in-depth interview, where the interviewee is given the opportunity to talk freely about events, behaviour and beliefs in relation to a topic area (Saunders et al., 2009) was also considered as a data collection tool. In depth interviews are identified as a suitable approach that takes account of the entrepreneurs' characteristics. However, this research aimed to gain insights into one particular aspect: the role of entrepreneurial networking for the development of marketing capabilities in SMEs. Thus, a level of structure within the interview schedule ensured that the discussion between the interviewer and interviewee would remain focused on the topics the research study aimed to explore. While having a list of guiding questions, the semi-structured interview allows for enough flexibility to depart from the schedule as areas of interest surface during the interview and allows for participants to share their own perspectives, often with rich, detailed answers (Lee and Lings, 2008, Bryman and Bell, 2011).

Another alternative data collection method would have been group interviews or focus groups, defined as "an interview with several people on a specific topic or issue" (Bryman and Bell, 2011, p. 502). However, given the nature of the research questions this study aims to answer, this data collection tool was deemed unsuitable. While focus groups aim to stimulate discussion and debate and can have a synergistic effect among participants (Domegan and Fleming, 2007), the fact that the research aimed to attain respondents' individual views rendered the interviews a more appropriate choice. Additionally, focus groups can be a more demanding method to manage. For instance, the researcher has less control over proceedings and there might be possible problems of

group effects, such as reticent speakers or dominant group members (Bryman and Bell, 2011). Some of the participating entrepreneurs were very careful with the information they provided and were very keen on ensuring that they would remain anonymous, which indicates a focus group could have been an inadequate method. One-on-one interviews were thus more appropriate in eliciting truthful and honest responses. Equally, focus groups can be very difficult to organise. Given the difficulty of gaining access, getting a group of entrepreneurs to attend an event at a specific date and time is without doubt a much more difficult task than gaining access on an individual basis.

Consequently, the use of qualitative interviews was the most appropriate choice in achieving the aims of this study, allowing respondents “to describe their views in relation to what they do, how, why, when and where” (Gilmore, 2010, p. 14). The semi-structured interviews allowed the researcher to elicit participants’ first hand descriptions of the dynamics underpinning networking. By allowing participants to define and describe networking in their own words, the researcher obtained deep insights into the scope, advantages and limitations the entrepreneurs associate with networking and unearth the impact networking has on the development of marketing capabilities in SMEs. This method afforded an enhanced understanding of the manner in which entrepreneurs perceive and do networking, which could have been more difficult to achieve with other methods.

b) Visual representations of networks

In order to obtain a level of data triangulation and increase the reliability of the study, data was also obtained through respondent generated visual representations (Pauwels, 2010). Visual representations of networks, or network pictures, have become popular in the last decade in the IMP literature, which sees all business networking occurring on the basis of the actors’ idiosyncratic views (Corsaro et al., 2011, Ford et al., 2005, Henneberg et al., 2006, Henneberg et al., 2009, Zolkiewski et al., 2006, Ford and Mouzas, 2013, Mouzas et al., 2008).

Network pictures have a dual use in the IMP literature. They can be understood as an organisational actor's subjectively perceived network, to encapsulate actors' views of the world (Henneberg et al., 2010, Ramos et al., 2012, Ramos and Ford, 2011). This is based on the idea that the frameworks that individuals unconsciously develop on their working environment guide their behaviour (Weick, 1979, Weick, 1995). These visual interpretations, or network pictures, are defined as “a representational technique that aims to capture or illustrate views that specific actors have of the networked environment within which they operate” (Ford et al., 2005, p. 3). Network pictures have also been developed as a research tool, reflecting researchers' efforts to make sense of managers’ sense-making, and thus are helpful when investigating the relationship between what individuals think of networks (their views of networks or network pictures) and networking activities and network outcomes. Network pictures can thus become a relevant research tool, “that can be used by researchers to encompass a particular actor’s view of the surrounding network and its scale, structure and

interaction” (Ford and Håkansson, 2006a, p. 16).

In order to obtain the visual representations, in this study respondents were asked to draw a picture of how they perceived the network in which they worked on a blank piece of paper during the first part of the interview. They were instructed there is no ‘correct’ way to do the drawing. The aim of the exercise was to obtain a view on the entrepreneurs’ networks based on their individual perceptions and awareness (Anderson et al., 1994).

While in this study the visual/graphic representations of networks are only used as a complimentary data generation instrument, these representations added significant insights to the textual descriptions offered by entrepreneurs in the semi-structured interviews (the main data generation instrument). The graphic representations produced by the participating entrepreneurs provided insights in relation to the scale and structure of the entrepreneurs’ perceived networks (Ramos and Ford, 2011) and provided a foundation for exploring the more complex issues regarding the relationships that take place between the interacting actors.

Combining the pictorial level with the textual level of analysis provided a more holistic perspective. This data generation instrument is in line with the constructionism position adopted by this study, complemented the semi-structured interviews well and overall contributed towards achieving the objectives of the research.

In summary, the data generation strategy for this study combined semi-structured interviews with visual network representations. While obtaining verbal answers to questions remains the most common way of generating qualitative data, combining different techniques is advisable as it renders a higher level of data reliability, while also providing both researchers and respondents with more clarity (Ford et al., 2002, Ramos et al., 2012, Ramos and Ford, 2011).

5.5 Case Selection (Sampling)

While in quantitative research, the aim is to draw a representative sample from the population, so that the results of studying the sample can then be generalised back to the population, the qualitative approach requires a different logic and statistical representation and scale are not key considerations (Patton, 2002).

The aim of qualitative research is to gain an understanding of the nature of phenomena, to unpack meanings, to develop explanations or to generate ideas and theories and therefore research units are selected for their potential to illuminate and inform that understanding; thus generalisability is not a major concern (Marshall, 1996, Ritchie et al., 2003). Given these key differences between quantitative and qualitative research, the qualitative case selection process should not be criticised for not holding features of the quantitative sampling process, as they belong to a different research paradigm

(Ritchie et al., 2003).

In qualitative studies typically researchers select information-rich cases, with an increased likelihood of obtaining better strategic insights into the research objectives (Ritchie et al., 2003, Saunders et al., 2009). Thus each case is an analytical unit, while multiple cases serve as “replications, contrasts and extensions to the emerging theory” (Eisenhardt and Graebner, 2007, p. 25). Multiple case studies allow for broader exploration of a phenomenon, as well as better theoretical elaboration (Eisenhardt and Graebner, 2007, Yin, 2003).

As opposed to selecting cases that are “representative” of some population, in inductive studies theoretical sampling is appropriate (Eisenhardt and Graebner, 2007, Ritchie et al., 2003). Theoretical sampling is an iterative sampling process, where the researcher analyses initial data from a first sample and then selects further samples because they are particularly suitable for extending relationships among constructs and can refine emerging findings. Typically, this process continues until data saturation is achieved, implying that no new insights would be obtained from extending the sample further (Ritchie et al., 2003).

Following this logic, theoretical sampling was employed in this study to select information-rich cases and to generate data from Irish entrepreneurs and from representatives of networking support organisations, with the aim of triangulating findings and gaining insights from different perspectives. While each case can offer a rich empirical description of a phenomenon (Eisenhardt and Graebner, 2007), the use of multiple cases allowed the researcher to recognize patterns of relationships among constructs across cases (See also Section 5.7). In turn, this also increases the potential for analytic generalisation, i.e. generalisations to theoretical propositions (Yin, 2003).

While entrepreneurs have been defined in many ways in the extant literature, this research adopts Greve and Salaff’s (2003, p. 1-2) generic definition, where an entrepreneur is defined as one “who owns, launches, manages, and assumes the risks of an economic venture”, including “people who take over an existing business”. In turn, on the basis of their declared mission statements, networking support organisations, are defined in this study as organisations (government funded or private) that support start-ups and SMEs to help them survive, develop and grow, while also organising and facilitating networking opportunities for business owners (and other professionals) with the purpose to build links, exchange knowledge/educate and share best practices.

The criteria employed for selecting research participants were informed by the principle objectives of the study and the extant theory and aimed to ensure the successful completion of the study (Bryman and Bell, 2011).

The sampling process also aimed for diversity. The aim was to obtain “a good deal of variety in the resulting sample, so that sample members differ from each other in terms of key characteristics” (Bryman and Bell, 2011, p. 442). Since the research aimed for a

breadth of perspectives and following O'Donnell (2004) and Gilmore et al. (2006a), entrepreneurs operating in different industries were selected in order to verify networking practice and outcomes that transcend industry specifics.

Similarly, in order to successfully capture a wide range of attitudes and opinions, it was decided to target entrepreneurs with different levels of business/entrepreneurial experience. While experience is considered an important variable in entrepreneurship research, different definitions have been adopted for novice and experienced/expert or habitual entrepreneurs. For instance, Westhead and Wright (1998) define novice founders as those that have no prior entrepreneurial experience, while serial founders are those who sell their original business but at a later date inherit, establish, and/or purchase another business. Mosey and Wright (2007) define novice entrepreneurs as individuals who have created a venture for the first time and habitual entrepreneurs as individuals who have undertaken multiple entrepreneurial ventures. Dew et al. (2009) define expert entrepreneurs as persons who have founded one or more companies and remained with at least one company that they founded for more than ten years, while the group of novice entrepreneurs in their study was made up of MBA students, with no or little entrepreneurial experience.

This study adopts the relative approach in differentiating novice and expert entrepreneurs, as described by Chi (2006) in Dew et al. (2009). According to Chi (2006) a relative approach assumes that expertise is a level of proficiency that can be achieved by novices and consequently the more knowledgeable group can be considered the "experts" and the less knowledgeable group the "novices". Similarly, Krueger (2007) places entrepreneurial experience on a continuum from no experience to significant experience. Following this approach, in this study the term novice entrepreneur refers to non-expert entrepreneurs, with various but lower levels of entrepreneurial expertise and knowledge, represented by number of years as business owners. Thus the term novice entrepreneurs can be interchangeably used with 'less experienced entrepreneurs'.

Based on the criteria described above, the first step in the case selection process was to identify award-winning entrepreneurs for their potential to provide opportunities to explore entrepreneurial networking and entrepreneurial marketing.

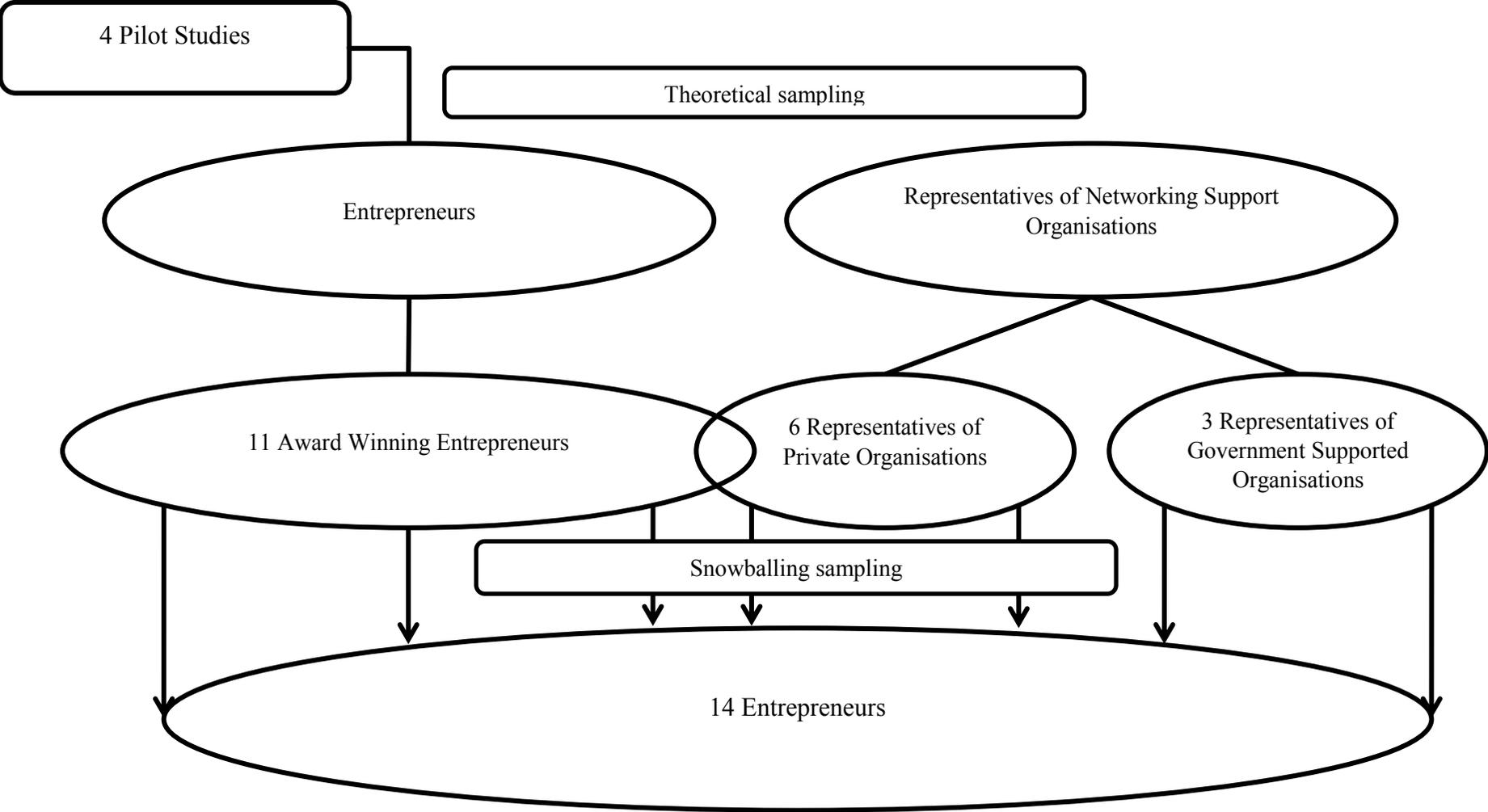
Initially, 13 winners from a local enterprise awards initiative, from the years 2013, 2012 and 2011 were identified and contacted via email or telephone by the researcher (see Appendix 1 for email to entrepreneurs), resulting in 5 completed interviews. Subsequently, a further 6 award winning entrepreneurs (from different awarding bodies celebrating entrepreneurship), identified in the media, were contacted. All agreed to take part in the research.

Using numerous and highly knowledgeable informants who view the focal phenomena from different perspectives is very important for limiting bias in qualitative studies (Eisenhardt and Graebner, 2007). Employing this logic, a second set of interviews was conducted with representatives of networking support organisations.

Employing theoretical sampling, the selection was again purposive and aimed to include interviewees from a wide range of both government supported and private organisations. Interviews were thus conducted with employees of Enterprise Ireland (1 interview) and the Local Enterprise Office (2 interviews with employees from 2 different counties). In order to obtain insights from private organisations supporting networking or set up with the very purpose to create networking opportunities, generic searches on Google were conducted to identify these in around the local area. A diverse group of such organisations were contacted, resulting in 6 interviews. These included one generic networking group, offering support to small businesses, two topic specific networking groups (one requiring membership, one open access), one women in business only group, one registered charity offering mentoring programmes for small business owners and start up/emerging businesses and one private consultancy offering services to SME owners. Two of these individuals were also business owners, in which case the researcher conducted a double interview – one from the perspective of the business owner and one from the perspective of the creator of a network supporting entrepreneurs. In total this resulted in 13 interviews with business owners and 9 interviews with representatives of networking support organisations, out of which 2 were double interviews.

These interviews were followed by a snowballing sampling strategy as respondents from both groups were asked for recommendations for entrepreneurs who could also participate in the research. Most interviewees offered recommendations and sometimes introduced the researcher, which ensured access. Considering that this research is about networking, using networks to recruit respondents was deemed adequate and proved beneficial. A further 14 interviews were conducted, reaching a total of 27 interviews with entrepreneurs and 9 interviews with representatives of networking support organisations. Figure 5.1 illustrates the case selection process described above.

Figure 5.1 The case selection process



Similar types of studies, published in peer reviewed journals in the areas of small business research, marketing and entrepreneurship have used similar numbers of respondents (i.e. between 5 and 60), as illustrated in Table 5.2 below.

Table 5.2 Samples employed in studies of similar nature

Author and year	Study	Sample size
(Carson and Gilmore, 2000b)	SME marketing management competencies	60
(Stokes, 2000a)	Entrepreneurial marketing: a conceptualisation from qualitative research	40
(Gilmore et al., 2001)	SME marketing in practice	45
(Carson et al., 2004)	SME marketing networking	12
(Rocks et al., 2005)	Developing strategic marketing through the use of marketing networks	12
(Elfring and Hulsink, 2007)	Networking by Entrepreneurs	31
(Kocak and Abimbola, 2009)	The effects of entrepreneurial marketing on born global performance	5
(Morrish, 2009)	Portfolio entrepreneurs and effectuation	11
(Harris and Deacon, 2011)	Marketing in context	7
(Vasilchenko and Morrish, 2011)	The role of entrepreneurial networks in internationalization	4
(O'Donnell, 2011)	Small firm marketing	30

Compiled by Author

Sample size is of the utmost importance in quantitative research, but since generalising findings to the wider population is not the objective of qualitative research, there are no clear set criteria for sample size in qualitative interviewing. Aiming for depth, rather than generalisability, small samples studied in greater detail are more suitable for studies such as this.

The scientifically based criterion used to decide the sample size in this study was to reach theoretical saturation before concluding the empirical data generation element of the research. The interviews were briefly analysed on an on-going basis, as they were conducted. This allowed for theoretical reflection and assessment. The researcher felt that theoretical saturation was reached at 23 interviews with entrepreneurs. A further 4

interviews were conducted to challenge that assumption, which provided proof of saturation. The initial analysis of the additional 4 interviews provided minimal new insights, which was indicative of the fact that indeed theoretical saturation was achieved.

An anonymous descriptive list of participating entrepreneurs is provided in Table 5.3, while Table 5.4 details the representatives of networking support organisations participating in this research.

Table 5.3 Profile of research participants: entrepreneurs

Participants	Number of years in business (as entrepreneurs)	Gender	Age	Educational background	Number of ventures founded and active	Industry sector/s	Number of employees
1.	2	M	30	IT Degree and Business related diplomas	1 founded and active	Retail	1 FT, 5 PT
2.	2	M	28	Science degree	1 founded and active	Brewing	1 FT, 3 PT
3.	3	M	46	BA in Mineral Engineering	1 founded and active	Advertising	1 (founder)
4.	4	M	26	BA Arts	2 founded 1 active	Fitness	3
5.	5	M	28	Degree in Production and Industrial Engineering	4 founded 1 active	Hospitality	16
6.	6	M	32	MA in Journalism	1 founded and active	Tourism	12
7.	7	F	35	Post-graduate Diploma in Marketing	1 founded and active	Retail	25
8.	8	F	32	Leaving cert Professional courses	1 bought	Beauty and Personal Care	17
9.	8	M	36	Degree in Electronic Engineering	2 co-founded 2 active	Engineering Consulting and Educational services	5 and 10

10.	9	M	31	IT Degree	2 founded 1 active	Web and mobile applications development	8
11.	10	M	42	MBA	1 founded and active	Hospitality	81
12.	10	M	41	Degree in Electronic Engineering	3 founded 1 active	Web and mobile applications development	13
13.	10	M	46	Engineering Degree	2 founded 1 active	Management consultancy	1 (founder)
14.	10	M	37	BA Business	1 founded and active	Inventory solutions	8 FT 90 PT
15.	11	F	37	BA Business	2 founded and active	Consultancy and life management services	10
16.	12	F	41	Law Degree	1 founded and active	Hospitality	60
17.	13	M	45	Degree in Industrial Engineering	1 founded and active	Management Consultancy	9
18.	14	M	45	BA in Art HDip in Business	2 founded 1 active	Advertising	17
19.	14	M	54	MBA	4 founded 1 active	Medical devices	70
20.	18	M	45	MBA	3 founded 1 active	Utility services	70

21.	20	M	43	MBS Management	4 – founded 1 active	Audio and visual content production	2
22.	20	M	57	BA HDip	Several founded 8 – active	A range of industry from Health care to Software Development	180 across 8 different ventures
23.	20	F	47	Art Degree	2 founded 1 active	Web design and marketing	28
24.	22	F	52	Leaving cert and professional courses	3 founded and active	Hospitality	30
25.	22	M	50	MBA	2 founded 1 active	Distribution services	12
26.	24	F	50	Master Degree in Arts	1 founded and active	Educational services	65
27.	30	F	57	BA Arts HDip in Education	1 -took over family-owned business	Retail	13

Table 5.4 Profile of research participants: representatives of networking support organisations

	Type of entity	Organisation	Description of mission statement and scope
28.	Government organisation	Enterprise Ireland	Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets. EI works in partnership with Irish enterprises to help them start, grow, innovate and win export sales on global markets. (http://www.enterpriseireland.com/en/About-Us/)
29.	Government organisation	The Local Enterprise Office Galway	The Local Enterprise Office Galway's role is to help promote an enterprise culture throughout Galway County and City. They aim to support start-ups and small to medium sized businesses in a variety of practical ways. (https://www.localenterprise.ie/Galway/About-Us/About%20Us.html)
30.	Government organisation	The Local Enterprise Office Roscommon	The mission of the Local Enterprise Office Roscommon is to promote and stimulate economic activity, thereby creating quality employment and increasing the number and the survival rate of micro-enterprise in County Roscommon. (https://www.localenterprise.ie/Roscommon/About-Us/Mission-Statement/)
31.	Community based registered charity	SCULL Enterprises, Ballybane Enterprise Centre	SCCUL Enterprises Ltd. is a registered charity, which supports the least privileged groups and assists communities to develop leadership and management skills. They offer a mentoring programme for small business owners and start up/ emerging businesses in Galway city and county. (http://www.sccul.com)

32.	Private open access group -Topic specific	Online Marketing in Galway	The Online Marketing in Galway (OMiG) network group is open to all businesses and professionals in the West of Ireland. It is a place to share best practices, exchange knowledge and allow small businesses to make the most out of online tools and online marketing strategies. (http://www.galwaymarketing.ie/about-us/)
33.	Private membership only group - Topic specific	Sales Master Minders	The Goal of the Sales Master Minders is to create a community of high quality sales people and businesses interested in learning about sales and growing their sales including entrepreneurs, business owners and small business owners. (http://www.salesmasterminders.com/about-us)
34.	Private Consultant	X	The key objective is to help business people achieve their goals faster, more effectively and more powerfully than they ever imagined, to help business owners get motivated, get organised, and get results.
3.	Private open access group - Generic support	Y	The Y Network is a group of business individuals who are trying to take their small businesses to the next level. Their mission is to help bring business from start up to larger business - helping to build links and educate members.
24.	Private selective open access group – Women only	z	Z group wants to promote and support women entrepreneurs. Their objective is to provide and support business networking opportunities for women business owners, combined with increasing the profile of their location as a business hub and excellent place to do business.

As Table 5.3 illustrates, the participating entrepreneurs were operating in a variety of industries, mainly service-based, from health and fitness and retail, to consultancy, web and mobile applications development and medical devices. Their educational background ranged from Leaving Certificate level to MBA. There were 8 females and 19 males, with ages ranging from 26 to 57. Years in business as entrepreneurs also varied from 2 to 30 years, with some of them having significant experience as serial entrepreneurs/ owners of multiple businesses.

Unit of Analysis

Defining the unit of analysis is an important issue in a research project, helping to set the boundaries of the study and the limits to data collection (Yin, 2003).

Different units of analysis have been adopted in network research: individuals, organisations, dyads, nets of organisations, industries or markets (Halinen and Törnroos, 2005, Gilmore, 2010).

In fact, according to Webb et al. (2011), the research fields of entrepreneurship and marketing have traditionally focused on different levels. While entrepreneurship research has focused on the entrepreneur and his/her individual actions, the focus in marketing research has been on the entrepreneurial firm. For instance, market orientation research (Kohli and Jaworski, 1990, Narver and Slater, 1990), seeks to understand how firms generate market intelligence, disseminate this intelligence throughout the firm, and cross-functionally coordinate it in order to bring innovative value propositions to the market. However, implicitly, all these processes firstly occur through cognitive processes within individuals, while firm activities enable their transformation at organisational level (Webb et al., 2011). In contrast, the entrepreneurship literature has placed more emphasis on these cognitive processes at an individual level with a focus on the entrepreneur. For instance, in terms of generating intelligence, emphasis has been placed on the individual actions of the entrepreneur who may use his or her personal or industry networks as relevant sources of information (Webb et al., 2011).

Positioned at the marketing/entrepreneurship interface, the main aim of this research is to explore how entrepreneurial networking (individual level) influences the development of marketing capabilities (firm level). The extant literature acknowledges the need for this somewhat dual approach – as a separation between the two entities, the owner and the firm, is impossible in the small firm context (Kuratko and Hodgetts, 1995). Deacon and Corp (2003, p. 4) argue “it would be naive to suggest that a behavioural separation can be made between that of the entrepreneur and that of the enterprise”. The entrepreneur is the main networking agent of the firm (Birley, 1985, Aldrich and Zimmer, 1986, Dubini and Aldrich, 1991, Vasilchenko and Morrish, 2011, Evers et al., 2012), and at the same time the main decision maker and implementer of marketing strategy (Bettioli et al., 2011).

The study adopts the ego-centred method. In network research, the ego-centred method explores the relationships around an individual, not the network as a whole, and respondents “describe their networks, activities, and their relations with network members” (Greve and Salaff, 2003, p. 9). Thus this research focuses on the entrepreneur, his/her mindset and behaviours/reported activities, as well as on the transfer of processes within individuals at organisational level (i.e. how entrepreneurs develop the marketing capabilities of the firm).

5.6 Fieldwork

As described above, a total of 27 interviews with entrepreneurs and 9 interviews with representatives of networking support organisations were conducted between December 2013 and April 2014. Interviews are considered a highly efficient tool to gather rich, empirical data from knowledgeable informants, who view the focal phenomenon from different perspectives (Eisenhardt and Graebner, 2007). The interviews lasted between 45 and 120 minutes and were carried out solely by the researcher. The two shortest interviews (45 minutes long) were compressed because of time constraints imposed by the interviewees (both entrepreneurs had meetings they had to attend and no other available time slot).

Before the interviews, participants were provided with an outline of the interview themes (See Appendix 2) in order to stimulate more in-depth responses and to promote credibility in the study (Saunders et al., 2009). This can encourage more detailed narratives than would be possible if the topics were raised first at the interviews. Furthermore, most participants requested it immediately after agreeing to take part in the research.

The interviews were held at various locations, depending on the preference of the respondents, with several taking place at the business owner’s office, some at the University, as it was convenient for the respondents, while others took place in public locations, such as coffee shops.

The respondents’ anonymity was ensured before the beginning of the interview (See Appendix 3). The interviews were digitally recorded and later transcribed independently by a professional services supplier. Subsequently, the researcher individually verified each transcript against the audio files to ensure accuracy (Braun and Clarke, 2006).

The interviews followed a conversational style, as they aimed to obtain rich insights into the entrepreneurs’ mindset in relation to networking and their networking activities. The questions in the interview schedule (See Appendix 4) ensured that data pertaining to the main research goals would be generated during the interviews and the main topics addressed. However, the semi-structured nature of the interviews allowed for flexibility, which meant that often the interviews departed from the schedule, as new issues of

interest emerged, or as respondents wanted to share aspects they felt were important or interesting.

As necessary, the questions in the interview schedule were accompanied by probes. Probing techniques included phrases such as ‘tell me more about...’ or ‘can you give me an example of...’ (Eriksson and Kovalainen, 2008). Similarly, at times, respondent statements were paraphrased back as questions, which is another probing technique (Saunders et al., 2009). Probing helps minimize the risk of interviewer bias in qualitative interviewing, by preventing imposed a priori explanations and allowing the interviewees to add content or correct information as appropriate (Gioia et al., 2013).

5.6.1 The Interview Schedule

The literature review, which preceded the stage of empirical data generation, was essential in providing a frame of reference for the subsequent fieldwork. Thus, while the study is inductive in nature, the literature review informed the research. This is typical in qualitative research, where “in practice, it is difficult to carry out an inductive process without being influenced by the nature and purpose of the analysis, by some pre-theoretical notions of what the “important” dimensions are likely to be” (Easton et al., 2002, p. 531).

Given the research questions guiding this study, the interview schedule for entrepreneurs had two main sections (See Appendix 4) and it contained questions related to the key constructs in the theoretical framework of the research.

The first set of questions aimed to obtain answers around the manner in which entrepreneurs perceived and thought of networking (their mindset) and their networking behaviour/activities. During the first part of the interview, respondents were also asked to draw a picture of the network in which they worked, in line with network research employing visual representations (Corsaro et al., 2011, Ford et al., 2005, Henneberg et al., 2006, Ford and Mouzas, 2013, Mouzas et al., 2008). The researcher emphasised that there were no rules and that they could represent their network in any way they thought appropriate. Respondents were given as much time as they needed to complete this task. Afterwards the visual representations allowed for more specific questions and ample probing.

The second part of the interview focused on marketing. Entrepreneurs were asked to define marketing, as well as to describe the way marketing was conducted within their organisations, similar to other studies in the EM tradition (Gilmore, 2010, O'Donnell, 2011).

The interview schedule for the representatives of networking support organisations followed a broader perspective and a looser structure. Respondents were asked about the importance of networking for small firms and the rationale behind their support of networking.

The initial interview schedule was tested and revised through the completion of four pilot interviews (See Section 5.6.2). The interview schedule underwent further changes during fieldwork. This was due to the fact that there was a level of overlap between data generation and data analysis (See also Section 5.7), which is typical in qualitative research. According to Morse et al. (2002, p. 18) generating and analysing data concurrently which is reflected in the “mutual interaction between what is known and what one needs to know”, “is the essence of attaining reliability and validity” in a qualitative study. The iterative process of movement between data and analysis, allowed for a level of flexibility, which led to the refinement of the interview schedule throughout the empirical stage of the research process (Eisenhardt, 1989). Consequently, the interview schedule was updated as the research and the data analysis progressed and new themes of interest emerged, which in turn has the potential to improve the theoretical outcomes of the research (Eisenhardt, 1989).

However, in large, the interview schedule kept a similar standard and followed the interview topics outlined above to allow comparison of data and to ensure reliability and consistency throughout data analysis.

5.6.2 Pilot Studies

Piloting “is a critical part of research” (Nazroo, 2003, p. 134) and can aid researchers in the interview process. The researcher conducted four pilot studies with the objective of obtaining clarification and detail that would guide the development of the interview schedule. Since it was expected that the interviews would take a considerable amount of time, and based on ease of access, the first two respondents were entrepreneurs personally known to the researcher. These were supplemented by two more pilot studies, with two entrepreneurs selected through a convenience sampling technique, as the researcher asked for introductions to entrepreneurs within her personal network. A profile description of the four entrepreneurs who took part in the pilot studies is provided in Table 5.5.

Table 5.5 Profile of entrepreneurs participating in the pilot studies

Participant	Number of years as business owners	Gender	Age	Educational background	Number of ventures founded and active	Industry sector	Number of employees
1	1	M	32	PhD Environmental Technology	1 founded and active	Marine Consultancy	4
2	8	M	47	EMBA	1 founded and active	PR and Management Consultancy	1
3	14	F	53	MSc. in HR	1 founded and active	Training and HR Consultancy	2
4	23	M	53	MBA	4 founded 2 active	Retail B2B Supplier	4

These pilot studies provided rich background data regarding entrepreneurial networking and marketing in the context of SMEs, thus enhancing the researcher's knowledge. The 4 pilot studies also clarified the linkages between the discourse employed by the entrepreneurs in describing entrepreneurial networking and the related theoretical concepts in the extant literature. This process allowed the researcher to determine the adequacy of instructions to participants, to assess the clarity and validity of the questions in the interview schedule and to fine-tune the questions accordingly (Saunders et al., 2009). This resulted in several changes to the wording of the questions, and in some instances approaching certain issues from a more open-ended perspective. For instance, a bigger change appeared necessary in the instructions given to respondents about drawing a picture of the network in which they worked. Initially the researcher planned to provide a classification of network actors in order to aid this exercise and to ensure the generation of complex network maps. However, based on the feedback from the pilot studies, this prompting tool was then removed, as it was too prescriptive and respondents felt they had to continuously refer to it. This was considered detrimental to the objectives of the research. Furthermore, the pilot studies provided the interviewer with experience and infused a sense of confidence, which was important for the subsequent interviews (Bryman and Bell, 2011).

5.7 Data Analysis

The purpose of this section is to provide detail about data analysis, as "clarity on process and practice of method is vital" (Braun and Clarke, 2006, p. 80). Analysing qualitative data involves: "working with data, organising it, breaking it into manageable units, synthesizing it, searching for patterns, discovering what is important and what is to be learned, and deciding what you will tell others" (Bogdan and Biklen, 1982, p. 145).

A decision was made not to use computer-assisted qualitative data analysis software, such as N-Vivo. This decision was taken after the researcher attended training sessions in N-Vivo and after some initial experimentation. The researcher felt that the advantages of the software were outweighed by a lack of closeness and sensitivity that personal, manual analysis provides. Furthermore, using software in the analysis of qualitative data has produced much debate (Bryman and Bell, 2011). For instance, some authors have argued that using software decontextualizes data and it can lead to fragmentation (Fielding and Lee, 1998), which can result in the loss of richness of qualitative data (Silverman, 1993). Similarly, it has been argued that computer-assisted qualitative data analysis may lead to a form of displacement activity and a tendency "to get "locked in" to the themes as the only way to look at the data" (Walsham, 2006, p. 325). Consequently, researchers might get lost in doing what's easiest in terms of what the software allows (Webb, 1999). Equally, others have emphasised that most of the features needed to analyse qualitative data can be found in basic word processing software (Stanley and Temple, 1995).

Miles and Huberman (1994) contend that vigilant and careful data analysis by the researcher can determine the essence of what is being said, while Fletcher (2007) insists that it is only through exploring language and individual narratives that we can gain insights into perceptual construction at individual level, while also taking into account the rich social context which is in line with the philosophical assumptions underpinning this study.

5.7.1 Thematic Analysis

Thematic analysis conducted by the researcher was the main method employed in the analysis of the empirical data generated through the interviews. Thematic analysis, “a method in its own right”, is “an accessible and theoretically flexible approach to analysing qualitative data” and is compatible with the constructionist paradigm (Braun and Clarke, 2006, p. 77-78).

In essence thematic analysis is a method for identifying, analysing and reporting patterns of meaning or themes within data (a number of interviews or focus groups, or a range of texts), through a process which organises and describes a data set in rich detail and aids with interpretation (Boyatzis, 1998, Braun and Clarke, 2006). ‘Thematizing meanings’ has been identified as one of a few shared generic skills across qualitative analysis (Holloway and Todres, 2003) and as “a flexible and useful research tool, which can potentially provide a rich and detailed, yet complex, account of data” (Braun and Clarke, 2006, p. 78).

As described above (see Section 5.6.2), while essentially this study followed an inductive design, data was generated after a literature review process and, consequently, data collection and analysis were not conducted in an epistemological vacuum, but rather the researcher began the formal data analysis process with a level of prior knowledge (Braun and Clarke, 2006). Similarly, since the primary data was generated directly by the researcher, a basic level of analysis was also conducted simultaneously as data was collected.

Thus the analysis of the qualitative interviews was an iterative process, as the researcher moved between data analysis and data collection, while also making reference to the extant theory that guided the study. Ideas were refined as the data was generated, analysed and compared to extant research simultaneously (Eisenhardt and Graebner, 2007). This resulted in a mixture of deductive themes or patterns, identified in a top-down approach, driven by the researcher’s theoretical interest, and inductive themes identified in a bottom-up approach, with a focus on the data set (Patton, 2002, Braun and Clarke, 2006).

5.7.2 The Steps in Thematic Analysis

The purpose of qualitative data analysis is to produce findings through analysis and interpretation. However the main challenge in qualitative research is to make sense of

massive amounts of data (Miles and Huberman, 1994). Given this challenge, the analytical process moved from initial familiarisation, to organisation, identification of themes, exploration of relationships between categories and concluded with the development of theoretical insights. The use of multiple cases allowed the researcher to progress from an initial focus on each case as an analytical unit, to cross-case analysis, where constructs and relationships among constructs were replicated, contrasted and extended, thus allowing for much better theoretical elaboration (Eisenhardt and Graebner, 2007, Yin, 2003).

The process of thematic analysis in this research followed the six steps outlined by Braun and Clarke (2006), involving a progression from description, where the data have simply been organised to show patterns in content, to interpretation, where the theoretical significance of the patterns and their implications are assessed (Patton, 2002).

While the following section describes the analytical process in a sequential manner, it should be noted that in qualitative research “analysis is not a linear process of simply moving from one phase to the next. Instead, it is a more recursive process, where movement is back and forth as needed, throughout the phases” (Braun and Clarke, 2006, p. 86).

Step 1

The first step consists of familiarizing with the data or immersion in the data, which involved listening to the audio recordings and ‘repeated reading’ of the transcripts, and reading the data in an active way (Braun and Clarke, 2006). To achieve this, the entire set of transcripts was read once without making any notes. This was followed by a second reading, where the researcher began making notes on the side of the transcripts and underlining certain words or phrases in a search for meanings and patterns. Each interview was first analysed individually, with subsequent cross-interview analysis.

Step 2

The second step consists of generating initial codes (Braun and Clarke, 2006). Coding is about organising your data into meaningful groups (Tuckett, 2005), an essential element of qualitative data analysis. It is a mechanism for reducing the amount of data into more manageable slices of data and a mechanism for understanding the meaning of the data (Miles and Huberman, 1994).

First the researcher affixed initial codes in a systematic fashion across the entire data set. These codes are “the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way regarding the phenomenon” (Boyatzis, 1998, p. 63).

Similarly to the first step, each interview was coded and analysed individually, followed by a search for cross-case patterns. At this stage the researcher aimed to code for as

many potential themes/patterns as possible. Consequently the data was read systematically with marginal notes, in an attempt to capture as many of the significant remarks and observations of the respondents.

This initial process of coding included both deductive concepts, in accordance with the questions on the interview schedule and inductive codes which were identified as interesting and potentially meaningful. This resulted in a multitude of codes following the language participants employed (Gioia et al., 2013). For an example of the initial coding process please refer to Appendix 5.

Subsequently, data across the interviews was drawn together in an attempt to identify data extracts coded identically or similarly (Braun and Clarke, 2006). Extracts of data from individual transcripts were collated together and a new set of files in word processing software was created, in order to aid data classification. This allowed for cross comparison across the data from the different interviews (Quinton and Smallbone, 2006). Through this process of cross-case analysis the raw data was broken into more manageable pieces of data (Boyatzis, 1998).

Each portion of transcript or slice was assigned a certain code. Data was checked for accuracy in depicting one, two or more codes, which is often the case in rich qualitative data. If one piece of text made reference to several different codes, it was copied and pasted in all the new files. While, this was a laborious and lengthy process, it was also one of the most rewarding stages in the research process, as it revealed more clearly new meanings unfolding.

Step 3

The third step consisted of searching for themes. “A theme captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set” and “researcher judgement is necessary to determine what a theme is” (Braun and Clarke, 2006, p. 82).

This step involved sorting through the data extracts in a constant comparison to identify commonalities and differences (Miles and Huberman, 1994), with the final purpose of identifying similar and related codes that could be aggregated to form a major idea or a bigger overarching theme (Braun and Clarke, 2006, Saunders et al., 2009). This step involved more interpretative analysis, as the data is scrutinized in relation to the phenomenon being examined and the research objectives (Boyatzis, 1998).

The long list of codes developed in stage two (alongside the corresponding data fragments) were collated and categorized into possible themes, and sub-themes, thus refocusing the analysis on a broader level (Braun and Clarke, 2006). This is also known as clustering (Gioia et al., 2013). An example of an initial thematic map (mind map) is provided in Appendix 6.

Step 4

The next step was reviewing and refining the themes in order to check their fit with the coded extracts and with the entire data set (Braun and Clarke, 2006). This process is based on identifying convergence or recurring regularities in the data and entails the moving back and forth between data and the classification system to verify the accuracy of the categories (Patton, 2002).

The newly developed candidate themes were analysed; concepts were grouped together, in an attempt to identify and analyse the relationship between codes, between themes, and between different levels of themes. The researcher aimed to identify if different words were being used to describe the same phenomenon, if the codes related to one another, and if they seemed to relate to concepts from the extant literature. As the analysis progressed, some of the initial themes were dropped, while other merged together, as they made reference to identical or very similar issues. This process ensures the consistencies of the data set (Miles and Huberman, 1994).

Patton's (2002, p. 465) dual criteria for judging categories were employed at this stage: internal homogeneity and external heterogeneity. Internal homogeneity concerns "the extent to which the data that belong in a certain category hold together or "dovetail" in a meaningful way", while external heterogeneity concerns "the extent to which differences among categories are bold and clear".

The entire data set was re-read once more to determine whether the themes 'work' in relation to the data set and are thus valid. At this stage it was also important to try to identify any additional data within themes that has been missed in earlier coding stages (Braun and Clarke, 2006).

This analysis ensured that segments of data were related to one another and the assigned themes were representative for what was being said. The codes/ categories used underwent several reconceptualisations throughout the process, as the researcher moved between findings, analysis and extant literature.

Consequently, the thematic mind maps created previously were altered to reflect these new analytical insights. Appendix 7 illustrates the development of the thematic map created previously and illustrated in Appendix 6.

Step 5

The fifth step consisted of an on-going analysis to refine the specifics of each theme, and the overall story the analysis tells. This is a process of 'defining and refining' in order to identify the 'essence' of what each theme is about, as well as the themes overall (Braun and Clarke, 2006). The final thematic map of the categories illustrated in Appendices 6 and 7 is illustrated in Appendix 8. This iterative process is in line with the constructionism/interpretivism position, which accepts that theoretical constructs adopted in a study are not definitive (Alvesson and Deetz, 2000, Lee and Lings, 2008).

The researcher focused on the collated data extracts for each theme, with the aim of organising them comprehensively and coherently (Braun and Clarke, 2006). At this stage, the analysis also had to pay attention to interpretations, suggestions, examples, metaphors, comparisons or contrastive rhetoric in order to unveil the context of the meaning of what was being said (Bryman and Bell, 2011). The findings chapter illustrates the stories around each of the themes, as well as their relationships.

Step 6

The final step is “to tell the complicated story of your data in a way which convinces the reader of the merit and validity of your analysis” (Braun and Clarke, 2006, p. 93). Telling the story of the data implies a process of reflection, interpretation and theorizing within and across themes (Braun and Clarke, 2006). This is presented in the Discussion chapter (Chapter 7). At this stage, the analytic narrative needs to go beyond description of the data, and make an argument in relation to the research question (Braun and Clarke, 2006), as well as confront the analysis with the extant formalised body of knowledge (Miles and Huberman, 1994).

5.8 Validity and Reliability / Trustworthiness of the Study

A coherent methodology, clearly explaining the links between the research objectives and the methods employed is essential in addressing the reliability and validity of qualitative methodology (Morse et al., 2002), which is what the present chapter aimed to achieve.

Assessing the quality of a research study has come to be approached and interpreted differently within the fields of quantitative and qualitative research and there is still wide debate around the issue of whether or not the two paradigms can be evaluated in the same way (Bryman and Bell, 2011).

Validity refers to the issue of whether or not a measure of a concept really measures the concept, while reliability refers to the consistency of a measure of a concept (Bryman and Bell, 2011, p. 159). Given this focus on “measurement” in the strictest sense, validity and reliability are criteria of testing the rigour of research rooted in positivism and the natural sciences (Guba and Lincoln, 1994).

As opposed to this, qualitative research in the social sciences relies on rich, contextual data, and consequently these tests are more difficult to conduct. Because of these difficulties, qualitative research has often been criticized for a lack of transparency, for being subjective and difficult to replicate (Bryman and Bell, 2011). Responding to these critiques, Guba and Lincoln (Guba, 1981, Guba and Lincoln, 1981, Lincoln and Guba, 1985) have proposed 4 trustworthiness criteria (credibility, transferability, dependability and confirmability), as an alternative way of evaluating qualitative research.

Credibility

Credibility parallels internal validity and refers to “the believability of the data” (Lincoln and Guba, 1985). Any good research must prove that what was found is indeed a response to the questions originally asked (Quinton and Smallbone, 2006).

Credibility of data can be increased by sufficient depth and triangulation (Guba and Lincoln, 1981, Shenton, 2004). The empirical stage of this research was conducted based on the principles of theoretical saturation, implying that a required level of depth had been achieved before the empirical stage ceased. Furthermore, data was generated through different methods, namely semi-structured interviews and visual representations, while further triangulation was obtained from secondary sources, such as relevant websites and media clippings. Another form of triangulation involves the use of a wide range of informants. This study obtained insights from both entrepreneurs and representatives of networking support organisations, which also contributed towards the triangulation of findings.

With the aim of ensuring the validity/credibility of this study, and in line with the criteria suggested by Shenton (2004), this study also adopted research methods well established in the tradition of the entrepreneurial marketing literature, as illustrated in Section 5.4.2 of this chapter.

As well as that, the researcher also took several steps to ensure a good level of knowledge in regard to the topic, the respondents and data collection methods. First, the literature review for this research ensured a solid level of familiarity with the extant literature concepts; the synthesis of various constructs from the marketing, entrepreneurship and management literatures, enhances the credibility of the study. Second, secondary data sources were consulted prior to the interviews in order to develop familiarity with the respondents and their organisations. Third, the questions in the interview schedule were tested in four pilot studies before the actual data generation stage was carried out. As well as that, all participants were briefed before the interview, being sent a summary of the main topics to be discussed during the interview. Given that all the questions in the interview schedule referred to the respondents’ own attitudes, opinions and behaviour, the chances of them not knowing the answer to the questions were considerably diminished.

Shenton (2004) further argues that tactics to help ensure honesty in informants can further increase the credibility of a study. In order to encourage honest answers, all respondents were assured they would remain anonymous in the reporting of data and that sensitive information or identifying details would remain confidential. This also helped to diminish another source of respondent bias occurring when the participants in a research study fall into a social desirability effect, namely they are inclined to provide “correct” answers rather than a truthful answer (Bryman and Bell, 2011). Most interviews were conducted at a time and in a place chosen by the interviewees, so that they felt relaxed and the interviews were conducted in a somewhat informal

atmosphere. Furthermore, during the data generation stage, probing techniques have been used, as illustrated in Section 5.4.2, which also contributes towards increasing the credibility of the study.

Transferability

Transferability parallels external validity (Lincoln and Guba, 1985). External validity is about ‘analytical generalisation’ (Eisenhardt, 1989), while transferability in qualitative research refers to the extent to which findings can be transferred.

Given the typical selection of a “small non-random sample”, “selected precisely *because* the researcher wishes to understand the particular in depth, not to find out what is generally true of the many” (Merriam, 1998, p. 208), external validity is problematic in qualitative research.

Similarly, Winter et al. (2000) argue that qualitative findings are generalisable to the development of theories and not wider populations. This also implies that the researcher must always convey to the reader the boundaries of the study (Shenton, 2004). Based on this argument, and given the exploratory nature of this research, this study does not seek to generalise its findings beyond the specific context in which they have been generated. However, the insights gained through this study have relevance that can be transferred in the development of theory.

Dependability

Dependability parallels reliability. Generally speaking, the test of reliability is concerned with how replicable a study is (Quinton and Smallbone, 2006). In the context of qualitative research dependability refers to the stability of data over time and it implies that for the research consumers the results make sense (Lincoln and Guba, 1985).

Qualitative studies typically focus on exploring a particular issue at a particular time and are context specific. Since the researcher’s observations are tied to the context of the study, replication may present a challenge (Shenton, 2004).

However the reliability/dependability of qualitative studies can be increased by using different sources of data, data collection tools and applying extant theory alongside data collection (Quinton and Smallbone, 2006), which are all techniques employed in the present study.

Dependability is also addressed by a detailed description of the research process, presented in the first part of this chapter, to ensure a level of transparency (Shenton, 2004), which makes the repeatability of this study possible to a certain degree.

Confirmability

Confirmability parallels objectivity. Objectivity refers to the objectivity or neutrality of the data and is mostly associated with positivism. In contrast, in qualitative research, “there is no prospect of the social researcher achieving an entirely objective position from which to study the social world” because “a researcher can never stand outside the social world he or she is studying” (Denscombe, 2003, p. 300).

However, a factor of objectivity can be expected in any research in terms of the choices made and the researcher is expected to minimize researcher’s bias. Researcher’s error in qualitative methodology can come from many sources, such as a lack of understanding or a lack of knowledge. This source of bias was addressed by the extensive literature review conducted prior to the interviews, as well as by the four pilot interviews, which prepared the researcher for the fieldwork. Another source of bias during data collection can occur through the researcher’s misunderstanding of the respondents’ answers. In order to prevent this from happening, during the interviews the researcher used probing techniques and summarized points in order to solicit confirmation from the respondents, as explained in Section 5.4.2.

Data analysis is yet another possible source of bias. By its very essence, qualitative research places the researcher in a close position to the research, which might pose a risk of double interpretation (Turner, 2006). Furthermore, there are “few agreed-on canons for analysis of qualitative data” (Miles and Huberman, 1984, p. 20).

However, the researcher’s closeness in the research process is seen not only as a reality in constructionism/interpretivism, but as a necessity (Denscombe, 2003), as “the investigator and the object of investigation are assumed to be linked ” (Guba and Lincoln, 1994, p. 111). Interpretivism assumes that reality is complex, socially constructed through the way individuals interpret events, and hence accepts that any research process will influence to some degree how the actors interpret reality, as well as their behaviour. This contrasts with positivism which separates values from facts.

Lastly, while acknowledging the closeness of the researcher to the research, this study, through its iterative nature, continuously moved back and forth between design and implementation which ensured “congruence among question formulation, literature, recruitment, data collection strategies, and analysis” (Morse et al., 2002, p. 17). The thesis offers a clear chain of evidence, from the quotations provided in the Findings chapter (Ch. 6) to the interpretations of these findings in the Discussions chapter (Ch. 7), showing that these interpretations are grounded in the data and are not a product of the researcher’s imagination (Lincoln and Guba, 1985).

5.9 Ethical Considerations

Ethical considerations also play a major part in the design and execution of robust research (Creswell, 2009). The main ethical issues that must be considered when conducting research, identified by Creswell (2009), as well as how they have been addressed in this research are summarized in Table 5.6 below.

Table 5.6 Ethical considerations

Ethical issues	How the issue has been addressed in the study
Ethical issues in the research problem	This study has identified an important issue for study: entrepreneurial networking and its influence on the development of marketing capabilities in SMEs. The rationale for this study resides in the importance and prevalence of SMEs in the economy and the particularities of these firms. It is hoped that participants will benefit from taking part in the study (particularly the entrepreneurs). Answering the interview questions and drawing the network map are reflective exercises (Read et al., 2009b) and sense-making mechanisms (Bettiol et al., 2011), which can aid in future decision-making.
Ethical issues in the purpose and questions	The purpose of this research is to explore how entrepreneurial networking influences the development of marketing capabilities in SMEs. Respondents were fully informed about the purpose of the research prior to any primary data being generated. Care was taken when putting together the interview schedule so that questions would only address the issues of interest to the researcher.
Ethical issues in data collection	Respondents were assured anonymity, which implies that sensitive information would not be disclosed. All respondents have signed interview consent forms prior to the interviews, which were sent, alongside with an overview of the interview topics to respondents at least 24 hours before the interviews. Four pilot interviews were also conducted before the main stage of data generation to ensure the feasibility of the interview schedule, as well as to check the clarity of questions.
Ethical issues in data analysis and interpretation	Robust procedures were employed in how the data was stored, analysed and interpreted. Participants were informed (this is also specified in the consent forms) that parts of the interview may be listened to and analysed by the research supervisor to ensure accepted academic procedures of analysing qualitative research.
Ethical issues in writing and disseminating the research	Research participants were assigned numbers to protect their identities and will remain anonymous in the reporting of findings. In that regard, the information they provided will remain confidential, as data extracts cannot be linked to individuals. This is not only applicable in the actual thesis, but also in any other dissemination material arising from this research, through conference presentations, publications or otherwise. As well as that, due consideration was given in this thesis and will be given in any other dissemination material to all secondary sources which have contributed to the research.

Adapted from Creswell (2009, p. 88-92)

5.10 Conclusion

The purpose of Chapter 5 was to outline the methodology that was employed to fulfil this study's objectives. The chapter opened with a restatement of the research questions and the rationale for the research. The following section discussed possible philosophical underpinnings and then progressed to present and justify the approach adopted in this study. The qualitative research design was outlined next, with a subsequent description of the data generation instruments. The selection of the research participants, or the sampling process, was also described in detail. Fieldwork and the interview schedule were presented, followed by a thorough description of the steps undertaken in analysing the findings through thematic analysis. Finally, issues relating to validity and reliability in qualitative research, as well as ethical considerations were addressed.

Chapter 6. Findings

6.1 Introduction

The purpose of Chapter 6 is to present the research findings from the empirical data, mainly generated through semi-structured in-depth interviews with 27 entrepreneurs and 9 representatives of networking support organisations, as well as visual representations of networks produced by the participating entrepreneurs. These research findings are relevant in addressing the overarching research question of this study: *How does entrepreneurial networking contribute to the development of marketing capabilities in SMEs?*

The chapter is structured around the three specific research questions and the corresponding propositions examined by the study. Hence, Section 6.2 presents the findings pertaining to RQ1, focusing on the role of the entrepreneur's mindset and human capital in influencing the development of entrepreneurial networking capability. Section 6.3 presents the finding in relation to RQ 2, namely the networking forms and activities that entrepreneurs engage in. Finally, Section 6.4 presents the findings pertaining to RQ 3 and concentrates on the development of marketing capabilities through entrepreneurial networking.

6.2 The Entrepreneur's Mindset and Human Capital

RQ 1: What is the role of the entrepreneur's mindset and human capital in the development of entrepreneurial networking capability?

As discussed in Chapter 4, the extant literature argues that networking capability is dependent on the characteristics of the individuals involved in networking, primarily the founders/entrepreneurs of SMEs. The literature further identifies the entrepreneurs' mindset (i.e. mental attitudes, cognitive perspectives, perception, sense-making mechanisms etc.) and human capital as two characteristics that significantly determine entrepreneurial decision-making and action.

Consequently, this study aims to explore the influence of two constructs: 1) the entrepreneurs' mindset and 2) the entrepreneurs' human capital on the development of entrepreneurial networking capability. Section 6.2.1 presents the empirical findings in relation to the entrepreneurs' mindset, while Section 6.2.2 illustrates the findings in relation to the influence of the entrepreneurs' human capital on networking capability. The subsequent Section 6.2.3 provides an overview of the findings from the

visual/graphic representations produced by the participating entrepreneurs, while Section 6.2.4 concludes with a summary of findings in relation to RQ 1.

6.2.1 The Entrepreneurs' Mindset

Mindset is defined as the mental attitudes that individuals hold, or simply, as a way of thinking (McGrath and MacMillan, 2000). Gaining an understanding of the entrepreneurs' mindset (mental attitudes, cognitive perspectives, mental models, perception, sense-making mechanisms etc.) in assessing networking and its value is important, as it will influence both actions (i.e. the networking forms/activities in which they engage), and outcomes (i.e. the benefits accruing from networking). This was encapsulated well into the comment that "*networking is all about judgement, and it's all about perception*" (Participant 22). Insights into the cognitive schemas that entrepreneurs employ were obtained by asking respondents what networking meant to them. This led to the emergence of several key themes and subthemes around the meaning of networking, as well as the identification of factors that entrepreneurs perceived as encouraging networking (i.e. networking motivators) and factors perceived as inhibiting networking (i.e. networking demotivators).

Firstly, the initial analysis revealed that there was high awareness about the importance of networking among the participants. Overall, the business owners interviewed identified networking as important for business and for them personally. Networking was perceived and practiced as a social process and as a way of conducting business/achieving business goals. This dual view of networking was obvious in both the interviews and the visual/graphic representations, or the 'network pictures' that the entrepreneurs produced, which will be discussed in more detail in Section 6.2.3 of this chapter.

Secondly, the study's findings indicate that there was significant variance in the entrepreneurs' mental attitudes or cognitive perspectives in relation to networking. Moreover, the data shows that there are different types of networking and different ways to engage in networking, which participants often described in a dichotomous manner. These findings are grouped and presented below under two main themes:

- a) Opposing cognitive perspectives of networking and
- b) Deliberate and serendipitous networking.

6.2.1.1 Dichotomous Views of Networking

a) Opposing cognitive perspectives of networking

As illustrated in Table 6.1 participating entrepreneurs used dichotomous terms to define networking, distinguishing between real and superficial/cosmetic networking, long-term and short-term networking, organic and forced (or coerced) networking, implicit and

explicit networking. These distinctions indicate opposing cognitive perspectives of networking.

From one perspective, 'real' networking was defined as a long-term relationship building process, governed by authenticity, trust and integrity. Entrepreneurs used interesting metaphors (Table 6.2.) to describe the essence of the most valuable form of networking, by underlining interconnectivity among actors and the synergies that can be achieved through cooperation. Participants emphasised that successful networking was about creating meaningful, deep connections, based on mutual gain. While networking provides a forum to meet new people and be exposed to new ideas, respondents stressed the necessity to build relationships for the most significant benefits to accrue. This was particularly emphasised by the more experienced entrepreneurs. The quality of the connections was seen as more important than quantity, i.e. number of connections, and most participants expressed a preference for expanding their network 'organically' or 'implicitly', based on the premise that relationships should form and develop naturally.

This was continuously contrasted to a different cognitive perspective, where networking was described as short-term and explicit, rather than implicit. This perspective emphasised several negative elements of networking. Explicit networking was described as 'formal', 'superficial', 'fake', 'fictitious', 'cosmetic', 'forced', and even 'aggressive', 'pushy' and 'opportunistic'. In fact, the very label of 'networking event', which was mostly associated with explicit networking, carried negative connotations for some participants. These negative connotations were mainly emphasised by the more experienced entrepreneurs.

Table 6.1 Opposing cognitive perspectives of networking

<p>Real versus superficial networking</p>	<p><i>So to me there is a lot of superficiality in what some people call networking and people and companies spend a lot of money on networking events and quite frankly I think the ROI is quite poor out of it. [...] A lot of entrepreneurs see that and there's kind of fictitious networks, like after work drinks and social conversations, but they're not real networks, you know. There is cosmetic networking and real networking. Cosmetic networking is shop window, dress up networking. Real networking is relationship, trust. Networking is much deeper, it's got to do with trust, it's got to do with integrity, and it's got to do with relationships. You got to naturally be able to develop synergy with the other person. (Participant 22)</i></p>
<p>Connecting versus communicating</p>	<p><i>I think everyone communicates [...] you cannot, not communicate; we are always communicating, however there is a big difference between actually engaging and connecting with somebody. I think that is a skill, how to connect with people, emotionally, psychologically, in ways that people will remember you long after you are gone and in ways that people will want to do business with you, that's what I mean by connecting; it's a far deeper level than just communicating. Connecting is really powerful [...] we all communicate, a few of us connect and if we could connect better you would have better relationships, you would have better friends, better business. (Participant 34)</i></p>
<p>Quality versus quantity</p>	<p><i>Rather than trying to meet everybody and share business cards, I prefer to meet up with two or three people and we just talk to them and get on with them. I feel you get deeper into their network because they have learned to trust you a bit more [...]; generally they are people you like to work with and are similar to you. Rather than just ringing round and collecting fifty business cards I'd almost prefer to sit with somebody [...] so my networks don't grow as fast, but I think there is more quality in the connections I make. (Participant 10)</i></p>
<p>Implicit versus explicit networking</p>	<p><i>Traditionally what I would associate it with is going into a room and sitting down and everybody talking [...] That doesn't interest me because it's too formal and organised and it's in the past. I can see it's got a certain amount of value but I hate those kinds of events, I don't like feeling like it's forced [...] and there is too much expectation. To me the kind of networking I like to do is that if there is a (business) and we can collaborate, I will ask. [...] That's networking, it's mutually beneficial, it's like-minded businesses working together, that would be networking in my eyes. (Participant 4)</i></p> <p><i>Over the years I have joined a few different groups and been to stuff which were supposed to be networking events, but I find that people are just trying to tell you about themselves and they are just trying to tell you about their business and what they do, so they are not actually listening to anything that anyone is saying to them. And I don't enjoy that. I like it to be easy. A lot of them will be aggressively, like "Here is my card, this is what I do", and I would find that quite negative. [...] If it is marketed as "this is a networking event and this is what you need to do at it". (Participant 8)</i></p> <p><i>When I go to a networking event, some people love to work the room as in try to run around and meet every single person that</i></p>

	<p><i>they can; one thing I really hate is when you're talking to somebody and they're talking to you but they are looking over their shoulder to see who is the next person they meet and they say "Oh yeah, it sounds good", so that really irritates me. (Participant 10)</i></p>
<p>Long term versus short term</p>	<p><i>For me, if it was just networking where you are there to meet, to just get something all the time, it becomes transparent and it's less likely to prove fruitful and it's also short term in its thinking, whereas I would see networking as relationship building and it's more of a long term thing. (Participant 6)</i></p> <p><i>To me it (networking) means creating, making contact with people, developing relationships, in my opinion with long term view that sometime there may be something where we can add value to each other. (Participant 13)</i></p>
<p>Organic versus forced networking</p>	<p><i>The opposite of that (forced networking) is organically building a relationship with someone. Everyone has something to give and I guess it's figuring that out. It's not even forced give and take, it's more organic. (Participant 6)</i></p> <p><i>For me the negative is when the forced networking becomes so transparent that there is no genuine interest in you as person, it's more 'are you of interest to me from where I am coming from, from a business perspective?' I understand that's why these events are created but I guess that's part of the reason why I didn't particularly enjoy those events because there is no sense of a relationship being built unless those persons' purely selfish goals are going to be met. (Participant 6)</i></p>

Table 6.2 Selected metaphors describing the essence of networking

<p>Networking is ...</p>	<p>...the particles of the atomic bomb.</p>	<p><i>It's like particles from an atomic bomb, they are all important. [...] you can't say one is more important than the other because without one you won't have the other. (Participant 25)</i></p>
	<p>...the cells in the human body, all working seamlessly together, while carrying and completing different functions.</p>	<p><i>Trillions of cells are living in the human body at any given time; [...] this trillion cells has found a way every day, every moment, to get on together and to work and to function in a very effective way. So networking for me, I see it as just simply cells interacting. [...] Networking is the ability to find the right contacts and build on those. (Participant 17)</i></p>
	<p>...the players of a rugby team.</p>	<p><i>Consider the Irish rugby team in the Six Nations. We're running... I have the ball and I can throw it to the left and right so you have the sense you're running together. You are running on your own path, but we are running side-by-side, so I know at any time I can throw the ball left or right and you will catch and throw it back to me. (Participant 10)</i></p>

b) Deliberate and serendipitous networking

Networking was viewed both as an activity which should be purposefully or deliberately pursued (i.e. planned) and as an activity which can occur unexpectedly and lead to beneficial outcomes (serendipitous). However, the degree in which the respondents were deliberate and planned their networking varied greatly. The most strategic approach entailed conducting relationship audits, assessing the value of existing relationships, as well as identifying the actors to connect with to meet business aims.

I look at developing networks. And say: whom do I need to know? What kind of network do I need to create? [...] When I start a new business in a new industry, in an industry that I am not totally familiar with, so I follow my own little golden rule. There'd be 5 and no more than 5 key people that I need to know- and I need to know them well in each industry. Well enough that they know me well, they know how I think, they know how I act, they can trust me and believe me, and they understand my vision and my strategy and I understand their vision and their strategy. (Participant 22)

Most participants acknowledged that while it might be impossible to adopt a fully planned approach to networking, it is important to set aside dedicated time for networking.

The key answer to that is giving space and attention to networking and to focussing on opportunities as opposed to just working on what's in front of you. (Participant 17)

Give it (networking) time; it's definitely something I put aside and actively work harder. (Participant 15)

Besides consciously trying to meet (the right) people, entrepreneurs also spoke about the importance of chance in networking (i.e. serendipitous networking). Several respondents spoke about efforts to allow for serendipitous encounters, showing awareness about the importance of “putting yourself out there”, “meeting people” and “keeping an open mind”. Adopting a proactive positive stance of networking implies being mindful of serendipitous encounters and networking possibilities. This was particularly emphasised by the younger and less experienced entrepreneurs.

Sometimes when sales were down I said “ you need to get out there” and it's not get out there and ring the phone, it was get out there and cycle through your university because you'll never know who you'll meet, or go to some awards thing... networking is a hard one because it doesn't have a very direct, we can't say we'll spend five here and I'll get twenty five back. It has this weird serendipities thing [...] I think you get surprises. I went to a friend of mine's birthday and I got chatting to a guy I wanted to meet for ages. I had emailed him and he said he would meet me but then because it was work time he wouldn't. I got chatting to him and his wife and I see him all the time now, it's unplanned. I think you need to put yourself out there and get out to these things. There is no real strategy behind it. (Participant 10)

Keep an open mind and just talk and it's amazing what can come out of these situations. (Participant 15)

Basically you throw a fishing line out and you hope you catch something. In some ways networking is about getting out there, meeting people, and it's the long tail effect of where things come back to you. (Participant 10)

(Networking is) not planned but I'd be mindful of the fact that it's important to be aware of potential networking possibilities. When I get up in the morning, I don't have a structure 'I need to get more contacts today or I need to go this business after hours event on Friday night or whatever...' I don't do any of that but subconsciously...this is going to sound very mercenary and cold, but when you meet somebody, you are weighting them up on various different levels. (Participant 21)

6.2.1.2 Networking Motivators and Demotivators

As set out at the beginning of Section 6.2, data analysis identified several factors that acted as networking motivators and demotivators which influenced the entrepreneurs' propensity to network.

a) Networking motivators

Respondents identified two main types of networking motivators: extrinsic (or business, professional, commercially driven) and intrinsic (or personal, psychologically driven) (Table 6.3). From an **extrinsic** point of view, networking was perceived as an inherent, essential and valuable element of business. Networking was seen by some of the participants as something they 'have got to do' as business owners, an essential element for building and maintaining relationships with various stakeholders, and in particular for customer relationship management.

Networking was particularly important for the most novice, less experienced entrepreneurs, seen as impacting on personal brand development and personal status, helping them become known to the local and business community, which in turn transferred onto the reputation of the firm. The role of the entrepreneur in the saleability of a product or service was emphasised by the idea that "*people buy people*", which was a recurrent theme in the interviews. In this perspective, networking was commercially driven, a fundamental tool for generating business and attracting customers.

Several **intrinsic** motivators also increased the participating entrepreneurs' propensity to network. A few of the respondents spoke about enjoying networking and what it involves from a social perspective. Obtaining emotional support and personal advice were identified as key personal networking motivators. Finally, learning, leading to both personal and professional development was mentioned as another significant networking motivator.

Table 6.3 Extrinsic and intrinsic networking motivators

Extrinsic networking motivators (commercially driven)	Commercial necessity	<p><i>You have to network; you have to make people aware of your brand. You have to make people aware of your services. [...] You meet them to let them know you're not a fly by night and that you're a reputable firm; that comes with time; that comes with affirmation. (Participant 9)</i></p> <p><i>For me it is getting my name out there. It is building my profile in the business communities. (Participant 1)</i></p> <p><i>I think it's really good because I think people like to put a name to your face. [...] And just to get the word out there, I go to everything that I can go to. I pulled a little bit, but I get involved in any charity work that's going on, fashion shows, any dinners, any women in business, all that kind of stuff, I get involved. I think it's really good. (Participant 8)</i></p>
	Strengthening business relationships	<p><i>If you haven't cultivated your relationships in your local business community, decision makers like suppliers, banks, staff, landlords.... any of your key stakeholders. You have got to cultivate relationships with them; I see that as being really important... [...] If you don't have that, doesn't matter how much money you are going to spend, you are not going to be as successful and profitable as you could possibly be otherwise. (Participant 21)</i></p> <p><i>(I network) in order to build relationships because that's where the sales come from. People do business with people and if you have a network of similarly minded individuals, ideally they are serving a similar market to yourself and if you can strike a relationship with them and if they are talking to your customers within the work of their own business at some stage then you will get the result. (Participant 14)</i></p>
	Method of self/brand promotion	<p><i>People buy people first and if you don't get people on your side and believing in what you are doing and willing to help you out... (Participant 21)</i></p> <p><i>People like to deal with people that they like so if you got out networking and people like you they are more likely to refer you up. (Participant 15)</i></p> <p><i>I think you would be foolish if you didn't (network). I think people buy people. (Participant 10)</i></p>

Intrinsic networking motivators (psychologically driven)	Enjoying the social element	<p><i>I like some of these people. I like talking to them. (Participant 13)</i></p> <p><i>I like doing it. I am a social person, I am a storyteller. It's a natural Irish thing; we tell stories to explain things. My mother's side would have been big into sayings and my father would have been a storyteller so I use a mixture of both. (Participant 12)</i></p>
	Emotional support	<p><i>When you work for yourself it's a very lonely existence, you have to get out and meet people. (Participant 3)</i></p> <p><i>They feel part of something; it brings everybody on the same level so no matter whether your business is well established or you are just starting out but you are still a business woman, you're still an entrepreneur and you're just as good as or can be as good as the most successful ones. I think it brings them as part of something, it gives them confidence and it's quite a nice social thing. (Participant 24)</i></p>
	Learning	<p><i>You always pick up little nuggets of wisdom as you go along. There is not one person that had the whole nine yards but you would have lots of people that would have little bits to help you. If you could surround yourself with these people, it will rub off. (Participant 14)</i></p> <p><i>Part of it (networking) is to develop your business and to get ideas from people and to learn how people are doing things and at these things you learn simple things that people are doing that you can easily replicate here. (Participant 26)</i></p> <p><i>What comes out of that (networking) [...] is knowledge. (Participant 12)</i></p> <p><i>I see it (networking) for two main reasons, I see it for learning and for building contacts and I think it is so important. (Participant 1)</i></p> <p><i>You learn about new things that are happening, new businesses coming, and new trends. (Participant 3)</i></p>

b) Networking demotivators

The research participants also spoke about factors that prevent entrepreneurs from networking, or decrease their propensity to network (Table 6.4). Time constraints, opportunistic actors and a cultural environment that does not favour overt networking were identified as the most important **extrinsic** networking demotivators. Networking takes both time and effort, which often entrepreneurs don't have, given the pressures of running a company on limited resources. Furthermore, even when entrepreneurs set aside time to network, choosing networking events, situations and times, with a return on investment, was seen as difficult and requiring careful consideration. Without purpose, networking may waste resources, rather than provide access to new resources.

Secondly, some of the participants were reluctant and even had negative views of networking with clear instrumental objectives. This was ascribed to the dangers of opportunistic behaviour that some actors might engage in. One entrepreneur captured this risk of opportunism with the metaphor of "snakes in suits", denoting individuals who unscrupulously try to use other people for their own advantage.

Another demotivator, particularly underlined by the representatives of networking support organisations, was the more traditional Irish/ European cultural context, which does not seem to foster a 'networking to get ahead in business' type of mentality (typically associated with what Americans 'do'). Furthermore, from a cultural point of view, networking has only come of age in the business world in more recent times. The numerous business networks and business networking events within an industry and across industries, at local and national levels, created and organised in the last few years, are testimony to this change. The representatives of the networking support organisations participating in this research, underlined that there is much more focus on networking in business now than before, which is also an explanatory factor for the different mindsets in relation to networking exhibited by younger and older entrepreneurs. When the younger entrepreneurs started their ventures, just a few years ago, the cultural business context had already changed: networking for business was 'in vogue', while for the older generations of entrepreneurs, this change had occurred while they were already relatively established in business.

Intrinsic, or personal networking demotivators included a lack of skills, the danger of being perceived as opportunistic and, in the case of the female entrepreneurs participating in this study, the view that networking is more difficult for women. Some respondents reported low self-confidence in the skills and abilities required to network successfully. 'Not knowing what to do' inhibited the participants' networking behaviour. There was a general consensus that some people do it better than others and as the interviews progressed there was more evidence to suggest that some perceived networking as difficult. Several participants believed that specific training was needed on how to network and that learning how to network should be taught in third level institutions and beyond. As well as that, several entrepreneurs clearly stated reservations towards networking because they wouldn't like to be perceived as opportunistic.

Finally, most female respondents felt there was more pressure for women in networking and they needed to make an extra effort as compared to men; they felt men still dominate the business arena and that the number of men attending business events far surpassed the number of women. Furthermore, family matters emerged as another gender-based networking demotivator, as many networking opportunities and events occur outside regular business hours (in the evenings), during family time, when mothers felt they had to attend to their familial duties.

Table 6.4 Extrinsic and intrinsic networking demotivators

<p>Extrinsic networking demotivators</p>	<p>Time constraints</p>	<p><i>You can spend an awful lot of time doing it. [...] I don't find it hard to get the contacts, maybe maintaining the relationships can be sometimes difficult. You might forget about that person that they could do something for you, you know, small things; that would be the hardest part, to maintain that relationship (because of) time. (Participant 5)</i></p> <p><i>I don't go to all the meetings because when you are working in your own business you try to keep costs down you can't take days off. (Participant 27)</i></p> <p><i>I think you've got to be careful that you attend networking events that are of value to you. Not everything, because really they become a little bit more of the same after a while and you can realise 'I have done this before'. (Participant 24)</i></p>
	<p>Opportunistic behaviour</p>	<p><i>I don't actually like the term network and I never liked it. I've always felt that people who talk to me about networking means that they are trying to get something out of other people. (Participant 19)</i></p> <p><i>I don't like overt networkers. (Participant 20)</i></p> <p><i>Snakes in suits are people you need to be really careful about in life. We're never taught about snakes in suits, nobody ever tells us about this, but it's probably the most important lesson one can learn in life about people. And it is really important in networking. It is absolutely central in networking, absolutely core. Because networking is all about judgement, and it's about perception and it's about openness, and it's about trust [...] They are snakes in suits. They look fine, they look normal, like anybody, but they can suck the energy and goodness out of you and leave you for dead. (Participant 22)</i></p>

	<p>Traditional and changing cultural context</p>	<p><i>I think it's a cultural thing, in Ireland we are not very predisposed to it whereas in America they will just network and they will ask you to sleep with them, anything, in Ireland we are a lot more reticent and I think we could be culturally more open to networking, I know I certainly could be, I know my clients could be. (Participant 34)</i></p> <p><i>I started to realise that if you say networking event some people get afraid especially small businesses who aren't used to putting themselves out there. There are some really small businesses that are actually afraid of the word networking they like the idea of coming to the event and not having to do anything. [...] I think it might be a European thing, I think in America from different things I notice, they love talking about their own businesses. If you go to a person in the US versus an Irish person they'll be willing to tell you everything very openly about their business and show off as much as possible but there is a lot of Irish people, I think, that are a little bit shy about telling you how good their business is or their good idea. (Participant 32)</i></p> <p><i>I think previously it was seen as a bit of a waste of time actually, networking, but I think that has changed and maybe people have gotten better at it. I think you'll always find one thing you'll get out of it. (Participant 28)</i></p> <p><i>Everyone is just so hungry for networking so we are now bringing more of a focus on networking [...] People are hungry for it, in the back of my head networking was always an important part but I didn't realise how much I was letting the guest speakers take over [...] I neglected the networking element more than I should have and I realised how hungry people are. (Participant 32)</i></p>
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<p>Intrinsic networking demotivators</p>	<p>Lack of skills (difficult and cumbersome)</p>	<p><i>It was harder. I'm an engineer so I don't like talking to people usually and I am a little shy sometimes. (Participant 10)</i></p> <p><i>It's quite nerve racking when you first do it. (Participant 15)</i></p> <p><i>I'm introverted by nature I much prefer to be in this office on my own fiddling around at the process or the idea or trying to sketch out what I think something is going to look like. I am completely useless at opening a conversation with a stranger. If I can avoid it I will avoid it. (Participant 20)</i></p> <p><i>Some people just love that going out to functions and dos but both of us particularly don't like doing that. It would be easier in business if you did like doing that. (Participant 23)</i></p> <p><i>Some people are better at it than others, I would be a little bit shy, I suppose its nerves, and you get nervous, (but) you have to sell the stuff. (Participant 2)</i></p> <p><i>Some people can find it difficult and that goes back to the learning aspect that I think some people find it difficult to go into a room full of people and start talking, it's that whole learning aspect. [...] I think absolutely everyone should and it should be taught in universities. A lot of my friends don't do any networking and they ask 'how do you network? I think it is something that all students should learn, even students in transition year. [...] It is so important. (Participant 1)</i></p> <p><i>I do think you need to move it deeper, yes. I think that's not taught at school, it's probably not even taught well at university. (Participant 34)</i></p>
	<p>Undesirable to be perceived as opportunistic</p>	<p><i>I don't like the cheesy sales guy who you know is talking to you because he is trying to sell you something. I never wanted to be seen like that. (Participant 20)</i></p> <p><i>If somebody said to me I am going to a networking event I would think I wouldn't like to do that because [...] I would feel that I had an agenda, that I needed to have business cards, that I needed to push something and I am not comfortable with that. [...] I don't like the word networking because it's like you are using somebody or you are being friends with them for a reason or you have an agenda and I don't have that. (Participant 16)</i></p>

	<p>Networking experienced by female entrepreneurs</p>	<p><i>I do think it is more difficult for women and it is more difficult for women because at the end of the day somebody is putting dinner on the table. It's much more difficult for women to say, "I don't have to pick up kids", if you have kids, unless you have like very good support. It's very difficult to say "I will go to the business after hours event of the Chamber of Commerce. And to go on your own to those events you need really to run up and down the stairs a few times and psyche yourself up a little bit, you know and say, I don't care who it is, I am going to go in. (Participant 26)</i></p> <p><i>[...] as women, is really hard, because once you build yourself up you need to go off to have kids and you need a business that can sustain itself while you're away. (Participant 8)</i></p> <p><i>(Networking) gives the smaller business women an opportunity because when you are working from home and you are on your own it can be very isolating, "Whom can I talk to", I'm actually meeting one the girls tomorrow who is at a crossroads, "I don't know whom I can talk to". (Participant 24)</i></p>
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6.2.2 The Entrepreneurs' Human Capital

Human capital is another important factors in determining an individual's behaviour/actions and the resulting outcomes. In the entrepreneurship literature, human capital has been most often operationalised as a composite of an individual's education and experience (i.e. experience in the work field and entrepreneurial experience) (Davidsson and Honig, 2003, Wright et al., 2014). The findings in relation to the role of a) the entrepreneurs' education and b) the entrepreneurs' experience on the development of networking capability are presented next.

a) The Entrepreneurs' Education

Formal education is an important component of human capital and it can lead to the generation of explicit knowledge and valuable skills, with significant consequences for entrepreneurial success. Except for two, all the 27 entrepreneurs participating in this research had third level education qualifications including Honours Degrees, Master Degrees and Executive Master in Business Administrations Degrees. The two entrepreneurs who had no third level qualifications, started working from a young age and never completed a University course. They had however, recognised industry specific awards from attending professional courses.

Given that Ireland has one of the highest percentage of population with a third level qualification in the OECD (2014), the educational profile of the sample of entrepreneurs participating in this research is not surprising. However, because of this, data analysis did not allow for any clear distinctions in terms of how different levels of formal education, incorporating both academic and professional courses, may influence the development of entrepreneurial networking capability. Nonetheless, the empirical evidence provided some other interesting insights into the human capital of entrepreneurs, such as autodidactic efforts and the way that education impacts on the development of social capital. These findings are presented in the following sections.

Autodidact entrepreneurs

Beyond gaining knowledge in the traditional sense (academic education and professional qualifications), many of the entrepreneurs participating in this research rounded their education through autodidactic efforts (self-directed learning). This emerged from the interviews, as entrepreneurs sometimes explained decision-making processes in their ventures by referencing particular books and role models who influenced their business thinking. An incredible drive to learn and improve was a common theme in the interview data. This continuous quest for knowledge is likely to have a positive influence on the development of networking capability, since networking can offer significant learning opportunities for entrepreneurs, as it will be discussed in Section 6.4 of this chapter.

So I have to be constantly investing in myself and knowing what's best practice, new methodologies and things like that and staying clear and staying focused and all that. So that's what all of this does to me. Like I spend 7% of my income on myself... my income not my profitability; it's twice what is recommended, what most people would do. (Participant 13)

I like to think I do my best in order to improve myself, whether that is physically or mentally or even listening to ...in my car I have like a mobile university that I would be listening to audio books on business and finance and things like that so I am constantly learning.... (Participant 14)

I am reading a lot of books at the moment. [...] I am reading those books at the moment and thinking what are the little things we do that can make a big difference. We can systemise things better [...] I am obsessed with mindset because that's everything, whatever you want to do, it starts with the idea in your head and most people are afraid to pursue the idea in their head. I have learnt that you have to overcome fear and you have to approach things head on and you have to stick to your guns [...]. Napoleon Hill's Think and Grow Rich is my favourite book. (Participant 4)

I had been influenced by two people of what they had said. LinkedIn founder, Reid Hoffman said if you are not half embarrassed by your product by the time it goes live, then you have left it too late and the other one was Seth Godin. [...] The founder of Y-Combinator and Steve Jobs would have influenced me a lot. (Participant 12)

I am very much a believer in two business strategies, or books or philosophies if you like, one is Blue Ocean strategy, where I believe in creating a market, that's why I'm not bothered about what our competition do too much. Keep an eye on them but we have got to play our own game, create a new market and that is what we have done, made new markets where they didn't exist before and led them then. That gives you all the advantages of pricing and everything else. The other is Geoffrey More's thinking around crossing the chasm and into the tornado ...are very relevant to technology businesses and how you develop your business and market so I have utilised those philosophies. (Participant 19)

Building social capital through educational networks

The findings also show that educational forums (academic and professional) provide entrepreneurs with access to peer networks, thus leading to the development of social capital. College colleagues and other groups, such as Student Societies and Clubs, were identified as important in the participants' entrepreneurial endeavours, from becoming first customers to providing motivation, advice and support. Enrolling in a course also creates an instant new network (of colleagues and tutors). This provides entrepreneurs with the opportunity to learn both from peers and domain specific experts, such as facilitators, trainers or lecturers.

It's funny you should talk about networks because it really is networks (how I started) effectively from going through Societies (in college) I built up a network [...] and I started working for myself, working through my network, [...] I leaned on some other networks... so the Students Union I had built a relationship with, the societies, the clubs now as well and I started branching out into DIT. I used those contacts that I had, they knew I was building good products. (Participant 10)

Friends (college colleagues) who are high achievers... I'm just very lucky that some of my closest friends are very astute people, working on serious businesses, from millions to hundreds of millions [...]. They'd know who you are and have a bit of a mutual understanding. (Participant 9)

That's another thing that I only started to learn when I started the Going for Growth programme, [...] and the majority of women around the table are exactly the same [...] be confident, just learn, keep asking questions until you understand. (Participant 24)

Any of these college lecturers I have befriended over the last two years. You ask them for one minute of their time and they love to talk, college lecturers, and they give you 20 minutes of free advice. (Participant 11)

b) The Entrepreneurs' Prior Experience

Experience and practical learning also lead to knowledge generation. Findings show a noteworthy distinction in the way entrepreneurs with different levels of prior business and entrepreneurial experience thought about and engaged in networking. The data suggests that the level of prior experience influences the entrepreneurs' mindset in relation to networking (i.e. the mental attitudes they have or the ways they think about networking), consequently determining to what extent they embraced networking, the types of networking they engaged in and the outcomes of their networking. This also indicates that mindset and human capital are connected.

As mentioned in Section 6.2.1, novice (i.e. less experienced) entrepreneurs, who tended to be of a younger age demographic, more readily embraced networking. Overall these entrepreneurs saw more merits in both implicit and explicit (overt) networking, and saw it as an intrinsic aspect of being a business owner, an essential and necessary ingredient for personal and professional/business growth. While some of the novice entrepreneurs did convey some reservations towards events labelled as "networking events", and the contrived, forced element of exchanging business cards, overall they were much more open to networking. This was encapsulated in ideas such as "*keep an open mind*" and "*embrace the opportunities*". Consequently, the novice entrepreneurs used more positive reference terms around networking in their narratives.

Conversely, some of the more mature, experienced entrepreneurs who took part in this research, showed more scepticism towards explicit networking, as illustrated in the negative statements below:

No, I don't see any point in it (networking) at all, what are people there for, there are people that want to get something from other people. [...] You really hit a raw nerve of mine on networking. (Participant 19)

It would be easier in business if you did like doing that but at the end of a day thinking you had to go into a Chamber of Commerce, I would rather chop off my arms. (Participant 23)

The fact that prior experience, as a component of human capital was found to impact on the entrepreneurs' networking capability was also confirmed by the way in which the

experienced entrepreneurs admitted to having networked more in the past when they were getting the business off the ground. Similarly to the novice entrepreneurs, when starting off, networking seemed a business necessity; however, as the business grew and they gained a reputation, the experienced entrepreneurs expressed that they reduced significantly the time they spent networking; instead, they delegated networking to employees of the company, often the sales team.

I did (network) at the beginning a lot because I had to but I'm not a great networker [...] I had to do it. Because you are getting a business started, I had to, but then I fell out of that, as you get bigger and you have people in sales. [...] I think it is (important) for business, most of business comes from people to people, it's not company-to-company. [...] It was important then for a start up. [...] I guess we did network at the beginning a lot and you are running on adrenaline [...]. (Participant 20)

I go to many meetings. I used to go to a lot more. [...] I used to do it quite regularly and organised, there were three or four of us that went to all different events but we don't do that anymore, it's more informal. (Participant 18)

When I was younger, what I know now I didn't know then, that networking is a business whereas at that time [...] I thought it was just socialising, whereas now it's pure business. (Participant 25)

The findings further show that the more experienced and successful entrepreneurs become, the more they can afford to become more selective regarding their connections. In other words, while at the beginning entrepreneurs may need to build large networks to make themselves known (the more people they know, the better), as their companies become established and their experience grows, this need decreases. This is not only due to a higher degree of knowledge and expertise. It is also owing to the fact that once a certain degree of reputation is achieved, one becomes “the one to network with” and hence successful individuals can afford to be selective, and might even restrict the number of new connections.

It's kind of strange; it's a pyramid situation. There is a small number of people who are very highly sought after. And these people have to kind of protect themselves and they've got to be careful about their time, because if they give their time away to everybody who's looking for their time, they will not be able to have any focus on their own business and what they want to do and their families or whatever and they can not be... as much as they like helping, they can not be public property. (Participant 22)

You see people at it all the time; the more successful you get the more people are trying to network with you. [...] I really don't like the term networking, I don't like Facebook, I don't like LinkedIn particularly, I am on LinkedIn but I try to restrict as much as I can because I don't want dozens of people trying to network with me. (Participant 19)

The lower down you are in business, the more concerned you have to be about trust, the higher up you are in business, the more you learn and the more you know whom to trust. So, again there are layers in that. (Participant 22)

6.2.3 Findings from the Visual/Graphic Representations of the Entrepreneurs' Networks

As explained in Chapter 5 (Methodology), alongside the semi-structured depth interviews, which were the main data generation instrument, the researcher asked the participating entrepreneurs to produce visual/graphic representations of their networks. This supplementary instrument assisted the generation of rich data, while also providing a certain level of structure to the entrepreneurs' narratives about their networks and networking. Visual network maps represent a data generation instrument in its own right, successfully employed in previous research, particularly in the industrial marketing literature (Corsaro et al., 2011, Ford et al., 2005, Henneberg et al., 2006, Ford and Mouzas, 2013, Mouzas et al., 2008). The key findings resulting from these visual representations are outlined below.

Ego-nets and network fusion

With a few exceptions, the respondents represented their networks visually as ego-nets. This displayed the entrepreneur in the centre, surrounded by various actors, identified as having an impact on the business. In these graphic representations, most participants included personal/social connections like family, friends, colleagues, and business connections, including the members of the value chain (suppliers, intermediaries), customers, as well as key stakeholders in the industry, such as competitors, industry organisations, government agencies, academic institutions.

In most cases, the business and personal ties were intertwined. The overlap between the personal and business connections in the perceived networks is meaningful, as it confirms that in the context of small firms it is often difficult to completely separate the individual (the entrepreneur) from the firm. This was particularly the case of the novice, less experienced entrepreneurs, where their personal network and the company's network were overlapping. "I am my company" rang true. A sample of such visual representations of networks is reproduced in Appendix 9 (See research participants 1, 4, 6, 13, 14, 15).

However, this was not always the case for the more experienced entrepreneurs with the largest companies (i.e. medium sized firms). In particular, two of the expert entrepreneurs resumed their network picture to their board of directors and management board respectively. When prompted, they differentiated between "my network" and "my company's network". They further explained that members of the value chain are part of the company's network, but that they didn't see those actors as connected to their person directly. There was a clear detachment between the entrepreneur and his/her network and their company's network. A sample of such visual representations of networks is reproduced in Appendix 9 (See research participants 17, 19, 20, 26).

6.2.4 Summary of Findings for RQ 1

The findings in relation to RQ 1 show that the entrepreneurs' mindset and human capital play a significant role in the development of entrepreneurial networking capability in SMEs.

The entrepreneurs' mindset in relation to networking varied. Entrepreneurs used dichotomous terms to define networking, such as real and superficial, long-term and short-term, organic and forced, implicit and explicit, thus indicating opposing cognitive perspectives of networking. Similarly, networking was viewed both as an activity which should be purposefully or deliberately pursued (planned) and as an activity which can occur unexpectedly and lead to beneficial outcomes (serendipitous).

Respondents also identified several factors that acted as networking motivators and demotivators, thus affecting their mindset in relation to networking and consequently their propensity to network. Motivators included extrinsic/commercially driven factors, such as networking for maintaining relationships with various stakeholders, and in particular customers and networking for personal brand development and reputation. From an intrinsic/ personal perspective, networking provided access to emotional support and advice and offered numerous learning opportunities. Conversely, networking demotivators included time constraints, opportunistic actors, and a cultural environment that does not favour explicit networking (extrinsic factors), lack of specific skills, the danger of being perceived as opportunistic and, in the case of the female entrepreneurs, gender (intrinsic factors).

The findings further indicate that human capital (education and prior experience) also plays an important role in the development of entrepreneurial networking capability. While the participating entrepreneurs were very similar regarding their qualifications, the findings show that entrepreneurs engaged in autodidactic efforts and educational forums provided entrepreneurs with access to peer networks, thus leading to the development of social capital.

There was more relevant data in relation to the role of the entrepreneurs' experience on the development of networking capability, with significant differences between novice and experienced entrepreneurs. While novice, less experienced entrepreneurs more readily embraced both implicit and explicit networking, most of the more experienced entrepreneurs dismissed explicit networking, particularly when taking place in formal settings.

Finally, the visual representations of networks produced by entrepreneurs indicate a greater overlap between the personal and business connections of novice entrepreneurs as compared to the more experienced entrepreneurs, where a detachment between the entrepreneur's personal network and their company's network was clearly demarcated.

In conclusion, both the entrepreneurs' mindset and human capital can be instrumental factors in explaining differences or variance across entrepreneurial networking capability and can thus provide us with a better understanding of the different types of networking in which entrepreneurs engage, as well as the degree of intensity and proactivity of networking behaviour. Entrepreneurial networking behaviour (i.e. the networking forms and activities in which entrepreneurs engage) is the focus of the next section, which outlines the findings in relation to RQ 2.

6.3 Networking Forms and Activities

RQ 2: How do entrepreneurs network? (What are the networking forms and activities that entrepreneurs engage in?)

In order to address RQ 2 of this study this section presents the findings considering the forms of networking or the specific networking behaviours/activities that entrepreneurs engage in. The pertinent data in addressing the second research question was sourced from the semi-structured interviews (with entrepreneurs and representatives of networking support organisations) and the visual/graphic representation of the entrepreneurs' perceived networks. While the semi-structured interviews generated most of the data on networking forms and activities, the graphic representations facilitated the discussion, as entrepreneurs were encouraged to talk about how they network with the groups or individual actors identified in the visual data.

As discussed in the conceptual framework in Chapter 4 and in line with extant studies, the first part of Section 6.3 captures the data under three main constructs:

- 1) Personal networking (Section 6.3.1)
- 2) Operational networking (Section 6.3.2) and
- 3) Strategic networking (Section 6.3.3) (Ibarra and Hunter, 2007).

Each form of networking can vary in intensity, from limited to extensive, and proactivity, from reactive to proactive (O'Donnell, 2004). The second part of Section 6.3 focuses on the rules of thumbs that the participating entrepreneurs employ in their networking (i.e. principles of good networking) (Section 6.3.4), while Section 6.3.5 presents the relevant findings around the entrepreneurs' behaviours vis-à-vis online and direct, face-to-face networking. Finally, Section 6.3.6 concludes with a summary of findings in relation to RQ 2.

6.3.1 Personal Networking

Personal networking refers to the networking that occurs through professional associations, clubs, alumni groups, personal interest communities; it has referral power and it is a space for professional and personal development (Ibarra and Hunter, 2007), while also providing emotional support.

The levels of personal networking varied among the respondents. There were those who took a proactive stance to personal networking, by recognizing its value in professional and personal development; others were more skeptical about it and did not engage in personal networking as extensively and proactively. This is also an explanatory factor

for the fact that different individuals described the same networking forum or event in different (sometimes contradictory) terms.

On the basis of the empirical evidence, the personal networking behaviours and activities in which entrepreneurs engaged with implications for business are grouped into three categories:

- a) Personal networking via existing social ties
- b) Personal networking via exclusive private peer groups.
- c) Personal networking via organised networking forums

a) Personal networking via existing social ties

The findings of this study confirm that the personal and business connections of entrepreneurs overlap (see also Section 6.2.3). The data provided evidence of social ties (such as a family members, friends, former colleagues) that became business partners, employees, customers, and brand advocates, recommending the product, spreading positive word of mouth and allowing access to their own social ties. School colleagues and University alumni groups were also important in this regard (see also Section 6.2.2) and several entrepreneurs purposefully kept their University connections alive, going in as guest lecturers, sitting on the board of Committees, or volunteering as Mentors for student programmes.

Personal interest communities were also identified as having an important impact on business. In particular, connections with and within sporting organisations seem important business drivers in the Irish context. Playing the same sport, or supporting the same team creates kinship and are powerful means of connecting with others.

“Sporting Organisations, like the GAA and Rugby, they are very big in Ireland, that’s probably where real business gets done, when you get into those networks, that’s the culture: you scratch my back, I scratch yours.” (Participant 11)

A great network would be sports organisations like the GAA in Ireland or Rugby or Soccer [...] I would encourage business people to join clubs and be participative in clubs and that is a great source of networking. [...]. Even people on the opposing teams you’ve got a bond, a connection, there’s a synergy, there’s an empathy and particularly in Ireland and I think universally we like to do business with people we like and that’s what networking does, it makes the cold call infinitely warmer. (Participant 34)

I play sport; in my club, I’ve got ten or twelve guys jobs or helped them with different junctures in their careers or in sport or whatever and that’s all been paid back in spades. If there was something I needed I would discuss it with them and they would open a door for me. (Participant 9)

One of my main clients was a large developer who was involved with our club, he got me off the ground and from there it took off. (Participant 9)

b) Personal networking via exclusive private peer groups

The most important type of personal networking was facilitated through exclusive peer groups. Entrepreneurs mentioned two types of exclusive networks: micro groups (4 to 8 members), mentioned by nine participants and large exclusive networks (bringing together thousands of business leaders across numerous countries), mentioned by two participants.

Micro-groups

Nine of the entrepreneurs taking part in this research created or were part of small exclusive peer groups. The support provided within these forums was equal to none. The entrepreneurs who mentioned these small peer groups described them as their most important network, essential in their well being, as business owners, and personally. Some of these groups were in existence for more than 8 years, with regular meetings throughout time. Their main objective was for members to provide support to each other. The evidence in the data shows that these exclusive micro-groups were governed by rules such as honesty, trust, and openness.

There is 8 of us in the group and we stick together for years, we meet about 10 time a year about 3 hour every time, and we book a meeting room in a hotel, and also we go away for a retreat lasting 2 or 3 days together, sometime we also go away for another retreat that lasts 24 hours. We start off and we talk about, 'OK, what happened in the last month, what happened since the last time we saw you, how are things from a family point of view? How are you feeling? How are things from your point of view? What's your business like? How is life going? What are the good things? What are the bad things? What are you looking forward next month? What are you dreading? What are the challenges?' I would make a note of that. This is for everybody. And we pick the top 2 or 3 ones that are most pressing. So if you've got a particular issue, be it family, be it health, be it business, you then have the value of the other 7 people there offering you their opinion, as a board of directors. And because the relationship is being build up over time and they are so open with each other you trust them. [...] And that's networking and that's very powerful. (Participant 22)

I have these guys, very good network of people here that I'm always.... I can pick up the phone and bounce any scenario of these four guys. So I have my little network already that I am getting a lot of that from at a much deeper level because they get my business a lot more. [...] they wouldn't come into it unless they trusted me and the whole thing was confidential. So we're in this situation, they talk completely openly. (Participant 13)

So there basically were four of us and we used to meet for coffees in the [...] Hotel once a month so we would sit down and talk, we were all kind of in a similar place but that network that solid network allowed us to build together and drive forward [...] right now the strongest network I have is (this) [...]. These people who I know and we have a common network or circle that we are running around and we're all going through the same thing, we never have any money, we're always worried about paying wages, we're always worrying about these things, so we share, we understand each other. This solid network ... there is a huge amount of trust because I know I can tell them anything and they're going through the same thing and they are not going to repeat it. That's my network, if the castle came falling down. (Participant 10)

That is something that we do, we sit down on a Friday morning for an hour; again it's friends, but we are all self employed; [...] I will come and say this week I would like advice on how to organise an event. [...] Brainstorm with likeminded people so the idea is sometimes when you are immersed in your business it is hard to take an outside view but if I ask you your advice you are coming from a completely different angle. [...] When I sit down with those four people they can give me four different opinions and it's good. (Participant 4)

Five of us meet for tea, it might only be ten minutes but we talk, we are open and honest and they know things about me that nobody else would know and I know things about them that nobody else would know. (Participant 25)

Eight business owners, we meet once a month, we met yesterday for three or four hours, they are very important. (Participant 20)

I have another networking group. We (six names of small business owners) are all of the same age. [...] So once a month we go for dinner and we take in turn to talk about our business and any problems that come up. So we find that really good. [...] I think it's really good, because (we) are so engrossed in this business, and we're in it every day and we are seeing the people, I think to be able to go to someone outside of our business: this is what we are thinking, what would you think, as a client? And I know that they are going to be completely honest... [...] this group is like: just be honest, there is no right or wrong answers, nobody is going to get mad if you say this or this so it's a really honest opinion. (Participant 8)

There's four people on that board that I would, between different things, that I would talk to [...] through advice, experience, discussion. [...] I would count these four people as being very close, I would consider these people as all friends of mine. [...] To me these people are people I met through business relationships and I got to know them and they got to know me and there is a trust and a respect. (Participant 19)

Exclusive large groups

Two of the participants (both owners of medium enterprises) were also members of an exclusive large international network, which will be identified as Organisation Z. Organisation Z connects thousands of successful young executives in a global network. While the membership numbers are astounding, Organisation Z is kept 'under the radar'. In fact, the two members were reticent in talking about it. One of the entrepreneurs decided to discuss it only when prompted.

(Organisation Z) is for limited people, you never see it in the paper, it's a very under the radar network, it's a very discreet, for the want of a better word, network. I wouldn't be mentioning it to you ... it's not a secret society or anything like that and now that (x) mentioned it, I feel I can. (Participant 20)

The stated objective of Organisation Z is to support and strengthen successful business people in every aspect of their life. The value of Organisation Z seems to emanate from its exclusivity and the calibre of its members. Becoming a member is a complex and lengthy process, with numerous requirements. The members meet several times a year through large annual summits and various programmes. As well as that, small groups of members in close geographic locations meet regularly to share challenges and concerns in an atmosphere of complete confidentiality and trust.

It's a peer organisation, there's very little overt business done in it, it's more about learning, I get more than I give in that organisation and the more I give the more I get, it's strange. [...] it is a network but they become friends, it's peer to peer and I am not looking for anything from them and they're not looking for anything from me in terms of business, what I have noticed in (Organisation Z) is that once you start doing business with another (Organisation Z) member the relationship changes and not for the better because now there is another dynamic at play there, there is a selfish angle. I don't know if I would do business with any of them. [...] I am very comfortable talking with other (Organisation Z) members, it is a very safe environment and there's a lot more to (Organisation Z) beyond the network. (Participant 20)

First of all, like anything in life, you got to earn it. And you've got to be able to prove your self-worth and your ability to climb the ladder and get a kick in the ass and get up again. And a really important part of networking is exclusivity. What I mean by exclusivity, not in relation to luxury or special or anything like that, exclusive means not everybody is allowed to join. You join on merit and it has nothing to do with your chequebook. (Participant 22)

The people who are there know that the people who get there is not automatic, and that to me is a critical part of networking. Because then you know there are people there who got there because of merit, because you know you can trust them (Participant 22).

c) Personal networking via organised networking forums

Organised networking forums offered an important platform for networking, where all three forms of networking (personal, operational, strategic) could occur. Participants identified an array of networking forums, including government supported initiatives, Industry events, local business groups, such as the Chamber of Commerce, as well as various communities of practice and peer groups where personal networking occurred (sometimes alongside operational or strategic networking, as it will be addressed in subsequent sections).

Government supported organisations and initiatives

Government agencies, such as Enterprise Ireland (EI), the County and City Enterprise Boards (now the Local Enterprise Office, LEO), Údarás na Gaeltachta, Industrial Development Authority (IDA), were identified as important network actors and facilitators of networking. Given their remit, these agencies provided opportunities for all three types of networking (personal, operational and strategic) through their initiatives and events.

For instance, **Meet West** is a joint initiative between Galway City Council, Galway County Council, Galway Local Enterprise Office, Roscommon County Council, Roscommon Local Enterprise Office, Mayo County Council, Mayo Local Enterprise Office, and the Western Development Commission, in association with Údarás na Gaeltachta, Enterprise Ireland and IDA Ireland (<http://meetwest.ie>). Within its main scope, Meet West is a speed-dating business networking event which aims to bring a wide range of companies together to network in a structured way, with the purpose of facilitating new business partnerships. However, beyond the structured scheduled

meetings, Meet West organises various seminars and workshops where the attendees can improve on specific business skills and meet and discuss with other delegates. Similarly, the social elements of these events, such as the reception, dinners etc. also allow for personal networking.

Other initiatives, such as **Going for Growth**, also facilitate and encourage personal networking. Funded by the Equality for Women Measure 2010-2013 and Enterprise Ireland, the Going for Growth initiative was designed to support women in growing their business. The ethos of Going for Growth, builds on the belief that entrepreneurs learn best from each other. The programme offers a unique learning environment with a peer led approach based on the shared experiences of both a Lead Entrepreneur and other participants facing common challenges (<http://www.goingforgrowth.com>).

Two of the entrepreneurs participating in this research took part in the Growing for Growth initiative and they were very positive in assessing the value of the programme. In fact for one of them, the Going for Growth programme was so inspirational, that she decided to replicate aspects of it, by setting up a network for the women entrepreneurs in her town.

I was in Going for Growth Women Entrepreneurs. It's a project with a lady called Paula Fitzsimons, and what it is, is to support women who are growing their business and to help them grow their business, so it's a whole mentoring system and after you have gone through the programme, then they have a community of Going for Growth people and they have a conference once a year and it is the best organised thing in the World, I have ever been at!!! (Participant 26)

It's a six month programme and you meet once a month for six months and you network with other women who are in business, that's how all that came about. I found that really beneficial it gave me great confidence. [...] You meet once a month in Dublin with other women in business and we had a leader at the table who was a very successful business woman and then you have all different women around the table from different businesses. The interesting thing was, it was a bit scary at the start but then you realise that everybody, no matter what business they are in had exactly the same issues and the same challenges as I had, so I wasn't anything different I was exactly the same, learnt huge amounts, gave me a huge amount of confidence and I thought this thing really works. (Participant 24)

Industry events

Industry-led initiatives were also prominent in the entrepreneurs' narratives. These included well-known, worldwide events and conferences such as the WEB summit, industry associations, such as Retail Excellence Ireland, national trade fairs and smaller-scale events. The findings show that networking is growing in importance at these events. For example, the **Web Summit** has been called "the best technology conference on the planet", however the organisers highlight networking on their webpage: "We just think it's different. Our speakers may be world class, but our networking is 'simply legendary'". (<http://websummit.net>)

Such events can be a very important forum for establishing new connections, or becoming better acquainted with peers and possible business partners. For instance, two of the entrepreneurs taking part in this research attended the Web Summit, and that was the starting point of a strong relationship.

I spotted (x) on Twitter was going and I saw that he was going and I asked him do you want to meet for coffee and so we did and we just got on really well. [...] (x) seems to know every bloody person and I say “How do you do that” but in fairness he has been in business a long time. [...] So (x) would be in a very tight circle for me. Anything (x) says, he asks me to do, I will do. (Participant 11)

Local business groups: Chambers of Commerce

While many of the participants were members of the local Chamber of Commerce and/or had attended their events, there was considerable diversity in the way entrepreneurs assessed its value. Several respondents who talked about the Chamber of Commerce had negative comments about the networking sessions they organised, questioning their value.

It’s a load of rubbish [...] you see the same old cronies sitting there and after hours business briefing... there’s a waste of time. (Participant 17)

Most (entrepreneurs) do it (networking) in my view the wrong way around. Like the After-Hours Chamber of Commerce thing – bullshit, that kind of stuff. They really don’t understand networking. (Participant 22)

I would be a member of the Chamber. I find a big problem with that, it is always full of bankers, full of plants... they are planted in there by the banks so they are not really making strategic decisions whereas I prefer to meet other business people. When you go to the Chamber of Commerce usually all the CEOs are either retired bankers, retired solicitors; they come from the professional rather than entrepreneurial background. (Participant 25)

On the contrary, others found the Chamber of Commerce very beneficial. One novice entrepreneur felt attending their events was “very good to expand (his) presence in the business community” (Participant 1). Others found it as a good source of getting useful contacts and even clients: “I actually found it very useful, found some great contacts, people that we could use down the line” (Participant 15) and acknowledged the potential value it might have for business.

(You) are certainly not going to lose business by going and you get to know people and they will give you an opportunity to quote for the business. (Participant 20)

Communities of practice

Communities of practice were also identified as a forum for personal networking. The research participants mentioned a variety of such communities, i.e. groups open to all and groups for members only, groups which aimed to provide generic support to entrepreneurs and groups focusing on specific business aspects (i.e. marketing, sales etc.).

The main purpose of these groups was to help members and those who attended, by providing them with professional advice and training, as well as with much needed emotional support.

The objective is to educate people who come into small business and don't waste a lot of time in trying to understand how you set up a small business, if you are at the early stages, [...], is there funding available, [...] something that you don't really find out until you have gone through the whole lot. (Participant 3)

General co-operation, because a lot of people have just set up or are just setting up and everyone is meeting different problems and finding different solutions and in general people are happy to chat about it. (Participant 2)

Opportunities for them to meet and be part of a community; so we tried to create through the seminars and workshops and the conference rooms here a community and people would get to know each other and support each other. I felt that was the biggest challenge for entrepreneurs, the feeling of isolation. (Participant 31)

While still aiming to provide generic support, other groups were open to women only. As mentioned in Section 6.2 of this chapter, the empirical findings revealed that the female entrepreneurs participating in this research felt that networking was more difficult for women than for men. The women only groups that the female respondents were part of played an important and valuable role in both the business and the personal aspects of their lives.

For women [...], just to meet and network and it gives the smaller businesswomen an opportunity. [...] To offer some support for the smaller businesses that was really the key because it's very isolating when you are on your own. [...] It's nice to have, that's really what it's all about... and to empower them and to encourage them to go forward and also to make them aware of all the different agencies that are out there that they would not be familiar with. (Participant 24)

Because women are doers and there are so many women in business who own their own business. [...] Because women support each other and they are honest with each other. (Including men in the group) would just dilute it and it doesn't make it special, then it's just a group. (Participant 24)

As women, is really hard, because once you build yourself up you need to go off to have kids and you need a business that can sustain itself while you're away, so I think to have the support of other people and even to be able to just talk to other people about it, really helps the business. (Participant 8)

Women only networks [...] they are very good at looking after each other just in terms of women especially. (Participant 15)

Other groups had a specific focus and aimed to help attendees improve one particular skill. For instance, “a group that only talks about sales” was set up. It had paying members and new “associates” were brought in by existing members. In this way new members were “someone that you will do business with and would be proud of” and thus the quality of members was somewhat controlled (Participant 33).

Another network, which was mentioned several times during the interviews, was a local group open to business owners and professionals, focusing on online marketing. The main objective of the group was to share best practices, exchange knowledge and to allow small business owners and practitioners to learn and use online marketing more effectively. The value of the group is attested by its rapid growth; starting with just “*five or six people*” it “*then organically grew bigger and bigger*”, showing that there are real benefits in this type of peer learning, since “*online marketing changes so quickly, it just changes by the hour almost so it’s impossible for you by yourself to keep up to date with absolutely everything*” (Participant 32). Furthermore, the open access, “soft membership” was perceived as a good approach “*to reduce barriers*” and encourage small business owners to participate (Participant 32).

6.3.2 Operational Networking

Operational networking occurs as entrepreneurs focus on accomplishing their immediate (operational) tasks and current responsibilities efficiently (Ibarra and Hunter, 2007).

The empirical data in this study indicates that

- a) Internal operational networking with employees was mostly extensive and proactive
- b) External operational networking was approached differently depending on the different network actors. It was most extensive and proactive with customers. Networking with customers was also characterized by a degree of informality. As opposed to this, external operational networking with the value chain partners was more formal and professional, particularly for the upstream partners, i.e. suppliers. Events, such as trade fairs, and initiatives organised by various government agencies were identified as important avenues for operational networking (albeit with mixed results), while BNI, a formal networking referral organisation, was described as incompatible with the more informal approach that entrepreneurs prefer to adopt in their networking.

a) Internal operational networking

Employees, management teams and boards of directors (when present) were identified by entrepreneurs as key actors in both their interview narratives and the visual/graphic representations, with evidence of extensive networking. Many of the research participants, particularly those in service industries, emphasised the role of the employees in their business to the extent that employees were portrayed as the firm’s family and even as an extension of the entrepreneur.

Everyone went out as if they owned that company so from the fellow in the store to the lorry driver, they were (me), they were (me) because I couldn’t meet everybody so they would have to represent me. (Participant 25)

It's not just me who does that; I try and get all the staff to do that so they can build up a relationship with the customers. So the days I am not here the customers still feel that there is a great atmosphere when you walk in [...] staff are included (in the network), they are a credit, I owe the staff as much of a success as I would owe it to myself. (Participant 5)

Everyone who works here wants to work here and they want to see it moving forward and it's exciting. (Participant 7)

This is the firm's family tree – all the people that work for us and what they do. (Participant 7)

b) External operational networking

Networking with customers/clients

Customers and/or clients were identified by the majority of the participating entrepreneurs as important (for some, the most important) actors in their network. There was evidence of direct, repeated interactions between the entrepreneur and the customers in both B2B and B2C contexts, including instances where the customer base was relatively large, such as in hospitality. These findings indicate that entrepreneurs purposefully choose to stay close to the customers.

I value the customers; they are my most important relationship. (Participant 16) - B2C

I become friends, in the professional way, I become friends with my clients. (Participant 13) - B2B

Customer support. I have deliberately put myself in that role; to make sure that customers are happy. [...] I think it would be crazy not to. I know them very well; everyone got a hand written Christmas card from me at Christmas. (Participant 10)- B2B

...me meeting with passengers [...], by sitting in the seat besides passengers and they would see me [...], they'd say: the guy is with us, he understands our pain [...] and I'd say: look, I understand, I'm here with you, I need to get there as well. (Participant 22)- B2C

People that come in, generally come in for a chat. All the girls here are like that, we all know our customers really well [...] you get to know them. (Participant 7)-B2C

However, there were two cases of more experienced entrepreneurs (one B2B and one both B2C and B2B), where data analysis showed a certain level of detachment between the entrepreneur and the company, and hence the company's customers. There was limited direct interaction between the entrepreneur and the customers here. This may be attributed to the more advanced stage in the firm's life cycle, where some of these roles are passed on to the sales staff.

Networking with value chain actors

There was considerable variance for networking with key actors in the value chain such as suppliers and distributors. This was also due to the type of industry entrepreneurs

were operating in, which can often dictate the role suppliers play in the final value proposition. When the supplier had a decisive part in the value proposition, as expected, the dependence on the supplier influenced a higher level of interaction between the entrepreneur and the supplier. On the contrary, when suppliers played a minor part, or had no direct influence on the value proposition, the level of interaction was often minimal.

There was enough evidence to suggest that overall entrepreneurs prefer relationships with the suppliers to be more “professional”, but nonetheless positive. This was not only seen as a guarantee for a good working relationship. Suppliers were also instrumental in providing useful (often harder to get) information, as well as spreading word of mouth.

You would hear a lot of different suppliers telling you about other people, the competitors, that they might be launching new product, they might be doing this, they might be able to open a second store, all different things.... (Participant 5)

The suppliers, I personally know them. It's always good to have a good relationship with suppliers. We'd never be demanding. I think you have to be humble in life. (Participant 7)

I would imagine that a supplier who I pay on time and I treat well is driving around in his van and he is meeting other people and saying that we are great to deal with and that's all very positive for the business, [...] it means that there is a positive vibe going around. (Participant 16)

Distributors / sellers were present in a small number of cases only, as most participating entrepreneurs were service-based and used direct channels of distribution (selling directly to customers). When present, the importance of having “*personal connections*” with distributors in order to ensure “*the right space on the shelf*” and the support required “*to push the product*” was emphasised (Participant 2).

Avenues for external operational networking

Trade Fairs and Events

Participants used trade fairs and events to showcase their company and their products and to interact with the target audience. These events were a great opportunity for the entrepreneur or the sales team to create initial contact with important stakeholders, such as suppliers and distributors, to be in direct contact with the customers and to create market pull.

People would go, “Oh that's interesting!”, to have samples of our wholesale product and obviously samples of what we do here, so they say “Cool, they have a franchise, they do this, they do that...” (Participant 5)

We will be interacting directly with the public and we'll get their feedback and chat to them. [...] we got a good chance to have face time with all the different customers, and they get to meet you or they think they know the people that are behind it. (Participant 2)

We have for example in the States [...] about a dozen people who are sale support people so effectively they are mini marketers promoting the product regionally in America [...].

They would present at trade shows and present at regional congresses [...] I don't believe you can rely on a distributor to push your product I think you have got to create pull in the market place yourself even if you don't sell direct. We spend a lot of our time working with end customers even though we don't sell to them; that's our distributors' job but we create the want. (Participant 19)

Retail Excellence Ireland have events on nearly every month, one or two a month, so we are always going to them because that's our target market. (Participant 14)

Business Network International

External operational networking can also occur within very formal structures, such as Business Network International (BNI). BNI is a business networking referral organisation, with the main purpose to generate sales for its members. While many of the participants had been members of BNI at one specific time or another, at the time of the interviews none were BNI members. However BNI was mentioned many times in the narratives and was used as a point of reference (compare and contrast) to other networking forums that the participants were involved with.

The way BNI was defined (i.e. “too structured, too pushed, too forced”) encapsulates well the formal and highly organised manner in which it operates. The formality of the organisation and its meetings may impose too much pressure on small business owners, and has been described as incompatible with the more informal approach they seem to prefer. Feeling forced to refer someone, as well as paying for referrals was a model that was problematic for most research participants.

You join, you pay your yearly fee and then you have to get people in; so you get a very heavy sales push from these people which is more selling it to you to join than to encourage you to join for the benefits of the group and experience. (Participant 3)

You go along to a meeting and this pressure was the bit I didn't like about it. [...] You have to come with 3 recommendations and somebody has to come to you with 3 recommendations so you have to work and it's every week. [...] Some people are very well able to cope with that but small operators are struggling trying to do their homework for the next week. (Participant 30)

I would always recommend somebody regardless if I'm paying for it or not and I didn't like that model; if I think that somebody is good, I would and I would hope somebody would do the same for me. (Participant 15)

We did do some BNI but I didn't believe in them, I think that they're not worth it. (Participant 9)

6.3.3 Strategic Networking

Strategic networking refers to figuring out who needs to be part of your network and how you can network with them in order to seize or create opportunities in the future and gain stakeholder support (Ibarra and Hunter, 2007).

The findings indicate that strategic networking is highly dependent on the entrepreneur's mindset, his/her ability to make sense of networks and the opportunities networking can offer. The findings illustrate that strategic networking can materialise in two ways for the participating entrepreneurs:

- a) Seizing strategic opportunities in personal and operational networking and
- b) Strategic development and creation of networks.

a) Seizing strategic opportunities in personal and operational networking

The empirical evidence in this research clearly indicates that personal, operational and strategic networking are not mutually exclusive and in practice, overlap. For example, personal networking via exclusive groups has the potential to become strategic, depending on the manner in which the entrepreneurs have the ability to leverage their personal connections and create value for the firm. In the same way, networking at various industry events, start up events and trade fairs could be regarded as operational networking (with existing employees, customers, suppliers, distributors), personal networking (establishing new connections with peers), as well as strategic networking (making contact with actors who could become partners, customers, suppliers, distributors, supporters etc. and help entrepreneurs achieve organisational goals). For instance, the social segments of an event, such as receptions, dinners etc. could be a chance to gain access to decision makers whom entrepreneurs might not have met during the official event.

At every event you have receptions and the receptions are part of networking. So the way you organise your networking during that is up to you. [...] So you can have it in your head, I really need to meet x because I have no appointment with her, or y because he has no time to meet me ... you need to be meeting the decision makers. [...] For example, in Japan, (at the actual speed-dating event), sometime you would meet what we call the "tea lady", or you meet a councillor who has arrived in the company 6 month ago, and it's not satisfactory to meet them because they can never decide, are they going to represent you or not. So your social networking is allied to what you have done in the morning, and we would plan. (Participant 26)

Another way in which personal and strategic networking overlap became obvious in the way in which the participating entrepreneurs used the Irish heritage in international contexts. Being Irish opened doors with other Irish people or with individuals with Irish roots. The Irish background also seems to add to the personal brand of the entrepreneur, suggesting fun and easy-going characteristics, which although stereotypical, seem to facilitate networking and build a positive image.

I spoke with twenty five Irish business people in Dubai and I will do huge business there, they are very wealthy, they love what we do, then I ended up getting to the Burj Al Arab it's about €300 for afternoon tea, everything is gold leaf and I didn't pay a penny because we got to meet (two names) from Achill Island and from Galway, we were in that hotel for three days. [...] it's not that I'm any different or they're any different but they are at a high business level and it just opened doors for us that would have never been opened or taken years to open. (Participant 34)

I used a little bit of leverage from the Irish network out there (the US) to talk to people who were just in the same game but playing at a different speed to what we were. [...] So leveraging the Irish connection into the US and the Irish historical past, which nearly everyone has and they all want to talk about it. That type of a network we have which is invisible which we are just lucky to have, we did play on that a little bit to get a meeting. (Participant 10)

To a degree you play the old, Irish people are friendly and Irish people love drinking so when I went to visit Germany two weeks ago, the lads are like, hey the Irish guy, so I come over and I'm just full of chat and I remember getting on the plane and I was absolutely exhausted and the two lads were there and I remember just before the doors opening and the switch going off in my head, go super (me) and I just came running out saying, "How are ya lads, how are ya getting on?" even though I was absolutely tired, I didn't really want this but I felt I had to, to play up to this Irish thing because it would help me in the long run. (Participant 10)

Another example is networking with competitors. The empirical data showed that in some cases the interaction with competitors went far beyond industry events and trade fairs; some of the entrepreneurs who took part in this research spoke about closely networking with competitors.

Networking with competitors implied sharing information, asking each other for advice or help, referring customers to one another when they couldn't do the work themselves and even coaching each other (forms of operational and personal networking). As well as that, competitors were entering joint projects, where neither of the individual businesses would have the necessary resources to secure the work on their own, or in cases where greater benefits would result because of the collaboration (strategic networking). For example, one participant didn't even like the term 'competitors', preferring the term 'colleagues', which also encapsulates the collaboration element.

Some people would call them competitors but I don't, I call them colleagues [...] because of the relationship that I develop with them. [...] I believe there is enough work for everybody especially if we work together. So these guys here, I have done many projects with these guys, we would collaborate and if we didn't collaborate, we wouldn't have got the business, none of us would have got the business. So I meet these guys for coffee next week, one of them, he's a peer coach for me, so we coach each other and we are going to spend a day next week together to coach me. [...] And these people...I would occasionally meet up with them, what you are doing, you know, share, pass information, contacts, that type of thing, events that they are going to... (Participant 13)

Even though we would be pitching for businesses against each other, I would have such a good relationship with (x)...in business some competitors would try to put down the other guy, I would never do that. On the long term it's more beneficial; these guys would see you are a competitor in one sense but you are also an ally to have. So I could ring (x) for advice. (Participant 21)

I see I have more in common with them (competitors) than I have with anybody else [...], they understand me better and I understand them, [...] I admire them and I understand how much work it takes to get there and I wish them all the best and I know they wish me all the best too. (Participant 13)

b) Strategic development and creation of networks

The findings also revealed several strategic initiatives undertaken by entrepreneurs to develop and create networks, including: auditing networks, engaging in vertical networking, leveraging networking intermediaries, borrowing social capital from existing connections, organising events and creating new networks.

Auditing networks

Experienced entrepreneurs took an analytical approach to developing networks. This was based on auditing existing relationships and identifying and pursuing key connections in the industry and related business spheres so that business goals could be achieved.

You have to be careful to network and make linkages with those who in a symbiotic way can work most effectively with you and you can both benefit from that collaboration. So it's to find the network that works best with you. Networking for me... there's two important parts to it, it's about building relationships and it's about collaboration. (Participant 17)

I look at developing networks. And say: whom do I need to know? What kind of network do I need to create? [...] When I start a new business in a new industry, in an industry that I am not totally familiar with, so I follow my own little golden rule. There'd be 5 and no more than 5 key people that I need to know- and I need to know them well in each industry. Well enough that they know me well, they know how I think, they know how I act, they can trust me and believe me, and they understand my vision and my strategy and I understand their vision and their strategy. (Participant 22)

Horizontal and vertical networking

Developing and expanding networks was an important goal for many of the participating entrepreneurs. A common theme throughout the interviews was the idea that networking is easy when it “*happens on a level playing field*” (Participant 33), or horizontally, among peers. However, horizontal networking is limited and limiting; growth-oriented entrepreneurs felt that they should move outside this comfort zone and engage in strategic vertical networking.

The danger I see of networking, the mistake is the low hanging fruit. [...] I've been doing this for fourteen years, I'll meet (x- name of small firm) but I should be meeting (y- name of large firm). We tend to go with the low hanging fruit, the one that doesn't challenge us, I'm very busy... all these appointments as opposed to the more... well, if you really are serious about what you have to offer go out there and play with the big boys and the big boys are probably more receptive, first of all because they admire someone who has 'the cohanes' to knock on their door but also they are less inundated [...] so it's all about focus [...]. (Participant 17)

Part of what I do is the conversion rate; I would prefer to speak to individuals that are likely to get some sort of response or referral or would know someone that will help me, get some sort of a result. [...] I would say who is serving this industry and form a relationship with them and let's start the ball rolling because once you have a

relationship all you need then is proof of concept. Once you show them proof of concept and that you are doing what you are saying, the rest will look after itself. (Participant 14)

The big problem is when you're starting off in business, it's really, really hard to network with key decision makers, because one: they keep you out because everybody is trying to get at them and secondly you really got to prove yourself. You got to say: I'm entitled to be at the table. (Participant 22)

Leveraging networking intermediaries in government organisations

Other respondents identified proactive efforts of maintaining relationships with individuals working in government organisations as a base for network development. Several entrepreneurs made a conscious effort to proactively manage and nurture these relationships, because of their possible future potential.

Organisations like EI, Enterprise Ireland, IDA... I have a meal tonight with IDA people coming in from San Francisco. I shouldn't need the IDA but I work away with my reasons of why they should need to talk to me. [...] Enterprise Board, I will meet the main person in there for breakfast once every two months with no agenda. I do things like that and I do trips to the States and do the same thing in San Francisco. (Participant 12)

As things were starting to take off, the Enterprise Board came along and they gave us a grant, they gave us about twenty-two K. We are at a point where I love hanging out with them and chatting with them. They don't help me now with funding but we have chats and it is good to maintain that. (Participant 10)

I would speak a lot with (x) inside the Enterprise Board and she would give lots of other names contacts. It kind of tends to jump from me from one person to the next particularly if you had a good experience with someone you tend to trust their recommendation of another person and I found that's how it worked for me. (Participant 6)

So the first one is Galway Enterprise Board and Kilkenny Enterprise Board. Not only have they been helpful in their own expertise but also they would have introduced me to mentors who could help with certain areas of the business. (Participant 6)

With Údarás... we would have a closer relationship with the Údarás, I would know (x) in the Údarás quite well, we haven't really done anything with her this year but most years there would be something. (Participant 23)

Borrowing social capital from existing connections

Introductions were a significant element in developing networks. Introductions work as badges of guarantee and the individuals making the introduction become connectors. While they have to be earned, introductions are “a way in” and can help entrepreneurs gain access to higher level networks or actors who could be otherwise difficult to reach, but are instrumental for the achievement of strategic goals. Introductions and “leveraging off someone you know” were particularly important for the less experienced entrepreneurs. Several participants spoke about actively scanning their existing networks for connectors who could act as bridges to individuals or groups they wanted to gain access to.

Your network knows you have a track record and they are more likely to lean on you the second time around. I use my NUIG network to build my CB network and I use my CB network to build my EI network, as things got bigger, a lot of people talk about going to San Francisco, it is Mecca for us, it's where we'd love to be, the problem is I know no one in San Francisco I have zero network and it's very hard to penetrate there, you're like everybody else. (Participant 10)

So George is the head of this (The Innovation Centre) and he's introduced me to staff from GMIT. Just last week I met with again another software developer mentor. (Participant 6)

I went kayaking with (x) for years, in Garvey's; my Dad would know Terry for a long time; in the Huntsman one of our friends lives beside his mother and knows him well, it's that kind of thing which just makes it easier to meet them the first time, having a reference. (Participant 2)

It's all through networking, but it's indirect networking... I would leverage off someone I know and I say could you get me an introduction or can you give me an email. [...] You can't just plant yourself in. If you have an introduction, you're fine. (Participant 9)

I have a massive network of people that I can leverage off for different things. (Participant 9)

Maintaining the relationship isn't a problem at all. No, once we get in the door we're fine, it's getting in the door is the hard part. [...] If you don't have the network yourself, there are people who have great networks that you can actually sit down and talk to. (Participant 17)

The most successful networks are what's called loose tie networks. [...] It happens where we know somebody that knows somebody. (Participant 18)

Deliver to the last network and get the last network person to introduce you to the next one, even if it's a competitor. (Participant 25)

These connectors were also extremely important for those entrepreneurs hoping to penetrate international markets. One participant went on to describe how a peer has succeeded in San Francisco by building his network first, a strategy, which he was considering himself at the time of the interview:

There is a lot of pressure on us to go over to San Fran and take on the world. The reality is the only way for us to do that is, unless you have a network, is to go to pitches, it's a lottery, do you say the right thing on a certain day, do you phrase in a certain way, I am not really into that, it wastes a lot of time. So you are leaning on a network that you have to give you some introductions again, when you are over there. (Participant 10)

Rather than jumping on a plane and going over and hoping to make the best of it, he went to San Francisco for two years just to build his network, to walk around and meet people, talk about what he did, not looking for you to give me anything, not looking for an investment, just to have a beer, let's talk and maybe I can help you out. He built his network for two years and then he decided to build (x) and using the network he acquired over that two-year period he was able to go and do it. If I was going to do that, that's probably what I would do, something similar. [...] You are spring-boarding. (Participant 10)

Similarly, introductions and recommendations work as screening devices. Entrepreneurs rely on introductions to allow new entrants access to them or their own network.

So the reason I would do business with somebody is because somebody who I really trust, who I know won't screw me or take advantage of me and who knows me, would say: "I used this person for such and such, they were really good, I was really happy with them, and if you want to I will connect both of you together". I then form my own judgement, but that creates a network, it doesn't necessarily mean that I'll do business but it creates a better possibility because I got independent verification of somebody I don't know, from somebody I trust and somebody I believe in. You use your exiting network to create business. (Participant 22)

Yeah, I always find the 'aul introduction'... Your email came through and I said who are you and I haven't time for this [...] but as soon as (x) does some kind of an introduction I trust (x). (X) trusts this person, so therefore, by association I can trust you and therefore I will. That's why the 'aul introduction' because they do a representation on your behalf, I think is valuable...(Participant 10)

Organising networking events and creating new networks

The capacity in which an entrepreneur attends a particular event can also present considerable strategic advantages. For example, the value that comes out of attending a start-up event depends on the role in which one participates: pitching entrepreneur, mentor, or judge. When joining these events as mentors and even judges, and thus becoming part of the fabric of the event itself, entrepreneurs gain immediate entry into higher-level networks. This boosts their reputation and affords the opportunity to talk 'as equals' to people who would be difficult to access otherwise.

I said I want to be a judge and they gave it to me, it's usually the VC guys who are judging so it puts me in the mix with them, I am now parallel to them I am not talking to them in a different way I am talking to them as somebody on their level. That's the way I thought of it, that's networking, that's me making a decision not to be somebody out there helping these guys do it but to sit on the level of the judges. (Participant 12)

With the Start Up weekend they asked me, did I want to be a mentor, I have already been a mentor at the Google offices in Dublin and my own investors invited me to Dublin a few weeks ago to sit beside them assessing another idea, so that's great... I am sitting on the side of the assessors. (Participant 12)

One of the judges was from an investment firm called FrontLine VC and afterwards I was able to talk to him and say I am a mentor and give him a quick pitch and he would listen to me because I was a mentor. (Participant 10)

The most proactive form of strategic networking occurs when entrepreneurs take it upon themselves to set up a group or to organise a certain event, in order to create or seize networking opportunities.

For instance, one entrepreneur described how he decided to create an international forum to bring together experts and practitioners in the field of his work. He has thus created a weeklong conference and a network that was still in existence at the time of the interview (several years after the conference):

At the end of that I was interested to do something radical with it, use it, so on this community website I put out a call would anybody like to get together in Ireland for a week to do kind of implementation factors. So 18 people from around the world came and spent a week together. So there is that network and I'm still in touch with all of those. (Participant 13)

Another research participant, a female entrepreneur decided to set up a women only group after attending the Going for Growth Programme. Being inspired by the positive results of networking, she decided to set up a group in her local community.

[...] learnt huge amounts, gave me a huge amount of confidence and I thought this thing really works. We have a lot of women in business [...] So we started with the business owners and we invited them here [...] Everybody came and met and just bring their cards and just to meet and network and it gives the smaller business women an opportunity because when you are working from home and you are on your own it can be very isolating [...] "Come up to me and we'll have tea and maybe I can lead you in a particular way". (Participant 24)

Another example is of a proactive entrepreneur who saw great value in organising or being involved in the organising of events on the local and national business scene. He saw it as a great contributor to his personal reputation, which in turn affects the standing of the firm.

I brought (name of event) to Galway and I was the one who initiated (name of another event), I usually initiate these things. [...] it would be something I would do anyway. [...] From PR, it puts me in a certain position when 200 people turn up and they see me on the other side of the table. (Participant 12)

6.3.4 Principles of Effective Networking

As entrepreneurs described the ways in which they network, they also made reference to the rules of thumb they applied or aimed to apply when networking. These rules or 'principles' of impactful networking were more obvious in the narratives of those entrepreneurs who took a more proactive and considerate approach to networking. These findings were supported by data from the interviews with those who organise and facilitate networking.

The findings around the rules that govern networking 'best practice' are significant and can be seen as guidelines for those entrepreneurs new to networking, or for those who are sceptical or unsure about networking. This data also supports the findings presented in Section 6.2 on the role of the entrepreneur's mindset and human capital in the development of entrepreneurial networking capability.

The 7 principles of successful networking that emerged from the data are:

1. Challenge the fear of networking
2. Target networking events and opportunities
3. Embrace serendipitous networking
4. Assign time for networking

5. Become a better networker by networking
6. Nurture relationships, don't focus on outcomes
7. Be a "go giver" – embrace a Karma philosophy

These principles are explained below, while relevant examples from the data are provided in Table 6.5.

1. Challenge the fear of networking

Perceiving networking as difficult was identified as a networking demotivator in Section 6.2 of this chapter. Thinking that networking is something 'uncomfortable', 'awkward' or that it requires special 'talents' obviously intimidates and reduces entrepreneurs' propensity to network. Several respondents addressed the issue of challenging their fear of networking. For successful networking to occur, entrepreneurs must first have initiative and put themselves 'out there'.

2. Target networking events and opportunities

Entrepreneurs should carefully, deliberately and purposefully choose, target and create networking opportunities. A proactive networker sets goals and objectives, has direction and a course of action in the way he/she thinks and does networking. For successful networking to occur, entrepreneurs should do a bit of homework, be knowledgeable and demonstrate respect to those they meet. The focus should be on the quality of connections, not on quantity.

3. Embrace serendipitous networking

Entrepreneurs should embrace serendipitous networking and seize chance opportunities. For serendipitous networking to occur, there has to be an element of proactiveness, rather than reactiveness, in attitude. Being open to fortuitous meetings, thinking that networking can happen everywhere, seeing each introduction as an opportunity is a state of mind. Even if the benefits are not always tangible and immediate, serendipitous networking can render benefits.

4. Assign time for networking

In order to benefit from networking, entrepreneurs must realise the potential that networking has. This implies creating an environment conducive to networking, where networking for networking's sake is not perceived as a "waste of time" but is culturally acceptable at organisational level. Planned or serendipitous, entrepreneurs will have to purposefully allow for time to network.

5. Become a better networker by networking (learn by doing)

Networking is a skill, and like any other skill it can be learned and perfected through practice. Simply, this means that in order to become a good networker, someone has to

network and keep networking. Good networking starts with motivation, confidence and good communications skills, which attract interest and engage others.

6. Nurture relationships, don't focus on outcomes

Networking that renders results has a long-term approach, and entrepreneurs should always nurture the relationship, as opposed to pursuing an outcome. This is particularly important in the context of networking for small cash-constrained firms, where a focus on immediate sales can be a dangerous attitude, which can destroy a relationship before it starts. Opportunistic behaviour is usually spotted and reputations altered. Entrepreneurs should be authentic and have a genuine interest in people. Listening has been identified as an essential component of successful networking and for establishing trust. Networking is a long-term process where the benefits may not be immediate; it is rather an investment for the future, a deposit in social capital, which can be cashed in at a later stage.

7. Be a “go giver” – embrace a Karma philosophy

Real relationships are based on openness, honesty and generosity. Relationships are mutuality beneficial, but not a direct exchange of favours. Good networking starts with giving, as opposed to asking or taking. Good networkers embrace a Karma-type philosophy. The ‘givers’ gain’ was emphasised by several participants during the interviews and phrases like *‘it will come back in spades’* and *‘if you give, you will get’* were common in the narratives. However, reciprocity is not overt, but implicit. For instance, one of the ways in which individuals can help those in their networks, and thus strengthen their own relationships, is by becoming connectors and introducing trusted actors to one another.

Table 6.5 Principles of good networking

Principles of good networking	Relevant examples from the data
1.Challenge the fear of networking	<p><i>There's no point in going to a networking event and sitting in the corner and hoping to God that someone will come over to you. You have got to push yourself out there. (Participant 24)</i></p> <p><i>I walked past him and I said "Why are you walking away you need to talk to this guy?" and I said to myself "I'll see him later"; there were thousands of people there so the likelihood was that I wouldn't but in my head the lizard was saying "Don't go there, you are out of your comfort zone." I turned around and watched him, big tall German, bald head... "what do I say to him, I have one chance, the pressure is on, if this works out it could be the future of our company". The pressure is on. [...] I spent a good hour and a half following him around, stalking him literally around the Web Summit as he went along and looked at all of these other companies and I just couldn't bring myself to get up and talk to him. I said (to myself) "What are you at? This is ridiculous. You have to get up there and talk to him". There was no way I could come back to this office and talk to the guys who would said "Did you meet anyone?" knowing that I had a chance to talk to this guy and I didn't, so I decided forget about the fear [...] so I ran down the middle and I said (to myself) "just stand in the middle and as he comes towards you look straight at him, look him in the eye and talk to him". (Participant 10)</i></p> <p><i>We used to take part in BNI networks and I used to go to the meetings in the early days and you had to stand up and talk, it was really tough, you get over those things when you are getting the business off the ground. (Participant 20)</i></p> <p><i>It's quite nerve racking when you first do it but just listen to what people say and introduce yourself and bit by bit you get to know the local business community and if you follow up and keep in contact they'll be there at the next one and that makes it a bit easier. (Participant 15)</i></p> <p><i>I think they (entrepreneurs) need to put themselves out there [...] I think an important part of the networking is to engage and not just to stand back in the corner; I think the entrepreneurs would get more value if they engage too because they're might be small even extra snippet of information they get from people by saying something about their own company and it just leads to another discussion that leads to another discussion. (Participant 32)</i></p> <p><i>A lot of networking is about treating people as you would like to be treated. (Participant 6)</i></p>
2. Target networking events	<p><i>It's a challenge for a business owner because they have a particular view on networking, quite a narrow view. What networking you are doing? They think Chamber of Commerce, associations and stuff like that. Because it's that limited view, then they feel obliged to do some</i></p>

<p>and opportunities</p>	<p><i>networking and I need to go to Chamber of Commerce on Thursday night, but they hate it and it just really doesn't work for them. (Participant 13)</i></p> <p><i>You have to pick and choose [...] people who are really, really good they're busy so they tend not to have huge amounts of time for wandering around. (Participant 10)</i></p> <p><i>When I started networking first I was going to events, five days a week. I realised that some of them were pointless. I know now when I go to networking events I know what I want to get out of it. [...] I don't think it needs to be totally planned but it is important to have an idea of what the event is and if you can see who is going to the event and if it is someone in particular you would like to talk to. (Participant 1)</i></p> <p><i>(I network) strategically. I don't go to events unless I know there are people that are either in my target market or it would serve my target market. (Participant 14)</i></p> <p><i>I think they (networking behaviours) are very considered. So I think about them, I don't do them without thinking about them so in that case they are planned. And then you know, I'll think about making contact with so and so and then I'll put it in my diary and I'll do it and follow through it so they are definitely planned. But not in a sense that they...they are not a document anywhere planned. [...] Certainly not random. (Participant 13)</i></p> <p><i>I think you have to target the events you go to. (Participant 28)</i></p> <p><i>I would probably be a little bit more strategic than others; I don't know whether to call it strategy or effort. Strategic is planned whereas effort is something lands on your plate and I made an effort to get involved whereas strategic would mean that I would look for some things like this to join. There are 3 levels, strategic, effort and no effort and I am probably in the middle but sometimes I could switch into being strategic. (Participant 12)</i></p>
<p>3. Embrace serendipitous networking</p>	<p><i>You never know who you are going to meet. I don't know if I can help them or they can help me. (Participant 15)</i></p> <p><i>I remember last year I was asked to go and play a game of soccer [...] I got the bus up in the morning, I played five-a-side soccer and I came back down that evening. I was wondering why did I do that, so at that event a guy came up to me and said "Hey we're running Start-Up weekend, we're looking for mentors", I said, "Great, I'll do it". Out of that I got the chance to be a mentor at Start Up weekends so I went along and did that and then I extended my network more. I started off playing soccer and I got this chance and then I got the next chance so, there was something ...that was Wow, that would not have happened. (Participant 10)</i></p> <p><i>When you go into a room and talk to people you might make an initial connection and then down the road you might find that you can do business together (Participant 1).</i></p>

<p>4. Assign time for networking</p>	<p><i>My role as the MD is giving active space to networking with the key decision makers in the relevant organisations that will come through here from the lines of action from me. (Participant 17)</i></p> <p><i>Time I suppose. They (the entrepreneurs) have to make themselves available, they have to go to events. Start-up businesses have limited time and they work very hard. [...] So maybe they need to put aside some time. (Participant 28)</i></p> <p><i>Long-term view, I think long term is very helpful; it takes the pressure of you. A lot of networking is short term and there is a pressure on people and I need clients today and I need customers and I need to go out and it's all this tightness. I cannot meet you...if there was something, a reason for us to meet and I could say 'you know, something might happen over the next 2 years' and that's great and if it doesn't that's fine. [...] Attitude, yes. (Participant 13)</i></p> <p><i>Sales is not this one big day were I meet you and I tell you everything, it's actually building trust between us so it's tiny little nudges. I would speak to a client on the phone, meet them, all those little things help it and that is the same way with networking and building trust, I believe if you do all those little nudges. Sometimes there is no end, but there are circles anyway, I don't go into the circles of people that are knitting and hope to get something out of it except maybe a jumper that I don't need. I go into the circles of business. (Participant 12)</i></p>
<p>5. Become a better networker by networking (learn by doing)</p>	<p><i>Everyone has the ability to network and to develop some outcomes that are of benefit to the organisation. (Participant 17)</i></p> <p><i>I think it's a skill, there's a series of skills you can learn, you need to be motivated, you need to have a reasonable amount of self-confidence. (Participant 34)</i></p> <p><i>(It) is pretty important when you are in business, to be able to stand up to anybody and say this is who I am, this is what I do are you interested in doing something together and learning that tool is like gold. (Participant 33)</i></p> <p><i>The other is confidence; I think it's a huge skill or quality. To have the confidence to ring up the president of Ireland of whatever, which I did before. (Participant 13)</i></p> <p><i>You have to be open, be confident. You talk about yourself, talk about your business and be open to what people are saying to you. (Participant 1)</i></p> <p><i>...a lot of that is confidence, it comes with age and thinking let's go for it, this is my opportunity, so just get off your butt and do it. (Participant 24)</i></p> <p><i>You have to have confidence in your own ability, confidence in your product or service, you have to be well able to meet somebody, sit down with somebody, talk through it not be fidgeting. Some people are very shy and find it very difficult, it's like going into the mirror and</i></p>

	<p><i>talking to yourself, reading the spiel and you understand what you are going to talk about. (Participant 31)</i></p> <p><i>Good communication skills, being able to talk to people and approach them in a naturally way without being intimidating and just being friendly and co-operative and interesting. (Participant 27)</i></p> <p><i>I have a really good system when I meet somebody, as soon as I've met them if I said I would do something I'd write that thing on the back of his business card and then what I would do is the next day or evening I would email them and say lovely to meet you. If I had a really good experience with them I actually write a thank you card, saying it was nice to meet you, it would be lovely to meet up with you again and discuss whatever we were talking about. So I think it's quite important because it sticks in someone's mind and no one gives tangible stuff anymore, all emails. As soon as I get home or the next day, I send them whatever I send them. (Participant 15)</i></p> <p><i>I have always been keeping notes on people, if you said your husband was Tom I would actually write that down, the next time I was calling you I mightn't remember some things but I would say how is Tom and I am not very good with names but I am very good with remembering all the other details, where you are from and your hobbies (Participant 12).</i></p> <p><i>You must follow up with these people you have said you are going to send them something, you do everything you said you were going to [...], you are keeping them fresh in your mind, you are letting them know, I'm here, I am still trying to get to talk to you, I am not forgetting, I did say I would do such a thing or you said you would do such a thing for me and I am still waiting for that. (Participant 30)</i></p>
<p>6. Nurture relationships, don't focus on outcomes</p>	<p><i>There is a great tendency in networking that people talk too much. (Participant 34)</i></p> <p><i>I would say listen is the most important part when you are talking to people, that you at least listen to their name or you at least find out what they are doing. And if you show more interest in what they are doing, you'll get your turn eventually; I would find it a better way of doing it and use your ears and mouth in the right proportion. (Participant 14)</i></p> <p><i>Being a good listener is very important when you are going to networking events. (Participant 1)</i></p> <p><i>I would say first of all they have to think outside themselves and try to be interested in the other person genuinely and find out more about the other person rather than trying to tell everything about themselves see what's interesting about the other person. So that when they form the relationship they know about this person, what their interests are, what their business is about, what their hobbies are, what their skills are, then they can talk about their own after. (Participant 31)</i></p> <p><i>(Networking) needs to be soft, natural, it needs to be relationship building. (Participant 33)</i></p> <p><i>I think you kind of have to accommodate what it is the other person is looking for as well and it may not always be an immediate win, but it may be in a couple of months time or down the line that that person may be a useful contact to you, so I don't think you can go in with the</i></p>

	<p><i>idea that it is going to be something like making a sale. (Participant 28)</i></p> <p><i>If you are running a business and... I need to have x amount of customers, to do x amount to pay the bills but I have to go to these events, I have to keep my name out there, my face out there and people are just doing it for work, I think that can be soul destroying, it's hard. (Participant 29)</i></p> <p><i>I say to entrepreneurs who have difficulty with cash flow it is so important that you don't come across as desperate that you have to get this job because people sense that. I say it's the relationships that you need, not the business, the business will come after the relationship but don't go after the business straight off because you are only going to turn people off. (Participant 31)</i></p> <p><i>There is no point in meeting someone when you want them, it seems really mean. It's more important to do it when the business doesn't require it. You build a relationship of trust. If I ring up somebody on business they will only feed me the line. You have to keep talking to people on a weekly if not daily basis. (Participant 25)</i></p> <p><i>I don't do it in a hard fast way [...] Some people do the exact same thing for networking (as in America) but in Ireland we don't, we do it a little bit more ad hoc, we go to a thing we don't systematically assess everybody that is going to be, walk up to them, give them an elevator pitch, leave them with two cards so they have one to give their friends, there's a way of doing that. (Participant 12)</i></p> <p><i>So snakes in suits... I have come across people who... one of my strongest attributes and hence one of my greatest weaknesses is what you see is what you get. I'm a very, very open person. And that's good for networking in most cases. But there are people who exploit that and take advantage of that quite easily. And some of these people will really, really screw you and you have to be really careful of them. There's a small number of them. (Participant 22)</i></p> <p><i>An entrepreneur will see through bullshit very fast, they don't mind a sales man but you have to be able to deliver, they will dismiss you very fast if you are not, they will give you an opportunity, but if you take advantage of them or try and fiddle them or take money off them they will walk on you. (Participant 25)</i></p> <p><i>We all know people that are takers and I don't think anybody likes a taker so it's important that there is a reciprocal side of stuff. (Participant 21)</i></p>
<p>7. Be a 'go giver'</p>	<p><i>Networking will only be successful if you have an attitude of abundance as opposed to scarcity. (Participant 13)</i></p> <p><i>The quality of the people, the connections that I build is directly related to the energy, the excitement and the inspiration that I give off to other people because then they actually want to form because they want to suck some of the energy out of me, they want to learn something from me. (Participant 10)</i></p>

I think it's important to be...to not be contacting them when you have the need; contact them and put information their way or opportunity their way when for no other reason. And I think that really helps develop a relationship. (Participant 13)

I believe totally in karma and serendipity and that if you just start talking to people, good things come out of it, not always good things but things come out of it. [...] I have no problem asking people because I am good at giving and when you are good at giving you have no problem asking. I know people well enough I connect well enough that I can ask them about how you did this and what's best and I don't want to make the same mistakes. (Participant 12)

The best form of networking is to give first. And then you always receive. And you are not giving because you will receive. You don't know where the receiving will come from, but you just give. You give yourself or your time, your chat, your expertise. (Participant 26)

The big thing I believe in the more you put out there the more that comes back or the message you put out there comes back. The Law of Attraction is probably the biggest influence, if I help ten people sooner or later I am going to have one hundred people coming to me, if I do charity work it's going to come back, everything is cyclical. (Participant 4)

I am a great believer in two things, what goes around comes around and people buy from their friends. [...] It's a reflection of how you treat people and yourself, if you are not good with people you deal with that will follow, what goes around comes around. [...] I don't like to leave bad things behind me so if I do a bad job that will follow me around. I think if you do a good job for somebody they will only speak tenfold about you. (Participant 3)

The people that do succeed are the people that succeed in terms of a holistic succeeding, not just being money grabbing. People give back, it's really important to come to network with the view 'what can I give' because it is essentially a free process. Not to be selfish and come in grabbing everything for yourself and the people who do that will eventually be ousted in the end. It's all about givers' gain. (Participant 29)

It (networking) is a two way process, I think initially if you are looking for something you have to know what you can give in return. (Participant 29)

Everyone has something to give and I guess it's figuring that out. It's not even forced give and take, it's more organic. [...] You give of what you have, your expertise if you have any in a particular area, you're willing to give advice, if you could be of service and it's reasonable you do it; for me it comes back to relationships, there is actually a genuine feeling of wanting to help the person, it's not just about what's in it for me, you build a relationship with this person or entity and you know they are going to look out for you and in return you are going to look out for them. It's like a friendship almost. (Participant 6)

It's not about just what you can get, it's what you can give as well. I have done a lot of side work helping people starting up business,

giving advice to them, but you learn so much from other peoples' mistakes. That's a real key part of it. (Participant 1)

Like I said it's a two way street, and I would absolutely go out of my way to help somebody if I can and I would like to think as well that they would do the same for me [...]. I am helping you with this, you help me with stuff and again it's not done in any kind of qui quo pro kind of way, I am doing this because I want to be able to help you if I can and I know if I ask you for advice on something.... (Participant 21)

I have helped an awful lot of people, it comes back in spades. (Participant 9)

I don't think twice about...if for example you were offering services and I know somebody who needed them, I'd go out of my way to help you because I believe in Karma... (Participant 13)

I make a conscious effort if someone, if I know someone else can help them in an area that I can't, definitely, all you're doing is reinforcing, and you're just building a relationship with that person. (Participant 17)

It sounds very business like and very professional, and very focused, but I think all the time you are thinking: "what can I, not so much what can I use, why is that not an opportunity for somebody, or an opportunity to help somebody" ... there is always people you know. (Participant 26)

I just left Supermacs I was with them and we had a farmer out from Roscommon who produces burgers and I brought him into Supermacs, he wouldn't have a hope of getting in there only for me...(Participant 25)

6.3.5 Online versus Direct Encounters

Digital media and the advancements of technology in recent years have had a tremendous impact on the way people network. The very name of “networking sites” sums up their purpose and indicates that networking has taken a whole new meaning in the age of social media. Comparing online to direct (face-to-face) networking, two aspects reiterated in the data: a) younger entrepreneurs are more active online and b) online networking comes second to direct networking. These are further detailed below.

a) Younger entrepreneurs are more active online

Firstly, while all of the participating entrepreneurs had profiles on online platforms, not everyone assessed the potential and the value of online networking in the same way. Findings show that the intensity of online activity differed across the participating entrepreneurs. The younger entrepreneurs used the online avenues extensively, while their more senior colleagues seemed unsure of the value they provide.

b) Online networking comes second to direct networking

Secondly, there was consensus in relation to the fact that online networking comes second to direct personal networking. The participants emphasised that face-to-face interaction is more valuable than virtual communication and that technology and online channels are not a replacement for direct contact. While online contact, such as sending or accepting an invitation, was perceived as being much easier than doing the same in person, meeting someone face-to-face has a more significant impact on the future of a relationship. The general belief was that, while the initial contact is facilitated by online platforms, real connections need direct interaction, as illustrated in the empirical evidence below.

(Online) It's handy because you get to know the names but then to actually make it worthwhile you have to meet them [...] Because I know what the person looks like at the other end of the phone and he has met me. (Participant 2)

People remember you more if you meet them [...] When you're doing online chat you are saying stuff that probably you wouldn't necessarily say on face to face situation which is not a good thing, you can become too friendly; I think you have to make sure you are professional. I think there is more value face to face than online because it's just so easy because you just click and accept someone on LinkedIn; it is harder obviously to talk to someone. (Participant 15)

Much networking is done online but at the end of the day it is about human relationships, we are social animals. [...] I get to know people personally. Virtually, they don't last, somebody might contact you on LinkedIn, but they don't last. (Participant 29)

It's nicer to network face to face. [...] I think when it comes to customers, it has to be face to face. (Participant 28)

The face to face, putting a face on somebody means so much. You will always remember and you are making a connection. (Participant 30)

Main advantages of online networking

The data indicates that online networking provided three main advantages to entrepreneurs: a bigger voice/reach for customer interaction and engagement, an accessible method for conducting research on (possible) contacts and an easier option for initiating contact.

Customer interaction and engagement through social media platforms, such as Facebook and Twitter, brought significant advantages to entrepreneurs by providing them with a bigger reach and share of voice. This was particularly significant for businesses targeting international and geographically dispersed segments.

I had thirty thousand people on Facebook before I had a member of staff. [...] (now) I have sixty thousand people on Facebook. (Participant 4)

I was a small business. I wanted to increase my sales so we pushed it out on to Twitter. [...] Twitter is a bigger voice, than me just shouting in a pub. (Participant 12)

We use Facebook in a way that's not just about promoting business but also about sharing. (Participant 6)

Our Facebook page we use a lot for marketing, so people know what we are doing. (Participant 8)

We have a very active Twitter stream, we have a very active Facebook, we have LinkedIn profiles. (Participant 18).

We do update our Facebook page, and we do update our Twitter. I don't think they are huge in terms of getting business but in terms of just our brand. (Participant 23)

The participating entrepreneurs further identified **research and initiating contact** as other significant advantages of online networking. The online platforms were identified as a great research tool and a source of information. LinkedIn in particular was reportedly being used for researching individuals before meeting them personally. There was general consensus that 'doing your homework online first' makes face-to-face meetings easier and more productive.

Similarly, participants underlined the ease of initial contact through online networking, when compared to the 'more difficult' face-to-face equivalent. Networking online eliminates the difficulty that some individuals may experience in direct social contexts. Furthermore, online platforms offer a flatter ground for networking with easier access to individuals and groups, which may be difficult to get to in person.

It's much easier (to network) virtually, it's quicker, you can hide behind it, especially if you are a shy person, which can be a benefit. (Participant 15)

Well I use LinkedIn to open up doors, if it needs be. If I don't know someone and I want to connect with them I'd use LinkedIn, I'd introduce myself and get work. [...] I'd use LinkedIn to open up doors any day of the week. (Participant 9)

(LinkedIn) is a good indicator about who you know in business and what connections you may have already through somebody. It's a great research tool. (Participant 3)

I also have saved searches on my LinkedIn so we, at the moment, we are targeting HR managers of tech companies, when someone new comes in I kind of interact with them or I keep that search saved until we are ready and go and contact them. (Participant 15)

This morning before you came in we spent the morning going through all of our old clients and all of the people we knew, people who may not have been senior people and may have gone somewhere else, we were looking at them on LinkedIn and where are they now with a view to getting back in touch with them. (Participant 18)

The virtual is very good for finding out about events, finding out about things, finding out contact details, finding out who is who. (Participant 28)

While networking online is easier and can increase one's number of connections exponentially, the findings also suggest that merely having 'huge' online networks does not necessarily translate into benefits. Entrepreneurs have to proactively leverage the opportunities that online networks might provide.

I've over fifteen hundred names on LinkedIn but do I do anything with it, no, I just keep adding more to it. In fairness they are usually someone I have a connection with of some shape but I don't work that network at all. (Participant 17)

So this idea of this big network, people add me on LinkedIn and I say, "Grand" but I'm doing it more so in case I ever meet you and I say, "Oh yeah we connected on LinkedIn". I don't have huge value on that network. (Participant 10)

"I have over 3500 contacts on LinkedIn and I went through them and, bar for maybe 500, I know all of them and I would touch base with, but I wouldn't count but 5 as my friends, I would only count maybe 5 of them as genuine friends". (Participant 11)

6.3.6 Summary of Findings for RQ 2

The findings of this study show that entrepreneurs engage in personal, operational and strategic networking, with varying degrees of intensity and proactivity.

Personal networking mainly leads to personal and professional development and provides emotional support. Personal networking via existing social ties is the most naturally occurring form of networking and it becomes manifest as entrepreneurs leverage existing social ties (such as family, friends, school colleagues, acquaintances) for support, at both emotional and professional levels. The most important form of personal networking occurred through exclusive private peer groups (micro groups and large exclusive networks). These peer groups, governed by honesty, trust, and openness, were often described as the "most important network" and an essential element in the entrepreneurs' well-being, as business owners, and personally. Finally, personal networking also occurred across organised networking forums (such as government supported initiatives, industry events, local business groups, such as the Chamber of Commerce, as well as various communities of practice and peer groups), sometimes overlapping with operational and strategic networking. These organised networking

forums had various formal and informal structures, and mainly aimed to provide support to participants (generic or specific, i.e. marketing, sales etc.). Women only groups played an important and valuable role for their members.

The data shows that entrepreneurs engage in internal and external operational networking with a focus on accomplishing operational tasks efficiently. Internal operational networking with employees and the management team was mostly extensive and proactive. External operational networking was most extensive and proactive with customers. As opposed to this, operational networking with the value chain partners was more formal and professional, particularly for the upstream partners, i.e. suppliers. Trade fairs and events were identified as important avenues for operational networking, while BNI, a formal networking referral organisation, was described as incompatible with the informal approach that entrepreneurs prefer to adopt in their networking.

Finally, the data analysis indicates that strategic networking requires insight and is dependent on the entrepreneur's mindset, his/her ability to make sense of networks and the opportunities networking can offer. The findings illustrate that strategic networking incorporates efforts to develop and expand networks vertically, rather than horizontally, reaching higher levels in networks hierarchy. Previous experience seems to assist entrepreneurs in auditing their networks in order to identify the most strategic avenues for network development. Entrepreneurs also leverage network brokers in order to expand their connections. Given the liabilities of newness, novice entrepreneurs often have to borrow social capital from existing connections; introductions are used both as 'a way in' by those looking to expand their networks vertically, and as screening devices by established and successful entrepreneurs who want to limit the numbers of new connections.

The data further shows that often personal and operational networking may present strategic opportunities and it is up to the entrepreneur to seize these and create tangible benefits for the firm. As well as that, strategic networking also includes the creation of new networks, as entrepreneurs become involved with organising events and building new groups.

The data also shows that impactful networking requires having a positive attitude towards networking, assigning time for networking, targeting networking events and opportunities, while also embracing serendipitous encounters. Networking is a skill and entrepreneurs can only become better networkers by networking. At the heart of successful networking lays the idea of generosity. Good networkers nurture relationships, and follow a 'giver's gain' or Karma philosophy in their approach to networking.

Finally, the findings also indicate that online channels facilitate networking, but that overall, virtual connectivity comes second to direct, face-to-face encounters.

6.4 Developing Marketing Capabilities through Networking

RQ 3: What types of marketing capabilities are developed from entrepreneurial networking activities?

Section 6.4 presents the findings relating to the outcomes resulting from entrepreneurial networking, i.e. how entrepreneurial networking influences the development of marketing capabilities. The relevant data in addressing the third research question was mainly sourced from the semi-structured interviews with entrepreneurs and representatives of networking support organisations. Section 6.4.1 provides an overview of the findings in relation to the way entrepreneurs described the role of marketing in their ventures. Section 6.4.2 focuses on the relevant data in regard to marketing capabilities, as classified by Morgan (2012) and the way entrepreneurial networking influences their development in the studied context (i.e. the way entrepreneurs leverage networking to accrue marketing benefits), while Section 6.4.3 concludes the chapter with a summary on findings in relation to RQ 3.

6.4.1 Marketing in Entrepreneur-Led SMEs

The evidence in the empirical data shows there was great appreciation for marketing among the participants, with a high degree of customer orientation. Furthermore, the entrepreneurs were either the main (or the only) marketing person in the firm, or closely working with the marketing manager (when such a role exists).

While the entrepreneurs identified marketing as an important element in their ventures, they also made reference to the challenges that marketing brings. Limited resources restricted choices in marketing practice for SME owners; in turn, networking afforded a budget-friendly approach through which marketing goals could be achieved.

How do entrepreneurs define marketing for their business?

When asked to describe what marketing means, the participating entrepreneurs provided various definitions. Some of these focused on **advertising and promotion** for creating and maintaining awareness about products/services/brands, exemplified in terminology such as “*spreading your message*” (Participant 1), “*letting people know*” (Participant 8), “*getting it out there*” (Participant 23), “*how you are advertising*” (Participant 5), “*trying to promote your business*” (Participant 16), “*constantly being reminded... you’re here, you’re here*” (Participant 7).

However, the definitions became more comprehensive as the interviews progressed. This is well illustrated by one interviewee’s comment, that while “*the initial thing*

would be that marketing is advertising”, there is much more to it and you can look at marketing “in lots of different ways” (Participant 24).

A set of definitions placed more emphasis on several strategic elements of marketing. For instance, a number of interviewees stressed the importance of **targeted marketing efforts**, using terms such as “*potential customers*” (Participants 13, 21) or the “*right people*” (Participant 4). Other definitions underlined the importance of **differentiation and positioning**; marketing is about “*how people perceive you and how you want to be perceived*” (Participant 7), “*why you are different or of better value*”(Participant 20); about a clear “*marketing promise*” (Participant 26) and “*the delivery of promises*” (Participant 11) in such a way that the customer could “*say why would I work with you*” (Participant 17) and “*want to choose your company or your brand among the sea of competitors*” (Participant 20).

Participants also emphasised the role of **connectivity and relationships** in marketing. Marketing consists of “*reaching and educating your audience, interacting with your audience and engaging them through many different mediums*”(Participant 15), and hence it requires effort and dedication. This included cultivating and developing relationships with “*your key stakeholders*” and “*your local business community*” (Participant 21). In particular, marketing was described as “*being nice to customers*” (Participant 16), as “*helping*” customers as opposed to “*selling*” to customers (Participants 24, 7) and as the “*glue*” that connects customers to the product or service in such a way that the “*connection will lead to a business relationship*” (Participant 22).

These definitions had in common an emphasis on the importance of being **customer orientated**.

“We work really hard and we give good results for our clients, we really look after them, we create a good relationship and our clients tend to stay with us for a very long time. (Participant 15)

I value the customers, they are my most important relationship and I treat them well. (Participant 16)

(Marketing) is like a wedding. We make a promise to each other; you have to honour it. And if you are not faithful to that promise you get divorced by the customer. (Participant 11)

It’s not always about selling or selling the most expensive thing. It’s about selling the right thing to people so they get their value. Whatever you need, that’s what we’re here for. (Participant 7)

The findings also show that marketing can often be seen as **difficult and complex** for entrepreneurs. For instance one entrepreneur confessed that marketing “*is a very confusing word; it’s a word that should be broken up and dissected in several ways*” (Participant 25). Similarly, another participant deemed marketing to be a “*a bit of a black art*” (Participant 17), while another interviewee admitted, “*I don’t know what it (marketing) is [...] but I know how I am trying to position the company to the customer,*

but I am not a trained marketer. [...] It's a very fuzzy subject that I really like. I don't have any background in marketing, but I really like it" (Participant 20).

The perceived difficulty around marketing was also underlined by the representatives of networking support organisations who participated in the study. For instance, out of 250 entrepreneurs participating in a mentoring programme “*the vast majority of them were looking for marketing*” (Participant 31). Similarly, in a survey about the training needs of a different group of entrepreneurs, “*everything was social media and everything was Facebook and everything was marketing. [...] Marketing was one big thing everyone was looking for*” (Participant 24). This evidence indicates that SME owners identify a marketing gap in the pool of capabilities required to successfully run a business.

Resource limitations and the entrepreneur as the designated marketing person in the firm

While all participants deemed marketing as important, many felt that they were not giving marketing the attention and investment it deserves. This was mainly ascribed to **resource limitations** such as financial and time constraints, and marketing specialism, which was often lacking in the firms represented in this research. Most entrepreneurs had no specific marketing position or role in their organisations. Only six of the entrepreneurs interviewed were employing specialised marketing personnel, and most of these did so only in recent times. The **entrepreneurs were most often the designated marketing person in the firm**. However, this was not necessarily a forced decision. Most of the participants felt it was something they should be closely involved with. Thus, the enactment of the marketing function of the firm was closely interlinked with the entrepreneur.

Even in the cases where the firm experienced considerable growth, the entrepreneur was often either fully in charge of marketing, or, working very closely with the marketing manager, when such a position was in place. Even though several other different business functions had been delegated to specialist roles, marketing mainly remained the job of the entrepreneur, or under the entrepreneur's close scrutiny. This also allowed entrepreneurs to incorporate a **customer centric orientation** in their ventures and to make it an integral part of the company's DNA and inherent to the company's culture.

That (being customer centric) is our culture rather than marketing, if we are trying to market to the employees this is what's acceptable around here. [...] And the reason it is so strong is because I was around there for so long, literally when we were a smaller company nothing could happen without me being at the centre of it and when it went wrong, I couldn't let under performance pass without saying it because we set very high standards for ourselves as a company. (Participant 20)

We don't have a marketing manager; generally I do it whatever it is. The strategy and the marketing are the two things today that I would do. [...] It was because I was marketing the company, I was the face of the company even in the old days when we'd just started. [...] Because I have been dealing with marketing in my position in the company I can take advantage, if I think something in marketing is a good idea I will probably do it whereby if someone in operations comes to me saying they think we should

do something I will not be convinced. I have probably abused my position over the years on tinkering around with marketing. (Participant 20)

... my marketing manager, I will allow him have a shot and I will review it. (Participant 12)

People always ask do I want to franchise, but I don't, I like being in control [...] we've got good core values and I think when you try to expand to quick it gets away from you and you get away from why you are doing and it's all about the why of what you are doing. [...] That's why I would be afraid if I franchised people are going to get away from that idea and are going to get distracted by the shiny lights. (Participant 4)

I think it comes from me first and foremost; I have great appreciation for marketing. I have always believed that you have got to learn to sell stuff, people like to call it marketing but it's selling, how to sell and promote a sale. I have always believed that is fundamental in any business that you know how to do that in your company, adopt best practices in that. (Participant 19)

Customer support. I have deliberately put myself in that role. (Participant 10)

6.4.2 Networking and the Development of Marketing Capabilities

In line with Morgan (2012, p. 103), this research defines marketing capabilities as intangible processes by which firms acquire and transform resources into marketplace value offerings. Morgan (2012) identifies 4 main types of marketing capabilities:

1. Specialised marketing capabilities: product management, pricing management, channel management, marketing communications management and market research.
2. Cross-functional marketing capabilities: new product development, customer relationship management and brand management
3. Architectural marketing capabilities: marketing planning and implementation
4. Dynamic marketing capabilities: market learning, resource reconfiguration and capability enhancement.

The findings in relation to marketing capabilities and the way entrepreneurial networking influences their development (i.e. the way entrepreneurs leverage networking to accrue marketing benefits) are presented below.

6.4.2.1 Specialised Marketing Capabilities

Product Management

Product management refers to the ways in which firms manage existing products and services to satisfy customer needs. The entrepreneurs taking part in this study displayed great passion and pride for what they were doing and genuinely believed that their products/services were among the best, or the very best on the market. The high quality of their value proposition was continuously emphasised as a defining point for the company and as a selling point for the target market.

The way I think about it is that our product is incredible, is the best thing in the entire world and it is unfortunate the entire world don't know about our product. For me marketing is the spread of that message to people so that they understand that this is a great product that they should use. [...] If they see our product and they don't like it and they chose not to use it because it is expensive or it's shit, fine, I can live with that but the challenge is how can we make sure that everyone knows this. (Participant 10)

We wanted to be remarkable for 2 areas: our product, because I am a product person, that is one of our strengths, that the founder of the company is actually obsessed about how you use the product [...] and our customer service. [...] We have broken all the rules and people thought you shouldn't be able to [...] Our core concept is very different to any other system [...] so we have to innovate within this very constrained area and that's where I would be obsessed about how to solve these problems. (Participant 12)

When you are starting up no matter what kind of business you are in you should be shouting your businesses name from the rooftops and if you are not proud of your brand ... then I think you are going nowhere. (Participant 1)

Networking influence on product management

The findings suggest that customer relationships and the entrepreneur's closeness to the market are the main ways in which networking influences the development of product management capability in SMEs.

Entrepreneurs emphasised that staying close to the market is the best way to ensure that their product/service offerings satisfy customers' needs. The entrepreneurs collected customer feedback continuously and informally simply by interacting with the customers and asking for their opinion. There were high levels of receptiveness to customer suggestions and feedback and a willingness to make changes, when necessary in order to respond to customers' requirements and thus to please and retain them.

We want to create customer involvement. [...] We have been iterating it in the hands of customers so we didn't stay behind closed doors. (Participant 12)

I think it's very important to understand precisely what they (the customers) want. It's also very important to have a very ...I wouldn't say personal relationship, but to have frequent one-on-one contact with the primary person within the organisation and ask them if they are happy. Again, a lot of businesses people never ask their customers are you happy with what I am doing? (Participant 21)

(We listen) a lot to what they actually want and then re-evaluating, have regular updates, sent them updates and get feedback from them. (Participant 15)

You go a certain direction but then you need the real customers to tell you there is this little issue or it would be better if you did it in this way. (Participant 12)

Pricing Management

Price and pricing management were identified as a difficult aspect of marketing. One entrepreneur bluntly admitted: "at the start it was guessing"(Participant 24). While some comments alluded to the importance of customers' perception of value, this was not always an important consideration when developing pricing strategies. Inversely,

competitors' pricing strategies were mentioned as an important benchmarking exercise 'What the market takes' or the going rate, alongside the cost-plus approach, were popular methods employed in setting price and ensuring competitiveness.

The main method is to find out what the market rate is, what are people charging. And you weight that out with what you feel is fair and needed for yourself and you find somewhere suitable. (Participant 13)

We looked at our costs, the raw material costs and the margin that we needed and then we looked at what the market norms were, what people were buying it in at, what other (competing product) was being sold at into the different shops and what they were charging. (Participant 2)

Pricing is very sensitive to the market place, you have to see what the market will take at the moment, and work on cost based back from that. (Participant 11)

We're very competitive on our pricing. Pricing always determines everything for us. (Participant 7)

Basically we put together the prices that our suppliers charge us and we are trying to figure out how often we are going to use that supplier and then we build in the other costs, taxes, of which are quite a lot of the moment, we basically work our way back towards the price and we also take into account competitors' prices as well. (Participant 6)

The drive to keep customers happy and satisfied was impacting on pricing management, as most entrepreneurs saw price as a flexible element. However, negotiating on price was only considered for particular customers and only as long as a specific set margin was still met. Most respondents made reference to price cutting as something they did not like to engage in, as they considered it both a brand damaging strategy, and negatively affecting profitability.

We try to be flexible, but there is a threshold there; there is a margin that needs to be maintained. [...] Normally more competitive (then similar businesses) [...] We know what they (competitors) are charging and in most cases is a matter of us seeing what the threshold is and if we can use our technology and our system to do things better, faster and cheaper. (Participant 14)

At the moment we don't do any special offers. I am anti special offers because basically special offers means reducing stuff to a certain price which decreases your margin and if I don't get a 75% margin, [...] I wouldn't be in business; you have to have that margin so that's why I am anti special offers. (Participant 5)

I suppose the biggest dilemma we faced was when the recession kicked in, and everybody started doing discount prices, [...] I looked at our business and I just think that would weaken the brand a little bit more, and then when the recession would go away, how are you going to start charging what you were charging before that and to be honest we wouldn't be able to afford to charge the prices that people were charging and pay our staff and keep our training up. (Participant 8)

We want the annualised fee to come up and up and up. It is working and some of the clients in the UK have lots and lots of money and they are much happier to spend it. [...] Sometimes clients negotiate and we give them a bit off. (Participant 23)

Even though the going rate was an essential comparison point, with one exception, participants did not consider themselves to be the lowest priced in the market. Hence, while they were “competitively priced”, their positioning strategies mainly relied on good quality and good customer service.

Many of the participants preferred to find methods to offer more value to the customer and keep the price up, employing a ‘more for the same strategy’, rather than reducing price, in a ‘same for less strategy’. Extra benefits and add-ons, as well as money back guarantees are examples of tactics employed by participating entrepreneurs to reassure customers about the high quality of the value proposition, preventing negative word of mouth, and creating a positive perception.

I think we work really hard and we give good results for our clients; we really look after them, we create a good relationship and our clients tend to stay with us for a very long time, we don't over charge, we are very transparent. People get value for money. I'm not saying we are cheap, but we don't overcharge like others. So these are some of our USPs. (Participant 15)

I offer a money back guarantee with no questions asked. [...] It's easier for me to give them their money back than getting into and a row and them telling people, talking negatively, I will just kill them with kindness. (Participant 4)

So we decided to take a little bit of a risk and not discount and add something on [...] So people really felt that they were getting value for money. We didn't have to take our service down, or discount prices and we sailed through it really well. (Participant 8)

Networking influence on pricing management

The empirical data obtained during the interviews identified three ways in which networking influenced pricing decisions. Firstly, through networking entrepreneurs were purposefully collecting pricing-relevant information from actors such as customers and competitors and used this information in setting and adjusting their prices.

When we opened, our price was something we looked at a lot, because it was a different area. So we actually brought in people and (provided the services) and asked them to write down how much they thought it was worth. And if they didn't think it was worth anything, they didn't have to pay. So I think that was a very good benchmark of where it is that your price is at. (Participant 8)

Just go back to (name of competitor) I asked the price for something; a client came along and he was looking for something and I'd ring (name of competitor) and ask what he would charge for that? (Participant 21)

Secondly, serendipitous encounters with various network actors also provided essential information. For instance, one entrepreneur spoke about conversations with actors, such as indirect competitors and intermediaries, which led to the creation of new price structures for two different products. Even though the company has researched the market previously, that information was not accessible to them. It was only through networking that they stumbled upon it, leading to a more attractive value proposition.

One of our colleagues was saying [...] “your prices are not high enough, put them up because the Russians love high prices”. (Participant 26)

That’s through our network [...] The guy who is in charge of the business section of this huge agency in Switzerland was here in the summer and he said “Hmm, I have something to tell you now that you will like, next year, maybe, or definitely the year after next, you should be doubling the price of this [...]”. So you are getting the pricing from your network. But pricing up and pricing down... I’m telling you the good stories. (Participant 26)

Thirdly, referrals and recommendations also have an impact on price. Customers who contact the company through referrals or recommendations trust the quality of the product/service based on the advice they received and consequently are less price sensitive.

When we sell to a cold lead that has never seen or used us before and they just come in from the link on the website, they are very price sensitive... too expensive, you are four times more expensive than the others. Anytime we come to someone who has been referred from a previous customer very often they didn’t even ask about the price. (Participant 10)

It would also depend on if I was chasing the client or if the client would come to me. If the client would come to me, generally it would be more expensive than if I would have gone to the client because they are seeking me and obviously they see the value of using me and then they’ll pay a premium for that. (Participant 21)

Channel Management

The majority of the 27 entrepreneurs participating in this research sold directly to their customers (end-consumers) and mainly operated in service sectors. Only five participating entrepreneurs mentioned distributors or agents at the time of the interview. The limited data indicates that the interaction with the members of the value chain was mainly maintained at a professional level (see also Section 6.2 of this chapter). However, the participants acknowledged the importance of good relationships with both suppliers and distributors. Networking was identified as a way of opening doors for new channels of distribution (“*Networking definitely opens up doors ... if you can leverage off your network to open up channels or distributors*”- Participant 9), as well as a way of ensuring a product is given due consideration by a distributor and is properly presented and pushed through the channel (“*I wanted to be a case of you get their product listing and not get lost in it; (my product) could be still seen-* Participant 5). In turn, the right distributor and the right relationship can lead to growth and better market coverage (“*We are looking to get involved with a distribution company because it is getting too much and we need somebody else involved who can help us grow*” - Participant 2).

However, given the lack of representativeness of channel management issues, there is insufficient data in this regard.

Marketing Communications Management

The participating entrepreneurs identified promotion as one of the most important aspects of marketing (See also Section 6.4.1). The findings reveal that traditional marketing communications methods (such as advertising through above-the-line media) were not popular either due to a lack of funds or because they were perceived as inefficient. There were but a few examples of entrepreneurs having paid for advertising in traditional media, and the results of that investment were mostly questioned or even perceived negatively. Similarly, while hiring outside marketing expertise had been considered and even tried in some cases, most of the entrepreneurs felt they were capable of doing a better job themselves. Furthermore, as illustrated in Section 6.4.1, entrepreneurs were either the “marketing person” in the venture/s or working very closely with the marketing manager. Consequently, budget friendly ‘hands-on’ or ‘action-orientated’ approaches that can also be leveraged for PR purposes emerged as the most popular forms of marketing communications.

We have never set up a marketing budget because we never had extra money to put into it. (Participant 5)

I do a lot of marketing. Rather than advertising...[...] I don't like paying for advertising, I like to get as much of it free because I think an ad in the paper doesn't have an impact anymore. (Participant 8)

It (promotion) will have to be free. (Participant 18)

If we were to pay it (outside expertise) I would want something really amazing for that and I think we can be amazing enough without it. (Participant 24)

(We advertise in the) local media. But it's just noise to make sure that people are aware of you because... there is too much noise out there at the moment...(Participant 11)

I hired a PR person for my book launch, it was a disaster, and it was the biggest waste of money I ever spent. (Participant 4)

Traditional media, I can spend €1,000 and get an advertisement in the (paper) or I can spend €1,000 for one hundred t-shirts to be made and give them to one hundred people who will wear them for a year and they will appreciate that I gave them for free and that's my advertising done. (Participant 4)

In years gone by we used to do a lot of paper advertising but we don't find that as effective. (Participant 27)

Because we don't have the resources, (we promote) through PR and social networking. (Participant 9)

I do my own PR, a lot through networking. (Participant 1)

Networking influence on marketing communications management

The findings of this study suggest that networking is necessary for the development of promotional capability in SMEs due to resource issues. Moreover, adopting a hands-on

approach to marketing communications allowed entrepreneurs to capitalise on their customer engagement and closeness to the market. Networking naturally favoured a) Word of Mouth (WOM), the most important entrepreneurial promotional tool and b) Online marketing communications.

a) Word of Mouth (WOM)

The empirical evidence shows that WOM was undeniably the most important, valuable and powerful form of marketing communications. The data shows that for the participating entrepreneurs WOM was not only the most significant entrepreneurial tool in lead generation, but also a significant generator of PR material and free media coverage.

While WOM is never fully controlled by the marketer, most of the participating entrepreneurs had a very good understanding of the underpinnings of promoting via WOM. The constant dialogue with the target market, high customer intimacy levels, honesty, transparency, authenticity and story telling were all interlinked methods used to encourage positive WOM. There was ample evidence in the data from both entrepreneurs and representatives of networking support organisations emphasising the importance of WOM in building brand reputation, generating leads and driving sales.

The strongest sense of marketing isn't around Ad-words or SCO, that's what I am beginning to realise now, it's about the network, it's about what they say, it's about their word of mouth and nothing is stronger than that. [...] We lost our way a little bit because we tried to concentrate on SCO's and Ad words, the traditional marketing. We need to go back now, it's a longer tail thing, we need to go back and make that product just wonderfully simple to use and spend the energy on that. That then will create the virility and the word of mouth that we need. We won't see the results of it in the next six, twelve months but I think we will begin to see it in twenty-four or forty-eight months. [...] Yeah. I'm beginning to think of it as pollination, a flower and all the bees come along and collect it...and how can I delight the customer. (Participant 10)

The most powerful form of marketing, which I haven't mentioned so far, which is what worked for us, is word of mouth. (Participant 29)

That's where networking I suppose in terms of the promotion element is really important because you want someone else's opinion especially [...] you will tend to ask people you trust and that have experience with that company or that product or whatever it might be, and you feel a bit more safe about your decision then to go with that company. (Participant 32)

This country runs on word of mouth, everything is word of mouth. I had somebody on to me today who was talking to somebody who was talking to somebody else and he had got a referral. (Participant 30)

I don't do any marketing, it's word of mouth stuff that I am doing. (Participant 21)

WOM is huge for us. (Participant 7)

The findings indicate that networking drove positive WOM for the participating entrepreneurs on the basis of: 1) the product/service reputation and 2) the entrepreneur's reputation, as detailed below.

1) The product/service reputation drives WOM

The entrepreneurs participating in this study were aware that positive WOM is mainly created and driven by happy, satisfied customers. Delivering on the promise to the customer was seen as the basic necessary condition for the generation of positive WOM. Consequently, entrepreneurs placed a significant emphasis on good quality products and services and real "customer care". Through networking and continuous customer interaction high levels of customer satisfaction were leveraged to drive positive WOM. WOM generated referrals and recommendations, which in turn created motivated prospects, thus becoming a **reliable lead generation strategy**.

"... word of mouth [...] you're relying on that ambassador to go, on that disciple, as I call them, to go out there and be your advocate and talk about it. So it has to be really genuine, that's what I found about networking. (Participant 11)

You are talking about people and if people come and they have a wonderful experience here, they talk to other people. (Participant 26)

Word of mouth. Just making sure that people are happy to recommend us. (Participant 11)

(WOM) is key, 100%. Most of the people that come [...] have come through someone they know. (Participant 4)

If people say I love that work next time I want that I will give them a call. (Participant 18)

We try to tell people this is who we are, we are small, and we are doing it ourselves as opposed to the big companies. How we are doing that is through word of mouth. (Participant 2)

I think now how am I different...here is where is the difference...if I work for him and he experiences me, gets to know me and he talks to him, that's where the difference comes in between me and some other competitor. I think what they tell them is the key things that you want from somebody whose service you're gonna buy; trust, you can trust this guy, he's going to...he's sincere in what he's doing, he'll follow through; he'll do the big thinking but he'll do the ground work as well. (Participant 13)

Word of mouth is becoming more important [...] we probably see it more in the figures in that we ask people how did they hear about us and a friend recommended me, a family member, my brother did this last year and loved it.... (Participant 6)

Networking has helped me immensely, financially it has helped us, and we have gone into corporate groups [...] through other contacts and networks. (Participant 1)

(Networking) certainly brings you business; there is no doubt about it. It brings in new customers and makes people aware of you. (Participant 24)

I have a business mentor who sends me loads of people and once I've worked with one of those people, he referred me onto somebody and that company referred me onto someone else, which I'm meeting on Thursday, so it is beneficial. (Participant 15)

The end goal is to build a relationship that will get a referral that will get you business, it doesn't happen in two seconds you have to work at it. Networking is letting people know who you are. (Participant 33)

At first we had five people (customers) and that's all I had, and I said I am going to make sure I will help them with anything that they need and I would email them, text them, call them and in my head I would take care of five people and they would tell two people and from there it would grow. It's the same with Facebook, the same thing but bigger. (Participant 4)

The participants identified a series of techniques or tools they employed to enhance positive product/service-based WOM. For instance, several entrepreneurs were proactively and openly asking for **testimonials, referrals and recommendation**. Networking underpinned the creation of relationships that afford asking for referrals, while also facilitating the referral system, where customers further “spread the word” to their own networks. While this technique was mostly informal, sometimes referrals were formally encouraged with an extrinsic motivational factor, such as a financial reward.

Another way through which entrepreneurs tried to increase the reach of recommendations or product/service reviews was by **targeting opinion leaders and influencers** (referred to as getting the product or service in the “right hands”). In particular, when opinion leaders were recommending a product or service without any incentive, WOM became a very powerful form of marketing communication. These honest and objective (third party) recommendations can be perceived by the target market as a guarantee.

Another method that encouraged positive WOM was getting customers involved with the product in a meaningful manner. **Customer involvement and co-creation** was facilitated by close, continuous interaction and networking.

Similarly, **personalised/customised, individual one to one messages** was another common promotional tool which entrepreneurs used to engage customers and drive WOM. Hand written notes and personal phone calls were both used as methods to give individual customers personal attention. While resource demanding, this personal direct form of networking was perceived as a worthwhile investment.

The empirical data further shows that entrepreneurs proactively and purposefully tried to do things that would stand out, creating a level of **buzz** around the brand. Most of these **events** were a great platform for networking with customers and rewarding customers. Beyond their immediate purpose, events were also perceived as an efficient and effective method of engaging an audience, boosting reputation and generating WOM.

Finally, as WOM ultimately resides with the customer or user, entrepreneurs were also aware of the danger it may pose. Hence **guarantees and customer recovery tactics** were also mentioned as methods of preventing negative WOM. Relevant empirical evidence from the data, illustrating these techniques or tools employed by entrepreneurs to enhance positive product/service-based WOM, is illustrated in Table 6.6

Table 6.6 Networking capability and enhancing WOM through product/service reputation

Entrepreneurial tools employed to enhance WOM	Examples from the data
<p>Asking for testimonials, referrals and recommendations</p>	<p><i>We ask people if there is anyone else they could refer us to, or anyone who could benefit, if we've done a good job, we'd ask for testimonials. (Participant 15)</i></p> <p><i>Just talking to people... do you know anybody? Thank you very much. And I have a great team and they all realise that if they do great, there is a good chance they could sell another. I always say to them 'Today is not about today, today is about making sure we have a job here this day next year'. (Participant 11)</i></p> <p><i>What I ask of people when I'm talking to them from a networking side of things is an introduction; either do you know such and such, do you know anyone that might be of benefit to us, if so do you mind just mentioning to them or ask them would they take a call from me. And that's all that we need because we can do the sale. We are well able to sell. (Participant 14)</i></p> <p><i>The most effective way for us to get business is a referral into a company that they've a requirement we can answer [...] A referral is someone rings up and says "Pat said talk to us" and then we're home. [...] Referrals are the most powerful by a factor of a hundred for us. If you get a referral you very rarely have not got the gig. So even having the conversation... that's what we need to do more of. (Participant 17)</i></p> <p><i>One of the best tools that we have at the moment is our 'Refer a friend', where we give a client gift vouchers to give to their friends to come in [...]. And each ten euro voucher that comes back we send 20 euro to the client that gave them the voucher. So that's really good cause that's word of mouth. (Participant 8)</i></p>
<p>Targeting opinion leaders and influencers</p>	<p><i>Opinion leaders and influencers out there ... Once you get those as champions of your technology, they sell your technology. We go to our biggest show in America, a lot of the time we stand back because we find that who comes to our booth are users with non users that they know and say you should be using this and they will do a demo for you so it's the best... A bit of retrospective thinking ...the best marketing you can have in the world is your users, you can't replicate, whatever you say is never as valuable as what a user's opinion of your product is. (Participant 19)</i></p> <p><i>In terms of networking and marketing you want the right people to talk about you. You have to find those people, if it's a journalist or a thought leader or somebody that's influential in business. (Participant 29)</i></p>

<p>Customer involvement and co-creation</p>	<p><i>We want to have people, who use... talk about our customer service. So we want to create customer involvement. [...] We have been iterating it in the hands of customers so we didn't stay behind closed doors we have built it in the customers hands, obsessed with talking to the customer. (Participant 12)</i></p> <p><i>(We listen) a lot to what they actually want and then re-evaluating, have regular updates. (Participant 15)</i></p> <p><i>I am saying I'm going to help you ...this is the proof I'm going to help you... there's hundreds of (competitors) around why should you come to me unless you know I know what I'm doing [...] so that's trust. (Participant 4)</i></p> <p><i>Talking to them, [...] depending on the size of the customer some of those... they could be talking to every day, certainly every week [...] there would always be a constant dialogue. (Participant 23)</i></p> <p><i>Also what a lot of them experience is that I don't care about their business, I care about them as individuals and I think they passed that on as well and I think that resonates with people. (Participant 13)</i></p>
<p>Personalised/customised, one-to-one messages</p>	<p><i>Letters...they are quite expensive, but with the postcards, it's nice, people don't often get letters and I try and handwrite them. We are going to go into tech PR and so we handwrote 200 postcards. (Participant 27)</i></p> <p><i>For our customers' evenings, we'd ask people, we'd ring them up personally and invite them personally, so it makes it a lot more personal. (Participant 8)</i></p> <p><i>It goes back to going that little step further to really come back to a personal level, we put a handwritten note into every order just to say thanks, little things, you build a customer relationship, you follow up afterwards, keep the channel of communication open. (Participant 1)</i></p> <p><i>Everyone (customers) got a hand written Christmas card from me at Christmas. (Participant 10)</i></p>
<p>Buzz generation and organising events</p>	<p><i>We do everything which we possibly can. We always try and think outside the box and do stuff that other people don't do. (Participant 8)</i></p> <p><i>I've done the (x) games, it was like a client retention strategy or client appreciation day were I bought them all t-shirts [...] and we had a day of fun games [...] traditional media I can spend €1,000 and get an advertisement or I can spend €1,000 for one hundred t-shirts to be made and give them to one hundred people who will wear them for a year and they will appreciate that I gave them for free and that's my advertising done. (Participant 4)</i></p> <p><i>We do customer evenings...we do a kids' evening twice a year. At Christmas we have Santa, and we get everyone to bring their kids [...] and if they leave a donation we give it to charity [...] so it's starting to become a tradition. It really involves people and it's like a family</i></p>

	<p><i>network. (Participant 8)</i></p> <p><i>I usually initiate these things (events) [...], it puts me in a certain position when 200 people turn up and they see me on the other side of the table. (Participant 12)</i></p> <p><i>We took some of our clients and had a photo-shoot with them and blew up their picture and out in our window - and that caused quite a stir around the city because everyone knew it wasn't a celebrity, it was a well-known Galway person. We do stuff like that. (Participant 8)</i></p>
<p>Preventing negative WOM by offering money back guarantees</p>	<p><i>It's easier for me to give them their money back than getting into a row and then telling people, talking negatively, I will just kill them with kindness. (Participant 4)</i></p> <p><i>If someone is happy with your product they will spread the word. You can't please everybody though, you can't be all things to all men, sometimes there can be a bad story and you would prefer that people would tell the good story so it would always be preferable to be very conscious of looking after a customer so [...] that they know and rely and trust in you that if they come back that you will look after them, that they have a guarantee. (Participant 27)</i></p>

2) The entrepreneur's reputation drives WOM

The empirical evidence shows that the entrepreneur's reputation was another significant WOM driver. While customers are the most important generators of WOM, other actors, who haven't necessarily experienced the product/service, but know the entrepreneur can also generate WOM and thus contribute (both positively and negatively) to the entrepreneur's image.

I don't mind helping people because I know in time it will help. [...] I don't look for anything in return but the thing is I know that someone will speak highly of me, they may never get you more work but they will recommend you in social settings, that all benefits. (Participant 9)

People aren't going to look at your product unless they like you so you have to work on the two things. (Participant 31)

What I am doing here is building a network around me so that the next time I come around people know what (I am) worth.... (Participant 10)

What you are trying to do is spread the word that you are the go to person for that product and it's trust, friends buy from friends or recommend friends. (Participant 3)

In order to build relationships because that's where the sales come from. People do business with people. [...] That's reputation. If you are not doing a good job, you are not gonna get that, the slice of that pie will be smaller and smaller because you can only fool someone once. (Participant 14)

You need to have the product but you also need to have the package, which is yourself, how you sell yourself. (Participant 31)

People talk and sometimes suppliers will say [...] I know they talk. [...] (Word of mouth is) super important the most important for spreading the word, it's very genuine and very powerful. (Participant 16)

You would hear a lot of different suppliers telling you about other people. (Participant 5)

The community is very small and the people at the top end will all know who is doing what. (Participant 18)

While overall all respondents deemed personal reputation important, several participants made specific efforts to enhance their personal reputation and drive positive WOM. This was achieved through the creation of a strong personal brand (See Section 6.4.2.2) and story telling, as detailed below.

Story telling

Story telling was used with the purpose to generate and enhance positive WOM, as well as to generate free media coverage (publicity). Stories inspire and resonate with people, by creating emotional connections between the customers (and other stakeholders) and the brand. Networking provided a suitable medium for story telling, whether face-to-face, or online. In the studied context of small and medium enterprises, the story was

intrinsically connected to the entrepreneur and provided an important element in the brand's identity.

I allowed myself to be exposed to the media on purpose, and I allowed the media to understand my personality and my personality was very much the personality of the company. [...] First of all I was hoping to get people talking [...] And I was able to do that by allowing myself to be in the front of interviews and stuff like that. (Participant 22)

I would say I'm a PR whore meaning that even though I don't like it I will do it for the company. I will do video interviews and I will never watch them after, I will watch the first 10 seconds and I cringe and then I turn it off. Then I do it again, I will be interviewed, I was interviewed the other day, here, on video and I won't watch it, I hate it. (Participant 12)

The whole business has grown off rapport and community and in my marketing I'm very transparent about who I am and what my business is and who I am looking to work with and who I am not looking to work with (Participant 4)

Story telling was also linked to vision and company mission; good stories require “being a bit more visionary about what the product is and trying to sell the story”. “People buy why you do, not what you do, [...] and that begins to feed down organically and create a great culture of a company underneath” (Participant 10).

Story telling also became an important mechanism through which the entrepreneur could ensure authenticity and could “make people aware of what we were doing, understand the people behind the company, that there is real people here, our vision, what we wanted to achieve, how we wanted to achieve it, and our openness and transparency. What you see is what you get (Participant 22).

b) Online Marketing Communications

Similar to the offline channels, “paid-for” online marketing communications often felt out of reach for the SMEs represented in this study. Comparing a small business' share of voice in online advertising with King Lear's younger daughter was a vivid description.

We don't use Google Ad words, they are too expensive and we are up against... most of the businesses like me would have an 800 pound gorilla in the corner... we have an 800 pound gorilla in each corner, we have a huge amount of very big competitors and they eat up the whole space and they make too much noise, I hate it. I feel like King Lear's daughter when I am trying to tell people that yes we are the easy to use system but the most horrible system in the world says they are an easy to use system so I feel like saying nothing, let the people decide. (Participant 12)

However, the more affordable virtual platforms were identified as an important and effective communication channel for resource-constrained firms. Moving the conversation online allowed entrepreneurs to reach numbers that would be impossible to reach directly, via face-to-face communication, or through expensive traditional high reach media. Social media provided, in many ways, suitable solutions for marketing communications for the participating entrepreneurs. Social media allowed for a bigger

voice and it provided a channel for targeted messages and lead identification. More importantly, it offered a platform for interaction, two-way dialogue, immediate follow up and audience participation, which all translated into a higher level of engagement than the one-way communication methods could achieve.

Twitter and Facebook were identified as the main platforms for online or digital marketing, while SEO (search engine optimisation) and SCO (social content optimisation) were also mentioned as elements of online efforts. Twitter was identified as a great tool for creating dialogue and identifying leads. In turn, Facebook was praised for affording the creation of targeted messages, story telling and establishing connections with existing customers and followers. LinkedIn was mainly used for increasing awareness around the personal brand of the entrepreneur.

Entrepreneurs were also aware that they need to invest time in the online platforms in order to generate results; there had to be sustained effort, continuity and consistency across the various platforms employed for digital marketing communications.

I see LinkedIn as a very good awareness tool and those updates that you get as a member of LinkedIn, my photograph comes up... that's why I put posts up, my blog posts I put them up on LinkedIn, so they flash... (Participant 13)

Twitter is a bigger voice, than me just shouting in a pub. With (my product) it is the most accurate way to find any leads. [...] If you see somebody who is actually talking to their friends and asking does anybody recommend the system, if you detect that and talk directly to them and say check out ours, there is nothing more powerful than that, it's exactly the lead we are looking for. [...] our biggest project [...] came through Twitter because I was in there and somebody saw somebody tweeting that somebody developed software for them in Dublin and a friend of mine used my Twitter handle and said you should check out these guys in Galway they are very good. Then I replied to the tweet and an email later and a meeting later we got the project and it came from Twitter. (Participant 12)

I use Facebook quite a lot I've used that since the start. I craft message, I show offers and widgets that attract people in. I do targeted marketing. Mass marketing is this idea that you put an ad in the newspaper [...] and that doesn't appeal to me, if I put an ad in the newspaper that gets one hundred thousand people maybe one thousand will see it and five hundred will read it and two hundred will be suitable. I would rather get to one thousand people who are targeted and the right people, so I use Facebook. (Participant 4)

We use Facebook in a way that's not just about promoting business but also about sharing. Last week was the 5th anniversary of our first sale and we shared photos of that. We try to share what's going on and who we are a bit, it's not a sales push as such, it's more about sharing and who we are. So I find that useful. (Participant 6)

It has all helped a little bit but I see all these things as 1%, every YouTube video I do makes me 1% better, every Podcast I do makes me 1% better. (Participant 4)

Marketing Research and Intelligence

Informal ad-hoc approach

The data generated through the interviews revealed that market research was mostly informal, intuitive and continuous in the SMEs represented in the study. While the entrepreneurs mostly dismissed formal market research processes for being resource-demanding and taking too much time, they felt they were well informed about the market and in possession of important marketing intelligence. This was due to the entrepreneurs' closeness to the market, and constant engagement with relevant market actors, which ensured a permanent flow of feedback and information.

I do it (market research) all the time. I don't sit down and do market research, I am always doing it. (Participant 12)

Formal Approach

While informal research was the overall norm, the empirical data provided several examples of more formal market research. This was characteristic to the more established and bigger-sized firms (i.e. medium firms), indicating a possible correlation between firm growth/size and market research formalization.

We sent out questionnaires and we also score, our own impression of what the score should be and what their scores are coming back. We moved over now to 'would you recommend us to your friend?' so if that come yes great, if that comes no, we're on the phone. (Participant 11)

We had a summer student in, who researched a lot of other (x) and produced a report and presented that to us and that would have been a core to a lot of the work that was done along with the account managers and their knowledge of the clients. (Participant 23)

We do our own internal and we also use external houses, we are just doing a complete brand review at the moment, brand assessment and we have employed a company out in the States to do market research on that for us. (Participant 19)

Networking influence on market research capability

The empirical data in this research indicates that networking has a strong influence on the development of market research capability in SMEs. Networking with various market actors was a deliberate strategy to acquire market information (e.g. general market information, specific industry information, customer feedback). Even though we live in an era of information overload and unprecedented access to free information, the participants placed significant value on the information they received through networking. While they may have had access to new and complete industry reports, reading this literature is a time-consuming task. In comparison, entrepreneurs preferred networking-derived intelligence. The information received through networking was deemed to be time saving and easier to process and use. While this information was

gathered mainly informally, entrepreneurs considered it an important ingredient in the decision-making processes.

People would think that if you spend time just chatting, you won't learn. So that's where networking is very, very valuable. If you had to go out and do that research yourself... It's nearly impossible... (Participant 26)

Networking facilitated entrepreneurs to acquire market information from different network actors, as follows:

1. Customers provided product/service specific information, competitor information and generic “gossip”
2. Suppliers and distributors provided information on each other, as well as on competitors
3. Competitors provided industry specific information and answers to specific problems
4. Government organisations and academic institutions provided market intelligence, as well as advice on specific issues.

1. Market information from customers

Proactive and continuous interaction facilitated customer feedback, which was identified as the most important method of keeping informed. Entrepreneurs accessed customer feedback in several ways, described below and supported by relevant data examples in Table 6.7:

a) Informally asking customers for feedback directly

The necessity of a constant and open dialogue between entrepreneur and customers/clients was a recurrent theme throughout the data. Albeit informal, honest conversations not only informed the entrepreneur, but also had the power to solidify and strengthen relationships. Employees and particularly the sales team were also identified as important in capturing “*information coming back from the field*” (Participant 19). Employees can help entrepreneurs “*pull the information together*” and get a “*full story*” (Participant 26). Overall, “really listening” was seen as having a long lasting impact on customers, leading to increased loyalty and repeat business.

b) Creative market research initiatives and more formal methods for customer feedback collection and analysis.

In some cases entrepreneurs tried to conduct market research more formally, but on a budget. These initiatives included focus groups, small convenience samples for getting a sense of the brand's position and mystery shopping programmes. Admittedly learn-by-doing projects, these proactive and innovative approaches to conducting market research rendered useful information at a very low cost. Similarly, several entrepreneurs made reference to taking steps towards a more formal approach to analysing and storing customer feedback and information.

c) Customers volunteering feedback

Finally, close customer relationships also imply a degree of openness that encourages customers to voice ideas, concerns, as well as information on other businesses. This type of “customer gossip” can offer entrepreneurs useful insights into other businesses (and competitors) and customers’ likes and dislikes. As well as that, with the technological developments from the last decade, third party websites, as well as blog writing offers another way for customers to provide feedback without it being directly solicited by the seller. Nonetheless this information was perceived as very valuable and a budget friendly method of keeping informed.

These different forms of collecting customer feedback, alongside relevant examples from the data are presented in Table 6.7 below.

Table 6.7 Sources of customer feedback

Forms of collecting customer feedback	Evidence from the data
<p>Entrepreneurs asking customers for feedback directly</p>	<p><i>I think it's very important to understand precisely what they (the customers) want. It's also very important to have a very ...I wouldn't say personal relationship, but to have frequent one-on-one contact with the primary person within the organisation and ask them if they are happy. Again, a lot of businesses people never ask their customers are you happy with what I am doing? (Participant 21)</i></p> <p><i>(We listen) a lot to what they actually want and then re-evaluating, have regular updates, sent them updates and get feedback from them. (Participant 15)</i></p> <p><i>Customer support. I have deliberately put myself in that role; to make sure that customers are happy. [...] I think it would be crazy not to. I know them very well. (Participant 10)</i></p> <p><i>I ask them (customers): are you getting from me what you have expected to get from me? [...] just sitting down and talking to them...[...] It's client reviews and it's like taking them out of the business, bring them for lunch and just say 'can we talk about how the work is going?'' and I haven't been doing a lot of that for the last few years, I used to do it a lot more before and it's very valuable. Valuable feedback and often more work comes out of that. (Participant 13)</i></p> <p><i>Talking to them, [...] depending on the size of the customer some of those... they could be talking to every day, certainly every week [...] there would always be a constant dialogue. We have monthly conference calls with most of the higher end clients so that call will generally have the account manager and a marketing person in there. (Participant 23)</i></p>
<p>Creative market research initiatives and more formal methods for customer feedback collection and analysis.</p>	<p><i>We sat up marketing groups of different people of different areas, put them in a room and asked them every question that we could ask them. (Participant 8)</i></p> <p><i>We are very lucky that we can actually go and just say 'Listen, would you mind coming in for a focus group?' It took us a while. We were probably very, very amateur and very poor at focus group initially but now we're getting better at it. (Participant 11)</i></p> <p><i>We sent around 5 people around the town and we asked to ask strangers, "Could you tell me where (x) is?" They were looking for directions. So we wanted to know if people knew where we were. If that person was quite open: "this is where they are", then they would: "have you ever been there?" I like that, I like to know what people think on the street. I think it's huge. [...] this gives you a really good indication of where you are at. (Participant 8)</i></p>

	<p><i>We would analyse our feedback quite a lot as well so we would have a good idea of profile... what they most liked... so we keep track of all that...[...] Feedback would be a big tool because they would tell us what they like ...and what they didn't like. (Participant 6)</i></p> <p><i>So that's hugely important and we have different systems within the business to follow up immediately after... to call someone in their office, are you happy with everything, ok, did you get your reports and everything else. This year is all on the CRM system, where we make notes about the conversation, we keep them updated just to make sure things go properly... (Participant 14)</i></p>
<p>Customers information volunteering</p>	<p><i>You wouldn't be long before they (the customers) tell you. [...] They tell you very quickly. (Participant 24)</i></p> <p><i>They (our customers) talk all day about different establishments. They talk about good customer service, bad customer service, they'll ask us about products and I'll ask them where they've seen it. So I think you're constantly learning off them cause all they do is talk about stuff. (Participant 8)</i></p> <p><i>Some of them (customers) tell you what they think about it... we got some blog reviews. (Participant 2)</i></p> <p><i>We constantly measure. Tripadvisor is very handy in that for us. That's open, transparent, that's your number one. (Participant 11)</i></p>

2. Market information from suppliers and distributors

Information was also gathered informally from vertical actors in the value chain, i.e. suppliers and distributors. This ‘unofficial’, but ‘priceless’ type of market research offered entrepreneurs insights into competitors and other market actors.

It is a great benchmarking exercise for me. Getting that information from the (intermediaries). That’s networking. That’s getting invaluable information. I can’t put a price on that. (Participant 11)

Sometimes suppliers will say to us that it is very hard to get money out of somebody else (Participant 16)

You would hear a lot of different suppliers telling you about other people, the competitors, that they might be launching new product, they might be doing this, they might be able to open a second store, all different things.... (Participant 5)

3. Market information from competitors

Networking with competitors also provided access to relevant information. Furthermore, as mentioned in Section 6.3, several entrepreneurs spoke about having very good relationships with their competitors and identified them as the “go to” people for industry specific advice.

Is the relationship that I develop with them that makes them not competitors... if I didn’t have a relationship with them, they could be competitors. [...] And these people would be... occasional meet up with them, what you are doing, you know, share, pass information, contacts, that type of thing, events that they are going to... (Participant 13)

There is a strong level of cooperation among competitors because they have to, at a certain level, because they help each other get on. (Participant 22)

If I came across a problem I would go to... I would ask (x- name of competitor) or I would ask (y- name of competitor), I would ask people who are in the same business. [...] I see I have more in common with them than I have with anybody else, they understand me better and I understand them. (Participant 16)

(He is a competitor). He does exactly what I would do. [...] Even though we would be pitching for business against each other, we would have such a good relationship with each other...in business some competitors would try to put down the other guy, I would never do that. On the long term it’s more beneficial; these guys would see you as a competitor in one sense but you are also an ally to have. So I could ring (x- name of competitor) for advice... I try cultivate that relationship where possible for advice and help, if I had an issue with any equipment or something needed done. (Participant 21)

How are you? And how are you getting on? But there has to be a trade off. Normal trade off is free, is information, solving a problem, a solution, it’s solution driven. (Participant 11)

4. Market information from government organisations and academic institutions

Finally, both government organisations and academic institutions were identified as good sources of information and knowledge generation and sharing. Beyond the market

intelligence reports available through these organisations, entrepreneurs valued being able to access specific insights from mentors and employees. The fact that they could get “free advice” and have their questions answered quickly saved them time and provided them with guidance and trustworthy advice.

I think EI do a great job, I have got it on record in the papers saying that EI and IDA I think are top class organisations. (Participant 19)

EI are very good with that (information) and their International links. (Participant 10)

The Enterprise Board sat us down, gave us a mentor and he went through the pricing. (Participant 5)

Most recently we have had a mentor who's helped us with the software development project as well, from the Galway Enterprise Board. I have mentors in Kilkenny as well who have helped with marketing in other areas, which I found very helpful at the time (Participant 6).

These college lecturers I have befriended over the last two years, you ask them for one minute of their time and they love to talk, college lecturers, and they give you 20 minutes of free advice. (Participant 11)

6.4.2.2 Cross-Functional Marketing Capabilities

Brand Management

The entrepreneurs participating in this study saw brands as a key element for their business success and hence placed considerable importance on brand management. Brands were rightly seen to be more than the name of a product or a business (even though a clear identity was deemed important), but rather as a representation of the company's values.

There was variety in the way participants rated the strength of their brands. There were 2 cases of new ventures, where the brand was new and little known and 2 cases where rebranding was taking place at the time of the interviews. Equally, there were examples of very strong brands. For instance, one medium enterprise gained such a reputation at international level, that it became an ingredient brand and a selling point for big, well-known corporations:

The way we worked that was to work with the leading companies [...] and we have worked to integrate our technology inside their equipment. It is like Intel inside, we have our equipment inside their equipment and they brand their equipment with our name on it. [...] That is something I worked very hard to achieve; these companies generally don't like to co-brand, (x) were the first who did it with us but they actually wanted to brand it as their own product, label it their own product and we wouldn't let them. They went away and came back to us because they knew it was the best product, they want the best product and they had to accept our name went with the product. Subsequently they found it beneficial because now they sell the fact that they have (our Brand) inside the same as Intel inside. Yes, it is, so all the main companies have switched from using their own technology towards ours and they all brand it (our brand). They promote (our brand). (Participant 19)

One of the most popular methods through which entrepreneurs aimed to validate their brands was through third party endorsements and awards. These were seen as important signs of recognition, ultimate indicators of credibility and legitimacy and significant tools in building and strengthening the brand. Awards and endorsements provided a promotional advantage, one that several entrepreneurs were strategically leveraging across different marketing communications tools. These badges of recognition were used to gain the trust of the target audience by sending quality signals, as well as reassurance post-purchase. Furthermore, **award application processes and ceremonies** offered networking opportunities for entrepreneurs.

What I really like hearing is the third party endorsement. There are two business books coming out this year from the US that I have just done quite a few interviews for because the guys there want to write about the company, based on certain things we do, I think that's great for our business. I don't like going around saying that we're great but I love when other people who have independent credibility like the Deloitte's and like these authors, a book for an international audience, gives an example of something and uses (our) company in Ireland as an excellent example of this. That's a relationship I really think we can leverage a lot more and what I am seeing is that they are coming to us there's a network of them and once one writes about you the other one reads the book and wants to write about you. (Participant 20)

In America we won the (x) award last December and that award is voted on by 52,000 professionals in the States. It's not something you put yourself forward to win, every year they award four or five companies who have had the most impact (in the field). [...] An award that's through a professional body [...] you can't influence that in any way and it really is based on user experience of your product whereas an industry award [...], that's a great honour to the company as well, that's a peer honour within your peer group of companies in the country. It's not voted on by users of your product, you do apply and compete and you describe your business and put your application together. (Participant 19)

Winning the awards had a big impact on the brand. I wouldn't go for an award unless I was pretty sure we would win it or come second, that was my focus on it, when I decided I was going for it and that we had a chance I would put a week's work into it when I would know the other guy would only put a day's work in and I remember handing in some applications for awards and I would think to myself 'If we don't win this, then it's not worth winning'. I would have put so much of my heart and soul and effort into it... those associations have been very positive for the brand. (Participant 20)

We enter an awfully lot of competitions, which we've been very lucky to win. (Participant 8)

Substantial (influence). Because the bottom of my email address has different logos and badges saying that we won these awards, on my LinkedIn profile, the first thing is Entrepreneur of the Year, it's a way of us separating ourselves from the others within the market that is telling people [...] this is a business that is managed well, that had got recognition that is winning awards, people like to be associated with a business like that. We have ISO, that's a very powerful logo to have and to use, not just from a marketing perspective, from an overall business impression, when people see that they recognize it's a serious business. (Participant 14)

This year I won with Eircom a digital boost award so you get a free app developed for you and part of that you get to meet some experts in mobile marketing, social media

marketing [...] I put a little bit of time into the application and just told them about the brand ... it was 381 business across Ireland that entered for the first month...so it was good. (Participant 5)

Networking influence on brand management capability

The empirical data revealed two main approaches through which the entrepreneurs taking part in this research developed and strengthened their brand through networking:

- a) Personal marketing
- b) Leveraging partners' reputation

a) Personal marketing to strengthen the brand

One of the ways in which the entrepreneurs taking part in this research were trying to raise the profile of their companies' brand/s was by creating a personal profile and linking the brand to that profile. A strong personal profile/brand was seen as a method to separate an entrepreneur from the competition, enhance WOM and obtain **PR benefits**. Being seen in the media, getting exposure "*in the paper as much as possible*", created interest around the entrepreneur, who became "*the personality of the company*" (See also Section 6.4.2.1).

In this context, marketing performance was closely interlinked with the entrepreneur. In many cases the entrepreneur identified with the company and their own personal brand was an important ingredient in the company's brand. Networking provided an ideal platform for creating and maintaining a strong personal brand, and a vehicle through which this could be incorporated within the firm. Thus, the personal brand of the entrepreneur became an important building block in the company's reputation and success.

Networking is what you do [...] we all market ourselves, we sell ourselves all the time so if you are speaking to investors it is about you, they invest in you, they don't invest in the idea... everybody has ideas. (Participant 12)

In the beginning, when I'm creating it (a new business), I have to be very much in the foreground because that helps it to accelerate and build it faster [...] The most important aspect in businesses, particularly in the early stages is the person behind it. (Participant 22)

I think networking is a huge part of your marketing. Because in networking you are building your reputation. [...] You have the opportunity at those social networking events to build your brand. (Participant 26)

It (networking) is important for marketing because you are selling yourself and your business through it all. (Participant 27)

I do it (networking) as part of my marketing; it has to be. (Participant 25)

Networking is a very significant part of the marketing strategy; [...] it goes back to people buy people. [...] It's far better for us to build a relationship and wait a year to get the work than get the work and not have a relationship. (Participant 17)

(Networking is a part of marketing) because we are always trying to sell something, ourselves, a product, and our ideas. (Participant 3)

For me, I try to do a lot of personal marketing to get my own name out there. (Participant 1)

People are people at the end of the day and people buy from people. That's a really important thing. If you can understand that concept, that's how you work. (Participant 7)

What I am doing here is building a network around me so that the next time I come around people know what (I am) worth.... (Participant 10)

Networking is marketing. Because you are selling you and you are selling your product or your service. You are letting people know who you are, where you are, you are telling them about everything about your business. You could put that in an ad in the paper or stick it up on your website but if you do it face to face, you have the connection. (Participant 30)

It gives you profile, there is no doubt about it, that's very important. (Participant 24)

The expert image

Several participating entrepreneurs further leveraged networking to strengthen their personal brand by creating an “expert image”. As outlined in Section 6.2.2, several entrepreneurs participating in this study were **autodidacts**, avid learners, who purposefully aimed to “invest” and “improve” themselves. This was paired with efforts to share their knowledge with others. Creating and providing value for others was seen as the backbone of a strong personal brand and an essential element in successful business networking, solidifying one’s position as ‘experts’.

This was achieved through **providing one-on-one advice, sharing relevant information on their websites, on the online networking platforms, such as LinkedIn, Twitter and Facebook, writing blogs, publishing articles, delivering presentations and writing books.**

Webinars, podcasts, e-books, whitepapers, landing pages... kind of collating information that way. [...] share to the start up community because that's just phenomenal. (Participant 15)

We get e-zines out to our customers on a regular basis, updates to our website, keeping the communication going [...] in terms of just our brand and the strength of our brand that is perceived in our customers' eyes and other people as well. They perceive that these guys are at the top of their game that it's happening that they are doing some really good work, that's a really interesting article. (Participant 23)

I was asked to do a talk on the growth of the business and it scared the life out of me and I was nervous and I didn't like feeling that way so I said I would overcome my fear and I am going to do one hundred. I have learnt from doing the talks that it's all about [...]

establishing yourself as the market leader and the expert in the room and there is no better way of doing that than standing up in front of a room full of people [...] to my knowledge I am the only (one) who is doing talks, that makes you look like an expert. (Participant 4)

I wrote a book which was a very good source of referrals and networks, I would often encourage people to start writing, whether it's a one page blog, get the discipline to write periodically, to begin blogging, to get out there, to optimise your blog, to get thousands, if not millions of people supporting you. I think that is very proactive marketing because it can be done for almost nothing and the Americans always say get it between two ends of a book. A book gives you great credibility! (Participant 34)

I call it giving back, I always tell anyone who is starting out listen to the person with grey hair, I have made mistakes and people have to make their own mistakes but what you can do is tell them to realise the consequences of what you are doing. (Participant 25)

Every day was about how I could move the business forward so every day three, four, five things. I would write articles for the paper, I would do YouTube videos, I would do Podcasts, I would do anything I could do. [...] I think every day you've got to be moving forward and to be persistent because there is so much out there you've got to be covering all the bases. [...] I wrote the book that sold through Eason's; I am on the second book, which will be out in October. (Participant 4)

b) Leveraging partners' reputation to strengthen the brand

The data shows that entrepreneurs also leveraged the reputation of their partners to validate and increase the reputation of their firms. Referring to a **well-known brand** as a customer, or a partner was used to send positive signals to other market actors and was ultimately a selling point. Networking facilitated the creation of these brand associations, and fostered and facilitated new connections.

NUIG, they are employing me now ...as part of their quality review process, they are bringing me in as an external as part of 4 or 5 person group over three day period to audit. [...] So, did that work? It's not really my cup of tea, it's not my main work, I was kind of asked to do it, know the guy, [...] it is a hassle... but... one of the advantages of that is like... quality assessor with NUIG, you know... I just got last week invited to work with Trinity, so there is that kind of association. (Participant 13)

Our first agent was Swiss and he was one of the most reputable Swiss agents, one of the most admired, one of the most sought after. [...] He said, if any other agents asks who you deal with, after the first 3 or 4 months he said, please use my name and say you work with us. And that opened our doors and that was our first networking experience. It eased our path. (Participant 26)

Through my networks we have done corporate deals, [...] which has been of huge benefit to us to say that we are associated with brands like that. [...] For us to be in the same bracket as Eason's gives us a lot of credibility. (Participant 1)

We try to market ourselves as quite a luxury brand, so we only associate ourselves with luxury brands. (x) would be the most luxury brand, so being associated with them has helped our business hugely. (Participant 8)

They are all big brands, by us going in saying I can't manage without them and they can't manage without me... of course they can but the combination of both together is a

huge common factor, going forward we are like a steam roller. By me having the credibility from them and them having the credibility from me, on a local basis it is a big thing. (Participant 25)

I would see those as being two premium brands and I think that benefits me as an individual and also my business that I associate with because I can list them as clients on the website and when I am there I get significant kudos from being involved in those, because they are premium brands. (Participant 21)

It provides affirmation. The likes of Today FM, Newstalk, they are two of the key radio stations, they're the business shows or current affairs shows where only serious matters are spoken of. Then also the Irish Times is seen as the leading publishing house in Ireland with the most serious content. When we're on that its affirmation. (Participant 9)

I purposefully went after a lot of known companies [...] places where there are a lot of people coming that would see the product and they are names that they recognise. If AIB bank buys your product you are doing well [...] it's a nice talking point. I could sell it into Mary's Coffee Shop, but if I sell it to AIB bank [...] I think it's a reflection on the quality of the product and service. (Participant 3)

Customer Relationship Management (CRM)

As illustrated in previous sections (e.g. Sections 6.3.2 and 6.4.2.1), customers were identified as one of the most important actors in the participating entrepreneurs' networks. Unsurprisingly, customer relationships were a high priority on the agenda of the participants and networking with customers was extensive and proactive. While identifying new customers was an essential ingredient for business growth, entrepreneurs were also acutely aware of encouraging repeat business and hence made continuous efforts to keep the existing customer base and create loyal customers through high levels of customer care and responsiveness. These tactics were supported by internal marketing efforts.

Networking influence on CRM

There was heavy reliance on networking for both identifying prospects and customers and for maintaining relationships with existing customers. **WOM, referrals and recommendations**, were all wide-spread methods for generating new business and existing customers were often the source for new business/customers (See Section 6.4.2.1).

Networking was also an important means of **maintaining relationships with existing customers**. A genuine, authentic, almost affectionate care for the customer surfaced throughout the entrepreneurs' narratives, and often customers were seen as "**friends**". While most of the participants lacked complex CRM systems, what they had was an amazing ability and willingness to connect with customers on an individual basis. This intuitive CRM approach had an attention to detail that may be impossible for large companies to replicate. The data shows that a degree of formality in CRM practice through the implementation of CRM systems (IT based) is also observable in the

growing or more established firms. This included simplistic initiatives of keeping customer data on Excel files, as well as full CRM software.

Either way, through informal or formal CRM practices, entrepreneurs ensured that their customers' voice was heard and responded swiftly to customer feedback (See Section 6.4.2.1). Furthermore, providing high levels of customer care and maintaining customer satisfaction was something that most participants took pride in.

Personal touches in the way customer relationship were managed became a point of differentiation and positioning in the marketplace.

In hundreds of tiny little ways because we are a small business we're not Tesco, we don't have to have loyalty cards like Tesco do because you have to do that if you don't know people's names if you don't know that somebody's daughter is making her communion next week, if you don't know that somebody is involved in some charity because their father fell off a bicycle and is brain damaged. If you don't know any of that you have to go down the route of the loyalty card but I think it's such a missed opportunity [...] if you do have all that information and you don't use it. [...] I know a guy who comes here on Christmas Eve with his family and it's his birthday on Christmas Eve and that's our busiest day of the year but I still remember it's his birthday, and he probably comes three hundred days a year also, so I send him down a hamper, sometimes I might give him nothing and give him something three weeks later and tell him I didn't forget him, I was only joking. [...] I value the customers, they are my most important relationship and I treat them well, I don't do loyalty cards but I do other things that are more personal to them and I think that is more effective for me, it's my way. [...] we're looking to establish relationships and keep them going and we are thinking about. [...] To make people feel happy, relaxed and it's not a big deal and that's how we operate. [...] My customer is me, my sister, my mother, my mother in law, your typical regular Irish family. (Participant 16)

People like that, they like to feel that personal relationship. That's what we do here. Cause that's what we want... and it's not that you have to do this... it just comes naturally. (Participant 7)

It goes back to going that little step further to really come back to a personal level, we put a handwritten note into every order just to say thanks, little things, you build a customer relationship, you follow up afterwards, keep the channel of communication open. Coming up to Christmas we do a big thank you letter and we throw in a bag of sweets into every parcel. (Participant 1)

And I suppose the other reality is that I become friends, in the professional way, I become friends with my clients and those friendships they get passed on in terms of communicating to other people. I suppose if we put that into sort of a nutshell it's like integrity, person ability and get results as well; it's no point having the other two if you're not getting results. (Participant 13)

We try to get their feedback and we try to follow up [...]. I think we give them the feeling we care about their experience and I think that's marketing in itself because you are displaying to them, you're very keen on them having a good experience with us. (Participant 6)

[...] we keep all our customer information on file, down to how many sugars they like in their tea. [...] We treat everybody the same way in here. And I think that kind of reflects

back to the clients and they like to be involved in our little family and I think they feel part of it. And we involve them in everything we do... [...]. We send them cards when they have babies, when it's their birthday we send them a card and they get a (gift), stuff like that. (Participant 8)

This year is all on the CRM system, where we make notes about the conversation, we keep them updated just to make sure things go properly... (Participant 14)

Networking also helped entrepreneurs **target the right type of customers** and avoid entering business relationships which may prove problematic. This type of information would likely be impossible to obtain otherwise.

(We identify clients) through the networks that we built up and asking questions, with the likes of (x- name of Industry stakeholder) I would have regular meetings with those and conversations that are in there: we just came across such and such, and they would tell me off the record what's the deal with them, if they are good or if they are not so good. "You really need to speak to them, but don't speak to him, he doesn't make the decision, you need to speak to such and such, we have that kind of relationship". (Participant 14)

'Any business is good business' was not a strongly held belief and several entrepreneurs alluded to situations when they turned customers down. **The decision to "sack" a customer** who was not right for the business had several consequences: it saved the extra resources needed to manage a difficult customer, it allowed more focus on the right type of customer and it also prevented negative WOM, which is likely to follow from unsatisfied customers.

We do choose not to work with some people; for example there was a group that came to us recently and had about 10 stores, let's say they weren't on the same length way as us, although there were young people running it, they were very backward in their ways, they were very demanding so we choose not to work with those people; [...] we said we can't do this and then we pulled out. (Participant 14)

I gave one woman her money back, because I didn't like her so I didn't want her there. [...] she was complaining [...], so I said this isn't for you you're wasting your money and time, you're better off spending your money somewhere else, in a nice way. Online, I would probably get ten people a month ask for their money back not because they weren't happy with the results but because they didn't want to follow the programme but it's easier for me to give them their money back than getting into and a row and then telling people, talking negatively, I will just kill them with kindness. (Participant 4)

Internal Marketing for CRM implementation

The emphasis on **internal marketing** and the role of employees as part time marketers also emerged strongly from the data. As discussed in Section 6.3.2, engaging in proactive and extensive internal operational networking can have positive strategic effects for the firm. Such effects were leveraged in the development of CRM capability.

Your staff and you can do your own marketing. [...] Certainly for the hospitality business, retail business, I think it is terribly important. No matter what you are doing you are selling a product, no matter what it is, whether it's a retail product, or televisions or Eircom or one of those, they have to have that right at the other end of phone, that's a huge thing, it isn't all the big fancy science and the adverts, it's the people, when you pick

up the phone what happens when you pick up the phone. Are they selling or are they helping? (Participant 24)

We are very customer service based, everyone in the company and I know from the way the team answers emails, they believe in treating the customers in the way they would like to be treated and they go out of their way to make sure the (client) has a good (experience) and if there are any issues they'll sort them out. Something I am kind of proud in the company to see the fact that employees would go to those lengths to look after our clients. (Participant 6)

They (employees) would be the face of the business so it would be important they have good communication skills, that they have good product knowledge, that they have good interpersonal skills both among themselves and with the public and sometimes that can be difficult. [...] I would ask for their input into what is selling and what isn't and when I do the buying ask their opinion on how easy or hard things were to sell. It's not me deciding on my own, we decide together and if a rep comes we will look at what they have together. (Participant 27)

It's not just me who does that, I try and get all the staff to do that so they can build up a relationship with the customers. So the days I am not here the customers still feel that there is a great atmosphere when you walk in, they all know you, they are nice, they say hello, goodbye, thank you, basic simple things, things that a lot of places don't do. [...] staff are included, they are a credit, I owe the staff as much of a success as I would owe it to myself but anyone else. (Participant 5)

People that come in, generally come in for a chat. All the girls here are like that, we all know our customers really well [...] you get to know them. (Participant 7)

In this context, **marketing was also linked to leadership, HR and organisational culture**. Entrepreneurs spoke about their role as leaders and how it is up to them to drive the other people in the company (i.e. lead by example). Equally, several participants emphasised the importance of selecting the right people, training the staff appropriately, helping them develop, both personally and professionally and making them feel part of the brand.

To me the culture of a company comes totally from the leader. And the single most important role of a leader is to create a good culture in the company and the best way to do that is to do it from the early stages and you can foster and grow it and strengthen it if you start it from an early stage. It's really difficult to change culture, if not impossible. (Participant 22)

In terms of that and in terms of my own network, which is the employee network, I realise that I have to lead them and I have to be inspiring for them and to make them excited about work. [...] If I am having an off day, if I'm tired, if I'm fed up, I don't get up, I can feel it in the office the guys don't as well. That network relies off my energy, in terms of that and going around. (Participant 10)

That's what it's all about, that's our biggest marketing tool, our people. It isn't necessarily advertising, papers... that's what people think straight away, money, cost. (Participant 24)

Everything is simple when you know how to, but if you don't surround yourself by people who have different ways of thinking, who will challenge your thinking, who will say "are you really doing that the best way?" [...] Any full time members of staff are superstars,

they are the best people you can possibly have if they're not they are the wrong people for the business. (Participant 14)

Everyone who works here wants to work here and they want to see it moving forward and it's exciting. (Participant 7)

This is the firm's family tree – all the people that work for us and what they do. (Participant 7)

Marketing and HR are very close, so it's all about the people and the service, and attracting the person with a smile rather than the person who can serve. If you get the attitude right, the personality right, that's what you're selling. And that's the biggest marketing, and the cheapest marketing, but the toughest one to do, cause it's day in and day out. I always say that in our business marketing is like a football team, if you do a one-nil everyone is talking about it, if you do a five –nil, they are definitely talking about it, and if you have a draw it goes under the radar. You need to champion that as much as you can. It's all performance based, it doesn't matter what goes into it, all the planning, it's about what people see on the stage. (Participant 11)

I needed a new junior a few weeks ago, I interviewed 43 people and I got one person out of that 43 people, so we are quite particular about what type of person we like for our business. (Participant 8)

We pick them, we do open interviews and we might interview forty people in an hour and a half on a Friday morning and we might pick one. We are looking for too much, we are looking for something special, we laugh because we say it's like X Factor because we are very fussy, we don't always get any of that right but we try our best. [...] I think the staff members are majorly important because I am a more of a behind the scenes type of person and they are the ones the customer sees. (Participant 16)

I don't want the guy who wants the nine to five job who wants a big salary, I want the guy who is mad about building and coding and just wants to learn and doesn't really mind coming in at eleven and going home at whatever time. (Participant 10)

We don't take on staff that is trained already, we train all our stuff from the bottom up. [...]. Nobody gets to do anything until they passed a test, [...] everybody does it the same way, so everybody is trained the same way, they give the same service [...] our staff never stand still. [...] We try and nurture any interest that they have outside. (Participant 8)

Everyone went out as if they owned that company so from the fellow in the store to the lorry driver, they were (me), they were (me) because I couldn't meet everybody so they would have to represent me. I have three or four fellows going training tonight, a lot of people wouldn't pay for them but I do. [...] If you invest in people they will invest back. [...] I will show you a text I got this morning from one of my salesmen, he texted at 7:48 a.m. and he said "Let's sell lots today". I manage (people) by making them feel as if they own the company, they are part of it and I allow them to make mistakes. (Participant 25)

New Product Development and Product Improvements

The data generated through the interviews offered examples of **incremental changes** to existing products or services, as well as examples of **new value propositions** for existing or new target markets. While all respondents deemed innovation important, naturally new product development (NPD) was more of a priority for those operating in high tech sectors.

Networking influence on NPD and product improvements

The findings show that networking influenced NPD and product improvements processes in the studied context in three main ways: networking with customers and other stakeholders to source new ideas, finding opportunities for collaborations and value co-creation and using networking as a platform for market testing.

Networking as a source of new ideas

Both product/service improvements, and developing new value propositions were mainly the results of being **responsive to customer feedback, inquiries and suggestions**.

From existing customers. [...] So we got a lot of enquires more so late last year and then this year we decided to start looking at getting into that market more. [...] Customer demand, yeah. What happened was, customers were coming in looking for (x) we didn't have them, [...] so then we...actually, about 10 months, we decided we better start doing them. (Participant 5)

It flipped very much [...] because clients started to ask 'I love your (x), would you consider doing it for me? More people started to ask so that became a service, and (y), so someone said would you manage (y) so that's another area. (Participant 15)

How we decided that we are going to do them? Need, want from customers and potential customers and us seeing that there is a gap in the market that needs to be filled, if there is a void there we are going to fill it. (Participant 14)

Most of the time, it's a mix, in the design and development team they have weekly meetings and we really try and get them to innovate. [...] I would say the bigger ideas might come more from clients. (Participant 23)

Collaboration with various agencies (i.e. mentorship programmes) and industry stakeholders, such as intermediaries, or colleagues/competitors and employees were also identified as idea sources for new products.

Not in this company, but I am for a new product we are setting up called (x); we set up a company [...] I mentor for SCCUL and I mentor for Enterprise Ireland, for the Galway Enterprise Board. [...] You don't make a lot of money out of that but it gives you ideas. We were mentoring a guy who had developed a (x), from Athlone Institute of Technology [...]. I was mentoring him [...], then his marriage broke up so we took over the idea and I gave him 15% of the new company. (Participant 25)

One of our colleagues was saying "Why are you not offering that to the Russian market? They'll whip it out of your hand. Because that's what we do, we're full of Russians. And they love it and they pay a fortune for it." (Participant 26)

Wasn't in the business plan, it was just a lot of people (retailers) were enquiring about our (x) for the stores like coffee shops, etc. Kind of put it into our head. (Participant 5)

We are now offering for (new target market) and that's through our network, through (x) in Switzerland. They said, "We are looking for this. Why don't you do it? Would you consider?" (Participant 26)

This is the latest, this is incredible, [...] amazing and that's a new thing to us because a guy came in to work with us and he doesn't have huge amount of experience, [...] but makes great (products). So he has brought added value to us because we would never have had this (product) before. (Participant 24)

After talking to him (competitor) I made a few more enquires and phone calls and seen that there is a lot of opportunity here... (Participant 14)

Networking offers opportunities for collaboration and value co-creation

Networking offers a suitable platform for small businesses to come together to co-create and deliver new value propositions, particularly when they can complement each other's capabilities.

People got to talking, you do this, I do this, and let's do something together. [...] this usually happens at networking events or after, you find it easier to approach people and say I have an idea I can't do it on my own, can we do something together. (Participant 33)

I have done many projects with these guys (competitors), we would collaborate and if we didn't collaborate, we wouldn't have got the business, none of us would have got the business. (Participant 13)

Here is an example, a hotel group, thirty hotels they want a sales programme. [...] Our strength isn't in sales. We have an associate in Cork, who does sales. [...] We're using the sales guy (x) he'll probably deliver that part, we'll deliver (the rest), so that way, he's becoming part of the solution for ourselves. (Participant 17)

I told them this and said 'listen, you're missing a big opportunity, your work is considered operational, but it needs to be strategic. I do strategic work, do you want to work with me, you can help me to execute my work and I can help you to sustain you work' [...] So we joined forces and now I am working with them. (Participant 13)

Networking as a platform for market testing

Networking also offered entrepreneurs a means to test both their ideas and their developing value propositions. Using networks to test ideas informally was a very effective way to assess the market's demand or response before taking action in developing a product.

This ranged from casually testing the waters online...

Sometimes I will put things out there that are not true because I want to test the water. (Participant 4)

... to proactively collecting feedback on an idea...

If we don't have something that works, we have something that might work. I have an idea [...] so what we have to do is go and test that and we have to do MVP, minimum viable product, testing on it, the lean approach. We have a concept let's go pick up the phone, let's ring ten people, see what happens, what the feedback is like, ok, what did we learn from that? (Participant 10)

I spoke to x (intermediary), I spoke to (industry association) and they said there is a huge opportunity here and here is the list of a few people. [...] a provider who we deal with regularly said to us and to the customer 'right, you are trying (this), you need to speak to these guys in Galway' and they did. (Participant 14)

... and shaping a value proposition when **innovation was internally initiated**.

Henry Ford said if you ask them what they want, they would say a faster horse but he gave them a car. Your main first vision has to come from you, and then it has to come from your customers, this is the route I'm going to take, this is what I'm going to build, this is how it is going to be different and then you use customers to knock the bad edges off that idea. You go a certain direction but then you need the real customers to tell you there is this little issue or it would be better if you did it in this way. (Participant 12)

It's related to a network, so...this was accidental but it was one of the best accidents I ever had. I wanted to do (x) and I wanted to do it in different ways than I saw others doing it. And I had some unusual concepts and I wanted to test them out in the market with people that were likely to buy it from me. So I looked up my sort of diary, picked up 11 people that I respected, thought that would be the type of people that would this, etc., etc. and I contacted them all and said can I meet you for a coffee and a chat, I met with 8 of them. I'd meet, chat, get some feedback and make changes to my models, models that I was presenting, go on to the next person and so on. What was really interesting, out of the 8, 5 gave me work there and then. [...] My intention wasn't asking or look for work, my intention was to ask their advice on what I was doing. (Participant 13)

For example, an entrepreneur included an illustration of **customer co-creation** in his narrative, as his firm released Beta versions of the product (software) online to encourage trial and feedback. The product was thus going through a continuous process of updates according to experts and users' feedback. A constant dialogue between developers and users reduces costs (by getting expert advice from users around the world), helps creating buzz (by generating WOM, discussion and mentions), and ultimately results in value co-creation (and consequently a feeling of part-ownership with the users).

We pushed it out on to Twitter and people started blogging about it, taking screen shots and saying look at this new concept from Galway. Since then we have been iterating it in the hands of customers so we didn't stay behind closed doors we have built it in the customers hands, obsessed with talking to the customer, we track them in social media and invite them in, create an account, we email them and ask what they think, they were way more experienced than us, they were sales managers and ask the questions and then we would say that's a good or bad idea or too specific to their industry that we make those decisions and put in the features. We build in the features with a Beta check box so only certain people can see it and we use it ourselves and when we are happy with it we release it then to everybody else. (Participant 12)

Another example is of one entrepreneur who often used his large number of Facebook followers to test their response before embarking on new projects. Depending on the results, he would pursue the idea or not. This created buzz and got other stakeholders involved very early on. Once there was interest and the project got off the ground, the entrepreneur kept updating and "teasing" his followers, so that high levels of

engagement were maintained throughout. When the product was finally launched, there was an immediate interest and a guaranteed level of success.

What I do is I know I have sixty thousand people on Facebook ... so last year I put up that I was going to have a bestselling book by the end of the year and thirty thousand people saw that and for all they knew I had already signed a deal, I didn't. I got a phone call the following week from a publisher saying are you interested in doing a book. So I'll see how much demand there is and then I'll create the product. (Participant 4)

Several respondents also emphasised that there might be a danger in being too ambitious and changing the value proposition too much or too often. Trying to please everyone is unrealistic, and it can also create customer confusion by **brand dilution**.

We find it quite easy, my own strengths, come back to me, the way my brain works, creativity is something that is easy for us, so yes we do customize. [...] That happens fairly regularly and in some ways that was a strength... there was a danger in our space that you don't want to be seen as all things to all people, [...] you have to be careful, there's a balance there. (Participant 17)

You can't please everybody though, you can't be all things to all men. (Participant 31)

6.4.2.3 Architectural Marketing Capabilities (Strategic Marketing Planning and Implementation)

Strategic marketing planning involves market analysis processes that facilitate segmentation, targeting and positioning. Overall, the entrepreneurs participating in this research were clear on the positioning strategy of their brand (see Section 6.4.2.2). However, none of the entrepreneurs described analytical frameworks or mentioned formal segmentation and targeting processes. In several cases, this was due to the niche market pursued; in other cases, the high levels of customer closeness, as well as the firm's flexibility and the responsiveness to customer feedback seem to indicate that targeting particular customers is intuitive, and the segments pursued self-generate in time, by an incremental expansion of the customer base and learn-by-doing processes.

We tried the lower end volume things. They don't work for us at all. It's not our customer. And it took me a while to... it took me about a year and a half to two years of trying different things to realize that is not our customer, that is not what they want. They want the good things, but they want them at the right price. That taught me the biggest lesson of all. OK. I know my customer now. (Participant 7)

Only a handful of the participants had a written formal marketing plan (or a business plan, for that matter). Some entrepreneurs admitted to only having a written plan because it was a requirement when applying for funding from government organisations; putting together detailed plans was interpreted as a resource demanding process, with questionable results.

A lot of times they make you do loads of business plans and go through it with a fine tooth comb and send it back out, so you are wasting time when you should be working on the business. (Participant 9)

Findings show that the lack of formal marketing planning, resulting in actual written document, was attributed to the small size of the business and the preference of the entrepreneurs for a more pragmatic and flexible approach. Furthermore, given that entrepreneurs were continuously immersed in the market, there was no perceived need for systematic processes of market analysis. Because of these reasons, the entrepreneurs participating in this study mostly adopted a flexible approach, mixing a level of planning (albeit rarely resulting in formal written document) with responsiveness to the operating environment.

In terms of marketing plan, I guess I would have one but not written down. In my own head [...] It's important to have some sort of plan but I don't think a lot small businesses need to be doing up a full marketing plan because it changes so often [...]. For small businesses especially I don't think a formal marketing plan is really necessary. (Participant 6)

I am not a big fan of plans, particularly long written ones. I am more, there is this idea of growth hackers [...] it tends to iterate quickly and change quickly so I haven't sat down... the lads were at it for a while but I haven't even read it. I think they have something in there which is long but I don't believe in those plans so we do quarterly plans, so every quarter we sit down, we define what we are doing for the next three months and then we go at it because it keeps changing. I think maybe as you get bigger as you have more of an organisation you need to have a plan so people know what is going on but because it's so small... (Participant 10)

We don't have a written document (for the marketing plan) but we would put that together every two months or three months we would get it together. (Participant 24)

Yes, we have a marketing plan and we have a business plan, it's not a formal document but it's a mixture of some of these things that I work on. (Participant 23)

The marketing strategy, it has to fit on one page or I won't accept it. [...] I want it stuck on the wall, on an A3, big writing on A3 and it's going into the kitchen. Your marketing strategy should be in a few sentences and if it can't be in a few sentences then it's not good because then it's only a document that people store. (Participant 12)

(The marketing plan is) about 3 lines long. (Participant 5)

There was more focus on the implementation of specific campaigns and tactical activities. There were instances of **“planned” approaches** as well as **“learn by doing” approaches** to marketing communications, where entrepreneurs would test ideas to learn what works and does not work.

(The marketing plan) it's more of an on-going, evolving organic plan. It is basically about keeping yourself and your news out in front of people. (Participant 18)

Every day we would go to work and make a plan, so this is our marketing plan but we are just testing a small concept or idea to see does it float or not, a lot of times it doesn't but we learn something from it and move on. We tried that and that didn't work so we are now trying the more direct thing, which is picking up the phone and ringing people and that has a bit of success. (Participant 10)

(No marketing plan) but if we do a campaign, like the campaign just gone by, we sat down and did a plan for that and it included what is the message, what's the target area, demographic, customer. (Participant 20)

We always have a marketing plan. It's on the wall in here; it's on the wall in my bedroom. It's here. It's in my office at home, so I'll always be checking on it every month to see, to make sure. So we have like, online marketing, charity marketing, media marketing and competitions and stuff like that. (Participant 8)

We have one (marketing plan) every month, and we have a PR one. [...] The main sections would be our social media, what we are planning in that regard, what is going in our newsletter, any training we are giving, educating people through social media or on LinkedIn as well, so we write a lot of blogs, so that would be a big part as well. We are sponsoring a few things at the moment as well, so brand recognition ... and getting our message out there we are kind of timing with appropriate partners. (Participant 15)

Formal planning and entrepreneurial experience

Some empirical data also suggest that as the firm grows, the level of planning formality also increases. While this did still not result in full formal written plans, several entrepreneurs described more formal planning processes.

(We have) a strategic plan. [...] within marketing we have developed an effective model to secure...to set a target of six more of these companies. (Participant 17)

We have (a marketing plan.) A lot of it is information about our brand and the way that we behave around our brand. We discuss with the spent [...] and how we are going to use it. (Participant 14)

The marketing plan [...] who is doing what, when. How are we doing that, looking at the clients, looking at the prospects, at what we are going to get out, how many customers do we want to have in this section, this area and these countries and then just the detail of who is going to do what, when. (Participant 23)

We have a marketing plan; we look at it strategically. (Participant 26)

Interestingly, some evidence in the data also suggests that **the role of planning may decrease with experience, as the entrepreneurs became more knowledgeable and confident**. While purpose and vision remained consistent, the means to achieve goals were not planned, as these entrepreneurs felt they had to take advantage of contingencies.

I used to be very methodological in business planning and I advice all my clients to be like that. But in recent years I've been less structured about it...so years ago I would have everything planned out, broken down and targets and measures and everything like that... now I am more philosophical about it, it's more about following a purpose and then letting everything else happen if it needs to happen [...] Years ago was very formal strategy, now is less formal, I am more confident as well and also trusting that if I follow my purpose in the direction what needs to land will land... (Participant 13)

I think entrepreneurs are very visual anyway. I can actually see things happening. It's like sitting in the cinema and I can see the movie and I can go and chop it and change it and say if I do this, that's going to happen and if I do that something else is going to

happen. And if I do this, this might happen, but then if that doesn't happen, that probably will happen. So what should I do to make sure that doesn't happen, and so on, how do I need to change things? And that's very visual for me. (Participant 22)

The business plan changes quite a bit. Like, initially [...], the business plan for me – I got an international franchise for Ireland and the UK. I felt that was the way to go, but when I started looking deep, and started that up and running, I felt actually no. As I get to understand this industry more, that strategy and that plan is not going to work as effectively as another one. So I dropped that totally, I realised that it would work, but not as well as I wanted it to work and the flexibility I needed, so it didn't meet my criteria as my criteria was changing. So I had to create a new business plan. So I created a new business plan from scratch [...] these are the key things I need to do and these are the reasons why and let's put a business plan around that: what are the resources we require in order to achieve this? What are the skillsets? What are the people? What's the infrastructure we need? [...] It's not necessarily a timeline, but the goal post can change quite dramatically in all businesses reasonably quickly. (Participant 22)

6.4.2.4 Dynamic Marketing Capabilities and Learning through Networking

The empirical data in this research identified learning as one of the most prevalent outcomes of networking, implicitly impacting on the firm's resources and capabilities.

(From networking) you are getting marketing knowledge, you are getting industry knowledge. (Participant 26)

(Networking) is fundamental to growth. Everybody's been through situations, everybody's learning something. If you have ten points of information and you walk into a room, you've gained one and now you have eleven. You might have given away 2 or 3 but you've benefited by one. (Participant 11)

And the next thing is, you know, you get little bits of information, like ideas (Participant 13).

Part of it is networking to create more business, but part of it is to develop your business and to get ideas from people and to learn how people are doing things and at these things you learn simple things that people are doing that you can easily replicate here. (Participant 26)

(Networking) is a good way to expand to learn from other businesses, how they operate and to take something back to my own business and try it. You learn from other people and you gain another dimension and you can offer more in your own business, it's helping each other, networking and it's expanding and freshening up my thinking. (Participant 27)

(Networking) is as much education as anything else. (Participant 14)

What comes out of that (networking) is capital, angel investors, knowledge. (Participant 12)

However, while networking offered numerous learning opportunities, entrepreneurs have to internalise and apply what they learn in order to obtain firm-level benefits.

Entrepreneurs must purposefully ensure that the learning opportunities networking offers are seized.

I have to be “able to bring what I have learnt there through me into the company [...] and to expose the team themselves directly. (Participant 20)

Some people have got great benefit from them, others not so much... they expect a miracle but miracles don't happen like that. [...] They have to work on it; it's like anything, studying for anything. You have to practice. [...] expecting the answers to be there and it's just that clicking button... it doesn't work like that. (Participant 24)

Accountability. [...] People will team up with somebody from the group to ensure that they follow up what they say they will do [...] That is important and has come from research that we have done with our own groups over the years. (Participant 34)

The participants (entrepreneurs and representatives of networking support organisations) mentioned three different types of learning processes facilitated by and through networking:

a) Intentional learning

b) Accidental learning

c) Learning how to become better networkers (learn-by-doing).

a) Intentional learning

The data from the interviews revealed three main scenarios in which networking facilitated intentional learning: activating ties for information and advice, peer learning and expert counsel and networking within formal education programmes.

Activating strong and weak ties for information and advice

Firstly, intentional learning occurred when entrepreneurs needed solutions for particular business issues and searched for immediate help. Their network contacts provided an efficient and economical source of information and advice.

Strong ties were mostly used for possibly sensitive issues, when trustworthiness was an important factor.

These people who I know [...] we're all going through the same thing, [...], so we share, we understand each other. This solid network ... there is a huge amount of trust because I know I can tell them anything and they're going through the same thing and they are not going to repeat it. (Participant 10)

I have these guys, very good network of people here that I'm always.... I can pick up the phone and bounce any scenario of these four guys. (Participant 13)

It's a great network because if I need something else I'll reach into that network if I am having a problem somewhere. (Participant 20)

So if you've got a particular issue, be it family, be it health, be it business, you then have the value of the other 7 people there offering you their opinion, as a board of directors. And because the relationship is being built up over time and they are so open with each other you trust them. [...] And that's networking and that's very powerful. (Participant 22)

Sometimes I bounce my situation off them 'what do you think?' 'I think you could improve this and you could improve that'. (Participant 13)

I think it's really good, because we are so engrossed in this business, and we're in it every day [...], I think to be able to go to someone outside of our business: this is what we are thinking, what would you think... (Participant 8)

Weak ties were also seen as a great source of information, often activated by the participating entrepreneurs as a first call in finding solutions to specific issues.

If there was a problem within the business or not even a problem but a challenge facing the business I will talk to people and try and if one person tells me I don't really know the answer but this guy might help you, I will follow up that. I would be proactive. (Participant 6)

Anything we don't know about, someone else knows about. So if anything comes up in the business, you know, even like where do you get your printing done? How much did you pay for this? The rates in the city, the rent we pay, everything. Everyone else in business is facing these same problems every day so you're getting to bounce ideas off people and it saves a lot of hassle down the road. (Participant 8)

In starting a business and at that very early stage the more people you talk to the better, because the more chances you have of getting various different views on what you're doing. (Participant 28)

It's impossible for you by yourself to keep up to date with absolutely everything. (Participant 32)

People that you have met when opening a business, like owners from the network, they have been great because some of them have been advising me. (Participant 5)

I think the value is very good for people like that because they're just by themselves in an office and they don't have a team of people around them to bounce ideas off, often they don't have the resources to have a marketing department, to have a HR department, to have this, that and the other so by going to these networking groups they are getting the value of what [...] everyone else is discussing. (Participant 32)

Peer learning and expert counsel

Secondly, intentional learning also occurred when entrepreneurs attended events organised around a specific topic. Guest speakers are usually sharing their expertise in a particular area, and are often present during the “networking” part of the event, where customised advice can be obtained. As well as that, entrepreneurs often learned from the other event attendees (peer learning). Intentional peer learning also occurred as entrepreneurs specifically targeted and contacted individuals (with specific knowledge) in order to learn from them.

The (networking groups) have been a huge help to me, through their speakers and just picking up their tips. (Participant 1)

With the guest speakers you get some really good snippets of information that maybe you can implement into your own business or in the future in your own business but it's not just about ideas that you can implement straight away it's the thinking as well, some of these guest speakers that come in are absolutely amazing and their way of thinking is just ways that you should be thinking about things in the long term or even just to give you an idea. (Participant 32)

One of the girls who is involved in the (x) Network, she does social media and she has a lot of contacts in that area, one of the other girls does travel tourism, in the States so I am going to be using some of her skill set [...] she has a lot of tourism skill sets that I am going to be acquiring. (Participant 3)

It's a peer organisation, there's very little overt business done in it, it's more about learning, I get more than I give in that organisation and the more I give the more I get, it's strange. (Participant 20)

They came in with a burning question that they got an answer, that they wanted to know about something specific [...] they go out with the knowledge and it's in an environment that you are not afraid to put your hand up. (Participant 30)

I got in touch with (x), I sent him a message through LinkedIn and said I'd love to have a cup of coffee with you, I said we were both in non-sexy industry that people don't like but are both necessary, I'd love to sit with you and have a coffee. I have met with him a couple of times now, every 4, 5 months I go and sit down with him. [...] he's doing a lot of things right and those are the people you want to be talking to and get ideas from. (Participant 14)

Yesterday I met up with somebody when I was up in Dublin. The guy... I haven't met... but I just liked his website and he was just like a wealth, a mine of experience in terms of what I wanted so I met up with him and he has given me so many great things I can do for free, things that we can really easily (do), people that he thinks that I should work with and vice versa, I kind of gave him stuff. [...] It saves you loads of money. Like he told me you set up a formation company through a website app that he's done for free, I know others are charging you up to a grand to do that. (Participant 15)

Number one they get information [...] two they will make new contacts, three if they are not making new contacts, they are meeting people they might not have seen in a few months, sharing information. They are learning from peers they are sharing experiences. (Participant 29)

I started modelling what other guys were doing; so that's my whole philosophy if someone is doing something that you want to do you just look at them and you repeat their actions and you hope that you will get where you want to be. I emailed guys to ask what books they were reading and what courses do you do and I thought if I can slot the pieces in and do what they are doing, keep doing it, eventually I am going to get there. (Participant 4)

Learning though networking within formal education programmes

Thirdly, intentional learning occurred when entrepreneurs decided to enrol for formal training or further education. As previously discussed (See Section 6.2.2), beyond the expected 'academic-type' learning, enrolling in a course creates new networking

opportunities and new networks (of colleagues and tutors), providing entrepreneurs with access to knowledgeable actors. Sharing kinship with the other entrepreneurs in a group also encourages learning and can endow entrepreneurs with a renewed boost of confidence and energy.

Any of these college lecturers I have befriended over the last two years. You ask them for one minute of their time and they love to talk, college lecturers, and they give you 20 minutes of free advice. (Participant 11)

That's another thing that I only started to learn when I started the Going for Growth programme, [...] and the majority of women around the table are exactly the same [...] be confident, just learn, keep asking questions until you understand. (Participant 24)

It's a whole mentoring system and after you have gone through the programme, then they have a community of Going for Growth people and they have a conference once a year and it is the best organised thing in the World, I have ever been at!!! [...] Hugely useful. For personal growth and professional growth. (Participant 26)

b) Accidental learning

Accidental learning occurs through networking as entrepreneurs are **exposed to “nuggets of wisdom” unexpectedly** (Participant 14). Networking may provide access to information that might be impossible to obtain otherwise and thus accidental learning may prove very valuable.

You learn about new things that are happening, new businesses coming, and new trends. (Participant 3)

You always pick up little nuggets of wisdom as you go along. There is not one person that had the whole nine yards but you would have lots of people that would have little bits to help you. If you could surround yourself with these people, it will rub off. (Participant 14)

But the most important thing while I was there (a conference), I learned 3 key pieces of information from 3 key markets. One guy is part of a huge group that are very, very aggressive marketers etc., and I was thinking about translating our website into Korean and he was saying: “My dear, don't translate it into Korean, the Koreans need somebody to mind them they can't do anything on their own, so you still need the agent [...], don't bother, but if you want to translate into an Asian language, translate into Japanese, cause the Japanese would book directly”. So you wonder about networking. [...] It's only a piece of information that you're using, but it is your network that's telling you. (Participant 26)

One of these guys, it's like a little thing you know, but it's important...let's say we agree a price of 1000 Euros for a piece of work and for some reason I give you 20% discount so what he was doing on his invoices, what I was doing was I would send you an invoice for 800 euro. What he does is, he puts down 1000 minus 20% discount, he goes 800 euro, reminding you the actual price was 1000, but I gave you 20%. (Participant 13)

In this building there is a lot of young start up companies and that's great because you can just talk to them and get ideas from them. (Participant 6)

c) Learning to network

Through experiential learning, networking can make entrepreneurs better networkers. Networking is about “*learning how to communicate with people, learning how to say who you are, what you do and learning how to ask for business*” (Participant 33). Consequently the more you network, the better a networker you become. As entrepreneurs gained networking experience, they learned how to extract more value out of old and new networks, and how to adopt a more strategic approach in their networking and relationships. The data from the interviews with the more experienced entrepreneurs indicated that the way entrepreneurs network changes in time.

I did (network) at the beginning a lot [...], but then I fell out of that as you get bigger and you have people in sales. (Participant 20)

When I was younger, what I know now I didn't know then, that networking is a business [...] I thought it was just socialising, whereas now it's pure business. (Participant 25)

I go to many meetings. I used to go to a lot more. I don't anymore [...] I used to do it quite regularly and organised, there were three or four of us that went to all different events but we don't do that anymore, it's more informal. (Participant 18)

Furthermore as their business profiles had developed and they gained status in the industry and the local and broader business community, several entrepreneurs became sought after and felt they must be more selective with their connections. As well as that, negative experiences of opportunistic individuals might have taught entrepreneurs to be cautious.

There is a small number of people who are very highly sought after. And these people have to kind of protect themselves and they've got to be careful about their time; [...] as much as they like helping, they cannot be public property. So they got to create barriers, or structures around themselves to protect themselves. (Participant 22)

I've always felt that people who talk to me about networking means that they are trying to get something out of other people. (Participant 19)

Snakes in suits are people you need to be really careful about in life. We're never taught about snakes in suits, nobody ever tells us about this, but it's probably the most important lesson one can learn in life about people. And it is really important in networking. It is absolutely central in networking, absolutely core. [...] There are people who exploit that and take advantage of that quite easily. And some of these people will really, really screw you and you have to be really careful of them. There's a small number of them. [...] I have come across enough that has caused me damage. (Participant 22)

The fact that more experienced and successful entrepreneurs tended to “protect themselves” and their time, was also experienced by the novice entrepreneurs, but from the other side of the equation. The novice entrepreneurs often found that only using existing relationships, could open doors that would otherwise remain closed for them. Participants identified episodes when they initially tried to contact someone with no success and succeeded only when introductions from the ‘right’ people were obtained. “*Getting inside the tent*” (Participant 10), or “*in the mix*” (Participant 12) as participants

put it, was often identified as the only way in which higher-level networks would pay attention to new comers.

The only way for someone who is not inside to get inside is to connect with somebody who's inside. It's the only way. (Participant 22)

I would leverage off someone I know and I say could you get me an introduction or can you give me an email [...] you can't just plant yourself in, it doesn't work. (Participant 9)

I know this lady who runs (x), for many years, and we were talking about working together every time we meet and I could never get through the door, to have a meeting, to formally establish a link. [...] I wasn't using the network. The network was there and I didn't connect the dots. [...] we're actually now through the door. (Participant 26)

As important would be for us key networkers like (x), some people are so good at the space that they've such a strong relationship in the market that they'll open doors for you, [...] If you don't have the network yourself, there are people who have great networks that you can actually sit down and talk to. (Participant 17)

I find the best way to build a network is to get inside the tent, so that's why Start Up weekend was interesting for me because I got to be a mentor that gave me a status... I wasn't just the great unwashed that were coming to the event. I got to sit down and talk to [...] the CTO of Storyful and I got to sit down and have a chat with him and he would have that conversation with me because I was a mentor and must be worth some salt. (Participant 10)

It's usually the VC guys who are judging so it puts me in the mix with them, I am now parallel to them I am not talking to them in a different way, I am talking to them as somebody on their level. That's the way I thought of it, that's networking, that's me making a decision not to be somebody out there helping these guys do it but to sit on the level of the judges. (Participant 12)

6.4.2.5 Networking Outcomes with an Indirect Impact on Marketing

While networking has a wider impact on the firm, this research focuses on the influence networking has on the development of marketing capabilities. Section 6.4.2 has so far presented the relevant findings in relation to specialised, cross-functional, architectural and dynamic marketing capabilities and the way in which networking can be leveraged for the development of these capabilities in SMEs. The data generated through the interviews also revealed networking outcomes, which affect marketing capabilities development indirectly. In their narratives, the entrepreneurs mentioned positive networking outcomes for other aspects in their business, but with an indirect influence on marketing such as:

- a) Recruitment (the 'right' employees; interns)
- b) Access to funding and
- c) Emotional support.

a) Recruitment

Recruitment via networking was a strategy that several entrepreneurs employed as a more efficient and effective alternative to the traditional approach. These recruitment strategies ranged from simplifying the selection process by contacting people via LinkedIn to more creative processes of attracting the ‘right’ candidates.

For instance two of the research participants initiated long term joint projects with the University with a dual purpose: strengthening their University links and identifying and recruiting graduates with the profile and skills they wanted in their team. In this way, the entrepreneurs got to know the candidates and to see them in action. This “**guerrilla recruitment**” system was considered a very successful, novel and guaranteed method to employ the best.

We can't afford recruitment agencies because we just don't have enough money so we can't go that route or we can't go and put it on the website [...] we went to the Head of IT and the Head of Engineering and said “Can you tell us who the really good coders are because we would like to hire them?” and he said “I can't do that” [...]. We said, “What if we were to design a competition”. This is what I call guerrilla recruitment, we would design a competition [...] we would ask them to do a project and we would mentor them throughout the process. [...], We would be in constant contact, so we would know the guys that show up, that ask questions, that engage and then ultimately we get to see the quality of the code they write. We would have to pick a winner and once we do that we would have an opportunity with first, second and third to go and say “Hey, the guy that came first, would you like a job?” and that's an opportunity for us to get them before they've even thought about having a job. (Participant 10)

I created (x) which is in the App competition for students developing Apps and I am trying to attract graduates to come in here, [...] I have to try and get the best graduates just coming out of NUIG so this is the way to attract them. I give talks and I run competitions and I get to know lecturers fairly well. (Participant 12)

University connections were further leveraged by some entrepreneurs to avail of the benefits presented by internship programmes. Getting students as **interns** for shorter or longer periods of time was another method of recruiting on a low budget. In many cases, the interns were asked to look after specific aspects of marketing, such as social media, or market research.

We've got Masters students in from NUIG in who are looking at social media, so they are doing different campaigns and it's working now [...] We approached the college looking for people who were looking for a placement [...] we churn through a fair bit of staff just to make sure we are doing it as cheaply and nimbly as possible because we are still a start up. (Participant 9)

We had a summer student in, who researched (x) and produced a report and presented that to us and that would have been a core to a lot of the work that was done. (Participant 23)

(x) would have a lot of contact with the IT in GMIT so we had students that would come in and create a video for our website, a guy came over from college last year to work with us on certain projects for a couple of weeks, but also there is a girl who was working 9

months last year and then came back to us again this year for another 9 months, she's doing really well so there is great links there as well and I guess that's networking. (Participant 6)

Interestingly, there were also instances where loyal and admiring customers became employees:

(x) sent me a CV [...] I know her (as a customer), she is a big supporter, most people don't trust my crazy ideas but I tell her I am going to do something and she believes in it... (Participant 4)

We have a customer who took it upon herself to critically analyse our website, Twitter, Facebook ...some of it was positive, some of it was not, some it was uncomfortable. This customer would like to work with us; it's networking for her. We will end up hiring her for sure. (Participant 20)

b) Accessing funding

Access to financial resources is often times identified as one of the most significant hurdles for SMEs' development and growth. During the interviews several entrepreneurs spoke about the role networking has in reaching investors.

For me when I raised money, investors, I just set a metric of three coffees a month so I had to meet three people a month and there is an old saying "You look for money you will get advice and you look for advice you will get money". I met them and told them what I am doing and showed passion and eventually you get investment. (Participant 12)

We sell ourselves all the time so if you are speaking to investors it is about you, they invest in you, they don't invest in the idea. (Participant 12)

Other times, attending an event or being involved with an event (i.e. being on the side of the organisers, or part of the panel of mentors and judges) provided entrepreneurs with a certain status and the opportunity to give investors "a quick pitch", which might be difficult to obtain otherwise.

Crowd-funding was successfully used by one participant. The value of this experience went far beyond raising the necessary capital to launch a new project. Receiving detailed feedback and business advice in the process of securing crowd-funding was deemed very valuable. But even more, the entrepreneur gained an audience with clearly vested interests in the business (a network of part-owners).

You learn a lot. Like if we have applied for the same loan in the bank, whether we would get or we wouldn't get it, you just get told you get it, that's it. You get told no, you don't get it. [...] But the crowd funding you have to apply to get finance, they review your business plan, your people behind the business, they review your cash flow forecast, everything. [...] But they just don't tell you you're accepted or declined, [...] they come and meet you. [...] the reason you're getting this, is this kind of business is very, very good, this thing here is kind of weak, you need to strengthen up here and here and that's far more helpful [...] So we have a database of tickets [...] we can contact them directly and say thank you very much, here is a sample of the product that you have helped bring to market. It's a far better way for treating an audience for business going forward. It's brilliant. [...] also good about it is there are people in crowd funding, Bobby Kerr from

Dragon's Den. He is a serious investor on it, he has contacted us with a contact in Dublin that we were ready to launch and it will be very influential. So, we may have never gotten that. (Participant 5)

c) Emotional support

While networking for business mainly aims to provide professional support to entrepreneurs, as mentioned in Section 6.3, the empirical data in this study indicates that emotional support is critical for business success. In their narratives, entrepreneurs often emphasised the interconnectivity of business and personal aspects in entrepreneurship.

Networking can provide entrepreneurs with protection from isolation, which has been identified as one of the greatest challenges in starting and running a business. The peer groups that entrepreneurs created or were part of seemed so important for entrepreneurs exactly because they adopted a more **holistic approach**. Connecting with “like minded individuals” in an atmosphere of trust and confidence was conducive to sharing, supporting each other and learning from each other.

The single biggest problem you have as an entrepreneur or a businessperson is that you're like an island, you're isolated, there is nobody you can talk to about your problems and you feel very isolated. (Participant 22)

I found (the greatest challenge) was the social isolation... (Participant 31)

When you work for yourself it's a very lonely existence, you have to get out and meet people because it's you, the phone and kids and you need to break out of that. (Participant 3)

When you are working from home and you are on your own it can be very isolating, “Who can I talk to?”. (Participant 24)

First of all they get confidence, if you are working on your own you are inclined to think negative thoughts and if you are constantly thinking negative thoughts it brings you down. If you hear other peoples' experiences you get confidence from them or you understand that they are going through the same problems that you are going through and maybe you can do business with each other. It gets people out and about and it forces people to work on their personal development (Participant 31).

It's an outlet for them to vent their anger, or give out about something. It's an opportunity to meet and share. (Participant 30)

That's how it all started (the networking group)[...] to empower them and to encourage them to go forward [...] I think it brings them as part of something, it gives them confidence and it's quite a nice social thing [...] when you discover that everybody has the same issues, you learn such a lot and then you don't feel so isolated. (Participant 24)

6.4.3 Summary of Findings for RQ 3

The empirical data shows there was great appreciation for marketing among the participants. The enactment of the marketing function of the firm was closely interlinked with the entrepreneur, as the entrepreneurs are either the main (or the only)

marketing person in the firm, or closely working with the marketing manager (when such a role exists).

However, the findings also show that marketing can often be seen as difficult and complex and limited resources restrict choices in marketing practice for SME owners. Networking affords a budget-friendly approach through which marketing goals can be achieved. The findings of this study show that entrepreneurial networking influences the development of all four types of marketing capabilities in SMEs.

Specialised marketing capabilities

Customer relationships and the entrepreneur's closeness to the market were the main ways in which networking influenced the development of product management capability in SMEs. Networking also influenced pricing decisions, as entrepreneurs obtain price relevant information both purposefully and serendipitously from various network actors. Similarly, referrals and recommendations, activated through networking, considerably decrease customers' price sensitivity.

While networking was also identified as a way of opening doors for new channels of distribution, there is limited and insufficient data in relation to the influence of networking on the development of channel management capability.

Promotion was identified as one of the most important aspects of marketing. The findings of this study suggest that networking is necessary for the development of promotional capability in SMEs due to resource issues. Moreover, adopting a hands-on approach to marketing communications allowed entrepreneurs to capitalise on their customer engagement and closeness to the market. Networking naturally favoured WOM and online marketing communications. WOM was undeniably the most important, valuable and powerful form of marketing communications, the most significant entrepreneurial tool in lead generation, and a significant generator of PR material and free media coverage. Positive WOM was driven by product/service reputation, as well as the entrepreneur's reputation, with story telling enhancing the latter.

The data further revealed that market research is mostly informal, intuitive and continuous in SMEs. The entrepreneurs' closeness to the market, and constant engagement with relevant market actors ensured a permanent flow of feedback and information. The empirical evidence indicates that networking has a strong influence on the development of market research capability in SMEs. Networking with various market actors was a deliberate strategy to acquire market information, deemed to be time saving and easier to process and use. In particular customers and competitors were identified as the most important actors providing entrepreneurs with relevant information, while suppliers, distributors, government organisations and academic institutions were also good sources of market intelligence. The data also indicates that market research becomes more formal with firm growth.

Cross-functional marketing capabilities

The empirical data revealed two main approaches through which the entrepreneurs taking part in this research developed and strengthened their brand through networking: personal marketing and leveraging partners' reputation. The entrepreneurs' personal brand (and often their image as 'experts') was an important ingredient in the brand of the firm, differentiating the entrepreneur from the competition, enhancing WOM and PR efforts. Similarly, the data shows that entrepreneurs leveraged the reputation of their partners to validate and increase the reputation of their firms.

Customer relationships management was reliant on networking for both identifying prospects and customers (through WOM, referrals and recommendations) and for maintaining relationships with existing customers (often seen as 'friends'). Customer relationships were underpinned by internal marketing efforts. In this context, marketing was also linked to leadership, HR and organisational culture.

In terms of NPD, both product/service improvements, and developing new value propositions were mainly the results of being responsive to customer feedback, inquiries and suggestions. Collaboration with various agencies (i.e. mentorship programmes) and industry stakeholders, such as intermediaries, or colleagues/competitors and employees were also identified as idea sources of new products. Networking also offers a suitable platform for small businesses to come together to co-create and deliver new value propositions, particularly when they can complement each other's capabilities. Networking further offered entrepreneurs a means to test both their ideas and their developing products.

Architectural marketing capabilities

Only a handful of the participants had a written formal marketing plan (or a business plan). Findings show that the lack of formal marketing planning was attributed to three main related reasons: the small size of the business, rapidly changing environments and the entrepreneur being continuously immersed in the market. While some data indicates that the degree of planning formality increases alongside firm growth, some evidence suggests that expertise can also decrease the entrepreneurs' formal approach to planning, replaced by insight and intuition.

Dynamic marketing capabilities and learning

The empirical data in this research identified learning as one of the most prevalent outcomes of networking, implicitly impacting on the firm's resources and capabilities. Different types of learning processes were facilitated by and through networking: intentional learning (from both strong and weak ties, peer learning, learning from experts and learning through networking within a formal education context), accidental learning (as entrepreneurs are exposed to "nuggets of wisdom" unexpectedly) and

experiential learning (as entrepreneurs learn to become better networkers by networking). The data indicated that the way entrepreneurs network changes in time.

The indirect influence of networking on marketing capabilities development

Finally, the data generated through the interviews also revealed networking outcomes which affect marketing capabilities development indirectly, such as recruitment (the 'right' employees and interns), access to funding and emotional support, confirming the positive impact networking can have for entrepreneurs on both a personal and a professional level.

6.5 Conclusion

This chapter presented the findings pertaining to the three RQs asked by this study and described the themes that emerged from the semi-structured interviews with entrepreneurs and representatives of networking support organisations and the graphic representations of networks produced by entrepreneurs. The findings in relation to RQ 1 show that the entrepreneurs' mindset and human capital are instrumental factors in explaining differences or variance across entrepreneurial networking and thus play a significant role in the development of entrepreneurial networking capability in SMEs.

The findings for RQ 2 show that entrepreneurs engage in personal, operational and strategic networking, with varying degrees of intensity and proactivity. Personal networking mainly leads to professional and personal development and provides emotional support. Internal and external operational networking can aid entrepreneurs accomplish operational tasks efficiently. Both personal and operational networking can be strategically leveraged by entrepreneurs. However, strategic networking requires insight and is dependent on the entrepreneur's ability to seize networking opportunities and create value at organisational levels. The findings in relation to RQ 2 also provide several valuable insights into 'networking best practice' in an Irish context.

Finally, in relation to RQ 3, the empirical evidence suggests that entrepreneurs perceive marketing to be important, but also complex and challenging. Findings indicate that entrepreneurial networking has a direct and strong influence on specialised marketing capabilities, in particular marketing communication capability and market research capability and on all three cross-functional marketing capabilities (brand management, CRM and NPD). Networking also aids entrepreneurs in adopting a flexible approach to business management, which replaces formal planning methods. Additionally, networking has a direct, strong and positive influence on market learning, as entrepreneurs engage with various market actors to acquire and generate knowledge. In turn, through the entrepreneur's efforts, this dynamic marketing capability can positively influence all the other marketing capabilities of the firm.

Chapter 7. Discussion of Research Findings

7.1 Introduction

This chapter presents a discussion of the research findings. The findings from the thematic analysis are evaluated in detail in relation to the three research questions guiding the study and within the broader context set by the conceptual framework of the study and other relevant extant literature. Section 7.2 discusses the findings pertaining to RQ 1 and propositions P1a and P1b, which identified the entrepreneurs' mindset and human capital as important influencing factors for the development of entrepreneurial networking capability. Section 7.3 discusses the findings in relation to RQ 2 and P2a, P2b and P2c, exploring how entrepreneurs engage in personal, operational and strategic networking. Section 7.4 focuses on RQ 3 and P3a, P3b, P3c and P3d, in relation to the influence entrepreneurial networking has on the development of marketing capabilities in an SME context. Section 7.5 concludes the chapter.

7.2 Research Question 1

The first research question aimed to explore the role of the entrepreneurs' mindset and human capital in the development of entrepreneurial networking capability. The theoretical roots of RQ 1 lay on the premise that in SMEs the entrepreneur is the main decision maker and the main networking agent of the firm, which is confirmed across the EM, entrepreneurship and marketing literatures (Shaw, 1997, Brush et al., 2001, Lechner and Dowling, 2003, Evers, 2011b, Vasilchenko and Morrish, 2011, Evers et al., 2012, Nummela et al., 2005).

In an SME context, the strengths and weaknesses of the firm are "strongly related to the person of the entrepreneur" (Hurmerinta-Peltomäki and Nummela, 2004, p. 234). The entrepreneur's endowments and characteristics are part of the essential internal resources of the firm (Alvarez and Busenitz, 2001) and the entrepreneur's persona (his/her characteristics) influences the behaviour of the firm (Altinay and Wang, 2011, Hayton et al., 2002, Alvarez and Barney, 2007, Carson and Gilmore, 2000a, Hultman, 1999).

In particular, the entrepreneur's mindset (i.e. mental attitudes, cognitions, perceptions etc.) (Weick, 1995, Hodgkinson and Healey, 2008, Dew et al., 2009, Helfat and Peteraf, 2003) and human capital (Wright et al., 2014, Colombo and Grilli, 2005, Audretsch and Monsen, 2008, Parker, 2009, Andersson and Evers, 2015) have been identified as two essential explanatory factors for entrepreneurial behaviours/activities.

Drawing on this literature, this study argues that the entrepreneur's persona (his/her characteristics) influences networking behaviours/activities, and consequently how entrepreneurs develop their networking capability. This section examines empirical findings in the context of the two propositions restated below:

P1a. The entrepreneur's mindset influences entrepreneurial networking capability development.

and

P1b. The entrepreneur's human capital influences entrepreneurial networking capability development.

Proposition P1a, i.e. the influence of mindset on entrepreneurial networking capability, is discussed in Section 7.2.1 and proposition P1b, i.e. the influence of human capital on entrepreneurial networking capability, is discussed in Section 7.2.2.

7.2.1 The Influence of Mindset on Entrepreneurial Networking Capability

The findings support the extant literature regarding the central role played by the entrepreneur in SMEs. In line with prior research (Brush et al., 2001, Evers, 2011b, Vasilchenko and Morrish, 2011, Evers et al., 2012), this study finds that the entrepreneur emerges as the main networking agent of the firm and the main decision maker across all functional areas of the firm.

The entrepreneurs' mindset (mental attitudes) in relation to networking became apparent in the way entrepreneurs defined and described networks and networking. Most of the participating entrepreneurs used the term 'network' as a generic construct to incorporate both personal and business relationships. When asked about the meaning of networking, the studied entrepreneurs underlined that there can be different types of networking, resulting in different types of relationships and further added that networking can be both planned and serendipitous. These findings are discussed below.

The overlap between business and personal relationships

The participating entrepreneurs used the term network as a generic construct to incorporate both personal and business relationships. This generic view of network relationships (Maurer and Ebers, 2006, Dubini and Aldrich, 1991, O'Donnell, 2004) was also mirrored in the visual representations entrepreneurs produced when asked to draw the network in which they work. With a few exceptions, entrepreneurs mainly produced ego-nets, which are defined as representations of dyadic ties, with the entrepreneur at the centre of the network as the focal actor (Hite and Hesterly, 2001). Within these visual/graphic representations the business and personal ties of the entrepreneur were mostly intertwined, confirming that in the context of small firms it is often difficult to completely separate the individual (the entrepreneur) from the firm. The fact that most

entrepreneurs produced ego-nets, rather than networks from an organisational point of view (Håkansson and Johanson, 1992, Anderson et al., 1994, Ford et al., 2003) is a further indication of the highly personal nature of small and medium entrepreneur-led businesses. Such findings strengthen the contention that in SMEs the personal contact networks of entrepreneurs and their organisation's networks "are almost synonymous" (Bratkovic et al., 2009, p. 487).

The exceptions mentioned above refer to experienced entrepreneurs, who differentiated between their personal network and their company/companies' network. Unlike their novice counterparts, the more experienced entrepreneurs indicated a level of detachment from the company's network that did not exist for the novice entrepreneurs. These findings indicate that the entrepreneurs' mindset in relation to networks and networking changes throughout the entrepreneurial life cycle.

Dichotomous views (cognitive perspectives) of networking and the perceived value of strong and weak ties

Overall, the research participants employed opposing terms to classify different types of networking, such as: "real and superficial, implicit and explicit, organic and forced, connecting and communicating" etc. This lexicon signals the breadth of the term "networking" and sheds light on the ways in which entrepreneurs think about networking. This is important because entrepreneurs' cognitive schemas are determinant factors for both actions and outcomes (Dew et al., 2009) and actors' behaviours are influenced by the way they think about things (Weick et al., 2005). This implies that entrepreneurs with a more positive view of networking are likely to be more proactive networkers, as compared to those entrepreneurs with a negative view of networking.

All entrepreneurs emphasised that the main benefits of networking result from creating strong, trust-based relationships, formed through 'real, implicit, long-term focused' networking. These findings support the "bonding view" of social capital, which maintains that small, cohesive personal networks composed of strong ties are more effective for entrepreneurs (Stam et al., 2014). Strong ties are characterised by homogeneity, closeness, and frequent interaction (Granovetter, 1973), are motivated to protect actors, can provide support and access to detailed, trustworthy, reliable and cheap information (Hite and Hesterly, 2001). Moreover, cohesive networks are characterised by "cognitive capital", a shared system of meanings, enabling individuals to easily make sense and assimilate the information they receive (Nahapiet and Ghoshal, 1998, De Carolis and Saporito, 2006). The findings of this study indicate that entrepreneurs are clearly aware of these benefits. In particular, several metaphors used to describe the essence of networking (i.e. the cells of an atomic bomb interacting, the human body, the members of a rugby team) emphasised closeness, cooperation and the mutual benefits resulting from strong ties.

However, there was less agreement in relation to the benefits of more casual networking, defined as ‘superficial, explicit, short-term focused’. There was variance across the entrepreneurs participating in this study in relation to the value of this type of networking. Data analysis indicates that overall, the experienced, more mature (older) entrepreneurs placed the most question marks around the value of networking for the creation of casual relationships (i.e. weak ties). Most of the novice/less experienced and younger entrepreneurs also preferred “real relationships” (i.e. strong ties), but also saw value in short-term explicit networking (i.e. weak ties) and several described specific efforts to build large, diverse networks. Data analysis also shows that several of the more experienced entrepreneurs used to network more “when they were starting off”, but that their networking efforts had changed in time.

These findings indicate that the participating entrepreneurs had different mental attitudes in relation to weak ties and their value. The importance of weak ties, characterised by heterogeneity and infrequent interactions (Granovetter, 1973) is reflected in the “bridging view” of social capital, which argues for the value of large, diverse, and weakly connected personal networks for entrepreneurs (Stam et al., 2014). This view is based on the idea that network cohesion, which characterised strong ties, is not always beneficial, as it can enforce rules and constraints (Granovetter, 1973, Burt, 1997, Jack, 2005) and create “network rigidity” (Sullivan Mort and Weerawardena, 2006). Uzzi (1997) employed the concept of ‘overembeddedness’ to signal that very close relationships tend to carry redundant information, which in turn isolate firms from other or new external sources of information. Thus relationship quality is negatively associated with firm knowledge acquisition and existing network boundaries may limit access to opportunities (Granovetter, 1973, Uzzi, 1997, Jack, 2005, Sullivan Mort and Weerawardena, 2006).

While diversity lacks the solidarity and commitment provided by cohesive networks (Martinez and Aldrich, 2011), weak ties allow connections and information flows between different social systems (Burt, 1997, Jack, 2005). “The strength of weak ties” (Granovetter, 1973) incorporates the idea that weak ties can provide strategic advantages through greater access to a wider pool of possible resources, such as diverse and new information, knowledge, opportunities and access to new relationships and networks, which is particularly important for new firms (Burt, 2000, Burt, 2009, Elfring and Hulsink, 2007).

The empirical evidence in this study indicates that the entrepreneurs’ networking behaviour was clearly influenced by the way they thought about networking and the value they assigned to different types of relationships. In this study, network size and diversity was perceived as valuable by the novice entrepreneurs, and questioned by some of the most experienced entrepreneurs, while strong ties were valued by both novice and experienced entrepreneurs. Thus these findings show that the entrepreneurs’ mindset regarding networking and the value of network relationships (strong and weak ties) changes in time. In turn, this leads to changes in networking behaviour/activities.

These insights are important on two accounts. Firstly, they highlight the entrepreneurs' preference for strong ties and relationships that develop naturally. However, the literature maintains that the intuitive idea that the most important relationships in one's network are the strong ties is a misconception because it underestimates the importance of "weak ties", which are truly the key to network evolution (Martinez and Aldrich, 2011, Ibarra, 2016). Secondly, the skepticism around the value of weak ties expressed by the more experienced entrepreneurs suggests they are less likely to engage in networking broadening activities (Vissa, 2012) for the creation of new weak ties. However, in a recent meta-analysis of prior empirical studies, Stam et al. (2014) conclude that overall, for both established and new firms, network diversity has the strongest positive relationship with firm performance. Thus, the value of continuously creating weak ties should not be overlooked by more experienced entrepreneurs since a sole focus on strong ties may be detrimental to firm growth and performance.

Deliberate/causal and serendipitous/effectual networking

Previous research found that networking can be planned and unplanned, deliberate and subconscious, goal directed and serendipitous, instrumental and spontaneous (Aldrich and Zimmer, 1986, Shaw, 1997, O'Donnell, 2004, Kilduff and Tsai, 2003, Casciaro et al., 2014). In essence, planned networking is deliberate, with keen expectations of the benefits of networking, while unplanned networking is ad-hoc, with unsure outcomes (O'Donnell, 2004).

The findings of this study confirm that entrepreneurs think that networking can be both planned/deliberate and unplanned/serendipitous. Overall, the experienced entrepreneurs described a more selective and targeted (yet not fully planned) approach to networking, including analytical processes (i.e. 'whom do I know and whom do I need to know'). However, rather than deliberate or planned, most entrepreneurs described their approach to networking as "considerate" and "mindful". While networking can never be fully planned, participants emphasised the importance of deliberately and consciously creating a time and space where networking can occur. These findings resonate with the concepts of effectual and causal logic (Sarasvathy, 2001, Sarasvathy, 2008). Applying the causal/effectual dichotomy to networking approaches, 'causal networking' can be defined as networking driven by specific goals, while 'effectual networking' would assume a non-planned, but proactive networking mindset where every encounter could become a source of means and possibilities. Several participating entrepreneurs (and in particular growth oriented, novice entrepreneurs) underlined this effectual, proactive mindset as an important element for successful networking.

The fact that the novice entrepreneurs participating in this study appear more effectual in their approach to networking may be explained by the fact that the effectuation logic is typically more characteristic to high uncertainty contexts (Sarasvathy, 2001, Sarasvathy, 2008, Wiltbank et al., 2009). Conversely, the more deliberate approach of the experienced entrepreneurs may be indicative of the increased stability which characterises established and successful businesses in the later life-cycle stages of the

firm, as compared to start-ups. As well as that, decision makers who possess more business experience have previously been found to adopt a causation-based decision-making logic faster than their inexperienced counterparts (Nummela et al., 2014, Evers and Andersson, 2016).

Overall, the extant literature seems to suggest that a level of network analysis and deliberation in networking activity is important for networking effectiveness (O'Donnell, 2004, Ibarra, 2016). For instance, Birley (1985) argues that understanding the importance of networks is one of the most important skills that entrepreneurs must have. Similarly, Krackhardt (1990) suggests that the individual's perception and ability to accurately map networks has an impact on the benefits that can be extracted from the network. Contributing to this literature, the findings of this study suggest that the 'best' approach to networking seems to combine a level of planning and deliberation with effectual/spontaneous tactics. These findings underline the importance of mindset for entrepreneurial networking behaviour as entrepreneurs have to deliberately allow (create/give space and time) for networking to occur. These findings support Ibarra's (2016) argument that the biggest barrier to networking is a negative mindset, since one's mindset about networking affects the time and effort they put into it, and ultimately, the return they get on their investment.

Networking demotivators

Beside the more direct discourse about different types of networking, the entrepreneurs taking part in this study also identified several factors that acted as networking motivators and demotivators and affected the entrepreneurs' propensity to network. While the factors acting as networking motivators will be considered in more detail in Sections 7.3 and 7.4 of this chapter, the factors which acted as networking demotivators merit further attention in the context of discussing the role of mindset for entrepreneurial networking. Participating entrepreneurs identified several demotivators or factors that inhibited their networking activity. These factors can be grouped into extrinsic and intrinsic demotivators, as discussed below.

a) Extrinsic networking demotivators: time, opportunism, traditional cultural context

Lack of time was often quoted as a significant extrinsic demotivator, decreasing the entrepreneurs' propensity to network. Extant studies emphasise that relationship building can be very costly (Witt, 2004). Generally speaking, strong ties, in particular, require a significant investment in terms of time and effort, even though strong ties based on family and friends require less effort than professional or business strong ties. By comparison, weak ties are less costly to form and maintain (Hansen, 1999, Granovetter, 1973, Jack, 2005, Evald et al., 2006). The findings show that entrepreneurs get caught in the operational needs of the business, where they fulfil multiple roles, which often prevents them from attending networking events with potential for building weak ties.

An even more significant extrinsic networking demotivator stemmed from **the association between networking and opportunistic behaviour**. Even though this association was a recurrent theme across the interviews, the opportunistic side of networking was specifically underlined by the experienced entrepreneurs. In particular networking events, where the purpose of the event was networking itself, were looked upon with distrust and participants at these events were seen as having ‘ulterior’ motives. Furthermore, entrepreneurs did not want to be perceived as opportunistic themselves, which also decreased their likelihood of attending these events. Extant research has also found that professional instrumental networking causes individuals to feel morally compromised because the person initiating this behaviour is doing so to obtain certain benefits (Casciaro et al., 2014). People feel conflicted or ambivalent about the idea of instrumental networking (Kuwabara et al., 2016). The fact that instrumental networking can impinge on an individual’s moral purity ultimately decreases networking frequency (Casciaro et al., 2014). This source of negativity is important, as it identifies a discourse problem and the fact that the label of ‘networking’ may carry undesirable connotations.

Finally, the fact that the European **cultural context** is more traditional in its approach to business was also identified as a networking demotivator. This was underlined by the representatives of networking support organisations, who described the Irish context as ‘more reticent’, ‘not very predisposed’, ‘a little bit shy’, ‘afraid’ as compared to the more ‘open’ to networking American business environment. Slotte – Kock and Coviello (2010) maintain that networks adjust not only to market conditions, but also to the cultural and social context. Elo et al. (2015) also contend that individuals’ cultural schemes are determinants of behavioural schemes in business encounters. Similarly, Blomqvist et al. (2008) argue that societal values and norms that guide people’s behaviour and beliefs in different national cultures have an impact in how actors perceive market processes, such as perception and expectation of trustworthy behaviour.

Expanding on this idea, the findings of this study suggest that the more traditional European/Irish cultural context might help explain some of the negative views of networking held by some of the research participants. These findings thus show how exogenous factors (cultural context) influence endogenous factors (entrepreneur’s mindset) in the development of entrepreneurial networking capability.

A final factor related to the cultural context is the temporal dimension (i.e. the age of the entrepreneurs). While networking used to be perceived as “a bit of a waste of time” years ago, when many of the more mature entrepreneurs were starting off, it has now come of age and it is regarded as an important aspect of business practice. Thus older and younger entrepreneurs have experienced different business etiquette in regards to networking. This is important, because experiential learning is an essential factor influencing individuals’ future behaviour (See Section 7.4). Entrepreneurs apply heuristics or mental shortcuts to decision-making processes based on past experience (Alvarez and Busenitz, 2001), which in turn determines the way they interpret and react

to stimuli (Renko et al., 2012). Thus, the fact that overall the more mature entrepreneurs were more sceptical of networking can also be explained by their past experiences (i.e. when networking was seen as “a waste of time”).

b) Intrinsic networking demotivators: social skills and gender

Not having the right **social skills** was identified as an intrinsic networking demotivator. Participants expressed the idea that some people are better at networking than others (because of innate personality characteristics) and also that special skills are required in order to network well.

These findings are important, because extant literature argues that if an individual believes that extroverted personalities and innate talents are necessary to network, they won't invest in networking. Conversely, if one believes that networking is a skill, they are more likely to be motivated to improve it (Ibarra, 2016, Kuwabara et al., 2016). For instance, Batjargal (2010) found that the level of confidence entrepreneurs report in their being effective and motivated networkers influences their networking behaviours/activities.

Previous studies also found that the entrepreneurs' social skills play a significant role in their success (Baron and Markman, 2003, Baron and Tang, 2009) and, in particular, in building social capital (Jack and Anderson, 2002, Anderson and Jack, 2002). Social perception (the ability to perceive others accurately), expressiveness (the ability to express feelings and reactions clearly and openly), impression management (skill in making favourable first impressions on others), expressiveness (the ability to express emotions clearly and openly), and social adaptability (proficiency in adapting one's actions to current social contexts) have been identified as essential elements in entrepreneurs' effectiveness in acquiring essential resources through social interactions (Baron and Tang, 2009).

In the context of this literature, the findings of this study confirm the importance of mindset for efficient, impactful networking for entrepreneurs. The entrepreneurs' perception that they lack networking skills strongly inhibits their networking activity. It is also interesting to note that several research participants argued that these important skills should be taught within the Irish formal education system and within programmes available to entrepreneurs. Previous research has found that often training and education programmes for entrepreneurs fail to provide the support they actually need (Faoite et al., 2004).

Hence, these findings are important from a policy perspective, as organisations offering assistance to SMEs and entrepreneurs should incorporate more specific support in relation to networking and networking skills. Such an approach could help entrepreneurs embrace a mindset whereby networking is seen as a skill that can be improved (Ibarra, 2016, Ibarra and Hunter, 2007), thus fostering an environment conducive to networking.

Finally, the women entrepreneurs (with one exception) participating in this study thought that networking was **more difficult for women**. This was mainly ascribed to two factors. The first factor was the perception that the business (and business networking) world is still male-dominated and women often feel a continuous need to prove themselves. The second factor is the fact that there is more pressure on women to attend to both work and their responsibilities at home, which limits the scope of their business related activities. This has also been found by previous studies (Gamba and Kleiner, 2001, Hampton et al., 2009). Previous literature also posits that as compared to their male counterparts, women business owners lag behind in networking, which can have negative implications in terms of firm growth and further development (Neergaard et al., 2005). Nonetheless Hampton et al. (2009) found that in the technology sector, women entrepreneurs found it relatively easy to overcome these possible difficulties and that women business owners are active networkers with large and diverse networks deemed important for their business. This was also the case of one female entrepreneur participating in this research, who was a very proactive and prolific networker.

Ahl (2004) argues that gender is an important factor in entrepreneurship and research should go beyond placing gender as a mere variable. For instance, extant studies posit that men and women entrepreneurs have different ways to think about starting a business, and also different expectations in terms of growth (Brush, 1992, Brush et al., 2009, Carter and Brush, 2004). Social cognitive theory also maintains that men and women differ in terms of socialization experiences, including social networking (Carter et al., 1997) and that women entrepreneurs would generally suffer from a gender effect (Carter and Brush, 2004, Renzulli et al., 2000), which might result in women entrepreneurs having and using fewer networks than their male entrepreneurs (Cromie and Birley, 1992). The insights obtained by this study contribute to this literature by showing that women's and men's mindset in relation to networking differs, which strengthens the contention that there are dissimilarities between men and women entrepreneurs with regard to networking.

Conclusions P1a

The findings of this study support proposition P1a.

P1a. The entrepreneur's mindset influences entrepreneurial networking capability development.

The findings of this study support the extant literature regarding the central role of the entrepreneur in SMEs, as the main networking agent of the firm and the main decision maker across all functional areas of the business (Maurer and Ebers, 2006, Dubini and Aldrich, 1991, O'Donnell, 2004, Bratkovic et al., 2009). The highly personal nature of business in SMEs also emerged from the overlap between personal and business

relationships that novice/less experienced entrepreneurs exemplified in their visual representations of network. The fact that the more experienced entrepreneurs differentiated between their personal network and their company/companies' network indicates that the entrepreneurs' mindset in relation to networks and networking changes in time.

The findings in relation to RQ1 further underline the importance of mindset for entrepreneurial networking behaviour/activities and outcomes. Firstly, the research participants employed opposing terms to classify different types of networking, such as: real and superficial, implicit and explicit, organic and forced, connecting and communicating etc, resonating with the concept of strong and weak ties (Granovetter, 1983, 1973). While strong ties were valued by both novice and experienced entrepreneurs, network size and diversity (i.e. weak ties) were perceived as valuable by the novice entrepreneurs, but questioned by some of the most experienced entrepreneurs. However, weak ties are key to network evolution (Martinez and Aldrich, 2011, Ibarra, 2016) and overall the empirical evidence so far indicates that network diversity has the strongest positive relationship with firm performance (Stam et al., 2014). In the context of this literature, the findings of the study suggest that if more experienced entrepreneurs see no value in having large, diverse networks, they may not engage in networking broadening actions (Vissa, 2012), which may be detrimental to firm growth and performance.

Secondly, the findings of this study confirm that entrepreneurs think that networking can be both deliberate and serendipitous. Rather than deliberate or planned, most entrepreneurs described their approach to networking as "considerate" and "mindful". The novice entrepreneurs appeared more effectual in their approach to networking (Sarasvathy, 2001, Sarasvathy, 2008, Wiltbank et al., 2009), as compared to the more causal or deliberate approach of the experienced entrepreneurs. This can be explained by the increased level of uncertainty experienced by the novice entrepreneurs, as well as by the fact that more business experience leads to causation-based decision-making processes (Nummela et al., 2014). Either way, from a mindset point of view, entrepreneurs have to deliberately allow (create/give space and time) for networking to occur (i.e. think that networking is beneficial).

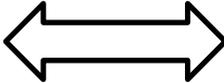
Thirdly, this research found a series of factors that inhibit entrepreneurial networking activity. The research participants identified lack of time, the association between networking and opportunistic behaviour (i.e. networkers are opportunistic), and a more traditional European/Irish cultural context as extrinsic networking demotivators. These findings enrich the extant literature by showing that the cultural and social context (Slotte-Kock and Coviello, 2010, Blomqvist et al., 2008, Elo et al., 2015) is an important determinant of mindset and consequently influences entrepreneurial networking behaviour. As well as that, the fact that entrepreneurs see networking to be costly (Witt, 2004), difficult (i.e. requiring specific skills) (Batjargal, 2010, Baron and Markman, 2003, Baron and Tang, 2009, Jack and Anderson, 2002, Anderson and Jack, 2002) and problematic from a moral point of view (Casciaro et al., 2014, Kuwabara et

al., 2016) highlights the need for education and support structures that can lead to an entrepreneurial environment more conducive to networking.

Finally, the findings showing that networking is perceived as more difficult by the female entrepreneurs participating in this study adds to the discussion of the role of gender in entrepreneurship and underlines dissimilarities between men and women entrepreneurs in relation to networking, which have been highlighted by previous studies (Neergaard et al., 2005, Carter and Brush, 2004, Renzulli et al., 2000, Cromie and Birley, 1992).

Overall the findings in relation to P1a contribute to extant knowledge regarding the networking capability construct (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mu and Di Benedetto, 2012, Sullivan Mort et al., 2012) in an entrepreneurial context. As well as that, by emphasising the role of mindset for entrepreneurial networking capability development, the study strengthens the argument that the cognitive perspective can make important contributions in explaining entrepreneurial behaviour (Mitchell et al., 2007). Furthermore, extant literature argues that the networks of firms change along the firm life-cycle and changes involve both progression and regression (Larson and Starr, 1993, Slotte-Kock and Coviello, 2010, Stam et al., 2014). The findings of this study contribute to this literature, by showing that the entrepreneur's mindset is also an important endogenous influence in network change and development. While there was significant variance across the entrepreneurs participating in this study, several typical mental attitudes (their mindset) in relation to networks and networking for experienced and novice entrepreneurs were identified in the data. These are summarised in Table 7.1 below.

Table 7.1. Typical mental attitudes of experienced and novice entrepreneurs in relation to networks and networking

Experienced entrepreneurs		Novice entrepreneurs
<ul style="list-style-type: none">• Differentiated between personal and business relationships ('my network is not my company's network')• Emphasised the value of strong ties• More deliberate in their approach to networking (causal logic), however, disliked overt networking• More traditional		<ul style="list-style-type: none">• Intertwined personal and business relationships ('my network is my company's network')• Emphasised the value of strong ties, but saw value in weak ties• Less deliberate, embracing serendipitous networking more (effectual logic) and more accepting of overt networking• More open to new/American values

7.2.2 The Influence of Human Capital on Entrepreneurial Networking Capability

Extant literature contends that the abilities of managers are “key contributors to the entire bundle of firm resources” (Castanias and Helfat, 2001, p. 661) and the human capital of the entrepreneur is an important resource endowment for SMEs (Brush et al., 2001, Alvarez and Busenitz, 2001). In the entrepreneurship literature, human capital has been most often operationalised as a composite of an individual’s education and experience (experience in the work field and entrepreneurial experience) (Davidsson and Honig, 2003, Wright et al., 2014). The findings of this study suggest that both the entrepreneur’s education and experience can have a significant influence on entrepreneurial networking behaviour and the outcomes of that behaviour (i.e. accruing benefits), thus influencing the development of entrepreneurial networking capability, as discussed in detail below.

Formal education (3rd level and professional courses) and autodidactic efforts can influence the development of entrepreneurial networking capability

Human capital obtained through education has been previously found to have a significantly positive impact on entrepreneurial performance (Van der Sluis et al., 2005, Van Praag, 2005). In this study, the majority of the participants (all, except 2) had University degrees, with many having business specialisations. The two entrepreneurs without degrees had completed several professional courses that compensated for or replaced the third level qualifications. Empirical data further showed that several entrepreneurs rounded their education through autodidactic efforts (self-directed learning), which influenced decision-making processes in their ventures. The similarity among the participants’ level of education prevented an analysis of how different levels of education may determine different networking behaviour and consequently differences in entrepreneurial networking capability. However, in the context of extant literature, the data indicates that education and self-directed learning influence the development of entrepreneurial networking capability in two ways.

First, it **develops communication and analytical skills**. The findings suggest that the skills obtained through both formal and informal learning equip entrepreneurs to communicate with customers and other important stakeholders, to gather information, and analyse that information for the development and implementation of better strategies. Entrepreneurs with higher levels of education have previously also been found to exhibit greater levels of entrepreneurial self-efficacy (Zhao et al., 2005, Karlsson and Moberg, 2013, Florin et al., 2007), self-confidence (Cooper et al., 1994, Gibb, 1996) and improved analytical skills (Forbes, 2005, Altinay and Wang, 2011, Davidsson and Honig, 2003). Self-confidence is a particularly important characteristic for impactful networking (Baron and Markman, 2000, Baron and Markman, 2003, Baron and Tang, 2009), as it has also been highlighted by the entrepreneurs participating in this study (See Sections 7.2.1 and 7.3.5). The findings further show that

educational settings also foster networking and the development of networking forums, thus facilitating experiential learning in regards to networking (learn-by-doing) and equipping entrepreneurs with skills needed in networking. The fact that several participants identified a need for networking and the development of networking skills to be part of the curriculum in formal education and within programmes available to entrepreneurs, further confirms that education can have a positive influence on the development of networking capability for entrepreneurs.

Second, findings show that formal education and attending professional courses **develops the entrepreneurs' social capital** by expanding their networks and giving them access to colleagues and academics. The findings show that these networks represent an important resource for entrepreneurs, acting as customers/clients, advisors and providers of information. Furthermore, several entrepreneurs emphasised the positive influence that being part of these networks had on their entrepreneurial activity through socialization and role modelling, which exemplifies the transformation of social capital into human capital (Coleman, 1988). Proximity to individuals with entrepreneurial intentions and experience have been found to have a positive effect on individuals and can heighten motivation for entrepreneurial activity (Klyver et al., 2008, Nanda and Sørensen, 2010).

Prior experience can influence the development of entrepreneurial networking capability

As compared to education, the effects of prior experience (generic work experience and entrepreneurial experience) on the entrepreneurs' approach to networking were more obvious in the data. The findings show that the level of experience, and in particular entrepreneurial experience, had a significant impact on the entrepreneurs' networking behaviour and consequently influenced the development of entrepreneurial capability, as it has already been signalled in Section 7.2.1 above.

Studies show that new business survival and success are positively correlated with both the previous generic business experience of the entrepreneur (Shane and Venkataraman, 2000, Mengistae, 2006) and previous experience in start-ups (Baron, 2006, Ozgen and Baron, 2007). Extant literature identifies experience as an important determinant factor for entrepreneurial decision-making and action (Baron and Ensley, 2006, Krueger, 2007). This is because previous experience contributes towards building up the entrepreneur's knowledge base, and hence develops his/her human capital and managerial capabilities (Hatch and Dyer, 2004, Audretsch and Monsen, 2008, Parker, 2009, Helfat and Martin, 2015, Elfring and Hulsink, 2003).

As discussed in Section 7.2.1, the findings of this study show that novice/less experienced and more experienced entrepreneurs differed in their approach to networking. As compared to novice entrepreneurs, or their own behaviour "when they were starting off", the more experienced entrepreneurs decreased the intensity of their networking, often stated dislike towards organised networking events and preferred a

more deliberate/calculated and selective/targeted and informal approach to networking. By comparison, the novice and younger entrepreneurs expressed enjoyment in networking and provided evidence of how more ‘superficial’ and ‘spontaneous’ networking helped them and their business. This would suggest that entrepreneurs with different levels of experience exhibit different networking behaviours, thus confirming the role of experience in the development of entrepreneurial networking capability.

This may be explained by two main factors. Firstly, through **experiential learning**, entrepreneurs develop ‘cognitive frameworks’ (Baron and Ensley, 2006) that they can (re)-apply in future endeavours (Altinay and Wang, 2011). In particular, previous entrepreneurial experience leads to better entrepreneurial judgment (Colombo and Grilli, 2005) and distinctive knowledge structures and analytical skills (Brüderl et al., 1992, Hatch and Dyer, 2004, Colombo and Grilli, 2005, Minniti and Bygrave, 2001, Sarasvathy, 2001). More experienced entrepreneurs typically process information, organise, structure and reapply their knowledge base differently (Mitchell et al., 2007, Krueger, 2007) and consequently make different strategic choices (Politis, 2005). Similarly, Carson and Gilmore (2000b) argue that for SME business owners experiential learning forms the competency base for sound marketing management decisions.

The findings of this study suggest that the experiential learning principle also applies in networking; through networking activities, entrepreneurs gain specific networking experiential knowledge and hence enhance their ability to analyse, comprehend and leverage their networks. Conversely, when SMEs don’t know their networks, they are unable to exploit them effectively (Nummela, 2004). For instance, the findings show that through networking experience, entrepreneurs learn to be cautious and to identify signs of opportunism. These findings extend Alvarez and Busenitz’ (2001) conclusion that previously gained knowledge, skills and abilities help entrepreneurs access, combine, organise and exploit the resources embedded in their networks more efficiently to generate rents for the firm. The findings further suggest that, as entrepreneurs gain familiarity and an implicit efficiency in dealing with problems (Forbes, 2005), they become more confident and self-sufficient, and consequently less dependent on their networks. These findings endorse the growing attention around the concept of self-efficacy in explaining entrepreneurial behaviour (Chen et al., 1998, Hmieleski and Baron, 2008, McGee et al., 2009).

Second, the findings show that **prior experience builds the entrepreneurs’ social capital**, which in turn influences entrepreneurial networking behaviour/activities. During previous occupations or business ownership entrepreneurs develop their networks and reputation (Shane and Khurana, 2003, Shepherd et al., 2000), which equips them with “wealth”, “power” and “legitimacy” (Politis, 2005).

The findings show that these previously built networks provide important support to entrepreneurs, from motivation, information and advice, to access to customers,

suppliers and intermediaries. The fact that more experienced entrepreneurs are able to capitalise on these relationships developed during their previous occupations/business ownership (Westhead and Wright, 1998, Haber and Reichel, 2007, Ibeh, 2004) decreases the need to build networks. By contrast, novice entrepreneurs with little or no prior experience have less (or little) social capital to leverage, and hence their networking behaviour reflects the need to increase the size and scope of their networks.

Furthermore, previous experience does not only come with existing relationships, but also with specific knowledge about which stakeholders are important and the way in which they can be accessed (Forbes, 2005, Colombo and Grilli, 2005). This became evident in the data as more experienced entrepreneurs had the ability to quickly identify who needed to be part of their network when starting new projects. Findings further show that previous experience also develops the personal profile and status of entrepreneurs in the local and broader business community and consequently they become the ones “to network with”. This also explains why the experienced entrepreneurs were more targeted and selective in their approach to networking; not only could they more easily identify important actors, but they could also gain access to these individuals by leveraging previously built social capital. Conversely, this was more difficult for the novice entrepreneurs (Baron and Markman, 2000). These new insights contribute to previous literature that emphasises that individuals with previous entrepreneurial experience have more extensive entrepreneurial networks (Ozgen and Baron, 2007), are more effective in developing network ties (Mosey and Wright, 2007), and can benefit more from structural holes in their networks (Zaheer and Soda, 2009).

In summary, the findings of this study indicate that the entrepreneurs’ previous experience leads to experiential learning and social capital, which in turn affect the entrepreneurs’ approach to networking and consequently the development of entrepreneurial networking capability.

Conclusions on P1b

The findings support proposition P1b.

P1b. The entrepreneur’s human capital influences entrepreneurial networking capability development.

The findings of the study indicate that entrepreneurs with different levels of human capital differ in their approach to networking. The findings suggest that education and self-directed learning can influence the development of entrepreneurial networking capability, by developing the entrepreneurs’ communication and analytical skills (Forbes, 2005, Altinay and Wang, 2011, Davidsson and Honig, 2003), as well as their self-confidence (Baron and Markman, 2000, Baron and Markman, 2003, Baron and Tang, 2009). Educational settings also foster networking behaviour, and facilitate

socialization and role modelling (Coleman, 1988), thus further developing entrepreneurs' networking skills. Findings also suggest that attending both academic and professional courses can develop the entrepreneurs' social capital by expanding their networks.

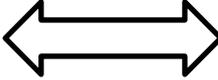
The findings further show that the level of prior experience had a significant impact on the entrepreneurs' approach to networking. As compared to novice entrepreneurs, the more experienced entrepreneurs decreased the intensity of their networking, often stated dislike towards organised networking events and preferred a more deliberate/calculated and selective/targeted approach to networking. These differences can be explained by experiential learning (Hatch and Dyer, 2004, Colombo and Grilli, 2005, Minniti and Bygrave, 2001, Mitchell et al., 2007, Krueger, 2007), which generates knowledge and develops the entrepreneur's human capital and managerial capabilities (Hatch and Dyer, 2004, Audretsch and Mosen, 2008, Parker, 2009, Helfat and Martin, 2015, Elfring and Hulsink, 2003, Andersson and Evers, 2015). This makes entrepreneurs more self-sufficient (Forbes, 2005), and hence less dependent on their networks. The findings of the study also confirm that knowledge helps entrepreneurs exploit networks more effectively (Nummela, 2004, Alvarez and Busenitz, 2001).

Prior experience also builds the entrepreneurs' social capital and reputation (Westhead and Wright, 1998, Haber and Reichel, 2007, Ibeh, 2004), and brings in specific knowledge about which stakeholders are important (Forbes, 2005, Colombo and Grilli, 2005), which allows more experienced entrepreneurs to be more targeted and selective in their approach to networking.

These typical tendencies in the entrepreneurs' networking approach, resulting from different levels of human capital and in particular, different levels of prior experience, identified in the data, are summarised in Table 7.2 below. In summary, the findings in relation to P1b contribute to extant research on the resource based view in entrepreneurship, by showing that the human capital of the entrepreneur is an important resource endowment for SMEs (Brush et al., 2001, Alvarez and Busenitz, 2001, Andersson and Evers, 2015, Evers, 2011b).

These findings also contribute to previous research which argues that the network configuration needs of small firms change over time (Slotte-Kock and Coviello, 2010, Lechner et al., 2006, Stam et al., 2014), by linking these changes to the accumulation of human capital by the entrepreneur .

Table 7.2 Typical tendencies in networking approach of experienced and novice entrepreneurs

Experienced entrepreneurs		Novice entrepreneurs
<ul style="list-style-type: none">• Adopt a more deliberate/calculated and selective/targeted approach to networking• Are more confident and self-sufficient and less dependent on their networks• Have specific experiential knowledge in networking that helps them access and exploit the resources embedded in their networks more efficiently• Have previously built social capital they can leverage• Have specific knowledge about which stakeholders are important and the way in which they can be accessed• They have previously built reputation, which they can leverage in building new connections• Networking intensity decreases		<ul style="list-style-type: none">• Have a broader scope in their approach to networking• Are experiencing a huge learning curve and depend more on their networks• Have little experiential knowledge in networking• Must build social capital (have little social capital they can leverage)• Have no or little knowledge about which stakeholders are important and the way in which they can be accessed• Must build their reputation• Networking intensity high (network size and scope)

7.3 Research Question 2

The second research question aimed to investigate the networking forms and activities that entrepreneurs engage in (i.e. how do entrepreneurs network?). Based on the extant literature, this study has argued that networking is the activity through which networks are created, developed and leveraged (Chell and Baines, 2000, Shaw, 1999). In order to explore how entrepreneurial networking influences the development of marketing capabilities in SMEs, it is important to first examine the activities and routines through which entrepreneurs initiate, establish, maintain and leverage relationships for the benefit of the firm. Furthermore, previous studies contend that these dynamic characteristics of entrepreneurial networking require more research attention (Zaheer et al., 2010, Jack, 2010).

As discussed in Chapter 3, three distinct, but interdependent forms of networking—personal, operational and strategic, have been identified by Ibarra and Hunter (2007). This section examines empirical findings in the context of the three propositions restated below:

P2a. Entrepreneurs engage in personal networking for their own personal and professional development and for emotional support.

P2b. Entrepreneurs engage in operational networking to accomplish current organisational tasks efficiently.

P2c. Entrepreneurs engage in strategic networking to develop and grow their business.

Proposition P2.a, i.e. personal networking, is discussed in Section 7.3.1, proposition P2.b, i.e. operational networking, is discussed in Section 7.3.2 and proposition P2.c, i.e. strategic networking, is discussed in Section 7.3.3. In answering RQ 2, this section also includes a discussion of empirical findings in relation to offline and online networking activities of participating entrepreneurs (Section 7.3.4) and an overview of several principles of effective networking which entrepreneurs employed as ‘rules of thumb’ in their networking activities (Section 7.3.5).

7.3.1 Personal Networking

The empirical findings suggest that the Irish entrepreneurs interviewed in this study engage in personal networking on both an individual level, outside of formal networking circles (one-on-one with other individuals), and within a variety of public and private networking forums. The need and importance of these groups for business owners and professionals is reflected in the rise of such networking forums in recent years (Aaboen et al., 2013, Schoonjans et al., 2013, Ebbers, 2014). Findings indicated that the main purpose of these groups and their events is to help members/attendees, by

providing them with advice and training, as well as emotional support. While all participating entrepreneurs engaged in personal networking, findings showed that there were significant differences in the approach adopted by the studied entrepreneurs. Data analysis suggests that these differences can be mainly ascribed to different levels of entrepreneurial experience and proactiveness, as detailed below.

Personal networking for personal and professional development

In support of extant literature, findings from this study show that personal networking positively influences the entrepreneurs' personal and professional development (Ibarra and Hunter, 2007), promoting learning and skill development (Wolff and Moser, 2009, Casciaro et al., 2014).

The data shows that in addition to nurturing existing relationships with strong ties, that form the personal, identity-based³, path-dependent networks of entrepreneurs, such as family and friends (Ostgaard and Birley, 1996, Hite and Hesterly, 2001, Jack, 2005), personal networking also included efforts through which individuals purposefully reached outside their organisations "to contribute and multiply their knowledge" (Ibarra and Hunter, 2007, p. 46). This included learning general facts about founding and running a business, obtaining support and funding from government bodies, as well as learning specific business-related aspects, from management skills to specific functional areas, such as finance, sales or marketing.

Entrepreneurs differed in the way they approached this latter form of personal networking. Several research participants proactively engaged in extensive personal networking, with a clear aim for personal and professional development. This included purposefully aiming to connect with specific individuals for mentorship and advice, as well as becoming members of particular groups and attending meetings and events with the objective to learn. In support of previous research (Jack, 2005, Evald et al., 2006, Kim, 2013), the findings show that, as compared to identity-based networking, these latter forms of personal networking require clear intent and sometimes considerable investments in terms of time (for a mentorship relationship, for example).

As discussed in Section 7.2, novice/less experienced and more experienced entrepreneurs employed different mental attitudes in relation to networking and consequently approached and conducted networking differently. This had implications for personal networking; the younger and less experienced entrepreneurs were more active in various public networking forums (local business groups, such as the Chamber of Commerce, communities of practice and peer groups, government-supported initiatives, etc.). These findings concur with the study by Smith et al. (2015) who found that such networking forums were critical to the professional development and success of Irish entrepreneurs in the digital animation industry. By comparison, the more

³ Identity based networks are egocentric networks based on socially embedded ties, drawn from dense, cohesive connections (Hite and Hesterly, 2001).

experienced and established business owners preferred individual (one-on-one) and small group meetings, and their participation in open, larger forums was limited.

As previously discussed, these differences may be ascribed to the fact that the overlap between personal and organisational/professional ties is much stronger in the early stages of the entrepreneurial life cycle (Larson and Starr, 1993, Hite and Hesterly, 2001, Evald et al., 2006) where the same relationships can incorporate both personal and professional goals (Casciaro and Lobo, 2008, Casciaro et al., 2014), while personal and professional ties become more distinct with experience. Furthermore, through experiential learning, entrepreneurs gain better general business knowledge, which diminishes their need to attend generic events in order to learn (Forbes, 2005, Colombo and Grilli, 2005), thus making their approach to networking more targeted and selective. Beyond the overall difference between novice and experienced entrepreneurs, the variation in personal networking activities can be also explained by the entrepreneurs' proactiveness, as some individuals are more proactive networkers than others (Torres-Coronas and Vidal-Blasco, 2016, Kim, 2013, O'Donnell, 2004, Wolff and Kim, 2012).

Of particular importance for learning were the small exclusive peer groups that nine (out of 27) participating entrepreneurs (both novice and experienced) were part of. Analysis of findings suggests that exclusivity and strength of ties had a positive impact on learning processes occurring within these groups. Previous research has equally emphasised that, while strong ties can carry redundant information (Uzzi, 1997, Jack, 2005), they are characterised by shared cognitions and perspectives, enabling deeper communication and favouring information transfer and knowledge development (Hansen, 1995, Obstfeld, 2005, Hansen, 1999, McEvily and Zaheer, 1999, O'Gorman and Evers, 2011).

Exclusivity was also a major governing element in the case of a large international peer network that two of the most experienced entrepreneurs were members of. This organisation was identified as instrumental for the professional development of its members. While based on limited data (i.e. from only two entrepreneurs), these findings are interesting, suggesting that an environment of trust and confidentiality can be created through other means rather than repeated interactions and embeddedness (Granovetter, 1985, Nahapiet and Ghoshal, 1998). The fact that this organisation manages to replicate the connectivity typically characteristic of close strong ties is most likely achieved through the exclusivity element, which appears to provide credibility and reputation. This supports Jack's (2005) findings that strong ties are not necessarily characterised by frequency of contact, but rather the way the relationship was formed and the way it functions, which become more important determinants.

Personal networking creates and expands referral networks

Alongside the identity-based social networks of the entrepreneur, the empirical evidence shows that membership of various groups and communities also led to the formation of important referral networks for entrepreneurs. For instance, the findings indicate that

school colleagues and University alumni groups were such important referral networks, especially in the initial stages of venture development, often providing entrepreneurs with initial sales and further recommendations. Personal interest communities, such as sporting organisations were also identified as important referral networks in the Irish context.

As discussed in Section 7.2, previous experience builds social capital (Shane and Khurana, 2003, Shepherd et al., 2000, Politis, 2005), which again, can explain why generally less experienced entrepreneurs had higher levels of intensity and proactivity in personal networking, with a wider scope for referral network expansion, when compared to their more experienced counterparts (who have already built referral networks through prior experience).

Personal networking for emotional support

The interview data analysis also revealed that the personal networking activities of the studied entrepreneurs play an important role in providing them with emotional support. These findings are important given that, in recent years, the entrepreneurship literature has begun to appreciate more the emotional side of entrepreneurship (Cardon et al., 2012). In contrast to some of the extant literature, which emphasises the importance of emotional support from family, and especially the entrepreneur's spouse (Brüderl and Preisendörfer, 1998, Bosma et al., 2004), the findings of this study indicate that non-familial sources of emotional support were also often accessed by entrepreneurs through personal networking.

Personal networking could offer different degrees of emotional support to entrepreneurs; for instance, entrepreneurs identified simply attending events as instrumental in creating a community feeling, where seeing that everyone is "*just like them*" and "*facing the same issues*" often gave them the impetus to carry on. The findings of this study suggest that this more generic form of emotional support is extremely important for micro and small business owners and particularly so in the initial stages of firm development.

The findings further indicate that the nine entrepreneurs (both novice and experienced) who were part of small peer groups considered these groups to be the strongest source of emotional support and the most important/beneficial network. Governed by rules such as honesty, trust, and openness, recognised by the extant literature as key elements in relationship development (Jarillo, 1988, Uzzi, 1997, Hoang and Antoncic, 2003, Morgan and Hunt, 1994), these small and exclusive peer groups offered sanctuary for entrepreneurs to voice their concerns in terms of health, family and business. These insights indicate that entrepreneurs need support structures that cater for the whole person, rather than solely for the business owner.

Personal networking had particular significance for female entrepreneurs for emotional support

The findings also suggest that personal networking was instrumental in providing emotional support to female entrepreneurs through membership of women only groups. As discussed in Section 7.2, the female entrepreneurs participating in this study felt that networking was more difficult for them than for men. Gender has been previously found to have an impact on social networking (Carter et al., 1997) and the development of social capital (Wellman and Frank, 2001). Extant studies have also found that women are more empathetic in terms of providing emotional support, when compared to men and consequently a high percentage of women in a network makes the whole network more supportive (Moore, 1990), which is what the findings of this study also suggest.

The findings also support, to some degree, the idea that women have a different approach to networking, focusing on social relationships, rather than instrumental advantages (Moore, 1990), relying more on strong personal ties, such as family and friends (Moore, 1990, Orhan, 2001, Watson, 2012) and integrating business aspects with personal and societal factors (Uzzi, 1997, Ruef et al., 2003). Alongside this extant research, the evidence in this study underlines the benefits of women only groups and programmes specifically designed for and targeting women entrepreneurs, which is important from a policy point of view.

Conclusions on P2a

The findings support proposition P2a.

P2a. Entrepreneurs engage in personal networking for their own personal and professional development and for emotional support.

The findings of this study show that personal networking enables learning, leading to personal and professional development (Wolff and Moser, 2009, Casciaro et al., 2014, Ibarra and Hunter, 2007). However, the level of intensity and proactivity of personal networking varied significantly among entrepreneurs.

The findings show that overall, the entrepreneurs' approach to personal networking changes with experience; novice entrepreneurs had broader scope in their approach and had higher attendance in public and private networking groups (higher intensity); more experienced entrepreneurs gradually decreased their participation in public network forums, and became more targeted and focused in their approach, while also preferring individual interaction. As discussed in Section 7.2.2, this can be explained by different levels of human capital and the inherent learning needs of novice and experienced entrepreneurs. Because experienced entrepreneurs had previously accumulated knowledge (Forbes, 2005, Colombo and Grilli, 2005) and social capital (Shane and

Khurana, 2003, Shepherd et al., 2000, Politis, 2005), the need to engage in more open/public forms of networking (i.e. events) decreased. As well as that, on an individual level, some entrepreneurs were more proactive than others in their networking, which has been documented by previous studies (Torres-Coronas and Vidal-Blasco, 2016, Kim, 2013, O'Donnell, 2004).

The findings further show that personal networking was also instrumental in providing emotional support to entrepreneurs, which is an important aspect of entrepreneurship (Johannisson et al., 1997, Cardon et al., 2012). In particular, the study brings interesting insights about the role of peer groups for entrepreneurs, which is an underexplored issue in entrepreneurship research (Katz, 2007). The findings of this study underline exclusivity as an instrumental characteristic of successful peer networks (both small and large), with significant professional, personal, and emotional benefits for their members.

In regards to the female entrepreneurs participating in this study, the findings highlight the significance of women only groups in the provision of support for their members, confirming previous findings (Moore, 1990, Orhan, 2001, Watson, 2012, Uzzi, 1997, Ruef et al., 2003) that women have different needs and approaches in terms of networking.

7.3.2 Operational Networking

The present findings identify entrepreneurs engage in internal operational networking, with team members/ employees, and external operational networking with outsiders such as suppliers and distributors in order to achieve current operational goals for their organisations efficiently (Ibarra and Hunter, 2007). The findings further suggest that while operational networking occurs in all organisational settings, it is up to the entrepreneur to deepen and develop these ties in order to accrue broader strategic benefits for the firm (See also Section 7.3.3).

a) Internal operational networking

The empirical findings show that internal networking with employees was mostly extensive, particularly since almost all research participants operated service-based firms (25 out of 27 participating entrepreneurs were offering services to the market, or a combination of physical product and services). The interviewees underlined the importance of their employees, which were portrayed as extensions of the entrepreneur and key brand representatives, resonating with the concept of the part-time marketer (Gummeson, 1991, Gummeson, 2008). The importance of the employees was also highlighted in the graphic representations produced by entrepreneurs.

While internal networking is typically task-related, the findings of this study show that in entrepreneurial contexts, it is also linked to leadership and the creation of a positive organisational culture, as several entrepreneurs were very proactive in their internal operational networking and highlighted the need to “inspire” and “drive” employees.

The findings show that internal networking can go beyond ensuring “coordination and cooperation”; by focusing on “the quality of relationships—the rapport and mutual trust” (Ibarra and Hunter, 2007, p. 42), operational networking can render strategic benefits and become a powerful tool for entrepreneurs.

Previous studies found that the leadership behaviours of business founders impact on the performance of the venture (Daily et al., 2002). This is particularly important in the case of new, small organisations, where if employees view the entrepreneur as an authentic leader, it can have a positive impact on their work-related attitudes and overall happiness (Jensen and Luthans, 2006, Daily et al., 2002). Thus, this research extends the argument that authentic leadership can make a fundamental difference in organisations by fostering an inclusive structure and a supportive work environment (Avolio and Gardner, 2005) and underlines the importance of internal networking in achieving this goal. The findings of this study show that entrepreneurs who purposefully employ internal networking to deepen relationships with internal stakeholders can gain significant advantages in the marketplace, as it will be further discussed in Sections 7.3.3 and 7.4 of this chapter.

It is also important to note that the scope of internal operational networking seems to change with firm’s growth; the findings suggest that as the number of employees increases, entrepreneurs reduce the intensity of internal networking with all employees and deepen relationships with the management team (and board of directors).

b) External operational networking

External operational networking is also important for the market performance of SMEs and entrepreneurs should examine both upstream and downstream partner interfaces for the development of successful business models (Sainio et al., 2011). The findings of this study indicate that within external operational networking activities, the most extensive and proactive interactions were with customers. Conversely, relationships with distributors and suppliers were mostly formal, professional and at arm’s length, which was also influenced by the fact the most entrepreneurs operated in service industries and were consequently less reliant on these actors.

These findings lend support to the EM literature, which also highlights the prominence of entrepreneurs actively engaging directly with customers and developing customer relationships (Jones and Rowley, 2010, Collinson and Shaw, 2001, Morris et al., 2002). The findings show that entrepreneurs purposefully choose to stay close to the customers, indicating a high degree of market orientation (Kohli and Jaworski, 1990, Slater and Narver, 1995). Networking with customers was also characterised by a degree of informality.

Similarly to the findings in relation to internal operational networking, the data also suggests that as the firm grows, the intensity of the entrepreneur’s networking with customers directly decreases. This is in line with the literature on evolutionary models

of organisational change, which emphasise the importance of delegation after the start-up period (Greiner, 1972, Tushman and Romanelli, 2008, Van de Ven and Poole, 1995). The SME marketing literature also suggests that the reliance on the entrepreneurs' personal networks and networking decreases in time, as the firm moves towards a more formal and organised type of marketing (Carson, 1985) or as it enters more managerial life cycle stages (as opposed to entrepreneurial growth stages) (Bjerke and Hultman, 2002). Similarly, the literature focusing on network development argues that when the firm has established patterns and routines, the exchange dyads shift in emphasis from a personal to a more organisational exchange, when the direct involvement of the individuals is no longer needed for relationships to be sustained (Larson and Starr, 1993). This translates into a tendency of entrepreneurs not to cut ties, but rather to transfer/delegate them to employees in their ventures to ensure continuity in relationship building (Jack et al., 2008, Hurmerinta-Peltomäki and Nummela, 2004).

Thus, the findings of this study support the view that entrepreneurial networks progress from socially embedded relationships to more calculative, intentionally and proactively managed by the entrepreneur, incorporating more arm's-length ties (Larson and Starr, 1993, Hite and Hesterly, 2001). The findings also suggest that the decrease in the entrepreneurs' direct operational networking with customers is also possible because as the firm grows, the customers and partners of the firm, if happy with its performance, recommend the company and its products to their own networks, which is similar to previous findings (Coviello and Cox, 2006).

The examination of the empirical evidence further indicates that there is great variance in the way entrepreneurs engage with external stakeholders for operational networking through various networking forums. The findings indicate that these within these networking forums, entrepreneurs can combine personal, operational and strategic networking. From an operational networking perspective, industry events and trade fairs were identified as important avenues to showcase the company and its products, to engage with industry actors and most importantly, a platform to interact with the target audience, and to create market pull, as illustrated by previous studies (Evers and Knight, 2008, Smith et al., 2015).

Similarly, the findings suggest that there is scope for the organisation of networking events among small and medium firms at a local, national and international level for operational purposes. However, some of the disappointing experiences of the participants in attending such events confirm that sometimes networking does not lead to anticipated outcomes (Kim, 2013) and further indicate that there is a need for training and advice in terms of preparing entrepreneurs to seize the opportunities such events can offer. These findings are relevant from a policy point of view.

Finally, the findings of the study bring new insights in relation to the motivational psychology of networking in an entrepreneurial context. Recent research posits that individuals feel conflicted about the idea of networking (Kuwabara et al., 2016) and

networking can even elicit negative feelings (Casciaro et al., 2014). The evidence in this study suggests that this is indeed the case in formal referral structures. This was obvious in the way BNI (Business Network International), a formal referral network was reviewed negatively by all the entrepreneurs who experienced it, and by most of the representatives of networking support organisations (all, with one exception). Feeling forced to refer someone, as well as paying for referrals, was a problematic model for entrepreneurs and made them feel uncomfortable. This can be explained by the fact that the participating entrepreneurs felt referral processes should be guided by the principles of meritocracy and honesty, which has been highlighted by other authors (Ibarra, 2016). Consequently, the formal model proposed by BNI was described as incompatible with the approach that entrepreneurs preferred to adopt in their networking.

These insights also strengthen the research findings discussed in Section 7.2, suggesting that entrepreneurs prefer informal to formal networking even when conducted with operational intent. Nonetheless, previous research found that networking through formal structures results in better outcomes when compared to informal networking (Huggins, 2000). This implies that there is scope for achieving a better balance between formality and informality for organised networking forums targeting entrepreneurs.

Conclusions on P2b

The findings support proposition P2b.

P2b. Entrepreneurs engage in operational networking to accomplish current organisational tasks efficiently.

The findings of the study show that overall internal operational networking with employees was extensive and proactive, particularly when entrepreneurs aimed to be authentic and inspirational leaders, which can have a significant impact on firm performance (Jensen and Luthans, 2006, Daily et al., 2002, Avolio and Gardner, 2005). Externally, relationships with distributors and suppliers were more professional and at arm's length. In turn, customer relationships were often identified as the "most important" (and consequently mostly extensive and proactive). These findings provide strong evidence that internal and external operational networking can become important building blocks in the development of marketing capabilities and the practice of entrepreneurial marketing in SMEs. Proactive internal networking is instrumental for specific marketing capabilities, such as CRM and brand management. Similarly, external operational networking facilitates customer intensity and market closeness, which have been identified as key dimensions of marketing practice in entrepreneurial contexts (Jones and Rowley, 2010, Collinson and Shaw, 2001, Morris et al., 2002).

The research results also show that the degree of the entrepreneur's direct interaction with customers decreases in intensity as the firm grows and enters more managerial (as opposed to entrepreneurial) stages, where marketing and sales roles take over

specialised functions. These findings show that entrepreneurial networking changes together with marketing (Carson, 1985, Bjerke and Hultman, 2002) and alongside the firm life cycle, as outlined by previous research (Larson and Starr, 1993, Hite and Hesterly, 2001). Finally, supporting the findings discussed in relation to the role of mindset for entrepreneurial networking capability (RQ1), the fact that paid for referral systems elicited negative feelings in entrepreneurs (Kuwabara et al., 2016, Casciaro et al., 2014), confirms the entrepreneurs' preference for informal networking.

7.3.3 Strategic Networking

Strategic networking refers to network development, management and leverage and has a long-term focus. Strategic networking involves aligning networking with business strategy (Torres-Coronas and Vidal-Blasco, 2016) and is based on the ability to ascertain who needs to be part of your network and how you can network with them in order to seize or create opportunities in the future (Ibarra and Hunter, 2007).

While networks can provide significant advantages to entrepreneurs (Stam et al., 2014, Adler and Kwon, 2002, Evers et al., 2012), past studies also found that networking can be a resource demanding process (Watson, 2012, Molm, 2003, Kim, 2013) and that the benefits of entrepreneurial networking accrue over time and may have subtle and indirect effects (O'Donnell, 2014). Consequently, in order to accrue benefits at organisational levels, entrepreneurs must invest in networking. Findings indicate that this level of investment differed among the entrepreneurs participating in this study; some entrepreneurs were consciously investing time and effort in order to maintain, deepen and develop connections, even though the results were not tangible, immediate, or even guaranteed. Similarly, insightful entrepreneurs took advantage of strategic opportunities through serendipitous networking (chance encounters). Data analysis identified two main types of strategic networking: a) seizing the strategic opportunities that personal and operational networking may present and b) strategic network development. These are discussed in more detail next.

a) Seizing strategic opportunities in personal and operational networking

As discussed above, personal, operational and strategic networking forms are not mutually exclusive, and in many instances can overlap. The data provided examples of both personal and operational networking being leveraged by entrepreneurs to create strategic opportunities. In network-based research the fact that different types of exchanges can occur within relationships is termed multiplexity (Hoang and Antoncic, 2003, Hoang and Yi, 2015).

While the entrepreneur's personal contact networks can be important for the growth and development of the entrepreneurial venture (Hite and Hesterly, 2001, Maurer and Ebers, 2006, Bratkovic et al., 2009, Evers and O'Gorman, 2011), it is up to entrepreneurs to ensure that personal networking bears on organisational strategy (Ibarra and Hunter, 2007). The empirical evidence of this study provided examples of such strategic efforts.

For instance, some entrepreneurs made efforts to keep their University connections active by going in as guest lecturers, sitting on the board of Committees, or volunteering as Mentors for student programmes.

Similarly, as mentioned in Section 7.3.2, proactively and deliberately strengthening and deepening key stakeholder relationships through internal and external operational networking can provide entrepreneurs with significant strategic advantage, particularly from a marketing perspective (See Section 7.4). However entrepreneurs must realise and seize the strategic potential of personal and operational networking. The findings show that there are significant differences among entrepreneurs in this regard.

For instance, the empirical evidence shows that several entrepreneurs engaged in extensive and proactive networking with competitors and this was often leveraged for strategic advantage. The findings show that networking with competitors led to sharing information, referrals, coaching, receiving/offering advice, as well as to joint projects and partnerships, thus combining aspects of personal, operational and strategic networking and their respective benefits. Such multiplex relationships are advantageous for entrepreneurs as they can provide access to resources at low cost (Anderson et al., 2005).

The empirical evidence in this study brings interesting insights in terms of relationships among competing entrepreneurs/SME owners. While competition is traditionally associated with keeping information safe, for small business owners networking with competitors appears to be based on trust stemming from implicit mutual understanding (i.e. sharing similar problems and difficulties). Several participants underlined that for specific business problems (i.e. industry specific) and advice they turn to their “competitors”/ “colleagues” first because they are the most likely to have an answer/solution. The findings further indicate that entrepreneurs may benefit substantially from advice from their peers, when such advice can be costly or difficult to obtain otherwise, or simply unavailable. Kuhn and Galloway (2015) also found that entrepreneurs with similar businesses in the same industry often have valuable and specific (hence possibly rare) expertise. Extant literature argues that advisors are seen to be trustworthy only when they are perceived to be both experts and well-intentioned (Bonaccio and Dalal, 2010). The research results of this study suggest that many entrepreneurs perceive their competitors to fulfil these conditions.

Trust has previously been identified as an important aspect governing multiplex ties (Newbert and Tornikoski, 2012) and cooptation (Bengtsson et al., 2010, Ebbers, 2014). In this study, trust-based relationships among competitors were also suggested by instances where entrepreneurs identified opportunities which they could not exploit themselves, and shared this information with their competitors, who were in a better position to do so. Further examples of strategically leveraging competitor relationships were found in cases of joint projects among competing businesses, which were also present in the data.

Overall, these empirical findings strengthen the assertion that both personal and operational networking can provide “a foundation for strategic networking” (Ibarra and Hunter, 2007, p. 42). However, entrepreneurs have to invest in networking and purposefully leverage personal and operational networking opportunities for strategic advantage. Finally, it is also important to mention that entrepreneurs have to exercise caution in terms of resources and roles within multiplex ties, where, for instance seeking business advice from friends and family (as opposed to emotional support) may actually be detrimental to entrepreneurial decision-making (Kim et al., 2009).

b) Strategic network development

Data analysis identified an analytical approach to networking, borrowing social capital and vertical networking and creating networks/organising events as important aspects of strategic network development for entrepreneurs. This section concludes with a discussion around the most favourable “relationship mix” for entrepreneurs.

An analytical approach to networking

The findings indicate that as their experience grows, entrepreneurs adopt a more analytical, deliberate and targeted approach to networking (See Section 7.2). These findings support previous literature, which posits that entrepreneurial networking starts at the conception phase (Butler and Hansen, 1991) and it intensifies as the firm starts to trade and grow (Starr and MacMillan, 1990, Hansen, 1995, Lechner and Dowling, 2003). Its intensity diminishes as the firm grows and develops a stronger internal resource base (Coviello, 2006). Accordingly, entrepreneurial networks progress from strong social informal dependencies in the start-up phase, to a more formal strategic business focused network, during the on-going business phase (Butler and Hansen, 1991, Larson and Starr, 1993, Renzulli et al., 2000, Greve and Salaff, 2003). This is because, while at the beginning, entrepreneurs engage in a basic resource-building process (Brush et al., 2001), as the business develops and grows, the resource needs become more sophisticated and specialised. Nonetheless, the need for external support is also dependent on the entrepreneur’s own personal development (Hurmerinta-Peltomäki and Nummela, 2004). The findings of this study concur with this literature; the entrepreneur’s networking activities reflect the changing needs of the firm (more specific resources require targeted networking efforts), as well as the changes in the development of the entrepreneurs’ human/managerial capital.

As discussed in Section 7.2, the prior experience of entrepreneurs brings knowledge and skills (Brüderl et al., 1992, Hatch and Dyer, 2004, Colombo and Grilli, 2005, Minniti and Bygrave, 2001, Sarasvathy, 2001), including specific skills to analyse and evaluate business relationships (Torkkeli et al., 2015) and to leverage networks (Alvarez and Busenitz, 2001, Mosey and Wright, 2007). Thus this research concludes that through experiential learning, entrepreneurs develop and enhance their networking capability, and are in a better position to strategically maximise the benefits that can be accrued through networking.

The relationship marketing literature also proposes that firms should periodically conduct a strategic resource audit, paying attention to the role their relationships have for their strategic competencies (Hunt, 1997). Firms should develop “a relationship portfolio that is comprised of relationships that constitute relational resources” (Hunt, 1997, p. 433) and a relationship "mix" that complements their existing competencies.

However, what constitutes the most favourable relational mix for entrepreneurs is still debated in the literature. As discussed in Section 7.2, extant literature argues that broad diverse networks can lead to knowledge acquisition and the development of competitive capabilities (Lechner et al., 2006, Burt, 2004, Stam et al., 2014, Slotte-Kock and Coviello, 2010), as well as provide access to external network resources, which positively influences the growth and development of the firm (Witt, 2004, Renzulli and Aldrich, 2005, Raz and Gloor, 2007, Klyver and Hindle, 2007, Hoang and Antoncic, 2003). Conversely, dense cohesive networks can enforce rules and constraints (Granovetter, 1973, Burt, 1997, Jack, 2005) and limit access to opportunities (Granovetter, 1973, Uzzi, 1997, Jack, 2005, Sullivan Mort and Weerawardena, 2006, Vissa, 2012). In the context of this literature, the fact that the some of the more experienced entrepreneurs participating in this study, while being more analytical and targeted, tended to focus on deepening strong ties to the detriment of forming new weak ties, may be unfavourable to the further development and growth of the firm.

Nonetheless, previous studies also found that broad networks can be costly, and require time and effort (Molm, 2003, Kim, 2013). Because ‘more ties’ are not necessarily better (Gulati and Higgins, 2003), too many resources devoted to networking might also be unfavourable to firm performance (Watson, 2012, Zhao and Aram, 1995), which is also mirrored in the idea of overflow of social capital and diminishing returns (Maurer and Ebers, 2006, Molina-Morales and Martínez-Fernández, 2009). Thus “entrepreneurs are advised to evaluate and map their current networks. Doing so is the first step toward building an effective network, an activity that is too important to be left to chance” (Low and MacMillan, 1988, p. 155). Again, in the context of this literature, novice/less experienced entrepreneurs participating in this study who devoted more time to networking should also carefully consider the implications and returns of their investment.

On the basis of the empirical findings and the extant literature, this study agrees with Martinez and Aldrich (2011) that strategic networkers understand the need to have a balanced approach to networking, and combine strong and weak ties development as appropriate, in line with organisational needs.

Borrowing social capital and vertical networking

The findings also show that strategic entrepreneurs proactively borrow social capital (Burt, 1998). Several entrepreneurs described actively scanning their existing personal and professional networks for individuals, whom they could “*leverage off*” in order to obtain introductions, recommendations and referrals that were instrumental in achieving

strategic goals (“*a way in*”). For instance, several entrepreneurs consciously and proactively invested in maintaining and developing relationships with individuals in government organisations, such as LEO, EI, IDA etc., even though there were no specific outcomes pursued. Time and frequency of communication with various network actors have been identified as important variables in building and leveraging networks (Hansen, 1995, Ostgaard and Birley, 1994, Witt, 2004, Håkansson and Snehota, 1995). These findings show that strategic networkers make conscious investments to develop these relationships, as they understand their future potential, which is what strategic networking is about (Ibarra and Hunter, 2007, Martinez and Aldrich, 2011). Extant literature has documented the role of these organisations as network intermediaries for flows of resources, information and new connections (O’Gorman and Evers, 2011). Individuals working for these organisations can be powerful brokers, bridging the structural holes among different groups (Burt, 2004, Burt, 2005) and hence they can become important relational resources for entrepreneurs.

Similarly, the empirical evidence indicates that participating entrepreneurs pursued and leveraged links with specific individuals and organisations, as a device for enhancing their reputation, which is also signalled in previous studies (Sullivan Mort et al., 2012, Elfring and Hulsink, 2003, Stuart et al., 1999).

Furthermore, as mentioned in Section 7.2, the findings indicate that generally entrepreneurs seem to think that relationships should form and grow naturally and consequently tend to network horizontally, with peers. The literature ascribes this to homophily, the idea that people tend to form connections with others who are similar to them (McPherson et al., 2001). However, “homophily limits people’s social worlds in a way that has powerful implications for the information they receive, the attitudes they form, and the interactions they experience” (McPherson et al., 2001, p. 415). Ibarra (2016) argues that this fundamental misconception that networking should be natural and effortless is likely to result in homogenous, narcissistic, lazy and useless networks. In light of these arguments, the findings of this study suggest that strategic networkers understand the need to network vertically, “spring-board” and access higher-level networks in order to accrue significant benefits for firm development and growth. The findings further show that this process is more difficult for less experienced entrepreneurs, when compared to their experienced counterparts, who can more easily leverage previously built reputation and social capital.

Creating networks/organising events

The findings of the study also show that strategic networkers become involved in the organisation of networking events and even create networks. Being part of the organising team or attending an event in particular capacities (such as a mentor or a judge) requires considerable investment of time and effort, but can provide strategic opportunities for entrepreneurs, allowing them to get access as ‘equals’ to higher level networks. Similarly, creating new networks increases the leveraging power of entrepreneurs. From a network structure point of view, network position has been

identified as an important determinant for the resources and information that an actor can obtain from a network (Burt, 1992). By creating networks, strategic entrepreneurs ensure network centrality through leadership positions.

In summary, the findings of this study suggest that while networking is a naturally occurring phenomenon (Dubini and Aldrich, 1991, Hill, 2001) and can be unplanned and non-goal oriented (Ritter et al., 2004, Slotte-Kock and Coviello, 2010, Gilmore et al., 2001), entrepreneurs must engage in strategic networking for business growth and development. Data analysis indicates that entrepreneurs can acquire significant benefits from making conscious or deliberate efforts to develop and maintain ties that add value to their relationship portfolio and to activate these resource ties as needed in achieving organisational goals. As compared to personal and operational networking, strategic networking is not an activity that comes as “naturally” to entrepreneurs as some of the literature seems to suggest (Dubini and Aldrich, 1991, Hill, 2001).

This study thus concludes that entrepreneurs should purposefully allow for networking to occur (to realise that both planned and serendipitous networking present opportunities), and to deliberately exploit networking opportunities, searching for and cultivating relevant relationships (both strong and weak ties). This proactive stance is in line with the conceptualisations of the entrepreneurial orientation construct (Covin and Lumpkin, 2011, Lumpkin and Dess, 1996), as well as with the dimensions of entrepreneurial marketing (Morris et al., 2002). Similarly, within studies in entrepreneurship, networking is seen as varying on a continuum from reactive to proactive (O'Donnell, 2004) and some individuals are more proactive networkers than others (Torres-Coronas and Vidal-Blasco, 2016).

The present findings thus present further evidence for the contention that the ability to network strategically is not equally distributed across firms (Walter et al., 2006, Mu and Di Benedetto, 2012). Even though it requires investment, entrepreneurs can proactively create, build and develop their networks (Aldrich and Zimmer, 1986, Birley et al., 1991, Hite, 2005). Networking becomes a strategic capability when is consciously undertaken to exploit market opportunities and it “does not simply accrue to the firm or happen by chance” (Sullivan Mort and Weerawardena, 2006, p. 564). The empirical findings show that there were significant differences among entrepreneurs in terms of strategic networking, which can be mainly ascribed to differences in the quality of the entrepreneur's human capital (i.e. different levels of experience, skills, abilities, proactiveness). However, entrepreneurs, as managers of their firms, must purposefully utilize well their endowments and “devote effort in order to generate rents from their human capital” (Castanias and Helfat, 1991, p. 666). Human capital has a direct influence on managerial capabilities (Becker, 1964, Castanias and Helfat, 2001) and impacts on firm performance (Day, 1994, Grant, 1996a, Teece et al., 1997, Castanias and Helfat, 2001, Andersson and Evers, 2015, Brush et al., 2001, Eriksson et al., 2014). These findings are consistent with this view; because strategic networking involves aligning networking with business strategy and activities (Torres-Coronas and Vidal-Blasco, 2016), it requires managerial capital.

Thus, this study concludes that in the context of SMEs, the entrepreneur's networking activity has to be paired with effective management and organisational capabilities (Day, 1994, Alvarez and Busenitz, 2001, Zahra et al., 2006, Evers, 2011b), i.e. the entrepreneur's managerial capital, so that entrepreneurs can bring the benefits which accrue through networking to bear on organisational strategy.

Conclusions on P2c

The findings partially supports proposition P2c. Consequently, this is revised below:

P2c. The entrepreneur's managerial capital determines the extent to which entrepreneurs engage in strategic networking to develop and grow their business.

The findings of this study show that there are significant differences in terms of the strategic networking activities of entrepreneurs, which require insight and a considerable investment of effort and time. These differences can be ascribed to the managerial capital of the entrepreneur (Becker, 1964, Castanias and Helfat, 2001), which is an essential resource of the firm (Castanias and Helfat, 2001, Andersson and Evers, 2015, Brush et al., 2001, Eriksson et al., 2014).

The findings of the study show that entrepreneurs can leverage multiplex ties (Anderson et al., 2005, Hoang and Antoncic, 2003, Hoang and Yi, 2015) and hence confirm that personal and operational networking can provide "a foundation for strategic networking" (Ibarra and Hunter, 2007, p. 42). In this regard, the findings of this study offer interesting insights on the role of trust within relationships among competing entrepreneurs/SME owners, contributing to extant studies (Bengtsson et al., 2010, Ebbers, 2014).

As discussed in Section 7.2, through accumulation of human capital, entrepreneurs adopt a more analytical, deliberate and targeted approach to networking, which, in line with previous research, can be explained through the changing needs of the firm (Butler and Hansen, 1991, Larson and Starr, 1993, Renzulli et al., 2000, Greve and Salaff, 2003), as well as the entrepreneur's own personal development (Hurmerinta-Peltomäki and Nummela, 2004). Entrepreneurial experience brings specific skills to analyse and evaluate business relationships (Torkkeli et al., 2015) and to leverage networks (Alvarez and Busenitz, 2001, Mosey and Wright, 2007, Evers et al., 2012). This implies that experiential learning helps entrepreneurs become more strategic in their networking.

Strategic networkers make efforts to leverage existing connections and network intermediaries for network development (Burt, 1998, O'Gorman and Evers, 2011, Burt, 2004, Burt, 2005), to network vertically and to enhance their reputation through

associations with reputable partners (Sullivan Mort et al., 2012, Elfring and Hulsink, 2003, Stuart et al., 1999). Similarly, strategic entrepreneurs ensure network centrality through leadership positions (Burt, 1992) and adopt a balanced approach to the development of both strong and weak ties (Martinez and Aldrich, 2011), aligning these efforts with the firm's changing circumstances and evolving resource needs.

The findings of this study thus conclude that as compared to personal networking (naturally occurring in social settings) and operational networking (naturally occurring in organisational settings), strategic networking is not an activity that comes as “naturally” to entrepreneurs as some of the literature seems to suggest (Dubini and Aldrich, 1991, Hill, 2001). By emphasising that strategic networking requires judgment and intuition, time and effort, the findings of this study offer a contribution to previous literature that views the human capital and managerial skills of the entrepreneur as an essential resources of the firm (Castanias and Helfat, 2001, Andersson and Evers, 2015, Brush et al., 2001, Eriksson et al., 2014).

Table 7.3 illustrates the context, main drivers, determinants of proactivity and intensity, as well as the key behaviours and outcomes of personal, operational and strategic entrepreneurial networking.

Table 7.3. Context, drivers, behaviours and outcomes of personal, operational and strategic entrepreneurial networking

Type of networking	Personal networking	Operational networking	Strategic networking
Context	Naturally occurring in social settings	Naturally occurring in organisational settings	Requires judgment, intuition, time and effort (i.e. does not occur naturally)
Drivers	Learning needs Need for emotional support	Stakeholder relationship management Sales generation	Firm growth Network development
Determinants of proactivity and intensity	Previous experience (less experience requires more learning) Individual drive for personal growth Exclusivity (women only groups for female entrepreneurs)	<i>Internal operational networking:</i> Expressed goal to be authentic and inspirational leaders <i>External operational networking:</i> Expressed goal to develop CRM	Managerial capital Willingness to invest effort and time Accumulation of human capital Accumulation of networking experience
Behaviours	Novice entrepreneurs have higher attendance in public and private networking groups and engage in network broadening actions More experienced entrepreneurs are targeted /focused in their approach and prefer one-on-one interaction	<i>Internal operational networking:</i> Extensive and proactive relationship building with internal stakeholders <i>External operational networking:</i> extensive and proactive relationship building with customers vs. professional (arm's length) relationships with distributors and suppliers	Leveraging multiplex ties Collaborations with competitors Vertical networking for network development Associations with reputable partners (higher-status network actors)

	Peer groups are deemed as “the most important”, regardless of prior experience	Firm growth decreases proactivity and intensity of operational networking as marketing and sales roles become specialised functions	<p>Actions to create central network positions</p> <p>Creation of new networks</p>
Outcomes	<p>Human capital development</p> <p>Knowledge generation</p> <p>Social capital generation</p> <p>Emotional support</p>	<p>Strong customer-centric culture</p> <p>Customer intensity</p> <p>Market closeness</p>	<p>Value co-creation with various stakeholders</p> <p>Network development</p> <p>Network leadership</p> <p>Experiential learning and knowledge generation</p>

7.3.4 Offline and Online Networking

Contributing towards answering RQ 2, which aimed to explore how entrepreneurs network i.e. the networking forms and activities that entrepreneurs engage in, is an analysis of the empirical data in relation to the online networking activities of the participating entrepreneurs.

The Internet has transformed social connectivity by decreasing its dependence on physical space (Wellman, 2001) and providing individuals with new tools to build relationships and to increase the number of their relationships (Ellison et al., 2011, Lewis et al., 2008, Sigfusson and Chetty, 2013). Online networking is primarily facilitated by social networking sites defined as “web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system (Boyd and Ellison, 2007, p. 211).

The findings indicate that all participating entrepreneurs had active profiles on social networking sites. Customer engagement, access to information, endless opportunities for new connections and a degree of anonymity were identified as the main advantages of online networking. However, entrepreneurs engaged in online networking and took advantage of these new tools for relationship building and development with various degrees of intensity. Overall, the findings suggest that **younger entrepreneurs are more active online** as compared to older entrepreneurs. As it has been discussed in Section 7.2, cultural contexts influence networks (Slotte-Kock and Coviello, 2010) and consequently networking behaviour. Since online and social media communications were not prevailing conditions for the older research participants during their previous experience, they are likely to embrace these behaviours to a lesser extent (Damanpour and Schneider, 2009, Wamba and Carter, 2014)

Facilitation of **customer interaction and engagement** was identified as the main benefit of social networking sites by the participating entrepreneurs. Recent literature has similarly emphasised the potential of social media platforms and their intrinsic interactive features for customer engagement, relationship development and beyond (Kaplan and Haenlein, 2010, Trusov et al., 2009, Sashi, 2012, Durkin et al., 2013, Trainor et al., 2014, Kozinets et al., 2010).

Entrepreneurs also used social media platforms to **develop relationships**. Ellison (2011) identifies three specific communication practices employed by social media users in this regard: “initiating” meeting strangers, “maintaining” or communicating with close friends and “social information seeking”, which refers to using the site for information about other individuals. The findings indicate that the studied entrepreneurs employed online networking primarily for **initiating new connections** and for **research purposes**, but not for maintaining strong ties. The findings further show that once contact has been established online, this was often followed by personal contact. The

fact that entrepreneurs preferred direct contact for developing relationships and maintaining strong ties may be explained by the fact that trust building online is perceived to be very difficult (Evans and Volery, 2001). The findings thus suggest that the online channels are important for initiating and maintaining weak ties (Lin, 1999, Ellison et al., 2011, Sigfusson and Chetty, 2013) as opposed to maintaining strong ties.

Further, entrepreneurs deemed online communications to be easy, without the pressure that sometimes face-to-face meetings might create. This may be due to a degree of “anonymity” that technology can create and also to the fact that online communications such as email and messages, can be asynchronous and can allow individuals to put together well thought messages and replies, while direct communication requires immediate response (Evans and Volery, 2001).

However, even though networking online can be “easier”, overall the findings show that it is secondary to face-to-face interaction. This indicates that personal contact is still preferred by most SME owners, even though there is a growing interest in ICT-mediated communication, which is similar to previous findings (Harris et al., 2012). Finally, the findings also suggest that online networking can result in **high numbers of contacts** for entrepreneurs. However, confirming the idea that more ties are not necessarily better (Gulati and Higgins, 2003), entrepreneurs have to purposefully “work” and leverage these networks if they are to accrue benefits.

7.3.5 Principles of Effective Networking

Also complementing the answer to RQ 2, data analysis identified a series of guiding principles for effective networking (i.e. networking that accrues benefits) that entrepreneurs used as ‘rules of thumb’ in their networking activities, and representatives of networking support organisations identified as best practice.

The empirical findings of this study indicate that networking is a capability that can be developed and the first rule is for entrepreneurs to **challenge the fear of networking**. Since “a network lives and thrives only when it is used” (Ibarra and Hunter, 2007, p. 45), entrepreneurs have to engage in networking and put themselves “out there”, even though it may be difficult initially. Through networking, entrepreneurs engage in **learn-by-doing-processes**, gain networking experience and enhance their networking capability. On the contrary, the less practiced, the less efficient networking becomes (Ibarra and Hunter, 2007, Ibarra, 2016).

Given the fact that there are significant costs in developing and managing relationships (Maurer and Ebers, 2006), the findings further suggest that entrepreneurs should give networking appropriate consideration and **target networking events and opportunities**. Nonetheless, the strategic networker should also be **aware of the potential of serendipitous networking**, and prepared to seize the unexpected opportunities it may hold, which has been emphasised by previous studies (Harris and Wheeler, 2005, Tahvanainen and Steinert, 2013). These findings are significant because

they endorse the importance of mindset and human capital in the development of entrepreneurial networking capability.

More importantly, the entrepreneurs participating in this research seemed to associate successful networking with both **confidence and generosity**. The entrepreneurship literature has identified entrepreneur's traits, such as confidence, optimism and high levels of self-efficacy as important elements of success (Baum and Locke, 2004). Confidence and optimism can attract attention, followers and supporters, and thus it can aid in the development of networks (Greve and Salaff, 2003). Similarly, the idea of generosity was an important factor in the entrepreneurs' narratives. The data indicates that entrepreneurs believe that successful networking is about **nurturing relationships**, about being genuinely interested in listening to and helping others. Starr and MacMillan (1990, p. 80) argue that individuals "invest their time and energy in social transactions based on their expectations of future profits and rewards". The findings of this study do not fully support this statement. The concept of 'karma marketing', used by one of the research participants, encapsulates the idea that entrepreneurs should approach networking from a 'give to give' perspective, rather than a 'give to get' one. The data further indicates, that, while in many cases, expectations of future rewards were present, in some cases reciprocity was not expected, but rather implicit and indirect.

Reciprocity has been identified as an important dimension of social capital (Woolcock, 1998) and in particular a characteristic of strong ties (Granovetter, 1983, Granovetter, 1973, Johannisson, 1986, Hansen, 1995, Obstfeld, 2005, Larson and Starr, 1993, Lechner et al., 2006). However, Molm et al. (2003) also posit that the norms which govern strong tie relationships often allow the parties involved to provide support with no expectation of benefits to be received in the future. The findings of this study indicate that in entrepreneurial networking, the '**give-to-give**' approach can be extended to weak ties. This in turn inspires trust from network actors, decreases the risks of opportunism, and increases the propensity of quality networking exchanges. According to the commitment-trust theory of relationship marketing (Morgan and Hunt, 1994), a relationship's benefits and costs influence perceived trust and commitment towards the relationship, which in turn determines relational outcomes. The same type of logic can be applied to broad networking interactions. By adopting a generous stance, several entrepreneurs were encouraging a similar (reciprocating) altruistic behaviour from their networking partners (Obstfeld, 2005). Furthermore, this idea of giving can also resolve the negative feelings that networking can elicit.

In summary, in concluding the discussion of research findings in relation to RQ 2, this study agrees that networking is not a "talent" but a "skill, one that takes practice" (Ibarra and Hunter, 2007, p. 47) and that in entrepreneurial settings networking outcomes depend on the conscious efforts and the capabilities of the entrepreneur to develop and leverage relationships for the benefit of the firm (Evers et al., 2012, Stam et al., 2014, Sullivan Mort and Weerawardena, 2006).

7.4 Research Question 3

The third research question aimed to explore the types of marketing capabilities which are developed from entrepreneurial networking, and thus achieve the over-arching goal of this study. The theoretical foundation of question 3 rests on the view of the firm as a resource entity (Penrose, 1959, Wernerfelt, 1984, Barney and Hesterly, 2012, Teece et al., 1997, Wang and Ahmed, 2007, Helfat et al., 2009) and incorporates complementary perspectives which emphasise that a firm's network relationships are themselves resources and can act as channels to resources from outside of the traditional firm boundaries (i.e. external) (Dyer and Singh, 1998, Gummesson, 2008, Hunt, 2010, Håkansson and Snehota, 1995, Ford and Håkansson, 2006b, Stam et al., 2014, Slotte-Kock and Coviello, 2010).

In the context of SMEs, burdened by the liability of smallness (Stinchcombe, 1965), the entrepreneurs' networks and relationships can be important means through which various tangible and intangible resources are accessed, obtained or created (Coviello et al., 2000, Hoang and Antoncic, 2003, Clarke, 2006, Jack, 2010, Gulati et al., 2011, Stam et al., 2014, Adler and Kwon, 2002, Brush et al., 2001).

Drawing on this literature, this study argues that through networking entrepreneurs can leverage resources and accrue benefits to develop the marketing capabilities of the firm. To examine this assumption, the study uses Morgan's (2012) categorisation of marketing capabilities (See Chapter 4) to facilitate the analysis:

- 1) Specialised marketing capabilities (product management capability, pricing management capability, channel management capability, marketing communications management capability, market research capability);
- 2) Cross-functional marketing capabilities (brand management capability, customer relationship management (CRM) capability and new product development (NPD) capability)
- 3) Architectural marketing capabilities (strategic market planning and marketing strategy implementation) and
- 4) Dynamic marketing capabilities (the firm's ability to engage in market learning and reconfigure its resources and enhance its capabilities).

This section examines empirical findings in the context of the four propositions restated below:

P3a. Entrepreneurial networking influences how SMEs develop specialised marketing capabilities.

P3b. Entrepreneurial networking influences how SMEs develop cross-functional marketing capabilities.

P3c. Entrepreneurial networking influences how SMEs develop architectural marketing capabilities.

P3d. Entrepreneurial networking influences how SMEs develop dynamic marketing capabilities.

Proposition P3a, i.e. the influence of entrepreneurial networking on specialised marketing capabilities, is discussed in Section 7.4.1, proposition P3b, i.e. the influence of entrepreneurial networking on cross-functional marketing capabilities, is discussed in Section 7.4.2, proposition P3c, i.e. the influence of entrepreneurial networking on architectural marketing capabilities, is discussed in Section 7.4.3 and proposition P3d, i.e. the influence of entrepreneurial networking on dynamic marketing capabilities, is discussed in Section 7.4.4. In answering RQ 3, Section 7.4.5 further discusses relevant findings in relation to the indirect influence of entrepreneurial networking on the development of marketing capabilities.

7.4.1 Networking Influence on Specialised Marketing Capabilities

Specialised marketing capabilities include marketing program-related processes based around the classical “marketing mix” of activities, namely: product management capability, pricing management capability, channel management capability, marketing communications management capability and market research capability (Morgan, 2012), which are all essential in developing and sustaining competitive advantage in the market (Day, 1994). The findings in relation to the influence entrepreneurial networking can have on the development of specialised marketing capabilities in SMEs is discussed below in the context of extant literature.

Networking Influence on Product Management Capability

Product management capability (not to be confused with new product development capability, discussed in Section 7.4.2) refers to the process of producing and delivering current product and service offerings to satisfy customer needs (Morgan, 2012, Adler et al., 1996).

The empirical evidence of this study shows that continuous fulfilment of customer needs with high quality products and consistent service was a priority for the participating entrepreneurs. Given their limited resources, the preferred competitive strategy employed by entrepreneurs was differentiation, which is similar to previous findings (Simpson et al., 2006, Toften and Hammervoll, 2010) and customer loyalty was achieved through high quality, which is also characteristic of small firms (McGee and Peterson, 2000, Camra-Fierro et al., 2012).

Product management typically necessitates organisational routines (internal) for evaluating product/service performance in the marketplace (external) (Adler et al., 1996). By combining internal and external processes, product management capability is

a boundary spanning capability that can provide small firms with a competitive edge (Roach, 2011).

The findings show that entrepreneurs were closely monitoring the value proposition in order to understand product-market dynamics. However, they lacked well-developed processes for evaluating product/service quality and performance (Adler et al., 1996). Instead, this was achieved through networking directly with the customers. The entrepreneurs' 'closeness' to the market created continuous dialogue and interaction with customers. Customer feedback was disseminated internally and integrated in the product management process (see also Market Research Capability).

The "voice of the customer", which consists of identifying customer needs and structuring and providing priorities for customer needs, has been long recognised as an important component of any quality-management process (Griffin and Hauser, 1993). Previous research shows that a strong customer focus, and good information management provide greatest positive influence on the quality of outputs (products and services) (Anderson and Sohal, 1999, Zhao et al., 2004). The present findings show that, while lacking complex routines for collecting and managing the "voice of the customer" (i.e. formal information management systems), the entrepreneurs used external and internal networking to capture and disseminate relevant information for product management (See also CRM capability).

The data analysis concludes that entrepreneurial networking can have a positive influence on the development of product management capability in SMEs. Thorough direct networking with the target market, customer needs can be directly connected to product management.

Networking Influence on Price Management Capability

Price management capability consists of the ability to develop appropriate pricing strategies and quickly and effectively execute and communicate pricing changes when required (Morgan, 2012).

The findings indicate that pricing is a difficult process for entrepreneurs, which is significant given that pricing capability is positively related to financial outcomes. Dutta et al. (2003) argue that even if a firm has created value, it will only capture economic rents if it has the ability to set the right price for what it sells. This involves complex pricing analysis and setting pricing strategy (Dutta et al., 2003, Roach, 2011). This process requires a good understanding of the price's potential impact on customer value perceptions and reaction to pricing policies (Shapiro et al., 1987), as well as knowledge of competitors' current and planned pricing strategies and actions (Blattberg and Wisniewski, 1989). The empirical data indicates that entrepreneurs were using both of these signposts in the way they managed pricing, and, in particular competitors' price points.

Networking was one of the main mechanisms of finding out about prices in a process of informal research. The findings show that entrepreneurs engaged with customers, competitors and other stakeholders to gather information in order to help them with setting and managing price. Serendipitous encounters were also identified as providing essential information to help set/change their pricing strategy for particular target segments. These findings thus bring support to the contention that social capital is “the glue that coordinates and holds together the many participants in the pricing process” (Dutta et al., 2002, p. 65).

As discussed above, while most of the entrepreneurs participating in this study competed through a differentiation rather than low-cost/low-price strategy, in most cases, the pricing structure was heavily informed and influenced by market rates and competitors’ pricing. Given that in many cases the price was ‘on par’ with competitive offers, the positional strategy followed a “more for the same” rather than “the same for less” approach (Kotler et al., 2008). The ability to differentiate products through attributes other than price is an important aspect of the overall marketing capability of a firm (Weerawardena, 2003). This was also obvious in the way that several entrepreneurs clearly expressed an “anti-special offers” attitude, which was seen to have a negative impact on the perceived value of their offering, as well as on the bottom line.

The findings show that entrepreneurs were aware of the market’s “sensitivity” to price, and of the fact that they must ‘sell’ the prices to customers (Dutta et al., 2003). Networking was again identified as an important tool through which the customers’ sensitivity to price was addressed and decreased. For instance, while cold leads were sensitive to price, customers coming through referrals and recommendations were less sensitive and hence the “preferred” prospects. This indicates that networking allows entrepreneurs to leverage their reputation in the pricing strategy. Thus past exchanges and relationships extend into future relationships and ease the price negotiation process (Dutta et al., 2003). These findings indicate that entrepreneurial networking can have a positive influence on the development of price management capability in SMEs.

Networking Influence on Channel Management Capability

Channel management capability is the ability to efficiently and effectively manage mutually beneficial relationships with channel members (Morgan, 2012).

As outlined in the Findings chapter (Ch. 6), the majority of the entrepreneurs participating in this study were operating in service-based industries, and hence often distribution was direct. In the case of the five entrepreneurs who mentioned the use of intermediaries, data analysis suggests that networking can help entrepreneurs with “opening doors” and gaining access to channels of distribution and target markets. Nonetheless given the lack of representativeness of intermediaries in the participant’s networks, the researcher has concluded that there is not sufficient data in regard to channel management capability.

Networking Influence on Marketing Communications Management Capability

Marketing communications or promotion management capability consists of communicating effectively with customers and prospects (i.e. target markets) about the benefits of the firm's products; it reinforces purchase decision and it is closely linked to selling capabilities (McKee et al., 1992, Morgan, 2012). Marketing communications capability is an essential aspect of successful commercialisation of any product or service. Angelmar (1990, p. 186) has argued that "a unique and superior product is a necessary but often insufficient condition for innovation success. Achievement of competitive advantage typically also requires that the product be brought to the attention of and be made available to the appropriate target customers".

In support of the EM literature and empirical studies focusing on SME marketing practice, which have traditionally emphasised the tactical focus of promotional aspects in the small firm context (Carson et al., 1995, Gilmore et al., 2001, Stokes, 2000b, Carson and Gilmore, 2000a, McPherson, 2007, Lancaster and Waddelow, 1998), the present findings identify marketing communications as a recognized priority for the entrepreneurs taking part in this study.

Main promotional tools: personal selling, direct marketing and PR

The findings show that out of the main five promotional tools in the marketing communication mix (i.e. advertising, PR, sales promotions, personal selling and direct marketing) (Kotler and Keller, 2011), personal selling, direct marketing and PR were the preferred marketing communication tools for the participating entrepreneurs, using both offline and online channels. While advertising through traditional mass media channels had also been considered and tried by several entrepreneurs, high costs and the difficulty to measure results led to mistrust in advertising effectiveness. In turn, sales promotions were often regarded as potentially damaging for the brand and overall avoided by most participants, even though negotiating on price with individual customers was practiced (see also Price Management Capability).

Data analysis indicates that personal selling, direct marketing and PR are compatible with the action-oriented, hands-on approach preferred by entrepreneurs. Personal communications through both offline and online channels (as opposed to impersonal methods via traditional media) were not only favoured because of budget restrictions, but also because, typically, owners of small firms intuitively prefer direct interaction with customers and other important stakeholders, which is similar to previous findings (Gabrielli and Balboni, 2010, Pérez-Cabañero et al., 2012, Franco et al., 2014). In most cases, the participating entrepreneurs were directly involved in personal selling and direct marketing, from personal face-to-face meetings to one-on-one customised messages for customers (i.e. hand-written thank you notes or Christmas cards) and online communications.

Moreover, entrepreneurs used WOM to leverage network endorsements and story telling to create emotional connections with customers and the wider public. In turn, this generated PR material and media coverage, which allowed entrepreneurs to achieve their marketing communication goals within the limits of their budgets, as discussed in more detail below.

WOM: leveraging network endorsements

The findings indicate that networking is instrumental in facilitating what was identified as “the most important” form of promotion: word of mouth (WOM). The empirical evidence in this study shows that entrepreneurs recognised the significance of WOM in their marketing communication strategy and proactively used networking to incorporate WOM in their promotional efforts.

The power of WOM stems from the fact that it is mainly a consumer-dominated form of communication, where the sender is perceived to be independent of the marketer, and therefore more reliable and trustworthy (Arndt, 1967, Brown et al., 2007, Buttle, 1998). Third party referrals and recommendations can act as substitutes in creating an attractive and trustworthy image for a firm or a brand (Chollet et al., 2014). Furthermore, as compared to traditional methods of marketing communications, WOM marketing is essential for SMEs because it is a cost-effective method to create awareness and build reputation (Trusov et al., 2009, Goldenberg et al., 2001). Extant empirical evidence shows that a referral customer costs a lot less to acquire and has a 16% higher lifetime value (Schmitt et al., 2011).

There were two types of network endorsements leveraged through WOM by the entrepreneurs participating in this study: endorsements on the basis of product/service quality and endorsements on the basis of the entrepreneur’s social capital.

Endorsements on the basis of product/service quality

Firstly, positive WOM stemmed from satisfied current customers, who recommended the firm to others, which is the typical mechanism of WOM (Kumar et al., 2010). This was sometimes driven entirely by happy, satisfied customers, who voluntarily recommend the company and its products to their own networks, thus becoming promoters for the firm (Coviello and Cox, 2006). Equally, the present findings indicate that proactive entrepreneurs and strategic networkers made considerable efforts to influence WOM communications. Consequently this becomes word-of-mouth marketing, defined as “the intentional influencing of consumer-to-consumer communications” (Kozinets et al., 2010, p. 71). The empirical evidence shows that some entrepreneurs were very proactive in generating WOM by contacting opinion leaders, asking for testimonials and referrals, offering incentives and organising events in order to generate buzz.

Endorsements on the basis of the entrepreneur's social capital

Secondly, the findings show that positive WOM was also generated from the personal relationships of the entrepreneur, which were activated in new ways in order to gain business through recommendations. These recommendations are not based on having had experience of the product/service, but on knowing the entrepreneur (i.e. expertise, reliability). In line with previous studies (Neergaard, 2005, Jack, 2005, Chollet et al., 2014), the findings suggest that in the context of SMEs the social capital of the entrepreneur is important in generating WOM and obtaining referrals.

The present findings indicate that the personality of the entrepreneur was in some cases closely linked to the brand and purposefully exploited (See also Section 7.4.2). This was also obvious in the way the participants emphasised that “*people buy you*”, rather than your product/service, a recurring theme throughout the interviews; the firm's promotional efforts were leveraging the entrepreneur's personal qualities (and the support of their networks) to gain credibility. Consequently, data analysis indicates that entrepreneurial networks are essential not only for information acquisition (McEvily and Zaheer, 1999), but also for information diffusion (Chollet et al., 2014), as entrepreneurs use networking to promote their personality and uniqueness (Johannisson et al., 1997), thus also building the reputation of their firms (See also Brand Management Capability).

Emotional connection through story-telling

Networking also created opportunities for entrepreneurs to tell their ‘story’ in a compelling way. Story-telling can help small firms leverage resources by conveying a comprehensible identity for the entrepreneurial firm (Martens et al., 2007). Narrating their life story and the story of the idea behind the product/service was used to promote both the product and the personal brand of the entrepreneur. Compelling stories require a strong and memorable personal brand, which can only be achieved through transparency and authenticity (Herskovitz and Crystal, 2010, Harris and Rae, 2009, Labrecque et al., 2011). The entrepreneurs who were using story telling in their marketing communications and brand building efforts understood that this can connect the target audience to the brand on an emotional level, and can thus provide a significant positional advantage in the market, an important point of differentiation, and a strong identity for the brand. This has both internal and external marketing benefits. Internally, it helps build a strong organisational culture; externally, it can act like a hook in grabbing people's attention, it generates WOM and has considerable potential for PR.

Online marketing communications: amplifying WOM

WOM was further amplified by the use of social media, which are “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content” (Kaplan and

Haenlein, 2010, p 61). Social media are an essential tool in current WOM marketing practices (Kozinets et al., 2010, Brown et al., 2007).

Several participating entrepreneurs (particularly the younger entrepreneurs) found social media to be a suitable alternative to traditional media, especially beneficial in the absence of the significant financial backing required for more traditional channels (Kaplan and Haenlein, 2010, McCann and Barlow, 2015). Social media channels have tremendous word of mouth potential and they can radically transform marketing communications, not only in their reach and specific targeting, but also in the way these channels allow stakeholder participation in marketing and consequently value co-creation (Vargo and Lusch, 2004, Stephen and Toubia, 2010). Real-time dialogue and interaction changes the communication approach from the traditional one-to-many to a many-to-many approach and provides infinite possibilities for engagement, communication, education, cooperation and collaboration (McCann and Barlow, 2015, Safko, 2010), as well as the collection of feedback (O'Malley and Mitussis, 2002).

While different types of stakeholders can be targeted through social media, the findings show that the participating entrepreneurs mainly targeted customers and prospects in their online efforts. Examples include: using Facebook for the creation of targeted messages and story telling (communication), for sharing information that may be of use to followers (education) and for feedback collection; using LinkedIn to promote blog entries authored by the entrepreneur (education); using Twitter to ask for feedback during product development and testing (collaboration), as well as for creating dialogues and identifying leads (communication). In this context, customers change their role from receivers of the output of the firm to co-producers of the relationship between them and the brand/firm (Durkin et al., 2013). Furthermore, social media allows for flexibility and customisation (Gurău, 2008), which the data indicates are important attributes for success in the entrepreneurial marketing communication repertoire.

In summary, the empirical data in relation to marketing communications emphasises the highly relational nature of marketing for entrepreneurs. 'Relationships' have been identified as the single most important marketing tool in entrepreneurial contexts (Hills et al., 2010). Networking, both offline and online, facilitates close interaction between the entrepreneur and the customers and other stakeholders and thus the findings of this study support the argument that marketing is a social, personal activity more than an organisational function in SMEs (Gilmore et al., 2001, Gruber, 2004, Hills et al., 2008, O'Donnell, 2004, O'Donnell, 2014).

The data analysis concludes that the resource issues encountered by small firms, alongside the entrepreneur's preference to be close to the customer, necessitates entrepreneurial networking for the development of marketing communications capability.

Networking Influence on Market Research Capability

Market research capability is defined as the ability to provide answers to market-related questions set by management (Morgan, 2012), and refers to processes about gathering data on competitors, customers and new market opportunities (Pérez-Cabañero et al., 2012). Market research underpins every aspect of marketing and therefore it is of the utmost importance in achieving marketing goals (Kohli and Jaworski, 1990). Since firms with superior market knowledge can develop better offerings, execute better marketing strategies and thus gain competitive advantage, market research capability is closely connected to firm performance in the marketing literature (Vorhies et al., 1999, Day, 1994, Day, 2011, Morgan, 2012).

The findings of this study show that participating entrepreneurs were aware of the importance of market information for marketing decision-making. However, with a few exceptions (well established and medium-sized firms), formal methods of market research were atypical, and even when employed, these attempts were sparse and sometimes “amateur”. As opposed to formalised research and complex marketing intelligence systems, the data analysis shows that entrepreneurs mainly gathered their market information directly through networking. These findings extend extant research conclusions that in SMEs entrepreneurs rarely engage in formal data collection (Stokes, 2000b, Blankson et al., 2006, Collinson and Shaw, 2001, Hultman, 1999, Hills, 2012, Bjerke and Hultman, 2002, Morris et al., 2002).

The findings indicate that a strong relationship exists between networking and the development of market research capability in SMEs and that entrepreneurs obtain information directly from customers and other network actors. The direct involvement in the collection of information reinforces the important personal role that entrepreneurs play in the marketing of SMEs (Zontanos and Anderson, 2004).

While strong ties were identified as essential in providing answers to specific questions and advice (see also Section 7.3), overall, weak ties were the most instrumental in providing relevant market information. The entrepreneurs participating in this study mainly gathered market information from 4 types of network actors: 1) customers, 2) members of the value chain, 3) competitors and 4) institutional actors, such as government organisations and academic institutions, as detailed below.

1. Customer feedback and active listening to customers

Real-time, continuous customer feedback was the most important source of information and also contributed to the development of customer relationships (See also CRM capability). While customers mainly provided feedback on the actual product/service, the findings further indicate that they were also an important source of information on competitors and other relevant businesses or organisations, which often reached entrepreneurs in the form of “gossip”.

Customer feedback was collected mostly informally. The entrepreneur's closeness to the market created an environment in which customers often provided feedback to the business owners voluntarily. As well as that, entrepreneurs were proactively talking to/asking/listening to customers. It has been argued that resource-constrained entrepreneurs do not place too much importance on the objectivity of data, and often blur the line between research/listening and selling, as they do both simultaneously (Bhide, 1994). Thus, the findings of this study concur with the idea that in entrepreneurial contexts, research is often hands-on selling (Sarasvathy, 2001, Sarasvathy, 2008). The findings of this study also show that entrepreneurs choose "conversational" situations to listen and respond to customers, but they give this process significant importance. "Really listening" has a long lasting impact on customers, who feel their voice matters, leading to repeat business and increased loyalty (Payne, 1994, Coviello et al., 1997, Grönroos, 1997, Ballantyne et al., 2003).

As mentioned above, some entrepreneurs also attempted more formal market research initiatives, even though small scale and amateur, such as focus groups and convenience small sample surveys to collect customer feedback. However, this information was not analysed in detail, but rather informally and on the spot, directly by the entrepreneur.

As opposed to this, in the more established and larger firms (medium sized enterprises) customer feedback was collected in a more former manner, sometimes with information input in CRM systems, which supports the contention that marketing efforts become more formalised with firm growth (Carson, 1985, Bjerke and Hultman, 2002).

2. Members of the value chain and the value of gossip

While the data analysis revealed that relationships with the members of the value chain were mainly kept at a professional level (see also Section 7.3), these actors were also identified as sources of information, albeit in the shape of 'gossip' (information on each other, as well as on competitors). In organisational behaviour studies, gossip is defined as "the process of informally communicating value-laden information about members of a social setting" (Noon and Delbridge, 1993, p. 25) and while it is mainly seen as having negative side-effects, it can also have positive outcomes for the receiver, and can thus be seen as a form of social capital (Rooks et al., 2011).

The findings of this study emphasise the informational value of gossip. This type of information was labelled as 'invaluable', indicating its relevance, and 'priceless', indicating the fact that it is not readily available and cannot be obtained through market mechanisms (i.e. purchased). For instance, 'unofficial' ratings of competitors from distributors can provide entrepreneurs with specific insights that allow informal benchmarking exercises.

3. Competitors and specialised information

Competitors were mainly identified as an important source of industry information, often providing answers to specific questions or problems (see also Section 7.3). Previous studies have underlined that the composition of entrepreneurial networks has a direct impact on the type of information that entrepreneurs can gain access to (Bonaccio and Dalal, 2010, Butler et al., 2003). Similarly, other studies have argued that that experiential advice obtained from other entrepreneurs can provide significant benefits to business owners (Davis et al., 2006, Kuhn and Galloway, 2015).

The present findings show that in the case of competitors, their specialisation, expertise and know-how positively impacts on the quality of the informational resources they can provide to entrepreneurs. Participating entrepreneurs asked their peers (competitors) for information because this was the most economic and timely manner of getting accurate answers to specific business problems.

4. Government organisations and academic institutions

Information was also sourced from governmental agencies, such as EI, and academic institutions. The role of these institutional actors in providing relevant information to SMEs has been highlighted by previous studies (Wren and Storey, 2002, Berry et al., 2006) and in particular for entrepreneurs operating in international markets (Coviello and Munro, 1995, Papagiannidis et al., 2009, O'Gorman and Evers, 2011). The present findings show that entrepreneurs leverage their relationships with key staff in these institutions, to get access to specific information and advice, and also to the rich networks of contacts these individuals typically have (See also Section 7.3).

Timely/continuous, trustworthy/credible, and cost-effective information

This research concludes that networking provides entrepreneurs with access to timely/continuous, trustworthy/credible, and cost-effective information, thus influencing the development of market research capability. This mainly informal approach to obtain information is compatible with the resources available to small business owners and their needs.

Firstly, networking provides a suitable way of collecting information in a timely and continuous manner. It also suits the action-oriented approach to marketing which was typical for the studied entrepreneurs. The direct involvement of the entrepreneur as the main recipient of market information also strengthens the contention that in entrepreneurial contexts marketing is not an abstract phenomenon, but an action-oriented, hands-on practice (Hills et al., 2008, O'Donnell, 2014).

Secondly, the empirical data indicates that networking provided access to trustworthy and credible information for the participating entrepreneurs. Extant studies also emphasise that entrepreneurs place a very high value on the information they received

from their networks, which they see as reliable and trustworthy (McEvily and Zaheer, 1999, Butler et al., 2003, Bonaccio and Dalal, 2010, Kuhn and Galloway, 2015).

Thirdly, networking provides a very cost-efficient method for market research. Entrepreneurs rarely have the time, resources or the inclination to engage in traditional market research or to purchase marketing intelligence reports (Collinson and Shaw, 2001, Berry et al., 2006). Networking 'to find out' is a suitable alternative practice as it provides entrepreneurs with access to information at affordable cost (O'Donnell and Cummins, 1999, Gilmore et al., 2001).

Proactive networking for market research capability development

The data analysis confirms that information benefits are one of the main advantages of entrepreneurial networks (Adler and Kwon, 2002). However, a significant aspect of networking capability is the ability to leverage the resources embedded in an actors' networks (Reinartz et al., 2004, Mitrega et al., 2012). Consequently, the findings of this study suggest that, while network actors could potentially be informational resources, the entrepreneur's ability to strategically stimulate information sharing and communication from network actors is very important (See Section 7.3.3).

Previous research has identified weak ties as the main source used by entrepreneurs to gather information and pursue opportunities (Chell and Baines, 2000, Stam et al., 2014). While entrepreneurs can gain informational resources unexpectedly (Tahvanainen and Steinert, 2013), it has also been argued that entrepreneurs need strategic insight in terms of understanding the type of information required and the network ties that may be able to provide it (Hansen, 1999). The present findings show that informational resources can be obtained through both planned and serendipitous networking and that proactive networkers, with large diverse networks are more likely to obtain both.

In summary, this research finds that in entrepreneurial contexts, networking positively influences the development of market research capability. This research extends previous literature that argues that SMEs owners draw on their networks to obtain market information (Morris et al., 2002, Stokes, 2000b, Hills et al., 2008, Hulbert et al., 2015, Pérez-Cabañero et al., 2012). The present findings show that through networking, entrepreneurs leverage timely, trustworthy, and cost-effective informational resources from various network actors. This continuous interaction with relevant stakeholders, and in particular customer closeness, provides entrepreneurs with the ability to respond (and anticipate) customer needs and demands. Entrepreneurial networking becomes a market sensing mechanism that directly enables a heightened level of responsiveness to the marketplace.

A strong market research capability can optimise organisational performance (Chaston, 1998, Kohli and Jaworski, 1990, Vorhies et al., 1999, Day, 1994, Day, 2011, Morgan, 2012). Complemented by previous experience, intuition, and a learn-by-doing philosophy, through networking, entrepreneurs develop research capabilities and

compensate for a lack of access to research data obtained through formal methods.

Conclusions on P3a

The findings support proposition P3a.

P3a. Entrepreneurial networking influences how SMEs develop specialised marketing capabilities.

While the empirical data was insufficient in relation to channel management capability, findings indicate that entrepreneurial networking positively influences the development of product, price, marketing communications and market research capabilities in SMEs. In particular, market research capability is of the utmost importance as it underpins all the other marketing capabilities of the firm (Kohli and Jaworski, 1990, Day, 2011, Morgan, 2012) (thus explaining a degree of overlap in the analysis of empirical data).

The present findings show that entrepreneurs used external and internal networking to capture and disseminate relevant information (“i.e. voice of the customer”) for product management (Griffin and Hauser, 1993), compensating for well-developed informational processes for evaluating product/service quality and performance (Adler et al., 1996, Anderson and Sohal, 1999, Zhao et al., 2004). The findings further show that entrepreneurs engaged with customers, competitors and other stakeholders both deliberately and serendipitously to gather information in order to help them with setting and managing price, as well as to decrease customers’ price sensitivity through referrals (Dutta et al., 2003).

In relation to marketing communications capability, the findings confirm the tactical focus of promotional aspects in the SME context (Carson et al., 1995, Gilmore et al., 2001, Stokes, 2000b, Carson and Gilmore, 2000a, McPherson, 2007, Lancaster and Waddelow, 1998) and show personal selling, direct marketing and PR were the preferred marketing communication tools for the participating entrepreneurs, using both offline and online channels. These tools were not only affordable, but they also facilitated the hands-on approach to promotion which entrepreneurs prefer, as confirmed by extant research (Gabrielli and Balboni, 2010, Pérez-Cabañero et al., 2012, Franco et al., 2014). Leveraging network endorsements led to the generation of WOM (Coviello and Cox, 2006, Neergaard, 2005, Jack, 2005, Chollet et al., 2014), which was deemed the most important form of marketing communications. Data analysis concludes that the resource issues encountered by small firms, alongside the entrepreneur’s preference for relational interaction necessitates networking to develop marketing communications capability.

Finally, the empirical evidence indicates that entrepreneurial networking is instrumental in the development of market research capability. While entrepreneurs rarely engage in formal data collection (Stokes, 2000b, Blankson et al., 2006, Collinson and Shaw, 2001,

Hultman, 1999, Hills, 2012, Bjerke and Hultman, 2002, Morris et al., 2002), the present findings show that through networking entrepreneurs acquire timely, trustworthy (McEvily and Zaheer, 1999, Butler et al., 2003, Bonaccio and Dalal, 2010, Kuhn and Galloway, 2015), and cost-effective informational resources (O'Donnell and Cummins, 1999, Gilmore et al., 2001) from various network actors. This research extends previous literature maintaining that SMEs owners draw on their networks to obtain market information (Morris et al., 2002, Stokes, 2000b, Hills et al., 2008, Hulbert et al., 2015, Pérez-Cabañero et al., 2012) and argues that proactive entrepreneurial networking can become a market sensing mechanism that directly enables a heightened level of responsiveness to the marketplace. This provides entrepreneurs with the ability to respond (and anticipate) customer needs and demands, thus compensating for a lack of formal market research.

7.4.2 Networking Influence on Cross-Functional Marketing Capabilities

Cross-functional marketing capabilities combine specialised marketing capabilities with inputs from R&D, accounting, production, operations etc. and include brand management capability, customer relationship management (CRM) capability and new product development (NPD) capability (Morgan, 2012). The findings in relation to the influence entrepreneurial networking can have on the development of cross-functional marketing capabilities in SMEs is discussed below in the context of extant literature.

Networking Influence on Brand Management Capability

Brand management capability refers to the systems and processes used to develop, grow, maintain, and leverage a firm's brand assets (Morgan, 2012).

Brands represent the promise that a company makes to its target market, and this promise is closely linked to the credibility of the organisation (Kotler and Keller, 2011). The marketing literature emphasises that reputational assets such as brand name and credibility are important determinants for customer choice and preference (Hooley et al., 2001, Keller, 1993, Keller and Lehmann, 2006). Nonetheless, given that they often suffer from liabilities of smallness and newness and a lack of legitimacy (Stinchcombe, 1965, Terziovski, 2010), such reputational assets are more difficult to obtain for SMEs, as compared to large firms. Previous empirical studies have found branding and brand management often have a limited role in SMEs (Wong and Merrilees, 2005, Krake, 2005).

The empirical evidence of this study indicates that overall the participating entrepreneurs had great appreciation for brands as valuable assets of their ventures. While investment in traditional brand building promotional methods, such as advertising, was limited or non-existent (see also Section 7.4.1), entrepreneurs made considerable efforts to develop reputational assets, and implicitly the brand. Data analysis identified networking as an important enabler for brand development for the

studied entrepreneurs and their firms. The findings show two main avenues through which entrepreneurs enhanced the firm's reputation: leveraging the personal profile/brand of the entrepreneur and leveraging the reputational assets of network connections to enhance SME reputation.

Leveraging the personal profile/brand of the entrepreneur to enhance SME reputation

The findings of this study show that entrepreneurs intertwine their personal brand with their company brand. Several entrepreneurs participating in this study expressed the importance of leveraging their networks to deliver and solidify the connection between their company's reputation and their personal profile and reputation. The findings placed centrality with the idea that customers “*buy you*” and “*why you do*”, rather than “*what you do*” (See also Section 7.4.1). Networking provided an ideal platform for self-marketing, for creating and maintaining a strong personal brand.

These findings are in line with extant marketing literature which posits that the human characteristics or the traits of the people within an organisation can define the organisational brand (Keller and Richey, 2006). The corporate brand can be seen as a reproduction of the personality and characteristics of the founder (Balmer, 2001, Rode and Vallaster, 2005). In turn, this will influence both internal organisational culture, as well as how the organisation is perceived by external stakeholders (Deacon and Corp, 2003, Larson and Starr, 1993, Carson et al., 1995).

This study provides new insights into how proactive entrepreneurs made deliberate and articulated efforts to showcase through their networks their personal attributes and in particular professional expertise in order to convey a strong positive brand image for their organisation. Furthermore, integrating the entrepreneur's visibility, in person and online, was used as a selling point in the firm's value proposition.

The entrepreneur's attributes as brand building blocks

Findings show that SMEs accrued greater brand market acceptance and credibility on the basis of the founder's attributes. In particular, specific professional attributes, such as subject matter expertise, emerged as important building blocks for personal brand development (Harris and Rae, 2009, Labrecque et al., 2011), and were subsequently leveraged for the development of the organisational brand. Findings show that networking offers individuals prolific platforms to position themselves as experts, allowing them to articulate and share knowledge. Being seen as a “giver” of good quality information and advice had a positive impact on the individual's reputation, which made them attractive to other stakeholders. Furthermore, as mentioned in Section 7.3.5, generosity encourages a similar (reciprocating) altruistic behaviour from networking partners (Obstfeld, 2005), facilitating knowledge exchange. Several participating entrepreneurs were proactively trying to build a strong authentic personal brand. Building a strong personal reputation in their networks not only delivers a track

record, but also signals a promise of future value to external stakeholders, which can be very valuable for SMEs (Harris and Rae, 2009).

Authorship, a quality mark for expertise

The findings explain how proactive and strategic entrepreneurs used various techniques, from one-on-one meetings, to public presentations and publishing in order to build, strengthen and position their image as experts. In particular, authorship (publishing original content on blogs, newspaper columns, and ultimately books) was seen as a method to significantly boost the credibility of the entrepreneur and was generally considered as the ultimate quality mark for expertise. Authorship was not only proof of the entrepreneurs' human capital, but it can also provide readers with a deeper understanding of who they are, what they think and what they want to achieve.

Using online channels to augment the personal brand

Several entrepreneurs were using online channels to facilitate personal brand communications (See also Section 7.4.1). Social networking sites, such as LinkedIn, Twitter and Facebook, personal blogs and webinars were successfully used by several participants to harness the development of their personal brands. The Internet has clearly augmented the possibilities to build a personal brand. Social media can help establish someone as a well-connected, knowledgeable and approachable personality, thus presenting unlimited personal brand-building opportunities (Harris and Rae, 2009, Labrecque et al., 2011).

Leveraging the reputational assets of their connections to enhance SME reputation

The findings show that networking was also instrumental in the way entrepreneurs leveraged the reputational assets of external network actors to enhance the reputation of their own firms. This resonates with the contention that while relationships provide access to other actors' resources, relationships can be resources themselves (Håkansson and Snehota, 1995, Ford and Håkansson, 2006b).

Reputational signalling and borrowing social capital

Data analysis indicates that entrepreneurs saw their personal and organisational brands as partly defined by the reputational assets (and implicitly the brands) of their connections. Consequently, proactive entrepreneurs aimed to build and leverage networks and connections that would send positive reputational signals to prospective stakeholders (investors, customers, partners) in terms of their credibility and performance.

The empirical findings show that this process was particularly important for novice entrepreneurs. This can be explained by the fact that when a market actor's quality is difficult to assess a priori, the actor's ties convey important informational cues about the actor (Podolny, 2001). While experienced entrepreneurs have legitimacy, credibility and

reputational assets (Delmar and Shane, 2004, Baron and Markman, 2000, Abimbola and Vallaster, 2007), this is not the case for novice entrepreneurs, who thus have more difficulties in gaining support from various actors (Mosey and Wright, 2007). Consequently, newcomers have “to borrow social capital rather than build it” (Burt, 1998, p. 5) and gain reputation through association (Elfring and Hulsink, 2003, Stuart et al., 1999) and credibility through endorsements (Podolny, 2001, Shane and Cable, 2002, Ahuja, 2000, Lechner et al., 2006, Hitt and Reed, 2000).

This can be obtained through ties with higher status market actors, which act as reputational signalling (Reuber and Fischer, 2005). However, the findings of this study show that establishing these ties is a difficult process for novice entrepreneurs. This can be explained by the fact that while lower status actors seek affiliation with higher status actors, high status actors seek interaction with similar status actors and avoid affiliations with lower status ones since such connections may detract from their own status (Kilduff and Krackhardt, 1994, Tortoriello et al., 2011). The present findings show that proactive entrepreneurs were aware of these difficulties and, as discussed in Section 7.3, aimed to network vertically to enhance their status.

In summary, these findings conclude that reputation building is a major activity for entrepreneurs and that networking can facilitate the development of reputational assets. The findings show that proactive entrepreneurs deliberately link the organisational brand to their personal brand and attempt to leverage social capital from higher status actors. These findings thus confirm that entrepreneurial networking and network building are important elements in brand management capability in SMEs.

Networking Influence on CRM Capability

Customer relationship management capability refers to the ability to identify attractive customers and prospects, initiate and maintain relationships with these attractive customers, and leverage these relationships into customer-level profits (Morgan, 2012). The marketing literature emphasises that CRM is truly a cross-functional capability since it involves the coordination of multiple inputs such as market research, sales reporting, customer service, customer database analysis etc. (Ramaswami et al., 2009, Morgan, 2012).

The examination of the empirical evidence suggests that customer relationships management occupies an important point of focus for the participating entrepreneurs, who followed a customer-centric strategy. A combination of informal and formal initiatives (i.e. CRM systems or software for customer database management) characterised the CRM practices implemented by the participating entrepreneurs. These can be grouped into three main types: intuitive approaches to CRM, partially IT supported CRM systems (i.e. simplistic Excel files as customer databases) and complete CRM software.

In terms of the best approach to CRM in SMEs, some extant literature argues that CRM systems (IT based) in SMEs can strengthen customer relationships, enhance customer service, reduce business costs and improve profitability (Harrigan et al., 2009, Hol, 2013). However, other research has also questioned the value of formal CRM systems in SMEs, as empirical evidence shows that many, even most, CRM systems fail (Woodcock and Starkey, 2001) and often in the context of small service-based firms customer focus can be more effective than detailed and complex IT systems (Zhao et al., 2004).

The present findings show that most of the participants lacked complex CRM systems in their firms. In support of previous studies, this can be ascribed not only to the limited financial abilities affecting SME practices (Alshawi et al., 2011), but also to the preference for direct relationships typically exhibited by SME owners (Harrigan et al., 2009, Harrigan et al., 2008). With or without IT systems to support it, the participating entrepreneurs shared a genuine, authentic, almost affectionate care for the customer. When strategically leveraged, this rendered both personal touch and attention to detail that may be impossible to achieve through formal IT driven CRM systems alone.

The findings show that direct networking allowed entrepreneurs to connect with customers on an individual basis, resulting in high levels of customer intensity, which is one of the key dimensions of EM (Morris et al., 2002). The findings also show that entrepreneurs used internal marketing to further enhance CRM capability in their firms, as discussed below.

Customer intensity enhances CRM capability

As already discussed in this chapter (see also Section 7.3.2 and Section 7.4.1), the present findings lend support to the EM literature, which argues that entrepreneurs are constantly immersed in the market. This translates into customer intensity, leading to market sensing capabilities and a heightened level of responsiveness to the marketplace (Hultman, 1999, Collinson and Shaw, 2001, Jones and Rowley, 2010, Hills, 2012). The empirical evidence in this research contributes to this literature. The data shows that customer relationships can become an essential element in the value proposition of the firm, serving as a point of differentiation in the overall positioning strategy and thus a direct method for acquiring and retaining profitable customers, leading to repeat purchase and increased loyalty (Jones and Rowley, 2010, Hills, 2012). Thus customer intensity is transformed into customer-level profits (Day, 1994, Morgan, 2012).

The findings also show that proactive entrepreneurs strategically leveraged existing customer relationships to target and recruit new customers through referrals and recommendations, as well as to develop WOM marketing, which was sometimes achieved through social media (Trainor et al., 2014, Sashi, 2012) (see also Section 7.4.1). These findings thus confirm the entrepreneurs' ability to maximize customer relationships despite limited resources through networking (Terziovski, 2010).

There was also some empirical evidence to suggest that some entrepreneurs identified and managed differently various groups of customers, including “sackable” customers, who may in fact decrease the overall profitability of the firm (Buttle, 2001). This indicates that some entrepreneurs strategically managed different types of customer relationships, which is an important aspect of CRM capability (Morgan, 2012).

Internal marketing enhances CRM capability

The extant literature suggests that successful CRM depends on an organisational culture that is customer-focused (Woodcock and Starkey, 2001). In entrepreneurial settings, customer orientation has been identified a central element of organisational culture and an essential ingredient for the creation of customer value (Ruokonen et al., 2008). The findings show that the participating entrepreneurs aimed to embed a customer-centric philosophy in the culture of their firms and they used internal marketing to achieve this.

Resonating with the part-time marketer concept from the relationship marketing literature (Grönroos, 1990, Gummesson, 2008), the entrepreneurs participating in this study underlined the importance of hiring the right employees, training them and empowering them. As previously discussed (see Section 7.3.2), several entrepreneurs also made conscious efforts to lead their teams (and be role models) through internal operational networking, which was proactive and extensive. The data shows that entrepreneurs saw marketing and HR as “*very close*”, given the role of staff for the success of their business and in particular for customer service and CRM. It was common for entrepreneurs to see staff as extensions of themselves and there was a sense of pride when entrepreneurs described the ability of their staff to provide excellent customer service. These findings show that CRM capability was enhanced through internal marketing efforts.

In summary, these findings indicate that entrepreneurs can use networking to build and manage customer relationships. The data suggests that CRM capability is enhanced by high levels of customer intensity and through internal marketing efforts, where entrepreneurs use networking strategically to create a customer centric culture within their organisations. Notwithstanding the importance of CRM systems, the present findings show that in the context of small firms, in the absence of complex IT systems, entrepreneurs can organically develop a natural ability to manage customer relationships directly and in a personal manner. Networking is essential for creating perceived customer value, resulting in acquiring and retaining profitable customers (Morris et al., 2002, Hills et al., 2010) and thus assists entrepreneurs in leveraging customer relationships for the generation of economic rents for the firm.

Networking Influence on NPD Capability

New product development capability refers to the ability to create meaningful new value offerings (products and/or services) for target markets (Morgan, 2012). Similarly to the other cross-functional marketing capabilities, NPD involves the integration of

multiple resources and processes within the firm, from market knowledge collection and dissemination, to acquiring/leveraging/developing and deploying the resources required to create, produce, and deliver new value propositions (Ramaswami et al., 2009, Morgan, 2012).

At the heart of NPD processes lays innovation and alertness to opportunities, which are typical entrepreneurial characteristics (Miller, 1983, Wiklund and Shepherd, 2005, Smart and Conant, 2011, Covin and Wales, 2012, Morris et al., 2002, Morrish et al., 2010). The findings of this study show that while all respondents deemed innovation important, naturally NPD was more significant for those operating in high tech sectors, versus more traditional low-tech sectors, which is also reflected in the extant literature (Warren and Hutchinson, 2000, Mu and Di Benedetto, 2012, Parida et al., 2012, Evers et al., 2012).

While innovation was also internally driven (by the entrepreneur), data analysis further shows that generally participating entrepreneurs initiated NPD processes as they became aware of ‘gaps’ in the market, which were often identified and pursued as entrepreneurs interacted with various actors in their networks. Additionally, the findings show that while various network actors can play a part in NPD, customers were the most important external stakeholders in these processes, as further detailed below.

Customers and NPD

As documented by extant literature, customers can play different roles in NPD processes (Fang, 2008, Coviello and Joseph, 2012). The empirical data of this study particularly highlights the important role of customers in the opportunity recognition stage (where customer suggestions and inquiries are sources of new ideas) and in the development and market-testing phase (where customers provide feedback and contribute to the new value offering in processes of co-creation).

As already discussed in this chapter (see Sections 7.3.2 and 7.4.1), data analysis shows that participating entrepreneurs were very close to their customers. Networking with customers and prospects offered entrepreneurs continuous access to feedback, inquiries and suggestions. Findings indicate that customer inquiries or suggestion were often the starting point in the creation of a new product product/service.

Networking also had a significant impact on NPD when it was used as a means to test both new ideas and developing value propositions. Customer networks were instrumental in the initial phases of “testing the waters”, providing entrepreneurs with information in terms of interest from the target market. Similarly, once the NPD process was underway, networking was invaluable in helping entrepreneurs shape the idea into a viable product or service that had the attributes required and desired by the target market. From this perspective, online channels provided immediate and quick access to a large population, and they were also very beneficial for entrepreneurs who targeted overseas and geographically dispersed markets.

Other stakeholders and NPD

The empirical evidence also shows that, alongside customers, other network connections were often activated by entrepreneurs in NPD processes to generate ideas, as well as to shape and test new products/services during development. The findings show that industry stakeholders, such as intermediaries, or competitors can be sources of new ideas for new value offerings, which has been emphasised by previous studies (Evers et al., 2012, Felin and Zenger, 2009).

The participating entrepreneurs also provided examples where networking and information exchange led to joint projects with horizontal actors, such as competitors and other non-competing entrepreneurs. These forms of collaboration (and cooperation) enabled SMEs to develop new value offerings that they could have not developed alone. The fact that through partnerships, SMEs can complement each other's capabilities and thus co-create and deliver new value propositions, increasing the generation of economic rents, has also been previously documented (Blomqvist and Levy, 2006, Lee et al., 2010). The empirical evidence in this study suggests that network interaction can help entrepreneurs take advantage of contingencies as they arise in the creation of partnerships and collaborative projects. This is in line with the literature on the effectuation logic (Read et al., 2009b, Sarasvathy, 2001, Sarasvathy, 2008), which argues that networks ("whom the entrepreneurs know") are an essential element in the pursuit of entrepreneurial opportunities.

In conclusion, the findings of this study extend the contention that networking can facilitate the recognition and creation of opportunities for entrepreneurs (Coviello and Munro, 1995, Elfring and Hulsink, 2007, Evers et al., 2012). The empirical evidence in this study confirms that networking capability is an important factor for new product development performance (Mu and Di Benedetto, 2012). The findings further show that proactive entrepreneurs deliberately involve and engage customers, and leverage their customer relationships, to develop new value propositions. Building a new product with on-going customer feedback can create a feeling of part-ownership and obtains the customers' precommitment, which in turn limits loss potential and increases the probability of gaining initial customers for the firm (Bhowmick, 2011, Thomke and von Hippel, 2002, Coviello and Joseph, 2012). Furthermore, continuous customer interaction can also ensure that customers become approvers and promoters, spreading positive word of mouth about the company (Coviello and Joseph, 2012). The study thus agrees with Yli-Renko et al.'s (2001) conclusion that customers are the most important stakeholders for small firms in NPD processes. This evidence shows again that the entrepreneurs' closeness to the market leads to value creation in SMEs (Morris et al., 2002).

This research thus concludes that entrepreneurial networking has a positive influence on the development of new product development capability in SMEs.

Conclusions on P3b**The findings support proposition P3b.****P3b. Entrepreneurial networking influences how SMEs develop cross-functional marketing capabilities**

The findings show that reputation building is an important activity for entrepreneurs and that networking can facilitate the development of reputational assets, such as brand name and credibility (Kotler and Keller, 2011), for entrepreneurs and their firms. The empirical evidence contributes to previous research (Balmer, 2001, Rode and Vallaster, 2005), by showing that entrepreneurs deliberately link their personal brand to the organisational brand to enhance their firms' reputation. The entrepreneurs' attributes, and in particular professional attributes, such as subject-matter expertise, were identified as important brand building blocks. The study also shows that networking is instrumental in the way entrepreneurs leveraged the reputational assets of their connections (higher status network actors) to further build the brand of their own firms through reputational signalling by association (Elfring and Hulsink, 2003, Stuart et al., 1999) and endorsements (Podolny, 2001, Shane and Cable, 2002, Ahuja, 2000, Lechner et al., 2006, Hitt and Reed, 2000). These findings thus confirm that entrepreneurial networking and network building are important elements in brand management capability in SMEs.

In terms of CRM capability, the findings show that the CRM practices implemented by the participating entrepreneurs combined informal (the majority) and formal initiatives (i.e. CRM systems or software for customer database management). The findings bring new insights into the role of CRM in SMEs where research has produced disparate results (Harrigan et al., 2009, Hol, 2013, Woodcock and Starkey, 2001). In particular, CRM practice was characterised by high levels of customer intensity (Hultman, 1999, Collinson and Shaw, 2001, Jones and Rowley, 2010, Hills, 2012) (achieved through directly networking with customers) and internal marketing efforts, where entrepreneurs used internal networking to create a customer centric culture within their organisations, which is supported by the EM literature (Morris et al., 2002, Hills et al., 2010). Notwithstanding the importance of CRM systems, the present study shows that in the context of small firms, in the absence of complex IT systems, entrepreneurs can organically develop a natural ability to manage customer relationships directly and in a personal manner through networking.

Finally, data analysis shows that various network actors play a significant role in NPD processes, facilitating the recognition and creation of opportunities for entrepreneurs (Coviello and Munro, 1995, Elfring and Hulsink, 2007, Evers et al., 2012). Customers can play different roles in NPD processes (Fang, 2008, Coviello and Joseph, 2012) and were identified as the most important stakeholders, which concurs with the findings of

Yli-Renko et al. (2001). The empirical data suggests that proactive entrepreneurs deliberately involve and engage customers and leverage their customer relationships to initiate, develop, co-create and market test new value propositions, obtaining customer precommitment and spreading positive word of mouth (Bhowmick, 2011, Thomke and von Hippel, 2002, Coviello and Joseph, 2012). The empirical evidence also indicates that entrepreneurs employ the effectuation logic (Sarasvathy, 2001, Sarasvathy, 2008), to take advantage of networking contingencies in the creation of collaborative projects. This research thus concludes that entrepreneurial networking has a positive influence on the development of new product development capability in SMEs.

7.4.3 Networking Influence on Architectural Marketing Capabilities

Architectural marketing capabilities are those required in strategic marketing planning and implementation processes (Morgan, 2012). Marketing planning involves formally employing internal and external analytical frameworks in order to facilitate market segmentation, targeting and positioning (Kotler et al., 2008). In turn, marketing strategy implementation requires the ability to acquire, combine, and deploy a complex system of resources within the most appropriate set of marketing tactics (Morgan, 2012).

Overall this research found that marketing planning and implementation in small firm does not follow the formal models of normative marketing, which is supported by the extant EM literature (Carson et al., 1995, Gilmore et al., 2001, Stokes, 2000b, Carson and Gilmore, 2000a, McPherson, 2007). The majority of the studied entrepreneurs did not employ analytical frameworks traditionally used in strategic planning for environmental and internal analysis. Similarly, they did not engage in formal processes of segmentation and targeting, but most had a very good understanding of their target markets and a clear desired brand positioning. Overall, the participating entrepreneurs did not produce formal written plans (except for short-term promotional plans). Instead they had the marketing plan “in their mind”, used improvisation and effectuation in their approach and leveraged their networks. These findings are discussed in the context of extant literature below.

External market analysis

The ability to analyse, understand and effectively respond to changes in the external environment has been identified as an essential marketing capability of the firm (Möller and Anttila, 1987, Day, 1994). The findings of this study show that entrepreneurs did not analyse their operating environment in the formal manner outlined by traditional analytical frameworks and models, but through close interactions and communications with customers and other stakeholders such as other entrepreneurs, suppliers, competitors, government organisations etc. From this perspective, networking can become an important sense making and learning mechanism for entrepreneurial planning capability.

Segmentation, targeting and positioning

Even though formal segmentation and targeting processes were not described, overall, the participating entrepreneurs had a good understanding of their target market. The findings suggest that through customer closeness and high levels of responsiveness to customer feedback, targeting particular customers was often intuitive, and the segments pursued self-generated in time by an incremental expansion of the customer base, as experience and resources allow it. These particularities have been emphasised by the EM literature (Stokes, 2000b, Morris et al., 2002, Hills et al., 2010).

Data analysis further shows that for some entrepreneurs an important part of the strategy implementation process was communicating the strategy across the organisation and embedding the integral brand values within the company's culture. This was mainly facilitated through internal operational networking (see Section 7.3). Pursuing ambitious goals and communicating these to internal stakeholders can play an important role in the success of small firms (Duchesneau and Gartner, 1990), which emphasises again the strategic role that internal operational networking can have for entrepreneurs.

Formal vs. informal planning

There is a lack of consensus in the literature regarding the importance of formal planning for entrepreneurial ventures and empirical findings are inconsistent with regard to the relationship between formal business planning and performance in SMEs (Brinckmann et al., 2010). Several studies conclude that formal planning capabilities give SMEs a competitive advantage and better financial performance (Knight, 2000, Hill, 2001, Hitt et al., 2001, Pérez-Cabañero et al., 2012, Delmar and Shane, 2003, Gibson and Cassar, 2005, Gruber, 2007). However, other empirical results found only a weak relationship between formal planning and performance (Risseuw and Masurel, 1994, McKiernan and Morris, 1994). Some authors have also questioned the return on the investment of time and managerial capital that planning requires (Bhidé, 2000) and the value of planning in certain complex and uncertain conditions (Sarasvathy, 2008).

The findings of this study show that overall entrepreneurs have an appreciation of planning, but that overall planning processes are informal. Distinguishing between process and outcome (i.e. the written business plan) (Gibson and Cassar, Brinckmann et al., 2010), data analysis indicates that entrepreneurs engage in planning processes, but generally these planning processes do not result in the physical outcome of a written plan. The findings suggest that written formal plans were only produced for gaining commitment from formal business stakeholders (banks, investors, support agencies etc.). Having a formal business plan can serve to gain legitimization (Castrogiovanni, 1996) and can have a direct impact on access to resources from such business relationships.

The findings suggest that the overall lack of formal written plans was due to the fact that entrepreneurs see formal planning as a resource demanding process, with

questionable results. This can be ascribed to the limited resources of small firms (Woodcock et al., 2000), but also to the fact that entrepreneurs are generally intuitive and pragmatic (Carson et al., 1995, McPherson, 2007). As opposed to writing down plans, the entrepreneurs preferred to keep the plan "in their mind". Thus, their business plans were often implicit, without a written outcome, and described as "organic", "evolving" and "responsive" to various factors in the operating environment. As already discussed in Sections 7.4.1 and 7.4.2, and as it will also be addressed in Section 7.4.4, the findings of this study show that the network actors populating the entrepreneurs' environments provide information, advice and knowledge, and thus influence marketing planning and implementation processes. Planned elements were mixed with emergent ones and risks were managed through flexibility as entrepreneurs actively interacted with their operating environment and networks.

These findings resonate with the concept of improvisation, the process whereby design and execution converge (Miner et al., 2001). Sarasvathy (2008) has also argued that in entrepreneurial contexts opportunities often come about as a result of the interaction of network actors and Lipparini and Sobrero (1994) have previously identified personal networks and relationships as important sources of knowledge that can positively influence strategy development competences. Similarly, in a study of Irish SMEs, Evers and O'Gorman (2011) observed that strategic entrepreneurial choices were not characterized by formal search, analysis and selection, but rather emerged as a result of the interaction between the entrepreneur and their social and business networks.

The strategic management literature underlines that strategy development requires an adaptive and incremental approach (Mintzberg and Waters, 1985), where proactive learning and flexibility are most important (Castrogiovanni, 1996, Delmar and Shane, 2003). Conversely, a strong marketing planning capability may create a core rigidity (Leonard-Barton, 1992), as it can paradoxically reduce the firm's adaptability, which is required in response to changes in the operating environment (Slotegraaf and Dickson, 2004). The findings of this study show that entrepreneurs continuously leverage their networks and relationships and prefer an incremental and flexible, often improvised approach to planning. For the studied entrepreneurs, marketing did not follow a clear path from planning to implementation, but it was well thought out and not naïve or haphazard, as some previous empirical evidence suggests (Carson et al., 2001). The SMEs represented in this study were not characterised by a lack of rational or analytical approaches; rather, these processes are more dynamic, and not as formal as in large companies.

It could be argued that this approach can strengthen the competitive standing of the firm. Day (2011) has argued that adaptive marketing capabilities, such as vigilant market learning (which implies being emerged in the market, adopting a sense and response approach and the willingness to act on partial information) and adaptive experimentation (curiosity, trial and error learning, willingness to challenge existing beliefs, to experiment) are important attributes for competitive advantage.

Planning and the firm life-cycle

In line with the SME marketing literature which argues that firms move towards a more formal and organised type of marketing in time (Carson, 1985, Bjerke and Hultman, 2002), there was evidence to suggest that in some cases, as firms become more established and as they grow, marketing, and implicitly marketing planning, becomes more formal.

This difference between younger and more established firms can also be explained by the fact that for new firms planning can be too costly. More specifically, new firms, which have to establish themselves in the market place (Stinchcombe, 1965), have limited information and fewer links to the market (Forbes, 2007, Bhidé, 2000). Under these conditions, the costs of sophisticated planning might outweigh its benefits (Brinckmann et al., 2010). In uncertain and unpredictable environments formal planning techniques are less effective (Sarasvathy, 2008) and flexibility is more important (Delmar and Shane, 2003).

However, paradoxically, there was also data to suggest that more entrepreneurial experience can also decrease the likelihood of detailed market analysis and planning. In particular, this was confirmed by two experienced entrepreneurs who compared their more flexible and opportunity driven current approach to planning to their behaviour in the past, concluding that the need for formal planning decreases in time. Recent empirical evidence also suggests that planning is replaced by insight and intuition as entrepreneurial experience grows (Hulbert et al., 2015). These findings also support the effectuation logic, which argues that experienced entrepreneurs rely more on partnerships with people and organisations rather than on pre-set plans and change their goals as opportunities arise (Sarasvathy, 2008, Read et al., 2009a).

Conclusions on P3c

The findings support proposition P3c.

P3c. Entrepreneurial networking influences how SMEs develop architectural marketing capabilities.

Overall this research finds that marketing planning and implementation in SMEs does not follow the formal models of normative marketing, which supports the extant EM literature (Carson et al., 1995, Gilmore et al., 2001, Stokes, 2000b, Carson and Gilmore, 2000a, McPherson, 2007). The studied entrepreneurs did not employ traditional analytical frameworks for environmental analysis and did not engage in formal processes of segmentation and targeting (Stokes, 2000b, Morris et al., 2002, Hills et al., 2010). Formal planning was seen as a resource demanding process (Woodcock et al., 2000), with questionable results. Instead entrepreneurs had plans described as

“organic”, “evolving” and “responsive”, “in their mind”, indicating preference for a pragmatic, learn-by-doing approach (Carson et al., 1995, McPherson, 2007).

Opportunities emerged as a result of the interaction between the entrepreneur and their networks and led to the emergence of new strategic choices, illustrating improvisation (Miner et al., 2001) and effectuation (Sarasvathy, 2008). Planned elements were mixed with emergent ones and risks were managed through flexibility as entrepreneurs actively interacted with their operating environment and networks. Networking was an important sense-making mechanism for marketing planning capability, affording an adaptive approach which can strengthen the competitive standing of the firm (Day, 2011). This study concludes that for the studied entrepreneurs marketing did not follow a clear strategic path from planning to implementation, but it was well thought out and not naïve or haphazard, as some previous empirical evidence suggests (Carson et al., 2001).

Finally, in line with previous studies (Carson, 1985, Bjerke and Hultman, 2002), the findings also indicate that marketing planning can become more formal, as firms become more established and as they grow. Paradoxically, there was also data to suggest that more entrepreneurial experience can also decrease the likelihood of detailed market analysis and planning, replaced by insight and intuition (Hulbert et al., 2015), which finds support in the effectuation theory (Sarasvathy, 2008, Read et al., 2009a).

7.4.4 Networking Influence on Dynamic Marketing Capabilities

Dynamic marketing capabilities refer to the firm’s ability to engage in market-based learning and to continually retain, eliminate, change, develop, acquire and reconfigure its resources and enhance its capabilities in ways that reflect the firm’s dynamic market environment (Morgan, 2012).

The findings of this study show that networking can lead to superior market knowledge, which according to Morgan (2012) includes learning about customers, competitors, channel members, and the broader business environment. In turn, this can guide resource reconfiguration and can offset the development of new resources and capabilities in SMEs. The findings of the study show that participating entrepreneurs engaged in intentional and serendipitous market-based learning processes through networking. Networking activities facilitate acquiring, integrating and creating knowledge, but also disseminating knowledge to external network actors, which can consolidate the entrepreneurs’ position as experts. Findings also show that entrepreneurs differed in terms of learning proactiveness, suggesting that the entrepreneur’s characteristics are important mediators for market based learning outcomes and the development of dynamic marketing capabilities. Finally, the data analysis also shows that as entrepreneurs gain networking experience, they learn how to network better and extract more knowledge out of their networks and relationships. These findings are discussed in the context of the extant literature below.

Market-based learning and knowledge acquisition/diffusion through networking

The ability to actively and purposefully learn about customers, competitors, channel members, and the broader business environment affords a deep understanding of the current marketplace conditions as well as an ability to predict future changes (Morgan, 2012, Vorhies et al., 1999), thus increasing the firm's ability to perform in the marketplace (Teece et al., 1997, Zollo and Winter, 2002). Acquiring, integrating and creating knowledge are significant conditions for marketing activities and overall knowledge is identified as a principal source of sustaining competitive advantage (Nonaka, 1994, Grant, 1996b, Eisenhardt and Martin, 2000). At the same time, knowledge production and diffusion are increasingly identified as the outcome of collaborative relationships among individuals, groups and organisations (Powell and Grodal, 2005).

The extant literature argues that learning can occur through social interaction processes within organisations, but also outside organisational boundaries (to include external stakeholders, such as customers, suppliers, distributors, competitors) and results in knowledge transfer, convergence and creation (Nonaka and Toyama, 2005). Specifically within the marketing domain, Evers et al. (2012) have explored the role of stakeholders in the marketing capability-building process of international new ventures. Their results show that firms proactively leverage stakeholders and engage in single-, double- and triple-loop learning processes and purposefully develop dynamic capabilities in marketing-related activities.

The findings of this study identified learning as one of the most prevalent and significant outcomes of networking, impacting on the firm's resources and capabilities. Findings show that entrepreneurs engaged in learning processes as they acquired information through networking, confirming the positive relationship between networks, information benefits and knowledge acquisition (Adler and Kwon, 2002, Nahapiet and Ghoshal, 1998, Shane and Venkataraman, 2000, Yli-Renko et al., 2001, Coff and Blyler, 2003). Furthermore, learning through networking fits with the preference for informal learning (vs. formal) that entrepreneurs typically exhibit (Martin and Halstead, 2003) and has the ability to enhance learning since mental processes are heightened as individuals interact with other people (Mitchell et al., 2002).

The findings of this study also suggest that through networking entrepreneurs not only acquire, integrate and create knowledge, but also share knowledge with actors in their networks, consolidating their position as experts (see Section 7.4.2). Consequently, the social interaction afforded by networking is an essential factor in both the production of knowledge and its diffusion and use (Bozeman and Mangematin, 2004). These findings support Lorenzoni and Lipparini's (1999) contention that alongside the resource based view (Barney, 1995, Wernerfelt, 1984), the knowledge-based view of the firm (Grant, 1996a) can significantly contribute to our understanding of inter-firm relationships.

Intentional (proactive) and accidental (serendipitous) learning

The findings indicate that networking facilitates intentional and accidental (unintentional/serendipitous) learning.

Intentional, proactive learning occurred when entrepreneurs turned to their networks in search for solutions to/advice for particular business issues or when assessing specific opportunities. While both strong and weak ties were used in this process, the quality of relationships influenced the type of information exchanged. The empirical data analysis shows that strong ties were mostly used for possibly sensitive issues, where trustworthiness was an important factor. As discussed in Section 7.3, strong ties are typically characterised by shared cognitions and perspectives (Nahapiet and Ghoshal, 1998, Inkpen and Tsang, 2005), which enables deeper communication, faster learning and knowledge transfer and generation (Uzzi, 1997, Anderson, 2008, Grant, 1996b, Obstfeld, 2005, McEvily and Zaheer, 1999, McGrath et al., 2003, Phelps et al., 2012). However, while trust increases the propensity to share knowledge (Fleming et al., 2007, Blomqvist et al., 2008) and reduces the need for knowledge screening, it can also lead to bias, redundant information and consequently inertia (McEvily et al., 2003, De Carolis and Saporito, 2006). Furthermore, dense, cohesive networks omit the positive effect that structural holes can have on individual knowledge creation (Burt, 2004, Zaheer and Bell, 2005).

The findings suggest that proactive entrepreneurs were aware of the need to diversify their networks beyond their strong ties for information and learning purposes. Weak ties were important in acquiring both generic and specific information and were thus often activated, following mantras such as *“anything we don’t know about, someone else knows about”*. Weak, diverse ties have been well documented by the extant literature as valuable sources of broad and new information, which can complement existing knowledge (Uzzi, 1997, Anderson, 2008, Chell and Baines, 2000, Burt, 2004, Bratkovic et al., 2009, Evers et al., 2012) and lead to the development of capabilities in the firm. The findings of this study support this literature and show that proactive entrepreneurs purposefully engaged in learning processes through networking to enhance their capabilities.

Data analysis identified learning from experts and peer learning as proactive means thorough which entrepreneurs engaged in market based learning, since on an individual level *“it’s impossible to keep up to date with absolutely everything”*. Learning from experts occurred as entrepreneurs (the novice ones in particular) attended topic-specific business events, with various experts as guest speakers, with the intention to fill gaps in their existing knowledge base. Peer learning occurred as entrepreneurs specifically contacted other individuals in order to learn from them and “model” best practice in their own business, thus enhancing their managerial capabilities. As well as that, peer learning occurred as entrepreneurs interacted with competitors, from asking them for specific information to coaching sessions. Peer learning has previously been found to have a significant impact on entrepreneurial learning (Kutzhanova et al., 2009). Both

learning from experts and peer learning also occurred as entrepreneurs pursued formal education, from professional courses targeting entrepreneurs to MBA programmes.

The findings further indicate that networking can also lead to accidental or serendipitous learning, as entrepreneurs became exposed to “*nuggets of wisdom*” unexpectedly. Several participating entrepreneurs emphasised that networking creates an environment conducive to learning. As previously discussed (See Sections 7.4.2 and 7.4.3), findings show that information obtained informally and serendipitously through proactive networking can produce significant marketing benefits for entrepreneurs, thus influencing the development of specific marketing capabilities.

The entrepreneur’s human capital is instrumental in the development of dynamic marketing capabilities

Findings suggest that entrepreneurs differed in their approach to obtaining information and learning through networking, with some adopting a more proactive stance (continuously looking to learn) than others. This indicates that the entrepreneur’s characteristics are important mediators for market based learning processes.

As discussed in Section 7.2 and Section 7.3 the founder’s human capital is an essential component of managerial capital (Castanias and Helfat, 1991, Castanias and Helfat, 2001), a unique resource for the firm and an important determinant for entrepreneurial behaviour and outcomes (Andersson and Evers, 2015, Brush et al., 2001, Eriksson et al., 2014). Thus, the entrepreneur’s learning processes can have a significant impact on the firm. More specifically, if entrepreneurs recognize their own weaknesses, they may be able to address them (Nummela et al., 2016). Learning for organisational benefits is dependent on the assimilation efforts and ability of the individual actors (Inkpen, 2000). This has been termed absorptive capability, defined as the ability to recognise new information, assimilate and apply it for commercial ends (Cohen and Levinthal, 1990). An individual’s absorptive capacity not only improves knowledge transfer, but also the ability to utilise knowledge (Tsai, 2001). Thus, once knowledge has been acquired or created, other discreet resources and subsequent recombination efforts are needed in order to transform and use it for the generation of economic rents (Carlile, 2004).

In the context of this literature, the findings of this study show that the entrepreneurs’ individual capabilities are central to the development of dynamic marketing capabilities in SMEs. While networking facilitates numerous learning opportunities, the firm-level outcomes are dependent on the way entrepreneurs are recognising, assimilating and applying the information they are exposed to in order to acquire, develop, reconfigure and enhance the resources and capabilities of the firm. Entrepreneurs have to proactively leverage ties to stimulate learning that can develop their internal capabilities and ultimately enhance firm performance (McEvily and Zaheer, 1999, Evers et al., 2012, Hoang and Yi, 2015).

Entrepreneurs must proactively mobilise their network connections to access informational resources, engage in market-based learning and develop dynamic marketing capabilities. This suggests that entrepreneurs must integrate relational assets (their relationships and connections) with intellectual assets (their know-what and know-how) (Day, 1994, Day, 2011, Srivastava et al., 2001) for the development of dynamic marketing capabilities in their firms. Thus, similarly to Eriksson et al. (2014), this research identifies the individual's (i.e. the entrepreneur's) cognitive capabilities as an essential factor for the development of the firm's dynamic capabilities.

This research concludes that the learning capability of the firm is thus influenced by both the composition of the network, as well as the entrepreneur's capabilities of seizing information and creating knowledge on the basis of his/her relationships. The present findings strengthen the idea that while entrepreneurial networking is a naturally occurring phenomenon (Dubini and Aldrich, 1991, Hill, 2001), it must be purposefully leveraged by the entrepreneur to create value for the firm. Thus networking capability must be complemented by other entrepreneurial capabilities (Sullivan Mort and Weerawardena, 2006).

Finally, the evidence in this study also suggests that **networking experience develops entrepreneurs' ability to learn through networking**. As discussed in Section 7.3 of this chapter, the findings of the study show that through experiential learning, networking activity positively influences entrepreneurial networking capability.

Networking experience endows entrepreneurs with specific networking knowledge. Each encounter episode builds experiential knowledge, which becomes a building block in consequent encounters (Elo et al., 2015). By developing their networking capability through networking practice (learn-by-doing), entrepreneurs will be better equipped to initiate, establish, maintain, and leverage relationships that provide access to resources. Furthermore, data analysis suggests that networking activities can also facilitate entrepreneurial absorptive processes. For instance, several entrepreneurs included an element of accountability in their private peer group meetings (see also Section 7.2), in which group members had to provide updates in relation to how they have applied what they have learned. These efforts aiming to ensure that information is absorbed, transformed, leveraged and thus converted into processes that generate economic value for the firm (Srivastava et al., 2001, Day, 1994, Day, 2011) confirm that networking practice also has implications for the learning capabilities of the firm.

Data analysis concludes that through networking, entrepreneurs gain networking-specific experience and skills that allow them to exploit the resources embedded in their networks more efficiently (Alvarez and Busenitz, 2001). In turn, this networking specific knowledge influences the development of dynamic marketing capabilities.

Conclusions on P3d**The findings support proposition P3d.****P3d. Entrepreneurial networking influences how SMEs develop dynamic marketing capabilities.**

The findings of this study show that networking facilitates and enables market-based learning for entrepreneurs, resulting in greater understanding and knowledge of customers' expressed and latent needs and wants, and of the entire market environment, including competitors, channel members and other stakeholders, thus increasing the firm's ability to perform in the marketplace (Morgan, 2012, Vorhies et al., 1999, Teece et al., 1997, Zollo and Winter, 2002). Through networking entrepreneurs also disseminate knowledge within their networks (Bozeman and Mangematin, 2004), consolidating their position as experts.

The findings of this study support previous literature that posits that networking facilitates learning, resulting in the generation of knowledge that can help entrepreneurs make better marketing decisions (Uzzi, 1997, Anderson, 2008, Chell and Baines, 2000, Burt, 2004, Bratkovic et al., 2009, Evers et al., 2012). This study contributes to this literature by showing that networking facilitates proactive and accidental (unintentional/serendipitous) learning and that proactive entrepreneurs purposefully engage in learning processes through networking to enhance their capabilities.

By showing that entrepreneurs differ in their approach to obtaining information and learning through networking, the study brings further evidence to the argument that the entrepreneur's characteristics are important mediators for market based learning processes and the development of capabilities (Andersson and Evers, 2015, Sullivan Mort and Weerawardena, 2006, Helfat and Martin, 2015). While networking facilitates numerous learning opportunities, the firm-level outcomes are dependent on the way entrepreneurs are absorbing (recognising, assimilating and applying) (Cohen and Levinthal, 1990) the information they are exposed to in order to acquire, develop, reconfigure and enhance the resources and capabilities of the firm (Srivastava et al., 2001, Day, 1994, Day, 2011).

As well as that, by developing their networking capability through networking practice, entrepreneurs can gain specific networking knowledge which contributes to the firm's ability "to learn how to learn" (Vorhies and Morgan, 2005) and enables entrepreneurs to better leverage relationships for the benefit of the firm (Alvarez and Busenitz, 2001). Thus this study argues that networking can lead to superior market knowledge, which in turn can guide resource reconfiguration and can offset the development of new marketing resources and capabilities in SMEs.

7.4.5 The Indirect Influence of Networking on the Development of Marketing Capabilities

The findings also revealed that beside the direct influence on marketing capabilities discussed in this chapter so far, entrepreneurial networking can also lead to outcomes which affect marketing capabilities development indirectly through a) recruitment (sourcing talent), b) access to funding and c) emotional support.

a) Recruitment/Sourcing Talent

Recruitment is directly linked to the HRM capability of the firm; however, the firm's employees are an essential asset for marketing (Grönroos, 1990, Gummeson, 2008), as already discussed in this chapter (see Section 7.3). While recruitment can be a lengthy and costly process, several entrepreneurs participating in this study used networking to decrease cost and time-length and to increase probability of success (i.e. fit between the employee and the organisation). This included the more established methods of using referrals (Galenianos, 2014), researching and contacting possible candidates through LinkedIn, as well creative approaches through which entrepreneurs leveraged their University links to gain access to the best graduates. In turn, these efforts can translate into important benefits for the firm from an HRM perspective (Hansen et al., 1999). Student competitions (sponsored and mentored by the entrepreneurs) allowed them to get to know the students and increased the probability of recruiting people with the right skills and a good fit from an organisational culture point of view. Similarly, several entrepreneurs emphasised the contribution of internship programmes to the pool of human resources for the firm, and specifically in marketing. The recruitment of graduates, as employees and as interns in SMEs has been identified as a significant way to enhance the skill levels and performance of SMEs (Sear et al., 2012).

b) Funding

Networking was also instrumental in assisting entrepreneurs reach investors and access funding, which has also been found by previous studies (Shane and Cable, 2002, Hsu, 2007). Similarly, one participant used crowd funding to grow his venture. Beyond the significant learning curve and expert advice provided by organisers throughout the process, this method of funding had significant long-term benefits, building a community that supports the entrepreneur and an audience with clearly vested interests in the business (Belleflamme et al., 2014).

c) Emotional support

Finally, as discussed in Section 7.3, the empirical data of this study indicates that the emotional support provided by the entrepreneur's networks is critical for business success, and thus also has an impact on marketing, albeit indirectly.

Johannisson and Mønsted (1997, p. 114) argued that “running a business is as much an existential as a commercial project”. The emphasis placed by the participating entrepreneurs on the importance of emotional support for success seems to confirm this statement. A liability of isolation, which has been highlighted by the micro-business owners in particular, can be a real problem, impeding on the firm’s survival and growth. The data analysis shows that the entrepreneurial journey is dependent on the well-being of the individual from a holistic point of view, as the business, social and personal aspects of their lives overlap. Thus, these findings underline the importance of emotion in entrepreneurship (Cardon et al., 2012) and strengthen the argument that emotional support from network ties can have a significant positive impact on firm survival and performance (Brüderl and Preisendörfer, 1998, Bosma et al., 2004).

In conclusion, this study aimed to deepen our understanding of how entrepreneurs do ‘marketing by networking’ in the context of SMEs. The research shows that while marketing capabilities remain internal processes (i.e. the application of knowledge and skills at individual, group and organisational levels to combine and transform resources in ways that contribute to achieving the firm’s goals) (Morgan, 2012), entrepreneurial networking capability (i.e. the set of activities and routines implemented by the entrepreneur with the aim of initiating, establishing, maintaining and leveraging relationships for the benefit of the firm) is instrumental in their development.

Thus, on the basis of the empirical evidence, this study concludes that entrepreneurial networking influences the development of marketing capabilities in SMEs.

As illustrated in Table 7.4 data analysis shows that entrepreneurial networking has the strongest influence (represented by a score of +++) on the development of market research capability and dynamic marketing capability. Market research capability provides market information, thus underpinning marketing decision-making. In turn, dynamic marketing capability, which involves market-based learning processes, has the potential to influence the development of all other marketing capabilities of the firm. The empirical findings further suggest that entrepreneurial networking also has a strong direct influence (represented by a score of +++) on the development of marketing communications, brand management, CRM and NPD capabilities and a more indirect influence (represented by a score of ++ or +) on product management, price management and marketing planning and implementation capabilities, where informal market research processes mediate the relationship between entrepreneurial networking and capability development.

As illustrated in Table 7.5, data analysis further shows that the significance of network actors differs in the development of specific marketing capabilities, with customers remaining the most influential type of network actor overall.

Table 7.4 The strength of the influence of entrepreneurial networking on the development of marketing capabilities

Capability type	Strength of the influence of entrepreneurial networking on the development of the capability ⁴
Product management capability	+ (more indirect)
Price management capability	++ (more indirect)
Channel management capability	NA ⁵
Marketing communications management capability	++++
Market research capability	+++++
Brand management capability	++++
NPD capability	++++
CRM capability	++++
Marketing planning and implementation capability	++ (more indirect)
Dynamic marketing capability	+++++

⁴ To rate the strength of the influence of entrepreneurial networking on the development of each marketing capability, a score ranging from + (low level of evidence of direct influence) to +++++ (very strong level of evidence of direct influence) was assigned for each marketing capability analysed in this study

⁵ There was insufficient data in relation to Channel Management Capability

Table 7.5 Most influential network actors for the development of different types of marketing capabilities in SMEs

Capability type	Most influential network actors
Product management capability	Customers
Price management capability	Customers Competitors
Channel management capability	NA (insufficient data)
Marketing communications management capability	Customers Entrepreneur's personal contacts
Market research capability	Customers Members of the value chain Competitors Institutional actors
Brand management capability	Entrepreneur's personal contacts Higher-status connections (personal and business)
CRM capability	Customers Employees
NPD capability	Customers Competitors as partners
Marketing planning and implementation	All network actors can be influential
Market-based learning and capabilities enhancement	All network actors can be influential

7.5 Conclusion

This chapter presented an in-depth discussion of the research findings of the study in the context of the extant academic literature. Through the discussion chapter the three RQs have been answered and thus the objective of the study has been accomplished. This was primarily achieved by discussing the propositions developed and presented in Chapter 4 of this study in light of the research findings and drawing on theoretical insights from the existing body of knowledge. The study informs the current research on EM from a networking perspective and contributes to both theory and practice. These contributions are presented in detail in the concluding chapter of this thesis.

Chapter 8. Conclusions

8.1 Introduction

The aim of this study was to deepen our understanding of how entrepreneurs do “marketing by networking” in an SME context (Coviello and Munro, 1995, Carson et al., 1995, Gilmore et al., 2001, Hills and Hultman, 2006) and specifically to explore how entrepreneurs leverage networking to accrue benefits and develop the marketing capabilities of their firms.

In bringing the study to a close this chapter presents an overview of the research study in Section 8.2 and a summary of key findings in Section 8.3. Section 8.4 integrates the conclusions arising from the study and presents the contributions of the research for theory and practice. Section 8.5 addresses the limitations of the study, while Section 8.6 outlines areas of future research. Section 8.7 concludes the chapter.

8.2 Overview of the Research Study

Eisenhardt et al. (2007, p. 26) argue that “sound empirical research begins with strong grounding in related literature, identifies a research gap, and proposes research questions that address the gap.” Following this logic, in Chapter 2, this study reviewed the EM literature developed at the entrepreneurship/marketing interface, while Chapter 3 focused on the importance of relationships and networks in the marketing and entrepreneurship literatures. Chapter 4 reviewed the literature on marketing resources and capabilities and defined the concept of entrepreneurial networking capability.

The literature review revealed that the entrepreneur’s relationships and networks are important for marketing in SMEs (Birley et al., 1991, Shaw, 1999, Gilmore et al., 2001, Stokes, 2000a, Hill, 2001, Morris et al., 2002, Hills and Hultman, 2006, Gruber, 2004, Evers and O’Gorman, 2011, Sullivan Mort et al., 2012, Kraus et al., 2012, Whalen et al., 2015). However, current knowledge about how SMEs create and manage networks remains limited (Torkkeli et al., 2015) and the scant empirical evidence so far suggests there are substantial differences among firms in their ability to network (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mitrega et al., 2012).

The literature calls for more process oriented, qualitative research studies that can uncover the characteristics of networking and the mechanisms through which network resources are accessed and leveraged (O’Donnell, 2004, O’Donnell, 2011, Jack et al., 2004, Hoang and Antoncic, 2003, Zaheer et al., 2010, Jack, 2010, Stam et al., 2014). Responding to these calls, this study explored the concept of “marketing by networking” and uncovered how entrepreneurs use networking to accrue benefits and develop the marketing capabilities of their firms.

More specifically, this study addressed three research gaps. Firstly, within the SME context, the entrepreneur is the main networking agent of the firm (Lechner and Dowling, 2003, Evers, 2011b, Vasilchenko and Morrish, 2011, Evers et al., 2012). However, there is very little literature exploring how individual differences affect networking behaviour and subsequent outcomes (Stevenson and Greenberg, 2000, Casciaro et al., 2014, Torres-Coronas and Vidal-Blasco, 2016, Welpel et al., 2012). The first research question of this thesis aimed to address this gap.

Secondly, there is a dearth of research focusing on the actual networking activities and behaviours of entrepreneurs (O'Donnell, 2011, Hoang and Antoncic, 2003, Jack, 2010). However, the entrepreneurship literature maintains that “what entrepreneurs do in their day-to-day activities matters” (Carter et al., 1996, p. 152) and that explaining what entrepreneurs do is a useful area of investigation (Katz and Gartner, 1988, Shane and Delmar, 2004). Moreover, because some empirical evidence suggests there are substantial differences among firms in their ability to network (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mitrega et al., 2012), gaining a deeper understanding of the entrepreneurs' networking activities becomes particularly important. This gap is addressed by the second research question of this study.

Thirdly, marketing has been identified as one of the greatest challenges for entrepreneurs (Huang and Brown, 1999, Carson, 1985) and as one of the areas where small entrepreneurial firms differ fundamentally from large firms (Hills and LaForge, 1992, Bhide, 1994, Welsh and White, 1981, Martin and Staines, 1994, Gilmore et al., 2006b, O'Dwyer et al., 2009, Jones and Rowley, 2010, Bettiol et al., 2011). Extant empirical studies support the importance of the entrepreneur's networks in facilitating, aiding and enhancing marketing in small and medium firms (Gilmore et al., 2001, Stokes, 2000a, Gruber, 2004, Evers and O'Gorman, 2011, Sullivan Mort et al., 2012). However, while networks and networking have been identified as enabling factors in entrepreneurial marketing, there is limited insight into how networks actually contribute to marketing in an SME context (O'Donnell, 2011, Hoang and Antoncic, 2003, Jack, 2010). Because marketing capabilities are the essential processes that help firms create marketplace value offerings (Morgan, 2012, Kozlenkova et al., 2013, Evers et al., 2012, Barrales-Molina et al., 2014), the third research question of this study explored the influence of entrepreneurial networking on the development of marketing capabilities in SMEs. A focus on the development of marketing capabilities is further warranted, as there is little research on the emergence of capabilities in entrepreneurial firms (Torkkeli et al., 2015).

The literature reviewed in chapters 2, 3 and 4 led to the development of a conceptual framework guiding the research, and a set of nine propositions for empirical examination (Chapter 4). The premise of this thesis argues that networking can become an important entrepreneurial capability, which can effectively facilitate the development of marketing capabilities in SMEs. The research gaps, as well as the questions and the propositions explored in this study are revisited in Table 8.1.

In addressing these underdeveloped areas of the literature, the study moved beyond “gap-spotting” (Alvesson and Sandberg, 2011) to question underlining assumptions in the EM literature. While networking is typically seen as a ‘natural’ and ‘habitual’ entrepreneurial behaviour (Carson et al., 1995, Coviello and Munro, 1995, Ramaswami et al., 2009), the results of this study show that not all entrepreneurs network in the same way and not all networking behaviours have the same drivers or the same outcomes. Furthermore, the findings indicate that through networking entrepreneurs can develop the marketing capabilities of the firm, thus emphasising the role of external processes (outside the firm) that can complement the internal processes (within the firm) through which marketing capabilities are typically developed (Morgan, 2012).

A qualitative research methodology, positioned within the constructionism/interpretivism paradigm (Chapter 5), was employed to conduct and analyse 27 interviews with entrepreneurs and 9 interviews with representatives of networking support organisations. These interviews were preceded by 4 pilot studies, which helped the researcher develop the research instrument, as well as further clarify the conceptual framework guiding empirical data generation. In order to obtain a level of data triangulation, the interviews were supported by visual/graphic representations of networks produced by the participating entrepreneurs. Secondary sources of data, such as information from websites, social media platforms and third party information (i.e. news clippings) were also assessed.

Within an iterative process, the researcher moved between data analysis, data collection and theoretical insights from the extant literature. This approach allowed the researcher to address the three RQs and examine the complexities and dynamics of entrepreneurial networking and its role in the development of marketing capabilities in SMEs.

Chapter 6 presented the findings of the research in relation to the three RQs and their corresponding propositions, while Chapter 7 discussed the findings of the study in light of the extant literature, to effectively address the study’s research objectives. A summary of key findings is presented in Section 8.3 next, while the contributions to theory, practice and policy arising from the analysis of the empirical data are outlined in Section 8.4.

Table 8.1. Research gaps, questions and propositions

RQ: HOW DOES ENTREPRENEURIAL NETWORKING CONTRIBUTE TO THE DEVELOPMENT OF MARKETING CAPABILITIES IN SMES?		
Research gaps	Research questions	Propositions
Lack of understanding of the individual factors impacting on entrepreneurial networking.	<i>RQ 1: What is the role of the entrepreneur's mindset and human capital in the development of entrepreneurial networking capability?</i>	<p>P1a. The entrepreneur's mindset influences entrepreneurial networking capability development.</p> <p>P1b. The entrepreneur's human capital influences entrepreneurial networking capability development.</p>
Limited focus on the process of networking, i.e. the actual networking forms and activities that entrepreneurs engage in.	<i>RQ 2: How do entrepreneurs network? (What are the networking forms and activities that entrepreneurs engage in?)</i>	<p>P2a. Entrepreneurs engage in personal networking for their own personal and professional development and emotional support.</p> <p>P2b. Entrepreneurs engage in operational networking to accomplish current organisational tasks efficiently.</p> <p>P2c. Entrepreneurs engage in strategic networking to develop and grow their business.</p>

<p>Lack of understanding about how networking is leveraged to accrue marketing benefits.</p>	<p><i>RQ 3: What types of marketing capabilities are developed from entrepreneurial networking activities?</i></p>	<p>P3a. Entrepreneurial networking influences how SMEs develop specialised marketing capabilities.</p> <p>P3b. Entrepreneurial networking influences how SMEs develop cross-functional marketing capabilities.</p> <p>P3c. Entrepreneurial networking influences how SMEs develop architectural marketing capabilities.</p> <p>P3d. Entrepreneurial networking influences how SMEs develop dynamic marketing capabilities.</p>
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8.3 Summary of Findings

RQ 1 - The entrepreneurs' mindset and human capital - influencing factors for entrepreneurial networking capability development

The research results in relation to RQ1 show that both the entrepreneurs' mindset and human capital play a significant role in the development of entrepreneurial networking capability.

The research revealed that the entrepreneurs' networking behaviour was influenced by the entrepreneurs' mindset or the mental attitudes they held in relation to networking. Overall, entrepreneurs with a positive view of networking were likely to be more proactive networkers and got involved in more extensive networking, while those with an indifferent or negative view of networking were likely to engage in limited and reactive networking. The entrepreneurs' subjective interpretations of networking indicated that there are different types of networking, and that various intrinsic and extrinsic factors act as networking motivators and demotivators respectively.

The findings further indicate that the entrepreneurs' human capital (operationalised as education and prior experience) also played an important role in the development of entrepreneurial networking capability. In particular, the entrepreneurs' previous experience had a significant influence on entrepreneurial networking capability, both on the approach entrepreneurs adopted in their networking, as well as in their ability to transform the opportunities arising from networking into firm-level benefits (i.e. the outcomes of networking).

In conclusion, both the entrepreneurs' mindset and human capital are important factors that underpin differences and variance across entrepreneurial networking capability. These two factors, explored in this study, are instrumental for the degree of intensity and proactivity of entrepreneurial networking behaviour.

RQ 2 - The nature of personal, operational and strategic entrepreneurial networking

The study's results in relation to RQ2 reveal that entrepreneurs engaged in three types of networking: personal, operational and strategic (which are inter-related and can overlap), with varying degrees of intensity and proactivity.

The studied entrepreneurs engaged in **personal networking** through their existing social ties (the most naturally occurring form of networking), through exclusive private peer groups (identified as the most important networks) and through organized networking forums (such as Government supported initiatives, Industry events, local business groups, such as the local Chambers of Commerce, as well as various communities of practice and peer groups). Findings indicate that entrepreneurs drew on

personal networking for professional and personal development and for emotional support.

Entrepreneurs were also found to engage in internal and external **operational networking**, as a means to accomplish operational tasks efficiently. Internal operational networking with employees and the management team was mostly extensive and proactive. External operational networking was most extensive and proactive with customers, based on direct and informal interaction. As opposed to this, operational networking with the value chain partners was less extensive and was found to be more formal and conducted in a more professional manner.

While personal networking is naturally occurring in social settings and operational networking is naturally occurring in organizational settings, the findings of this study further show that **strategic networking** is highly dependent on the entrepreneur's ability to seize the opportunities networking can offer.

It further emerged that networking is a necessary skill that can be developed through networking. Networking 'best practice' entails having a positive attitude towards networking, assigning time for networking, targeting networking events and networking opportunities, while also embracing serendipitous encounters. The idea of generosity was concurrent across the findings; in other words, good networkers nurture relationships, and follow a Karma philosophy in their approach to networking. Finally, the findings also indicate that entrepreneurs used online channels and virtual communication to facilitate networking; however, this played a secondary role to direct, face-to-face encounters.

RQ 3 - The influence of entrepreneurial networking on the development of marketing capabilities

In relation to RQ3, the empirical data shows that in the SME context the firm's marketing function was intertwined with and highly dependant on the entrepreneur. Such findings contend the assumptions set out in the traditional marketing paradigm. The research results also indicate that while marketing was identified as fundamental for business survival and growth, it was also seen as difficult, challenging and complex. Choices in marketing practice for SME owners were restricted by limited resources and networking afforded a budget-friendly approach through which marketing goals could be achieved.

Overall, the empirical findings support the argument that entrepreneurial networking influences the development of marketing capabilities in SMEs. However not all marketing capabilities appeared affected in the same way by entrepreneurial networking. Entrepreneurial networking had the strongest influence on market research capability and dynamic marketing capability, which can further impact on the other marketing capabilities of the firm.

Entrepreneurial networking was found to facilitate continuous interaction with customers and other stakeholders and market actors providing entrepreneurs with information, facilitating customer engagement and promotional efforts, leading to referrals and recommendations. Such interactions generated a strong influence on the development of specialised marketing capabilities, (i.e. product, price, channel, marketing communications and market research capabilities) in SMEs.

Similarly, entrepreneurial networking led to the development of cross-functional marketing capabilities in SMEs (i.e. brand management, CRM, NPD capabilities). Entrepreneurs used networking to strengthen the brand of their firms through personal marketing and piggybacking on their business partners' reputation; CRM capability was developed through the entrepreneur's direct interaction with customers (as opposed to complex IT systems) and through internal marketing efforts, where entrepreneurs integrated a strong customer orientation in the organisational culture. Networking with customers had the strongest influence on the development of NPD capability, being leveraged for the identification of opportunities, co-creation, feedback and market testing. Networking was also found to create a suitable platform for owners of small businesses to physically come together to co-create and deliver new value propositions, particularly when they could complement each other's capabilities.

In terms of architectural marketing capabilities (i.e. marketing planning and implementation), the findings show that networking provided entrepreneurs with continuous information, which appeared to be an effective substitute for formal environmental analysis. This allowed entrepreneurs to adopt a flexible, organic approach to probing, developing and managing their business in response to environmental and market dynamics, as opposed to formal planning methods.

Finally, learning, identified as one of the most prevalent outcomes of networking, was found to facilitate the development of dynamic marketing capabilities. Entrepreneurs engaged in intentional, accidental and experiential learning to accumulate and create knowledge, which, when paired with other personal and organisational capabilities, could help them reconfigure the resources and enhance the capabilities of their firms.

The findings of the study further revealed that entrepreneurial networking could lead to other important positive outcomes which affect the development of marketing capabilities indirectly, such as recruitment (the 'right' employees and interns), access to funding and emotional support for entrepreneurs.

In summary, the findings of this study indicate that entrepreneurial networking can become a valuable capability that can help SMEs develop their marketing capabilities.

8.4 Contributions

This study offers several contributions to both theory and practice. Section 8.4.1 outlines the theoretical contributions of the research, while section 8.4.2 outlines the implications of this study to practitioners (i.e. entrepreneurs), policymakers and organisations offering support to SMEs.

8.4.1 Theoretical contributions

This research has explored entrepreneurial networking in order to understand the role it plays in the development of marketing capabilities in SMEs. In this process, the extant literature, in the emergent field of entrepreneurial marketing, and the established fields of entrepreneurship and marketing have been extended and new theoretical insights that advance knowledge and move beyond ‘gap-filling’ (Alvesson and Sandberg, 2011), have been obtained. These contributions are summarised below, while a more detailed discussion of specific contributions resulting from each of the three research questions of the study follows, including a section outlining the methodological contribution of this study. Based on Whetten’s (1989) seminal paper “*What constitutes a theoretical contribution*”, the section concludes with a series of reflective remarks on the substantive issues that qualify the results of a research study as theoretical contribution.

Entrepreneurial Marketing Literature

The main contribution of this research is to the advancement of EM in an SME context. According to Whetten (1989, p. 493), “theoretical insights come from demonstrating how the addition of a new variable significantly alters our understanding of the phenomena by reorganising our causal maps”. Building on complementary streams of research, this study developed the conceptualization of ‘entrepreneurial networking capability’ as an explanation of how entrepreneurs “do marketing by networking” (Gilmore and Carson, 1999, Coviello and Munro, 1995, Carson et al., 1995, Gilmore et al., 2001, Hills and Hultman, 2006). With its focus on the relationship between entrepreneurial networking and the development of marketing capabilities, the study advances our understanding of EM.

The study contributes to the EM literature by suggesting that the entrepreneur’s ability to initiate, develop, manage and leverage relationships acts as a significant factor for the development of the firm’s marketing capabilities. The study’s findings show that networking enables entrepreneurs to develop the marketing capabilities of the firm, and can further compensate for the inherent resource limitations of SMEs. The study sheds light on the complex and multifaceted activity of entrepreneurial networking in SMEs and specifically advances the literature on how entrepreneurial networking contributes to the performance of the firm from a marketing capabilities perspective.

Entrepreneurship Literature

This study also advances knowledge within the realm of network-based research in the entrepreneurship literature. The study brings new insights in relation to the role of the entrepreneur's persona (his/her characteristics) (Altinay and Wang, 2011, Hayton et al., 2002, Alvarez and Barney, 2007, Carson and Gilmore, 2000a, Hultman, 1999) in networking processes and classifies different forms of entrepreneurial networking (i.e. personal, operational, strategic). These contributions are significant, showing that not all entrepreneurs network in the same way and not all networking behaviours have the same drivers or the same outcomes.

The study also advances knowledge in relation to the networking capability construct (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mu and Di Benedetto, 2012, Sullivan Mort et al., 2012) in an entrepreneurial context. In addition, extant studies (Reagans and McEvily, 2003, Anderson, 2008, Gedajlovic et al., 2013, Baron and Markman, 2000, Baron and Markman, 2003) have argued that, while a significant part of the literature contends that the entrepreneurs' relationships lead to outcomes that have an economic impact on the focal firm, very few studies have actually investigated the mechanisms through which this happens. The findings of this study show how the resources embedded in the entrepreneur's networks can be leveraged for the development of marketing capabilities, which have a crucial role in enabling firms to generate economic rents and create and sustain competitive advantage (Morgan, 2012, Kozlenkova et al., 2013, Evers et al., 2012, Barrales-Molina et al., 2014). By linking the content of the entrepreneurs' relationships to firm-level outcomes (i.e. marketing capabilities), this study makes a contribution to knowledge in this area of the literature.

Marketing Literature

The study also brings new insights into the marketing literature, in relation to marketing capabilities. This contribution is important, as there is very little research on the emergence of capabilities in entrepreneurial firms (Torkkeli et al., 2015). Furthermore, while a body of literature emphasises the role of marketing capabilities for firm survival, market performance and growth (Morgan, 2012, Kozlenkova et al., 2013, Barrales-Molina et al., 2014, Bruni and Verona, 2009, Day, 2011, Evers et al., 2012, Ramaswami et al., 2009, Vorhies et al., 1999, Vorhies and Morgan, 2005), there has been little research on these issues in the context of SMEs. Through its holistic exploration of specialised, cross-functional, architectural and dynamic marketing capabilities, this study contributes to this literature and brings fresh empirical data illustrating marketing practice in SMEs. Understanding the individual factors determining variance in entrepreneurial networking, as well the different forms of networking in which entrepreneurs engage, is essential to our appreciation of the relationship between entrepreneurial networking and the development of marketing capabilities.

RQ 1: Contributions to the Entrepreneurship Literature

Entrepreneurial Cognition

The study provides important theoretical insights into the variables that drive and influence entrepreneurial networking, and thus contributes towards explaining why firms differ in their networking ability and why some firms network and accrue networking benefits better than others, similar to previous research (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mu and Di Benedetto, 2012, Sullivan Mort et al., 2012). In doing so, this study proposes that in an SME context, where the entrepreneur is the main networking agent of the firm (Brush et al., 2001), the extent to which networking benefits are leveraged can be explained through the particularities of the entrepreneur's persona. Thus, the study extends the existing knowledge by positing that the entrepreneur's individual characteristics affect networking behaviour and subsequent outcomes (i.e. the effects of the entrepreneur's networking on the firm) – an underexplored area in the current literature (Stevenson and Greenberg, 2000, Casciaro et al., 2014, Torres-Coronas and Vidal-Blasco, 2016, Welpel et al., 2012).

In particular, the study contributes with new insights to the growing interest in entrepreneurial cognition as a determinant factor for entrepreneurial action and outcomes (Alvarez and Busenitz, 2001, Balkundi and Kilduff, 2006, Dew et al., 2009). The study has employed the concept of mindset, defined as the mental attitudes that individuals hold or simply, as a way of thinking (McGrath and MacMillan, 2000), to encapsulate the entrepreneurs' attitudes, cognition, mental models, perception, sense-making mechanisms. Through its findings, the study contributes to the literature on entrepreneurial cognition with new insights on how entrepreneurs think about networking and how their mindset influences their networking behaviour ('why' they do some of the things they do).

In exploring the role of mindset in the development of entrepreneurial networking capability, this research uncovered that the term 'networking' is highly complex; entrepreneurs hold different mental attitudes in relation to networking and consequently engage in different types of networking behaviour for different reasons and with different expectations of outcomes. By showing that the entrepreneurs' mindset is an important endogenous influence in networking behaviour and consequently network development, these findings also contribute to the literature on entrepreneurial networks formation and change (Larson and Starr, 1993, Hite and Hesterly, 2001, Coviello and Cox, 2006).

The study suggests that typical mental attitudes in relation to networks and networking can differ for more experienced and novice/less experienced entrepreneurs. The findings indicate that overall more experienced entrepreneurs differentiate between personal and business relationships and prioritise the value of strong ties. They are more deliberate (employ a causal logic) and more traditional in their approach to networking. On the

other hand, the study highlights that the cohort of novice entrepreneurs intertwine their personal and business relationships. Like their experienced counterparts, they emphasise the value of strong ties, but also see value in weak ties. They are also less deliberate, embrace serendipitous networking more (effectual logic) and are more open to new values. These findings provide new theoretical insights into what motivates and demotivates entrepreneurs to engage in networking and how these factors influence the development of entrepreneurial networking capability. By emphasising the role of mindset for entrepreneurial networking capability development, the study strengthens the argument that the cognitive perspective can make important contributions in explaining entrepreneurial behaviour (Mitchell et al., 2007)

The Entrepreneurs' Human Capital

The study also complements and extends previous research focusing on the entrepreneurs' human capital. The research findings indicate that human capital, operationalised as education and prior experience (Davidsson and Honig, 2003, Wright et al., 2014), has a significant influence on the development of entrepreneurial networking capability.

Education and self-directed learning influence the development of entrepreneurial networking capability, by developing the entrepreneurs' communication and analytical skills (Forbes, 2005, Altinay and Wang, 2011, Davidsson and Honig, 2003), as well as their self-confidence (Baron and Markman, 2000, Baron and Markman, 2003, Baron and Tang, 2009). Similarly, the more experienced entrepreneurs are more confident and self-sufficient (Forbes, 2005, Altinay and Wang, 2011, Baron and Ensley, 2006, Krueger, 2007, Shane and Venkataraman, 2000, Mengistae, 2006) and less dependent on their networks. These findings endorse the growing attention around the concept of self-efficacy in explaining entrepreneurial behaviour (Chen et al., 1998, Hmieleski and Baron, 2008, McGee et al., 2009). More experienced entrepreneurs can also leverage previously built social capital and reputation (Baron and Tang, 2009, Shane and Khurana, 2003, Politis, 2005, Haber and Reichel, 2007, Ozgen and Baron, 2007), allowing them to be more targeted and selective in their approach to networking.

The findings of this study also suggest that networking experience (i.e. learning to network by networking) further enables more experienced entrepreneurs to access, combine, organise and exploit the resources embedded in their networks more efficiently to generate rents for the firm (Nummela, 2004, Alvarez and Busenitz, 2001, Mosey and Wright, 2007). The study found that these differences in social capital, skills, knowledge and specific networking know-how (the entrepreneurs' human capital) have a significant impact on the development of entrepreneurial networking capability for more experienced and novice/less experienced entrepreneurs. The study thus makes a contribution to the literature on human capital in entrepreneurship, by bringing new evidence that the quality of the human capital inherent to entrepreneurs has an impact on their managerial capabilities, which can ultimately influence firm performance (Evers, 2011b, Andersson and Evers, 2015).

RQ 2: Contributions to Network-Based Research in Entrepreneurship and the Entrepreneurial Marketing Literature

While extant studies have paid more attention to networks, as existing structures, there is a dearth of research focusing on the actual networking activities of entrepreneurs in SMEs and the dynamics of entrepreneurial networking (O'Donnell, 2004, O'Donnell, 2011, Hoang and Antoncic, 2003, Jack, 2010). This study addressed this gap, and offers a contribution to the extant network-based research in entrepreneurship by elucidating the networking forms and activities that entrepreneurs engage in (i.e. how they actually network). These findings in relation to personal, operational and strategic networking also provide interesting insights for the EM literature. The study uncovers some of the mechanisms through which entrepreneurs leverage their relationships to accrue marketing benefits for the firm.

Conceptually, the study has theoretically and empirically validated the importation and relevance of the classification of personal, operational and strategic networking (Ibarra and Hunter, 2007) from the management literature into the entrepreneurship domain. The findings show that entrepreneurs engage in **personal networking**, which results in personal and professional development (Wolff and Moser, 2009, Casciaro et al., 2014), emotional support (Johannisson et al., 1997, Cardon et al., 2012), as well as the creation of important referral networks (Ibarra and Hunter, 2007), with significant implications for marketing. An important contribution of the study results from the findings in relation to the role and activities of small peer groups for entrepreneurs, something which is largely unaccounted for by previous research (Katz, 2007). The fact that these networks, providing both professional and emotional support to their members, were identified as “the most important network” highlights the need for networking forums to adopt a holistic approach as opposed to solely a professional agenda.

This study also exposes novel insights into the way in which internal **operational networking** (Ibarra and Hunter, 2007) can be proactively managed by entrepreneurs through leadership (Avolio and Gardner, 2005, Jensen and Luthans, 2006, Daily et al., 2002) to deepen relationships with internal stakeholders and build a strong organisational culture in the focal firm. Findings further show that externally (external operational networking) entrepreneurs maintain relationships with suppliers and distributors at a professional level, while engaging in proactive and extensive networking with customers. These findings provide strong evidence that internal and external operational networking can become important building blocks in the development of marketing capabilities and the practice of entrepreneurial marketing in SMEs. Proactive internal networking is instrumental for specific marketing capabilities, such as CRM and brand management. Similarly, external operational networking leads to customer intensity and market closeness, which have been identified as key dimensions of marketing practice in entrepreneurial contexts (Jones and Rowley, 2010, Collinson and Shaw, 2001, Morris et al., 2002). Interestingly, the findings also show that paid-for referral systems elicit negative feelings in entrepreneurs (Kuwabara et al.,

2016, Casciaro et al., 2014), confirming entrepreneurs' preference for informal networking.

The data pertaining to RQ 2 also reveals that, as compared to personal networking (naturally occurring in social settings) and operational networking (naturally occurring in organisational settings), **strategic networking** requires insight, judgment and investment of time and effort. These research results bring a significant contribution to previous studies on entrepreneurial networking. While networking is a naturally occurring phenomenon (Dubini and Aldrich, 1991, Hill, 2001) and can be unplanned and non-goal oriented (Ritter et al., 2004, Slotte-Kock and Coviello, 2010, Gilmore et al., 2001), the findings of this study show that entrepreneurs can acquire significant benefits from making conscious or deliberate efforts to develop and maintain ties that add value to their relationship portfolio and to activate resource ties as needed in achieving organisational goals. As compared to personal and operational networking, strategic networking is not an activity that comes as “naturally” to entrepreneurs. There are significant differences in terms of the strategic networking activities of entrepreneurs. These can be ascribed to the managerial capital of the entrepreneur (Becker, 1964, Castanias and Helfat, 2001), which is an essential resource of the firm (Castanias and Helfat, 2001, Andersson and Evers, 2015, Brush et al., 2001, Eriksson et al., 2014).

The findings of the study show entrepreneurs can leverage multiplex ties for strategic purposes (Anderson et al., 2005, Hoang and Antoncic, 2003, Hoang and Yi, 2015) and hence confirm that personal and operational networking can provide “a foundation for strategic networking” (Ibarra and Hunter, 2007, p. 42). In this regard, the findings of this study offer interesting insights on the role of trust within relationships among competing entrepreneurs/SME owners, contributing to extant studies (Bengtsson et al., 2010, Ebbers, 2014). Strategic networkers make efforts to leverage existing connections and network intermediaries for network development (Burt, 1998, O'Gorman and Evers, 2011, Burt, 2004, Burt, 2005), to network vertically and to enhance their reputation through associations with reputable partners (Sullivan Mort et al., 2012, Elfring and Hulsink, 2003, Stuart et al., 1999). Similarly, strategic entrepreneurs ensure network centrality through leadership positions (Burt, 1992) and adopt a balanced approach to the development of both strong and weak ties (Martinez and Aldrich, 2011), aligning these efforts with the firm's changing circumstances and evolving resource needs.

The findings support prior research arguing that the ability to network strategically is not equally distributed across firms (Walter et al., 2006, Mu and Di Benedetto, 2012) and “does not simply accrue to the firm or happen by chance” (Sullivan Mort and Weerawardena, 2006, p. 564). This study serves to deepen knowledge in this area of the literature, by emphasising that in order to transform individual strengths into organizational strengths (Brush et al., 2001, Luo, 2003, Zahra et al., 2006, Evers, 2011b, Hulbert et al., 2015) and generate economic rents for their firms, entrepreneurs

must purposefully and strategically combine network resources with their human capital.

In line with the findings from RQ1, the study highlights the role of entrepreneurial experience (and the inherent accumulation of human capital) as a determinant factor for changes in personal, operational and strategic entrepreneurial networking behaviour. The study also supports previous research (Larson and Starr, 1993, Slotte-Kock and Coviello, 2010, Stam et al., 2014), showing that entrepreneurial networking evolves towards a more calculative, intentional and proactive approach, as the firm progresses through its life cycle.

In answering RQ 2, insights contributing to the literature on online and offline networking practice of entrepreneurs were also obtained. The findings show that younger entrepreneurs are more active on social media platforms for both interacting with customers and for building relationships, as compared to their older colleagues (Damanpour and Schneider, 2009, Wamba and Carter, 2014), and while there is growing interest in networking online, this comes secondary to direct, face-to-face encounters.

This study also offers novel insights into **networking best practice** from the perspective of the entrepreneurs. One of the most interesting findings revolves around the concept of ‘reciprocity’, which has been identified as an important dimension of social capital (Woolcock, 1998) and in particular a characteristic of strong ties (Granovetter, 1983, Granovetter, 1973, Johannisson, 1986, Hansen, 1995, Obstfeld, 2005, Larson and Starr, 1993, Lechner et al., 2006). Contrary to this literature, this study suggests that efficient networking, for both strong and weak ties, should be approached with a confident and generous, ‘give to give’ attitude (vs. ‘give to get’), and direct, one-on-one reciprocity is not always expected. Rather, adopting a generous stance increases the propensity of quality networking exchanges, may resolve the negative feelings that instrumental networking can elicit, while also building an entrepreneur’s reputation.

In conclusion, the research findings pertaining to RQ 2 contribute to the network-based research in the entrepreneurship and the EM literature. The novel insights obtained by this study confirm that “what entrepreneurs do in their day-to-day activities matters” (Carter et al., 1996, p. 164) by showing that the entrepreneurs’ personal, operational and strategic networking activities determine networking outcomes, and can lead to the development of marketing capabilities in SMEs.

RQ 3: Contributions to the Entrepreneurial Marketing and Marketing Capabilities Literatures

In answering RQ 3, this study advances the knowledge on the entrepreneurial marketing and marketing capabilities literatures. The research findings indicate that

entrepreneurial networking is instrumental in understanding entrepreneurial marketing in SMEs.

Marketing capabilities refer to a firm's ability to perform marketing activities through which the firm transforms available resources into valuable outputs (Vorhies & Morgan, 2005). A body of literature exists signalling the role of marketing capabilities for firm survival, market performance and growth (Morgan, 2012, Kozlenkova et al., 2013, Barrales-Molina et al., 2014, Bruni and Verona, 2009, Day, 2011, Evers et al., 2012, Ramaswami et al., 2009, Vorhies et al., 1999, Vorhies and Morgan, 2005), yet there has been little research on these issues in the context of SMEs. Similarly, while networking capability has been previously examined empirically (Ritter and Gemünden, 2003b, Ritter et al., 2002, Walter et al., 2006, Mu and Di Benedetto, 2012, Sullivan Mort et al., 2012), no previous studies have comprehensively linked entrepreneurial networking to the development of marketing capabilities in SMEs, from a holistic point of view.

By exploring the influence of entrepreneurial networking on the development of marketing capabilities (following Morgan's (2012) comprehensive classification of specialised, cross-functional, architectural and dynamic marketing capabilities) this study makes a significant contribution to the existing marketing knowledge. Numerous studies employ a generic approach (i.e. "the marketing capability of the firm") and fail to identify the specific capabilities that make up the overall marketing capability of the firm (Morgan, 2012). As opposed to this, through its holistic approach, this study provides empirical detail into specific marketing capabilities that are central to the practice of marketing.

The research shows that, while marketing capabilities remain internal processes (i.e. the application of knowledge and skills at individual, group and organizational levels to combine and transform resources in ways that contribute to achieving the firm's goals) (Morgan, 2012), entrepreneurial networking capability (the activities and routines implemented by the entrepreneur with the aim of initiating, establishing, maintaining and leveraging relationships for the benefit of the firm), is instrumental in their development in an SME context.

Theoretically, the findings of this study have important implications for the EM and marketing capabilities literatures and enhance understanding of marketing practice in SMEs, as further detailed below.

Specialised Marketing Capabilities

The present findings enrich the current knowledge of the role of entrepreneurial networking on the development of specialised marketing capabilities in SMEs (i.e. product management capability, price management capability, marketing communications capability, market research capability).

Product and price management capabilities

This research brings new insights into product and price management processes in SMEs. The study identifies entrepreneurial networking as an important mechanism to capture and disseminate relevant information (“i.e. voice of the customer”) for product management (Griffin and Hauser, 1993), compensating for well-developed informational processes for evaluating product/service quality and performance (Adler et al., 1996, Anderson and Sohal, 1999, Zhao et al., 2004). The findings further show that entrepreneurs engaged with customers, competitors and other stakeholders both deliberately and serendipitously to gather information in order to help them with setting and managing price, as well as to decrease customers’ price sensitivity through referrals (Dutta et al., 2003). These findings confirm the positive influence of entrepreneurial networking on the development of product and price management capabilities in SMEs.

Marketing communications capability

In relation to marketing communications management, this research extends previous findings emphasising the action-oriented, hands-on approach preferred by entrepreneurs (Gabrielli and Balboni, 2010, Pérez-Cabañero et al., 2012, Franco et al., 2014) and the direct close interaction between entrepreneur and customers (Hills et al., 2010, O’Donnell, 2004, O’Donnell, 2014). The study identifies personal selling, direct marketing and PR as the preferred marketing communication tools for the participating entrepreneurs, using both offline and online channels. This research offers new insights into the importance of WOM, used by entrepreneurs as a resource generator, to leverage endorsements on the basis of product/service quality (Coviello and Cox, 2006, Kozinets et al., 2010, Kumar et al., 2010), as well as endorsements on the basis of the entrepreneur’s personal reputation, inherent in his/her social capital (Jack, 2005, Chollet et al., 2014). The empirical evidence suggests that, in the context of the resource issues encountered by SMEs, alongside the entrepreneur’s preference for relational interaction, entrepreneurial networking is necessary for the development of marketing communications capability.

Market research capability

Findings adhere strongly to the view that entrepreneurial networking is instrumental in the development of market research capability. Marketing research capability and intelligence gathering underpins almost every aspect of marketing and therefore it is of the utmost importance in achieving marketing goals (Kohli and Jaworski, 1990, Vorhies et al., 1999, Day, 1994, Day, 2011, Morgan, 2012). In line with previous studies (Stokes, 2000b, Blankson et al., 2006, Collinson and Shaw, 2001, Hultman, 1999, Hills, 2012, Bjerke and Hultman, 2002, Morris et al., 2002), the findings show that in SMEs entrepreneurs rarely engage in formal data collection. Rather, they draw on their networks to obtain market information (Morris et al., 2002, Stokes, 2000b, Hills et al., 2008, Hulbert et al., 2015, Pérez-Cabañero et al., 2012) and often through direct, hands-on selling (Sarasvathy, 2001, Sarasvathy, 2008). The study makes a contribution to this

literature by uncovering that both deliberate and serendipitous networking provides entrepreneurs with access to timely/continuous, trustworthy/credible (McEvily and Zaheer, 1999, Butler et al., 2003, Bonaccio and Dalal, 2010, Kuhn and Galloway, 2015), and cost-effective information (O'Donnell and Cummins, 1999, Gilmore et al., 2001, Collinson and Shaw, 2001, Berry et al., 2006). Proactive entrepreneurial networking becomes a market sensing mechanism that directly enables a heightened level of responsiveness to the marketplace, thus compensating for a lack of formal market research and positively influencing the development of market research capability in SMEs.

Cross-functional Marketing Capabilities

Theoretical insights were also obtained in relation to the role of entrepreneurial networking in the development of cross-functional marketing capabilities in SMEs (i.e. brand management capability, CRM capability, NPD capability).

Brand management capability

The study identified two main networking mechanisms employed by entrepreneurs to develop brand management capability: leveraging their personal profile/brand and leveraging the reputational assets of their connections (higher status network actors). The study deepens the existing knowledge regarding the manner in which entrepreneurs use their personal attributes (particularly professional attributes, such as expertise) as brand building blocks for their firms (Balmer, 2001, Rode and Vallaster, 2005, Harris and Rae, 2009), while also integrating the entrepreneur's visibility, in person and online, as a selling point in the value proposition. Similarly, the study contributes to the literature on generating reputation within networks (Podolny, 2001, Ahuja, 2000, Lechner et al., 2006, Hitt and Reed, 2000, Delmar and Shane, 2004, Sullivan Mort et al., 2012, Elfring and Hulsink, 2003, Stuart et al., 1999). The findings show that strategic networkers deliberately leverage their higher-status network connections to enhance their reputation through reputational signalling (Reuber and Fischer, 2005) and endorsements (Podolny, 2001, Shane and Cable, 2002). These findings highlight the role of entrepreneurial networking in the development of brand management capability in an SME context.

CRM capability

The study further informs and expands the existing limited literature on CRM capability in SMEs (Woodcock and Starkey, 2001, Zhao et al., 2004, Harrigan et al., 2009, Hol, 2013, Alshawi et al., 2011). Notwithstanding the importance of CRM software, the present study shows that in the context of small firms, in the absence of complex IT systems, entrepreneurs can organically develop a natural ability to manage customer relationships directly and in a personal manner through networking. In particular, CRM practice was characterised by high levels of customer intensity (achieved through directly networking with customers), which is also instrumental in creating perceived

customer value (Hultman, 1999, Collinson and Shaw, 2001, Jones and Rowley, 2010, Hills, 2012, Morris et al., 2002) and internal marketing efforts, where entrepreneurs used internal networking to create a customer centric culture within their organisations (Grönroos, 1990, Gummesson, 2008).

NPD capability

The findings also contribute to the extant literature by illustrating the positive influence of entrepreneurial networking on the development of NPD capability in SMEs. The study extends previous findings that identify the customer as the most important network actor in NPD processes (Fang, 2008, Coviello and Joseph, 2012). The findings illustrate that entrepreneurs use networking to deliberately involve and engage customers, and leverage customer relationships to initiate, develop, co-create and market test new value propositions. These high levels of engagement also ensure customer pre-commitment and positive word of mouth. The study verifies the argument that networking facilitates the recognition and creation of NPD opportunities for entrepreneurs (Coviello and Munro, 1995, Elfring and Hulsink, 2007, Evers et al., 2012). Findings show that entrepreneurs employ an effectuation logic to take advantage of networking contingencies in the creation of collaborative projects for NPD with various external stakeholders (Blomqvist and Levy, 2006, Lee et al., 2010, Sarasvathy, 2001, Sarasvathy, 2008).

Architectural Marketing Capabilities

Marketing planning and implementation capability

The study also offers a contribution to the literature on architectural marketing capabilities (i.e. marketing planning and implementation) in SMEs. This research found that for the participating entrepreneurs planning processes were informal (Carson et al., 1995, Gilmore et al., 2001, Stokes, 2000b, Carson and Gilmore, 2000a, McPherson, 2007), more dynamic and overall did not result in the physical outcome of a written plan. Formal planning was seen as a resource demanding process, with questionable results and, instead, entrepreneurs preferred a pragmatic, learn-by-doing approach, where plans were “in their mind”, “organic”, “evolving” and “responsive”, illustrating improvisation (Miner et al., 2001) and effectuation (Sarasvathy, 2008). This research reveals networking as an important sense-making and learning mechanism for entrepreneurial planning capability. Entrepreneurs managed risks through flexibility as they actively and continuously interacted with their operating environment and networks. This can actually constitute an advantage as in uncertain environments, formal planning techniques are less effective (Sarasvathy, 2008), while flexibility and proactive learning can be important attributes for competitive advantage (Mintzberg and Waters, 1985, Castrogiovanni, 1996, Delmar and Shane, 2003, Slotegraaf and Dickson, 2004). These findings thus offer useful empirical insights into marketing strategy planning and implementation processes in SMEs.

Furthermore, in line with previous studies (Carson, 1985, Bjerke and Hultman, 2002), the findings indicate that marketing planning typically becomes more formal as firms become more established and as they grow, even though some data also suggests that entrepreneurial experience can actually decrease the likelihood of detailed market analysis and planning, replaced by insight and intuition (Hulbert et al., 2015).

Dynamic Marketing Capabilities

With regards to dynamic marketing capabilities, this study verifies previous research (Adler and Kwon, 2002, Nahapiet and Ghoshal, 1998, Shane and Venkataraman, 2000, Yli-Renko et al., 2001, Coff and Blyler, 2003, Evers et al., 2012), confirming the positive relationship between networks, information benefits and knowledge acquisition. By extending our understanding of how networking facilitates and enables market-based learning processes for entrepreneurs, the study contributes to the dynamic marketing capabilities literature. This study brings new insights into how intentional/proactive and accidental/serendipitous learning processes are facilitated by entrepreneurial networking. This study identifies learning from experts and peer learning (Kutzhanova et al., 2009) as a proactive means through which entrepreneurs engage in market-based learning, while accidental or serendipitous learning occurs as entrepreneurs become exposed to '*nuggets of wisdom*' unexpectedly. This study also suggests that, through networking, entrepreneurs also disseminate information within their networks (Bozeman and Mangematin, 2004), thus consolidating their position to be seen as experts.

Furthermore, similarly to the findings of Eriksson et al. (2014), Evers et al. (2012), and Sullivan Mort et al. (2012) this research deepens our understanding of the role of the individual's (i.e. the entrepreneur's) capabilities in the development of the firm's dynamic capabilities. While networking facilitates numerous learning opportunities, the firm-level outcomes are dependent on the way entrepreneurs are absorbing (recognising, assimilating and applying) (Cohen and Levinthal, 1990) the information they are exposed to in order to reconfigure the firm's resources and enhance its capabilities (McEvily and Zaheer, 1999, Evers et al., 2012, Hoang and Yi, 2015). The findings of this study further contribute to this literature, by suggesting that in an SME context, the firm's ability "to learn how to learn" (Vorhies and Morgan, 2005) is influenced by entrepreneurial networking. By focusing on how market learning processes are facilitated through entrepreneurial networking (Morgan, 2012), this study advances our understanding of the development of dynamic marketing capabilities in SMEs. Entrepreneurial networking can lead to superior market knowledge, which in turn can guide resource reconfiguration and can offset the development of new resources and capabilities in SMEs.

Methodological Contribution and Context

From a methodological point of view this study offers a contribution by combining semi-structured interviews with visual representations produced by research participants

to generate empirical data. While visual representations of networks or ‘network pictures’ are a methodological tool used in the industrial marketing literature (Ford et al., 2005, Ford and Håkansson, 2006a, Henneberg et al., 2010, Ramos et al., 2012, Ramos and Ford, 2011), this study has applied it in a novel context, in SMEs and at the individual level of the entrepreneur. Combining the pictorial level (the visual representations) with the textual level (the semi-structured interviews) provided a more holistic perspective and contributed towards achieving the objectives of the research. The visual representations offered more structure and were an important prompt aid, leading to a better understanding of entrepreneurial networking. Furthermore, combining different techniques in data generation provided the researcher and respondents with more clarity and increased the reliability of a study (Ford et al., 2002, Ramos et al., 2012, Ramos and Ford, 2011).

This study also offers interesting insights into the unique Irish context, with in depth perspectives on networking among Irish entrepreneurs and Irish-based networking support organisations, as well as specific examples of marketing practice in Irish SMEs.

Whetten’s (1989) seven questions for assessing the theoretical contribution of a study

According to Whetten’s (1989) seminal paper “*What constitutes a theoretical contribution*”, there are seven main questions that must be answered in order to verify the theoretical value of a study. Table 8.2 answers these seven questions and illustrates the substantive issues that qualify the results of this study as theoretical contribution.

Table 8.2. Whetten’s (1989) seven questions for assessing the theoretical contribution of a study

Whetten’s (1989) seven questions	How the present study answers these questions, thus illustrating theoretical contribution
1. What’s new?	<p>This study makes a significant, value-added contribution to current thinking in the academic field of EM by suggesting that the entrepreneur’s ability to initiate, develop, manage and leverage relationships acts as a significant factor for the development of the firm’s marketing capabilities and can consequently impact on the market performance of the firm.</p> <p>The study brings new perspectives in explaining the emergence of capabilities in entrepreneurial firms and demonstrates the crucial role of the entrepreneur’s persona (his/her characteristics) and behaviours in networking processes. These findings advance knowledge in relation to the networking capability and marketing capabilities constructs in an entrepreneurial context.</p>
2. So what?	<p>The study proposes the conceptualization of ‘entrepreneurial networking capability’ to remedy deficiencies in current theory in the EM literature, which employs the concept of “marketing by networking”, but does not fully explain the dynamic relationship between marketing and networking in the context of SMEs. With its focus on the relationship between entrepreneurial networking and the development of marketing capabilities, the study advances our understanding of EM.</p> <p>Furthermore, the study identifies the entrepreneur’s mindset and human capital as well as different forms of networking as significant variables that determine entrepreneurial networking capability.</p>
3. Why so?	<p>The empirical evidence in this study shows that networking enables entrepreneurs to develop the marketing capabilities of the firm, and can further compensate for the inherent resource limitations of SMEs.</p> <p>The data indicates that entrepreneurial networking capability becomes manifest as entrepreneurs engage in personal, operational and strategic networking that vary in both proactivity and intensity. In turn, this influences the development of specialised, cross-functional, architectural and dynamic marketing capabilities.</p>

4. Well done?	The study employs multiple theoretical perspectives across the marketing, entrepreneurship and management literatures and grounds its conclusions on strong and comprehensive empirical evidence, generated and analysed within a robust approach to research methodology.
5. Done well?	<p>Through its iterative nature, the study continuously moved back and forth between design and implementation, ensuring congruence between research objectives, data generation and data analysis.</p> <p>The manuscript for the study follows the mainstream pattern of a doctoral dissertation, progressing from the introductory chapter to a thorough literature review and description of methodology to the presentation and discussion of findings in the context of the literature, while the final chapter concludes the study. The thesis offers a clear chain of evidence from research questions, to empirical data and the interpretations of this data to the overall conclusions of the study.</p>
6. Why now?	<p>EM is a current topic of interest to scholars, as well as to practitioners and policy makers. EM is a young, yet very promising field of academic research that has the potential to explain the particularities of marketing in smaller, entrepreneurial contexts, where the normative, traditional marketing models and frameworks have been deemed unsuitable.</p> <p>From a practical perspective, the survival and growth of SMEs has been a topic of wide interest at national, European and global policy levels.</p>
7. Who cares?	<p>The marketing/entrepreneurship interface, as a field of academic inquiry has drawn considerable attention in last three decades. There is an increased number of academic readers interested in the topic, which is proven by the proliferation of both academic journal papers and books on EM in recent years.</p> <p>The study also has practical relevance for entrepreneurs and policy makers. With its focus on the development of marketing capabilities, this study offers valuable insights into networking best practice to entrepreneurs. Similarly, because the conclusions of the study provide insights into actionable ways in which SMEs can become more competitive, the study has relevance at policy-making levels.</p>

8.4.2. Implications for Practice and Policy

Complementing the theoretical and methodological contributions outlined in Section 8.4.1, this study has implications for both practitioners/entrepreneurs and policymakers and organisations providing support to SMEs. These are outlined below.

Implications for entrepreneurs

From a practical standpoint, this study fully endorses and prioritises the importance of networking for entrepreneurs and their firms. The research results illustrate that proactive networking can provide significant opportunities for entrepreneurs. In particular, the study shows that entrepreneurial networking can significantly aid entrepreneurs from a marketing point of view by providing tangible benefits (e.g. sales), or more intangible ones (e.g. learning, reputational boost), thus leading to the development of marketing capabilities. Networking to accrue benefits for the firm is particularly important in SMEs due to their limited resources (Woodcock et al., 2000, Carson, 1985, Siu and Kirby, 1998, Gilmore et al., 2001). Therefore, the study's findings suggest that it becomes essential that entrepreneurs, as managers of their firms, develop their networking capability to effectively exploit the resources embedded in their networks to accrue benefits for their firms.

The empirical findings highlight the complexity of entrepreneurial networking as a capability required for successfully leveraging relationships for the benefit of the firm. This study identifies a number of considerations that have particular practical relevance.

Firstly, findings show that the entrepreneur's mindset is a determining factor for networking action and outcomes. The research results suggest that the way individuals think about networking affects the time and effort they put into it, and ultimately, the return from their investment. Thus, it is important that entrepreneurs carefully evaluate their mental attitudes in relation to networking. If benefits are to be accrued, entrepreneurs have to appreciate and understand the value of networking.

Secondly, entrepreneurs must understand they are themselves an important rent-generating resource for their firms (Castanias and Helfat, 2001, Alvarez and Busenitz, 2001). Entrepreneurs should consider how to strategically build their networks (Sigfusson and Chetty, 2013) and purposefully combine their relationships, as resource elements, with other resource elements, such as their skills and abilities to generate outputs of value for the firm (Alvarez and Busenitz, 2001, Brush et al., 2001).

Thirdly, entrepreneurs must invest in networking. This implies that entrepreneurs must understand that networking is not always about tangible, immediate and measurable results, such as sales performance. Entrepreneurs must be cognisant that strategic networking behaviour can be enacted to access intangible resources that can potentially lead to the development of internal capabilities. The findings indicate that entrepreneurs can leverage their network ties to acquire, develop and create knowledge, which has

been identified by extant studies as one of the most significant resources of the firm (Nonaka, 1994, Grant, 1996b, Eisenhardt and Martin, 2000, Grant, 1996a, Wiklund and Shepherd, 2003). With particular relevance to marketing, the research results of the study support previous findings that networking facilitates market-based learning processes for entrepreneurs (Morgan, 2012, Vorhies et al., 1999, Evers et al., 2012). In turn, these processes of market knowledge accumulation and intelligence generation help entrepreneurs develop and implement better marketing strategies.

Similarly, this study advises that entrepreneurs must also realise the long-term effect of networking. Networking is about building and nurturing relationships and it should be approached with a generous, 'give to give' attitude. A generous approach to networking would build the reputation of the entrepreneur and would encourage a similar altruistic behaviour from other network actors (Obstfeld, 2005). It would also contribute towards increasing an individual's confidence, which the study has identified as an important, but 'problematic' aspect for impactful networking. As well as that, seeing networking as a channel for 'giving', rather than 'taking' would also address the issue of opportunism in networking, which this study identified as an important networking demotivator (i.e. decreasing propensity to network).

Fourthly, the findings of the study suggest that entrepreneurs should adopt a 'balanced' approach to networking. This 'balanced' approach requires the development of both bonds (deep, trust-based relationships, cohesion) and bridges (large diverse networks) (Martinez and Aldrich, 2011, Stam et al., 2014). The findings indicate that generally entrepreneurs seem to think that relationships should form and grow naturally and consequently tend to network horizontally, with peers. This fundamental misconception that networking should be natural and effortless (Ibarra, 2016) is dangerous from a resource perspective, because it is likely to create homogenous networks. Connections with 'similar others' limits the information entrepreneurs receive, the attitudes they form, and the interactions they experience (McPherson et al., 2001). Thus stepping beyond their comfort zone is necessary.

However, there are also costs associated with networking (Maurer and Ebers, 2006), and having 'more ties' is not necessarily better (Gulati and Higgins, 2003, Molina-Morales and Martínez-Fernández, 2009). Consequently, impactful networking requires thoughtful investment, strategic insight and intent. Nonetheless, given that serendipitous networking can also lead to significant positive outcomes, entrepreneurs should also seize chance networking opportunities (Harris and Wheeler, 2005, Tahvanainen and Steinert, 2013), thus combining causal and effectual approaches (Saravathy, 2001).

Fifthly, this study has practical relevance for entrepreneurs in terms of marketing practice, because it offers insights into the specifics of developing the firm's marketing capabilities through entrepreneurial networking, both off- and on-line. As discussed in the previous section, (Section 8.3.1), through its holistic approach, this study shows the influence of entrepreneurial networking on the development of marketing capabilities. To recap, networking can help entrepreneurs with a series of key actions:

- Capture the “voice of the customer” (Griffin and Hauser, 1993) for product management.
- Gauge the “right price” and assess customers’ perception of value to facilitate setting pricing strategy and leverage recommendations and referrals to decrease customers’ sensitivity to price (Dutta et al., 2003).
- Create and encourage WOM (Arndt, 1967, Brown et al., 2007, Buttle, 1998), find platforms for story telling (Martens et al., 2007, Harris and Rae, 2009, Labrecque et al., 2011), augment WOM through online channels (Kozinets et al., 2010, Brown et al., 2007), and overall increase customer engagement (Coviello and Cox, 2006, Trusov et al., 2009, Goldenberg et al., 2001)
- “Find out” and gain access to timely/continuous, trustworthy/credible (McEvily and Zaheer, 1999, Butler et al., 2003, Bonaccio and Dalal, 2010, Kuhn and Galloway, 2015), and cost-effective information (O’Donnell and Cummins, 1999, Gilmore et al., 2001).
- Leverage personal marketing and use the entrepreneur’s attributes as brand building blocks (Harris and Rae, 2009, Labrecque et al., 2011); leverage the reputational assets of their connections to enhance their firms’ reputation (Podolny, 2001, Baron and Markman, 2000, Abimbola and Vallaster, 2007).
- Compensate for a lack of complex IT systems by developing close customer relationships through direct interaction (Morris et al., 2002, Harrigan et al., 2009, Harrigan et al., 2008) and proactively developing a strong customer-focused organisational culture (Grönroos, 1990, Gummesson, 2008),
- Engage with customers (and other stakeholders) for idea generation, product development and improvements, as well as market testing in NPD processes (Fang, 2008, Coviello and Joseph, 2012).
- Conduct informal market analysis and develop and implement flexible, and organic plans, guided by improvisation (Miner et al., 2001) and effectuation (Sarasvathy, 2008).
- Engage in market-based learning processes (Morgan, 2012, Vorhies et al., 1999) that deepen market knowledge, provide exposure to new and relevant information and consequently can lead to the reconfiguration of the firms’ resources and the enhancement of the firms’ capabilities (McEvily and Zaheer, 1999, Yli-Renko et al., 2001, Evers et al., 2012, Morgan, 2012).

Finally, beyond specific direct marketing benefits, the findings of the study also reveal that entrepreneurs can successfully leverage networking to obtain (and provide) much needed emotional support, as well as to develop other areas of the business, such as HRM and finance, thus having an indirect influence on marketing within the firm.

Implications for policy makers and organisations providing support to SMEs

This study also has implications for policy makers and for public and private organisations which aim to foster entrepreneurship and support the development and growth of SMEs. In the last three decades there has been considerable effort across the

European Union to support micro, small and medium enterprises. SMEs are central to EU policy, within the context of the Europe 2020 Growth and Jobs Strategy, and significant incentives are continuously provided for the implementation of efficient entrepreneurial policy that can foster the right conditions for SMEs to flourish (i.e. the Small Business Act for Europe, the European Entrepreneurial Region Scheme) (Ecorys, 2012, European Commission, 2006, Muller et al., 2015, European Union, 2015).

Within Ireland, Government organisations aim to help promote an enterprise culture, support start-ups and small to medium sized businesses (the Local Enterprise Office, former County Enterprise Board) and help them develop and grow internationally (Enterprise Ireland). Given that effective entrepreneurial networks are instrumental for enterprise development and growth, public policies that are directed at supporting SMEs can play a significant role in encouraging networking for entrepreneurs and proactively increasing the heterogeneity of entrepreneurial social contexts (Leyden et al., 2014).

The importance and necessity of networking for business owners is also evident in the growing numbers of networking groups and events created by various private voluntary organisations, independent of state supported agencies, in recent years. The findings of this study indicate that many of these private groups have been set up through individual/group initiatives and efforts because of a perceived 'lack of support' from more formal structures. The proliferation of these private self-organising groups indicates a level of disconnect between what Government organisations offer and what entrepreneurs need. From a policy-making point of view, this is relevant, as it suggests that there is a need for new or different support structures for SME owners to complement existing ones. Previous research has also found that initiatives and programmes for entrepreneurs often fail to provide the support they actually need. For instance, Faoite et al. (2004) found that in Ireland and Finland, entrepreneurs value more non-formal support structures, such as mentoring and networking, and question the value of traditional formal business education and training strategies.

Hoang and Yi (2015) have recently emphasised the need to obtain new insights into how institutional actors and voluntary associations shape network development processes and their resulting outcomes. Responding to this call, the present study provides such insights and reveals that both public and private, voluntary organisations play a significant role in creating an environment conducive to networking, which can be achieved through education and facilitation, as further detailed below.

Educating entrepreneurs about the value of networking and developing networking skills

Firstly, from an educational point of view, there is a need for bodies supporting SMEs to emphasise the relevance of networking for entrepreneurs. This is pertinent because the study's findings indicate that entrepreneurial networking is a key asset for a company's competitive advantage, and in particular for the development of marketing capabilities. However, the findings also suggest that, in the Irish context, negative

discourse issues exist around the term “networking”, which appears to have a strong association with opportunism. While previous research has found that networking can elicit negative feelings (Casciaro et al., 2014), the present findings suggest that within the Irish context, these negative associations are intensified by what is perceived as a more “traditional” business cultural context (particularly when compared to the American business environment).

The findings of this study show that the entrepreneurs’ mental attitudes in relation to networking influence their networking behaviour and the outcomes of that behaviour. If ‘networking for business’ is perceived as opportunistic and insincere, it would be difficult to encourage networking to assist entrepreneurs in developing the marketing capabilities of their firms. If networking is to be incorporated into the DNA of the entrepreneurial environment, both Government-funded and private organisations supporting SMEs must encourage networking in a broader sense, and educate entrepreneurs about accessing and leveraging resources through networking.

Secondly, since several research participants have emphasised that they don’t know how to network and that this should be taught in school and beyond, these organisations can take a proactive role in facilitating the development of skills required for effective networking. Specific training would equip entrepreneurs with such skills and implicitly increase their levels of confidence and self-assurance, which are important attributes in entrepreneurial processes (Baron and Markman, 2003, Baron and Tang, 2009) and networking in particular (Batjargal, 2010, Ibarra, 2016, Kuwabara et al., 2016). By extension, the expressed need to learn networking skills (i.e. ‘be taught’) has implications at policy level, with regards to entrepreneurship education.

Facilitating entrepreneurial networking that is responsive to the entrepreneurs’ needs

The study can also inform the public and private organisations facilitating entrepreneurial networking (i.e. the communication and organisation of networking opportunities, initiatives and events), as it uncovers the entrepreneurs’ preferences in relation to this. Networking support organisations should be responsive to the entrepreneurs’ expressed needs in relation to what they require and want from a networking perspective.

Firstly, the Irish entrepreneurs participating in this study expressed a preference for implicit and informal versus explicit and formal networking. Similarly, the success of self-organising, voluntary networking initiatives, such as the small exclusive peer groups and other networks that entrepreneurs set up on their own, indicates that ownership, as well as initial or early involvement ensures customisation to members’ needs. In turn, this drives a positive mindset and also eliminates or decreases the negative associations that the label of networking may hold. Thus, state agencies, as well as private groups should encourage, facilitate and support entrepreneurs in taking ownerships of networking.

Secondly, this study found that different groups of entrepreneurs have different networking needs. For instance, more experienced entrepreneurs were more focused on strong ties and network deepening actions (Vissa, 2012) and restricted the access of newcomers in their networks. By contrast, novice, less experienced entrepreneurs engaged in more network broadening actions (Vissa, 2012) and needed to access higher-level networks (i.e. strategic networking) for firm development and growth. Nonetheless, given that higher-level networks are restrictive and exclusive, this process was difficult. Special platforms and events could be organised with the specific purpose to surmount these barriers for novice entrepreneurs and facilitate access to more experienced entrepreneurs, similar to mentorship programmes. For instance, with the growth of online networking activities, online networks could be created to facilitate easier communication among entrepreneurs with different levels of expertise.

Thirdly, building on the idea that help provided to entrepreneurs should be responsive to their needs, this study also emphasises the entrepreneurs' need for emotional support, which has wide implications on their ability to manage their firms, as recently emphasised by the entrepreneurship literature (Cardon et al., 2012, Welpel et al., 2012, Torres-Coronas and Vidal-Blasco, 2016). The findings of the study suggest that it was particularly a perceived lack of emotional support that drove entrepreneurs to form small peer groups. The empirical evidence indicates that these groups brought significant benefits to their members, both on a personal and a professional level. These findings suggest that, while typically state agencies focus solely on the professional needs of entrepreneurs (i.e. managerial and business skills), entrepreneurs might benefit significantly from the inclusion of emotional support.

Fourthly, the findings also indicate that the networking needs of female entrepreneurs are different than those of male entrepreneurs. The fact that women entrepreneurs perceive networking to be more difficult for them, provides interesting insights for networking facilitators and policy makers. Since women experience socialisation differently (Moore, 1990, Orhan, 2001, Watson, 2012, Uzzi, 1997, Ruef et al., 2003), this implies that a different approach might be needed in order to encourage women entrepreneurs to develop their networking capability. Contributing to extant literature, this study confirms the value of women-only initiatives, indicating that there is scope for the further funding and development of such women only programmes and networking forums.

8.5 Limitations

Identifying the limitations of a study not only strengthens the trustworthiness of its results, but also helps researchers recognise avenues for future research (Section 8.6), that can further enrich understanding and knowledge. As with many research studies, there are a number of limitations in this research project, as outlined below.

Firstly, as the main aim of this study was to explore how entrepreneurial networking contributes to the development of marketing capabilities in SMEs, a qualitative methodology was adopted for the study. The empirical data for this study was collected through a series of semi-structured in depth interviews with entrepreneurs and representatives of networking support organisations, as well as through visual representations of networks produced by the participating entrepreneurs. These data generation tools, alongside other sources of secondary data, such as information from websites, social media platforms, as well as third party information (i.e. news clippings) allowed the opportunity to obtain in depth data from different perspectives, assisting data triangulation (Creswell and Miller, 2000). Even though a level of data triangulation was obtained, this choice of methodology, further amplified by the deliberate purposive sampling technique, has repercussions in terms of the generalisability of the study. This limitation is usually associated with exploratory studies of qualitative nature and refers to the fact that the study cannot make far-reaching claims about the transferability of its results outside of the context in which they have been generated (i.e. the findings are context sensitive).

Nonetheless generalisability (to a wider population) was not an objective for this research; instead, the main objective of the research was to contribute to the body of knowledge by furthering our understanding of the role of entrepreneurial networking within entrepreneurial marketing in SMEs. According to Yin (2003), the results of this type of research allow for analytic generalisation, i.e. generalisations to theoretical propositions as opposed to populations. Qualitative studies are not usually “designed to allow systematic generalisations to some wider population” (Maxwell, 1992, p. 293). This is due to the trade off between depth of information and variety of information. Qualitative data is contextual, subjective and its focus is on the understanding of human behaviour rather than on the explanation of human behaviour (Saunders et al., 2009, Bryman and Bell, 2011).

Thirdly, the research context is limited both from a geographic/cultural and temporal perspective. The empirical data was generated within a single cultural context. Given the fact that the research findings suggest that cultural characteristics influence the entrepreneurs’ mindset in relation to networking and consequently networking practice, it is likely that the research results may differ in a different cultural setting, or across different cultural settings. Similarly, from a temporal perspective, the research design is cross-sectional, consisting of a “snapshot” taken at a particular time. While this design is the prevalent approach in business research (Saunders et al., 2009, Bryman and Bell, 2011), the use of a longitudinal design could have potentially provided new and different insights because longitudinal studies have the ability to describe processes such as network development over time (Coviello and Munro, 1995).

A fourth limitation of the study concerns the unit of analysis. As explained in Chapter 5 (Section 5.5.1), traditionally entrepreneurship research has focused on the entrepreneur and his/her individual actions, while the focus in marketing research has been on the

entrepreneurial firm (Webb et al., 2011). Positioned at the marketing/entrepreneurship interface, this study has explored the influence of entrepreneurial networking (individual level) on the marketing capabilities of the firm (firm level). This is warranted in interface research, particularly since a separation between the two entities, the owner and the firm, is impossible in the small firm context (Kuratko and Hodgetts, 1995, Deacon and Corp, 2003). While this somewhat dual approach was suitable in achieving this study's objectives, using single respondents in any research study places further limitations on its results. Although the entrepreneurs were the main point of interest in this study, obtaining insights from other respondents, such as co-founders, Board of Directors members, management team and employees, could have complemented the research findings, by obtaining a more holistic perspective on the role of networking for the development of marketing capabilities. Furthermore, in network research, there is also scope for moving above the individual level as unit of analysis and incorporating a higher dyadic or network perspective (Halinen and Törnroos, 2005, Gilmore, 2010).

Moreover, using single respondents increases the possibility for respondent bias in qualitative research. As mentioned above, a level of triangulation was obtained through interviewing representatives of networking support organisations. As well as that, further steps were taken to ensure honesty in informants (Shenton, 2004). In order to encourage honest answers, all respondents were assured they would remain anonymous in the reporting of data and sensitive information or identifying details will remain confidential. This helped diminish respondent bias occurring when the participants in a research study fall into a social desirability effect, namely they are inclined to provide "correct" answers rather than truthful answers (Bryman and Bell, 2011). Interviews were conducted at a time and in a place chosen by the interviewees, in a somewhat informal atmosphere, so that they felt relaxed. As well as that, all participants were briefed before the interview, being sent a summary of the main topics to be discussed, to demonstrate that no difficult or sensitive issues were on the interview schedule. Furthermore, during the data generation stage, probing techniques have been used, which also contributes towards obtaining truthful and honest answers, as well as decreasing retrospective bias, which is also inherent in cross-sectional research.

Alongside respondent bias, researcher bias is also a limitation typically associated with qualitative research. Since in this study both data generation and data analysis were undertaken solely by one person, the researcher as a source of potential bias must be acknowledged. As discussed in Chapter 5 of this thesis, constructionism is an ontological position which views reality as subjective and acknowledges that gaining totally objective knowledge of the outer world is impossible (Eriksson and Kovalainen, 2008, Guba and Lincoln, 1994). Thus, from an epistemological point of view, in interpretivism meaning is constructed and created by the social interaction of individuals (Bryman and Bell, 2011) and because the focus is on the understanding of human behaviour (as opposed to explanation), the researchers' influence on the research process is much stronger (Saunders et al., 2009, Bryman and Bell, 2011). One of the

ways in which this study aimed to reduce both respondent and researcher bias was by combining different techniques in data generation, to provide more clarity and to increase the reliability of the data (Ford et al., 2002, Ramos et al., 2012).

A level of objectivity can be obtained in data analysis. Data was treated objectively and the thematic analysis process was conducted by following the six steps outlined by Braun and Clarke (2006, p. 77-78), as described in detail in Chapter 5 (Section 5.7.2). Using this recognised high quality data analysis technique helped in obtaining a true picture of the empirical evidence.

Finally, it is also worthwhile to mention that from a conceptual point of view, there are also limitations associated with some of the concepts employed in this study. Prior research in the domain of networks, relationships and social capital has acknowledged difficulties in terms of ‘measuring’ the effort involved in building relationships and social capital and their subsequent benefits (Adler and Kwon, 2002). Similarly, from an RBV/dynamic capabilities perspective, it is difficult to determine if a specific resource or capability can be fully attributed to a particular relationship or set of relationships (Gedajlovic et al., 2013).

Acknowledging these conceptual issues and their intrinsic methodological implications, this study does not argue that entrepreneurial networking can fully explain the development of marketing capabilities in SMEs, or that it identifies specific relationships as sources of specific resources. Rather, the study argues that entrepreneurial networking, as a capability is instrumental in understanding entrepreneurial marketing in SMEs; in particular the study sheds light on how entrepreneurs can accrue benefits through networking and the implications these benefits have for the development of marketing capabilities in SMEs.

8.6 Avenues for Future Research

No research project can ever answer all possible questions surrounding an academic topic. While interesting and original contributions have been obtained in this study, further research studies can deepen understanding and advance knowledge.

A potentially useful avenue would be to explore the role of macro and micro-environmental factors on the development of entrepreneurial networking capability. For instance, this study has offered a glimpse into the way cultural values and norms impact on the entrepreneurs’ mindset in relation to networking and their subsequent networking behaviour; future research could explore entrepreneurial networking in different cultural contexts, to see if the results differ. Comparison studies across different cultural landscapes could also provide interesting insights. Still at a macro-level, the study was mainly focused on examining the domestic-based networking of entrepreneurs. While several participating entrepreneurs managed businesses with a presence in international markets, their internationally connected network ties were not a focus of this research.

The way these international networks can be leveraged by entrepreneurs to accrue benefits at firm level, and particularly within marketing, require further investigation.

Similarly, at a micro-level, it would be worthwhile to focus on SMEs in particular sectors to obtain an understanding of the role industry factors have on entrepreneurial networking and entrepreneurial marketing and their relationship. Further, as the majority of the entrepreneurs participating in this study operated service-based firms, it would be particularly interesting to conduct a comparative study between service and manufacturing firms, or B2C and B2B firms to explore possible differences in entrepreneurial networking and its influence on marketing. Still at a micro-level, another compelling avenue for future research would be to explore in more detail the role of the networking support organisations in the development of entrepreneurial networking capability.

Further, given that this study confirms the entrepreneurs' attributes as determinants factors for entrepreneurial networking behaviour and the outcomes of that behaviour, future research could pay closer attention to individual factors, such as age, gender, education, experience etc. Each of these factors could be investigated in more depth to further understand entrepreneurial networking, entrepreneurial marketing and their relationship in SMEs. Another interesting avenue for future research at the individual level, would be to investigate the relationship between networking and emotional support for entrepreneurs, particularly given the recent emphasis on entrepreneurial emotion in the academic literature (Cardon et al., 2012, Welpe et al., 2012).

From a marketing capabilities perspective, this study has made a significant contribution by employing a holistic angle on the marketing capabilities of the firm. However, by comprehensively exploring the marketing capabilities of the firm, the empirical insights are limited in terms of the depth obtained in relation to each of these capabilities. While previous studies have examined specific marketing capabilities (Barrales-Molina et al., 2014, Bruni and Verona, 2009, Coviello and Joseph, 2012, Durkin et al., 2013, Evers et al., 2012, Ramaswami et al., 2009, Sullivan Mort and Weerawardena, 2006, Weerawardena, 2003), there is scope to deepen knowledge of the role of entrepreneurial networking for each of these capabilities. As well as that, given the growth of social media, future research could focus more on the differences between online and offline entrepreneurial networking and their role in the development of marketing capabilities in SMEs. Furthermore, while in this study, marketing performance was indirectly implied in the concept of marketing capabilities (see Morgan, 2012), future research can more specifically use marketing performance measures to capture the link between entrepreneurial networking and marketing.

More broadly, while this research has focused on the influence of entrepreneurial networking on the development for marketing capabilities, the study has acknowledged that entrepreneurial networking has a wide impact on the firm, and can thus influence many other organisational aspects. The findings also indicate that entrepreneurs leveraged their network ties to incur benefits in other areas, such as HR and finance,

which have been briefly discussed in this study as having an indirect positive influence on the development of marketing capabilities of the firm (Section 7.4.5). On the basis of this premise, it would also be beneficial to explore the role of entrepreneurial networking in the development of other specific capabilities within SMEs.

Moreover, while this study has focused on the positive effects of entrepreneurial networking, some empirical evidence suggests that networking can also have negative consequences. Consequently, another interesting approach would be to further assess the risks inherent in networks and to determine the conditions under which networking becomes a liability for entrepreneurs, rather than an advantage.

This study can also be expanded from a methodological point of view. This can be achieved with a more extensive data set through further qualitative research, or through quantitative research methods; as well as that, given its complexity, perhaps a mixed-methods strategy may be appropriate in obtaining a better understanding of entrepreneurial networking and its influence on the development of marketing capabilities in SMEs. Alongside extant literature, this study can constitute a starting point in these endeavours, and be employed as a basis for scale development and survey-based research.

Similarly, novel insights could be obtained by generating data from different perspectives. For instance, future studies can use networks as the unit of analysis. The findings of this study have highlighted the special role that small exclusive peer groups play for entrepreneurs. Future research could focus on such a group and exhaustively include all of its members in data generation processes, in order to better understand the mechanism through which entrepreneurs mutually provide and gain benefits that have a positive effect at both personal and firm levels. Another interesting finding of this study suggests that exclusivity is significant in entrepreneurial networks. Albeit limited, some evidence in this study emphasises the important role played by an exclusive, international large peer network for experienced entrepreneurs. These initial findings could be used to further explore such organisations and their role from an entrepreneurial networking perspective.

As already mentioned in Section 8.4, a longitudinal perspective can also complement the current study and extend understanding, in particular in terms of network development and change. As well as that, a longitudinal approach could better ascertain the relationships between networking efforts and their effects/outcomes at firm level, albeit a singular causal relationship would still be impossible to establish. Such a longitudinal approach could also be employed to explore changes in the participating entrepreneurs' mindset and approach to networking. A first round of interviews can act as an "intervention"; similarly, entrepreneurs could participate in educational or consultancy sessions on the benefits of networking and networking strategies. Within a longitudinal approach, a follow-up interview/session could explore the changes (if any) in the participants' mindset and approach to networking.

Finally, a different methodological perspective, such as action research, would also provide valuable insights into the actual processes of entrepreneurial networking. Shadowing entrepreneurs could potentially provide a more accurate account of what really happens in networking situations and how entrepreneurs accrue benefits at firm level.

8.7 Conclusion

This chapter concluded this research by outlining the contributions of this study to the entrepreneurial marketing, entrepreneurship and marketing literatures. These contributions also enable this research to have important implications for practice, policy makers and organisations offering support to SMEs. Based on the contributions and the limitations of the study, several avenues for future research were also outlined.

The findings of this study have revealed the influence of entrepreneurial networking on the development of marketing capabilities in SMEs, and have uncovered the specifics of how entrepreneurs do “marketing by networking”. The study found that entrepreneurial networking, as a capability, is instrumental in understanding entrepreneurial marketing in SMEs, thus achieving the objective set out at the beginning of this research project.

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Appendices

Appendix 1. Email Sent to Recruit Research Participants (Entrepreneurs)

Dear (name of entrepreneur),

My name is Gabriela Gliga. I am conducting research at NUI Galway, as part of a PhD degree. My study aims to gain insights into the networking practice and marketing practice of business owners of small and medium entrepreneurial firms.

I have identified the (x) award winners as an ideal group of successful entrepreneurs, who can provide the answers to my research questions. As an (Award Category Name) winner, I believe you will provide valuable insights for this research.

I am writing to you to ask for an interview over the next coming weeks. All the questions in the interview are about networking and marketing and no sensitive information is required. Confidentiality is guaranteed, as all identifying details will remain anonymous.

I can appreciate how busy you must be, and I hope you will agree to participate in this research. I believe that taking part in this study has the potential to provide some valuable insights to participants in relation to network development and management and marketing.

I am contactable through the email address and mobile number below and I look forward to your reply.

Thank you.

Yours sincerely,

Ms. Gabriela Gliga (PhD Candidate)

Email: g.gliga1@nuigalway.ie

Mobile:

Appendix 2. Outline of Interview Topics

General questions

- Respondent details (name, job title, etc.)
- Company background and history

Networking

- Do you network? How do you network? Why?
- Can you draw a picture of the network in which you work?
- Can you tell me about the relationships you have with those you identified in your drawing?
- Are you part of any groups? / Are there any events you regularly attend?

Marketing

- What does the term marketing mean to you?
- How do you currently conduct your marketing?
- Tell me about your customers, products, pricing, distribution, communicating with your customers, research, brand, planning.

Appendix 3. Interview Consent Form

Many thanks for agreeing to take part in this interview session.

This study is being conducted at the National University of Ireland Galway. My name is Gabriela Gliga. I qualified with a Master of Business Studies Degree from NUIG specialising in Marketing. I am currently studying for a PhD degree under the direction of Dr. Natasha Evers, at NUI Galway.

This study aims to:

- Gain insights into the entrepreneurs' networking practices
- Investigate how networking impacts on marketing in the specific context of small and medium firms.

Before beginning the interview, I would like to emphasise the following points:

- Your participation in this interview is completely voluntary and all identifying details will remain anonymous.
- All the information collected during the interviews will be treated in the strictest confidence.
- With your consent, this interview will be recorded for ease of transcript and used and reported in my dissertation and publications arising from it.

If you agree to proceed, please sign this form to show that you have read its contents and consent to take part in this research. Thank you once again for taking the time to participate.

Interviewee:

Sign/date.....

Interviewer: GABRIELA GLIGA

Sign/date.....

Appendix 4. Interview Schedule

Background information:

Respondent details

- name
- job title and role in the company
- education
- age of the respondent
- occupation prior to becoming entrepreneur

Company background and history

- nature of (business) activities
- size (number of employees)
- number of founders
- date venture started
- how did the venture start

Networking mindset and networking forms and behaviours

- Do you network?
- How do you network?
- What does the term network mean to you?
- Respondents will be asked to draw a picture of the network in which they work.
- Probes
 - Why do you/ don't you network?
 - Network actors - Who is part of your network?
Personal/professional/virtual / State agencies
 - Can you tell me about the relationships you have with those you identified in your drawing?
 - Groups membership - Are you part of any groups?
 - Events - Are there any events you regularly attend? Why?
 - Strength of ties/ Frequency of contact
 - Easy or difficult? / Skills
 - Planning - Are networking activities planned or not?
 - Who is the most important (actor) in your network?
 - Networking outcomes – What comes out of networking? Positive/
Negative

Marketing capabilities

- What does the term marketing mean to you?
- How do you currently conduct marketing?
- Probes on **specialised marketing capabilities**

Product management capability: Can you tell me about the way you make sure that your products and/or services satisfy customers' needs?

Pricing management capability: How do you decide on the price of your products/services?

Channel management capability: Can you tell me the way/s you distribute your products?

Marketing communication management capability: Can you describe the ways you communicate with customers and prospects? Do you use advertising/ PR/ Sales promotions / Mail or Email/ Social media / Events? Anything else.

Market research capability: How do you stay up to date with information on customers/ the market? / Do you conduct any market research?

- Probes on **cross-functional marketing capabilities**

Brand management capability: Tell me about your brand. (How are you different?)

CRM capability: Tell me about the way you identify your customers and the relationship with your customers. (Importance, leverage)

NPD capability: Tell me about new products/services you have launched.

- Probes on **architectural marketing capabilities**

Strategic market planning and implementation: Do you have a marketing plan? What does it contain? How do you come to decide a course of action?

Additional information – Is there anything else you can tell me or would like to add in relation to what we have discussed so far (i.e. networking and marketing)?

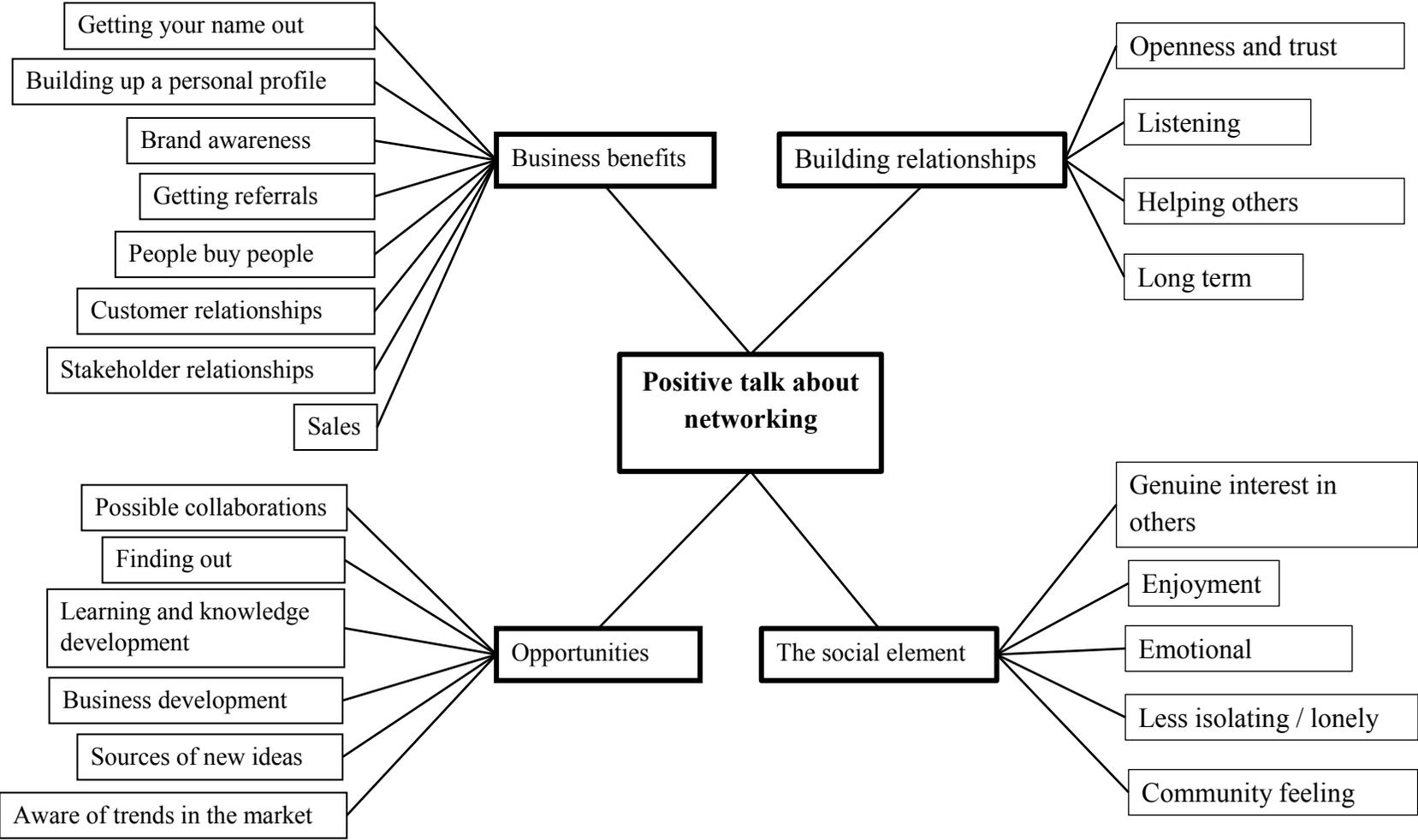
Appendix 5. An Example of the Initial Coding Process

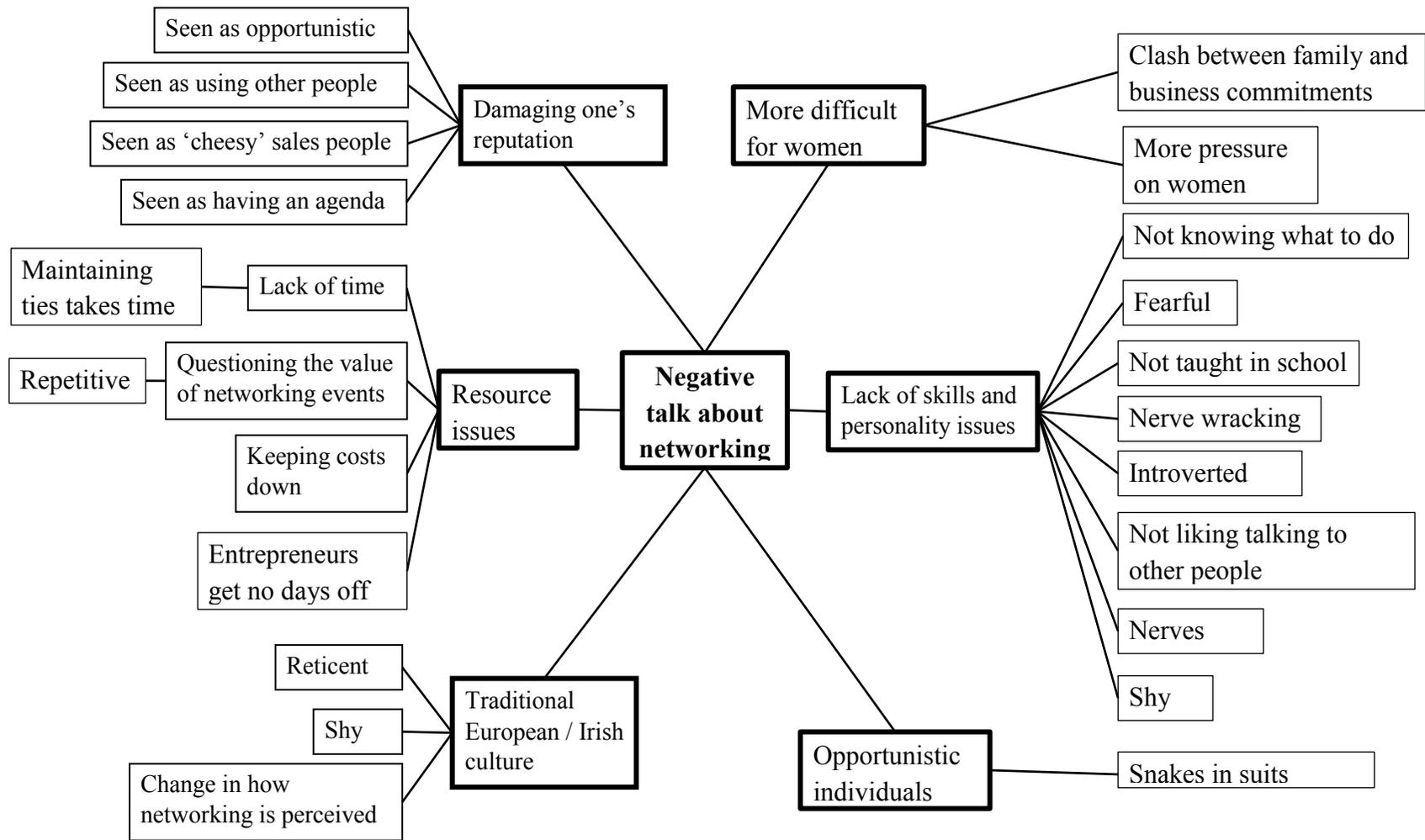
Data extract	<i>Coded for</i>
<p>Interviewer: How do you do it (networking)?</p> <p>Interviewee (12): I don't do it in a hard fast way, if people in America use our software they will use it in a very systematic way, they will generate loads of leads, if you are selling dentist chairs in New York you will attain a list of Dentists in New York and you systematically try to sell to them. Some people do the exact same thing for networking but in Ireland we don't, we don't do it in sales, we don't do the networking, we do it a little bit more Ad hoc we go to a thing we don't systematically assess everybody that is going to be, walk up to them, give them an elevator pitch, leave them with two cards so they have one to give their friends, there's a way of doing that. I probably work the room fairly well but it's just out of curiosity, I ask a lot of questions, some people from other countries probably think I am curious and nosey but I am interested in people and what they do. Sometimes you keep asking questions and if they don't ask questions about me I don't need to tell them about me but if they don't then it starts to feel that I am prying into their personal life and I have to pull back a bit.</p>	<p><i>Planned/systematic networking vs. unplanned</i></p> <p><i>Irish context vs. US context</i></p> <p><i>Ad-hoc networking</i></p> <p><i>Pitching</i></p> <p><i>Business cards</i></p> <p><i>'Working the room'</i></p> <p><i>Genuine curiosity/interest in people</i></p> <p><i>Listening</i></p> <p><i>Personal boundaries</i></p>
<p>Interviewee (17): Networking is the ability to find the right contacts and build on those and if go back to, there is a guy called Marcus Buckingham who said that, now play to your strengths, when a child is born they're all connected up and over time some of these fall away and some get stronger and the ones that get stronger are your natural strengths but a lot of these connections between brain cells aren't used so they fade, so by the time a child becomes fifteen they've got natural talents and they also have things that their very poor at and to use the same analogy for networking, you can network with anybody but you have to be careful, not in a Machiavellian way but you have to be careful to network with those, to make linkages with those who in a symbiotic way can work most effectively with you and you can both benefit from that collaboration so it's to find the network that works best with you. Networking for me: there's two important parts to it, it's about building relationships and it's about collaboration.</p>	<p><i>Networking as ability</i></p> <p><i>A level of deliberation</i></p> <p><i>Analogy between networking and an individual strengths</i></p> <p><i>Deliberate connections</i></p> <p><i>Networking as symbiosis/natural development</i></p> <p><i>Mutual benefits</i></p> <p><i>Networking is relationships</i></p> <p><i>Networking is collaboration</i></p>
<p>Interviewer: Do you have a marketing plan?</p> <p>Interviewee (10): We do, sort of, but it is evolving. I am not a big fan of plans, particularly long written ones. I am more,</p>	<p><i>Evolving, flexible plans</i></p> <p><i>Dislike for long formal plans</i></p>

<p>there is this idea of growth hackers, I am a person who has to keep testing things so I am of two opinions we have something that works, or something that doesn't. We have something that works we should make a process out of it; therefore we should make it work like a machine. If identifying that drawing these circles will work for winning customer I will then find a great way of drawing these circles and we will continue drawing these circles for every more and a day. If we don't have something that works, we have something that might work. I have an idea that drawing a circle might win us a customer so what we have to do is go and test that and we have to do MVP, minimum viable product, testing on it, the lean approach. We have a concept lets go pick up the phone, let's ring ten people, see what happens, what the feedback is like, ok, what did we learn from that? Nothing? Initially we started off and we thought we would build a great product and everyone would come and that didn't happen, we moved away from that and we thought about the SCO and the Ad words and that didn't really work because the volumes of search we had were too low. Every day we would go to work and make a plan, so this is our marketing plan but we are just testing a small concept or idea to see does it float or not, a lot of times it doesn't but we learn something from it and move on. We tried that and that didn't work so we are now trying the more direct thing, which is picking up the phone and ringing people and that has a bit of success. [...] So your question was, do we have a marketing plan, we do but it tends to iterate quickly and change quickly so I haven't sat down, the lads were at it for a while but I haven't even read it. I think they have something in there which is long but I don't believe in those plans so we do quarterly plans, so every quarter we sit down, we define what we are doing for the next three months and then we go at it because it keeps changing. I think maybe as you get bigger as you have more of an organisation you need to have a plan so people know what is going on but because it's so small...</p>	<p><i>Testing/Informal research</i></p> <p><i>Implementing processes for what works (after testing)</i></p> <p><i>Testing concepts</i></p> <p><i>MVP</i></p> <p><i>Informal research for concept testing</i></p> <p><i>Product championship</i></p> <p><i>NPD</i></p> <p><i>Marketing communications online (unsuccessful)</i></p> <p><i>Planning is testing</i></p> <p><i>Learn by doing</i></p> <p><i>Marketing communications – personal selling</i></p> <p><i>Evolving plan</i></p> <p><i>Dislike for long written plans</i></p> <p><i>Short term plans</i></p> <p><i>Changing plans</i></p> <p><i>Firm size influences planning needs</i></p> <p><i>Plans unnecessary when small</i></p>
<p>Interviewer: How have you come up with this?</p> <p>Interviewee (4): The book, I was approached... what I do is I know I have sixty thousand people on Facebook and sometimes I will put things out there that are not true because I want to test the water so last year I put up that I was going to have a bestselling book by the end of the year and thirty thousand people saw that and for all they knew I had already signed a deal, I didn't. I got a phone call the following week from a publisher saying are you interested in doing a book. I'll see how much demand there is and then I'll create the</p>	<p><i>Online marketing communications –social media</i></p> <p><i>Testing the water - research</i></p> <p><i>Using social networking sites to reach prospects</i></p> <p><i>Using social networking sites</i></p>

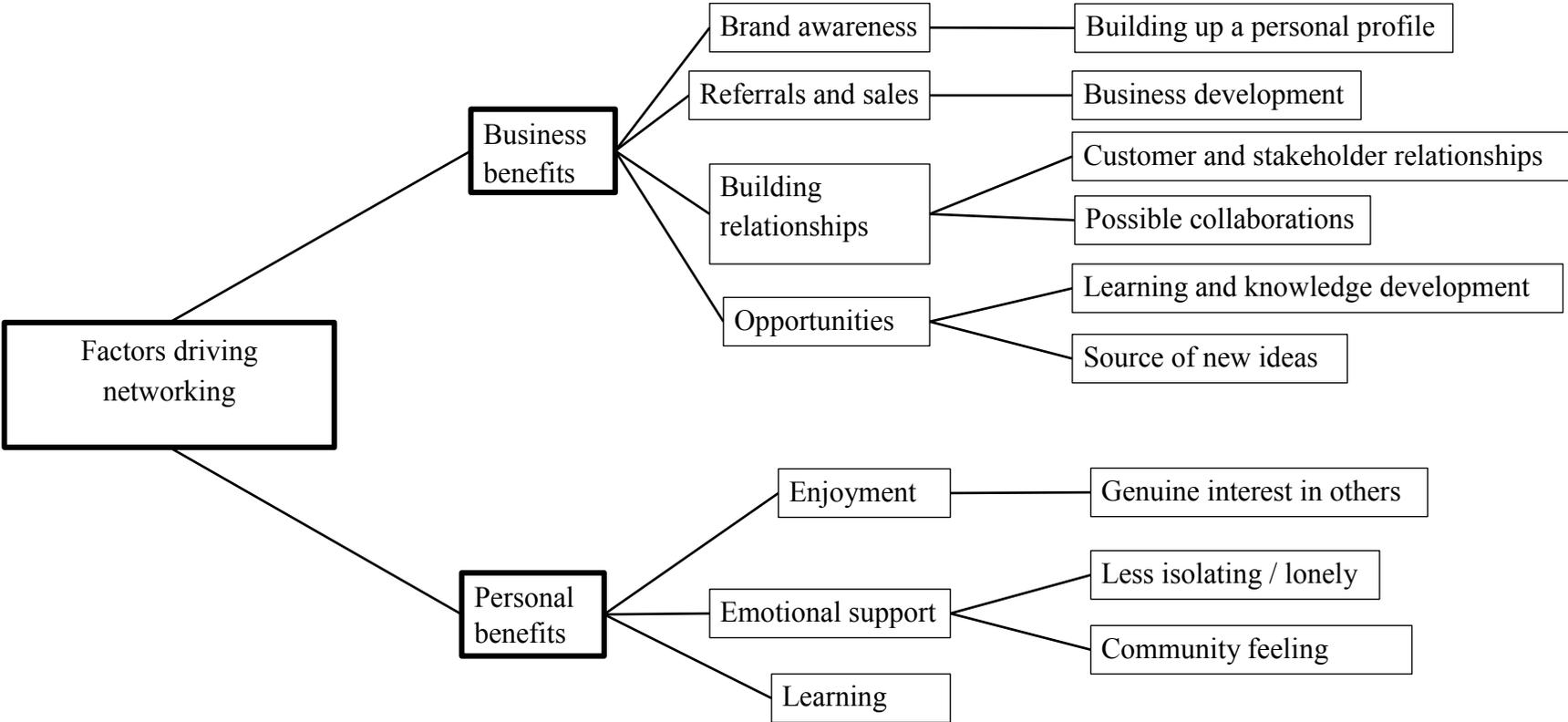
<p>product, the same with the online programme, I will ask if anyone is interested in a programme. With the talks, I was asked to do a talk on the growth of the business and it scared the life out of me and I was nervous and I didn't like feeling that way so I said I would overcome my fear and I am going to do one hundred. I have learnt from doing the talks that it's all about, you know this from marketing, it's all about establishing yourself as the market leader and the expert in the room and there is no better way of doing that than standing up in front of a room full of people.</p>	<p><i>to test demand for NPD/ research</i></p> <p><i>Marketing communications- public talks</i></p> <p><i>Expert image- Personal brand</i></p>
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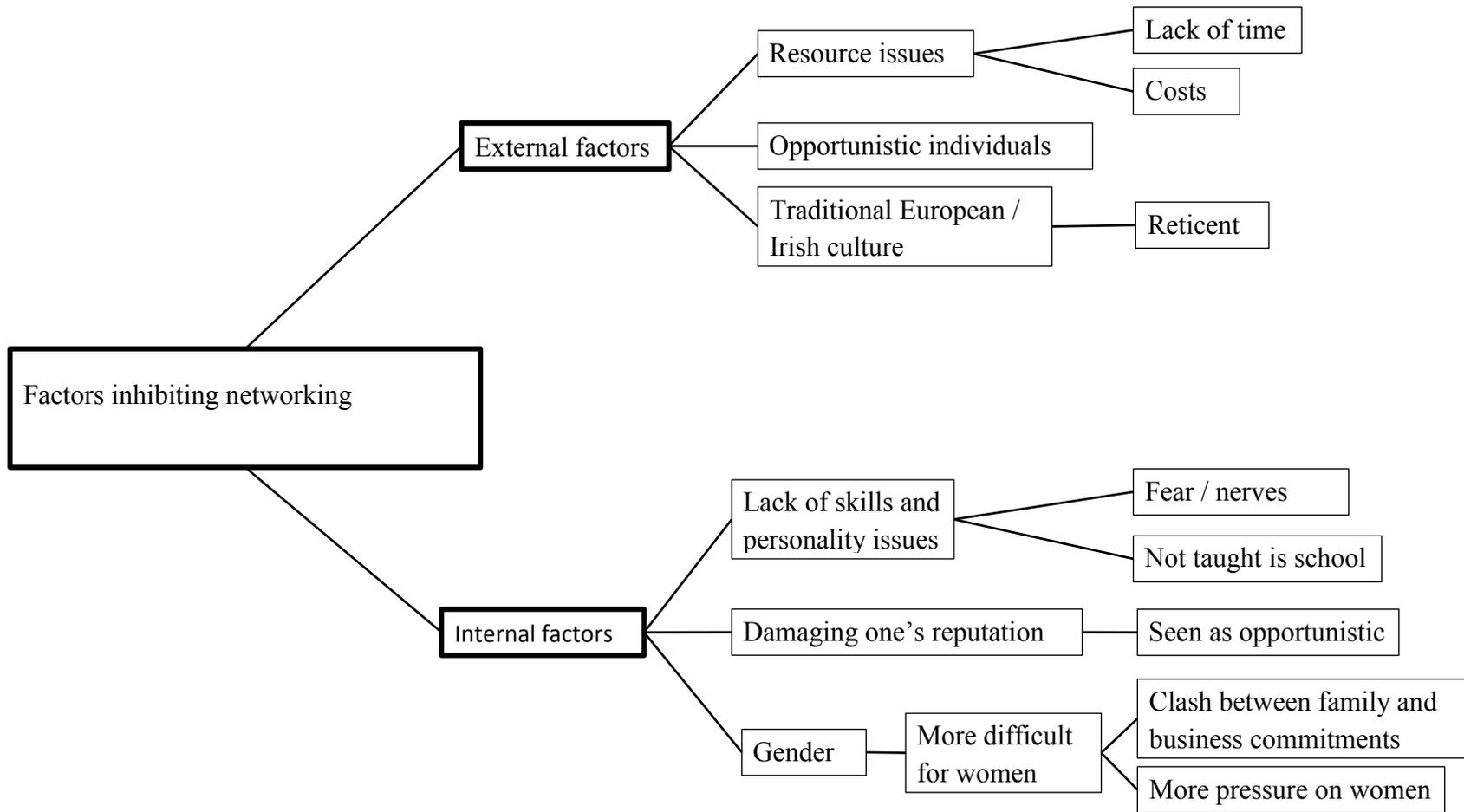
Appendix 6. An Example of an Initial Thematic Map



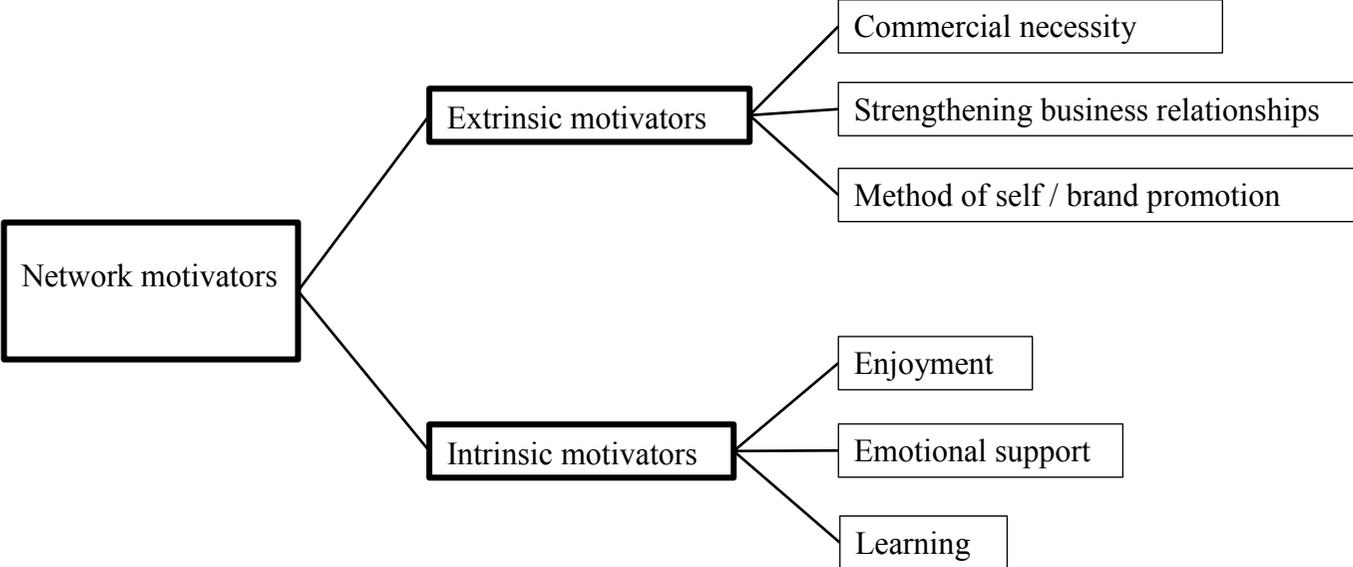


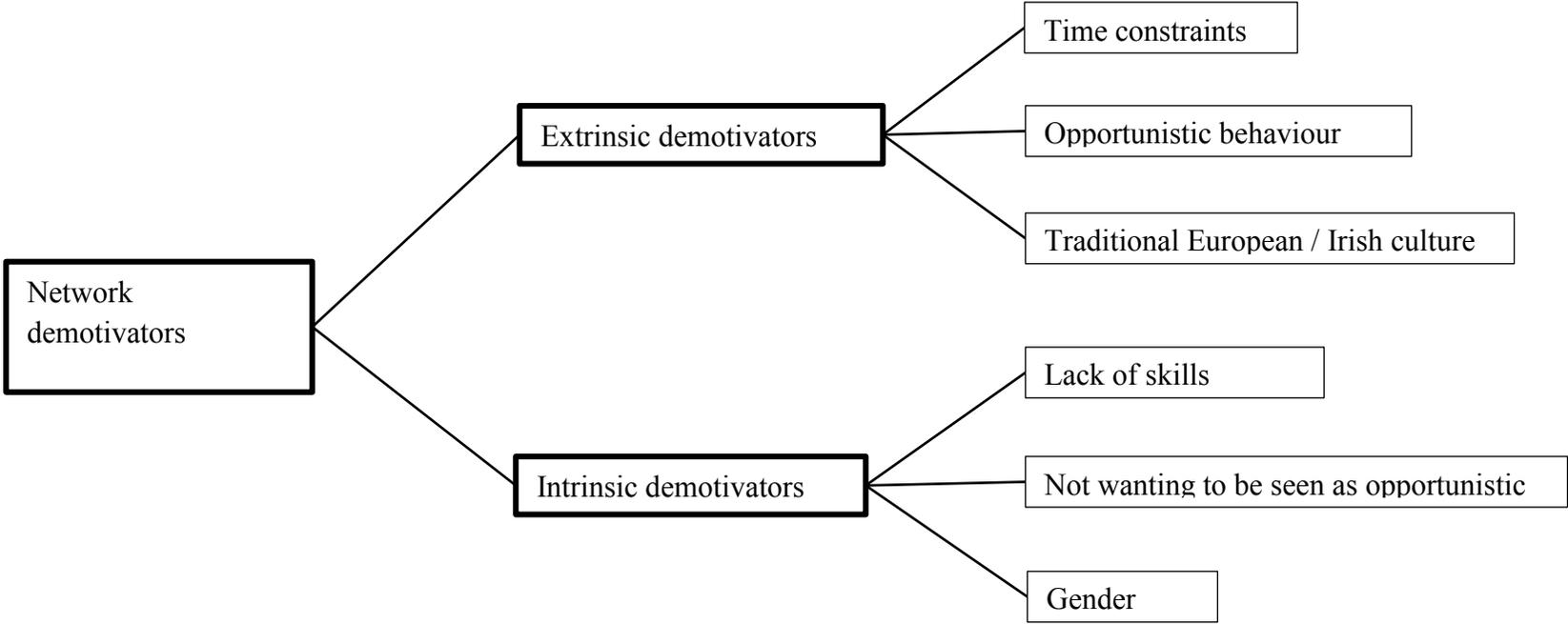
Appendix 7. An Example of a Developed Thematic Map





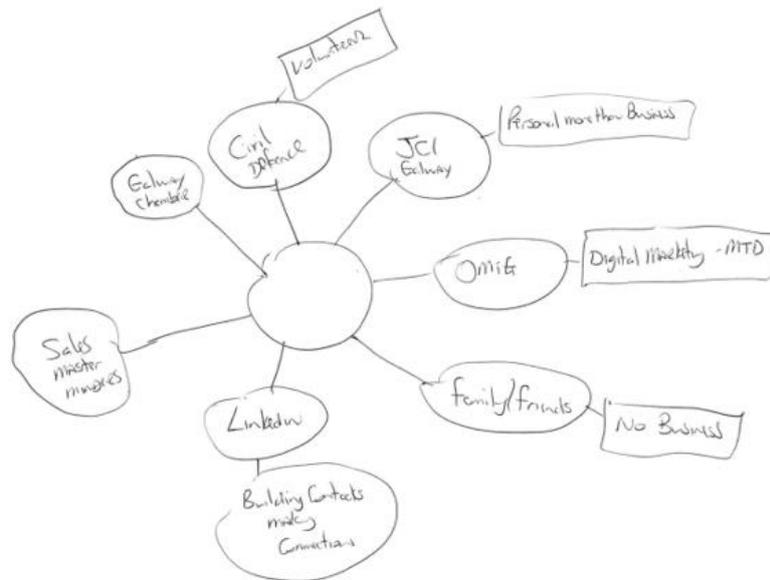
Appendix 8. An Example of a Final Thematic Map



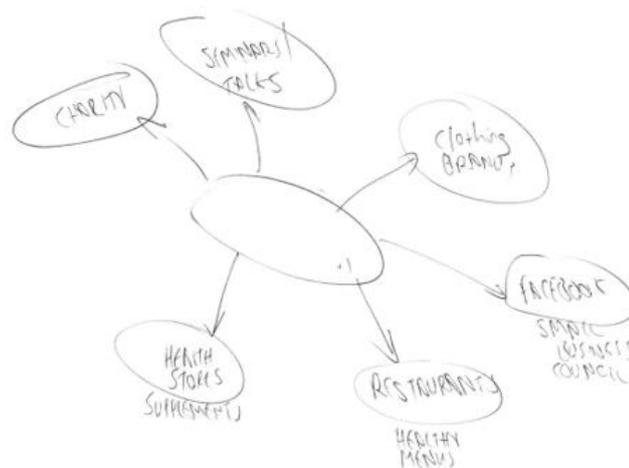


Appendix 9. Visual/Graphic Representations of Networks Produced by Participating Entrepreneurs

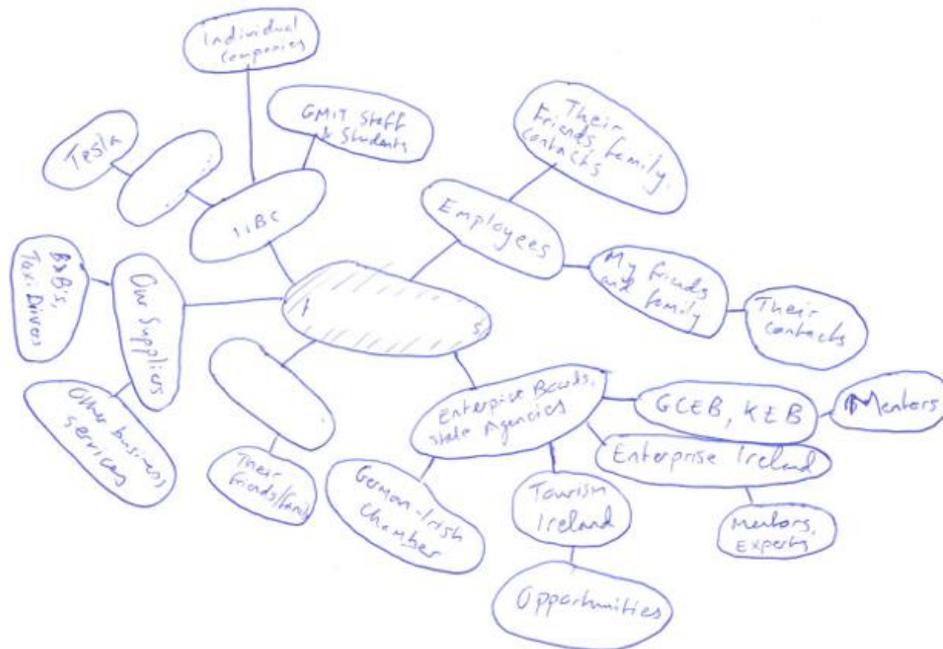
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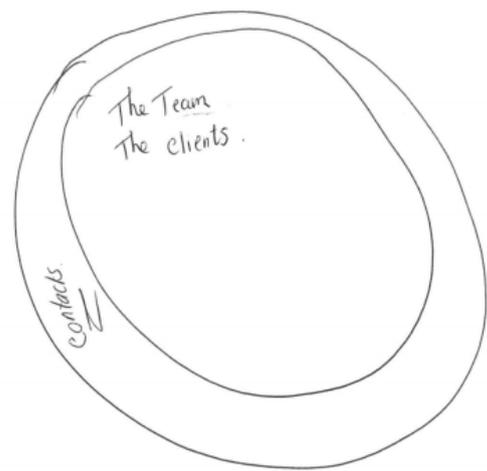
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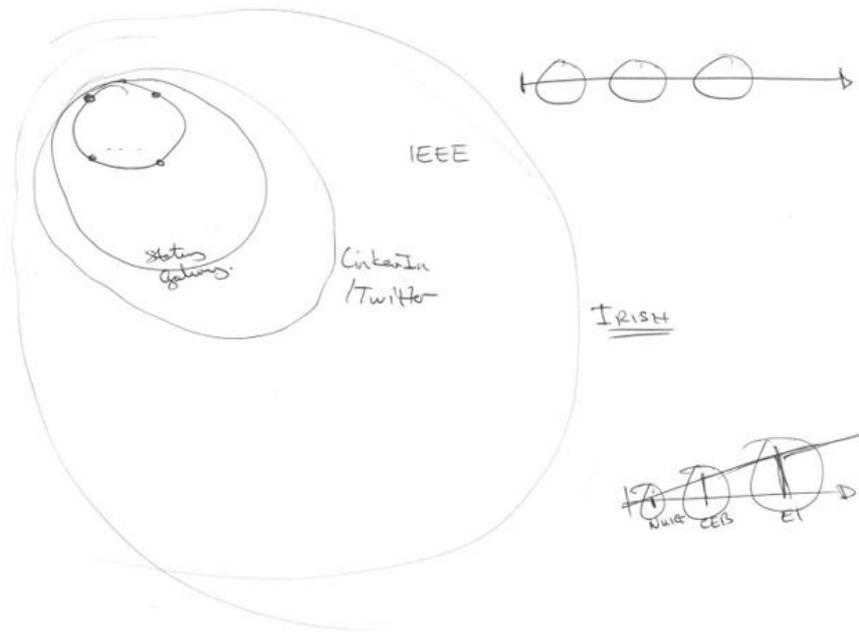
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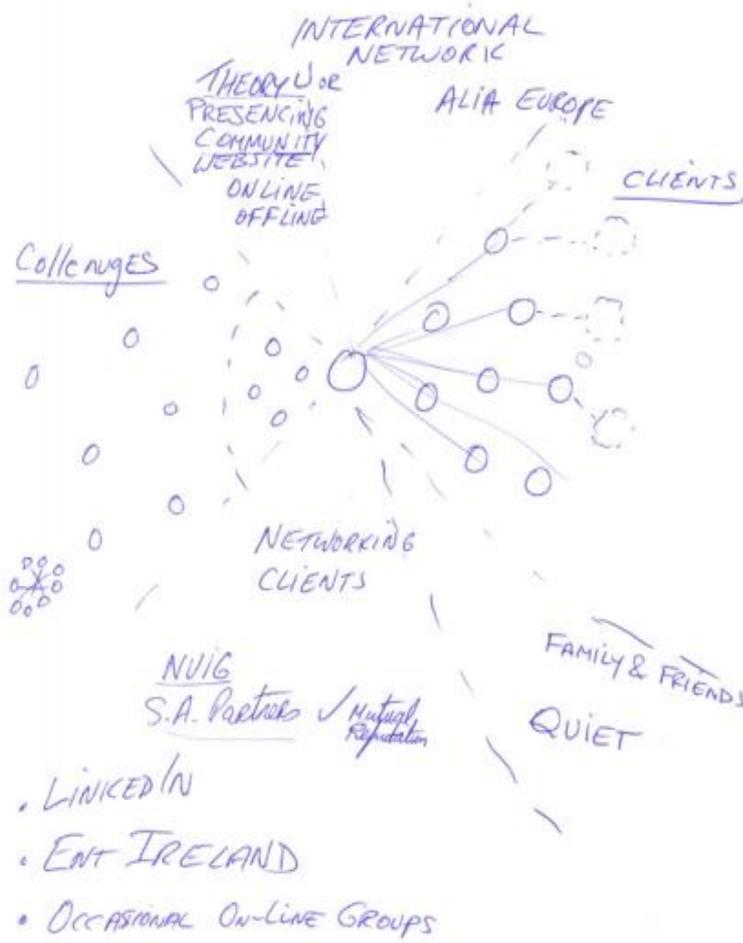
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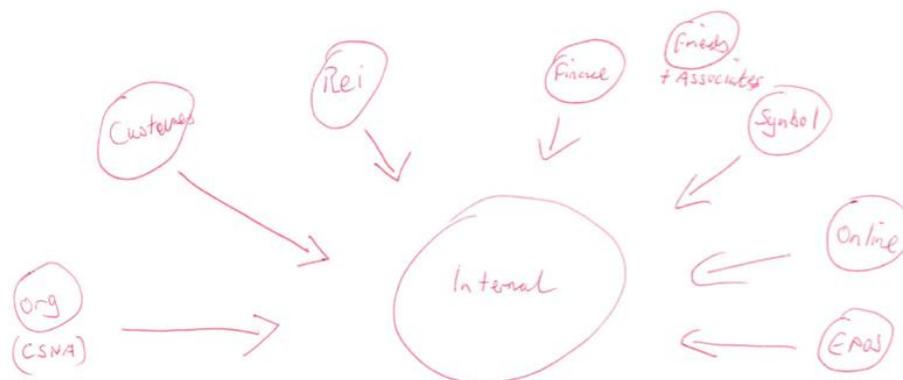
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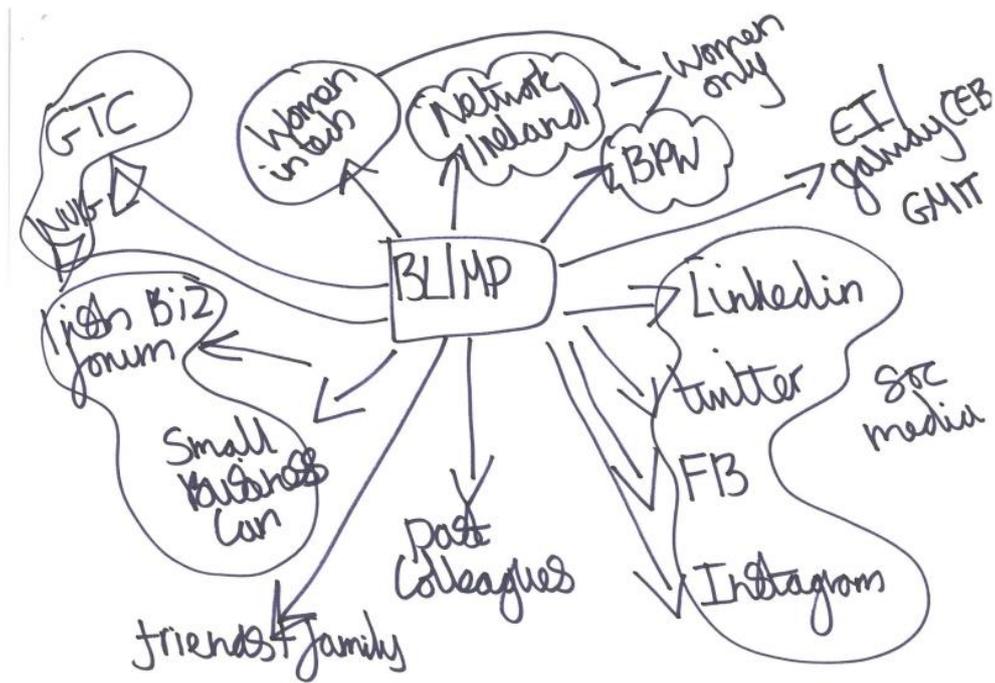
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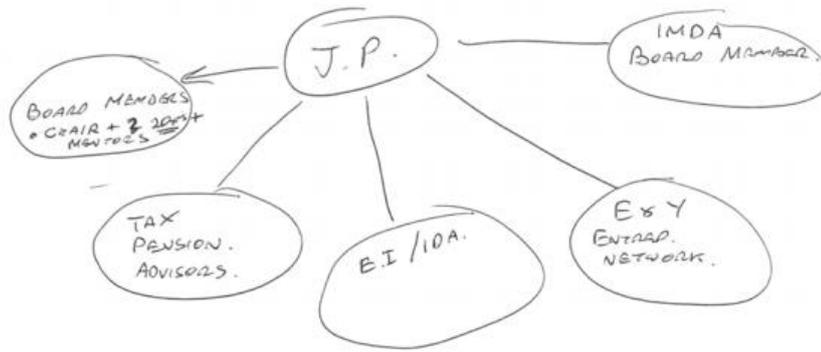
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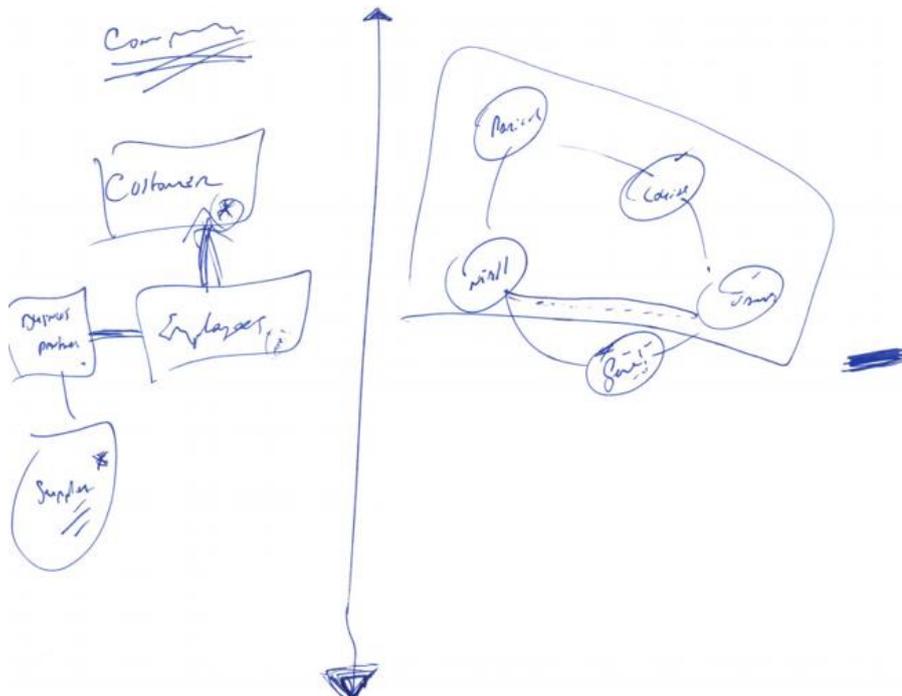
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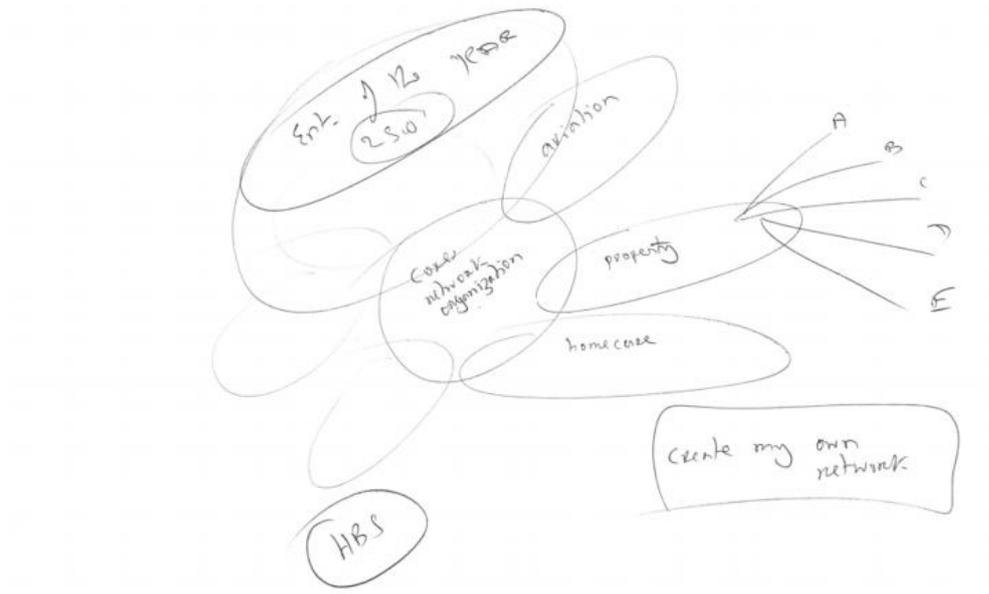
Research Participant 19



Research Participant 20



Research Participant 22



Research Participant 26

