

УДК: 334.722:658.8]:303.72(497.115)

THE INFLUENCE OF ENTREPRENEURIAL MARKETING IN START-UP BUSINESSES, CASE STUDY KOSOVO

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Abstract

Start-ups are the backbone of any thriving economy because they make a significant contribution to both economic growth and job creation. As a result, a policy that encourages the formation of entrepreneurs and start-up businesses contributes to a country's economic development. However, this is based on the assumption that a significant number of start-ups will survive and grow in the market, resulting in economic growth and job opportunities.

Entrepreneurial marketing in start-up businesses takes into account the firm's unique business environment as well as entrepreneurs' innovative, proactive, and opportunistic approach to business. Marketing practices and decision making in start-up businesses appear to be more creative, alternative, instinctive, informal, unstructured, chaotic, and unplanned. In this research, concepts of entrepreneurship and marketing are introduced, explained and followed by a discussion of how they interact. The objective of study was to examine the relationship between entrepreneurial marketing dimensions, start-ups performance measures, examine start-up enterprises' marketing plans in light of entrepreneurial marketing to identify the best ways for their growth. According to the findings of the qualitative study, start-ups have limited government support and a hostile business environment. Although the trend of opening start-up businesses is growing, still it is suggested that the Kosovo government implement effective programs to encourage young people to start their own businesses in order to generate income and job opportunities. For further research, five dimensions of entrepreneurial marketing are recommended: customer, market, entrepreneurial, innovation, and influence orientations.

Keywords: *Entrepreneurial marketing; Innovativeness; Performance; Start-up; Customer orientation.*

Introduction

The study provides the literature with a better understanding of differences between starting a start-up on different state, where the economy is better and the number of start-ups raised from entrepreneurial marketing are higher than in Kosovo. In addition, this research has some practical implications - because we have tested small number of start-ups comparing to the real number, the results may be different from this research paper if we test larger number of start-ups.

Entering a market, creating awareness for a new product/service/business, and then creating the opportunity to close those difficult-to-get first sales are all part of entrepreneurial marketing, (Deshpande et al., 1993; Jaworski and Kohli, 1993; Narver and Slater, 1990). The significance of entrepreneurs and entrepreneurship is widely acknowledged and the ability to operate, and often grow, a business in a difficult business environment is critical for society, (Morris et al., 2002:7). Entrepreneurial Marketing (EM) is a concept that emerged nearly thirty years. For many years, people have debated the fundamental idea of linking marketing and entrepreneurship. Murray (1981) and Tyebjee et al. were among the first to connect the two fields (1983), (Claes M. Hultman, 2010). While the Marketing-Entrepreneurship Interface (MEI) has drawn researchers not only from marketing and entrepreneurship, but also from economics, psychology, and sociology, its evolution is still in its early stages. There are numerous definitions, specific principles in this area are lacking, practical tools are inadequately developed, and there is, unfortunately, no unifying theory. This paper's goal was to examine start-up enterprises' marketing plans in light of entrepreneurial marketing. The mixed research approach was used to analyze a sample of 36 start-up businesses in Kosovo, Prishtina Region. A semi-structured questionnaire with both quantitative and open-ended questions was used to collect the data. SPSS 22.0 was used to examine the data. The results showed that start-up businesses saw marketing as

an essential task for their expansion and viability. Companies are prepared to implement entrepreneurial marketing, and some of the strategies are already being used. We investigated the current start-up marketing scenario.

Literature Review

Initially, entrepreneurial marketing referred to marketing activities carried out by start-ups and small businesses. Empirical studies have revealed a "divorce" between marketing theory and marketing practice in these companies. However, because not all small business owners are entrepreneurs, the emphasis has shifted to the marketing practices of entrepreneurs. According to Schumpeter, entrepreneurs are those who create something new, or those who are alert to opportunities, according to Kirzner (Metcalfe, 2006) Over the past thirty years, entrepreneurial marketing has become an important topic in both academic research and marketing practice. Entrepreneurial marketing is a profession that has emerged as a result of the many similarities between entrepreneurship and marketing. (Gilmore, 2013).

There are numerous distinctions between entrepreneurs and small business (Carland, (1984)). An entrepreneur is someone who manages a business to maximize profit and growth, whereas a small business owner runs a business to meet personal goals and provide income for his family. A small business owner seeks to achieve personal goals (non-economic purpose) that result in an acceptable level of business performance, whereas an entrepreneur seeks to maximize economic performance. Another factor that distinguishes entrepreneurs from small business owners is their attitude toward innovation. Also, in Kosovo the main reason to differentiate entrepreneur from only business owner the attitude toward innovation. So, entrepreneurs are people who look into proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging, and value creation,(Morris, Schindehutte et al., 2002, p. 5). As previously stated, the entrepreneur interacts with its customers directly and frequently. Customers, like acquaintances and family members (who may be involved in business in some way), business partners, and even competitors, are thus becoming part of the entrepreneur's personal contact network. The company makes use of this network of personal contacts. Employees begin to use it to establish business relationships with other companies, gradually expanding it so that the company becomes a part of a larger organizational network. The network concept is borrowed from social anthropology science. To comprehend it, we must first define what it is, what its characteristics are, and what its role is.

Research has shown that entrepreneurial marketing is a critical factor in the success of start-up businesses. A study conducted by Morris, Schindehutte, and LaForge (2002) found that EM is positively associated with the success of new ventures. The authors suggest that the ability of entrepreneurs to effectively market their products and services is critical to the success of their ventures. Similarly, a study conducted by Hills and Hultman (2011) found that EM is a key determinant of start-up success. One key aspect of EM is the use of social media and other digital marketing tools. Start-ups can leverage social media platforms such as Facebook, Twitter, and LinkedIn to reach out to their target audiences and build brand awareness. A study conducted by Chandra and Nejad (2018) found that social media marketing is positively associated with the success of start-ups. The authors suggest that social media can help start-ups to build brand awareness, engage with customers, and generate leads.

Another important aspect of EM is the use of customer feedback to improve products and services. Start-ups can use customer feedback to identify areas for improvement, refine their products and services, and develop new offerings. A study conducted by McAllister, Singh, and Marr (2017) found that customer feedback is positively associated with the success of start-ups. The authors suggest that start-ups that are responsive to customer feedback are more likely to succeed than those that are not.

Based on the reviewed literature and the growing trend of this phenomenon; starting startup businesses in Kosovo, gathered information from the filled (based on primary data) - hypotheses below have been tasted:

H0: Entrepreneurial marketing does not have influence in start-up business

Ha: Entrepreneurial marketing have influence in start-up business

Research Methodology and Data Analysis

In this research paper, SPSS was the program used to analyze the data of descriptive statistics, frequency tables and charts, and the Chi-square test. T-test was used as a method to test the hypotheses. The main objective of this research paper was to examine start-up enterprises' marketing plans considering entrepreneurial marketing. The mixed research approach was used to analyze a sample of 36 start-up businesses in Kosovo, Prishtina Region. A semi-structured questionnaire with both quantitative and open-ended questions was used to collect the data. SPSS 22.0 was used to examine the data. The results showed that start-up businesses saw marketing as an essential task for their expansion and viability. Companies are prepared to implement entrepreneurial marketing, and some of the strategies are already being used. We investigated the current start-up marketing scenario.

The main hypothesis are:

H0: Entrepreneurial marketing does not have influence in start-up business

Ha: Entrepreneurial marketing have influence in start-up business

The hypotheses are tested based on chi-square tests of independence and one sample T-test.

Demographic Data

Table 1 presents the demographic profile of the respondents where 36 respondents participated. Surprisingly, half of the respondents were males and other half females, while in this age group over half (66.7% or 24 respondents) belong to the age group 25-39 years which represents the middle age. The level of education of the respondents was mainly at the Bachelor level, where at this level there are 27 respondents or 75% of the sample. By these results we can conclude that; entrepreneurs which have opened start-up businesses in Kosovo because of entrepreneurial

Question	Frequencies	Percent
Gender	N	%
Male	18	50.00
Female	18	50.00
Age Group	N	%
18-24	8	22.2
25-39	24	66.7
40-60	4	11.1
+60	0	0.00
Education	N	%
High School	2	5.60
Bachelor	27	75.0
Master	7	19.4

Table 1. Demographic characteristics of the sample

Source: Author

marketing are from both genders and from middle age and that the educational level it is not significant factor for deciding to open a start-up business.

In figure 1 it is presented the number of employees of the firms sampled in the research where the dominant number of employees is 11-20 whereas only two businesses have more than 20 employees.

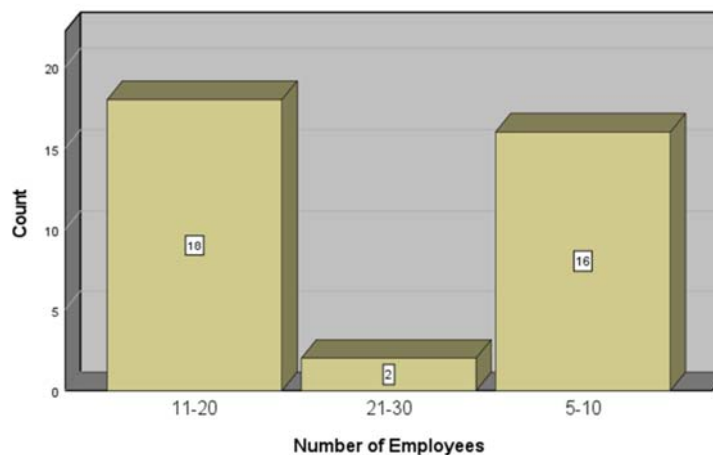


Figure 1: Number of employees

Customer Relationship

Based on the data tested, chi-square is higher than 0.05, so there are no statistically significant differences according to the level of education of the business owner for facing competition, while for the issues presented on the second part, chi-square is lower than 0.05, so there are statistically significant differences according to the level of education of the business owner.

Question	Computer based business	Manufacturing	Sale/Retail	Service	Significant differences
What strategy does your firm use to face high business competition?	Frequencies	Frequencies	Frequencies	Frequencies	Chi-square
Create quality Products	5	6	5	3	P=0.638
Diversity the products	3	1	2	1	
Make interesting products	0	1	1	1	
Pay attention to costumer desires	1	0	4	2	
Does your business have a website?	Frequencies	Frequencies	Frequencies	Frequencies	Chi-square
Committed to the suppliers	2	2	1	2	P=0.262
Friendly services	2	1	1	0	
Good Services	0	4	3	3	
Maintain the trust of consumer and suppliers	4	1	3	2	
Promotional packages	1	0	4	0	

Table 2. Customer Relationship
 Source; Author

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Question	Computer based business	Manufacturing	Sale/Retail	Service	Significant differences
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Does your firm use social media networks to promote its products??	Frequencies	Frequencies	Frequencies	Frequencies	Chi-square
No	0	0	0	0	-
Yes	9	8	12	7	
Does you firm have adequate professionals to develop the marketing sector?	Frequencies	Frequencies	Frequencies	Frequencies	Chi-square
No	0	0	0	1	P=0.235
Yes	9	8	12	6	
How does your firm conduct market observation?	Frequencies	Frequencies	Frequencies	Frequencies	Chi-square
Personally observe the competitors	6	5	7	5	P=0.946
Through informal networks	3	3	5	2	
In what extend does your firm used marketing in the Entrepreneurship development?	Frequencies	Frequencies	Frequencies	Frequencies	Chi-square
Average	2	0	1	0	P=0.369
Excellent	3	1	2	3	
Good	4	6	9	4	
Poor	0	1	0	0	

Table 3. Influence of entrepreneurial marketing in business

Source: Author

Among its main findings, the following are especially relevant to this assessment:

- 55% of businesses base their business strategy on logical goals and objectives;
- 79% of the companies are located in cities;
- 48% of businesses reported increasing sales in 2022 due to the revival of economy;
- The main strategy for business in Kosovo is to improve quality of services/products (47.7%) and reduce costs (19.5%);
- More than 75% of interviewed company owners think that contacts with family, friends and business associations are very important for the development of their business;

Hypothesis Testing

Based on the results of the tests presented above $t=5.93$ and $p=0.004$, we have estimated P less than 0.05 so that we have sufficient empirical evidence to reject the null hypothesis and to accept the alternative hypothesis, so we conclude that entrepreneurial marketing has influence in start-up business.

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Entrepreneurial marketing have influence in startup business	5.932	26	.004	.242	-.10	.24

Table 4. Hypothesis testing

*H0: Entrepreneurial marketing does not have influence in start-up business – **Reject***

*Ha: Entrepreneurial marketing have influence in start-up business – **Accept***

Conclusion

As previously stated, entrepreneurial marketing has yet to define its own paradigm in the last thirty years. The main reason for this was that there was no shared understanding of the concept. So, it is a need still to be research papers based on the differences and impact of entrepreneurial marketing toward traditional marketing.

Even though Kosovo is the youngest state in Europe - has managed to rank alongside the economically developed states as per opening start-ups. Still there are gaps which need to be fixed from the Government in order to attract more entrepreneurs to open start-ups.

The very first action is to;

- a) Institutionalization of Start-up Support programs;
- b) Facilitation of post-graduation support to Start-ups/early growth companies;

Also, based on the data majority of the start-ups businesses find financing from bank – loans, their personal funds or borrowing from family. So, it is a need to be created a fund that would be used from entrepreneurs to open a start-up.

The topic was to identify if in Kosovo exist entrepreneurs that open a start-up business because of entrepreneurial marketing there is still place to identify the marketing strategies that these businesses use to operate.

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