

DEFINING CONTEXTUAL ADVANTAGE: EXPLORING THE CONTEXTUAL RELATION BETWEEN EFFECTUATION AND ENTREPRENURIAL MARKETING FOR CREATING NEW MARKETS EFFECTUALLY

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Abstract

The paper explores the behaviour of the Entrepreneur and the Effectual use of available resources mainly social capital in new market creation. The study dwells on creating a unique 'Context' by leveraging these resources to increase the Entrepreneurial orientation of a firm. The paper further attempts to explore whether the Contextual link between Effectuation and Entrepreneurial Marketing helps develop a 'Contextual Advantage', which can be used as a mean of developing a unique business model which differentiates the firm in the market.

The paper hence explores contemporary theories of Entrepreneurship and Marketing namely Entrepreneurial Marketing, Effectuation and Contextual Marketing by studying their inter-relation. The nature of these theories is underexplored according to the authors and requires further investigation to evolve the field of Marketing and Entrepreneurship.

Keywords: Entrepreneurial Marketing, Effectuation, Contextual Marketing, Entrepreneurship.

1. Introduction

Over the past few decades, the economies of many countries, both developed and developing, have been increasingly driven by a wave of new ventures, nurtured by individuals seeking Entrepreneurship as a way of substantiating ones existence in the economy. However, the competitive business environment of today, makes the task of new venture creation and market identification difficult for Entrepreneurs. Also, educating Entrepreneurs with the 'Traditional or Normative' theories of business results in a cluster of 'homogeneous' Entrepreneurs who all follow the same industrial convention, in process if not in product. This approach the researcher feels curbs innovative or convention breaking behaviour required in developing Entrepreneurship ecosystems. The premise hence is, every individual is unique, hence the 'context' of the individual is unique, and why should the learners be subjected to homogeneous nature of management theories that may not be applicable in the diverse, unique 'contexts'.

Different countries, regions, sub regions, cultures, may have their own Effectual 'Context'. The model that this paper proposes hence supports the very nature of Business

and Entrepreneurs i.e. 'diverse' and hence intends to help the business or the Entrepreneur adapt to change in a better manner. Hence the research is based on the principle of diversity. It has been observed that categorization is a hurdle, whether it concerns with theories of management or Entrepreneurs themselves. The problem with categorization may be that it encourages homogeneity and gives rise to 'convention' to be followed. Whereas Entrepreneurs who want to lead markets, should arguably embrace 'change' according to their own 'context' as an instrument of differentiation and thereby challenge convention.

The broad question then is, what approach can be employed by Entrepreneurs while the firm is being born, which can help early stage Entrepreneurs disrupt markets.

RQ1: Do Entrepreneurs have an explicit business model when they start a new business or do they use Effectual logic?

RQ2: Does Effectuation play a role in creating a new market rather than serving an existing one by increasing the Entrepreneurial orientation of the firm?

This paper explores the methodology of a young Entrepreneur behind new business and market creation by building upon the above critical questions posited by Hills and Hultman (2011).

2. Literature Review

2.1 Need for Entrepreneurial Orientation

Kotler (2003) cited in (Hills & Hultman, 2006) explains, when a business is started by an entrepreneur using his wits they visualise an opportunity and knock on every door for attention. However, he further explains that, later at a more mature stage, marketing practices become more formulated, thereby resulting in the firm losing creativity and passion of the entrepreneurial stage. The focus then, should reside on how to minimize the loss of this Entrepreneurial creativity.

Hamel (2000) cited in Morrish et al (2010) suggests that innovative newcomers can emerge as market leaders through innovation lead by incorporating within the firm and Entrepreneur certain characteristics. Hills and Hultman (2006) have identified certain characteristics of Entrepreneurial firms that prolong the Entrepreneurial creativity as follows:

1. Flexible and customized approach to Market.
2. Speedy reactions to shifts in customer preference.
3. Marketing tactics are often two ways with customers.
4. Planning occur in short incremental steps (tactical).
5. Formal market research is rare.
6. Reliance on intuition and experience.
7. Strives to lead customers.
8. Value creation through relationships and alliances.
9. Vision and strategy are driven by tactical success.
10. Innovation in products, services and strategies.

Although the above characteristics seem like individual list of tasks, they might be a consequence of certain behaviour exhibited by the Entrepreneur and hence reflected within the firm in terms of Entrepreneurial Orientation. The idea can be to match these

characteristics against the elements of Entrepreneurial Marketing to understand whether this disruptive market approach helps the Entrepreneur identify new markets. This can further help conclude whether Entrepreneurial orientation does help create new markets and how.

Table 1: Entrepreneurial Elements v/s New Market Creation Characteristics

Entrepreneurial Elements	Characteristics for New Market Creation
Opportunity Drive	Flexible and Customised approach to markets
Pro-activeness	Speedy reactions to shifting Customer preferences
Innovation focus	Tactical innovation in services to lead customers
Customer Intensity	Marketing that is two ways with customers
Risk Management	
Resource Leveraging	
Value Creation	Value creation through relationships and alliances

Source: Hills and Hultman (2006), Morrish and Deacon (2011)

The above table matches the characteristics of Entrepreneurial behaviour to the elements of Entrepreneurial orientation. It can be observed that there is a fair match between the elements and the characteristics. A flexible approach to markets can provide the Entrepreneur the flexibility to pro-actively identify new opportunities and react quickly to changing customer preferences. This pro-active, opportunity drive can lead to an innovation focus w.r.t products, services and strategies. The innovation focus maybe tactical in nature, driven by small incremental steps, thus the strategy may avoid commitments of time and resources in the long term, aiding the ability to lead customers and possibly resulting in tactical success. The same pro-activeness in customer preferences helps in formulating a two-way (customer driven) strategy, resulting in increased customer intensity. The element of value creation can be addressed by creating values through relationships and alliances. However, there is no clear explanation for characteristics numbered five, six and eight, and it is for this purpose the paper later explores the concept of Effectuation.

The above table proposes that having an Entrepreneurial orientation can boost the chances of prolonged Entrepreneurial creativity within a firm resulting in disruption of existing markets and creation of new ones.

Hills and Hultman (2006) posit that, today many companies operate in a turbulent environment of increased risks and a diminishing ability to forecast. The central aspect of entrepreneurial orientation is the ability to deal with change by having flexibility in market approach and investing in short term tactical success than a long term strategy. Entrepreneurial orientation can help firms use 'change' to ones own advantage (Hills & Hultman, 2010). This approach can negate to a certain extent, the downside of operating in a turbulent market condition. Schindehutte et al (2008) cited in Morrish et al (2010) state that the firms that adopt entrepreneurial orientation are

proactive and innovative and thus seek to lead customers and drive markets rather than reacting to or the same.

Morrish et al (2010) further supports this argument by confirming that Entrepreneurial orientation tends to create competitive advantage that is based on both less costly than the competition and/or much different than the competition, creating an innovative and superior value proposition for both the firm and its customers.

The question that follows is, whether Effectuation necessary to increase Entrepreneurial orientation? This is answered as follows using the Elements of Entrepreneurial orientation and later mapping them against the concept of Effectuation. Entrepreneurial firms according to Morrish et al (2010) arise from an organisational culture that arises from needs, desires and motives of the customer and the entrepreneur- both central drivers in shaping the firms definition, mission, culture, core, the firms' concept of strategy and its tactical processes(Morrish et al, 2010).Effectuation theory discussed below tends to focus on a similar argument.

Also, Carson *et al* (2001) cited in Morrish et al (2010) contend that many elements of Entrepreneurial orientation are derived from 'how the SME's limited resources have constrained ability to engage effective in Administrative marketing'.Effectuation again concentrates on using the constraint of limited resources to ones advantage by Effectual thinking.

2.2 Effectuation

Effectuation theory (Sarasvathy, 2001) is a collection of non-predictive strategies that are primarily means driven (rather than goal driven). Effectuation theory provides evidence that some entrepreneurs use effectual rather than causal reasoning in creating markets for new products. As discussed earlier, the turbulent economic and market conditions prevalent today discourage long term planning due to its volatile nature. This case is stronger when considering young start-ups as it allows the Entrepreneur to optimise available resources and plan short-term tactical successes rather than acquire new resources by investing financial capital and increase risk factor. This paper concentrates on the role the Entrepreneurs personal profile and social network plays in creating a means driven strategy.

Effectual thinking entrepreneurs start with resources currently available to them, where goals are not pre-determined and outcomes maybe one of many possibilities (Morrish, 2009).This helps the Entrepreneur navigate the firm against the risks of sudden market or economic shifts which are resultants of factors not within the control of the Entrepreneur and also allows the owner to react speedily to shifting customer preferences. Based on the effectuation theory the firm designs are reflections of the entrepreneurs' individual situation, in particular who they are, what they know and whom they know (Morrish, 2009). These are the fundamental means or resources entrepreneurs start with, the combination of which determines what type of ideas or opportunities they should pursue (Morrish, 2009). These means reflect the entrepreneurs own traits, tastes and abilities, the knowledge corridors they are in, the social networks they are a part of (Sarasvathy, 2001) cited in (Morrish, 2009).

Adoption of effectuation within entrepreneurial settings means that the decision maker can change goals and can also shape and construct the over time, rather than predicting how the business will capture the market space (Morrish, 2009) thus allowing the firm to react speedily to shift in customer preferences, boosting pro-activity and opportunity drive.

The above arguments provide evidence that Effectuation can possibly drive the Entrepreneurial orientation of a firm and help satisfy most of the elements of Entrepreneurial orientation v/s the characteristics as discussed in table 1. Sarasvathy (2001) has developed the following Principles that feed the Effectual thinking process of Entrepreneurs:

Affordable loss rather than expected gains (Who am I)–family, background, risk taking, self-awareness, finances, uncertainty etc. Knowledge of the same can help set goals that are not returns based, but instead are resource based.

Leveraging contingencies rather than avoiding them (What I know) - not all surprises are bad, it can never be estimated what will become of an idea unless it is out there. Leveraging contingencies by considering self-interests, experience, education, and hobbies. Assuming result can be one of many outcomes.

Partners rather than competitive analyses (Whom I know) - focus on strategic alliances and partnerships within the entrepreneur network to pursue ventures, influence of social network and professional contacts.

Source: Morrish (2009)

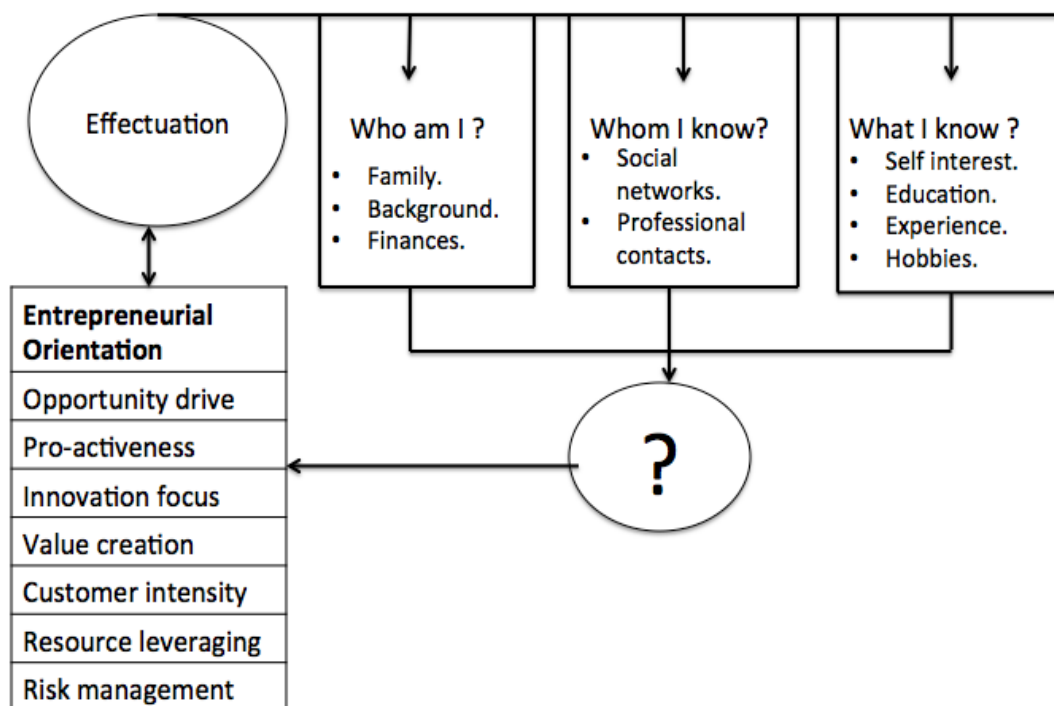


Figure 1: The proposed link

The following figure depicts the relation between Entrepreneurial Marketing elements and the principles of logic of control of Effectuation. The figure sums up the critical review of the literature and the intention of the study by proposing a link between Effectuation and Entrepreneurial Marketing. The discussion on Effectuation highlights the role of the Entrepreneur and the 'context' which consist of Social networks, education, experience etc. which plays a role in defining this context, however the definition of this context and its role in Entrepreneurial orientation is not clear. To gain clarity, it is required to

understand a study by Deacon and Harris (2011) discusses a similar Contextual approach to Marketing which is driven by Effectuation (Deacon & Harris, 2011) as it helps a firm inherit unique complexity by leveraging some of the factors involved in the principles of logic of control. This is discussed further in the paper.

To conclude, although Morrish posits that Entrepreneurial Marketing can be regarded as a form of Effectuation (Morrish, 2009), it may hence be a sequential arrangement while planning a start-up, which goes as follows:

Step 1) Effectuation as a means of developing a 'context' driven business model and increase Entrepreneurial orientation of the firm.

Step 2) Using Entrepreneurial marketing to create new markets and challenge convention in order to carve a niche 'context' for the firm which is 'niche' because the means (Entrepreneur profile and social networks) are unique to the particular firm, and unconventional.

1.3 Contextual Marketing

Deacon and Corp (2004) cited in Deacon and Harris (2011) the small firm sector is highly heterogeneous and complicated with social context with a high degree of individualism, the rationale of the owner is the rationale of the firm and thus the standardised approach to marketing will be limited.

Small firms base their market development activities – arguably all business decisions – on a knowledge that is derived at socially constructed level, echoing what Sarasvathy (2001) suggests. Chaston (2000) also explains the importance of Knowledge network by laying emphasis on replacing an attitude of competing for scarce resources with an orientation driving towards fostering cooperation to ensure effective communication of information to seek innovative responses to market opportunities and deliver new entrepreneurial business strategies. He explains, merely following the industrial convention of quality and service stops the entrepreneurial development of a firm which endangers the company into becoming one among the masses and lose its creativity and differentiation.

To a certain extent, Contextual Marketing, a study initiated by Deacon and Harris (2011) addresses the interface of Effectuation and Entrepreneurial Marketing, however the exact nature of which is explored further in the paper. Deacon and Harris (2011) highlight the central feature of 'Contextual Marketing' concept as 'a situation specific approach, which is contextualised to the individual focal firm and therefore has both uniqueness and inherent complexity'.

Deacon and Harris (2011) to identify certain inter related "essential key factors" which a small firm has to perform to do business.

They explain that these factors range from Explicit to Implicit:

Explicit- the individual personality of the owner/entrepreneur (Gibb & Scott 1985; Chell et al., 1991; Deacon & Corp, 2004) cited in Deacon and Harris (2011), and the influence this trait has on marketing decision making process.

Implicit- the limited resources that are available (Birley, 1982; Bjerke & Hultman, 2002; Sarasvathy, 2001) cited in Deacon and Harris (2011).

The above factors incorporate as said before, an Effectual approach to business. However, one of the purposes of this paper is identify whether these implicit and explicit factors provide the missing link proposed between Effectuation and Entrepreneurial Marketing. The paper also tries to explore this link for a “Contextual advantage” which such a approach can garner to a firm.

2. Research Methodology

The term Research philosophy relates to the development of knowledge and the nature of that knowledge. The Research methodology in this particular study is kept relatively simple and straightforward to avoid the complexities posited by a complex Research method. An Interpretivist approach is utilised in this particular study. (Saunders et al, 2012) says that Interpretivist researchers argue that ‘rich insights into this complex world are lost if such complexity is reduced entirely to a series of law-like generalisations’.

The study hence interprets the meaning behind the activities offered by one firm at one point of time, in order to explore the holistic thought process of the firm by linking Effectuation and Entrepreneurial Marketing on a case sensitive basis, a prequel/foundation to construct future research. The limitations of such an approach are acknowledged by the researcher, however, to understand the marketing in small firms, they need to be viewed through an Interpretivist’s perspective and the outcomes needn’t necessarily be generic in nature or apply to all in the same way, but in turn should be treated on a case sensitive basis. Also, the research is interpretivist because the study takes place among humans who are subject to interpretation for example the entrepreneur/owner/manager/the social context.

In this study, the researcher revisits the role the researcher played as a Co-founder and Head of Marketing at and reflects on the decision making process and Marketing activities. The researcher feels this approach serves as an apt instrument to bridge the academic-practitioner divide. The author experiences his research world as a part of it and thus the researcher becomes a research instrument that can see, believe and relate what he learns and thus gathers and analyse data with clarity of thought to aid the researchers current study at PhD level.

The Research approach used is Inductive in nature; the theory follows the data (Saunders et al., 2012). The study tries to gain an understanding of meaning humans attach to events, in this case Effectuation and Entrepreneurial Marketing, which is planned, implemented and subjected towards humans, by humans.

The data is an auto-ethnographic biography of the researcher gathered from the evidence served during the researchers role as the Co-founder of the firm Maxxcell Institute of Professional studies pvt ltd and hence the data is Qualitative in nature. The role of the researcher with the firm as its Co-founder is purely professional and the relation should be treated as positive as it can help the researcher interpret the information in a better way with thorough understanding of the research subject. The researchers’ role in the decision making of the firm as a Co-founder helps built the context of the study, leading to clarity and accountability of information being obtained.

The research design is ‘exploratory’, which is a valuable mean to ask open questions to self in order to discover what is happening and gain valuable insights about a topic of interest (Saunders et al., 2012), which in this case is Entrepreneurial marketing etc. The research is hence flexible and adaptable to any possible change and should in no means be

considered generic or applicable to multiple firms of similar nature or platform. This study intends to use itself as a Launchpad for further investigation into the contemporary literature that is being discussed.

Systematic analysis of auto-ethnographic biography can lead to the development of theoretical explanations Yin (2009) cited in (Saunders et al., 2012). The researcher intends to ensure relation between data collection (biography) and analysis (Interpretivism) is reflexive and synchronised. The analysis of the biography is done by the researcher through the knowledge gained by the role of a MBA student and a PhD level researcher, working within the Entrepreneurship and Marketing domain. The selected procedure for analysing data is Interpretivism, which aims to relate meanings in a socially constructed way to a previously defined theory i.e. the literature review. The researcher will be objective in collection of data.

2.1 Ethical consideration and issues

In the study, the primary data is obtained from the qualitative auto-ethnographic biography. The interview content is a result of the firms' owners' thoughts and viewpoints and is not altered in any manner to fit the research objective. The researcher shares a personal and professional relationship with the current managing partners being the former co-founder of the firm. Such relationship should not be judged as a case of bias but in turn can be seen as a medium of interpreting and delivering in depth information from a realistic perspective for the cause of research. The data obtained will be only used for educational and learning purposes, in this case the PhD research activities of the author. Care is taken that the data obtained through biography is factual and unbiased, and misuse of any data will be termed unethical.

3. Findings and Analysis

3.1 Examples of Effectuation

According to Sarasvathy (2001) cited in Morrish (2009) effectuation is based on the logic of control "that is to the extent you can control the future, you do not need to predict it". The theory suggests that the future is shaped by human action i.e. the entrepreneur and is concerned with controlling the future rather than predicting an uncertain one (Morrish, 2009). Maxxcellas a firm was a consequence of Effectual thinking of the founding entrepreneurs. The firms strategy was resource based, i.e. the management were aware of the resources available to them in order to venture and they concentrated their decision making on making optimal and effective use of these resources and "create value" rather than concentrating on market forecasting, market research, competitor analyses and market prediction.

From the case study, the use of Effectual logic by the entrepreneurs is very much evident. One way of identifying whether the Effectuation theory applies to Maxxcell is to test it under the principles of logic of control (Morrish, 2009; Sarasvathy, 2001) as follows:

'Who am I i.e. affordable loss -the business venture can be seen as a consequence of what they knew rather than their knowledge of expected returns. They were aware of their own potential; their skills/capabilities through experience and self interests and thus were confident in their approach towards business. The association with known colleagues resulted in an internal trust within the management that also reduced the fear of risk. The family status of the Entrepreneur helped Maxxcell leverage several key relationships that were vital for the success of the business.

‘What I know’ or contingencies – the owner/managers had the knowledge to teach the students through their educational experience so they did not have to increase operational costs by hiring new faculties, they had also worked in a similar business prior to going entrepreneurial, which provided them with vital experience, skills, knowledge and expertise in delivering the nature of service required by their enterprise. The business was a resultant of the passion, hobby and interest and thus end result was not really important, it was something the entrepreneur always wanted to do and thus would do it anyway without bothering about the outcome, thus the outcome was assumed to be a possibility among many. Thus the strategy was tactically altered as per needs of the changing nature of business and consumer behaviour. The strategy appears to be emergent.

‘Whom I know’ or strategic partners fit – The rich social network proved to be critical in identifying opportunities w.r.t targeting the “fringe” market segments, gaining access to key industry elements etc. Both the partners had relationships with strategic partners and the market segment having worked together in the same type of business before venturing. This provided them with a personal relation with key contacts that they could use by themselves without having to establish many new ones. The thorough knowledge of the business sector meant that they could identify strategic partners in colleges and universities to co-create value.

3.2 Examples of Contextual Marketing

Deacon and Harris (2011) highlight the central feature of this concept as ‘a situation specific approach, which is contextualised to the individual focal firm and therefore has both uniqueness and inherent complexity’. The small firm sector is highly heterogeneous and complicated with social context with a high degree of individualism; the rationale of the owner is the rationale of the firm (Deacon & Corp, 2004) cited in Deacon and Harris (2011) thus the standardised approach to marketing would be limited.

The uniqueness and complexity feature of Maxxcell was derived from the fact that the decision-making was based on the personality and behavioural traits of the owner/manager. The owner’s personality and networks were vital in leveraging the key relationships from his personal and social network that helped Maxxcell gain access to colleges quite easily to conduct the seminars and interact with their target segment. The outcome of using these relationships from the owners’ social context resulted in Maxxcell gaining a competitive advantage that was ‘specific’ only to Maxxcell owner/managers without doing any competitor analyses. The thread of decision making applied by the owner/managers became the decision making practice of the firm.

Small firms base their market development activities – arguably all business decisions – on a knowledge that is derived at socially constructed level echoing what is also suggested by Sarasvathy (2001), which are not textbook specific or accepted practices of marketing and thus gives rise to the concept of Contextual Marketing (Deacon & Harris, 2011). The Maxxcell management could form strategic partnerships with key contacts from relationships built on social and professional context. The knowledge network of Maxxcell helped them understand the business better and make optimal use of the same in developing B2B relationships in order to make alliances to form innovative marketing methods. The sharing of information with colleges for seminars (with target segment) and

sharing of resources (students) with MBA colleges to form additional revenue streams helped Maxxcell overcome the scarcity of resources.

The rationale of the owner became the rationale of the firm; the decision-making mechanism was retrospective of the owner/manager behaviour, personality, social awareness, occupation and region. This provided Maxxcell with a unique set of characteristics driven by the entrepreneur. Deacon and Harris (2011) in their study suggest that the nature of SME and micro business industry is heterogeneous; heterogeneous in the sense means that the industry may be comprised of individualised firms. Maxxcell is also individualised within its own context within its business sector. The style of decision making of the owner, the triggers and the situation specific set the business methodology of Maxxcell apart.

3.3 Examples of Entrepreneurial Marketing

The consequence of an Effectuation driven Context is that as a result of increased Entrepreneurial orientation of the firm, the business could create a new, niche market for itself rather than follow the one served by its erstwhile franchisee or its competitors.

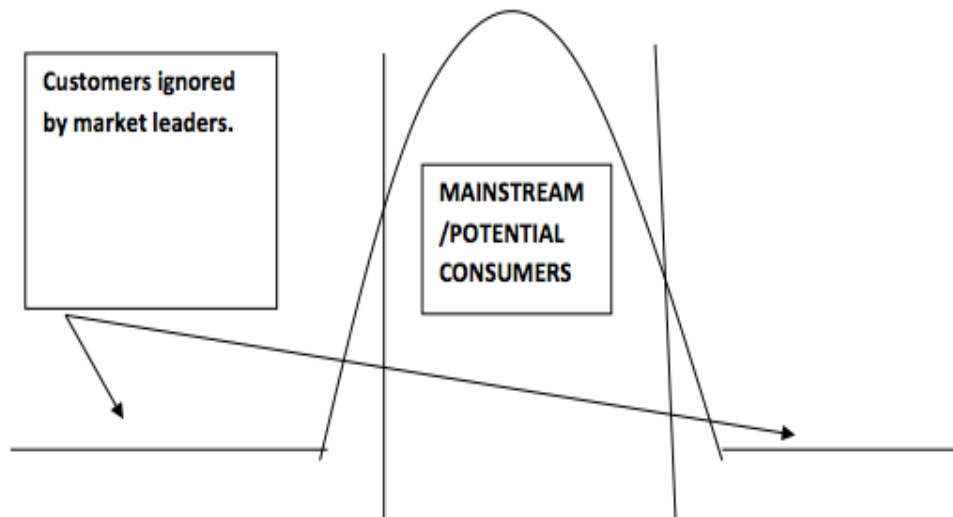


Figure 2: The “Fringe” market

Figure 2 explains that, since the Maxxcell management developed a unique ‘context’ which was driven by their experience as employees of the erstwhile franchisee, their subsequent decision making helped them target the “fringe customers”. This new market of Fringe customers was totally ignored by their competitors. Instead of Maxxcell investing heavily to target the same segment as that of their customers, they used their experience of earlier employment to pro-actively identify a new market segment that became very loyal to the values of the firm and hence ensured a steady business growth.

Maxxcell managements’ opportunity seeking behaviour was dictated by their previous experience within similar organisations they noticed the costs of such services were very high, and the nature of service was highly transactional. They realised that the average local student required motivation on a personal level and also an affordable cost of service, Maxxcell saw gaps in the industry and were opportunistic in filling them with a differentiated service to an entirely new market (Morrish & Deacon, 2011).

Maxxcell used itself as an agent of change (Morrish& Deacon, 2011), they targeted an entirely different segment of students which was ignored by the competitors by understanding the nature and culture of the segment by being pro-active. Their decision making process was tactical rather than strategic and they could alter their products, price, promotion or services effortlessly as they were not committed to a future leaning strategy. The service provided was at a cost developed from customers' perspectives thereby changing the convention of the industrial practice to demand high price for such specialised services (Morrish& Deacon, 2011). They also challenged the assumptions of the industry to use normative advertising techniques by developing an entirely new approach to market using effectual logic (Morrish&Deacon, 2011; Sarasvathy, 2001).

Maxxcell leveraged a very important resource (its customers) by integrating them into their business model by hiring some of their customers as interns for the firm (Morrish&Deacon, 2011). Maxxcell could hence reach their customers through the customers' own medium and alter the culture of their firm to suit the customer better by understanding the customer more personally. In order to manage risks through alliances (Morrish& Deacon, 2011), Maxxcell used networks from their previous employment and background/social standing of the family to reduce both initial investment and to gather resources for the firm for example the initial infrastructure, key contacts in Universities etc. The inherent 'context' of the Entrepreneur (consisting of Implicit factors of Contextual Marketing) helped leverage the Explicit factors (knowledge and social networks) of Contextual Marketing (Deacon & Harris, 2011). The outcome was creation of Context driven 'value' which differentiated the firm from the other competitors and created by creating a unique identity for the firm, as well as a unique value proposition for the customers.

4. Conclusion

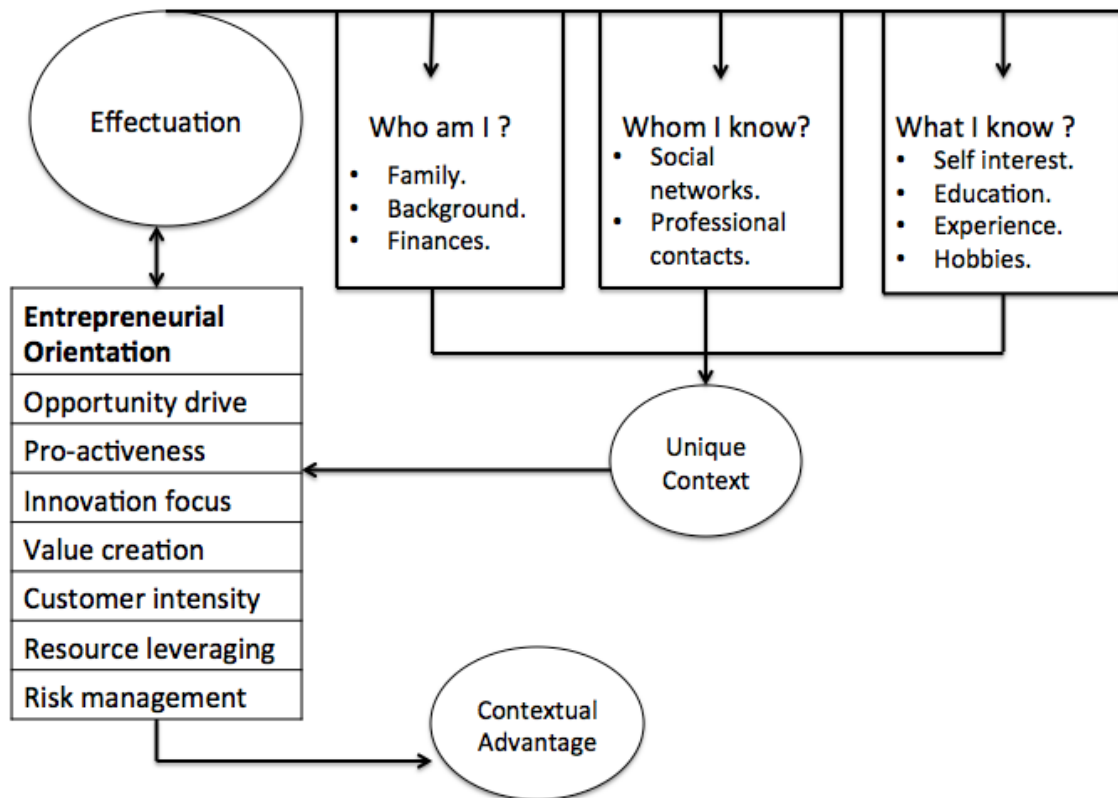
From the analysis, it is evident that employing an effectual logic helped the business increase its Entrepreneurial orientation by helping the Entrepreneur develop a unique "Context" for the business. The principles of logic of control are seen as the source of business incubation instead of an explicit business model. These principles provided the business with knowledge about their existing resources, which were mainly the family, background, education, experience, social-networks, self-interest etc. that helped them gain deep insights into the business that they set up. This insight evidently reduced the complexity of the business decision-making (resulted by causal logic based thought process) thereby allowing the management to focus on Entrepreneurial ways of Marketing than following the normative or traditional industrial practices.

As a consequence of, the outcome was a niche outlook to the business, unique to the firm alone, not easily replicated by others, as the source of this unique inherited complexity was the Entrepreneurial behaviour of the owner/manager, and the social networks/knowledge networks which were specific only to the Entrepreneur resulting from effectual thinking process. This Context instead helped drive the Entrepreneurial Marketing activities of the firm. The knowledge of the principles of logic of control, as evident in the analysis helped the Entrepreneur leverage resources, manage risks and also helped develop innovative practices through existing knowledge, experience and background.

This process then in return created a new "fringe" market than serving existing ones by helping them create a unique position for themselves within the industry, secondly this process also helped the Entrepreneur employ a decision making process which was based

on optimising existing resources innovatively, not by planning long term strategies, but rather by planning short term tactics to allow them to react speedily to shifting market preferences in the future.

Thus it can thus be concluded that a small firm need not necessarily have an explicit business model, nor extensive financial resources to create an innovative and unique position for itself in a competitive industry. Also, the Entrepreneurs need not focus on future leaning strategic thinking which causes increased investments on resources bought keeping the future in mind and compromising the needs of the present, but rather focussing on the present and available resources like experience, knowledge, interests, social networks etc. to create a resource base which is unique to the Entrepreneur and hence the firm. This latter approach as seen can help create a unique competitive advantage for the firm.



The above figure shows the process of the linkbetween Effectuation and Entrepreneurial Marketing, a process which may be treated as a business model, based on a Context i.e. Effectuation driven which consists of the “principles of logic of control” and play the role of optimising the Entrepreneurial orientation of a business or Entrepreneur finally giving birth to “Contextual Advantage”; which may be defined as “the advantage offered to an Entrepreneur or a Business as a result of employing Effectual thinking to create a unique situation for itself in the market based on leveraging of factors like experience, knowledge, background, family, social networks and self interest/passion to increase the Entrepreneurial orientation of a business or decision making process”.

This approach may justify the intent of this paper, i.e. the Effectual development of business models, unique to the ‘Context’ of every Entrepreneur, which in turn drives and defines the Entrepreneurial creativity within the firm to challenge industrial convention by using change as an instrument of advantage.

A further study into this process is advised in order to gain deeper insights regarding the business conditions, behaviour which delivers this “Contextual Advantage” to the firm and the exact nature of the process. As this study is considering one small company at one point in time, the researcher in his current PhD studies is investigating this phenomenon on a larger scale by considering a community of business in order to fortify the results and conclusions. Further research is also required to verify whether such an advantage is more effective in nature than “Competitive advantage”, what are the pre-requisites of this Contextual advantage and whether it is generic in nature or specific only in certain cases. The outcome of this study intends to equip aspiring entrepreneurs with an Effectual context to increase the firms Entrepreneurial orientation and equip the firm with a unique “Contextual Advantage” based differentiation.

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