<http://www.diva-portal.org>

Postprint

This is the accepted version of a paper published in *Journal of Entrepreneurship in Emerging Economies*. This paper has been peer-reviewed but does not include the final publisher proof-corrections or journal pagination.

Citation for the original published paper (version of record):

Mahrous, A., Genedy, M A., Kalliny, M. (2020)

The impact of characteristics of intra-organizational environment on entrepreneurial marketing intensity and performance in Egypt

Journal of Entrepreneurship in Emerging Economies, 12(5): 621-642

<https://doi.org/10.1108/JEEE-08-2019-0115>

Access to the published version may require subscription.

N.B. When citing this work, cite the original published paper.

Permanent link to this version:

<http://urn.kb.se/resolve?urn=urn:nbn:se:hj:diva-48213>

Abstract

Purpose: This study develops a parsimonious framework to examine the characteristics of the intra-organizational environment that enhance the level of entrepreneurial marketing activities, which increase the organization's performance and create competitive advantage.

Design/Methodology/Approach: Data were collected from 300 corporations using a structured questionnaire and were analyzed using path analysis on Smart-PLS.

Findings: The empirical findings show that cooperative competency, institutional support, short planning horizon, and deep locus of planning are positively associated with EM. In contrast, governance and administrative mechanism and planning flexibility are not significantly related to EM practices. On the other hand, EM is positively related to marketing performance and the firm's competitive advantage. Also, it was found that entrepreneurial marketing is positively related to marketing performance and competitive advantage.

Originality/Value: With regard to the intra-organizational environment where entrepreneurs work to create and exploit opportunities, there are many questions that still need to be addressed. Especially, those related to the impact of marketing decision-making, marketing implementation, and marketing effectiveness and control mechanisms on enabling entrepreneurial marketing activities. Therefore, this study identifies the dimensions of the marketing planning environment that enhance the level of entrepreneurial marketing activities, which increase the marketing performance of the firm.

Keywords: entrepreneurial marketing; entrepreneurial orientation; marketing orientation; effectuation approach; emerging economies

Intra-Organizational Environment, Entrepreneurial Marketing, and Marketing Performance

Abstract

With regard to the intra-organizational environment where entrepreneurs work to create and exploit opportunities, there are many questions that still need to be addressed. Especially, those related to the impact of marketing decision-making, marketing implementation, and marketing effectiveness and control mechanisms on enabling entrepreneurial marketing activities. Therefore, this study developed a parsimonious framework to identify the dimensions of the marketing planning environment that enhance the level of entrepreneurial marketing activities, which increase the organization's performance and create competitive advantage. The data were analyzed using path analysis on Smart-PLS. The results indicate that the characteristics and approaches of the marketing planning environment of the high-performing entrepreneurial marketing organizations are: cooperative competency, governance and administrative mechanisms, institutional support for innovation and entrepreneurial activities, planning flexibility, planning horizon, and deep locus of planning. Also, it was found that entrepreneurial marketing is positively related to organizational performance and competitive advantage.

Keywords: entrepreneurial marketing; entrepreneurial orientation; marketing orientation; effectuation approach; emerging economies

Introduction

The application of the strategic planning-business performance paradigm to entrepreneurial firms is controversial (Nijssen, 2017). On one side, the effectuation approach argues that in uncertain environments, the entrepreneurial marketing activities should not be formally planned and organized into a marketing plan. For entrepreneurial marketing initiatives success, marketing implementation can be more important than marketing planning (Kangasmäki, 2014). Entrepreneurial marketing (EM) activities should be flexible enough to cope with the environmental changes and contingencies in order to respond effectively to sudden changes in customers' preferences and interests (Sarasvathy, 2012). Entrepreneurial marketers should depend on exploiting their given means (e.g. skills, resources, talents, networks, etc.), but not putting goals for the marketing activities. They should not put the marketing budget based on the expected return of the marketing activities, but on the affordable amount of loss. On the other side, the advocates of the causation approach for decision making argue that formal business planning help in providing feedback to take corrective actions. More importantly, many changes will confuse stakeholders and exhaust the firm's resources (Garonne and Davidsson, 2011).

Nevertheless, previous studies in the effectuation approach paid little attention to investigating the role of the characteristics and approaches to business planning in entrepreneurial success (Brinckmann and Kim, 2015). For example, Brinckmann et al. (2010) examined the contextual factors that moderate the relationship between business planning and entrepreneurial firms' performance. In addition, Brinckmann and Kim, 2015 studied the relationship between entrepreneurs' cognitive attributes and the use of business planning. However, previous empirical studies did not explicitly investigate the role of the characteristics of intra-organizational environment (e.g. planning flexibility vs. rigidity; formal vs. informal plans) in enhancing/hindering entrepreneurial marketing activities, and hence, in supporting marketing performance and creating a competitive advantage to the firm. Therefore, the relationship between the characteristics of the business planning, entrepreneurial marketing and performance of entrepreneurial firms is still largely unknown (Kilenthong et al. 2016; Garonne and Davidsson, 2011). Therefore, this study will fill this gap by investigating the impact of the characteristics of the intra-organizational environment on entrepreneurial marketing activities and performance. The study draws upon the effectuation approach as the underpinning planning-based entrepreneurial marketing decision making logic to investigate the relationship between the intra-organizational environment, entrepreneurial marketing decisions, and performance in entrepreneurial firms in Egypt. Additionally, the study draws on and extends the strategic planning-performance relationship discourse in the entrepreneurship studies paradigm by providing insights about the characteristics of the business planning that supports entrepreneurial marketing decision making and thus enhance the firm's performance.

Conceptual Framework and Hypotheses Development

The effectuation approach is different from other decision making approaches (i.e. causation), which are linear, goal-driven, and analytics. Effectuation approach argues that entrepreneurs will shift from exploring and exploiting opportunities to co-creating them with committed stakeholders. To illustrate, Sarasvathy (2001, p. 245) stated that *“Causation processes take a particular effect as given and focus on selecting between means to create that effect. Effectuation processes take a set of means as given and*

focus on selecting between possible effects that can be created with that set of means.” Causation relies heavily on the logic of prediction, while effectuation on the logic of control. Furthermore, entrepreneurial firms that adopt causation approach are fully envisioned from the beginning with a detailed well-established business plan. In contrast,, entrepreneurial firms that adopt effectuation approach (managed by expert entrepreneurs) usually start up with general aspirations and with the absence of pre-set model because of the vagueness and unpredictability of the future (Chandler et al., 2011). Read et al. (2016) argue that the effectual reasoning is more compatible with entrepreneurs who do not have the essential resources to start up or even finance their early operations; operate in a highly turbulent hostile environment; but still have tendencies to achieve high results.

Nevertheless, less attention has been devoted to examining the impact of business planning environment on entrepreneurial success in the effectuation paradigm (Garonne and Davidsson, 2011). It is important to understand how entrepreneurial firms make decisions under uncertainty and ambiguity in order to explain entrepreneurial success (McVea, 2009, p.491). Therefore, the following subsections discuss a parsimonious framework for the factors associated with marketing decision making in entrepreneurial firms and their impact on the level of entrepreneurial marketing. These factors fall under six categories: cooperative competency; governance and administrative mechanisms; institutional support; planning flexibility; planning horizon; and locus of planning. The following subsection begins with discussing first entrepreneurial marketing and then the factors arguably associated with it.

Entrepreneurial Marketing (EM)

Uncertain environments are characterized by high technological change and volatile customer needs. Firms operating in such uncertain environments suffer from low or no economies of scale, time and resources constraints, no existing market(s), no brand/or corporate image, and lack of managerial expertise (Whalen et al., 2015). In such environments, adopting traditional marketing (TM) strategies are ineffective in achieving desirable results or even an organization’s objectives (Whalen et al., 2015). Therefore, entrepreneurial marketing (EM) emerged as an alternative to TM (Whalen et al., 2015; Hisrich & Ramadani, 2017).

EM was earlier perceived as low-cost marketing or alternative marketing (e.g., Guerilla Marketing, Buzz Marketing), and thus, it was first considered as a small-business or newly established firms' marketing strategy because it helped those firms to achieve their goals with limited resources (Hisrich & Ramadani, 2017). However, due to its effectiveness, EM is now adopted by all organizations; either large-sized enterprises or SMEs, for example, large-sized companies such as Nike and Coca-Cola are heavily using Guerrilla marketing campaigns to attract attention to their brands (e.g., Crashed Nike Ball at www.creativeguerrillamarketing.com). Therefore, many organizations are using both TM and EM to achieve their objectives, especially because most organizations operate in volatile environments that mandate the use of EM (Hisrich & Ramadani, 2017; Hills and Hultman, 2011b; Morris et al., 2011).

EM is the integration and interpolation of entrepreneurship and marketing, and therefore, is defined as "the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation" (Morris et al., 2002, p. 13). Accordingly, EM focuses on the complex use of different and new marketing strategies and techniques to proactively create or exploit opportunities through

innovation and value co-creation at all business levels (Whalen et al., 2015). EM is different than TM. EM creates new markets, while TM serves existing markets. From a tactical perspective, EM has an interactive marketing approach and doesn't fit with the 4P's model as TM. Last but not least, TM follows a top-down planning approach, while EM follows an opposite approach. Entrepreneurs start with an idea, turn it into a product, and then find a market for this new product (Hisrich & Ramadani, 2017).

EM is not a dichotomous variable or either/or phenomenon. Rather, it is a progressive variable (O'Cass and Morrish, 2015). In addition, Covin and Slevin (1991) argue that entrepreneurial organizations are those that their entrepreneurial activities are recurring. Nevertheless, few types of research have explored the intensity of entrepreneurial marketing behavior of organizations or investigated the factors that affect the level of entrepreneurial marketing intensity. The premise of entrepreneurial marketing intensity (EMI) is that firms are in better position if they focus on serving different market segments or niches with frequent product innovations and improvements. This EMI strategic orientation will lead to a more sustainable performance. In line with the entrepreneurial intensity stream of literature, EMI is viewed as a linear combination of "degree of EM," or the extent, to which marketing behaviors are innovative, risky and proactive, and " frequency of EM," or the repetitiveness with which entrepreneurial marketing behaviors occur (Morris, 1998). Therefore, EMI represents a function of the degree and frequency of EM that firms produce. This does not mean that EMI requires more of the three dimensions of innovativeness, risk-taking, and reactivity, rather EMI means that there should be a balanced mix of all of those three dimensions. The ideal mix is contingent upon the situation (e.g. firm and industry-related characteristics). The study of EM is relatively novel, yet a body of studies is beginning to accumulate (Hills and Hultman, 2011b). Therefore, this study aims to contribute to this body of literature by examining the marketing planning environment that increases the level of EM behavior.

Marketing Planning Environment

Cooperative competency

Cooperative competency was first coined by Sivadas and Dwyer (2000) which refers to coordination and communications between organizational units or functional departments within the organization. These cooperative efforts help in disseminating new innovative ideas (i.e. new products, new marketing campaigns) and in generating support among different levels of the organization (Galati and Bigliardi, 2017). We argue that Cooperative competency ensures the interconnectivity among different functions and organizational units, which eliminate the gap that usually exists between the innovation, operations, and marketing functions. Thus, the firms' organizational units usually take decisions that complement other units' decisions. Hence, such cooperative competency ensures high levels of EM.

H1: EM is positively associated with cooperative competency.

Governance and Administrative Mechanisms

Governance and administrative mechanisms, which refer to the intra-organizational procedures, policies, and rules (e.g. formal/informal planning, centralized/decentralized decision making, information sharing mechanisms) are used to ensure that the organizational activities are in the direction of reaching the organizational goals and objectives (Windsperger et al., 2017). It has been long

argued that traditional and formal governance mechanisms are negatively related to entrepreneurship in large established firms (Zahra, 1991; Hisrich & Kearney, 2012). Additionally, for young entrepreneurial firms, it was found that traditional governance mechanisms hinder entrepreneurial activities (Atinc et al., 2017).

However, Brinckmann et al. (2010) indicated that planning is beneficial but there are contextual factors that moderate the relationship between planning and entrepreneurial activities such the age of the firm and cultural environment. Moreover, Antoncic & Hisrich (2004) indicated that there is a non-linear relationship on an inverted U-shape between control and entrepreneurship. In other words, there is a positive relation until a specific level of formal control; thereafter that level turns into a negative relationship. In the same vein, we argue that high levels of formal governance and administrative mechanisms impede the firm's entrepreneurial marketing levels. Hence, we hypothesize that:

H2: EM is negatively associated with governance and administrative mechanisms.

Institutional support

The success of entrepreneurial activities has largely been argued to depend on institutional support that entrepreneurs manage to leverage (Yao et al., 2017). Institutional support is defined as the corporate parent's senior-level executives' willingness and encouragement to facilitate entrepreneurial activities within a firm (de Villiers-Scheepers, 2012; Garrett & Neubaum, 2013). It is also defined as the training and trust supported to the individuals within the firm to recognize market opportunities (Antoncic & Hisrich, 2001). Management support for entrepreneurship takes many forms. For instance, it includes participating employees to make and implement decisions regarding their work, in order to realize their ideas (Lumpkin & Dess, 1996; de Villiers-Scheepers, 2012); the rewarding system should be based on the effort and performance exerted (Hornsby *et al.*, 2002); offer time to creative and innovative highly performed employees to work on their projects and ideas without any burden of routine workload (Burgelman, 1984); provide the required resources and people, and institutionalizing the entrepreneurial activity within the firm's system and processes (Goodale *et al.*, 2011); and tolerating risk taken by employees (Hornsby *et al.*, 2009). Therefore, institutional support has been found to have a positive relationship with entrepreneurship in established entrepreneurial firms (Hornsby *et al.*, 2002; Alpan *et al.*, 2010; Goodale *et al.*, 2011; de Villiers-Scheepers, 2012; Garrett & Neubaum, 2013). Hence, it is argued that firms should have an internal entrepreneurial supportive environment in order to boost its marketing entrepreneurial efforts and activities.

H3: EM is positively associated with institutional support.

Planning flexibility

It refers to the capability of the firm to change its plans as the opportunities and threats in the environment emerge (Li *et al.*, 2009). Hills and Hultman (2011a) argue whether marketing strategies should be more flexible under high conditions of uncertainty. The effectual logic of decision making supports a relationship between planning flexibility and entrepreneurial activities success (Saravathy, 2007). Entrepreneurs have to deviate from formal market plans to exploit market opportunities or to manage unexpected changes in the marketplace. Therefore, It has been theorized that the firms that are operating in a complex environment

accompanied by high conditions of uncertainty, should have a higher strategic flexibility in their planning systems (Barringer & Bluedorn, 1999). Consequently, this requires the firms to adapt their plans according to the changes in the environment and continually pursue opportunities and lead the market (Noke & Mosey, 2017). Furthermore, Garonne & Davidson (2011) argue that at the early stages of a project or a new venture a degree of planning flexibility is beneficial to cope with the uncertainties surrounding the project or new venture. Murimbika & Urban (2014) argued that high degree of planning flexibility would increase the firm to be strategically responsive to changes in the environment. Therefore, we argue that:

H4: EM is positively associated with planning flexibility.

Planning horizon

It refers to the length of time needed for conducting a plan (Helou, 2017). Entrepreneurial firms tend to have short planning horizon (i.e. less than five years), because they are operating in a volatile and high certain environment, which change frequently, and the nature of its product life cycle is short (e.g. computer software and fashion industries) (Helou, 2017; Hills & Hultman, 2011a). Conversely, 'long' horizon may be optimal for conservative firms, which operate in a stable and mature environment that have long product lifecycle (Barringer & Bluedorn, 1999). Accordingly, it is argued that firms that plan for long horizons probably lose market opportunities, because they will not be able to respond quickly to changing market needs. This will lead to ineffective entrepreneurial practices as well as inefficient entrepreneurial marketing intensity. Hence, we argue that:

H5: EM is negatively associated with planning horizon.

Deep locus of planning

Locus of planning is defined as "depth of employee involvement in a firm's strategic planning activities" (Noke & Mosey, 2017, p.50). Specifically, it indicates the degree to which the lower managerial levels and employees are involved in developing the firm's strategic planning (Helou, 2017). Organizations can be characterized by having either *deep* or *shallow* locus of planning. A *deep locus of planning* refers to mid-and low-managerial levels involvement in the strategic management processes of the organization (Noke & Mosey, 2017). The widely known strategic management processes are strategy formulation (or planning), strategy implementation, and strategy evaluation (David & David, 2015). It allows front-line employees and their supervisors (i.e. low and/or middle managerial levels) who are the closest to customers to take a part in the firm's strategic management process, which can facilitate new product development (Li *et al.*, 2009); improve the marketing offerings; and better satisfy customers' needs. It increases the number of strategic alternatives that the firm considers when formulating its strategic plan (Helou, 2017). Moreover, in today's globalized hypercompetitive environment, the deep locus of strategic planning became more crucial if the firm would like to stay ahead of the competition and gain a competitive edge (Antoncic & Hisrich, 2004). In contrast, the *shallow locus of planning* refers to the involvement of top managerial levels in the firm's strategic planning while ignoring the lower managerial levels and employees (Murimbika *et al.*, 2014). Hence, it is argued that enabling low managerial levels (who directly interact with the market/customers) to participate in the firm's strategic plan will result in a more reflective and market-oriented strategic plan. Such

connection between the firm's strategic planning and the market trends and/or customers' needs enhances the firm's entrepreneurial marketing practices and competitiveness. Accordingly, we hypothesize:

H6: EM is positively related to deep locus of planning.

EM and Marketing Performance

The positional advantage theory indicates that "A firm's unique resources and capabilities engender positional advantage in the marketplace" (Jogarathnam, 2017, p.1). Entrepreneurial firms usually add value to their customer and retain them through adopting acceptable levels of innovativeness, proactiveness, and risk-taking. Moreover, effectual entrepreneurial firms usually focus on identifying their customers' latent needs. Consequently, this leads to meeting their customers' expectations and ensures a competitive advantage for the firm (Jones *et al.*, 2013; Miles *et al.*, 2015; Whalen *et al.*, 2015). In addition, EMI helps the firm to differentiate its market offerings and retain that differentiation through the frequency of market initiatives that meets customer needs (Haag & Cummings, 2013). Hence, it is argued that EMI should lead to a competitive advantage (Morrish, 2011). However, this relationship is still arguable, especially in an emerging market with vulnerable demand. Accordingly, we hypothesize:

H7: EM is positively associated with the firm's marketing performance.

H8: EM is associated with the firm's competitive advantage.

Methodology

The population of this study includes all medium-sized entrepreneurial manufacturing firms (no. of employees ≥ 500) operating in Egypt during the period of study (2015/2016). The rates of patent rights registered per industry were used to identify firms engaged in entrepreneurial marketing activities. Accordingly, the Egyptian industries which have a high level of innovations are: Engineering and home appliances, Information and Communication Technology (ICT), Food and Beverage, Chemicals, Furniture and Decoration, Clothing, and Smoking (Patent Office, Academy of Scientific Research and Technology, 2015). Nevertheless, there is no comprehensive list for all medium-sized companies in these industries. Hence, a convenient sample of 200 firms was drawn from the research population. The sample size was determined in light of the path analysis sample requirements and resources availability. Data were collected from the R&D, or the marketing manager using a structured questionnaire via face to face interviews. After three months, 171 responses were collected representing a response rate of 85.5%. The age of the firms in the sample is almost equally distributed with 52.5% are 21 years or less and 48.5% are more than 21 years old. Also, the sample is distributed as follows among the high R&D industries in Egypt: Engineering and home appliances (33.3%), food and beverage (34.2%), Chemicals (13.3%), Furniture (11.7%), Clothes (5%), ICT (1.7%), and Tobacco (0.8%). The research constructs and their measures are presented in the appendices.

Findings

Measurement model

The Partial Least Square approach of the Structural Equation Modeling (PLS-SEM) was used for the data analysis. All the measures were subjected to confirmatory factor

analysis (CFA) using Smart PLS 3.2.4 because: (1) it shows reliable results with small sets of data; and (2) it is good for theory development (nascent theory) like Effectuation theory and entrepreneurial marketing concepts (Hair et al., 2014; Ringle et al., 2015). Moreover, validity and reliability have been tested in this study. Table.1 reports the associated composite reliability, AVE, and Cronbach's alpha of the constructs, which were found above the recommended criteria (Jöreskog and Sörbom 1996). In addition, it also includes the discriminant validity test. All minimum requirements for outer loadings are met. All factor loadings of reflective indicators are higher than 0.71 (Malhotra, 2010), except for the sustainable market orientation item, which had a loading, less than 0.71 but more than 0.4 (Hair et al., 2014). Hence, the researchers retained it because of its relative theoretical importance, as it uniquely reflects a very critical dimension in the EM construct (i.e. the frequency of MO).

The CFA test resulted in the exclusion of some constructs' indicators. For instance, two indicators in the organization support construct were excluded because they loaded less than 0.71, as well as two indicators in planning flexibility and three indicators in the cooperative competency and performance constructs. Thus, such exclusion improves the credibility of the latter tests. Moreover, the value of both the composite reliability (CR) is higher than 0.8 and convergent validity AVE is higher than 0.5, also, discriminant validity for all constructs is established according to the criterion HTMT and all the relationships were greater than 0.85 (Henseler et al., 2015), as well as the upper interval value of the bootstrapping for all the relationships were significantly different from 1 (Hair et al., 2014). In addition, the Fornell-Larcker criterion has been used to also test the discriminant validity. The square root of the AVE for all factors exceeded the correlation values of all possible pairs, which support the discriminant validity, as shown in Table 1.

--Table 1--

With regard to entrepreneurial marketing (EM), it was measured by the level of entrepreneurial marketing (or EM intensity) and was conceptualized as a second-order reflective factor that has two first-order factors, i.e. the degree of entrepreneurial marketing and frequency of entrepreneurial marketing. To operationalize the degree of entrepreneurial marketing intensity, the interaction between entrepreneurial orientation and marketing orientation constructs' term was computed following the procedure developed by Chin et al. (2003). The interaction term is computed using two-stage construct score procedure, in which the variables' indicators are used to produce underlying construct scores for the variables, and then use these composite scores to generate interaction terms. The existence of a second-order factor for entrepreneurial marketing intensity is supported by the argument made by Morris (1998) and Ahmed and O'Cass (2015) that EM consists of EO and MO, and intensity is a function of the degree of entrepreneurial activities and frequency of entrepreneurial activities. Thus, it was argued that EMI is the second order of degree of EM and frequency of EM. Therefore, a reflective second-order factor measurement model was developed. The reasons behind conceptualizing EM as a reflective construct are: "(1) the latent construct [EM] is existing not formed, (2) the direction of causality is from construct to items, which means that the variation in the items' measures does not cause variation in the construct, and (3) the items used to measure the construct share a common theme and are interchangeable" (Coltman et al., 2008, p. 5).

The two first order factors; the degree of EM and frequency of EM significantly loaded on the second-order factor (0.967, and 0.954 respectively). Also, each observed variable has high loading on its designated factor and a zero loading on other factors (Hair et al., 2010). Finally, there is no correlation between the measurement error terms associated with observed variables. Thus, it can be concluded that a reflective second-order factor of EM exists.

Structural model

It addresses the impact of the dimensions of the planning environment (i.e. cooperative competency, governance and administrative mechanisms, institutional support, planning flexibility, the locus of planning and planning horizon) on the EMI multi-dimensional construct that includes the degree and frequency. It also tests the consequences of EMI on the firm's performance and competitive advantage. Table.2 summarizes the results of the structural model (i.e. the hypotheses testing). The results show that four antecedents out of six are significantly affecting EMI. To illustrate, cooperative competency ($\beta = 0.540$, t -value = 4.911, $p < 0.01$), long planning horizon ($\beta = -0.140$, t -value = 2.327, $p < 0.01$), deep locus of planning ($\beta = 0.225$, t -value = 2.948, $p < 0.01$), and institutional support ($\beta = 0.200$, t -value = 2.328, $p < 0.01$) were significantly related to the EMI of the firm. Hence, H1, H3, H5, and H6 are supported. The six antecedents explain 66.9 % of the variation in the EM. The results also show that EMI has a significant positive effect on the firm's multi-dimensional performance ($\beta = 0.728$, t -value = 13.055, $p < 0.01$) and competitive advantage ($\beta = 0.632$, t -value = 9.778, $p < 0.01$), thus, supporting H7 and H8. Where, EMI explains 53.1 % and 40 % of the variation in the performance and competitive advantage respectively. On the other hand, the results also show that governance and administrative mechanisms and planning flexibility were not significantly related to the EMI of the firm, thereby not supporting H2 and H4. The results of the path analysis are reported in Figure 1.

—Table 2—
--Figure 1--

Conclusions and implications

The main objective of this study is to investigate the impact of the characteristics and approaches to the business planning on entrepreneurial marketing activities and performance. The study draws upon the effectuation approach as the underpinning planning-based entrepreneurial marketing decision making logic to investigate the relationship between the strategic planning, entrepreneurial marketing decisions, and performance in entrepreneurial firms in Egypt.

The findings show that there is a positive relationship between cooperative competency, the deep locus of planning, and institutional support and EMI. Also, there is a negative relationship between long planning horizon and EMI. These relationships indicate that the characteristics of the marketing plans that enhance EMI include planning flexibility, the deep locus of planning, short-term market plans and effective interaction between organizational units. These results also support the effectuation approach. The effectuation approach argues that the entrepreneurial marketing activities should be less formally planned and organized into a marketing plan. Therefore, in order to enhance entrepreneurial marketing success, the marketing

planning should be more flexible and more directed toward short-term plans (Hisrich, & Ramadani, 2017).

Furthermore, in the Egyptian market context, organizations are operating in a highly uncertain and highly competitive environment. To survive and grow in such environment, firms should adopt entrepreneurial orientation, especially entrepreneurial marketing orientation (Adam et al., 2017). Accordingly, the findings of this study suggest that the marketing planning should have specific characteristics and approaches to be able to respond to the environment in which they operate.

In specific, the findings show a significant and positive relationship between cooperative competency and EMI. This indicates that organizations should have high levels of internal harmony among the departments (i.e. horizontal integration) in order to strongly pursue its EM activities. Cooperative competency plays an integral role in having successful EM, as it links the R&D innovative activities with the marketers' awareness of the customers' need. Thus, Cooperative competency enhances the firms' marketing offerings and avoids the occurrence of marketing myopia. This can be achieved by using organic organizational structures instead of mechanistic organizational structures.

Moreover, the findings suggest that the shorter the horizon of the plans set by the firm (three years and less), the more EMI the firm will adopt. To illustrate, firms that plan for the short term probably can have more effective (i.e. EM degree) and continuous (i.e. EM frequency) EM activities in today's highly turbulent environment where opportunities quickly appear and vanish. In addition, the findings support the role of having an internal intrapreneurial environment (i.e. institutional support) in supporting EM initiatives. Institutional support for EM activities are expressed in encouraging employees to be innovative and creative with their proposed ideas; giving monetary rewards and promoting the employees who have proposed innovative marketing ideas; being tolerated for the risky decisions taken by them; and providing resources for them in order to help them while implementing their ideas. The institutional support provides the suitable intra-firm culture that facilitates the firm's EM activities. In addition, the findings show a significant and positive relationship between deep locus of planning and EMI. This suggests that encouraging middle and lower managerial positions, as well as employees to participate in the strategic management process (whether in strategy formulation, implementation, and evaluation phases) pursues the corporate willingness to be innovative, risk taker, and proactive in their marketing practices, thus, a highly entrepreneurial marketing firm. Further, such participation pursues EM practices because middle and lower managerial positions are more aware of the market trends, customer needs (i.e. explicit and latent), and competitors' actions. Hence, their participation reroutes the firm's activities and offerings toward the market and consumers' needs. Consequently, this results in more successful and sustainable EM activities. Therefore, it is crucial that firms should have a deep locus of planning.

Finally, the findings show a positive relationship between EMI and marketing performance. The previous studies in the EM field argued that entrepreneurial orientation and marketing orientation complement one another to shape EM (Morrish, 2011; Ahmadi & O'Cass, 2015). However, this study argues that EM has been conceptualized from a narrow perspective because many studies ignored the role of degree and frequency of EM activities, despite its importance. Hence, this study advances the literature by exploring the role of EMI in enhancing organizational performance. Thus, this study contributes to EM, entrepreneurial orientation, and marketing orientation literature because the role of EMI (i.e. degree vs. frequency)

has been largely ignored over the past decades in these disciplines (Morris & Sexton, 1996). Also, previous EM research focused only on specific aspects of performance. For example, Hacıoglu *et al.*, (2012) argued that EM impacts the firm's innovative performance, while Ahmadi & O'cass (2015) recently tested the impact of EM on the firm's exploratory and exploitative innovative activities. Additionally, many of the previous studies examined the impact of EM using qualitative approaches (Jones *et al.*, 2013). Thus, the results of this study contribute to the literature by empirically testing the impact of EMI on performance, using a multi-dimensional marketing performance and competitive advantage measures. Finally, the research findings prove that EM is not beneficial only to small firms, as originally proposed by EM theorists (Morrish, 2011; Miles et al., 2015). This research shows that both large-sized firms and small-sized firms use EM activities to gain a competitive edge in their markets and boost their performance. Besides, testing EM models in a developing country's context provides more insights into the entrepreneurship, marketing, and entrepreneurial marketing literature.

Theoretical and Managerial implications

This paper proposed a new measurable construct, which is entrepreneurial marketing intensity. This paves the way for marketing and entrepreneurship scholars to conduct empirical research in the entrepreneurial marketing field. This paper also addresses marketing books' authors, as they should propose new conceptual and empirical frameworks for contemporary marketing (i.e. EM). In particular, based on our empirical findings, they shall discuss conceptually and empirically when, how, and to whom EMI is effective.

This paper also provides a guideline for the companies' managers in how to have an internal supportive environment that increases the EM success. The researchers claim that the interconnectivity within the firm (i.e. cooperative competency); the highly supportive environment toward innovation, creativity, and entrepreneurial activities; planning on short horizons; and deep locus of planning are the main boosters and success factors of EMI. Finally, corporations that implant entrepreneurial activities within their marketing practices will pursue higher performance and gain a competitive edge in the market. More importantly, in contrary to the literature, this paper has proved empirically that EM is not limited to start-ups. Thus, marketing managers and/or CEOs in well-established large firms (no. of employees ≥ 500) should consider adopting EM, especially when the corporation operates in a highly uncertain environment and/or suffers from resources scarcity (i.e. low budget for marketing activities).

Limitations and future research

Cautious is advised while attempting to generalize findings because the research sample is relatively small and somewhat geographically concentrated. Also, secondary data should have been used in measuring the EMI-performance relationship in order to get more concrete results; however this information is not publically available in the context of the study. Finally, venues for future research in the EM field includes: a longitudinal study is highly required in order to capture the real insights of the interrelationships between the business planning environment, EMI, and the firm's marketing performance and competitive advantage. Also, future research should conduct cross-cultural studies to identify the differences in the EM activities among firms from different economic backgrounds (e.g. developing and

developed countries). Lastly, a comparative study is highly needed between large and small-sized firms in order to provide insights about the differences of EMI in such different contexts.

References

- Adam, S., Mahrous, A. A., & Kortam, W. (2017). The relationship between entrepreneurial orientation, marketing innovation and competitive marketing advantage of female entrepreneurs in Egypt. *International Journal of Technology Management & Sustainable Development*, 16(2), 157-174.
- Ahmadi, H., & O'Cass, A. (2015). The role of entrepreneurial marketing in new technology ventures first product commercialisation. *Journal of Strategic Marketing*, 24 (1), 1-14.
- Alpkan, L., Bulut, C., Gunday, G., Ulusoy, G., & Kilic, K. (2010). Organizational support for intrapreneurship and its interaction with human capital to enhance innovative performance. *Management Decision*, 48 (5), 732-755.
- Antoncic, B., & Hisrich, R. (2004). Corporate entrepreneurship contingencies and organizational wealth creation. *Journal of Management Development*, 23 (6), 518 - 550.
- Antoncic, B., & Hisrich, R. (2001). Intrapreneurship: Construct Refinement and Cross-Cultural Validation. *Journal of Business Venturing*, 16 (5), 495-527.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17 (1), 99-120.
- Atinc, G., Atinc, G., Kroll, M., Kroll, M., Walters, B., & Walters, B. (2017). Detrimental effects of post-IPO corporate governance changes: The case of young entrepreneurial firms. *Management Decision*, 55(2), 234-247.
- Barringer, B., & Bluedorn, A. (1999). The Relationship Between Corporate Entrepreneurship and Strategic Management. *Strategic Management Journal*, 421-444.
- Burgelman, R. (1984). Managing the Internal Corporate Venturing Process. *Sloan Management Review*, 25 (2), 33-48.
- Brinckmann, J., Grichnik, D., & Kapsa, D. (2010). Should entrepreneurs plan or just storm the castle? A meta-analysis on contextual factors impacting the business planning-performance relationship in small firms. *Journal of Business Venturing*, 25(1), 24-40.
- Brinckmann, J., & Kim, S. M. (2015). Why we plan: the impact of nascent entrepreneurs' cognitive characteristics and human capital on business planning. *Strategic Entrepreneurship Journal*, 9(2), 153-166.
- Coltman, T., Devinney, T. M., Midgley, D. F., & Venaik, S. (2008). Formative versus reflective measurement models: Two applications of formative measurement. *Journal of Business Research*, 61(12), 1250-1262.
- Covin, J., & Slevin, D. (1991). A Conceptual Model of Entrepreneurship as Firm Behavior. *Entrepreneurship Theory & Practice*, 16 (1), 7-25.
- David, F., & David, F. (2015). *Strategic management concepts and cases* (Fifteenth ed.). South Carolina: Pearson.

- Galati, F., & Bigliardi, B. (2017). Does different NPD project's characteristics lead to the establishment of different NPD networks? A knowledge perspective. *Technology Analysis & Strategic Management*, 1-14.
- Garrett, R., & Neubaum, D. (2013). Top Management Support and Initial Strategic Assets: A Dependency Model for Internal Corporate Venture Performance. *Journal of Production and Innovation Management*, 30 (5), 896–915.
- Garonne, C., & Davidsson, P. (2011). Business Planning, Idea Change, Flexibility And Performance: The Best of Both Worlds?(Interactive Paper). *Frontiers of Entrepreneurship Research*, 31(12), 18.
- Goodale, J., Kuratko, D., Hornsby, J., & Covin, J. (2011). Operations management and corporate entrepreneurship: The moderating effect of operations control on the antecedents of corporate entrepreneurial activity in relation to innovation performance. *Journal of Operations Management*, 29 (1), 116–127.
- Haag, S., & Cummings, M. (2013). *Management Information Systems* (Ninth ed.). Chicago: McGraw-Hill Inc.
- Hacioglu, G., Eren, S., Eren, S., & Celikkan, H. (2012). The Effect Of Entrepreneurial Marketing on Firms' Innovative Performance in Turkish SMEs. *Procedia - Social and Behavioral Sciences* 58, 871-878.
- Hair, J. F. (2010). Black, WC, Babin, BJ, & Anderson, RE (2010). *Multivariate data analysis*, 7.
- Hair, J., Hult, T., Ringle, C., & Sarstedt, M. (2014). *A Premier On Parial Least Squares Structural Equation Modeling (PLS-SEM)*. London: Sage publications, Inc.
- Helou, M. M. (2017). From" Incremental" To" Evolutionary" Recovery Pathways: Firm-Level Entrepreneurial Intensity. *Journal of Asia Entrepreneurship and Sustainability*, 13(1), 113.
- Hills, G., & Hultman, C. (2011a). Academic Roots: The Past and Present of Entrepreneurial Marketing. *Journal of Small Business and Entrepreneurship*, 24 (1), 1–10.
- Hills, G.E. and Hultman, C. (2011b). Research in marketing and entrepreneurship: a retrospective viewpoint. *Journal of Research in Marketing and Entrepreneurship*, 13(1), 8-17.
- Hisrich, R., & Kearney, C. (2012). *Corporate Entrepreneurship: How to Create a Thriving Entrepreneurial Spirit Throughout your Company*. United States: McGraw Hill.
- Hisrich, R. D., & Ramadani, V. (2017). Entrepreneurial Marketing Mix. In *Effective Entrepreneurial Management* (pp. 75-99). Springer International Publishing.
- Hornsby, J., Kuratko, D., & Zahra, S. (2002). Middle managers' perception of the internal environment for corporate entrepreneurship: assessing a measurement scale. *Journal of Business Venturing*, 17 (3), 253–273.
- Hornsby, J., Kuratko, D., Shepherd, D., & Bott, J. (2009). Managers' corporate entrepreneurial actions: Examining perception and position. *Journal of Business Venturing*, 24 (3), 236–247.
- Jogaratham, G. (2017). The effect of market orientation, entrepreneurial orientation and human capital on positional advantage: Evidence from the restaurant industry. *International Journal of Hospitality Management*, 60, 104-113.
- Johanna de Villiers-Scheepers, M. (2012). Antecedents of strategic corporate entrepreneurship. *European Business Review*, 24 (5), 400-424.
- Jones, R., Suoranta, M., & Rowley, J. (2013). Entrepreneurial marketing: a comparative study. *The Service Industries Journal*, 33 (7-8), 705–719.

- Li, L., Tse, E. C.-Y., & Zhao, J.-L. (2009). An Empirical Study of Corporate Entrepreneurship in Hospitality Companies. *International Journal of Hospitality & Tourism Administration*, 10 (3), 213-231.
- Lumpkin, G., & Dess, G. (1996). Clarifying the Entrepreneurial Orientation Construct and Linking It to Performance. *The Academy of Management Review*, 21 (1), 135-172.
- McVea, J. F. (2009). A field study of entrepreneurial decision-making and moral imagination. *Journal of Business Venturing*, 24(5), 491-504.
- Miles, M., Gilmore, A., Harrigan, P., Lewis, G., & Sethna, Z. (2015). Exploring entrepreneurial marketing. *Journal of Strategic Marketing*, 23 (2), 94-111.
- Morris, M. (1998). *Entrepreneurial Intensity: Sustainable Advantages for Individuals, Organizations, and Societies*. London: Quorum Books.
- Morris, M., & Sexton, D. (1996). The Concept of Entrepreneurial Intensity Implications for Company Performance. *Journal of Business Research*, 36 (1), pp. 5-13.
- Morris, M., Kuratko, D., & Covin, J. (2011). *Corporate Entrepreneurship and Innovation: Entrepreneurial Development within Organizations* (Third ed.). Manson, Ohio, USA: South-Western.
- Morris, M., Schindehutte, M., & LaForge, R. (2002). Entrepreneurial Marketing: A Construct For Integrating Emerging Entrepreneurship and Marketing Perspectives. *Journal of Marketing Theory and Practice*, 10 (4), 1-19.
- Morrish, S. (2011). Entrepreneurial marketing: a strategy for the twenty-first century? *Journal of Research in Marketing and Entrepreneurship*, 13 (2), 110-119.
- Murimbika, M., & Urban, B. (2014). Strategic Innovation at The Firm Level: The Impact of Strategic Management Practices on Entrepreneurial Orientation. *International Journal of Innovation Management*, 18 (02), 1450016.
- Nijssen, E. J. (2017). *Entrepreneurial marketing: an effectual approach*. Taylor & Francis.
- Noke, H., & Mosey, S. (2017). 4 Entrepreneurial culture and leadership. *Building an Entrepreneurial Organisation*, 47.
- Sarasvathy, S. (2001). Causation and Effectuation: Toward a Theoretical Shift from Economic Inevitability to Entrepreneurial Contingency. *The Academy of Management Review*, 26 (2), 243-263.
- Sarasvathy, S. D. (2012). From the Society for Effectual Action
- Whalen, P., Uslay, C., Pascal, V., Omura, G., McAuley, A., Kasouf, C., et al. (2015). Anatomy of competitive advantage: towards a contingency theory of entrepreneurial marketing. *Journal of Strategic Marketing*, 24 (1), 5-19.
- Windsperger, J., Hendrikse, G. W., Cliquet, G., & Ehrmann, T. (2017). Governance and strategy of entrepreneurial networks: an introduction. *Small Business Economics*, 1-6.
- Zahra, S. (1991). Predictors and Financial Outcomes of Corporate Entrepreneurship: An Exploratory Study. *Journal of Business Venturing*, 6 (4), 259-285.

Appendices

Table 1: Correlation matrix for all the constructs

Factors	Cooperative competency	Governance & administrative mechanisms	institutional support	Planning flexibility	Planning horizon	Deep locus of planning	EM	Marketing Performance	CA
Cooperative competency	0.807								
Governance & administrative mechanisms	0.726	0.867							
Institutional support	0.588	0.374	0.782						
Planning flexibility	0.429	0.301	0.588	0.826					
Planning horizon	0.074	0.066	0.131	-0.078	1.000				
Deep locus of planning	0.447	0.429	0.136	0.141	-0.187	0.849			
EM	0.769	0.598	0.522	0.351	-0.108	0.528	0.788		
Marketing performance	0.596	0.511	0.344	0.229	-0.170	0.364	0.728	0.799	
Competitive advantage (CA)	0.434	0.420	0.245	0.180	-0.188	0.390	0.632	0.542	0.852

Notes: The diagonal represents the Sq. the root of AVE (Bolded figures)

Table 2: The structural model

Relationships	Path coefficient		Hypothesis Testing
	Beta	<i>t</i> -value	
H1: Cooperative competency → EM	0.540	4.911**	Supported
H2: Governance & administrative mechanisms → EM	0.030	0.254	Not supported
H3: Institutional support → EM	0.200	2.328**	Supported
H4: Planning flexibility → EM	-0.032	0.427	Not supported
H5: Planning horizon → EM	-0.140	2.327**	Supported
H6: Deep locus of planning → EM	0.225	2.948**	Supported
H7: EM → Marketing Performance	0.728	13.055**	Supported
H8: EMI → Competitive Advantage	0.632	9.778**	Supported

Notes: Based on one-tailed tests, ** indicates *t*-values greater than 2.326 (significant at $p < 0.01$)

Path diagram:

Notes: Based on one-tailed tests, ** indicates *t*-values greater than 2.326 (significant at $p < 0.01$)