Entrepreneurial Marketing has gained popularity in the entrepreneurship and marketing disciplines recently. The success of ventures pursuing non-traditional marketing approaches can be attributed to entrepreneurial marketing practices. Despite the multitude of marketing concepts and models, there are notable successes that deviate from these and are labelled “entrepreneurial.” The purpose of this paper is to explore entrepreneurial marketing approaches used by companies and their impact on the success of marketing activities. We use the seven core dimensions of entrepreneurial marketing developed by Morris, Schindehutte, and La Forge (2002) and apply these to two spirit company cases: 42Below Vodka and Penderyn Whisky.

Abstract

Entrepreneurial marketing has gained popularity in the entrepreneurship and marketing disciplines recently. The success of ventures pursuing non-traditional marketing approaches can be attributed to entrepreneurial marketing practices. Despite the multitude of marketing concepts and models, there are notable successes that deviate from these and are labelled “entrepreneurial.” The purpose of this paper is to explore entrepreneurial marketing approaches used by companies and their impact on the success of marketing activities. We use the seven core dimensions of entrepreneurial marketing developed by Morris, Schindehutte, and La Forge (2002) and apply these to two spirit company cases: 42Below Vodka and Penderyn Whisky.

Introduction

While many marketing successes are analysed in hindsight using traditional marketing concepts and strategies, there are some that challenge standard marketing textbook recommendations. Marketing strategy is often viewed as a process of targeting, segmenting and positioning (STP), an approach much often advocated by academics and consultants alongside marketing and business plans to ensure success in the marketplace. The reality however, is that a number of businesses do not practice these and pursue alternative approaches often categorised as entrepreneurial marketing.

Entrepreneurial marketing (henceforth EM) has gained popularity in both the entrepreneurship and marketing disciplines in recent times. The success of ventures that have pursued what are considered non-traditional marketing approaches can be attributed to EM practices. Despite the multitude of marketing concepts and models, there are prominent venture successes that do not conform to these and have thus been put in the “entrepreneurial” box. One only has to look at the “Virgin” model to put this in context. Branson has shown that not “sticking to the knitting” can work with the ways the Virgin portfolio has been diversified. Consequently, an entrepreneurial orientation is considered a desirable business philosophy and has become prominent in such industries as airlines and information technology. Miles and Arnold (1991) found that entrepreneurial orientation is positively correlated to marketing orientation. They propose that entrepreneurial orientation is a strategic response by firms to turbulence in the environment.

Other schools of thought and business models have developed to explain differences in orientation such as branding (Keller 2001), the service-dominant logic (Vargo and Lusch 2004) and effectuation logic (Sarasvathy 2001). This is an indication that scholars are now looking to cognate fields to explain a given phenomenon beyond long-held traditional models. Supporting this trend is a growing number of researchers working at the entrepreneurship and marketing interface. There is now an emerging body of work dedicated to this interface, hence the development of EM as a complement or alternative to traditional marketing approaches.

Although it started as a special interest group, EM is now gaining recognition in mainstream entrepreneurship and marketing literature. For example new marketing textbooks now incorporate an entrepreneurial marketing focus (Grewal and Levy 2008, Pride and Ferrell 2009). The popular trade press and business publications however have recognised it much earlier although it may have been called by another name.
EM is an amalgamation of two discrete management areas. Existing as distinct disciplines, marketing and entrepreneurship have evolved to capture the many facets of marketing that are often not explained by existing traditional marketing concepts and theories. An early definition of EM was offered by Morris, et al. (2002:5) 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.”

Incorporating the latest AMA (American Marketing Association) definition of marketing, Hills and Hultman (2008) extend this by proposing that EM is “a spirit, an orientation as well as a process of passionately pursuing opportunities and launching and growing ventures that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility.”

Based on the above definitions, it can be argued that critical aspects of marketing and entrepreneurship are synthesized into a comprehensive conceptualisation where marketing becomes a process that firms can use to act entrepreneurially (Morris, et al. 2002). Examples of these conceptualisations are reflected in alternative perspectives such as guerrilla marketing, radical marketing, expeditionary marketing, disruptive marketing and others. They identified seven core dimensions (see dimensions section) of EM. Morris, et al (2002) further posit that EM represents a different approach to envisioning business and its relationship with the marketplace such that firms that adopt EM seek to lead customers as opposed to reacting to or following them. Consequently their attention is devoted to the creation of new markets rather than serving existing ones. As such, EM is fundamentally an opportunity-driven and opportunity-seeking way of thinking and acting (Morris, et al 2002).

Empirical evidence suggests that a significant relationship exists between an enterprise's marketing and entrepreneurial orientations (Miles and Arnold 1991), both widely being responsible for corporate success. There is also now a growing number of academic work on EM on the role of marketing in SMEs (Carson and Gilmore 2000; Bjerke and Hultman 2002; Grunhagen and Mishra 2008) and large firms (Miles and Darroch 2005) and there are multiple exemplars of new ventures engaged in EM featured in trade press and business publications. Given this, we see evidence that marketing plays a crucial role in developing, producing, and selling products or services and impacting on the success of staff recruitment and capital raising activities.

EM is often driven by the entrepreneur who is able to orchestrate multiple roles within the firm. Successful entrepreneurs do have unconventional methods of undertaking marketing especially given limited resources. They rely on interactive marketing methods most likely communicated through word-of-mouth, often electronically, rather than a more traditional marketing mix. These entrepreneurs also monitor the marketplace through informal networks rather than formalised market research, and generally adopt more entrepreneurial approaches to marketing activities.

Marketing and entrepreneurship can be regarded as parallel paradigms (Carson 1999). Being an emergent field, research findings on the interrelation between marketing and entrepreneurship are somewhat fragmented so far, and there is no integrated analysis or comprehensive theory yet. The development of research and tentative suggestions of “parallel paradigms” can be seen in literature focusing upon the interface between marketing, entrepreneurship and the small firm (Carson and Gilmore 1999; Copley 2002a; Hills and LaForge 1992, Carson and Coviello 1995; Hills 1987; Carson et al. 2002; Carson et al. 2003).

SME marketing

The foundations of entrepreneurial marketing are to some extent grounded within the SME (Small to Medium Enterprise) sector. Indeed, there is a strong argument within the literature that EM is really about SME marketing. Within the generic marketing management literature also is a stratum of thought
that suggests EM is somewhat like “textbook” marketing, but undertaken either with some flair or just simply doing something completely different across all aspects of the normative marketing mix (Earls 2002; Chaston 2000). This is perchance more visible in the execution of creative promotion strategies. Some argue that this approach is perhaps, on the one hand, what marketers should be doing anyway (for example see Brown 2001) and on the other, it may overlook the complex subtleties that underpin an entrepreneurial approach to market development. Being entrepreneurial however is not a necessary prerequisite as Bjerke and Hultman (2002) state: “not all small firms are entrepreneurial, but will need entrepreneurship in order to grow and such growth can be leveraged from the small firm’s advantage in marketing.” Decision making in smaller firms is often ad-hoc and they are able to act on opportunities and implement strategies faster than larger firms could. Indeed, Bennett and Cooper (1981, 1984) even suggest that the stagnation of innovation in large firms is due to traditional marketing practices where the focus is on meeting explicitly expressed consumer needs.

The argument here revolves around the notion that size affects the manner by which firms approach marketing decisions. Bjerke and Hultman (2002) propose that in this era of dramatic social and technological change, one approach for firms to establish and sustain long-term customer relationship is through EM facilitated by a four-pillar framework comprising of entrepreneurship, resources, processes, and actors (entrepreneur, coordinating firm, and network).

Marketing is a challenging process for any organisation. In a survey of entrepreneurs around the world Hisrich (1989) found that marketing and finance are the two the leading problem areas for entrepreneurs. Indeed, a model that works for one firm but may not for another. The distinction is exacerbated when one considers the difference between large and small firms. Scholars have been engaged in an ongoing debate within literature as to the very nature of marketing (see for example: Brown 1995; Gronroos 1997; Palmer and Ponsonby 2002) and the fit between theory and practice. Indeed there has been a growing and focused literature at what has been labelled Marketing at the Entrepreneurship Interface (Carson 1999; Hills 1999). This focus has been brought about for a number of reasons: that the SME conducts a different type of marketing to that of the large firm (Carson and Gilmore 2000) and that perhaps this type of marketing activity is in advance of current theoretical, pedagogical and conceptual underpinning (Brownlie and Saren 1997). For example, large firms are likely to follow set processes (e.g. outsource marketing efforts, etc.). Smaller firms more often than not (due to resource constraints) conduct their own marketing campaigns in house. It is this condition that shifts the dominant thought and becomes the basis of an alternative paradigm (Carson 1999).

There are thoughts too that suggest that such marketing activity represents marketing in its purest form “it’s marketing but not as we know it” (Deacon and Corp 2004). Indeed Carson, Gilmore and Grant (2001:6) contend that: “SME’s do not conform to the conventional marketing characteristics of the marketing textbook theories.” However they are not alone in that view as it is increasingly recognised that marketing as perceived and undertaken by entrepreneurs is different to the concepts presented in conventional textbooks (Stokes and Lomax 2002; Hulbert, Day and Shaw 1998; Copley 2002b; Forsyth and Greenhough 2003).

Carson and Gilmore (2000) propose that stage of the SME lifecycle and the prevailing industry norms are two ‘fundamental pre-requisites’ that will dictate the approach to marketing taken by the SME. However these must be placed against the backdrop of the personal characteristics of the owner/manager/entrepreneur as ‘the rationale of the small firm is the rationale of the owner’ (McClelland and Winters 1969; Kets de Vries 1977; Brockhaus 1982; Deacon 2002; Bjerke and Hultman 2002) and the two can not be divorced in order to ease conceptual formation.

The first of these: life cycle stage – would suggest that as the small firm maturates so does the approach to marketing. The second: conformity with industry norms – focuses on the sectoral context in which the small firm exists. According to Fuller (1994) small firms usually conform to the norms that are firmly established within the sector, as a small firm will not have the resources or even the motivation to challenge sector rules. History has shown that sector convention can be challenged by those outside and increasingly it is the small firm with exceptional market sensing that can make such a challenge (Enright 2001). For example, Kay (1995) points out that customers pay little interest in industries but pay a lot of interest to having their needs met.

Carson and Cromie (1989) contend that an entrepreneurial orientated firm that seeks opportunity is likely to exhibit a market development orientation and that both are related to the overall organisational
culture, the personality of the owner/manager/entrepreneur and the environment that the small firm finds itself in. EM therefore must be viewed as contextual given the "individuality" of marketing has been highlighted. Deacon (2002) concurs that the "personality" of the firm and any subsequent marketing activity is connected to the personality of the owner/manager. Further, it has to be highlighted that social connectedness is important to small firms and that the firm is at one with the social environment within which it sits. What appears to be suggested is that through social interaction a small firm owner will gain marketing knowledge (in a type of organic totality) at such a subconscious level that it becomes operationalised as a form of fuzzy experiential excellence (Deacon 2002).

Overall, it is strongly argued that marketing is performed differently in SMEs than in large firms based on distinct dimensions. Carson and Gilmore (2000) propose a conceptual model that illustrates SME marketing dimensions, these being: marketing in context (situation specific) dependent on adapting standard textbook marketing frameworks, network marketing, competency marketing, and innovative marketing. It is beyond the scope of this paper to explore each of these dimensions in depth hence the reader is invited to see Carson and Gilmore (2000) for detailed discussion of these dimensions.

**Entrepreneurial and marketing orientation**

There are several studies that have investigated the relationship between entrepreneurial and marketing orientation highlighting similarities and differences between the two. Morris and Paul (1987) highlighted the inherent similarity between marketing and entrepreneurship and hypothesised that more entrepreneurial firms would also be more marketing oriented. Market-orientated firms and/or managers also need to be entrepreneurial if they are to seize opportunities. Simmonds (1986) posited that marketers should engage in an ongoing process not only of identifying change opportunities but also of inducing continual change in their organisations and, by extension, in the marketplace.

One can however be distinguished from the other. While there is evidence and support on the positive correlation between entrepreneurial orientation and marketing orientation (Morris and Paul 1987), that they do not represent the same underlying philosophy (Miles and Arnold 1991). Essentially marketing orientation can exist independently and does not always need aspects of entrepreneurial orientation such as tendency to be innovative, accept risks and act in a proactive manner. Miles and Arnold (1991) propose that an entrepreneurial orientation can be developed depending on the dynamics of the environment.

It has been argued elsewhere that market-oriented firms become too customer-focused at the expense of innovation. To counter this, Hamel and Prahalad (1994:83) suggest that an entrepreneurial approach to marketing has emerged as a mechanism to mediate the tyranny of the served market. By having an entrepreneurial approach, the firm is able to engage in market-driving behaviour (Schindehutte, Morris and Kocak 2008). Schindehutte et al. (2008) argue that this behavior is distinct from a firm's market orientation, and is the essence of entrepreneurial action in the Schumpeterian "creative destruction" sense. This scenario can be viewed as a way of manifesting entrepreneurial orientation.

Additionally, Schindehutte, et al. (2008) further contend that the firm's entrepreneurial orientation interacts with other strategic orientations, in the process determining how they are manifested and whether they are manifested in some cases. For example, strategic behaviours are the drivers of growth and/or expansion of products and technologies fuelled by environmental conditions (Moreno and Casillas 2008). Rapid firm growth can occur when the condition is highly dynamic, not very hostile and resources are available. In a sample of 434 small to medium sized companies, Moreno and Casillas (2008) found that entrepreneurial orientation is positively correlated to growth, although this relationship is rather complex being dependent on market and other conditions. On the whole however, there is overwhelming evidence that entrepreneurial orientation plays a critical role in determining transitions among various strategic orientations over time (Schindehutte et al. 2008).

**Dimensions of entrepreneurial marketing**

The literature reviewed thus far indicates that EM is widely applied in the SME context. The application of entrepreneurship in a marketing context is well-argued but the reverse should also be considered. Marketing covers a huge domain, whether as a discipline, concept, activity, process or any other manifestation of description (Carson et al. 2001). It therefore makes sense that marketing should be observed, not from a single perspective but from several: academic, practitioner and researcher,
reflecting perhaps, the different applications of the discipline to suit specific practice requirements (Carson et al. 2001). Given this contention, EM should not be limited to SMEs. For example, Miles and Darroch (2006) found that EM processes can be used strategically to foster entrepreneurship within marketing processes, building and renewing competitive advantage in large firms.

All these bring into focus the dimensions of EM. Morris, et al. (2002) developed seven core dimensions of entrepreneurial marketing. These are: opportunity-driven, proactiveness, innovation-focused, customer intensity, risk management, resource leveraging and value creation. These dimensions distinguish entrepreneurial from administrative marketing (Hills, Hultman and Miles 2008). In their study of 59 firms from Sweden and the US, Hills et al. (2008) found that firms with EM orientation exhibit a different strategic orientation, commitment to opportunities, opportunity recognition mechanisms, control of resources, and management structure. For example, non-EM oriented firms would tend to use formal market research while EM firms tend to rely on experience, immersion and intuition. Further, EM firms are less constrained by budgets and have adaptive strategies whereas non-EM firms are more oriented to using budgets and top-down corporate planning driven by financial metrics (Hills, et al., 2008).

In presenting EM as an interface, the authors of this paper agree with Hills and LaForge (1992) that entrepreneurship researchers can benefit from more sophisticated marketing concepts and methods, and that much value can be derived from looking to the marketing discipline in informing entrepreneurship research.

**METHODOLOGY**

In order to investigate EM, we take a qualitative approach and employ two cases. Qualitative approaches are the dominant state of the art research in the EM area (Carson and Coviello 1996). Because of its emergent nature, it is understandable that a majority of the work range from exploratory to explanatory pieces and conceptual to contemplative (Carson and Coviello 1996).

The use of cases is a recommended method for researching EM and the use of two cases has its precedent in Mankelow and Merrilees (2001). Schindehutte, et al. (2008) employed two case studies to illustrate how trajectories can be identified in the dominant strategic orientations within companies as they evolve.

In this study we also use two cases: 42Below, vodka producers from New Zealand and Penderyn Distillery, whisky distillers from Wales. The cases were chosen based on the following criteria. Firstly, both companies originate from small economies. Secondly, both make products (spirits) from locations that are not traditionally regarded as producers of their flagship products and thirdly, the two companies are of similar age. Penderyn was established in 1998 and 42Below was founded in 1999. Vodka has never been associated with New Zealand. By the same token, whisky has always been associated with Scotland and Ireland but never been with Wales. Both companies defied traditional stereotypes in marketing their flagship products and found international success.

In this comparative case study approach, we use the Morris, et al. (2002) model of EM and apply a qualitative lens on the approaches of both companies. Partly based on Covin and Slevin (1989) this EM model was also used by Miles and Darroch (2006) in looking at EM processes in large companies. We explore the strategies of both companies based on the seven core elements of EM. We start with case histories for both cases.

**Case 1: 42Below – A spirited vodka company**

42Below was founded by a Wellington-based entrepreneur and ex-Saatchi and Saatchi Marketing Executive 39 year-old Geoff Ross in 1999. Hailed by many observers a unique marketing success, 42Below is New Zealand’s first premium vodka. Like many start ups, 42Below was financed from personal sources including selling the family home. In the early days, Ross distilled at home using a home brewing kit while his pregnant wife delivered cases of vodka of up to six cases a week. In 2003, the company was floated to raise capital for growth and expansion into international markets. Despite some criticism that the company
was too young, too small, and too soon to float, the IPO raised $15 million. Ross retained 26% of the company. Three years later, they were producing 7000 cases a week and selling to 25 countries. By the end of 2006, the company was sold to Bacardi Ltd. for $138 million (Morrish, 2009).

42Below’s claim to fame is grounded in the source and purity of its ingredients. Described as “New Zealand in a bottle” 42Below has unashamedly associated itself with New Zealand and all the attributes of the country. Its main ingredient is sourced from the crystal clear spring flowing through the 42 degree latitude, below the equator that holds the international benchmark for water and air purity situated just north of Wellington. Its alcohol content is set at 42%, much higher than average that signals higher quality and greater purity. 42Below’s limpidness is the result of a sophisticated 6-week long distillation process with multiple filtrations that creates a more viscous character on the palate. Three years after it was floated, 42Below expanded their product portfolio that included the award-winning spirit “South Gin”, the company’s spring water “420” and two types of rum “Seven Tiki” and “Tahiti Dark Rum.”

Despite the fact that vodka is not widely consumed in New Zealand, vodka-based cocktails are in the US and parts of Europe. Responding to global trends towards flavoured spirits, 42Below introduced unique Kiwi flavours such as Kiwifruit, Passionfruit, Feijoa and Manuka Honey. Their creativity was not limited to the product. This extended to the way they marketed 42Below, quite unlike the mass advertising that is often used by their competitors. Their use of viral marketing was hugely successful. More interesting is the way they have broken many rules including being non-politically correct and taking on such issues as being gay or national identities (German, French, English) in a cheeky and irreverent way. This was an outcome of Ross’ extensive advertising background complemented by his network of other shareholders with a collective expertise in advertising, fashion and media. 42Below does not conform to usual company staff titles. For example, Ross is called the Chief Vodka Bloke and they have Vodka Professors that teach bartenders in their Vodka University while Brand Agents wear “42Below Job” t-shirts.

42Below targets what they call the “elite of the cocktail set,” a segment with high disposable income. This segment wants to be unique, entertained and provoked. As such they are likely to respond to individuality, cheek and irreverence. Individuals belonging to this segment respond to brands they and their social circles discover, not those endorsed by the mass media. When it comes to cocktails, this group relies on word of mouth recommendations from friends and bartenders. Realising that the cocktail set naturally converged in bars, Ross saw bar staff as the way to reach their target consumers. As this segment rejects mass advertising, 42Below relies on web technology and interpersonal communication for their promotion strategies.

Ross believed truly successful brands evoke fresh stories and exotic experiences of people and places. Needless to say, its country of origin being clean, green, pure and creative became a source of competitive advantage for 42Below. It was for this reason that 42Below launched the Annual International Cocktail World Cup where the most influential people behind the best bars of the world are flown to Queenstown for a truly unique New Zealand experience. In this event, 42 top bartenders from around the world mix vodka cocktails while doing extraordinary adventures such as jumping off a helicopter, bungy jumping and on bars on top of snow-peaked mountains. This event attracts extensive worldwide television coverage.

42Below aims to be the most desired and talked about vodka in the world. To do this, they set their own standard of being the best by differentiating not in terms of their competition but by doing things their way. They sell stories designed to evoke a different reaction on every customer they touch and many customers post their stories on online blogs such as Saatchi and Saatchi’s Lovemarks page.

Best means sourcing the best possible ingredients and processing. It also means finding the perfect packaging that symbolises 42Below attributes. Failing to find a local supplier for a bottle design he wanted for the vodka, Ross sourced the bottle from France where he originally spotted it.
42Below’s marketing strategy approach deviates from traditional marketing practices. They exploited international opportunities long before they were established domestically. This approach usually requires the use of networks to penetrate various niche markets and advocates the use of personal experience as ways of minimizing risk and uncertainty (Chetty and Campbell-Hunt 2004). Ross used his networks of creative people to design and develop 42Below products and marketing tactics specifically for their niche market. He also called on his personal experience both from his advertising career and by visiting the bars where 42Below’s target customers are frequently found.

This approach precludes entry to new markets for the sake of territorial expansion. Each market is carefully chosen and entered only where there is scope for the brand to become meaningful. Their entry into new territories has consistently relied on positioning as a premium brand using premium price points and highly selective distribution channels. 42Below’s pricing strategy is consistent with that positioning. In the US it sells at about $30 per bottle.

42Below firstly expanded to the Australian market followed closely by the UK and the US. The perceived similarities of these markets meant that 42Below was able to use the same form of viral marketing across the three markets. They entered the Italian, German and French markets after winning two premium awards in Brussels and Paris. All the bars they supply in these countries powerfully endorse their products. With 42Below consistently winning taste tests around the world it is not surprising that they have won multiple awards including the 2004 Gold Medal at the Brussels Monde World Selection for 42 Below Pure Vodka. It also won gold for 42 Below Manuka Honey Vodka at the Salon Internationale Award in Paris. In 2006, they had a grand slam of gold medals at all major spirit awards, a testimony to their superior positioning and unique understanding of opportunities that they so vigorously pursued.

When Bacardi announced its takeover offer, 42Below has just posted a total of $7.2 million in revenue but reported a half-yearly loss of $2.7 million. This is a significant drop from its reported loss the previous year of $3.10 million. Over the previous 12 months it achieved a 32% increase in revenue and the cash flow from operating activities showed a 71% improvement. The number of cases sold increased by 60.6% from the previous year. They have re-invested profits into company expansion especially in the very competitive US market. With this statistics, it is no surprise that 42Below was judged the fastest growing exporter, fastest growing listed company and fastest growing company overall by Deloitte.

Case 2: Penderyn Whisky - It’s whisky Jim but not as you know it!

Nestled in the foothills of the ancient Brecon Beacons is one of Wales’ best kept secrets: Penderyn Distillery (formerly known as the Welsh Whisky Company). It is the only distillery in Wales and the first to legally distil whisky spirit for 100 years. Wales is known for many things but for whisky it is not. So without the passion for the uniqueness of the product, the distillation process and its natural heritage, who would have believed that this little known company would succeed in such an established market, historically dominated by Scottish, Irish and American brands?

The Welsh Whisky Company founded in 1998 with an original capital investment of £130,000 sold its first bottle of Penderyn finest single malt Welsh whisky in 2004. Owing to the lengthy maturation process, it was at least 5 years before the original shareholders were able to realise their dreams with the official launch of a Penderyn Whisky. The initial investment proved to be woefully short as whisky brewing is a long process where returns are long term. It is also a business that has proved to be cash hungry.

The real key to Penderyn’s success however lies in its origin, Wales. By the company’s own confession: “Penderyn is what the marketing people would call a discovered brand, discovered by the Welsh, who bought the whisky out of pride and passion.” Four years on and these customers not only remain loyal to the brand but have helped to establish the brand in over 16 countries and 28 American states. Such a cult following of like-minded customers is
an advantage given that the company does not need to actively promote its products overseas. Viral marketing within the home market and expatriate communities especially in the US and Australia, has proven more valuable and effective than any “traditional” marketing campaign. Unlike their larger rivals this frees up capacity for Penderyn to concentrate their limited resources on the quality of the product.

Within the home market, the company also employs a number of seemingly “Welsh” PR strategies with high profile endorsements. For example, HRH Prince Charles, Catherine Jenkins, Charlotte Church, Bryan Terfel and First Minister for Wales Rhodri Morgan are all said to enjoy the Penderyn brand. Not afraid to experiment with new promotional techniques either, the company famously posted an out-take clip of Sian Lloyd, a renowned national weather presenter, dropping what can be considered a real clanger in one of their less successful TV advertising campaigns on You Tube. The Penderyn web blog also provides an opportunity for homesick customers to be involved with and belong to the larger Penderyn Whisky community as well as receive tip offs regarding special edition whiskies and other new products. Perhaps most cleverly, the creation of a unique members club limited to 200 members only which is fully subscribed, entitles members to many benefits. This includes discounts, free products and early availability of new expressions. All these heighten the exclusive feel of the product and overall brand experience.

It’s difficult to accurately place a value on the company as it remains in private shareholding. However it has a stock holding in excess of £10M at current prices and a growing asset base. The brand value is somewhat comparable with the stock holding value. This is very impressive for a company that produces about 350 casks of whisky per year, employs 30 people and survives without the need for a marketing department.

You can’t help but notice that the culture of the company also plays a crucial role in its development and growth. Words such as passion, quality, authenticity, emotion, pride and teamwork are common language to all at the Penderyn distillery. The word quantity is almost redundant in their vocabulary. Given that only one cask of whisky is produced each day and each only bottled when ready, small is certainly beautiful. The view of Stephen Davies, MD of Penderyn is that: “it is fine for global brands who need to deliver many millions of cases of spirit consistently and with little or no variance, to use computers or prescribed systems to decide when to bottle. To our knowledge, however unlike on Star Trek no existing computer has an emotion chip. We will continue to leave it to our Master Distiller Jim Swan, (not Jim Kirk) to decide when our whisky is at its best”.

In the early days and unlike traditional product expansion and diversification strategies the management team was forced to introduce a number of other related products (Brecon 5 Vodka, Brecon Gin and Merlyn Cream) in order to generate sufficient cash to fund and launch Penderyn’s core whisky products (Madeira and Peated finished whiskies). The company now focuses on producing different expressions of its whisky and limited editions such as the Grand Slam 2005 and 2008, and the Penderyn Welsh Rugby Union 125th Anniversary edition which command a high price amongst whisky connoisseurs. A millennium cask bottle and miniature in a presentation box will currently cost the buyer £499.

For anyone who has visited the Penderyn Distillery Visitor Centre, which receives between 20,000 and 25,000 visitors per year, it would be hard not to notice that the company manages to successfully marry respect for tradition with passion for innovation. To examine this further it is important to note that the three crucial ingredients of any fine whisky are water, which is combined with the core spirit, the type of still used in the distillation process and the wood from which the casks used to store the whisky are made.

The distillery is based in the ancient Welsh settlement of Penderyn in the Fforest Fawr National Park, one of 53 geoparks across the globe with geological heritage and significance. The area is also said to be surrounded by legend and folklore and is renowned for its moorlands, valleys, flowing streams and waterfalls. It is from this source that the first key ingredient to this superior product comes from, natural spring water, pure, clean and most definitely Welsh.
The production of malted barley spirit is unique in its own right and was designed by Dr David Faraday (a direct descendant of the famous physicist Sir Michael Faraday). Unlike Scottish and Irish stills which use either a two or three pot system, the barley wash (supplied by local brewer S. A. Brain & Co in Cardiff) is stilled in a single copper pot system. Unbelievably to some the concept for this system stems from technology used in the oil refining industry. The spirit is said to arrive at the spirit safe at an industry high of 92% A.B.V. and is virtually free of chemical compounds.

With no expense spared the whisky is firstly matured in Buffalo Trace and Evan Williams (a Welshman and one of the original founders of the American bourbon industry) bourbon casks, sourced from Kentucky and Tennessee, and finally finished in Madeira barriques from Portugal. The casks alone have a rich history and are a story in their own right.

Amazingly, the heritage of these fine ingredients helps to produce one of the most contemporary whisky brands in the market. The packaging is crisp, clean, stylish and modern. The flavours are daringly different. The overall proposition is a truly distinctive, unique product, the only Welsh Whisky on the market.

But just how did Penderyn manage to create space in the market? A rather different version of the Dafydd (Penderyn’s David) and Goliath (Tesco, one of the UK’s leading food retailers) story waits to be told. The legend goes that Dafydd fought his way across the moorlands, his armour decorated with many prestigious international awards and medals (96.5 points in Jim Murray’s Whisky Bible 2009 to be precise) only to be met by Goliath and his army of over 300 stores across the UK. Both laid down their weapons, shook hands, took a toast of Penderyn whisky to mark the occasion, and as for the rest, well that’s history. In all fairness to the Penderyn management team this is not far from the truth. The quality of the product spoke for itself and the full product range is now promoted and sold in Tesco as products of regional significance.

With regards to exports, at a time when it appears the whole world seems to have gone on-line mad, it would appear that Penderyn is an on-line laggard, but this is not so. Unlike in the UK and in the US in particular, Penderyn is limited to distributing its products through formal distribution channels, comprising of a three tier system of importer to distributor to retailer owing to strict legislation which inhibits direct sales of alcohol via the internet. Given that the company only produces one cask of whisky per day, this may in fact be more of a help than a hindrance. The company employs a strict allocation procedure serving the home market first, which is inconceivable to marketing purists. Nevertheless this limited allocation seems to strengthen the brand’s brand image and creates a further perception of exclusivity, which in the whisky market is “pure malt marketing.”

That is the story of Penderyn Distillery a true non-marketing success. Daring to be different in every aspect of its existence and growing despite the odds and for want of knowing any better. As ‘Scotty’ the long suffering engineer of the Star Ship Enterprise would perhaps have said: It’s whisky Jim but not as we know it! Alternatively, not forgetting their own entrepreneurial marketing heritage perhaps it’s: ”marketing’ Jim but not as we know it?”

RESULTS AND DISCUSSION

A comparison of the two cases revealed some distinct similarities and a few differences. We find that both companies have employed entrepreneurial marketing approaches but with different intensities. While acknowledging that they are different from the norm, the specifics of their individual approaches are dissimilar. Both companies have positioned their products at the premium end of their product categories and have emphasised quality and awards in their communication strategies. Overall, it appears that both 42Below and Penderyn Whisky enjoy success as evidenced by industry awards and international acclaim. A unique distinguishing feature of both cases is the exceptional following of customers they have attracted who are conspicuous in their consumption of the product. Table 1 features the details that highlight the evidence of entrepreneurial marketing from both companies.
Table 1. Comparative evidence of EM from the two cases

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<tr>
<th>EM Element</th>
<th>42 Below Evidence</th>
<th>Penderyn Whisky Evidence</th>
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<tbody>
<tr>
<td>Opportunity - driven</td>
<td>Availability of pure vodka ingredients from NZ</td>
<td>Availability of pure ingredients from Wales</td>
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<td></td>
<td>NZ viewed as clean and green</td>
<td>Distilling tradition within Wales – non-legal</td>
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<td></td>
<td>Branding campaign</td>
<td>Growth of brand Wales</td>
</tr>
<tr>
<td></td>
<td>New segment emerging (cocktail elite)</td>
<td>Passion about product with early investors</td>
</tr>
<tr>
<td></td>
<td>New overseas trends in flavoured spirits</td>
<td>World wide expat communities</td>
</tr>
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<td></td>
<td>Bartenders as gatekeepers</td>
<td>Rivalrous attitude amongst Celtic countries (Ireland/Scotland/Wales)</td>
</tr>
<tr>
<td>Pro-activeness</td>
<td>Non-PC approaches to marketing campaigns</td>
<td>Non-Marketing: marketing campaigns</td>
</tr>
<tr>
<td></td>
<td>Risque and witty viral marketing campaigns</td>
<td>Instinctive awareness of Tribal market</td>
</tr>
<tr>
<td>Innovation-focused</td>
<td>6-stage distilling process</td>
<td>Unique distilling process – oil industry based technology to create the highest purity</td>
</tr>
<tr>
<td></td>
<td>Distinctive bottling</td>
<td>Limited edition products to correspond with Welsh sporting success</td>
</tr>
<tr>
<td></td>
<td>New flavours: kiwi fruit, manuka honey, feijoa, passionfruit</td>
<td></td>
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<tr>
<td>Customer intensity</td>
<td>The “cocktail elite” segment consumes products they discover themselves</td>
<td>Tribal nature of user community</td>
</tr>
<tr>
<td></td>
<td>Media-savvy and rejects mass advertising</td>
<td>PR driven – developing Welsh contextual meaning</td>
</tr>
<tr>
<td></td>
<td>Lovemarks and other blogs</td>
<td>Elite members club</td>
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<tr>
<td>Risk management</td>
<td>Looking after the gatekeepers</td>
<td>High profile Welsh celebrity endorsements</td>
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<tr>
<td></td>
<td>Used entrepreneur’s personal networks</td>
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<td></td>
<td>Created a fashion brand</td>
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<td>Public float</td>
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<tr>
<td>Resource leveraging</td>
<td>Sourcing unique ingredients: purest water; GE free wheat</td>
<td>Sourcing unique ingredients: Purest water, SA Brains mash, Madeira casks</td>
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<td></td>
<td>Annual cocktail world cup (Queenstown)</td>
<td>Whisky Bible entry</td>
</tr>
<tr>
<td></td>
<td>Country of origin: unashamedly New Zealand</td>
<td>Country of origin: unashamedly Wales (but not stereo-typed logos)</td>
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<tr>
<td></td>
<td>Outsourcing production</td>
<td>Unique distillation process producing the highest purity</td>
</tr>
<tr>
<td></td>
<td>Multiple international awards</td>
<td>Non conformity of production</td>
</tr>
<tr>
<td>Value creation</td>
<td>Product: new vodka flavours, gin, rum and water</td>
<td>Product: highest graded quality and non conformity of production</td>
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<tr>
<td></td>
<td>Premium pricing</td>
<td>Premium pricing</td>
</tr>
<tr>
<td></td>
<td>Highly selective distribution (top bars frequented by target market)</td>
<td>Low volume</td>
</tr>
<tr>
<td></td>
<td>Non traditional promotion strategies: Selling stories meaningful to target market</td>
<td>Distribution amongst expat communities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Authenticity</td>
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<td></td>
<td>Members club</td>
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<td>Non-marketing marketing</td>
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Opportunity driven
Having been established about the same time, both companies seized opportunities that were already established (e.g. ingredients) constantly present (e.g. national pride and culture) and those emerging in the market (new customer segments). It appears that loyal customers organically evolved from those who were able to identify and make a connection with the country-of-origin of the product and the symbolism that this brings. Expatriate customers contribute greatly to the word-of-mouth/viral effect that saw the products succeed without the usual hype created by costly marketing campaigns. This is highlighted by the “tribal market” concept identified by Penderyn Whisky and the “cocktail elite set” by 42Below.

Pro-activeness
Both companies are pro-active in identifying/looking for opportunities to promote their products in non-traditional ways. 42Below opted to be non-politically correct by tackling sensitive issues and generating publicity and awareness. Penderyn Whisky seized on the Celtic connection and the rivalry between the Celtic countries to push for tribal attachment (i.e. unite behind the common cause).

Innovation-focused
Being in the same industry lends focus to the comparison especially in innovation. Being both premium producers, quality throughout the value chain has been sought by both companies. In distilling, 42Below uses a multi-stage process whereas Penderyn uses advanced technology to generate purity. Given the trend towards flavoured spirits, 42Below has been quick to introduce exotic flavours highlighting its contemporary approach to innovation. Penderyn mixes oil-based technology with the age-old tradition of wooden casks albeit sourced from the best in the world.

Customer intensity
This dimension perhaps captures the success of their entrepreneurial approaches. Both companies have identified unique market segments and tailored inexpensive ways to reach them with non-traditional marketing activities. Highly visible endorsements from celebrities (Wales) and the Cocktail World Cup (NZ) are two examples. The result is a highly loyal following of customers not shy to flaunt their love for the products on the web and other media.

Risk management
Although both companies used bootstrapping techniques at the outset, these were insufficient if growth was to be pursued. Having small domestic economies, the internationalization route was done selectively where there were pockets of customer segments such as expatriates. Both companies had used their personal and business networks (sometimes serendipitously) as sources of additional finance, shareholding and creative ideas. To scale to the world, 42Below went public very quickly and realized fast growth, albeit becoming an acquisition target for Bacardi Ltd., whereas Penderyn has remained private; two different ways of managing financial risks.

Resource leveraging
There is overwhelming evidence that both companies have leveraged their access to unique ingredients, technology and their countries-of-origin to gain competitive advantage. It is perhaps the opportunistic nature of this approach that makes it entrepreneurial. They have found international acclaim for their products over a short period of time and used these awards to propel them forward.

Value creation
If marketing is about creating value, both cases have demonstrated almost similar ways of how this is done using the elements of the marketing mix. The combination of very high quality products, with premium pricing, distributed selectively to a targeted customer base and promoted in non-traditional ways sum up the EM process albeit in a selected context.

CONCLUSION AND MANAGERIAL IMPLICATIONS

The aim of this study was to explore evidence of entrepreneurial approaches to marketing activities using two comparative cases. Based on an established framework, we investigated this and found that in both cases EM was employed successfully.
42Below has carved an image of irreverence and being non-conformist. They have unashamedly utilised viral marketing and entered international markets by training bartenders and hosting unconventional events. They use edgy language and unashamedly leveraged their host country resources to promote their flagship product. Penderyn Distillery has taken a more traditional approach to marketing their products and portraying romantic images of folklore and age-old tradition of distilling as key to their positioning but keeping up with innovation and customer focus. Both cases illustrate that a non-conformist approach to marketing suits the entrepreneurial firm within this type of industry. Whether this type of activity is called EM or perhaps more specifically ‘Contextual Marketing’ there is without question some identifiable commonalities that are at the heart of its meaning and operation within the small firm.

Such commonalities revolve around the quality and authenticity of the product which linked to a shared passion. In Penderyn’s case, for Wales and Welsh product within a global market – the reality is that there are precious few Welsh products that fall within the FMCG category and as such perhaps they carry greater value to the expat and home customer. Exclusivity of distribution and the non conformist nature of the production fall within the Welsh psyche and pursuance for the non traditional, so it perhaps follows that the marketing approach will reflect that psychological construct. In essence the firm displays an approach that is highly contextual, in that it is situation specific, experiential, context rich and has a high level of social construction linked to authenticity and national pride. Penderyn is driven by passion to produce highest quality product available and a desire to get one over on the Irish and Scots. They are driven by Balchder Cymru (the pride of being Welsh) and it is this passion for and affinity with their country whether it is New Zealand or Wales that somehow give meaning and context to the market.

It must also be noted that there is a central figure driving these entrepreneurial approaches. It matters not whether it is a Chief Vodka Bloke (Geoff Ross), a Master Distiller (Jim Swan) or some other person within the company, the push to be non-conformist and non-traditional can succeed within a specific context as those illustrated by the two cases in this study.

Additionally, it must be highlighted that while the argument for context is well-articulated in this study, it must also be noted that the cases are industry-specific and evidence here may not necessarily be generalisable to other settings. This however brings to the fore the need to explore EM in different contexts such as across different industry sectors, different stages of business maturity and size of companies. For example, there is still much that we do not know about EM in larger firms or smaller SBUs within a large corporate family such as one 42Below finds itself in, now that it has become part of a huge global company. With Bacardi Ltd’s resources, the question is: will 42Below remain entrepreneurial and in the same token will it still have the freedom to be so given a different corporate setting? As for Penderyn, being in private ownership lends freedom to implementing innovative strategies. If Penderyn was acquired by a bigger (non-Welsh) company, would it still be entrepreneurial or would it fall into a conformist regime?

Finally, one may argue that EM or as has been implied here, CM (contextual marketing) simply accepts that the marketing function within the firm is less about management and more about social context. Further one could argue that EM/CM revisits and updates the marketing concept in light of the paradoxical failure of “marketing management” to “deliver on the promise.” Certainly what the cases show and what EM/CM accepts is that marketing is contextual and cultural, a blend of anthropology, sociology, psychology, applied economics, linguistics and serendipity is where the variances will always outnumber the commonalities.

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