LUND UNIVERSITY
School of Economics and Management

Affordable Marketing – Closer than You Think

A Study of Marketing Concepts that Utilise Social and Human Capital Instead of Financial Resources to Reduce the Pressure on the Budget of New Ventures

Alexander Kirchmaier & Anton Vänskä

Spring 2017

MSc in Entrepreneurship and Innovation: New Venture Creation

Supervisor: Craig Mitchell

Examiner: Caroline Wigren

Abstract

Purpose – This paper aims to improve the understanding how entrepreneurs practice inexpensive marketing by utilising human and social capital instead of financial resources.

Methodology – This study was conducted following a qualitative methodology. The data was collected in seven semi-structured interviews with entrepreneurs who have made use of inexpensive marketing concepts and methods. We analysed the gathered data about practical entrepreneurial marketing approaches by investigating and discussing them with extant theory backed up by a content analysis.

Findings – The results of our study suggest that entrepreneurs, in general, aim to avoid monetary investments by utilising their knowledge, capabilities and experiences as well as their social network and status in certain communities when practising inexpensive marketing. There seem to be hardly any boundaries in cases where an entrepreneur possesses an appropriately developed personality and certain valuable traits. While human capital particularly aids the approach, social capital provides entrepreneurs with opportunities and inspiration.

Research limitations – Apart from geographical limitations, this study faces potential bias due to the diversity of the interview samples being limited to entrepreneurs. Additionally, the long-term effects of conducted marketing methods are unclear. Furthermore, as a qualitative study with a relatively small sample size, it provides a descriptive rather than declarative perspective.

Practical implications – This paper illustrates practical approaches to inexpensive marketing concepts and can be used as a supportive script for entrepreneurs who aim to reduce the pressure on their budget. All presented tactics should be seen in the particular context they were applied, including industry and entrepreneurs background.

Keywords – entrepreneurial marketing, limited resources, word-of-mouth, human capital, social capital, entrepreneurship, new venture creation, inexpensive marketing

Paper type – Master's thesis

Acknowledgement

Table of Contents

1. Introduction

If entrepreneurs had the possibility to leverage their capabilities and network to practise marketing without spending money, marketing would be free of monetary cost. In reality, this is not done with the greatest of ease. However, creative entrepreneurs use concepts and methods that make efficient and inexpensive marketing possible. This paper studies how this is done by utilising human and social capital rather than financial resources.

Existing literature states that small firms' marketing is shaped by the entrepreneur's personality (Carson & Cromie, 1989) and mentions a rising awareness of the importance of entrepreneurship and innovation to marketing and vice versa (Stokes, 2000). This relation has brought up the term "entrepreneurial marketing" and has been covered by various studies since then. For instance, Zontanos and Anderson (2004) mention in their study about relationships, marketing and small businesses that:

> *"what seems to distinguish 'formal' marketing from 'entrepreneurial' marketing is the active role of the entrepreneur, and networks appear to be the link between the phenomena" (p.231).*

Inspired by these studies, we decided to investigate this "active role" of the entrepreneurs and how they utilise their social networks to conduct inexpensive marketing.

In the second chapter, we present several concepts of inexpensive marketing including social media (Stelzner, 2011), word-of-mouth (Berger & Schwarz, 2011), customer references (Terho & Jalkala, 2017) and leveraging leverage (Swenson et al., 2014).

We define the term inexpensive marketing as *a collective term for marketing concepts and methods that can be used entirely free of charge or with a budget of less than one hundred euros per marketing campaign*.

Some of the presented marketing concepts and methods are widely recognised and might sound convenient to apply in practice. However, none of them can be conducted successfully without particular knowledge or previous experience. In that respect, the human capital theory (Becker, 1993) supports that the success of inexpensive marketing is highly dependent on the acting entrepreneurs.

Similarly, Davidsson and Honig (2003) have found that human capital, in the shape of previous experiences and practical learning, supports entrepreneurs in their understanding of entrepreneurial activities. This is especially relevant for unconventional and innovative marketing concepts and methods, since they can exceed the effects of traditional marketing if used properly but can easily backfire if used poorly (Kraus et al. 2010). Additionally, highly successful entrepreneurial franchisees show that marketing success is related to their confident personalities, drive and ambition (Merrilees & Frazer, 2006).

Apart from entrepreneurs' human capital, social capital, which is described as the accumulation of actual or potential resources that are linked to the possession of a network (Bourdieu, 1986), can impact the effectiveness and the success of applied marketing methods. However, entrepreneurs' contact networks are not determined by some law of nature, but evolve over time and are usually utilised subconsciously (Carson, 1993).

In order to improve the understanding of how entrepreneurs utilise human and social capital instead of financial resources to conduct marketing, we investigate the link between marketing and these forms of capital in an entrepreneurial context. We first studied the extant theory of entrepreneurial marketing and forms of capital. Then we collected primary data by interviewing seven entrepreneurs operating their businesses in Western and Northern Europe regarding their experiences in practising inexpensive marketing. We explain our methodology, including sample selection and data collection in chapter three.

1.1 Purpose

The purpose of this study is to improve the understanding how entrepreneurs practice inexpensive marketing by utilising human and social capital instead of financial resources.

While researching the current literature on entrepreneurial marketing and forms of capital, we found that the link between inexpensive marketing and social/human capital, as mentioned by Zontanos and Anderson (2004) is understudied. Furthermore, building on the findings of Davidsson and Honig (2003), human capital through education helps entrepreneurs in conducting entrepreneurial activities. Since the question whether this applies to inexpensive marketing in particular was not investigated in their study, we see a clear gap in that respect.

Our study contributes to the research by investigating relevant cases through qualitative interviews with founders. Therefore, it is irrelevant whether they lack financial resources or do not want to spend much money on their marketing and regardless of the motivation for practising inexpensive marketing, which can also be strategy related.

Finally, we aim to provide valuable information for entrepreneurs on how they can leverage their human and social capital to practice inexpensive marketing. This especially benefits people who have already developed a higher amount of human or social capital.

Therefore, this study aims to answer the following research question:

"How are entrepreneurs utilising their human and social capital instead of financial resources to conduct marketing?"

1.2 Outline

In the following chapter, we provide an overview of the current literature on inexpensive concepts and methods of entrepreneurial marketing and explain how the forms of capital are related with them. This theoretical framework is the result of an extensive literature review and includes the required theoretical concepts to understand the further investigation in the results and discussion parts.

In the third chapter we present the research methodology which is used to collect and analyse the primary data for this study. Apart from the research design, the chapter includes a detailed description of our approach to select the participants for the interview, information regarding every interviewed entrepreneur and the research limitations.

In the fourth chapter we present our rich empirical data from the interviews under different main categories that derive from our theoretical framework and additionally under empirical themes.

In the fifth chapter we discuss the results of our research with the existing literature and analyse the most important findings.

In the final chapter we summarise our most important findings, present practical implications and suggest future research.

2. Theoretical Framework

In this chapter we present a theoretical framework that we use as the base for our research. Firstly, we declare the forms of capital, namely social capital (SC) and human capital (HC). Secondly, we present the general theory of entrepreneurial marketing (EM) and particular marketing concepts, which are inexpensive but require HC and SC instead. Thus, we elaborate the missing link between the described marketing concepts and HC as well as SC after the presentation of every concept. These elaborations are based on our interpretations deriving from the theory presented in this chapter.

For marketing concepts and methods mentioned in this paper, this means that efficient utilisation of them requires social capital (SC) as defined by Bourdieu (1986) and human capital (HC) as defined by Becker (1993).

2.1 Forms of Capital

Bourdieu (1986) identifies forms of capital in his essay, including social and cultural capital. These capitals have been used as a base to justify the value of other forms of capital than financial capital. Although Bourdieu does not mention marketing in his essay, we seek to relate his thoughts to the described marketing concepts, since we are convinced of the necessity of a certain amount of HC, strongly related to SC, needed to make use of inexpensive marketing channels.

In order to connect HC to the mentioned marketing concepts, we employ Becker's approach (1993), which describes HC and how it is gathered throughout life. In order to understand our study of replacing financial capital with HC and SC, we present the underlying concepts of SC and HC.

2.1.1 Social Capital

If we look at the classical definition of SC mentioned by Bourdieu (1986) he defines it as the following.

> "Social capital is the aggregate of the actual or potential resources which are linked to possession of durable network of more or less institutionalised relationships of mutual acquaintance and recognition—" (p.21).

Social capital (SC) is important for entrepreneurs. It is used to allocate scarce resources (Davidsson & Honig, 2003) and to achieve desired outcomes for the business (Adler & Kwon, 2002). The network ties acquired through SC also provide access to resources (Nahapiet & Ghoshal, 1998) that the network is able to offer. Additionally, SC provides a ground to valuable information, what means "who you know affects what you know" (Nahapiet & Ghoshal, 1998). The amount of SC that a single person possesses depends on the size of the network and the available resources this person can efficiently utilise. Thus, SC is never independent of cultural or economic capital, since a certain homogeneity is needed so that social relations are beneficial for the parties involved (Bourdieu, 1986).

The high amount of SC leads to a situation where a person or a name is well known with a positive reputation and is sought after their prominence. On the other hand, a low amount of SC in a certain group can make it difficult for an entrepreneur to utilise this group. However, the existence of this SC leading to a well-structured network is not self-evident, but it is a result of endless investments to build relationships with the aim to benefit the parties involved (Bourdieu, 1986). These investments to build networks lead to a further formation of SC and may occur for example in close families, workplaces (Bourdieu, 1986) or local communities (Coleman, 1988).

According to Putnam (2000), SC can be split up into two types: bridging and bonding. Bridging SC is the linkage to external assets by connecting with people outside the current network through people in the current network. Thus, bridging SC means to extend the current network. In that respect, "weak" ties can often be more beneficial than "strong" ties since they usually reach further (Putnam, 2000). Whereas, bonding SC strengthens the current ties in a specific context, for example in closed communities or in a family (Putnam, 2000; Coleman, 1988). Therefore, bonding SC is crucial for social and psychological support while building up start-ups. Furthermore, the

strengthened ties offer the entrepreneur relationships where providing resources is a norm. Gedajlovic et. al (2013) mention that the quality and quantity of resources that can be utilised through social networks depend on the frequency of interaction and on the strength of the ties to the provider of these resources.

Putnam (2000) views that bridging networks are better than bonding networks when it comes to searching for external assets or new shared information. Nevertheless, both of these types of SC are useful for entrepreneurs looking to practise inexpensive marketing.

In the end, the ties formed through the SC yield the entrepreneur with recognition of opportunities, innovative ideas and/or new market prospects, which ultimately lead to performance outcomes (Gedajlovic et. al 2013).

Summarising, bonding SC strengthens the current ties in the close community (Putnam, 2000), which leads to increased loyalty and through this loyalty more available possibilities to practise marketing. In bonding SC the strong connection may lead to advice and new marketing opportunities. On the other hand, bridging SC may lead the entrepreneur out of the box, through connecting with more distant people in order to make new acquaintances and open new possibilities outside of the bonding SC network.

2.1.2   Human Capital

Human capital (HC) includes capital through knowledge, education, experience, skills, acquired behaviour and even health a person possesses. It is gathered throughout life, cannot be separated from an individual and is acquired e.g. through reading, learning, training and working (Becker, 1993). This includes for instance experience and the practical learning during an individual's career, training courses (Davidsson & Honig, 2003) and often occurs through social interaction (Nahapiet & Ghoshal, 1998).

HC guides an individual how to act in a specific situation, be it a dinner, a sales situation, or in our case conducting an inexpensive marketing campaign. In each of these situations, individuals with more or higher quality of HC should be better at understanding and performing (Davisson & Honig, 2003). In terms of small ventures, Carson (1993) describes the HC related key competencies of an owner-manager as experience, knowledge, communication abilities and judgement.

Although HC can be transferred from person to person, it cannot be transferred instantly and requires a lengthy process. In the context of ventures, HC is transferred from experienced people to new employees who lack the previous experience in the position they are going to work in. This transfer can be brief or lengthy and complicated depending on the position: dishwasher vs. engineer (Becker, 1993).

As mentioned above, the development of HC starts from birth (Becker, 1993), but naturally later education affects the development of HC and makes it possible for the individual to gain specific knowledge on certain topics, however it might also limit the individual to stay in one field of expertise (Davidsson & Honig, 2003). Although, according to Davidsson and Honig (2003), education as a component of HC may help entrepreneurs to undertake entrepreneurial activities.

Although acquiring HC may require financial investments, for example in the form of paid university education, it usually pays back in the long run, if used smartly (Becker, 1993).

According to Quinn (1992), knowledge and intellectual capacity are more powerful than available assets. This suggests that properly used HC can outperform the usage of financial capital in certain cases when practising marketing. Interpreting Davidsson and Honig (2009), this means a certain amount of capabilities in entrepreneurial marketing acquired from previous education, including academic training and experiences, can strongly support the ability to practise it. Despite that, they mention that overinvesting in a certain field of education might discourage entrepreneurial risk-taking and change the attitude toward entrepreneurial activities.

2.2 Entrepreneurial Marketing

The definitions for entrepreneurial marketing (EM) used in this study define it as an innovative, HC intensive field of marketing. Many current theories provide a ground for this such as the papers mentioned in the following.

Carson and Cromie (1989) suggest that a company's marketing is driven and shaped by the owner-manager's personality. Carson et al. (1995) have a similar approach to the marketing style of small firms. They argue that marketing activities and decisions are guided by entrepreneurial influence, which is highly controlled by the personality of the entrepreneur (as cited in Hill & Wright, 2000).

Furthermore, Morris et al.'s (2000) following definition for EM fits the context of our study similarly:

"the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation." (p.5)

Likewise, Miles and Darroch (2006) describe EM as exploiting attractive marketing opportunities by leveraging innovation to create goods and services that generate superior value.

According to Venkataraman (1997), entrepreneurship is often related to risk taking, but this risk-taking is calculated, rational, and can be reduced by shifting the risk to other parties or by sharing the risk with them. We apply this in particular to EM strategies.

Similarly, Miles et al. (2015) describe EM as often risky and further on as

"radically disruptive product, market, business model or process innovation in the pursuit of competitive advantage" (p.103).

The following subchapters provide an overview of several entrepreneurial marketing concepts and methods, which can be practiced inexpensively by utilising SC and/or HC rather than financial capital (see chapter 1.1). Although we distinguish them, a clear differentiation is not possible, since they make use of overlapping theories.

2.2.1 Social Media Marketing

During the last decade, social media became an important channel to promote brands and make a broad audience aware of a product offers. This marketing channel is especially interesting for this study since 59% of small business owners recognised a decrease in marketing costs through the use of social media (Stelzner, 2011).

Social media allows the implementation of a virtual community where firms, suppliers and customers can communicate, collaborate, co-produce and improve products or services. Thus, content is crowdsourced and customers become "prosumers" – consumers and producers at the

same time (Tapscott and Williams, 2006). This means, the marketer does not necessarily need to create and spread costly content but can lead customers to share or even create it by themselves. The expenses to reach people are negligible compared to traditional marketing.

Ketter and Avraham (2012) found three general types of relations in this communication process: the audience as (1) a distributor, (2) a message creator, or (3) a distributor and message creator. In contrast to traditional marketing where the audience is a passive receiver (Lasswell, 1948, as cited in Ketter & Avraham, 2012), in non-linear interactive models, recipients also have the role of encoding messages and providing feedback (Morreale et al., 2007). For social media campaigns this means that marketers can use viral marketing content enabled through the users' ability to forward information as a distributor (1) within their social network in a quick, simple and costless way (Thackeray et al., 2008). The users can also be motivated to create messages (2) such as it was done in the "There's nothing like Australia" campaign, where residents uploaded nearly 30.000 individual stories and images starting with the words: "there's nothing like...". These crowdsourced items were later presented on the campaign's website to promote Australian tourism. An example where the audience become real "prosumers" is "The best job in the world" campaign by Queensland, Australia, where consumers were motivated to record a short video about why they should be picked to "take care of the great barrier reef" while exploring it and earn AUD 150.0000, - for six months along with a rent-free villa. In order to win, the over 34.000 participants had to spread their application video as much as possible (Ketter & Avraham, 2012).

Moreover, according to Gangemi (2011), the effectiveness of social media marketing is even more measurable than just about any other kind of marketing by the number of mentions, retweets or clicks.

2.2.1.1   Social Media Marketing and HC

Interpreting the findings of Davidsson and Honig (2003) about the support of previously acquired HC in terms of entrepreneurial performance, social media marketing requires several types of HC depending on the type of the marketing activity the marketer is interested in conducting. Due to recent technological developments, it is easy to begin with social media marketing, but the successful execution of a campaign requires specific skills. Clever utilisation

of social media includes inexpensive campaigns through ads as well as the creation of online word-of-mouth through viral content (see chapter 2.2.2).

Campaigns on Facebook or LinkedIn require knowledge about the audience, which means that the marketer understands the target group and how to reach them. Marketing also requires knowledge of the algorithms and the advertisement engines used in these different social media channels. Necessary HC can be acquired through by trial and error, reading, training and certainly through previous experience in social media marketing. Additionally, the ability to conduct a customer analysis can help to define and find the target audience and spread the message to the right recipients.

The marketer also needs to know how to interact with their audience in an engaging way, which means using the language suitable for their audience and using topics in their interest (Marvick & Boyd, 2011).

2.2.1.2   Social Media Marketing and SC

Since the interest of the audience cannot be taken as given, a certain SC is helpful to get attention. As a rule of thumb, one could say, the more SC (particularly in form of status and followers) the easier to spread messages.

Social media allows the message audience to engage with the marketer and vice versa. Interpreting Ketter and Avraham (2012), this communication can be done instantly and is not only limited to text or voice messages but also includes sharing other types of content e.g. pictures and videos. If the message contains elements in the interest of the audience, it will be spread. The stronger the bond between recipient and marketer, the more likely the spreading. These interactions can even strengthen the bond in the long-term relation.

In certain situations, the marketing message can be considered very valuable by the audience, thus it goes viral and is shared throughout many social circles and communities such as "the best job in the world" campaign (chapter 2.2.1).

2.2.2   Word of Mouth Marketing

Word of mouth is a concept used to practise EM and can be defined as the social talk about a service or product. This social talk can occur in both online and in offline communication, but

especially when something creates a buzz. WOM affects the consumer behaviour and it directs the customers' actions (Berger & Schwartz, 2011). Furthermore, Berger and Schwartz (2011) suggest that products or services that are visible in the surroundings of customers, e.g. on the street, should be talked more about because they are more on the top of the mind through these triggers. WOM can be triggered in many different ways and marketers often try to create it intentionally.

Notarantonio and Quigley Jr. (2009) extensively reviewed the literature on WOM and found: People source information to evaluate services and products such as household goods, food products and automobiles through WOM. Moreover, findings show that WOM has a stronger effect on the adoption of low-risk innovations than mass media advertisements and is preferable to increase the firm's value in long-term, not only since it is perceived as more reliable and credible. Gelb and Johnson (1995) identified three situational factors which increase the likelihood of WOM: (1) When a person who enjoys discussing purchase alternatives becomes familiar with a product or service and starts talking about it, (2) when users experience emotional reactions – favourable or unfavourable, and (3) when dissatisfied customers find it difficult to complain directly to the provider; thus they denigrate the supplier via WOM.

Jonah Berger, marketing professor at the University of Pennsylvania, has found six fundamental principles which create ongoing WOM. He calls them six key 'STEPPS' (Berger, 2013):

Social Currency	Since most people want to rather look smart than dumb, rich than poor, and cool than geeky, they show and share things which act as a social currency to increase their social status. Thus, marketers need to offer people information that makes them seem smart or appear like insiders towards others. Additionally, communicators can provide visible symbols of status that people can show others.
Triggers	One of the most effective stimuli to remind people to talk about products or ideas are triggers within their environment. By linking a product to an environmental trigger, it is far more often on people's top of mind and thus on their tip of tongue. Product accessibility can be increased by linking a product to stimuli it was not associated

	with before (Berger & Fitzsimons, 2008). For instance, Kit Kat lifted sales by linking it to coffee (compare "Kit Kat and coffee" campaign, 2007).
Emotion	People share what they care about. Contagious campaigns usually evoke some sort of emotions. Berger proposes to focus on feelings rather than function and information to create WOM. Even negative emotions e.g. anger can be used to trigger spreading. However, emotions are tricky since some increase sharing, while a few such as sadness actually decrease it.
Public	Humans tend to imitate by nature. In order to make use of this behaviour, the marketer needs to make a product visible for others while used by the current customer and thereby advertise itself. For instance, beer is much more likely to be discussed than toothpaste, since it is consumed public (Berger & Schwartz, 2011).
Practical Value	People like to help others with their advice. Thus, marketing communications have to tell them how a product or idea will save time, improve health, or save money, and people will spread the message. However, to emphasise that one particular thing is a good deal, its incredible value needs to be highlighted and packaged in a way that people can easily pass it on.
Stories	Since people do not just share information but tell stories, it benefits the impact of WOM when the message is spread by a narrative. The product or idea must be embedded so integrally that the story cannot be told without it.

Table 1. 'STEPPS', based on Berger (2013).

Kraus et al. (2010) distinguish between three marketing methods they studied that are used to create word of mouth. These three forms are called guerrilla marketing, buzz marketing and viral marketing and are partially overlapping since they are all based on the concept of WOM (Ahuja et al., 2007; Creelman, 1992; as cited in Kraus, 2010).

2.2.2.1 Marketing Methods using WOM

Buzz marketing stands for marketing methods that leave the task of spreading the marketing message to the recipients of the marketing. First, an advertiser targets their message towards people that have influence in a specific network and then this influencer will share the message forward to their followers. The emergence of buzz marketing derives from the more critical approach of customers towards traditional marketing (Kraus et al., 2010). McKinsey estimates that up to 67 percent of all sales in the USA are influenced by buzz. (Dye, 2000; as cited in Kraus, 2010).

An example of buzz marketing could be famous sportsmen wearing Nike shoes, who spread the values of the brand thereby and through their lifestyle. The usage of brand ambassadors described by Kraus to create a buzz is comparable with the technique of unleashing the power of product advocates mentioned by Swenson et al. (2014).

Viral marketing as a term came up 1997 and is described as a method of marketing spreading messages to draw attention towards brands or products through social networks such as friends, families or acquaintances based on word-of-mouth (Phelps et al., 2004). Thereby the act of spreading is done voluntary, seemingly virus-like uncontrolled by the customer himself (Rosenbloom, 2000). The success depends on whether the customer has personal benefits sharing the message. A successful viral campaign's main advantages are extraordinarily low costs through using new communication channels such as the internet (Dobele et al., 2005). According to Mohr and Spekman (1994), viral marketing is the impersonal, technology-backed version of buzz marketing.

One successful example of viral marketing is the free online shooter 'Mohrhuhnjagd' by Johnnie Walker. The game was only advertised by WOM and spread through internet, newspapers and TV channels. A more recent case is the catastrophe movie 'Cloverfield' from 2008, which used a campaign based on secrecy combined with snippets such as fake news broadcasts in several languages. After a short teaser, long before the movie launched, cryptic messages were spread to the audience on a scavenger hunt. As the release date got closer viral homepages such as 1-18-08.com (the release date) or slusho.jp (a drink company appearing in the movie) were set up to generate buzz. Additionally, the movie's characters got their own blogs and Myspace profiles, and an interactive comic story was developed together with the fans (Kraus et al., 2010).

Guerrilla marketing stands for low-cost and high impact marketing methods that make it possible for small companies to get attention like large corporations (Kraus et al., 2010) and it was first introduced by Levinson (1984) in his book "Guerrilla Marketing: How to make big profits in your small business?" Guerrilla marketing is one of the marketing methods that have affected other EM concepts. Guerrilla marketing actions are usually only executable once and they are meant to be surprising, rebellious, contagious and leading to a "wow factor" (Kraus et al., 2010). At the same time, messages of Guerrilla marketing aim to be simple but fascinating, thus stimulating the willingness of the recipient to spread them (Ahuja et al., 2007).

2.2.2.2   WOM and HC

Discussing Berger's (2013) six STEPPS or the marketing methods mentioned by Kraus (2010) shows that a certain HC is necessary to conduct described techniques. Without a minimum of knowledge, the mentioned approaches cannot be utilised appropriately and previous experiences provide the acting entrepreneur to exploit them more confidently. For instance, in the "Kit Kat and Coffee" campaign the marketers created a very sharp trigger by using coffee. It's not only brilliant because it is alliterative, but especially since it represents a very frequent trigger which is appropriate for consuming a chocolate snack at the same time. The success of the whole campaign was based on a clever observation by the experienced marketing director Coleen Chorak and thereby it can be attributed to the HC she contributed to the company. Apart from the creative use of triggers, another HC intensive example could be turning a product into an exciting story, which cannot be told without mentioning the product.

2.2.2.3   WOM and SC

As noted before, SC is influenced by many factors such as status in a society or belonging to a particular group sharing certain attributes or interests. Thus, we interpret that people with a higher status in a certain community make easier use of WOM to spread their messages since they have a "strong voice" in this society. Furthermore, a person who has access to a bigger social network can communicate messages to more people and is therefore more capable of creating WOM. Last but not least, a person with greater SC again has access to larger groups of people and

consequently to more support and advice regarding the creation of WOM. Likewise, for companies, the higher their SC, the more people will listen to their message.

2.2.3   Customer Reference Marketing

Companies use existing customers as showcases for sales and marketing (Terho and Jalkala, 2017). According to Terho and Jalkala (2017), customer references play a significant role in firms' marketing towards other businesses. Most of the companies they studied use references from former projects for sales and marketing to present new customers what they are capable of. They also found that companies make formal agreements with their references to e.g. receive discounts or extra guarantees. The focus of their research may raise some questions about the compatibility of the article to our research since our sample consisted of emerging new ventures that are not publicly listed. However, we see this concept applicable to smaller businesses and start-ups as well. Small businesses can also use their existing customers to demonstrate new potential customers their capabilities, which benefits marketing, communications and sales.

2.2.3.1   Customer Reference Marketing and HC

Practising successful customer reference marketing requires capabilities on how to acquire, manage and utilise them in a marketing or sales context. This required knowledge and skills can be gained through previous experience, training or self-studies. Companies also must know what kind of contracts are suitable in specific cases and what can be supported by legal knowledge.

2.2.3.2   Customer Reference Marketing and SC

SC and customer reference marketing are closely related. It should be easier for an entity with a high amount of SC to acquire customer references since they are acquired through the customer network which is based on the entity's SC. Customer references, which do not involve financial remuneration, have to be relatively close to the company they refer to. Being a customer reference can include a social exchange, where the referrer utilises SC of the reference or vice versa. Moreover, financial remuneration may motivate the willingness to act as a customer reference, if a social exchange is not possible.

2.2.4   The Concept of Leveraging Leverage

Since entrepreneurs cannot match the resources of larger competitors, they have to do more with less. In order to do that Swenson et al. (2014) suggest a framework of best practices entrepreneurs can use to tap into the skills and resources of others. This framework they call Leveraging Leverage.

Following this idea, one of the distinguishing characteristics of innovative entrepreneurs is their networking capability and ability to leverage the resources of these diverse contacts and associations (Dyer et al., 2009).

Leveraging Leverage can be done in five practical ways:

Unleash the power of product advocates	This practice describes finding people with a significant influence over the target market for marketing usage. These product advocates are brand champions and may be people including acquaintances, friends, board members, celebrities and industry gurus (Swenson et al., 2014). According to Rhoads et al. (2009), this can be done to highlight, defend, introduce and promote new businesses and new products.
Empower early-adopter customers	Entrepreneurs can make use of early-adopter customers with a particular passion for the product, to provide the financial support needed. Crowdfunding, for instance, allows entrepreneurs to get their start-up running with money from their early-adopter customers. Technology products benefit from the time and money spent by beta testers (Swenson et al., 2014). Furthermore, the first customers can be utilised by investigating the reasons why they love the product or service in order to gain valuable knowledge for attracting further customers (Rhoads et al., 2009).

Land an anchor customer	By tapping the credibility of anchor customers, it is possible to attract potential others and thereby accelerate product development. Swenson et al. (2014) mention companies such as Toyota, Microsoft, Oracle, VISA, Siemens or Walmart (compare with chapter 2.2.3).
Work with benefactors	Ask the question, "Which business partners will benefit when we succeed?" and approach exactly these benefactors since they have a vested interest in the start-up's success.
Build an advisory board	Involve an advisory board with experienced individuals who have done before what the start-up aims to do. According to Swenson et al. (2014) "advisory board members who are willing to use their own time, influence, and contacts to promote the start-up are truly priceless." (p. 61)

Table 2. Leveraging Leverage, based on Swenson et al. (2014)

2.2.4.1 Leveraging Leverage and HC

The success of a potential utilisation of early-adopter customers such as described by Swenson et al. (2014) is dependent on the entrepreneur's ability to approach them and unleash their passion. Thus, it is dependent on the HC in respect to communications. Another example could be making use of these early customers to gather financial resources. Therefore, it helps the entrepreneur to have HC in the form of knowledge about practices such as crowdfunding. Especially landing anchor customers or getting benefactors on board may be even trickier, since not every anchor customer suits every start-up and benefactors need to be found before they can be utilised (Swenson et al., 2014). Thus, the entire process including acquisition and utilisation of anchor customers or benefactors seems to need an advanced level of HC.

2.2.4.2 Leveraging Leverage and SC

In case an entrepreneur has potential product advocates in the social circle, it represents SC utilisable for marketing. As mentioned by Swenson et al. (2014) the power of these product

advocates is highly dependent on their own social status and outreach in the targeted community, in other words, their SC. Furthermore, a high amount of SC of the entrepreneur might also facilitate approaching and landing other entities such as advisors, early-adopter customers or anchor customers.

3. Methodology

Our study is designed to identify specific strategies used by entrepreneurs to utilise their HC and SC when conducting marketing. In this chapter, we declare our research approach including research design, setting and data collection. We further present a detailed description of our sample as well as how the data was analysed and which limitations we identified.

3.1 Research Design and Setting

The research for this thesis is based on a qualitative approach following the guidelines derived from Bryman and Bell (2011). A qualitative research approach suits this study since we aim to investigate a narrow sample in depth.

In order to get insights on their practices of inexpensive marketing and utilisation of HC and SC we interviewed entrepreneurs, analysed the gathered data and discussed it with our theoretical framework.

The setting of this study is in Western and Northern Europe and our sample consisted of entrepreneurs who are running emerging start-ups which operated less than five years and have achieved sales. They did not have to face specific resource constraints regarding finances, but they had to have experience with inexpensive marketing.

3.2 Data Collection and Sample Selection

We collected our data through qualitative, semi-structured interviews to receive in-depth answers and to gather rich empirical data (Eisenhardt & Graebner, 2007). Semi-structured interviews also provided us with latitude to ask further questions based on interviewees answers (Bryman & Bell, 2011).

The interview sample was carefully chosen by theoretical sampling (Eisenhardt & Graebner, 2007) to discover categories and to suggest their interrelationship in our latter analysis (Bryman & Bell, 2011).

The following criteria was used for our sample:

- They need to have experience with inexpensive marketing.
- They have marketed products or services resulting in sales.
- Their current company has existed for less than five years.
- Their current company employs a maximum of ten people.

The limit of five years as well as the limited number of employees was defined to keep the focus on new ventures, since larger enterprises can utilise and benefit from entrepreneurial and inexpensive marketing practices similarly (Miles and Darroch, 2006).

The sample was created and filtered by contacting entrepreneurs per email to participate in the research by asking them if they can contribute to our study. In these emails, we presented the topic of our study and evaluated if the potential interviewees were suitable by asking the following questions which they all had to answer with "yes" to be eligible:

- Have you practiced marketing that can be conducted entirely free of charge or with an investment of less than € 100,- per campaign?
- Did these marketing activities result in sales?
- Has your current company existed for less than five years and are you employing less than ten people?

Subsequently, we evaluated the received answers and based on them we made a final decision whether these companies suit the objectives of our study.

The research was preluded by a pilot study consisting of two interviews with entrepreneurs from our personal network. We conducted a pilot study in order to determine how well our research methods work as suggested by Bryman and Bell (2011). Following this first study, we contacted eleven entrepreneurs from the Skåne region, but it only resulted in two interviews. Since we could not find more participants, we contacted further entrepreneurs in our personal networks to gather more data for the research. Thus, in total we interviewed seven entrepreneurs representing seven different companies.

We conducted the interviews during a period of three months, from February to May 2017. This was due to the limited time frame of the thesis. Two of the seven companies were interviewed a second time and these two companies were the same we interviewed for our pilot study. These second interviews were conducted primarily to ask more in-depth questions. Our interview guide was used as a flexible guideline (Bryman & Bell, 2011), which means that during the process of each interview we could alter some questions to narrow them down and gather more in-depth data. Since some of the questions were not suitable for all interviewees, we did not ask every question in every interview. Our interview guide can be found and studied in the Appendix 2.

In the beginning of our research process, two of the interviewees asked for the interview guide in advance to prepare for the interview. After providing the interview guide to our interviewees and conducting the interviews, we concluded that giving out the guide was not a well-considered action from our side. Providing the interview guide resulted in answers less based on intuition due to the possibility to prepare. Thus, we did not send the interview guide to the participants during the further research process.

3.2.1   Entrepreneurs Interviewed

We interviewed seven entrepreneurs operating companies in three different industries in Northern and Western Europe. We conducted nine interviews in total, while those entrepreneurs who took part in our pilot study were interviewed two times due to the alterations of our interview guide. At the beginning of each interview, we asked the interviewee if they want to stay anonymous and if we can release all the data collected. This was done to preserve good relations with each interviewee and to ensure that nothing too sensitive is revealed about their strategies or operations.

Table 3 presents an overview on the conducted interviews of our sample:

Interview	Interviewee	Position	Company	Country	Founded
Pilot 1	Stephan Wölcher	CEO, Founder	Wogenfels	Austria	2015
Pilot 2	Niklas Kiilava	CEO, Founder	Delwig Digital	Finland/Netherlands	2014
1	Stephan Wölcher	CEO, Founder	Wogenfels	Austria	2015
2	Niklas Kiilava	CEO, Founder	Delwig Digital	Finland/Netherlands	2014
3	Gustav Haag	CEO	Ranktrail	Sweden	2012
4	Kirill Noskov	CEO, Founder	IAMRUNBOX	Sweden	2014
5	Robert Beierheimer	CEO, Founder	Emoji Apps	Austria	2014
6	Daniel Mason	CEO, Founder	GymFuse	Great Britain	2014
7	Koen Grosman	CEO, Founder	Greymotion	Netherlands	2015

Table 3. Entrepreneurs interviewed

All interviews were either done in person in Lund, Sweden and recorded with a phone or online via Skype/Facebook Messenger and recorded with OBS (Open Broadcasting Software) or Audacity. In total, we gathered 6 hours and 42 minutes of raw interview data. Both researchers were present during the interviews. During the interviews one of the researchers wrote down notes and one of them asked the questions. The interview notes were used together with the original sound files as the base for the results and analysis of this paper. Direct quotes are citations word by word from the audio files.

In the Appendix 1 we present short descriptions of both the entrepreneurs and their companies. The purpose of this is to provide a better understanding of the sample. The short summaries are based on the information gathered during the interviews and raise no claim to completeness.

3.2.2   Interview Guide

Our interview guide (see Appendix 2) aims to gather all the necessary data required for our analysis and is based on our theoretical framework. The questions are designed to investigate the sample regarding our research question and are a guideline for the semi-structured interviews.

Firstly, we ask the interviewees about their personal background as well as their current company and their position in it. Thereafter we discuss different inexpensive marketing strategies that the founder or the company has conducted and investigate the intentions and outcomes of those. Throughout the interviews, we aimed to focus on getting the interviewee to explain what capabilities, knowledge, experiences, etcetera (HC) or contacts, supporters, networks, etcetera (SC) he utilised to practise the discussed strategies in an effective way.

In the beginning of our research process, we noticed that our interview guide was too general and that we might lack some important insights. Thus, we iterated our interview guide after the pilot study to calibrate it to the research process. After the pilot study, we also recognised that we had to be slightly less structured and to be able to dig deeper into certain topics.

3.3   Data Analysis

We investigated our data with a thematic analysis based on theoretical and empirical themes arising from our results (Bryman & Bell, 2011). The results are presented in the chapter 4 following the order of concepts of our theoretical framework. By using the relevant data from our interviews, we aim to find patterns and dominant themes that connect our sample and link our evidence with the existing literature.

Additionally, we conducted a content analysis inspired by Insch et al. (1997) to generalise and quantify our findings. Assumed categories are built from results by detailed examination following Insch's methodology. Inferred categories (Insch et al., 1997) represent empirical

findings that were left out from the table because they were too broad or unique results to be quantified. They are presented under Further Findings (4.5).

The assumed categories that derive from results are naturally linked to our interview guide and also to the theoretical framework used in this paper, because the interview guide is based on the theoretical framework. We thoroughly examined our results and identified 14 quantifiable codes based on the entrepreneurs' answers on their marketing practices. These 14 codes assisted us in compiling our findings and discussion parts of the paper, additionally they aid the reader in comparing the data from different interviews.

The coding manual including codes and the results of the content analysis are presented in appendices 3 and 4. The 14 codes presented in the table can be seen as simplified interview questions with simplified answer options.

3.4 Research Limitations

The sample of our study is located in a few countries of Western and Northern Europe and therefore the results might not represent the global context. Likewise, we covered only three industries. Thus, as a qualitative study with a relatively small sample size, it provides a descriptive perspective that can neither be generalised for the entire world nor for every industry but must be seen in its particular Western European context.

Furthermore, all of the entrepreneurs we interviewed are running nascent companies, thus long-term effects of their marketing is uncertain.

Moreover, we interviewed only one person from each company, which may bias the data. Firstly, the single sided perspective regarding the marketing situation might be biased and glorified. Secondly, the interviewee might leave something out to not reveal everything to us.

Last but not least, we interviewed two colleagues who have already run companies before the program. On the one hand, this can influence the research due to potential embellishment for their social status. On the other hand, this can also result in more honest and detailed information due to trust.

4. Findings

The findings are presented based on the structure of our theoretical framework and on empirical findings of investigated marketing concepts and methods not presented in our framework.

For each marketing concept, we present the connection to HC and SC. We illustrate the practice of the concepts with direct quotes and examples from our interviews.

Additionally, we summarise the results of our content analysis at the end of this chapter.

4.1 Social Media Marketing

All of the entrepreneurs we interviewed practice marketing in social media to different extents. Each company of the interviewed entrepreneurs have at least a page on Facebook and most of them are also present on Instagram and LinkedIn. Moreover, the success on the social media platforms is very often dependent on how clever and sharp the content is as well as on the industry a company is operating in. Tangible consumer products demand (require) a different strategy than digital products and even more thoroughly should be distinguished between B2C- and B2B-products or services (we also identify a gap between B2C and B2B marketing). Entrepreneurs operating companies serving the business-to-business (B2B) markets see LinkedIn in particular as a lucrative channel to get attention from other businesses. However, the intensity of an appropriate usage seems not only determined by the industry a venture operates in, but also by the country. According to Kirill, Instagram is very common in Sweden, Twitter is stronger in the UK than in most other countries, while Facebook is prevalent in the majority of Asian countries such as Singapore.

Daniel praises Instagram's functionality to display visual content because users are mainly looking for that when browsing through the platform.

> "One of our big USPs is the aesthetics of the product. We think Instagram is the best way to go, in terms of the visuals, since people seem to react both more and more emotionally to it. This makes them more likely to buy or at least enquire. So, we feel that it was a good way to go with Instagram." - Daniel, GymFuse

Many entrepreneurs mention that the competition on above-mentioned channels has got fierce during the last years due to the increased use of social media. It has become more popular among the users and this has led to more companies realising the true potential to reach their target audience. The algorithm of Facebook's news feed makes some content more visible than others; videos have the highest ranking followed by pictures, links and text. Another influence on the ranking of a post is the engagement. Thus, a post with many interactions gets ranked better and reaches even more people. Koen mentions:

> "Most of the users browse Facebook for entertainment, therefore marketing there has to be personal and arouse the target audience."

A well compiled sponsored post is read through, which leads to increased brand awareness and in the best possible result to sharing. Daniel agrees on this and mentions further that ideal content should be consistent and transparent; people like to read behind the scenes stories.

According to Robert, Twitter has a special role in social media since the audience is posting rather public and are at the same time very open to communicating with brands and other people. The public posts can be screened easily for particular content through Twitter's search function by using both hashtags or just regular words. Thus, he has used it to screen Twitter for posts demanding products such as his and commented on them in order to suggest his product and win them as customers. Kirill further mentioned that customers (especially in certain countries such as the UK) tend to use Twitter for direct communication when they want to complain. Therefore, he sees it very important for the reputation of start-ups to use this channel from the beginning on.

Gustav explains that RankTrail only uses AdWords (90%) and pay-per-click ads on Facebook and LinkedIn (10%). These ads gain attention by leading potential customers to RankTrail's SEO test and thereby it generates them leads.

4.1.1   Social Media Marketing and HC

Social media marketing can be studied in several ways through formal education or informally through e.g. books and online content. Previous experiences are also mentioned as helpful to develop a feeling for what makes people engage. Our findings also suggest learning by trial and error as a common way, which is often done with little money and then further calibrated.

Entrepreneurs mention the online learning platform Udemy as a cost-efficient tool for self-learning and boosting creativity. Furthermore, graphic design skills e.g. Adobe Photoshop can increase the quality of graphics used for marketing and thereby generate more attention. Most of the entrepreneurs who practise social media marketing design their advertisements themselves and state that the quality of graphics plays a significant role in engagement.

Koen mentions that creativity is still necessary for standing out in the current competition, especially through out of the box thinking.

> "I would go to Udemy, get a growth-hacking course and sit down together, make some creative experiments with each other, write down five experiments, for example, try for three-four weeks, see what works. If it does not work try a new thing if you see something is working, triple down on that." -Koen, Greymotion

Moreover, Koen argues that he also learned from failures of others e.g. when he saw how a wine e-tailer he was working for failed in social media by spending more money than generating income. Thus, he sees social media mainly as a tool for brand building but not resulting in direct sales.

Another example that requires advanced HC is Robert's Twitter tactic. He searched for "middle finger emoji" and found posts where people asked questions such as "Why is there no middle finger emoji?" or others discussing when this kind of emoji might be launched by Apple. He tried to answer as many posts as possible with a personal message including the link to his middle finger emoji app. Although this approach can be very effective in case people like the post or even retweet it, he also got banned several times. He argues, a marketer who uses this kind of technique should always keep in mind that the behaviour could be considered as spamming by the

algorithm of a social media platform and, therefore, the account could be banned. However, apart from risk-taking it only requires a time investment.

Regarding ads, Robert explains that an entrepreneur, who also wants to act as a marketer, has to acquire certain knowledge about marketing and sales in order to make a success out of his products. An engineer can have the best know-how regarding his product, but will hardly sell it just for its superior quality. Robert made this experience himself when he started with the first iOS applications. Although he was absolutely convinced that his products were the best of their category on the market, he did not manage to sell more than a few unless he figured out how to market them in the App Store and successfully push them in social media.

> "A sole engineer will most likely create an ad counting down all the features and create a poor and boring advertisement." - Robert, Emoji Apps

4.1.2   Social Media Marketing and SC

Efficient social media marketing requires HC to design content that impresses the audience. However, if entrepreneurs do not possess these skills, they can substitute this lack through their SC by consulting a person who has necessary capabilities. Entrepreneurs mention that they utilise their network especially for more skill-intensive tasks such as professional video content. Thus, a large social network naturally benefits an entrepreneur's ability to practise quality social media marketing.

> "Nowadays high-quality pictures are nothing special anymore. However, well-made videos with some thinking behind get the most attention. Basic videos we film ourselves with our smartphones and if we need professional content for brand awareness, my friend helps me and it is pretty low cost for me." - Stephan, Wogenfels

Between the pilot study and the follow-up interview, Stephan even became a shareholder of his friend's video production company, which enables unlimited access to high-quality content for Wogenfels.

Koen utilises his SC by creating advertising targeting friends of friends and bridges the network for his venture thereby. He takes this particular approach since he knows that the market for web design is pretty saturated, but when contacts of contacts see that their direct contacts "like" Greymotion that gains trust.

4.2 Word of Mouth Marketing

Creating word of mouth can be both the particular aim of a campaign or a side effect arising when through certain content. In some cases, a product by itself can encourage WOM. All the interviewed entrepreneurs coincided upon the necessity of thinking creatively and packaging the message in a way that arouses attention and often involves a risk-taking behaviour.

For instance, the founders of GymFuse produced a short low-budget video to create a buzz by using the provocative strapline "When box fit just won't do" reinforced by pictures of two people exercising while wearing a box made of carton and a third person standing between them in a bespoke shirt labelled with GymFuse. While their videos usually have a reach of some hundreds, this controversial one could generate more than 30.000 views.

Another example of creative marketing causing WOM on a small scale was their guerrilla action when they went to an Apple Store one morning and changed all devices' standard website to GymFuse.co.uk, what they considered a way to gain brand awareness.

When the founders or employees of RankTrail attend events they usually mingle there with their branded suits in corporate colours which encourages people to talk about it and approach them.

4.2.1   WOM and HC

GymFuse's example shows how knowledge on issues your customers are facing can be utilised to create a viral video. Moreover, Daniel mentioned that the "When box fit just won't do" video was directly addressed against their biggest competitor since he had found out that their fundamental weakness was GymFuse's USP, their custom-made cut. This counter-campaign required a certain amount of creativity, a general positive attitude towards risky campaigns and had to be done smartly to make the audience understand it correctly since it used a negative

34

strapline. Daniel and his partner undertook this campaign consciously knowing that everything is judged on social media and that they might also scare some people away.

When Robert meets other software engineers and tells them that he develops emoji apps, they often ask him why he does not program something useful. According to him, the majority of them have not understood the market, most likely because they have not done proper research regarding customers' needs, but quite the opposite, have only developed what is needed in their own opinion. He classifies this as one of the most common fallacies specialists believe in and argues that products, especially in the digital age, do not sell for their quality or features, but for the emotions they create and their ability to be communicated in the targeted community. Robert concludes in a business-like and sober manner:

"Never ask what you want yourself. Ask what others want!"

Moreover, it is not only necessary to ask what customers want, but also what they will search to find you. When Robert started, he got inspired by a competitor's app called "Emoji keyboard", however back then "Emoji" was not a common term in the Western world. Thus, he created a similar app and called it "SMS-smileys", which outperformed his competitor's app with ease and rocketed to the number one of the app charts in many European countries.

According to Gustav, the founder of RankTrail is often invited to do speeches at industry events, since he has a good name and is known for his vast understanding of the industry due to previous experience as a consultant. This means HC can raise the social status and thereby enable channels.

4.2.2 WOM and SC

SC can sometimes act as a driving force or as a tool to spread word of mouth. Robert's emoji application grew into a success through word of mouth after users started downloading it and sending the emoji to one another. Every recipient, who did not have the app before, is automatically encouraged to ask where these emoji come from and thereby his app spread. Thus, Robert managed to outsource the growth of the user base directly to the customers, who gladly spread his emojis.

"My product is very special since it is used for communication. My customers send smileys to each other and the app spreads itself. I compare it to fashion, when you see your friend wearing Polo (Ralph Lauren) clothes, you buy something from the brand too. I think that my product is viral." -Robert, Emoji Apps

Gustav of RankTrail mentions that the founders of the company possess an enormous network and that the founders used to attend all the possible events where they could talk free of charge. He mentions that the network that made it possible to be invited to multiple events was a process of ten to fifteen years of network building.

Furthermore, Daniel showed how to utilise the personal network to gain more brand awareness. He used to play football during his youth and two of his teammates have reached the professional leagues in England, now being influencers on Instagram with roughly 60k followers; he asked them to display GymFuse products towards their audience, which they did gladly. However, the outcome of this was not clear to him.

4.3 Customer Reference Marketing

Customer references act as a crucial tool for the majority of the entrepreneurs interviewed. They use them to gain credibility, for marketing and for a higher conversion rate from lead to closing a deal. In order to do so, they place them on their website or use them in sales negotiations. These customer references can be end-consumers, businesses or famous people. However, the role of references is depending on the industry. For instance, it is very vital to have a portfolio of previous customers to attract future customers in the web design industry. Likewise trust for a product brand increases when it is featured on media.

4.3.1 Customer Reference Marketing and HC

Customer reference marketing may require creative approaches (HC) to maximise its potential. In some industries, such as private label manufacturing, the partners might want manufacturers to stay anonymous. GymFuse faced this issue; it took Daniel a certain level of creativity and crossing the line of ordinary use of customer references to overcome this. After one

of his largest customers declined his request to use them as a reference, he pondered the situation and thought for a way around. He came up with a solution where he does not mention the partner company directly but on his website magazines such as "The Time" and "Men's Health" where his partners were featured. Daniel argues that they were thereby featured indirectly through their partners' products created by GymFuse. In the same comment, he mentions that it is tough for businesses which operate anonymously in the background to get attention in such a way.

Conversely, Koen asks each of his satisfied customers to review his service on Google Reviews and on Facebook. Usually, customers are asked to send their review directly to the company to publish it on the website. By asking the customers to review him on the above-mentioned platforms he builds credibility for his service by ranking higher on Google and having better reviews on Facebook.

Furthermore, Robert came up with a creative way to use his own mobile applications as platforms for reference. This is possible since he is offering various applications in the App Store, which enables him to advertise new apps in his previously released popular ones. Many of his applications have a user base of hundreds of thousands or even millions of customers, which he can utilise for every new release. Apart from a "more apps" section that every of his apps has to refer to other of his offers, he launches "fake updates" for every single app to support new launches. Once the customers update their current apps and open them, they first get a popup referring to his new app.

4.3.2   Customer Reference Marketing and SC

Our interviews showed that entrepreneurs agree with the claim that a high amount of SC can make it easier to acquire references since the high amount of SC usually comes with larger networks and others willing to be related to one.

Stephan managed to be featured in various newspapers in Austria due to constant network building by attending meetings where journalists were present as well. He built relations with the journalists slowly and managed to get featured. He says that he could not have used the newspapers as references for him if he had not built close a connection with the journalist first.

Niklas did a project for the largest fitness blog of Finland and they were happy with his service. He knew that the blog has approximately 200k weekly visitors; thus, he decided to ask the

blog owners to feature him with one article on the blog. The blog owners have an engaging audience including many other bloggers. Niklas was referred on the blog as a skilled web designer, which led to other bloggers requesting his service. Thus, the high SC of the fitness blogger led to many new customers for Niklas.

4.4 Concept of Leveraging Leverage

Although techniques such as the usage of product advocates (Swenson et al., 2014), also referred to as brand ambassadors (Kraus et al., 2010), and making use of anchor customers are broadly known by the interviewed entrepreneurs, not all of them are used as often as social media marketing or WOM.

While utilising early adopters, anchor customers and employing product advocates is tried by every interviewed founder, building advisory boards and utilising benefactors seems to be far less common.

For instance, Kirill in particular makes use of the early adopter customers within the runner's community. Those help him to develop his products further by supporting his brand with valuable feedback as well as by acting as product advocates within the community. At the same time, they generate revenue and thereby help him to finance his start-up.

Another excellent example of Leveraging Leverage is a successful acquisition of an anchor customer, namely the biggest player in the served industry, by Daniel's venture, which helped them enormously to generate more sales. He recognised how easy it became in many cases to sell GymFuse to other partners in the industry just by mentioning that one big player.

4.4.1 Concept of Leveraging Leverage and HC

In order to employ people as product advocates or utilise the early adopter customers, Kirill recognised that it is crucial to communicate with these people in a creative and engaging way. For the product advocates his company offers a brand ambassador program. Applicants, who fit the IAMRUNBOX strategy, get free products. In return, they are kindly asked to recommend products to their followers and support the company with feedback. Apart from the passion for the product,

supporters need to feel attached. Kirill emphasises that working with them always must be done in a cautious manner and can definitely be supported by advanced communication skills.

Likewise, Niklas made use of his early customers by establishing a personal connection with them due to his personality. This personal connection provided him valuable feedback and spread the message about his personal service. He emphasises that he has never been scared to approach people and also suggests that his personal traits are difficult to learn, but very beneficial.

> "This really works: I have just walked in some construction companies and restaurants and they like that an owner of a web agency walks in wearing a leather jacket full of guts to sell his service." - Niklas, Delwig Digital

4.4.2 Concept of Leveraging Leverage and SC

Kirill utilised his network to connect with top runners in Singapore and Hong Kong. These runners are influencers managing local Facebook groups with thousands of members. He convinced them about his product and they shared stories about it since the local running commuters lacked proper backpacks. This increased traffic to IAMRUNBOX's website and sales immediately. Strong branding that consumers can relate to, shared values and a high status in a certain community can help companies to attract ambassadors for free.

Niklas mentions that he is collaborating with legal agencies helping emerging entrepreneurs with the legal aspects when establishing companies in the Baltic countries. Due to his close relationship with these agencies and positive past experiences, these companies are promoting Niklas' service to all their customers.

SC can also act as a key to external knowledge and advisory. Daniel mentions that he and his partner have a monthly Skype conference with other entrepreneurs from various industries around the world of different stages and sizes. During these conversations, entrepreneurs discuss innovative marketing techniques and share their experience on what works well and what does not. Apart from the experience sharing, he classifies the external perspective and the advice they can get through the feedback as well as the creative external ideas as most valuable. Furthermore, they share useful contacts with each other.

4.5   Further Findings

We identified several marketing methods and concepts which did not fall into categories our theoretical framework covers. Most of these are creative and some could be considered risky.

Gustav explains that the founders of RankTrail have not spent any money on marketing at the very beginning but closed the first deals face to face in their social network. Later, Gustav and his team sent cakes to potential customers with the message: "Hi this is Dennis, I'm your account manager. I'm going to give you a call tomorrow, let us talk". Gustav said that it was a risky campaign considering the prices of the cakes while the outcome was unknown, but it resulted in a positive ROI. Gustav also organises breakfast seminars as a marketing tool, where he invites a number of current customers and potential future customers. While breakfast is served, the participants are lectured about the benefits of RankTrail's products.

Rather controversial, even hacking websites can be used as an effective, yet risky way to gain brand awareness. Koen utilised his brother's technical skills and asked him to hack the largest marketing blog of the Netherlands. Following he negotiated with the blog to get an article on the front page for the information about the security gap. However, according to Koen, this backfired since other web designers posted their comments to the post criticising Koen's professional expertise as he was new to the industry. Koen also utilised a Facebook community of entrepreneurs in the Netherlands to receive more endorsements on LinkedIn.

"There is a group on Facebook where you just say for what you want to get endorsed for and then people endorse you" - Koen, Greymotion

He states this acted as a way to build his credibility and recognition. According to Stephan, attending networking events is one of the most important tasks to get access to local marketing channels such as newspapers. In order to get featured by the media, personal contacts (SC) can be priceless. He says:

"We went to networking events and small conferences in our city, where we knew that journalists will be present, and tried to organise meetings. Most of the time newspapers,

especially the local ones, do not have enough content to fill their pages with anyway. However, to get featured you need to know the journalist in person."

He describes the ideal process in the following four steps: (1) find out where journalists can be met, (2) talk to them in person without showing your intentions, (3) leading the conversation and draw interest regarding your venture, (4) make them have the idea to write a story about you and your start-up. When they bring up the idea and consider it their intention, they will much more likely write about it than when you request a story. With this approach, they managed to be featured by many important Austrian newspapers including "Kronenzeitung" and "Kleine Zeitung". They followed the same strategy to get a radio interview and through the contacts made there they even made it in an early evening show of the local television "Kärnten heute". Although the audience is very broad and does not match their particular target group, the show is seen by more than 100.000 people. Daniel approves the described approach, stating that it is rather important to be not too pushy when it comes to communications for both marketing and sales purposes.

Moreover, Daniel mentions a certain start-up culture, originating from books such as "The Lean Startup" and "The $100 Startup", that he sees as crucial mindsets entrepreneurs should acquire when they want to be successful with their business in general, but also particularly when practising marketing. He claims to have acquired his HC regarding marketing mainly through podcasts by Tim Ferris and Seth Goda and books they recommend.

He also acquired the skill to organise his network in a planned and structured way in order to keep the ties strong and utilise them for later moves. He started to list his valuable contacts in an excel sheet and aims to contact them frequently.

One more insight from their beginning in the start-up scene of the UK; GymFuse got known to another start-up producing gym wear, which rocketed in sales and achieved a massive growth. Through their close contact they managed to make them put a label in the shirts of one production batch that said, "designed by GymFuse" in addition to their company's logo.

4.5.1 Intentions

The interviewed entrepreneurs have practised inexpensive marketing, both because it is strategically lucrative and especially in the beginning due to necessity. They all share the opinion that traditional marketing is not efficient due to a much lower ROI. Gustav goes even so far to say that small start-ups should never do traditional marketing.

Daniel argues he even got all the inspiration for both to become an entrepreneur as well as to conduct inexpensive marketing methods through reading books. When he started, he read one book per week for two years and he still reads as often as he has time for it. He further mentions that most of the knowledge and skills he has acquired originates either from books and self-studies or trial and error experiences.

Koen did several jobs before he founded Greymotion including customer support and door-to-door sales. He mentions, similarly to Stephan who also did door-to-door sales, that these activities helped him to improve his rhetoric skills and thereby his capabilities in marketing communication. Furthermore, the self-organised way of working as a sales agent motivated them to become entrepreneurs and conduct inexpensive marketing.

Summarising, all entrepreneurs agree that inexpensive marketing is riskier since it can both massively exceed traditional marketing or fizzle out with no effect. Stephan mentions that while paid marketing is very likely to succeed in a certain array, creative inexpensive marketing is more volatile. Thus, entrepreneurs always conduct it with the intention to land a lucky shot.

4.5.2 Outcomes and Consequences

Niklas wants to keep the relationship between him and customers as personal as possible. Therefore, he emphasises his responsibility for the service and tells them they can contact him whenever they want. Thus, some customers even contact him in the middle of the night e.g. when their website crashes. Niklas also faced other consequences when working with two customers in parallel, who were familiar with each other. This led to a situation where they discussed Niklas's promises about the delivery behind his back and always wanted the same quality of service from him simultaneously. Therefore, Niklas advises to never work with two closely related companies, because it leads to additional stress.

Despite the multitude of statistics social media offers, Daniel thinks it is hard to measure success since it is always dependent on the definition. It can be measured through engagement, awareness or reach, but in the end for real success the number of acquired clients and sales count. He concludes that there are two outcomes successful marketing can result in: (1) direct sales and (2) indirect sales occurring through a campaign but taking place later.

Daniel mentions that EM methods are less linear, rather dynamic and impulsive and, thus, require more energy, time, knowledge as well as a risk-taking attitude to conduct them. In return, they can benefit a business more than traditional marketing could ever do.

Stephan mentions that networking events can be very late and thereby affect the energy level for the next day in a negative way. Moreover, for accessing certain networks and events a club membership fee can be required and thus it can be costly without knowing the outcome.

Furthermore, customer goods (B2C) have to be distinguished from products or services purchased by companies (B2B) since the decision-process and, thus, the outcome differs massively. This means, effective marketing for one product type does not necessarily have to be as effective for other product types but is likely to be different.

4.6 Content analysis

We present the results of our content analysis as an addition to our findings. As mentioned in our methodology, we identified 14 different codes that derive from the results. These codes are presented under the Appendix 3 in table A2. After reading through the findings the reader might have identified some similarities among the interviews.

In our sample we see a connection between entrepreneurship and formal education, since the majority of the entrepreneurs had completed a bachelor's degree or higher at the time of their interview. All of the entrepreneurs except one had also completed informal education on marketing.

Majority of entrepreneurs agree that certain HC is needed to practice social media marketing and one of them emphasises HC as a vital part to practice social media marketing. All except one entrepreneur acknowledge that the best possible social marketing methods are discovered through trial and error, while two of them also mention that research and logic play a role. Half of our sample has found a set of particular actions that are especially effective.

Five out of seven entrepreneurs currently practice or have practiced marketing methods using WOM, viral marketing being the most popular of mentioned unconventional methods. Unlike in social media marketing where experience gained through trial and error is common, in unconventional marketing the importance of previous research is highlighted. This pinpoints a difference suggesting that unconventional marketing methods are undertaken after research without previous experience in practicing them.

To sum up, the entrepreneurs generally agree that inexpensive marketing utilising human and social capital can come with a higher return on investment, but that the downsides of consumed time and energy cannot be avoided when practicing this kind of marketing.

5. Discussion

The aim of this chapter is to test the relevance of our findings and to discuss it with our theoretical framework. This chapter also provides answers our research question:

"How are entrepreneurs utilising their human and social capital instead of financial resources to conduct marketing?"

Now we will cover the entrepreneurs' experiences of using inexpensive marketing concepts and methods and their linkage to the research question on how they utilise their SC and HC instead of financial capital.

5.1 Inexpensive marketing concepts and experiences

The usage of social media marketing and WOM (Berger & Schwarz, 2011; Kraus et al., 2010) unites all entrepreneurs in our study. Likewise, the two mentioned concepts are related to each other since social media channels can be used as tools to create WOM.

Stelzner (2011) found that social media marketing lowers the marketing costs and our findings support that. Thus, the emergence of new marketing channels has made it possible for entrepreneurs to effectively allocate more of their budget to the core of their business instead. Our results suggest that social media marketing is cost-efficient if the necessary HC to use it properly is available. If the actor also has HC in form of analytical skills the directly trackable results and statistics offered by platforms can benefit further conducted marketing campaigns (Gangemi, 2011). It seems to be literally a fort for inexpensive marketing since a multitude of customers already spends time there and many possible settings make it possible to utilise these "prosumers" (Tapscott and Williams, 2006) for marketing actions.

Although the results show that the most entrepreneurs use a full range of social media channels, Instagram is considered as rather suitable for visually appealing products, especially B2C, while LinkedIn is approved for B2B usage by the interviewees. In contrast, Facebook is found as useful for both B2C and B2B markets. Many of them mention that the competition on social media is increasing due to more intensive usage. Although Facebook advertisement is

perceived profitable by the entrepreneurs in general, this leads to a situation of saturation in which social media advertisements lose effectiveness and the ROI for basic advertisement drops. It seems to be necessary that creative entrepreneurs come up with new ways to catch the audience's attention consistently. However, by using pay-per-click ads the risk can be shifted to the advertiser, a strategy as mentioned by Venkataraman (1997). Moreover, Facebook has many benefits including visibility on the platform and the easiness for customers to navigate through the website and take action.

Furthermore, social media can be used as tools to create WOM, which is especially true if the content shared on the channels arouses the target audience. However, emotions such as arousal are only one of the STEPPS (Berger, 2013) leading to increased engagement, sharing and ultimately "prosumers" as mentioned by Tapscott and Williams (2006). When GymFuse created their video, they targeted emotions and packaged the message in a short story of people working out, whereby they used at least two of the STEPPS described by Berger (2013). Also, Robert made use of WOM and managed thereby to outsource the growth of the user base directly to the customers, who gladly used emoji since it was a social currency to have exclusive smilies and able to transport emotions (Berger 2013).

Apart from operating as a social currency, emotions and storytelling, the key to success for WOM seems to be unexpectedness, visibility, practical value and the ability to relate to the message such as "When box fit just won't do" (Berger, 2013). At the same time, counter-campaigns such as this are risky (Miles et al., 2015). Additionally, newsworthiness pushes messages even further. Sometimes WOM is created through extreme actions by being provocative and taking close to illegal actions, such as hacking a website as mentioned by Koen, which represents a high amount of risk-taking (Venkataraman, 1997).

Most of the entrepreneurs use customer references to some extent in order to leverage existing customers for new opportunities. Although references are more vital in some industries, e.g. web design, our findings are mostly congruent with Terho and Jalkala (2017). However, in contrast to their findings, formal contracts between the referrers and references seem not to be a usual case for start-ups. Terho and Jalkala (2017) also mention that customer references are sometimes done in exchange for discounts. Although we did not find such a case, Stephan mentioned that Wogenfels gave a magazine some vouchers to publish an article about them.

Entrepreneurs mention that practising inexpensive marketing generally takes a lot more time than practising traditional marketing, which simply function by spending money. Apart from the time intensive act of building networks to get access to channels (Carson, 1993), it takes time to plan marketing activities, execute them, study new potential techniques and acquire necessary capabilities (Becker, 1993). Inexpensive marketing can also be stressful because it often requires much time for communication and sometimes attending events that are held late in the evening, as mentioned by Stephan. Additionally, investing time and energy instead of finances does not secure that the marketing is successful. As mentioned by Kraus et al. (2010) the entrepreneur can lose plenty of time and energy without any result.

Thus, we assume that it can be generalised that entrepreneurs who conduct inexpensive marketing need a certain personality (HC) since it was stated by most of the interviewees. Their personality might have a strong effect on the actions of their venture as mentioned by Carson (1995; as cited in Hill & Wright, 2000).

5.2 Entrepreneurs and their HC in marketing

It is difficult for entrepreneurs to estimate the best possible practices for their marketing strategy, but our findings indicate that experience and previously acquired knowledge can definitely be helpful. Same as Quinn (1992) mentions that knowledge and intellectual capacity are more powerful than available assets, our study can support that point of view. Especially creativity, as well as the entrepreneur's ability to interact with people, seems to encourage success. Likewise, characteristics such as confidence, drive and ambition such as mentioned by Merrilees and Frazer (2006) are recognised as supportive by our interviewees. For instance, Kirill thinks that his confidence in talking to everybody has had a significant impact on his success as an entrepreneur. According to Becker's (1993) theory on HC, these attitudes as parts of the entrepreneur's personality are likely to arise through life experiences.

HC in form of specific knowledge regarding inexpensive marketing is mainly gained through reading, self-studies, training and experience, but can also be a result of shared information, which is consistent with the findings of Nahapiet and Ghoshal (1998) regarding HC building through social interaction. Learning through experiences such as mentioned in the interviews conforms to

findings by Davidsson and Honig (2003) and seems to be especially beneficial regardless if acquired through positive or negative experiences.

Entrepreneurs also mention that their own personal traits such as an outgoing personality, a "never-say-die" attitude, and the ability to "think around the corner" help their ventures to practice marketing under high uncertainty. This can be associated with the argument that an entrepreneur's personality shapes a start-up (Carson & Cromie, 1989). Our results further show that a risk-taking attitude is a supportive trait to practise unconventional marketing strategies (e.g. Robert's Twitter strategy) since it makes entrepreneurs more prone to be open for new, unproven techniques.

Despite Davidsson's and Honig's (2003) finding that education affects the development of HC and Becker's (1993) statement that HC acquired through education affects the economic growth of an individual, no entrepreneur mentioned formal education has a significant impact on their success in marketing. This indicates that practicing inexpensive marketing requires different HC as acquired through formal education.

In contrast, HC in the form of particular industry knowledge can help an entrepreneur to acquire suitable product advocates such as Niklas did by acquiring the biggest fitness blog of Finland (Swenson et al., 2014).

To summarise, Davidsson and Honig (2003) suggest that HC guides a person how to act better in a specific situation and our data suggests that this also applies for conducting inexpensive marketing. This is accurate particularly in situations when entrepreneurs aim to access certain marketing channels such as at networking events.

5.3 Entrepreneurs and their SC in marketing

Entrepreneurs describe SC vital for their businesses, which is supported by the findings of Davidsson and Honig (2003). They utilise SC e.g. to gain access to skills that their business lack, or in extreme cases even to acquire shares of a company that can benefit them in creating marketing content such as Stephan did. Entrepreneurs in our study used friends of friends and acquaintances as targets for advertisements because on saturated markets it can be difficult to gain trust from unknown people. This strategy can be directly related to Putnam's (2000) findings on bridging networks. As mentioned by Bourdieu (1986), high amount of SC leads to a situation where a name is sought after their prominence such as RankTrail's founder, who is well known in the industry.

Looking at the details of our findings, a large network seems to be very supportive for entrepreneurs as argued by Nahapiet and Ghoshal (1998).

This is further emphasised by our findings on entrepreneurs forming bonding groups (Putnam, 2000), where they share their knowledge about running an entrepreneurial venture and practicing marketing, which was also found by Nahapiet and Ghoshal (1998). Relating to Gedajlovic et al. 's (2013) findings, entrepreneurs describe these groups efficient and valuable, because it provides them feedback on their marketing from outside perspectives. Moreover, these groups also save entrepreneurs costs, since people from many disciplines are available including lawyers and accountants. These bonding groups can even be strengthened by organising them in a planned and structured way such as Daniel does. Thereby the quality and quantity of utilisable resources can be increased (Gedajlovic et al.,2013).

We found that the usage of product advocates seems to differ enormously. One reason, therefore, could be, that it is not easy to get access to appropriate ambassadors if they are not already in the social network such as described by Swenson et al. (2014).

Concluding on the usage of SC, the ability to get mentioned, featured or invited seems to increase the success in practising marketing intensively, such as Robert explains:

> *"An entrepreneur should always aim to get invited, mentioned and featured in channels of others to get attention instead of spending money for marketing himself."*
> - Robert, Emoji Apps

To sum up, while being strongly connected to HC, our data suggests that also SC plays a significant role in entrepreneurs' ability to substitute financial resources when conducting marketing.

6. Conclusions

Following, we present the research objectives of this paper, practical implications and future research suggestions.

6.1 Research objectives

Current research lacks empirical evidence on the topic of utilising HC and SC instead of financial capital in EM. Based on the research suggestion by Zontanos and Anderson (2004) and on our personal interest as entrepreneurs the aim of our thesis is to answer the research question:

"How are entrepreneurs utilising their human and social capital instead of financial resources to conduct marketing?"

To answer this question, we studied the current literature, gathered primary data by interviewing entrepreneurs, analysed this data and discussed it.

Previous research suggests that EM is driven and shaped by the entrepreneurs' personality (Carson & Cromie, 1989) and this is strongly proven by the results of our interviews. It seems while HC particularly aids the approach, SC provides entrepreneurs with opportunities and inspiration.

Moreover, we identify intentions to practise marketing through HC and SC one of them being limited financial capital they can allocate to marketing. Conversely, in none of the cases, this was the only reason. Inexpensive marketing can lead to a higher ROI than traditional marketing where the competition is already fierce and publicity comes with a high price tag, whereas it is considered riskier.

Entrepreneurs have often access to networks that provide them with information regarding potentially effective marketing techniques: they like to test what works and what does not with little money, and thereby identify what is effective for them.

Furthermore, our results suggest that Davidsson's and Honig's (2003) findings regarding the positive relation of education and the ability to conduct entrepreneurial activities also applies for inexpensive marketing.

We also identify outcomes of inexpensive marketing utilising HC and SC which indicate that marketers must invest time before they can succeed with those concepts and methods. This time is allocated to gathering knowledge, acquiring skills, doing research and building beneficial networks. However, since time is a scarce resource, a vast time investment may cause stress in the case a campaign fails or the time was invested in wrong activities, especially when these actions occur simultaneously. Furthermore, we found that in certain circumstances time allocated to networking can also ruin the schedule.

Moreover, although we found that while the lack of financial capital can be bypassed through HC and SC, it does not necessarily require both. This means a high amount of either solely HC or solely SC can substitute financial capital. However, these two kinds of capital usually even mutually strengthen one another.

6.2   Practical implications

This study offers practical implementations for entrepreneurs looking to broaden their marketing possibilities and suits both early and later stage entrepreneurs. It may not be self-evident for every entrepreneur that marketing can be practised free of financial costs or inexpensively. However, especially in today's situation when the competition on paid marketing channels is hard, an entrepreneur can benefit significantly from practicing inexpensive marketing.

In order to practise marketing concepts and methods presented in this paper successfully, HC and SC are required to different extents. All entrepreneurs should consider themselves which of the mentioned concepts and methods suits their current situation the best. Likewise, entrepreneurs should also pay attention to the industry context of the findings' examples.

Finally, in every case, a network consisting of entrepreneurs or experts seems to be helpful to discover emerging marketing concepts and methods and to receive helpful guidance to use them as well as to get an outside perspective on their own venture.

6.3   Future research

We acknowledge the limitations of this study and provide suggestions for future research. Our gathered data covers only seven entrepreneurs in Western and Northern Europe and these

entrepreneurs were interviewed during a relatively brief time period during spring 2017. Thus, this study should be replicated in a broader context.

The fact that we only interviewed entrepreneurs and any other person in the companies makes the data biased. Future research can solve this fact by interviewing stakeholders in the companies or by observing the entrepreneurs for a longer period of time.

The entrepreneurs do only represent three different industries in Western and Northern Europe and therefore the results have to be viewed in the context of these industries and in the geographical context. More empirical evidence to future research can be brought by using a larger sample size and by covering more industries and countries, or by focusing on one industry at a time.

7. References

Adler, S.P. and Kwon S-W., 2002, Social Capital: Prospects for a New Concept, Academy of Management Review, Vol. 27 (1), pp. 17-40.

Ahuja, R.D., Michels, T.A., Walker, M.M. and Weissbuch, M., 2007, 'Ten perceptions of disclosure in buzz marketing', Journal of Consumer Marketing, Vol. 24 (3), pp. 151-159.

Becker, G.S., 1993, Human capital: a theoretical and empirical analysis, with special reference to education, 3rd ed. Ed, The University of Chicago Press, Chicago.

Berger, J. and Fitzsimons, G., 2008, Dogs on the street, pumas on your feet: How cues in the environment influence product evaluation and choice, Journal of Marketing Research, Vol. 45 (1), pp.1-14.

Berger, J. and Schwartz, E.M., 2011, What Drives Immediate and Ongoing Word of Mouth? Journal of Marketing Research, Vol. 48, pp. 869-880.

Berger, J., 2013, Contagious: Why Things Catch On, n.p.: New York: Simon & Schuster, 2013.

Bourdieu, P., 1986, The forms of capital. Handbook of Theory Research Sociology Education, pp. 241–258.

Bryman, A. and Bell, E., 2015, Business research methods, Oxford University Press, USA.

Carson, D., 1993, A philosophy for marketing education in small firms, Journal of Marketing Management, Vol. 9, pp. 189-204.

Carson, D. and Cromie, S.,1989, Marketing planning in small enterprises: A model and some empirical evidence, Journal of Marketing Management, Vol. 5, pp. 33-49.

Coleman, J.S., 1988, Social capital in the creation of human capital, American Journal of Sociology, Vol. 94, pp. 95-120.

Davidsson, P. and Honig, B., 2003, The role of social and human capital among nascent entrepreneurs, Journal of Business Venturing, Vol. 18, pp. 301-331.

Dobele, A., Toleman, D. and Beverland, M., 2005, Controlled infection! Spreading the brand message through viral marketing, Business Horizons, Vol. 48 (2), pp. 143-149.

Dyer, J.H. and Gregersen, H.B., Christensen, C.M., 2009, The innovator's DNA, Harvard business review, Vol. 87 (12), pp. 60-67.

Eisenhardt, M.K. and Graebner, E.M., 2007, Theory building from cases: opportunities and challenges, Academy of Management Journal,Vol. 50 (1), pp. 25-32.

Gangemi, J., 2011, When it comes to social media, how much is too much? Retrieved March 22, 2017, from http://smallbusiness.foxbusiness.com/technology-web/2011/06/30/tips-for-automating-your-social-media/

Gedajlovic, E., Honig, B., Moore, C.B., Payne, G.T. and Wright, M., 2013, Social capital and entrepreneurship: A schema and research agenda, Entrepreneurship Theory and Practice, Vol. 37(3), pp. 455-478.

Gelb, B. and Johnson, M., 1995, Word-of-mouth communication: Causes and consequences, Marketing Health Services, Vol.15 (3), pp. 54-58.

Gronroos, C., 1994, From marketing mix to relationship marketing: Towards a paradigm shift in marketing, Management Decision, Vol. 32 (4), pp. 4-20.

Hill, J. and Wright, L.T., 2000, Defining the scope of entrepreneurial marketing: A qualitative approach, Journal of Enterprising Culture, Vol. 8 (1), pp. 23-46.

Insch, G.S., Moore, J.E. and Murphy, L.D., 1997, Content analysis in leadership research: Examples, procedures, and suggestions for future use, The Leadership Quarterly, Vol. 8 (1), pp. 1-25.

Ketter, E., and Avraham, E., 2012, The social revolution of place marketing: The growing power of users in social media campaigns, Place Branding and Public Diplomacy, Vol. 8 (4), pp. 285-294.

Kraus, S., Harms, R. and Fink, M., 2010, Entrepreneurial marketing: moving beyond marketing in new ventures, International Journal of Entrepreneurship and Innovation Management, Vol. 11 (19). pp.19-34.

Levinson, J.C., 1984, Guerrilla Marketing: How to Make Big Profits in Your Small Business, Houghton Mifflin USA.

Marwick, A.E. and Boyd, D., 2011, I tweet honestly, I tweet passionately: Twitter users, context collapse, and the imagined audience, New media & society, Vol.13 (1), pp.114-133.

Merrilees, B. and Frazer, L., 2006, Entrepreneurial franchisees have hidden superior marketing systems, Qualitative Market Research, Vol. 9 (1), pp. 73-86.

Miles, M., Gilmore, A., Harrigan, P., Lewis, G. and Sethna, Z., 2015, Exploring entrepreneurial marketing, Journal of Strategic Marketing, Vol. 23, pp. 94-111.

Miles, M.P., Darroch, J., 2006, Large firms, entrepreneurial marketing processes, and the cycle of competitive advantage, European Journal of Marketing, Vol. 40, pp. 485–501.

Mohr, J., Spekman, R., 1994, Characteristics of partnership success: partnership attributes, communication behaviour, and conflict resolution techniques. Strategic management journal, Vol. 15(2), pp. 135-152.

Morreale, S. P., Spitzberg, B. H., Barge, K., 2007, Human Communication: Motivation, Knowledge, and Skills, 2nd edn. Belmont, CA: Thomson Higher Education.

Morris, M.H., Schindehutte, M. & LaForge, R.W., 2002, Entrepreneurial marketing: A construct for integrating emerging entrepreneurship and marketing perspectives, Journal of Marketing Theory & Practice, Vol. 10 (4), pp. 1-19.

Nahapiet, J. & Ghoshal, S., 1998, Social Capital, Intellectual Capital, and the Organizational Advantage, The Academy of Management Review, Vol. 23 (2), pp. 242-266.

Notarantonio, E., M. & Quigley C, J., 2009, The Effectiveness of a Buzz Marketing Approach Compared to Traditional Advertising: An Exploration, Jr. Journal Of Promotion Management, Vol. 15 (4), pp. 455-464.

Phelps, J.E., Lewis, R., Mobilio, L., Perry, D. & Raman, N., 2004, Viral marketing or electronic word-of-mouth advertising: Examining consumer responses and motivations to pass along email, Journal of advertising research, Vol. 44 (4), pp. 333-348.

Putnam, R. D., 2000, Bowling Alone: The Collapse and Revival of American Community, Palgrave Macmillan US.

Quinn, J., 1992, The intelligent enterprise a new paradigm, Academy of Management Executive, Vol. 6 (4), pp. 48-63.

Rosenbloom, R.S., 2000, Leadership, capabilities, and technological change: The transformation of NCR in the electronic era, Strategic Management Journal, pp. 1083-1103.

Rhoads, G., Swenson, M. & Whitlark, D., 2009, Boom Start: Principles of Entrepreneurial Marketing, Dubuque, IA: Kendall Hunt.

Stelzner, M., 2011, 2011 Social Media Marketing Industry Report, Retrieved March 16, 2017, from http://www.socialmediaexaminer.com/SocialMediaMarketingReport2011.pdf?9d7bd4

Stokes, D., 2000, Entrepreneurial marketing: a conceptualisation from qualitative research, Qualitative Marketing Research Int. J., Vol. 3, pp. 47-54.

Swenson, M.J., Rhoads, G.K. & Whitlark, D.B., 2014, Startup marketing: Leveraging leverage, The Journal of Applied Business and Economics, Vol. 16 (6), p. 56-62.

Tapscott, D. & Williams D., 2006, Wikinomics: How mass collaboration changes everything, London: Penguin Group.

Thackeray, R., Neiger, B. L., Hanson, C. L. & McKenzie, J. F., 2008, Enhancing promotional strategies within social marketing programs: use of Web 2.0 social media, Health promotion practice, Vol. 9 (4), pp. 338-343.

Terho, H. & Jalkala, A., 2017, Customer reference marketing: Conceptualization, measurement and link to selling performance, Industrial Marketing Management, pp. 1-12.

Venkataraman, S., 1997, The distinctive domain of entrepreneurship research, Advances in Entrepreneurship, Firm Emergence and Growth, Vol. 3, pp. 119-138.

Zontanos, G. & Anderson, A.R., 2004, Relationships, marketing and small business: an exploration of links in theory and practice, Qualitative Market Research, Vol. 7 (4), pp. 228-236.

8. Appendices

8.1 Appendix 1. Entrepreneurs in the sample

Stephan Wölcher	Wogenfels
22 years, from Austria ● Higher Technical College ● Currently studying Industrial Engineering ● CEO and founder of Wogenfels He has several years' experience in direct sales and reads many books about entrepreneurship and marketing.	The Wogenfels GmbH, based near Klagenfurt, Austria, is a company producing wooden wallets and accessories since autumn 2015. They had started developing their products roughly one year earlier and built the production facilities for the first products themselves. For the aim of upscaling they outsourced the production recently. Their products are sold both in an online shop and in several boutiques in Austria.
Niklas Kiilava	**Delwig Digital**
24 years, from Finland ● Bachelor in Business ● CEO and founder of Delwig Digital He has taken several online courses about online marketing and grew up in a family of entrepreneurs. The latter made it easier for him to become an entrepreneur since he acquired many insights and always got valuable support.	Delwig Digital is a web agency originally from Helsinki, Finland, but now also operating in Groningen, Netherlands. They provide turnkey digital solutions with a special focus on service to their customers. These solutions include branding, web design, hosting solutions and online marketing. The company has operated since autumn 2014.
Gustav Haag	**RankTrail**
32 years, from Sweden ● Master in Strategic Management ● CEO of Ranktrail	RankTrail is software as a service (SaaS) company from Malmö providing search engine optimisation. The company was founded in late 2012 and serves customers of all sizes worldwide. However, their focus is on small to medium sized businesses in Sweden. It was the only

Apart from the formal education in management, he has previous start-up and work experience in the same field RankTrail is operating in.	case we interviewed an external CEO hired by the original founders.
Kirill Noskov	**IAMRUNBOX**
35 years, from Latvia ● Degree in Management and Economy ● CEO and founder of the brand IAMRUNBOX He claims especially his previous experiences in project and operational management help him to organise, manage and coach his team as well as delegate tasks to external people.	IAMRUNBOX is an active lifestyle fashion brand selling garment carriers and backpacks designed especially for commuting. The main aim of the company is to make commuting by bike or running easier through their products. The company was founded in Lund, Sweden, in 2014 and has expanded to the global market at a fast pace since then reaching an online community of 10.000 members recently.
Robert Beierheimer	**Emoji Apps**
34 years, from Austria ● Higher Technical College ● Master in Software Engineering and Business ● CEO and founder of Emoji Apps He acquired basic knowledge at school and university, whereas he figured out the majority of his skills by himself. He claims to have a special intuition for what people click on and buy regarding apps.	The Emoji Apps GmbH is a mobile application developer based in Graz, Austria, founded in 2014. It is a one-man company run by Robert Beierheimer who creates applications that aim to go viral for both iOS and Android, with a focus on the former. The company offers between 30 and 40 digital products on Apple's App Store and Google's Play Store mainly consisting of screen keyboards that allow the user to interact with others through additional Emoji icons.
Daniel Mason	**GymFuse**

26 years, from Great Britain	GymFuse is a British Limited founded in 2014. The company sells fashionable sports clothes branded for business customers. Their main product is a slim-fitting t-shirt sourced from China and further customised in-house. Their main market is the UK and they expand to Germany at the moment. The company has grown organically and never tried to attract external capital.
• BSc in Sports and Exercise • Managing director of GymFuse He did intensive self-studies about Entrepreneurship through books as well as learning by doing. For the latter, he used to try things with little money.	
Koen Grosman	**Greymotion**
24 years, from Netherlands • Bachelor in Small Business and Retail Management • CEO and founder of Greymotion He has a broad experience of practising creative inexpensive marketing since he became an entrepreneur with 17 already and worked on projects on the side since then.	Greymotion is a Dutch web design agency founded in 2015. The focus is on building WordPress websites and web shops using WooCommerce. They serve mainly small businesses that lack the knowledge to build a website but can make use of one as a vital part of the business.

Table A1. Entrepreneurs and their Companies

8.2 Appendix 2. Interview guide

Basic Information

1. *About the person:*
   a. What is your personal background (education, training, work experience, previous entrepreneurial experience)?
   b. What is your position in the company?

2. *About the company:* What is your company doing? How long does it exist? How are your sales so far?

Social Media Marketing

3. Which social media channels have you conducted for marketing so far?
   a. Please describe the strategy you use for each channel
   b. Which knowledge do you think is needed to conduct these strategies? (HC)
   c. What are the results? How do you analyse them? How are you measuring success?
   d. Have you seen any particular moves which are more effective than others?
   e. What are the consequences of the used methods/strategies?

Customer Reference Marketing

4. Have you practised customer reference marketing?
   a. How do you acquire reference customers for yourself?
   b. How do you become a customer reference of others?
   c. What is your main aim when utilising customer references? (Marketing, brand awareness, sales, showcase)
   d. Do you make formal agreements with the companies that you use as your references?
   e. What are the consequences of using existing customers as references?

Unconventional Marketing Methods

5. Which kinds of unconventional marketing did you conduct in order to create WOM?
   a. Did you practice Guerrilla, Buzz or Viral marketing methods?
   b. Which particular skills (HC) do you think are needed to conduct those?
   c. Did you make use of marketing channels owned by others?
   d. How did you manage to get access to those? How important are networks and status (SC) thereby?
   e. Did you ever make use of brand ambassadors? How?

f. Are you making use of early customers/anchor customers or benefactors? How?

g. Have you built an advisory board? How?

h. Are you actively aiming for this while networking? Or just making use of occasions?

6. What differences do you see compared to traditional marketing?

a. Regarding success rate/effect?

b. Regarding consequences?

c. What do you think you have to invest instead of financial capital to conduct inexpensive marketing? (Time, energy, stress, education, training, previous experience)

Leveraging the appropriate method

7. What are good situations/opportunities for specific marketing concepts and methods?

a. Did you experience situations in which certain concepts and methods should not be used?

8.3 Appendix 3. Coding manual

Information about the entrepreneur, marketing activities practised and the utilisation of social and human capital. Derived from the results. (N/A = no data)

1. Gender Male (1); Female (2)	**8.1 Reference acquisition** All customers (1); Contented customers (2); Beneficial customers (3); Anchor customers (4)
2. Age of the entrepreneur Age in years (x)	**8.2 Reference utilisation** Direct sales (1); Marketing (2); Credibility (3)
3. Previous formal education No (1); High school or equivalent (2); Higher education (Bachelor's) (3); Higher education (Master's) (4)	**8.3 Agreements with references** Only with agreement (1); Without agreement (2)
4. Type of previous informal education Training (1); Online course (2); Reading (3); Other online content (4)	**9. Practising marketing methods using WOM** No (1); Guerrilla (2); Buzz (3); Viral (4); Other (5)
5. Previous work experience No experience (1); Own venture (2); SME business (3); Corporate (4)	**9.1 Perceived HC needed to practice** No knowledge needed (1); Previous knowledge (2); Creativity (3); Research (4)
6. Marketing methods in use Social media (1); Word of mouth (2); Customer references (3); Leveraging leverage (4)	**10. Accessed marketing channels owned by others** No (1); Radio (2); TV (3); Printed media (4); Blog and online media (5); others (6)
7. Social media channels No social media usage (1); Facebook (2); Instagram (3); LinkedIn (4)	**10.1 Network important to get access?** No (1); Yes (2)
7.1 Perceived HC needed to practice marketing No HC needed (1); Certain HC helpful (2); HC vital (3)	**11. Use of product advocates?** No (1); Tried (2); Frequently (3)
7.2 Finding out the best possible marketing method No best possible (1); Trial and error (2); Research (3); Logic & thinking (4)	**12. Are you making use of early customers/anchor customers/benefactors?** Early customers (1); Anchor customers (2); Benefactors (3)
7.3 Particular effective moves Do not exist (1); Exist (2)	**13. Using advisors** No (1); Yes, consisting of people from business network (2); Yes, consisting of friends/relatives (3)

7.4 Outcomes/consequences Facebook (1); Instagram (2); LinkedIn (3) - Is beneficial for business (A); Is not beneficial (B)	14. Differences between traditional and inexpensive marketing No difference (1); Lower ROI (2); Higher ROI (3); Riskier (4); Less risky (5)
8. Customer reference marketing Is not practising (1); Practising (2)	14.1 Investment instead of financial capital Time (1); Energy (2); Education (3); Training (4); Previous experience (5)

Table A2. Coding manual.

8.4 Appendix 4. Coding results

Entrepreneur and code	Stephan Wölcher	Niklas Kiilava	Gustav Haag	Kirill Noskov	Robert Beierheimer	Daniel Mason	Koen Grosman
1	1	1	1	1	1	1	1
2	22	24	32	35	34	26	24
3	2	3	4	3	4	3	3
4	3,4	2,4	N/A	1	3,4	3,4	2,3,4
5	3	2	2,4	4	1	4	2,4
6	1,2,4	1,2,3,4	1,2	1,2,3,4	1,2,4	1,2,3,4	1,2,3,4
7	2,3	2,4	2,4	2,3,4,5	2,5	2,3,4	2,4
7.1	2	2	N/A	1	3	2	2
7.2	2	2	3	2,3,4	2,3,4	2,3	2,3
7.3	2	1	1	1	2	2	2
7.4	1A,2B	1A,3A	1A	1B	1A	1A,2A	1A,2A,3A
8	1	2	1	2	1	2	2
8.1	N/A	1	N/A	3	N/A	4	2
8.2	N/A	1,2,3	N/A	2,3	N/A	2,3	2,3

8.3	N/A	1	N/A	1	N/A	2	2
9	1	1	2	4	3,4	2,4,5	2,4,5
9.1	N/A	N/A	N/A	1	4	3,4	2,3,4
10	2,3,4	5	N/A	4,5	5	4,5	4,5
10.1	2	2	2	2	1	2	2
11	1	1	1	3	1	2	2
12	N/A	1,2	1	1,2	1	1,2	1,2
13	2	2,3	N/A	2	2	2,3	2
14	3,4	3	2,4	3	3	3	3
14.1	1,2	1,2,5	1,2	1,2	1,2,4	1,2,3	1,2,3,4,5

Table A3. Content analysis results