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Where is the opportunity without the customer? An integration of marketing activities, the entrepreneurship process, and institutional theory

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Abstract Marketing and entrepreneurship have long been recognized as two key responsibilities of the firm. Despite their tight integration in practice, marketing and entrepreneurship as domains of scholarly inquiry have largely progressed within their respective disciplinary boundaries with minimal cross-disciplinary fertilization. Furthermore, although firms increasingly undertake their marketing and entrepreneurial activities across diverse settings, academe has provided little insight into how changes in the institutional environment may substantially alter the processes and outcomes of these undertakings. Herein, we integrate research on marketing activities, the entrepreneurship process, and institutional theory in an effort to address this gap. We first discuss market orientation as enhancing a firm's opportunity recognition and innovation, whereas marketing mix decisions enhance opportunity exploitation. We then examine how entrepreneurship leads to innovation directed toward market orientation and marketing mix activities. Based on this foundation, we examine differences in marketing and entrepreneurship activities across institutional contexts.

Keywords Entrepreneurship process · Market orientation · Marketing mix · Institutional theory · Customer needs · Opportunity

Marketing and entrepreneurship have long been recognized as two key responsibilities for firms (Drucker 1954; Mohr and Sarin 2009). Despite the central and complementary roles of marketing and entrepreneurship responsibilities, research has largely examined marketing activities and the entrepreneurship process separately. Marketing scholars have extensively examined research questions related to identifying and understanding the customer and translating customer needs into new products (e.g., Narver and Slater 1990; Troy et al. 2001). In contrast, entrepreneurship scholars have largely assumed market opportunities (in essence, the presence of customers) to exist.[1] As such, entrepreneurship scholars have instead examined the factors, such as an entrepreneur's traits and behaviors (e.g., Baron 2008; Dyer et al. 2008), that influence how entrepreneurs recognize opportunities, innovate, and then exploit opportunities. The variance in the nature of the

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[1] More recently, a "creation" perspective has been advanced as complementary to the "discovery" perspective (Alvarez and Barney 2007). Nevertheless, even in this perspective, the opportunity is merely described as a market without any discussion of the prevalence or hierarchy of customer needs that define the "value" component of an opportunity and determine whether a *viable* market exists. As of yet, the activities of creation have not concerned how the entrepreneur interacts with and comes to understand customers to create an opportunity.

primary questions that marketing and entrepreneurship scholars pursue creates a significant theoretical gap concerning (1) the integrated role of these key responsibilities in firms and (2) the relationships between these responsibilities under different environmental conditions.

By integrating theory regarding the entrepreneurship process (Shane 2003; Venkataraman 1997) and marketing activities (Kohli and Jaworski 1990; Narver and Slater 1990), we first aim to provide a theoretical foundation for examining the intersection of marketing and entrepreneurship. More specifically, our first research question asks: What are the relationships between key marketing activities and the entrepreneurship process? To examine this question, we argue that marketing activities and a firm's entrepreneurship process are reciprocally related.

Viewing marketing as a set of activities through which firms manage knowledge,[2] we first describe how marketing activities support the firm's entrepreneurship process of opportunity recognition, innovation, and opportunity exploitation. Through cross-level effects, market-oriented activities support the *firm's* acquisition and dissemination of knowledge about customer needs that informs *individual employees'* opportunity recognition and innovation, whereas marketing mix activities disseminate knowledge to potential and current customers regarding the firm's products (i.e., supporting opportunity exploitation). Customer needs, however, are constantly evolving. Marketing activities through which firms understand and communicate with customers can become obsolete or too narrowly focused on a waning set of customers (Baker and Sinkula 1999; Christensen and Bower 1996). Entrepreneurship can lead to innovation directed toward marketing activities, thereby enabling firms to maintain pace with market changes and both react to and proactively address changes.

Research has also suggested that a firm's institutional context may influence its marketing activities and the entrepreneurship process (Ireland et al. 2008; Webb et al. 2009). Therefore, our second research question concerns: How do institutions influence marketing activities and entrepreneurship? Institutional theory (North 1990) asserts that institutions are stable social structures that define what is socially acceptable within a society (Clemens and Cook 1999; Jepperson 1991). However, institutions tend to differ significantly across country markets in terms of their level of development, the degree to which incentive, monitoring, and enforcement apparatuses are effectively in place, and the norms, values, beliefs, regulations, and laws that are salient (Holmes et al. 2011; Xu and Shenkar 2002).

[2] Marketing scholars use the term "intelligence," whereas entrepreneurship scholars use the term "knowledge." We use the terms interchangeably.

To examine institutional influences, we compare marketing and entrepreneurship within domestic, developed markets versus base-of-the-pyramid (BOP) markets (i.e., the least-developed markets in which individuals earn on average $3,000 per year, scaled to 2002 U.S. dollars [Arnould and Mohr 2005; World Resources Institute 2007]). We focus on BOP markets for two reasons. First, BOP markets represent significant social and economic opportunities for firms, accounting for four billion of the world's population and a five trillion dollar bloc of potential consumers annually (World Resources Institute 2007), yet have received little academic attention by marketing and entrepreneurship scholars. Second, we focus on two aspects of the BOP institutional context that provide a stark contrast to the context in developed markets and that influence marketing activities of firms originating in developed markets: institutional distance and formal institutional voids. Institutional distance, defined as the difference between institutional settings (Xu and Shenkar 2002), can create a significant knowledge gap that undermines a firm's ability to serve a local market. Marketing activities can fill this gap so that a firm can efficiently and effectively acquire knowledge about customers' needs as the foundation for subsequently serving those needs. However, the specific marketing activities that support efficiency and effectiveness differ depending on the degree of institutional distance. Similarly, formal institutional voids, such as the lack of or poorly developed nature of formal institutions and public-use infrastructures (e.g., capital markets, transportation, media, and communication infrastructures) (Khanna and Palepu 1997), influence the types of marketing activities that are effective in creating awareness and attracting customers to new products.

Several contributions flow from this work. Responding to calls for stronger interdisciplinary research between marketing and entrepreneurship scholars (Ireland and Webb 2007) and the need for more theory in marketing (e.g., Yadav and MacInnis 2010), we provide a theoretical integration for research at the intersection of marketing and entrepreneurship. Despite the complementary domains of marketing and entrepreneurship, scholars have largely operated in silos. In developing this theoretical framework, we hope to facilitate scholarly pursuits of interdisciplinary research by explicating how various marketing activities support the entrepreneurship process and vice versa. As a second contribution, we draw upon institutional theory to explain differences in marketing activities across institutional contexts. While marketing scholars have generally controlled for differences across institutional contexts, less research has been devoted to understanding the mechanisms through which institutions influence key marketing activities throughout the entrepreneurship process. The extant research provides a basis for understanding why broad differences in marketing activities exist across markets. Finally, integrating marketing research in entrepreneurship process theory provides important insights for entrepreneurship scholars in terms of (1) how opportunities are defined based on an assessment of the prevalence and hierarchy of customer needs, and (2) how firm-level mechanisms/activities support key individual-level activities, such as opportunity recognition.

The paper proceeds as follows. We first describe theory regarding the entrepreneurship process and key departures in terms of how marketing and entrepreneurship scholars approach entrepreneurship-related questions. Next, we address our first research question by examining the role of marketing activities at each stage within the entrepreneurship process, and vice versa. We then discuss institutions and how institutions influence firm-level activities. Comparing the entrepreneurship process in domestic and BOP markets, we describe differences in key marketing activities that surface due to varying levels of institutional distance and the presence of formal institutional voids. We close with a discussion of our implications for future research and conclusions.

Marketing and entrepreneurship

As research disciplines, marketing and entrepreneurship bring different, yet highly complementary perspectives to addressing customer needs. Table 1 compares marketing (with a focus on market orientation) and entrepreneurship process research on several criteria. The table provides a snapshot of highly complementary research by marketing and entrepreneurship scholars yet significant gaps in knowledge given a lack of integration. While others could be highlighted, particularly important to our integration of marketing and entrepreneurship are key complementarities in terms of how scholars study the entrepreneur (i.e., at the individual or the firm level) and opportunity as pillars of the entrepreneurship process.

To elaborate on the level of analysis, the entrepreneurship process includes the set of activities through which individuals, acting independently or within a firm, seek to satisfy customer needs through innovation that provides a more efficient or effective means and/or ends (Casson 1982; Shane and Venkataraman 2000). As such, entrepreneurship occurs at the nexus of individuals and opportunities (Shane 2003). In the entrepreneurship domain, scholars define the individual as an entrepreneur based upon his or her actions (Holcomb et al. 2009). An individual is not an entrepreneur at all times but only in circumstances in which the individual undertakes certain activities supporting organizational creation (Aldrich 2005; Rindova et al. 2009). Alertness and opportunity recognition, as fundamental and perhaps the most-studied stages of the entrepreneurship process, are viewed as involving cognitive processes (Shane 2003; Short et al. 2010; Smith and Di Gregorio 2002). Nevertheless, these processes may surface as individuals act independently or within existing firms. In their research, entrepreneurship scholars, especially when examining questions related to opportunity recognition/evaluation, have either (1) focused on the CEO as the entrepreneur or (2) referred to an "entrepreneur" in general without distinguishing whether the entrepreneur is the CEO, an employee in the R&D department, a sales employee, an individual serving in some other capacity for the firm, or an individual acting independently.

In marketing, less scholarly attention has been given to the cognitive aspects and the individual within the entrepreneurship process. Rather, the focus of marketing scholars in terms of the "entrepreneur" has actually been the entrepreneurial firm. Consistent with this focus, scholars have sought to understand the factors that influence how the firm generates intelligence about the market/opportunity, disseminates this intelligence throughout the firm, and cross-functionally coordinates the intelligence with the purpose of developing innovative, customer-driven solutions (Kohli and Jaworski 1990; Narver and Slater 1990). The marketing focus emphasizes firm-level activities with perhaps the implicit recognition that while the idea for product innovations may occur through cognitive processes within individuals, firm activities support these processes within individuals by enabling effective social interactions and ultimately facilitating the transformation of ideas into marketable products. Going forward, our approach is to refer to entrepreneurs as individuals within existing firms that recognize opportunities, innovate, and support opportunity exploitation (i.e., an entrepreneurship process at the firm level).

Slight yet important differences also distinguish entrepreneurship and marketing scholars' conceptualizations of opportunities. An assumption held in the entrepreneurship domain is that prices convey all relevant information to direct resource allocation (Eckhardt and Shane 2003). Opportunities surface with situational conditions that allow an individual or an organization to create value by providing more efficient or effective means and/or ends, where means refer to processes and ends refer to factors or products (Casson 1982). When exploiting an opportunity, an entrepreneur creates new information that disrupts the price system, allowing the entrepreneur to appropriate value from his/her risk-taking actions (Eckhardt and Shane 2003). The situational conditions that define an opportunity have been examined as surfacing with technological innovations, changes in the institutional environment, and sociocultural shifts (e.g., Ozgen and Baron 2007). These types of changes in the external environment are viewed as allowing

Table 1 Comparison of marketing and entepreneurship process research

	Marketing	Entrepreneurship
Key Idea	Performance depends on integration of customer orientation, competitor orientation, organizational-wide responsiveness, and interfunctional coordination in differentiating the firm's products to satisfy customer needs	Performance depends on the ability to recognize and exploit an opportunity for the creation of more efficient or effective means and/or ends
Opportunity Created by	Customers and their needs	External environmental changes (e.g., technological advancements, regulatory changes)
Antecedent to Opportunity Recognition	Market orientation, or the *firm's* tendency to support organization-wide understanding of the market and competitors, enacted through intelligence generation, dissemination, and organizational responsiveness	Alertness, or the motivation to create an image of the future that leads *individuals* to knowledge search, make connections across knowledge stocks, and evaluate new knowledge
Opportunity Recognition	*Firm* awareness of a set of customers with a particular set of unmet needs	Facilitated by social interaction, a cognitive process in which an *individual* "connects the dots"
Innovation	Internal development and adoption of a product that is new to the firm	As in marketing, internal development and adoption of a product that is new to the firm (the connection to the entrepreneurship process remains understudied)
Opportunity Exploitation	Focus on how the firm can effectively communicate knowledge to customers regarding its products (i.e., marketing mix)	Creation of a new organization to leverage an innovation, with a focus on business models, resource management, and founding effects
Dependent Variables	Customer satisfaction, repeat customers, market share, innovation, opportunity recognition	Profit, growth, survival/failure, opportunity recognition

entrepreneurs (and entrepreneurial firms) the potential to more efficiently or effectively address market needs. However, entrepreneurship scholars have implicitly assumed that such external environmental changes create new markets of customers without explicitly studying the relationship between entrepreneurs and market characteristics (e.g., specific market needs, hierarchy of needs, customer distribution in the market).

In contrast, marketing scholars have invested considerable efforts into understanding the market aspect of opportunities. Although opportunities may surface with changing situational conditions, ultimately the potential to create value, as a key part of the opportunity definition, depends on the presence of a market and the ability of the entrepreneur to provide a product that satisfies customers' needs. By supporting firms' understanding of customers' current and future needs (Baker and Sinkula 2007; Ketchen et al. 2007; Narver et al. 2004; Slater and Narver 1999), marketing competencies facilitate firms' ability to effectively serve markets (i.e., exploit opportunities), accounting for greater variance in firm performance than R&D and operational competencies that alone could be misdirected (Krasnikov and Jayachandran 2008). Marketing scholars have examined various means through which firms seek to understand customer needs, from broad marketing studies to sales employee–customer interactions to co-creative means (Chan et al. 2010; Joshi 2010; Urban and Hauser 2004).

The complementary perspectives of marketing and entrepreneurship (i.e., individual as opposed to firm-level activities; environmental sources of opportunity versus market understanding of opportunities) provide unique and valuable insights regarding how firms address market needs. However, the two disciplines' respective research streams have developed largely separate from one another. Scanning the citations and references in each discipline's journals quickly highlights a lack of cross-pollination of ideas. Accordingly, we integrate marketing and entrepreneurship scholarship in the next two sections.

Marketing in the entrepreneurship process

We draw upon the model illustrated in Fig. 1 to facilitate our integration. The entrepreneurship process begins with entrepreneurial alertness, which then leads to the recognition of an opportunity, innovation, and exploitation of the opportunity (Bygrave and Hofer 1991). Research has

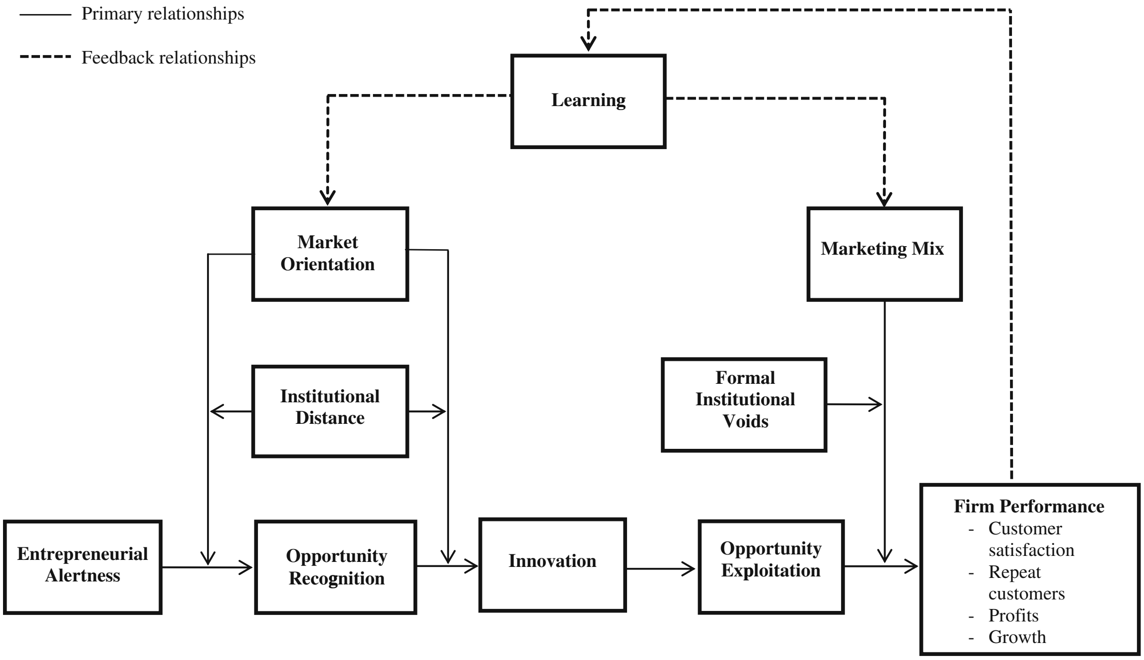

Fig. 1 Marketing and the entrepreneurship process: comparing developed and base-of-the-pyramid markets

shown that marketing (i.e., market orientation and marketing mix) influences each of these activities in ultimately improving firm performance. Next, we discuss opportunity recognition, innovation, and opportunity exploitation separately in defining marketing's roles in each.

Opportunity recognition

As noted above, the entrepreneurship process begins with entrepreneurial alertness. Alertness refers to an individual's inherent motivation to construct an image of the future (Gaglio and Katz 2001). This motivation leads the entrepreneur to seek out sources of knowledge that complement existing knowledge (Kaish and Gilad 1991). The entrepreneur may be able to extrapolate an image of how things will work in the future and the types of products that will be needed by drawing upon the knowledge of how things currently work, knowledge gained through prior experiences and understanding of how those experiences transpired, and the creative knowledge to integrate all of these different pieces of information and experiences.

The ability to recognize an opportunity is not shared equally among individuals. A heterogeneous distribution of knowledge throughout society creates a context in which only certain individuals possessing unique stocks of knowledge will have the ability to recognize any given opportunity (Felin and Zenger 2009). Therefore, an alert entrepreneur's potential to recognize an opportunity forms through the idiosyncratic accumulation of knowledge and experiences, the cognitive schemas that allow the individual to detect patterns within this knowledge, and biases in truncating alternative prospects (Baron and Ensley 2006; Deligonul et al. 2008). Upon detecting patterns within his/her knowledge, the entrepreneur then undertakes a sense-making process by discussing ideas with others regarding the attractiveness and feasibility of the opportunity (Felin and Zenger 2009; Wood and McKinley 2010). By constantly updating their knowledge, alert entrepreneurs are able to move the opportunity from third-person status (i.e., a view that there is a potential to create value for someone) to a first-person, actionable opportunity (i.e., a view that there is potential for the individual him or herself specifically to create value) (Shepherd et al. 2007).

Entrepreneurs may update their knowledge stocks through various means of search. For example, entrepreneurs may draw upon informal industry networks, professional forums, or mentors to learn about changes and trends in technologies, markets, government policies, and other relevant sources of information (Ozgen and Baron 2007). Dyer et al. (2008) found that CEOs of entrepreneurial firms exhibited specific search behaviors, such as questioning the status quo and asking "what if", observing everyday experiences, experimenting with new experiences, gadgets, and places, and networking with a cognitively diverse set of individuals. Equating opportunity recognition with problem solving, Hsieh et al. (2007) suggest that as problem complexity increases (i.e., the problem becomes less decomposable into specialized areas of knowledge), the efficiency of how entrepreneurs organize their search changes.

In the marketing domain, a significant body of research suggests that a firm's market orientation enhances an entrepreneur's ability to recognize opportunities. Market orientation has been viewed as a firm-level posture or behavioral orientation, similar to an entrepreneurial or technology orientation (Matsuno et al. 2002; Miles and Arnold 1991; Morris and Paul 1987; Zhou et al. 2005). As such, a market orientation captures general tendencies and preferences regarding firm activities. More specifically, a market orientation captures a firm's posture characterized by an organization-wide understanding of the market and competitors, thereby facilitating a firm's ability to effectively differentiate itself in the eyes of its customers. Kohli and Jaworski (1990) provide an activity-based conceptualization of market orientation. Their conceptualization includes activities associated with (1) intelligence generation as a set of means through which to understand and anticipate customer needs and the conditions within the industry, (2) dissemination of intelligence throughout the organization, and (3) organization-wide responsiveness in terms of using the intelligence to select appropriate target customers and to develop and bring appropriate customer solutions to market.[3]

Market orientation manifests in various mechanisms and activities at all levels of the organization to support understanding of the customer. For example, market-oriented firms can undertake, to varying degrees, different forms of market-focused intelligence generation, including market studies, focus groups, and the development of market databases to identify broader trends in the external environment (Slater and Narver 2000). Other approaches allow market-oriented firms to capture a finer-grained understanding of customer needs (e.g., the hierarchy of those needs, when those needs arise during the customer's daily activities, how those needs influence the customer's other activities [Griffin and Hauser 1993]), such as having customers handle and react to prototypes in "clinics," more market-based pilot testing of prototypes, customer participation from very early stages in idea development, and listening in to dialogues between customers and Web-based advisors (Alam 2002; Chan et al. 2010; Urban and Hauser 2004).

[3] Narver and Slater (1990) discuss market orientation as also including three behavioral components: customer orientation, competitor orientation, and inter-functional coordination. Within their conceptualization, firms characterized by a market orientation (1) seek to understand customers' current and future needs and how to satisfy these needs, (2) study current and potential competitors' strengths and weaknesses in terms of how they serve customers' needs, and (3) promote coordinated, firm-wide resource management to provide superior customer value. Considering Narver and Slater's conceptualization alongside Kohli and Jaworski's, significant overlap seems to exist with customer/competitor orientations and intelligence generation, and between inter-functional coordination and intelligence dissemination/organizational responsiveness (Cadogan and Diamantopoulos 1995; Lafferty and Hult 2001).

Generating intelligence regarding competitors also provides valuable information that allows the firm to differentiate its products in meaningful ways (Kohli and Jaworski 1990). The extent to which an opportunity exists depends not only on the presence of a market with a threshold level of customers but also on the firm's ability to create more value for this market compared to the value competitors are able to create (Day and Wensley 1988). Specific competitor knowledge processes, such as regularly searching for and collecting information on competitors' products and strategies or integrating competitor information as a benchmark for a firm's own products, provide an advantage for the firm in understanding customers' specific needs (Li and Calantone 1998).

Market-oriented firms also establish means through which intelligence can be disseminated throughout the firm. Establishing reward systems is vital to encouraging intelligence dissemination (Gebhardt et al. 2006; Jaworski and Kohli 1993; Kirca et al. 2005). The extent to which the firm is able to enact formal (e.g., processes guided by established protocols, pre-set meetings with customers) and informal (i.e., more casual interactions with customers) processes can benefit intelligence dissemination. Maltz and Kohli (1996) suggest that while formal processes can increase motivation and ability to transmit information, informal interactions enable receivers of knowledge to query senders more openly and in greater detail regarding sensitive information. In addition, firms may also want to control the frequency of intelligence dissemination as transmitting intelligence too often can lead to information overload and only a shallow understanding of knowledge by receivers (Maltz and Kohli 1996). While a behavioral orientation may be adopted by top management through various structural and process-based decisions, realizing and leveraging key sources from which intelligence originates is also critical to effective dissemination efforts. Joshi (2010), for example, highlights the ability for sales employees to disseminate intelligence and influence product modifications based on perceived customer needs, thereby enhancing product performance.

Because the opportunity embodies a confluence of not only knowledge of customer needs but also technical, diagnostic, operational, and other forms of knowledge, market-oriented firms seek to engender organization-wide responsiveness. Effectively understanding the opportunity rests on the firm's ability to integrate a breadth of knowledge dispersed throughout the firm. Specific knowledge integration mechanisms may include face-to-face discussions among cross-functional team members, regular formal reports, and the use of experts and consultants to provide integrative assessments (De Luca and Atuahene-Gima 2007; Zahra et al. 2000).

As discussed above, market orientation is expected to enhance the relationship between entrepreneurial alertness and the ability to recognize opportunities. Market orientation represents a firm's motivation to construct an image of the future based upon customer understanding (Narver and Slater 1990). A market orientation shapes key organizational search processes, thereby supporting individual employees' search for information (Kaish and Gilad 1991). More specifically, intelligence generation influences the firm's approach to knowledge search and accumulation in terms of understanding customer needs, the hierarchy of these needs, the types of products customers desire to fill these needs, and the specific attributes of competitors' products that customers find (un) attractive, among other key forms of customer/competitor knowledge. This intelligence can facilitate some initial recognition by individual employees that value can be created through serving a specific market. Firms with stronger market orientations further enhance alertness through their support of intelligence dissemination and organization-wide responsiveness, thereby creating social interactions that enable entrepreneurs to evaluate opportunities (Felin and Zenger 2009). Market-oriented structural decisions (e.g., decentralization, formalized group meetings, incentives) likely transform (1) individual employees' alertness by influencing what pieces of intelligence should be associated and evaluated more strongly (Tang et al. 2010), and (2) overall firm alertness by encouraging dissemination (Slater and Narver 1995) and allowing more people within the firm to process generated intelligence (Kirzner 1980). As important to alertness (Tang et al. 2010), support for organization-wide responsiveness helps move evaluation from idea recognition to opportunity recognition (Shepherd et al. 2007; Wood and McKinley 2010). Individual employees can make sense of disparate pieces of information through key processes supporting dissemination and interfunctional coordination. These activities help employees coordinate needs-based and solution-based knowledge (Troy et al. 2001) and encourage the resolution of divergent functional perspectives (De Luca and Atuahene-Gima 2007; Olson et al. 1995). Given this logic, we propose:

P1: A market orientation positively moderates the relationship between entrepreneurial alertness and opportunity recognition within a firm.

Innovation

Innovation plays a central role in the entrepreneurship process. However, the construct has been surprisingly overlooked in key models in the theory's development (e.g., Shane 2003) and process-related research (a notable exception being Shane (2000)). Nevertheless, innovation is a major concern of entrepreneurship (Ireland et al. 2003) and is considered to be the essence of entrepreneurship (Drucker 1985).

Innovation refers to the internal development and adoption of a product that is new to the firm (Damanpour 1991; Garcia and Calantone 2002). As a product, an innovation represents an embodiment of knowledge. More specifically, innovation occurs at the boundaries between knowledge domains (Carlile 2004; Leonard-Barton 1995), incorporating to varying degrees technological, market-based, operational, design, and other forms of knowledge (Ardichvili et al. 2003; Shane 2000). The knowledge embodied within innovations follows from the opportunity recognized by the alert entrepreneur in terms of the saliency of customer needs. Knowledge about customer needs is integrated with current technological knowledge in terms of how to satisfy these needs, operational knowledge for how internal processes should work together in developing the innovation, and so on. In other words, opportunity recognition involves a sense-making process for determining whether key market needs exist and whether value can be created by satisfying these needs through existing internal (i.e., technological/operational) competencies. In contrast, innovation involves actually integrating needs- and solution-based knowledge to develop a new product, thereby allowing the potential for the firm to exploit an opportunity.

A significant amount of research supports a positive relationship between market orientation and various innovation outcomes (Grinstein 2008). As its role in supporting opportunity recognition, intelligence generation provides key market knowledge regarding what existing and future needs are unmet by the firm's and competitors' existing products. In doing so, the firm can identify novel and meaningful ways in which to satisfy customers' needs, enhancing the firm's creativity and leading to more effective innovations (Im and Workman 2004). Intelligence dissemination, as the transfer of knowledge not only from the marketing department through the rest of the firm but also vice versa, allows a breadth of knowledge from various functions that enhances innovation (Leiponen and Helfat 2010). Perhaps most importantly, organization-wide responsiveness and interfunctional coordination (i.e., collaboration across functions within a firm) of market-oriented firms support innovation. Interfunctional coordination provides settings in which employees from the firm's various functions share ideas, bridge knowledge boundaries, and influence the need to modify the ways in which things are done (Carlile 2002; Gatignon and Xuereb 1997). Supporting this, Atuahene-Gima (2005) finds that interfunctional coordination directly predicts both incremental and radical innovations (i.e., minor modifications to existing products and major technological advancements to existing products, respectively). Moreover, while interfunctional coordination does not appear to enhance exploitation competence (likely due to earlier interfunctional investments in building the foundation for this competence), it does enhance exploration competence that leads to increased radical innovation performance (Atuahene-Gima 2005).[4] In accordance with prior research, we propose:

P2: A market orientation positively moderates the relationship between opportunity recognition and innovation.

Opportunity exploitation

Opportunity exploitation includes activities to organize around the innovation (Bygrave and Hofer 1991), such as gathering, bundling, and leveraging resources to organize around the innovation (Sirmon et al. 2007) and developing a strategy and business model for coordinating/mobilizing these resources (Combs et al. 2010; Zott and Amit 2007). These activities introduce the innovation to the market and support its market deployment in order to satisfy the customer-related needs that are associated with the initially recognized opportunity.

The instrumental role of innovation in the entrepreneurship process (and the extent to which opportunity exploitation is effective) becomes readily apparent when including marketing as part of the theoretical analysis. If innovations perfectly satisfied opportunities, the need for marketing activities beyond creating awareness would be minimal in terms of supporting opportunity exploitation. However, for a number of reasons, innovations may not perfectly satisfy opportunities. First, perceptions of which customer needs are valuable are based upon unique interpretations of what customers convey. As knowledge about customer needs may not always be directly or easily conveyed and may be complex and multi-faceted, the interpretation of these needs may be somewhat inaccurate. A market orientation supports intelligence generation in regards to customer needs that may allow the entrepreneurial firm to absorb such knowledge across a larger market of customers, perhaps providing a level of reliability in the firm's interpretation. Moreover, intelligence dissemination and organization-wide responsiveness enable the firm to make sense of broad customer-need knowledge by drawing upon a breadth of employees' internal knowledge to reconcile discrepancies in their interpretations. However, even these processes are biased by the employees' idiosyncrasies and interactional nuances.

Even when interpretations are accurate, the firm's capabilities to provide what is valuable may undermine the innovation's potential to meaningfully satisfy the opportunity. The firm may not have the technological capabilities to develop a product that addresses the entire set of customer needs identified. Similarly, the firm's operational capabilities may not allow it to develop the product on a scale that is financially viable. In such cases, the firm may be forced to develop an innovation that satisfies only a subset of customers' needs.

The heterogeneity of customer needs within the market and competing firms that provide different products based upon their own unique interpretations of the market are additional factors that may create a gap between innovation benefits and customer needs. Even with accurate interpretations of market needs and effective capabilities, the plurality of the market is likely to leave significant portions of the market for which needs remain un-served or underserved (Sheth et al. 2000). A firm can develop a line of products to address different sets of customer-need hierarchies that are identified, yet resource constraints are likely to limit the potential to serve all customers (Johnson and Kaplan 1987). The presence of competing products also complicates a firm's ability to serve customer needs. A market orientation supports intelligence generation in terms of competitors' offerings, strengths, and weaknesses (in addition to customer needs), yet the firm's potential to discern existing competitors' future innovations and the innovations of new entrants can be constrained. As such, unforeseen competitor innovations that more effectively serve customer needs can decrease the value and even presence of an opportunity.

Because of these interpretation, capability, and competition issues, marketing activities can enhance the entrepreneur's ability to exploit opportunities by conveying innovation benefits to customers (as opposed to merely creating awareness that a product innovation exists), thereby increasing firm performance. More specifically, as the means through which product benefits are communicated to potential customers, capabilities supporting the firm's marketing mix decisions enhance opportunity exploitation (Boulding et al. 1994; Vorhies et al. 2009). Commonly referred to as the 4 P's of marketing, the marketing mix is a higher-order concept (Borden 1964) composed of product-, price-, place- (distribution), and promotion-related decisions. The product category includes not only the product specifications but also packaging, brand name, and guarantees that jointly are intended to satisfy customer needs; price includes expectations for what customers can expect to pay, such as the list price, discount, and terms of credit; place or distribution captures the various channels through which products will be made available to customers; and promotion involves the various means through which awareness and knowledge of the product are conveyed to customers (van Waterschoot and Van den Bulte 1992).

Especially with new products, the marketing mix reduces information asymmetries for potential customers (Kirmani and Rao 2000). As noted previously, new products embody various forms of knowledge (e.g., marketing, technological, design, operational). In considering the purchase of a recent product innovation, a customer cannot know the product's

[4] Zhou et al. (2005) provide further support for these findings in terms of radical innovation, although they find that market orientation actually decreases disruptive innovations (i.e., products that create wholly new markets and supplant existing products). Together, these findings suggest that market orientation may support market-driven behaviors but undermine market-driving behaviors (Jaworski et al. 2000).

quality (e.g., will the product satisfy the customer's needs, is the product durable, is the product worth the price). The marketing mix can reduce these information asymmetries and positively influence the customer's preference for and perceptions of the product (van Waterschoot and Van den Bulte 1992). For example, by reminding customers of how their needs are being satisfied, advertising that emphasizes the product's unique sources of value can engender and sustain customer perceptions of differentiation and reduce the product's susceptibility to price competition (Boulding et al. 1994). As part of the product component of the marketing mix, packaging's appearance can serve to attract customers so that they read an accompanying list of specifications as a means of determining the likelihood that the product will satisfy their needs. Pricing is a particularly sensitive issue as lower pricing may be viewed as an inducement to try out a new product but may also signal lower quality (Szymanski et al. 1993). Sales promotions and routinely offered price inducements can reduce brand equity (Yoo et al. 2000) and lead to customer purchases only when the products carry these inducements (Ailawadi et al. 2001). Finally, the reputation of distribution outlets may carry over to customers' perceptions of product quality; however, increasing the number of distribution outlets for a product enhances the purchasing convenience for customers and overall brand equity (Yoo et al. 2000).

In summary, the components of the marketing mix can reduce customers' information asymmetries about a new product's potential to satisfy their needs. In doing so, the marketing mix can induce customers to purchase new products. As long as the marketing mix accurately communicates information, the potential for customers' post-purchase dissonance is likely to be minimal, thereby increasing customer satisfaction and propensity to repeat purchase (Anderson and Sullivan 1993). With reduced dissonance, satisfied customers are likely to remain loyal to the firm and its products, thereby also increasing the firm's financial performance (Anderson et al. 1994).[5] Therefore, we propose:

P3: The extent to which marketing mix components (e.g., packaging, advertising, distribution channels) accurately convey information regarding unique, need-satisfying product attributes positively moderates the relationship between opportunity exploitation and firm performance.

Entrepreneurship of marketing activities

Market orientation and marketing mix represent the sets of activities through which firms come to understand their customers' needs and communicate how the firms' products satisfy those needs, respectively. Marketing activities strongly influence a firm's entrepreneurship process. As such, marketing activities represent a set of means that facilitate firms' ability to exploit opportunities and satisfy customer needs. As a set of means, however, marketing activities may also be the focus of a firm's entrepreneurship. More specifically, firms can recognize and exploit opportunities to more efficiently or effectively serve customer needs through the innovation of marketing activities.

Opportunities represent the potential to create value by efficiently and effectively serving customer needs. However, customer needs are constantly evolving, whether due to external environmental trends, enhanced production possibilities, or entrepreneurial activities within society (Holcombe 2003). To the extent that the firm responds ineffectively to changes in customer needs, its performance is likely to decline. As illustrated in Fig. 1, reduced firm performance leads decision makers to undertake learning activities to discern the causes of this decline and the adjustments that can be made to resolve the issues (Minniti and Bygrave 2001; Politis 2005).[6] Learning occurs when a firm's expectations are inconsistent with its outcomes, leading the firm to update its internal theories of how things work (Argyris and Schon 1978) and potentially influencing its future activities (Huber 1991).

By leading to the adjustment of theories in the firm's knowledge and employees' cognitive schemas, learning can support a firm's opportunity recognition and innovation (Hanvanich et al. 2006; Lumpkin and Lichtenstein 2005). Learning not only provides employees with key pieces of information concerning the firm's market inadequacies but also changes their cognitive schemas (i.e., internal theories)

[5] To this point, we have presented market orientation as having an indirect effect on firm performance through its effects on the entrepreneurship process. While a significant amount of research has shown that innovativeness only partially mediates the relationship between market orientation and firm performance (Kirca et al. 2005), innovativeness (and the innovation that results from this emphasis) is only one aspect of the entrepreneurship process. The firm must also leverage this innovation to exploit the opportunity to realize performance outcomes. As Hult et al. (2005) illustrate, organizational responsiveness fully mediates the relationship between market orientation and performance. In accordance, we believe that the effect of market orientation on firm performance surfaces completely through its influence on the entrepreneurship process.

[6] We do not expect all firms to equally undertake learning activities in response to reduced performance. In a highly complementary stream of research, scholars have examined a firm's learning orientation, or the firm's orientation to support a commitment to learning, shared vision, and open-mindedness in questioning assumptions about the firm's relationship with its environment (Baker and Sinkula 1999; Hurley and Hult 1998; Sinkula et al. 1997). While we strongly believe that a learning orientation shapes how and to what extent a firm learns, we do not explicitly address the role of a firm's learning orientation here in order to maintain focus specifically on the integration of marketing and entrepreneurship.

regarding what factors are important. As customer needs evolve, market-oriented learning allows the firm and its employees to stay abreast of market changes and to introduce new product innovations. In other cases, however, market-oriented learning is inadequate in addressing evolving customer needs.

There are at least two reasons why market-oriented firms can be ineffective in responding to customer needs. First, while market-oriented firms are able to both incrementally and radically innovate in response to changing customer needs (Atuahene-Gima 2005), evidence suggests that competitors can emerge exploiting disruptive technologies developed for wholly different markets and quickly steal market share away from once-dominant firms (Christensen and Bower 1996; Zhou et al. 2005). In such instances, customer needs and the technological solutions can change so rapidly that even market-oriented firms cannot adapt. A second reason for reduced performance in market-oriented firms is that while the customer set may remain primarily the same, the customers' needs change in a way that the firm's market-oriented activities cannot effectively discern attributes of the customers' evolved needs.[7]

When market orientation alone is inadequate in addressing customer needs, learning can still influence opportunity recognition and innovation. Sinkula (1994) highlights key differences between market-oriented learning and more general organizational learning activities. In at least one key difference, research suggests that, as opposed to market-oriented learning, the firm's more general processes of learning stimulated by performance declines can shift the emphasis of entrepreneurship from product innovations to more internally-oriented process and system-oriented innovations. More specifically, support for learning can encourage "employees to constantly question the organizational norms that guide their [marketing information processing] activities and organizational actions" (i.e., market orientation [Baker and Sinkula 1999, p. 413] as well as the effectiveness of their marketing mix [Sinkula et al. 1997]).

These more general forms of organizational learning focus on the "means" aspect of entrepreneurial opportunities (i.e., situational conditions that allow one to create value through new "means", ends, or "means"/ends relationships). Recognizing that the firm's products fail to effectively address customer needs (i.e., an opportunity exists to operate more effectively), learning seeks to establish connections between existing marketing-related systems/procedures and their outcomes (e.g., customer dissatisfaction, customer post-purchase dissonance). Knowledge gained through learning may include recognizing the firm's inability to understand (1) finer-grained aspects of customer needs, (2) shifts in the hierarchy of customer needs, (3) diminishing needs of existing customers and the emergence of new sets of customers with wholly different and poorly understood needs, and (4) the cause of ill-structured intelligence generation or dissemination processes, among other inadequacies of the firm's market orientation. In turn, this knowledge can be used to innovate, thereby producing new market-oriented mechanisms supporting intelligence generation, dissemination, and organizational responsiveness. For example, a firm may realize the need to shift (or complement) existing intelligence generation activities of sales employee/customer interactions to more Web-based mechanisms (e.g., customer blogs). Similarly, the firm may realize that the organization's responses to customer needs require more in-depth discussions than what are allowed in weekly cross-functional meetings. Based on this logic, we propose:

P4: Learning is positively related to market orientation innovation.

In other cases, the firm's performance may decline not due to problems related to market orientation but rather due to marketing mix issues. While a firm's market orientation may be able to address changing customer needs, the marketing mix may undermine performance for a number of reasons. First, a growing market may leave the firm's current investments in promotion and distribution unable to reach potential customers. Second, an increasing presence of market sub-groups with differing hierarchies of needs may lead a firm's existing marketing mix to become ineffective in communicating with the overall market if the mix is tailored to a part of the market. Third, a firm's marketing mix developed for prior products may not be suited for new products. Spurred by performance declines, learning can lead the firm to recognize these shortcomings (i.e., the opportunity to more effectively communicate with customers, thereby creating greater customer satisfaction and market share). Knowledge gained through learning can provide important information where key gaps in the marketing mix exist. In doing so, learning can support the firm's ability to innovate the various components of the marketing mix, such as channel design innovations that enhance the image of new products and stimulate impulse purchases (Davis and Rawwas 1994; citing Hutto 1992) or innovative promotional decisions that more effectively attract niche customers (Lodish et al. 2001). Consistent with this logic, we propose:

P5: Learning is positively related to marketing mix innovation.

[7] An additional reason that could be offered for why market-oriented firms can be ineffective in responding to changing customer needs is that competitors are just more effective in their response. Interestingly, counter to this logic, Slater and Narver (1994) provide evidence suggesting that market-oriented firms can sustain firm performance despite hostile and turbulent competitive environments.

The influence of the institutional context on marketing and the entrepreneurship process

Thus far, we have synthesized and integrated research related to marketing and entrepreneurship. In doing so, we have generally discussed how a firm's market orientation supports various mechanisms and activities that enhance a firm's opportunity recognition and innovation and, subsequently, how marketing mix decisions support a firm's ability to exploit opportunities by organizing around its innovations. Interestingly, though, research has shown that institutions influence the activities within the entrepreneurship process (e.g., Ireland et al. 2008; Webb et al. 2009). Institutions refer to the relatively stable structures that guide expectations and determine socially acceptable actions and outcomes in society (Suchman 1995). Formal institutions include laws, regulations, and supporting apparatuses that monitor and enforce, whereas informal institutions include the society's norms, values, and beliefs complementing formal institutions in guiding activities and their outcomes (North 1990). In this section, we use an institutional theory lens to compare a developed economy firm's entrepreneurial and marketing activities within developed versus base-of-the-pyramid (BOP) markets.

Despite poorly developed/undeveloped institutions, the overall size of BOP markets creates significant business opportunities (Hart 2005; Prahalad and Hart 2002). Many basic needs, such as the availability of food, clean water, and healthcare, are unfilled or are sold at exorbitant rates by exploitative intermediaries (Prahalad 2006). Several multinational enterprises (MNEs) have found these business opportunities attractive and have considered their entry into BOP markets (Prahalad and Hammond 2002).

The stark differences between BOP and developed markets represent significant institutional distance for firms seeking to recognize and exploit BOP opportunities (Webb et al. 2009). Institutional distance refers to the differences between institutional settings, which may surface in terms of differences in formalized laws, regulations, and monitoring/enforcement approaches or differences in the more informal norms, values, and beliefs between settings (Bae and Salomon 2010; Xu and Shenkar 2002). As institutional distance increases, the ability to interpret signals from the local environment is reduced. Because they are embedded in local interactions, historical and cultural nuances, and identity-specific artifacts (e.g., language, traditions, and local stories), differences in norms, values, and beliefs are particularly difficult to detect and manage. Moreover, the undeveloped nature that limits mobility and communication across BOP markets means that these markets remain largely separated from one another and from developed markets, creating pockets of unique institutions. As such, significant institutional distance exists between developed and BOP markets and often across BOP markets as well (Karnani 2007; Webb et al. 2009).

While the markets exist and MNEs are able to exploit viable opportunities by serving local customer needs, the institutional context of BOP markets (i.e., markets in which consumers earn an average annual income of $3,000 a year, scaled to 2002 U.S. dollars [World Resources Institute 2007]) affects the activities within the entrepreneurship process (Webb et al. 2009). In terms of opportunity recognition, large institutional distance relative to developed markets suggests that the opportunity (i.e., the situational conditions that allow one to create value by serving customer needs) is characterized by different customer needs and/or activities through which these needs can be efficiently served. A market orientation still offers the ability to generate and disseminate intelligence regarding customer needs and perhaps how competitors currently or previously have tried serving these needs. However, large institutional distance between developed and BOP markets means that large-scale marketing studies tailored for environments with sophisticated market institutions are less likely to capture the nuances of local markets, such as the daily norms and routines, differences in core values, and beliefs regarding the efficacy of technologies. Without first understanding the local norms, values, and beliefs, broad marketing studies are likely to unknowingly overlook questions that may be critical to a local market understanding. Instead, richer, high-touch intelligence generation activities are likely to serve as more effective means of generating needed information (Viswanathan et al. 2010). For example, co-creation techniques that involve the customers in product development from idea generation phases through new product testing provide important insight into how local customers think, what they value, how they behave, and so on (Prahalad and Ramaswamy 2004). Similarly, when a firm is adapting existing technologies, extensive pilot testing of new products can provide detailed knowledge of how the product fits into the local customers' daily lives and how the customer uses the product differently than in developed markets, among other important forms of intelligence (Hughes and Lonie 2007).

Beyond generating intelligence about customer needs, intelligence on what "competitors" are doing in other BOP markets can provide important insights as to how to deal with institution-related challenges. Given the overall size of the opportunity in BOP markets, the issue of competitor intelligence generation really is less about developing important forms of differentiation for customers and more about transferring best practices from one BOP market to others. For example, microfinance lending, which is a community-based form of lending, has been adopted across BOP markets to help overcome formal institutional voids in terms of capital markets. MNEs can form relationships with microfinance providers to support their business activities in local BOP markets (Kistruck and Beamish 2010). However, the principles that make microfinance work in some local markets may not be as easily transferred to other BOP markets based upon different institutional contexts given the heterogeneity across BOP markets as well as between the BOP market and developed markets. Therefore, a much more detailed and lengthy intelligence generation process may be needed before recognizing which best practices are transferable across institutional contexts.

Significant institutional distance between developed and BOP markets undermines the MNE's ability to understand local market needs and the means through which to effectively understand those needs. While market orientation remains important to understanding the specific nuances of the local market, market orientation activities formed in developed markets are likely to be less effective in capturing the specific hierarchy of customer needs in BOP markets. Given this logic, we propose:

P6a: Market orientation activities intended to enhance the firm's ability to recognize opportunities and innovate will require significant adaptation (e.g., emphasis on high-touch intelligence generation, understanding cultural nuances across BOP markets in transferring benchmark practices and intended sources of value) to overcome institutional distance-related challenges when operating in BOP versus developed markets.

The comparative weakness of institutions within BOP markets also presents what are known as formal institutional voids (London and Hart 2004). A formal institutional void refers to poorly developed or wholly undeveloped formal institutions and infrastructures that can significantly reduce transaction efficiency (Khanna and Palepu 1997). For example, voids in the legal systems are evidenced by the lack of property rights (De Soto 2000), the need to enforce via informal means, the difficulty to enforce contracts, which are instead used more for setting expectations, and courts and regulating bodies that are plagued by bribery and involve prohibitively expensive, protracted processes (Kistruck and Beamish 2009). Similarly, voids in public infrastructure undermine energy-intensive operations and the ability to easily scale across geographic markets (Khanna et al. 2005). Roads, bridges, and other forms of transportation infrastructure are often (but poorly) maintained by local communities, media and communication channels are non-existent or sporadic in transmission, and businesses are labor-intensive yet draw upon primarily unskilled labor.

Developed markets are characterized by strong communication, transportation, and media infrastructures which allow for efficient exchange of information between firms and their customers. In contrast, the infrastructure of BOP markets is poorly developed or in some cases even nonexistent, making such communication costly to the firm. Furthermore, while relationships between firms and their customers, as well as firms and their internal employees, are governed by strong legal institutions and formalized property rights and contractual laws in developed markets, relationships in BOP markets are primarily governed by informal networks which can be difficult for firms to access and leverage (Webb et al. 2009)

Formal institutional voids influence the ability for marketing mix decisions to enhance opportunity exploitation in BOP markets. The lack of or poorly developed nature of public-use infrastructures limits the extent to which mass media outlets can be used to increase awareness and convey benefits of new products. Moreover, the fragmented nature across BOP markets due to differences in norms, values, and beliefs compounded by a history of violence creates an atmosphere of distrust in many BOP markets (Karnani 2007). Therefore, MNEs use local individuals to travel among communities and spread knowledge of products via word-of-mouth advertising (Kistruck et al. 2010). Having gained the trust in local communities through their presence over extended periods and by identifying with both local and the MNE's domestic institutions, nonprofits are particularly helpful in facilitating new product promotion through educational-type seminars to entire communities that bridge the institutional distance (Webb et al. 2009). Even when an opportunity may be generalizable across BOP markets (i.e., cases in which specific customer needs, such as the need for clean water or nutritionally-enhanced foods, are common across BOP markets), poorly developed and maintained transportation infrastructures decrease the ease with which the MNE can scale its operations (i.e., distribute) to capture an opportunity's economic value. Moreover, the low purchasing power of BOP markets further creates a market of price-sensitive customers. Customers are likely to forego products, such as water filtration kits and nutritionally-enhanced foods having longer-term ramifications, if they cost more and harm the customers' potential short-term viability. Therefore, efficient and effective solutions are likely those that incorporate existing technologies in new and different ways versus developing wholly new technologies for the BOP market (i.e., considerations for the product component of the marketing mix).

In summary, formal institutional voids in BOP markets present challenges to marketing mix decisions that are commonly used in developed markets. While the marketing mix remains important to MNEs in communicating product benefits to customers in BOP markets, the forms through which this communication can be conveyed are limited and/or changed by the local context. Therefore, we propose:

P6b: Marketing mix decisions intended to enhance the firm's ability to exploit opportunities will require significant adaptation (e.g., more interactive forms of advertising, product specifications that fill the need yet draw upon less advanced, more efficient technologies) to overcome formal institutional void-related challenges when operating in BOP versus developed markets.

Discussion

Marketing and entrepreneurship play important, integrated roles in firms. While extensive research in marketing examines entrepreneurship-related phenomena, the knowledge and insights resulting from these scholarly efforts have yet to be fully integrated within theory regarding the entrepreneurship process. With few exceptions, entrepreneurship scholars also rarely draw upon insights from marketing in their research. The lack of cross-disciplinary research between entrepreneurship and marketing has left significant gaps in terms of defining opportunity, understanding the interactions of individual- and firm-level activities, and understanding how marketing activities integrate with the entrepreneurship process. Similarly, while firms commonly seek to satisfy opportunities across diverse settings, scholars have yet to adequately address how the institutional context influences marketing activities and the entrepreneurship process. As a means of synthesizing a foundation for future marketing/entrepreneurship scholarly inquiries, our objectives have been to (1) integrate marketing research with theory regarding the entrepreneurship process, and (2) provide an understanding of how the institutional context influences the integration of marketing and entrepreneurship activities.

Facilitating a firm's efforts to understand its customers' current needs as well as their unmet needs is the role of marketing activities. Robust understandings of both needs are key sources of intelligence that support opportunity recognition and innovation within a firm. We draw upon market orientation research to discuss the mechanisms and activities that support a firm's opportunity recognition and subsequent innovation. As a behavioral posture, market orientation captures the firm's general tendencies or preferences regarding intelligence generation, dissemination, and organization-wide responsiveness to customers. Firms with stronger market orientations enact various mechanisms and activities (e.g., market studies, customer involvement in idea generation and product development, reward systems, face-to-face interactions) through which customer-need and competitor knowledge is gathered and shared throughout the firm. Integrating this needs-based knowledge with solution-based knowledge (e.g., technological and operational knowledge) across the firm's various functions enhances creativity and the firm's ability to develop innovations that are both new and differentiated from competitors' products in meaningful ways that create value for customers.

By transforming knowledge of customer needs into new product innovations, the firm can exploit its recognized opportunity. Due to various reasons (e.g., the firm's idiosyncratic interpretation of customer needs, a plurality of needs, competition and environmental changes), the innovation is not likely to fully satisfy the opportunity. The firm's marketing mix includes decisions regarding the product and its price, place (i.e., distribution), and promotion. The components of the marketing mix inform customers about key sources of the product's differentiation to attract the customer and to convey how the product's benefits satisfy customer needs. While market orientation reduces information asymmetries for firms regarding customer needs and the value of the overall opportunity, the marketing mix reduces information asymmetries for customers regarding new product attributes and the overall value to the customer. By creating value for the customer, the firm enjoys increased firm performance in the form of customer satisfaction, repeat customers, profits, and growth.

A number of reasons can explain, however, why firms that emphasize a market orientation and carefully construct their marketing mix experience declining performance. Disruptive technologies and fundamental changes in customer needs can be overlooked by firms with market orientations. Similarly, a growing market, shifts in or increasing plurality of customers' hierarchy of needs, and the introduction of highly innovative products can lead to sources of ineffectiveness in the firm's existing marketing mix. The declining performance that results from ineffective market orientations or marketing mixes can stimulate learning that can then serve as the basis for supporting entrepreneurship directed toward market orientation and marketing mix. More specifically, the learning that derives from declining performance can lead employees to question the firm's internal theories of what activities work in terms of understanding customer needs, disseminating this understanding throughout the organization, interfunctionally coordinating, and communicating with customers. The knowledge that derives from these internally-directed questions can lead firms to innovate their market-oriented and marketing mix-related activities.

An important stream of research examines the influence of institutions on the entrepreneurship process. To address the second objective of this work, we utilize the differences in developed and BOP markets to describe how the institutional context influences marketing activities in supporting the entrepreneurship process. Large institutional distance between developed and BOP markets (and across BOP markets) and formal institutional voids are two specific challenges that influence the entrepreneurship process in BOP markets. Large institutional distance increases the gap between a firm's knowledge and the often idiosyncratic needs of local customers. A market orientation supports the firm's ability to understand and respond to local customer needs. The significance of the knowledge gap suggests, however, that the activities supported by a market orientation should be higher-touch activities, such as co-creative processes and extensive pilot testing. Formal institutional voids undermine the exploitation of opportunities created by innovations in BOP markets, specifically because of weak mass media advertising, poorly developed distribution infrastructure, and low purchasing power. Therefore, more interactive forms of advertising (i.e., word-of-mouth advertising and educational seminars) and techniques to reduce product costs, such as drawing primarily upon existing technologies, enhance a firm's ability to exploit opportunities in BOP markets.

Our model suggests a number of scholarly implications that are linked to a more robust integration of marketing and entrepreneurship process research. Whereas entrepreneurship-domain research on the entrepreneurship process has largely advanced at the individual level (e.g., Baron 2008; Shepherd et al. 2007), marketing research has focused on firm-level mechanisms and activities through which firms come to understand and respond to the customer attributes of opportunities (Kohli and Jaworski 1990; Narver and Slater 1990). In reality, the key activities of entrepreneurship are multilevel; they occur through interactions across individual and firm levels. More specifically, opportunity recognition is a cognitive process in which an individual detects patterns using his/her mental models based upon previous knowledge and experience (Baron and Ensley 2006). While it is a cognitive process, individual entrepreneurs draw upon ties with those around them to identify and understand opportunities, suggesting that opportunity recognition has a collective component as well. Research concerning intelligence dissemination and sharing can provide important insights into how firms coordinate employees and knowledge (e.g., through the use of rewards, meetings focused on specific types of interaction) to stimulate the cognitive pattern detection that leads to opportunity recognition.

A significant body of research has been conducted examining activities related to opportunities, such as recognition, evaluation, and exploitation (Short et al. 2010). Less research has focused on the composition of an opportunity. Importantly, as the situational conditions to create value by serving customer needs (Shane and Venkataraman 2000), an opportunity does not exist without a set of customers having unmet needs. Nevertheless, entrepreneurship scholars' treatment of opportunities rarely goes beyond merely stating that opportunities represent competitive market imperfections or listing market trends alongside numerous other factors, such as new technologies, government policies, and changes in firm stakeholders, as leading to opportunities. Marketing scholars' techniques for assessing the prevalence and hierarchy of customer needs can provide important insights into determining the value of opportunities (Urban and Hauser 2004).

Scholars have primarily examined how market orientation leads to greater customer understanding. Interestingly, outside of an early conceptualization of market orientation (Jaworski and Kohli 1993), the activities through which firms inform customers of their new products and influence purchasing have been less emphasized in the domain of market orientation. Innovation, however, represents a key activity in the entrepreneurship process in which the firm transforms customer need knowledge into new products. As noted previously, for various reasons, the new products are not likely to perfectly embody customer needs in satisfying the opportunity. Therefore, an important implication for scholars is to extend market orientation to the opportunity exploitation stage in determining how market-oriented firms translate product benefits into customers' perceptions of value.

Finally, the institutional context influences how firms address market needs and ultimately the value of opportunities in a number of different ways (Webb et al. 2009). The development of a particular institutional context influences the efficiency with which firms can communicate product benefits to potential customers, distribute products, access resources (e.g., labor, financial capital), appropriate and protect the value of their investments and property rights, and establish/maintain customer relationships. Differences between institutional contexts also influence the effectiveness with which firms can understand market needs and, perhaps more importantly, understand the specific types of activities through which they can identify what these market needs are. Institutional contexts also often include different levels of prescriptions (e.g., country, state, region, industry) that may conflict or complement each other in establishing social acceptability (Ostrom 2005). The complexity of operating in such environments may influence the activities through which firms recognize and exploit opportunities. Additional research is needed to understand how specific institution-related characteristics affect specific marketing decisions/activities and stages of the entrepreneurship process.

Conclusion

Marketing and entrepreneurship have long been recognized as two key responsibilities of the firm. Moreover, marketing activities and the entrepreneurship process are tightly integrated in firms. Despite their practical integration, scholarly efforts in marketing and entrepreneurship have largely progressed within the respective disciplinary boundaries with minimal cross-disciplinary fertilization. We sought to fill this void by integrating research on marketing activities and the entrepreneurship process. We discuss market orientation as enhancing a firm's opportunity recognition and innovation whereas marketing mix decisions enhance opportunity exploitation. In addition, we discuss learning as supporting the firm's entrepreneurship directed toward market-orientation and marketing-mix activities. From this foundation, we examine how the institutional context can shape the implementation of market orientation and marketing mix in supporting the entrepreneurship process. We hope this research stimulates future endeavors at the intersection of marketing activities and the entrepreneurship process, especially within the context of institutional influences.

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