

**Linking relationship marketing to social embeddedness in a rural bilingual context**

Parry, Sara; Westhead, Paul

Journal of Small Business and Enterprise Development

DOI:
[10.1108/JSBED-10-2016-0160](https://doi.org/10.1108/JSBED-10-2016-0160)

Published: 30/06/2017

Peer reviewed version

[Cyswllt i'r cyhoeddiad / Link to publication](#)

Dyfyniad o'r fersiwn a gyhoeddwyd / Citation for published version (APA):
Parry, S., & Westhead, P. (2017). Linking relationship marketing to social embeddedness in a rural bilingual context. *Journal of Small Business and Enterprise Development*, 24(2), 261-277. <https://doi.org/10.1108/JSBED-10-2016-0160>

Hawliau Cyffredinol / General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Linking relationship marketing to social embeddedness in a rural bilingual context.

Introduction

Some entrepreneurs are adept at developing close relationships with their customers (Stokes, 2000; Fischer and Reuber, 2004) to ensure venture development and some are actively engaging in relationship marketing activities although they do not explicitly refer to the academic term (Lam and Harker, 2015). Relationship marketing (RM) relates to a process where both the seller and buyer seek a mutually beneficial exchange (Morgan and Hunt, 1994). It is a form of marketing which focuses on developing long-term relationships with customers by listening to customer requirements and satisfying customer needs with the aim of retaining high value customers (Reichheld and Sasser, 1990). RM therefore enables sellers to acquire and mobilise external resources required for the development of their ventures through these relationships.

Despite evidence suggesting that RM can be successfully adopted by small and medium-sized enterprises (SMEs) (Day *et al.*, 1998; Lam and Harker, 2015) there is little empirical research investigating how RM is done by SMEs (Hultman and Shaw, 2003) and there is scant evidence relating to the RM process in new technology-based firms (NTBFs) (James *et al.*, 2016). This is important as research suggests that marketing in NTBFs requires a relational competency which involves a deep understanding of customer needs, creating useful resources and networking (Helander and Ulkuniemi, 2006; Hedaa and Ritter, 2005).

Social embeddedness refers to the relationship between an actor's economic behaviour and the social context or the environment in which it occurs. Both social embeddedness and RM concepts pertain to the social relations in which economic transactions are rooted. Thus the theoretical contribution of this study is to integrate insights from both RM and social embeddedness theories, and illustrate the extent to

1
2
3
4
5
6
7
8
9
10
11
12
13
14
which a NTBF case study demonstrates social embeddedness benefits relating to customer retention and accumulation of strategic resources due to RM. This is important as links between RM and social embeddedness can guide the resource allocation decisions of entrepreneurs in firm development.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
The study aims to explore whether and how a NTBF in a rural bilingual context integrates RM and social embeddedness, which has not been considered in the extant RM literature. Small and micro companies are the lifeblood of rural areas, especially entrepreneurial ‘migrants’ who decide to settle in rural areas and bring their skills and technical knowledge with them (Keeble, 2016). Moreover, the most innovative SMEs are shown to make an important contribution to rural economies in terms of income and employment generation (North and Smallbone, 2000). Therefore a deeper understanding of how entrepreneurs develop relationships and become socially embedded within rural areas is crucial. A rural enterprise is a venture in a rural area that “employs local people, uses and provides local services and generates income flow to the rural environment” (Henry and McElwee, 2014, p.4). There has been a shift of population and employment from urban to rural areas in the last 20 years therefore understanding the development of rural SMEs is critical particularly from a policy perspective (Curran and Storey, 2016). Moreover, it is unclear whether the RM process may be associated with unique characteristics in a rural bilingual context. Exploring rural NTBFs contributes to the following knowledge streams: rural entrepreneurship and formation of high growth technology firms. The focus on the bilingual context in this study is also relevant as the case study firm operates in North West Wales where the majority of the population speak Welsh, and English is the second rather than the primary language of the majority of the population (Jones-Evans *et al.*, 2011). Becoming socially embedded in this area would thus involve immersing into the local community and developing relationships with potentially bilingual customers and partners.

1
2
3
4
5
6
7
8
9 This study explores the following research questions with regard to a rural
10 resource-constrained bilingual context: Why does a novice entrepreneur (i.e. no prior
11 business ownership or marketing experience) of a NTBF engage in RM with customers
12 and strategic partners? How does a novice entrepreneur of a NTBF engage in RM with
13 customers and strategic partners? Does RM generate social embeddedness benefits (i.e.
14 customer retention and accumulation of resources) for a novice entrepreneur of a
15 NTBF?
16
17
18
19

20 This article is organised as follows. In the next section, the theoretical foundations
21 of RM are summarized, and a summary of the literature relating to RM in technology
22 SMEs is presented. Social embeddedness theory is then summarised. This is followed
23 by a discussion of the data collection methodology. A brief overview of the case study,
24 Draig Technology Limited is then presented. In the subsequent findings section, issues
25 relating to the rural resource-constrained bilingual context, RM activities, and social
26 embeddedness benefits generated by RM are illustrated. Finally, key contributions and
27 implications are discussed.
28
29
30
31
32
33
34

35 **Relationship marketing**

36 RM refers to the management of relationships that seek to provide customized and
37 richer personalised contact with customers with the aim of generating long-term value
38 from customer relationships (Morgan and Hunt, 1994). For the seller, RM can generate
39 a better understanding of the customer, the development of trust between the seller and
40 buyer, and increased customer satisfaction (Gil-Saura *et al.*, 2009; Kelly and Scott,
41 2011) leading to enhanced customer retention (Hennig-Thurau *et al.*, 2000). Assumed
42 financial benefits to the seller relate to reduced costs due to increased retention of
43 existing customers, and higher profits due to increased buyer loyalty and reduced price-
44 sensitivity (Reichheld and Sasser, 1990; Gronroos, 1994). RM benefits for the customer
45 include reduced anxiety and comfort in knowing what to expect from the supplier,
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 social and emotional benefits and individualized additional services or special treatment
10 (Hennig-Thurau *et al.*, 2002).

11 A holistic view of RM (Morgan and Hunt, 1994; Sheth and Parvatiyar, 1995)
12 refers to the process as managing relationships for mutual value whereas others base
13 their views specifically in business-to-business (B2B) markets (Brennan *et al.*, 2014), a
14 perspective that we adopt in this study. The importance of relationships in B2B markets
15 and their relevance to practitioners is acknowledged and predicted to continue shaping
16 the marketing discipline (Kumar, 2015). Establishing mutually beneficial long-lasting
17 relationships in B2B markets can help the seller and customer create higher value, share
18 risk and find efficiencies (Gil-Saura *et al.*, 2009). This network approach to
19 relationships is based on complex relationships between at least two actors in a business
20 network (Holmlund and Tronroos, 1997). Such relationships are often characterised by
21 information exchange, co-operation by explicit 'partnering', adaptations by both buyers
22 and sellers and operational linkages (Cannon and Perreault, 1999; Brennan and
23 Turnbull, 1999). Effective RM in an NTBF can thus result in increased collaboration
24 with business customers, a better understanding of buyer requirements, and a dialogue
25 with buyers leading to the development of co-created and customised products and
26 services (Ruokonen *et al.*, 2008).

27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 *Relationship marketing in NTBFs*

42 Many scholars acknowledge that SMEs do not approach marketing in a conventional
43 manner (Franco *et al.*, 2014; Gilmore *et al.*, 2001). Marketing competency deficiencies
44 can hinder NTBF development and NTBFs with resource deficiencies may not be able
45 to effectively market their innovative products/services (Hatonen and Ruokonen, 2010).
46 NTBFs may therefore wish to develop close relationships with their customers as a way
47 of securing future trade, developing credibility in the marketplace and encouraging
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 positive word of mouth. SME's have the potential and desire for close relationships
10 with customers (Reijonen, 2010) and the relationship between the entrepreneur and
11 customer is proposed to be a key element of Entrepreneurial Marketing, a term which
12 describes the marketing activities of entrepreneurs that is focused on the customer and
13 on taking risks (Morrish *et al.*, 2010). The benefits of RM in small firms have been
14 found to include access to new customers through referrals and introductions and access
15 to resources such as information and advice based on the development of two-way trust
16 (Hultman and Shaw, 2003). Engaging in relationships with larger partners can also lead
17 to cost, image and service benefits for SMEs who are able to build competitiveness
18 based on access to new capabilities and resources (Kelly, 2007).
19

20
21
22
23
24
25 Little attention has been directed towards the marketing of NTBFs or software
26 SMEs (Helander and Ulkuniemi, 2006; Parry *et al.*, 2011), particularly in rural areas.
27 However, the investigations conducted point towards the benefits of developing
28 relationships, networking and alliances in this sector. Helander and Ulkuniemi (2006)
29 view businesses that develop tailored software to be inherently relationship and service-
30 oriented. In the technology sector, lasting relationships with customers facilitate a
31 clearer understanding of customer requirements (Ahmed and Capretz, 2007) and is
32 related to positive firm performance (Tzokas *et al.*, 2015) however there remains a lack
33 of research into the RM process in small technology firms (James *et al.*, 2016).
34 Boussara and Deakins (1999) found that social networks of entrepreneurs and strategic
35 alliances are wholly appropriate to this business context. Alliances provide technology
36 firms with the opportunity to share resources and capabilities whilst entrepreneurial
37 owner-managers use networks to build business, marketing and innovation capacity
38 (Stokes, 2000). As small software firms tend to be managed by technical specialists,
39 SMEs often seek inter-firm co-operation and partnership opportunities in order to share
40 resources and capabilities (Hedaa and Ritter, 2005).
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Social embeddedness

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Social embeddedness is defined as “the degree to which commercial transactions take place through social relations and networks of relations that use exchange protocols associated with social, non-commercial attachments to govern business dealings” (Uzzi, 1999, p. 482). The theory builds on sociology, law, and market theories to explain why economic transactions become embedded in social relations and how these transactions can subsequently affect the allocation and valuation of resources (Granovetter, 1985; Uzzi, 1997). Social embeddedness can result in advantages for entrepreneurs. For example firms that are embedded in their social structure and local environment are better able to create and realise opportunities and report enhanced credibility in the marketplace (Jack and Anderson, 2002). Embeddedness theorists also assert that people who form intense relationships will begin to trust each other and share resources more willingly (Uzzi, 1997), which echoes the RM philosophy. Becoming socially embedded by forming relationships (or partnerships) is important for NTBFs to access new resources in fast moving industries. They also enable technology entrepreneurs to overcome ‘core rigidities’. Core rigidities occur when an entrepreneur becomes complacent within a relationship, which in turn decreases the odds of innovating or developing new capabilities or products (Leonard-Barton, 1992). Developing relationships with local actors can affect an entrepreneur’s level of local embeddedness (Kalantaridis, 2009), which can, in turn determine the flow of information and other resources available to an entrepreneur (Jack and Anderson, 2002).

A distinction is made between relational embeddedness, which is the degree of closeness and reciprocity among partners, and structural embeddedness, which is the extent to which a dyad’s relationship is grounded in social attachments and whose mutual ties are connected to one another. (Newbert and Tornikosi, 2013). Noordhoff et al. (2012) suggest that partners with high relational embeddedness (i.e. high closeness and reciprocity) will be less likely to address core rigidities. The likelihood of smaller

1
2
3
4
5
6
7
8
9 innovative firms acquiring new capabilities and other resources required for venture
10 development can also be affected by knowledge redundancy, which is the extent to
11 which there are knowledge overlaps between partners. Thus partners with low
12 knowledge redundancy are more likely to complement one another in terms of skills and
13 capabilities, instead of competing with each other. Noordhoff et al. (2012) contend that
14 unique new capabilities can emanate from inter-firm relations among redundant partners
15 as well as from a single firm's existing internal resources. These inter-firm relations
16 therefore become relational resources.
17
18
19
20
21

22 Although entrepreneurs establishing and retaining relationships or partnerships
23 can facilitate access to information, skills, capabilities and other resources (Lechner and
24 Dowling, 2003) required for venture development, being socially embedded can have
25 drawbacks for small firms. For instance NTBF entrepreneurs can be impelled by
26 necessity, opportunity or strategic need to establish relationships with large, powerful
27 partners (Eisenhardt and Schoonhoven, 1996). Whilst the potential for access to external
28 resources such as expertise are plentiful, many novice entrepreneurs do not have the
29 resources (in particular, time) to maintain a large number of embedded relationships
30 (Newbert and Tornikoski, 2013). Some entrepreneurs who require external resources to
31 ensure venture development are fearful of entering relationships with more powerful
32 parties (Villanueva *et al.*, 2012), because they fear becoming vulnerable to more
33 powerful parties (Katila *et al.*, 2008). Novice entrepreneurs may report the 'fear of
34 opportunistic behaviour' (Yli-Renko *et al.*, 2001) relating to the appropriation of
35 technology by the larger partner, or pressure for unduly favourable exchange terms
36 (Fischer and Reuber, 2004). However Villanueva et al. (2012, p.28) assert that, "... the
37 dangers may lie in exactly the opposite direction. Ventures that fail to reinforce and
38 build mutual dependencies with other organizations may become expendable and may
39 fail to create the new value and innovations they might otherwise reap from these
40 relationships...". The relational view of the firm (Uzzi, 1997) illustrates that embedded
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 ties across organisational boundaries can create value and motivate exchange partners to
10 share that value. This is because each exchange partner can potentially accumulate
11 benefits from the embedded relationships (Fischer and Reuber, 2004).
12
13

14 15 **Integrating RM and social embeddedness**

16
17 The goal of this study is explore whether and how an NTBF in a rural bilingual context
18 integrates RM and social embeddedness to ensure firm development and growth.
19 Embedding is the method by which an entrepreneur becomes part of the local social
20 structure (Jack and Anderson, 2002). We contend that engaging in RM activities is a
21 way of becoming socially embedded. RM and the associated local embeddedness has
22 been found to generate trust, and joint problem-solving between exchange actors, which
23 can enable novice entrepreneurs to reduce costs, increase efficiency and legitimacy,
24 gain access to external information, skills, capabilities and knowledge, all of which can
25 enable novice entrepreneurs to actively engage in the invention of new products or
26 services (Yli-Renko *et al.*, 2001; Fischer and Reuber, 2004). Research on embeddedness
27 (e.g. Granovetter, 1985) also suggests that customers' embedded relationships with
28 companies make them feel more like insiders rather than outsiders, which relates to the
29 emotional and social benefits felt by customers engaged in successful RM (Hennig-
30 Thureau *et al.*, 2002). Social embeddedness can also be achieved through personal
31 networks, which is a key characteristic of RM in B2B markets (Gummesson, 1994;
32 Holmlund and Tronroos, 1997). Novice entrepreneurs may engage in RM to enhance
33 local embeddedness in order to establish and maintain relationships or networks with
34 customers and to create value in the form of additional resources and expertise for their
35 own firm and which can subsequently be passed to their customers. RM may, therefore,
36 enable a novice entrepreneur to gain access to external resources required for adaptation
37 and innovation to ensure NTBF sustained firm competitive advantage. The social
38 embeddedness stimulated by RM and the associated increased potential access to
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 information, skills, capabilities and knowledge generated by local embeddedness may
10 ensure NTBF development. Therefore we assert that RM can enhance social
11 embeddedness via the facilitation and the retention of existing relationships for novice
12 entrepreneurs seeking to gain access to external resources required for venture
13 development.
14
15
16
17

18 **Methodology**

19
20 Driven by the need to appreciate the richness of context and to capture the relational
21 dynamics of entrepreneurship (Stringfellow *et al.*, 2014), a qualitative approach was
22 employed in order to elaborate or build theory relating to the development of RM and
23 social embeddedness in a NTBF. A case study approach is appropriate to examine
24 relationship-based phenomena (Jack, 2010), particularly studies focusing on ‘how’,
25 ‘why’ and ‘so what’ questions (Yin, 1994) relating to a contemporary phenomenon
26 within a real-life context. The persuasive power of the single case for building new
27 theory or elaborating existing theory is recognised (Siggelkow, 2007) and is
28 recommended over multiple case studies if the aim of the research is depth rather than
29 breadth (Easton, 2010). Further, a single case study enables deep probing and analysis
30 of a phenomenon in its natural setting, and has previously been used to investigate
31 entrepreneurial learning and entrepreneurial capabilities in NTBFs (Burger-Helmchen,
32 2009; Voudouris *et al.*, 2010). Findings from a single case may be difficult to generalise
33 to all other contexts (Eisenhardt, 1989). However, a single case approach is regarded as
34 being appropriate if the phenomenon has attracted scant conceptual or empirical
35 attention, or the case represents an extreme situation (Yin, 1994).
36
37
38
39
40
41
42
43
44
45
46

47 The case study analysed the evolution of RM reported by Richard Sheppard over
48 the 2005 to 2010 period, who is a novice entrepreneur of the case firm, Draig
49 Technology Limited. To limit informant bias relating to retrospective sensemaking bias
50 and/or impression management (Eisenhardt and Graebner, 2007), information was
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 collected from several data sources. Firstly, one of the authors conducted participant
10 observation at the firm between 2005-2008, during which observational data was
11 manually recorded in a journal. Secondly, in-depth interviews were conducted with
12 Richard Sheppard in 2008 and subsequently in 2011, to reflect on the evolution of RM
13 at Draig. Interviews were also conducted with three other employees, 15 customers and
14 documentary material were also analysed (See Table 1 for details of all case study
15 evidence gathered). In 2012, a further interview was conducted with Richard Sheppard
16 to follow-up on Draig's activities. This three-phase methodology yielded broadly
17 similar reproducible responses (Yin, 1994). Triangulating multiple sources of evidence
18 was done to minimise the risk of error within the case study and echoes the view of
19 Eisenhardt and Graebner (2007, p.29) who advocate the use of diverse material to build
20 a "story (which) is then intertwined with the theory to demonstrate the close connection
21 between empirical evidence and emergent theory". Yin (2009) recommends using
22 different types of evidence (such as participant observation, key interviews and
23 documentary evidence, direct observations) to avoid criticism and bias associated with a
24 single data collection method. Here it was important to analyse a variety of sources to
25 capture a holistic view and a variety of perspectives regarding the development and
26 activities of RM at Draig.
27
28
29
30
31
32
33
34
35
36
37

38
39 Thematic analysis and coding of the combined case material were employed as
40 the main analysis method (Miles and Huberman, 1994). All case evidence were
41 analysed iteratively by organising the data around key words relating to RM and social
42 embeddedness (see Table 2 for a list of the codes and related themes identified during
43 the analysis). Coding of the data was initially conducted by the interviewer, and
44 subsequently verified by a second researcher. Interview transcripts were also examined
45 by exploring critical events, key decisions, complexities of the customer and partner
46 relationships and importantly, Richard Sheppard's reflections about himself and the
47 decisions he had made since the inception of Draig.
48
49
50
51
52
53
54
55
56
57
58
59
60

Table 1: Case study evidence

Case study evidence	Details	Timeframe and length of interviews
Corporate documents	Business plan, monthly meeting reports, tendering documents, marketing material (newsletters, website, product information sheets, press releases)	Collated during 2005-2011
Participant observation	Observational data recorded in a journal.	Conducted during 2005-2008.
Interviews	<p>3 with Richard Sheppard</p> <p>3 with Draig's employees (Software Development Supervisor, Sales Manager and Business Development Manager)</p> <p>15 with Draig's customers (1 representative from each organisation comprising a range of sizes and industries from public and private sectors)</p>	<p>2008 (2 hours), 2011 (90 minutes), 2012 (2 hours)</p> <p>Conducted in 2008 (1 hour each)</p> <p>Conducted in 2008 (average 1 hour each)</p>

Table 2 Key words and emerging themes

Key words used in analysis	Themes
Rural enterprise (Jack and Anderson, 2002), influence of location, entrepreneur lifestyle (Westhead and Wright, 2013), entrepreneur motivations (Jayawarna et al., 2013), local embeddedness (Kalantaridis, 2009).	Rural resource-constrained bilingual context
Relationship marketing (Morgan and Hunt, 1994), understanding customer needs, customized services (Helander and Ulkuniemi, 2006; Ruokonen <i>et al.</i> , 2008), trust (Gil-Saura <i>et al.</i> , 2009), RM leading to innovation (Yli-Renko <i>et al.</i> , 2001).	Relationship marketing
Networking to develop relationships (Helander and Ulkuniemi, 2006; Jack <i>et al.</i> , 2010), Informal networking (Shaw, 2006), strategic networking (Zhang, 2010), personal networks (Gummesson, 1994).	Networking as an aspect of RM
Formal strategic alliances (Street and Cameron, 2007), other inter-firm collaborations (Hedaa and Ritter, 2005), powerful partners (Villaneuva <i>et al.</i> , 2012).	Forming alliances as an aspect of RM
Forming relationships to create social embeddedness (Uzzi, 1997), social embeddedness enabling access to resources (Jack and Anderson, 2002), benefits from embedded relationships (Fischer and Reuber, 2004).	Social embeddedness in a rural resource-constrained bilingual context

Overview of Draig Technology Limited

Following 20 years of working as a manager in the IT industry in England and the USA, Richard Sheppard decided to make a life change in 1999 and founded Draig Technology Limited (Draig meaning Dragon in Welsh) back home in Bangor, North Wales and solely ran the business for a year. Initially, Richard worked from home, but after hiring two employees he rented office space at a local business park. Richard began his RM efforts by proactively engaging with a range of local and regional customers, in order to learn about their software requirements. As there was no specific software product or target market at this stage, the nature of RM was ad hoc, illustrating the haphazard, grass root approach to marketing which is common in small firms (Gilmore *et al.*, 2001). However, this relatively loose approach to marketing consistently involved a close proximity to local customers. For instance, Draig's first software customer was located in the same business park as Draig. Subsequently Draig sought to diversify the customer base by offering information technology (IT) services to several local customers. Draig continued engaging in RM by forming relationships with new customers through actively networking and maintaining established customer relationships, initially in the North Wales area.

Draig's first successful product was the 'Tô Bach' software utility, which was launched in 2005. This software utility makes typing Welsh characters easier. The application was offered free of charge as part of a marketing campaign to create awareness about Draig. The success of 'Tô Bach' encouraged Draig to pursue other Welsh and English bilingual software opportunities through more focussed RM. Due to increased awareness of their expertise in bilingual software products Draig was selected in 2006 as the technology partner to translate and localise Microsoft Windows XP and Office 2003 applications into Welsh and subsequently became a Microsoft Gold partner. Draig's bilingual capability has since emerged as a key competitive advantage. However Richard still maintained his RM efforts with existing bespoke software

1
2
3
4
5
6
7
8
9 customers and delivered a variety of bespoke software applications to a number of
10 customers. By 2010, Draig provided bilingual software services to the energy supplier
11 sector and the employment size of the firm had increased to 14 employees. Once
12 Draig's position in the marketplace became established, Richard was able to adapt and
13 focus his RM activities according to the type of customer (bespoke, IT services,
14 bilingual).

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
Draig's competitive advantage evolved from a bespoke capability to having a
unique bilingual software capability, and a unique capability in the energy billing
sector. With regard to the latter, their alliance and co-operation with a key large firm
partner has been vital to marketing a software product, a key element of RM for
software SMEs.

Findings

Rural resource-constrained bilingual context

Richard Sheppard's vision was to set up a successful software development company in
North Wales. Richard believed that the Welsh software industry could develop into a
key sector in terms of innovation, growth, and job creation. He described setting Draig
up as "*a normal part of my vocation and life*". Richard wanted to make a life change
and shaped the business around his preferred lifestyle, which is living and working in
environmentally attractive North Wales. Locational choice is not always motivated by
profit maximisation, because quality of life is important to people who live in rural
areas (Jack and Anderson, 2002). The choice of Bangor as a location was based on
lifestyle reasons, and because it was Richard's "*local place*". It was also, in part, due
to Richard's belief that he could succeed in the area. Richard stated: "*For me it was a
case of why can't I do it here? Why can't I be successful here?*". This aligns with
Jayawarna et al.'s (2013) proposition that entrepreneur motivations are dynamically
interrelated with social circumstances across their life course. Observations of the

1
2
3
4
5
6
7
8
9 entrepreneur's way of working demonstrated passion, resilience and a determination to
10 succeed in a challenging rural location.

11
12 External environments vary in their resource munificence and intensity of
13 competition for resources. Location can be seen as a resource pool that can impede or
14 stimulate entrepreneurial behaviour (Westhead and Wright, 2013). The locality meant
15 that Richard's expectations with regard to technical resources, software development
16 skills, access to potential customers, and financial resources were limited, and thus
17 Richard instinctively conducted RM in order to access resources. He realised that there
18 was a dominant "*public sector-built economy*" in the area, and a culture that was not
19 perceived as conducive or supportive to technical entrepreneurs. Richard reflected:
20 "*What is lacking is a social infrastructure in that it's not business friendly...it's around*
21 *attitude and culture...it's a culture which is not sympathetic to entrepreneurs-they are*
22 *seen as a challenge or a threat*". Despite this resource-constrained context, engaging in
23 RM and embedding his firm within the local culture enabled Richard to turn these
24 limitations into specific firm competencies. Building up the firm's bilingual capability
25 enabled them to embed into the local culture, as it was an important criteria to
26 customers:

27
28
29
30
31
32
33
34
35
36
37 "*the ability of the company to develop bilingual systems certainly featured when*
38 *we were looking for a company to work with*" (Customer: Research manager from a
39 government organisation).

40
41
42 He also developed relationships with customers who preferred a local software
43 supplier:

44
45 "*we were definitely after someone local...just to make the interaction between*
46 *the customer and the supplier easier* (Customer: IT manager from a private
47 manufacturing company). RM scholars have not yet considered the impact of locational
48 context or how a NTBF might approach RM in comparison to a larger organisation,
49 leading to the following proposition:
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 P1: Novice entrepreneurs facing the liabilities of NTBF newness in a rural
10 resource-constrained bilingual context instinctively conduct RM in order to
11 accumulate legitimacy and obtain resources from local and national external
12 resource providers.
13
14
15

16 17 *Relationship marketing*

18 From the start of his firm, Richard mobilised his software development capability and
19 experience to network and develop relationships with prospective customers although
20 the RM approach was initially haphazard due to a lack of clear differentiation and
21 unique offering from Draig. Richard sought to forge relationships with customers by
22 developing an understanding of their issues and providing customised software and
23 additional services to suit their needs (Ruokonen *at al.*, 2008). One customer (a
24 Managing director of a non-profit organisation) stated that Draig “*understand what we*
25 *are trying to achieve, they understand the way that we work and they bend over*
26 *backwards to accommodate our wishes*”. Richard created relationships with potential
27 customers both reactively and proactively but not in a strategic or linear manner.
28 Draig’s first customer was identified via socialising. Richard stated: “*Very informal ...*
29 *through meeting someone at the pub*”, illustrating the informal nature of networking
30 undertaken by SMEs (Shaw, 2006). Other national (pan-Wales) customers were found
31 through reacting to available tendering opportunities, networking at business events and
32 exhibiting at conferences, but primarily through proactively communicating. Richard
33 reflected: “*You can’t exist in isolation. You’re in business and you have to tell*
34 *somebody. Who do you tell? Anyone that will listen!*”. The biggest resource
35 investment that Richard made into each relationship was “*time to communicate ... e-*
36 *mails, phone calls, meetings that kind of stuff*” in order to ensure customer satisfaction
37 and as an attempt to build customer loyalty and identify further business opportunities
38 (Helander and Ulkuniemi, 2006).
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

During the first three years Richard exhibited proactive RM tendencies but not by active pursuit. Observations of the company indicated several RM techniques such as networking, cold calling, website, mailshots, and attending local and national events. Draig's sales manager commented "*Richard's got lots of ideas for approaching new customers...he wants to do everything but we need a more strategic approach*". Over time Draig's RM became evolved and more focussed. Richard stated in 2008: "*It's still forming relationships, and there's more structured networking like our relationship with Computercenter ... channelled networking. These types of relationships have been more successful in terms of getting customers and expanding brand presence*". This highlights Richard's improving RM competency whereby he was able to categorise and identify a specific set of beneficial relationships on which to devote resources into cultivating and managing.

Overall, pursuing an RM approach seemed to win and impress Draig's customers. Indeed by pursuing RM, Draig was able to secure customers by providing them with tailor made software solutions, which the customer could not procure elsewhere. One of Draig's customers (Head of systems for a non-profit company) reflected: "*The opportunity to build a relationship with them. This is important because if you have a good relationship with the company, you are a lot more likely to achieve your objectives because you can talk to them easily, they will understand you, you can build up the rapport, they will know where you're coming from and you can both move forward together*". The benefits for Draig included customer loyalty and future trade based on an established trust in their service and capability. The benefits for customers included comfort and reduced anxiety knowing that they had a reliable software supplier who would tailor solutions to their needs (Hennig-Thurau *et al.*, 2002). Contrary to the views of Katila *et al.* (2008), Richard was keen to develop relationships with larger organisations from the outset because he realised the potential benefits. However, the power dynamics between Draig and their first key large organisation customer were

1
2
3
4
5
6
7
8
9 tipped more towards the customer who was vital in ensuring Draig's survival and
10 growth. Richard was eager to please the first large customer. He developed a new
11 innovative software solution and personally bore the high costs in order to ensure return
12 custom from the large organisation. In this example, the financial costs to a small
13 resource-constrained firm engaging in RM is apparent.
14
15
16

17 18 *Networking as an aspect of RM*

19
20 Richard proactively engaged in networking as means of developing relationships with
21 local actors, which led to a higher level of local embeddedness (Kalantaridis, 2009).
22 Richard stated: *"With networking, you just do it ... It's not like studying an advance*
23 *business or computer science theory ... it's how to communicate and influence people*
24 *... I already knew that"*. Whilst conducting observations, one of the authors
25 accompanied Draig to local and regional business exhibitions, cultural events and
26 business award ceremonies whereby networking took place by Richard, the sales
27 manager and business development manager. These activities were a reaction to the
28 local resource-constrained environment however key relationships were formed. For
29 Richard, networking is a social process based on affinity, shared attitudes, and trust
30 (Jack *et al.*, 2010). Networking is thus an aspect of Draig's RM, but the firm exhibited
31 'network myopia' (O'Driscoll *et al.*, 2000) with several existing networks ceasing to be
32 useful. Richard suggested that it is difficult to opt-out of local networks due to strong
33 ties with particular members, and the desire to retain strong local embeddedness. This
34 presents a potential dilemma for NTBFs who may be involved in too many relationships
35 for fear of becoming less embedded but risk venture development if they are unable to
36 focus on their most valuable relationships. For instance the business development
37 manager commented: *"Initially Richard felt that we should be present at all small local*
38 *events where we'd see people like our local MP who has put in a good word for us with*
39 *a client...so yes we have done lots of networking but then stopped aspects of it"*. Zhang
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 (2010) has asserted that network ties should be cut strategically to fit the entrepreneur's
10 changing needs. Supporting this view, Richard shaped Draig's networking and RM
11 accordingly. Richard commented: "*The trigger was to realise the ineffectiveness and*
12 *the lack of relevance (of certain networks) as we became more established. As we have*
13 *become more specialised it has changed. It's now more specialised relationship*
14 *building*".
15
16
17
18
19

20 *Forming alliances as an aspect of RM*

21
22 Richard consistently sought to enhance his own reputation and the reputation of Draig
23 by developing alliances with key local (e.g. a local translation firm), national (e.g.
24 Computercenter) and international (e.g. Microsoft) firms. Developing and maintaining
25 these alliances were a key aspect of Draig's RM and a form of resource mobilisation.
26
27 Official partnerships were also promoted on the firm's website and within tendering
28 documents in order to portray legitimacy and credibility. Forming external alliances is
29 an important strategy for NTBFs (Street and Cameron, 2007) as it can provide the
30 opportunity to share resources and capabilities, and can generate a positive impact on
31 value creation in the software industry (Swaminathan and Moorman, 2009). The
32 benefits of embeddedness highlighted in the literature such as the development of
33 unique new capabilities from inter-firm relations were evident at Draig. This is because
34 Draig's partners were carefully selected. Partners were selected if they had common
35 strategic goals (i.e. ability to develop and deliver the software solution), and they were
36 able to provide complementary resources and competencies. An alliance should create
37 an idiosyncratic resource that is unique and difficult to imitate (Hunt *et al.*, 2002).
38 Draig's unique offering was its capability in bilingual software solutions, which
39 provided added value to a larger, more robust partner and enabled Draig to become even
40 more socially embedded as it reflected the culture of the location. Partners that are large
41 and well respected have also enhanced Draig's RM efforts by signalling observable
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

quality to potential customers. This enhanced legitimacy has reduced the risk perceived by some customers, a recognised RM benefit (Hennig-Thurau *et al.*, 2002). For instance one of their customers (managing director of a private financial services firm) stated: *“We liked that Draig had links with all kinds of different people like Microsoft”*.

Despite the benefits that partnering can provide a NTBF, this case highlights several issues raised by Villaneuva *et al.* (2012) relating to how entrepreneurial firms manage their relationships with powerful actors who control external resources. In 2009, a large organisation and potential channel partner sought Draig for their expertise in energy billing software solutions. This partnership developed into Draig’s most important and lucrative alliance as the partner identified the customers while Draig developed the software. However Draig became severely vulnerable to the decisions made by the large external organisation and were forced to dissolve (due to the inability to recruit additional skilled staff) other customer relationships in order to focus on this potentially larger and more lucrative niche market. Although Draig had achieved financial success and considerable growth due to this partnership, there was a clash of cultures and relationship problems that frequently arose. Due to the amount of time and finance invested by Draig into this key relationship, Draig exhibited resource dependence on a key customer. He commented: *“Six or seven years ago we had 20 clients so if we lost one then it meant losing five or ten percent of my revenue. But it’s different now”*. Despite doubling Draig’s employment size and sales turnover, Richard has not enjoyed the experience. He reflected: *“The last three years have been extremely painful as we have been completely vulnerable ... they’re ten times the size of us and although we have something they want, it would sometimes be easier to walk away”*.

Yli-Renko *et al.* (2001) and Katila *et al.* (2008) assert that entrepreneurs should not become too dependent on one large organisation. The case study illustrates that the mobilisation of resources by Draig and a large organisation has generated outcomes that would not have been possible by Draig going it alone (Villanueva *et al.*, 2012).

1
2
3
4
5
6
7
8
9 Richard, however, recognises that he needed to establish a mechanism that promoted a
10 display of equity and empathy from the larger, more ‘powerful’ organisation. Although
11 RM involves the management of relationships, scholars have not examined how NTBFs
12 should approach the management of relationships with larger, more powerful partners.
13 As classic RM theory is more suited to larger more resource-abundant organisations, the
14 following propositions reflect the new patterns observed by a NTBF in a unique
15 context:
16
17
18
19

20 P2: Early approaches to RM in NTBFs do not evolve in a linear or uniform
21 manner.
22

23 P3: Novice entrepreneurs in a rural resource-constrained bilingual context re-
24 shape RM relationships in order to reduce dependence disadvantage with
25 large powerful partners and to focus on their most valuable relationships.
26
27
28
29

30 *Social embeddedness in a rural resource-constrained bilingual context*

31
32 Draig exhibited low relational embeddedness when the firm started but by engaging in
33 RM they had become highly embedded with several partners. Draig established
34 relationships with partners who had different skills and knowledge sets in order to
35 identify and reap opportunities and demonstrate enhanced credibility in the marketplace
36 (Jack and Anderson, 2002). Draig’s skills in RM enabled them to become embedded
37 and were key when developing their competitive advantage. Richard commented: “*a*
38 *focus on software for the Welsh language came from these relationships ... developing*
39 *relationships with key people in this sectors, focusing on the Welsh market and*
40 *becoming a Welsh branded identity”.*

41
42
43
44
45
46
47 Draig tended to have closer, more highly embedded relationships with lower
48 redundancy between the partners, which enhanced current capabilities such as
49 straightforward bilingual web-based information databases. However, Draig were
50 unable to mobilise new capabilities such as highly sophisticated multilingual software
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 solutions that could potentially be marketed to several industries. Draig thus needed to
10 consider working with other large software companies for either a short period of time,
11 or on a less intense/more flexible basis, in order to accumulate and mobilise new
12 capabilities. The RM practiced at Draig promoted relational and structural
13 embeddedness that fostered the following benefits for Draig: customer retention and
14 accumulation of strategic resources such as market knowledge, additional skills in
15 developing solutions, and a strong brand which provided credibility when tendering for
16 high value contracts.
17
18
19
20
21

22 One locational impediment, which Draig initially viewed as an obstacle, was an
23 external perception that a relatively rural area is not conducive to the development of
24 innovative and cutting edge software firms. Draig's size meant that it lacked credibility
25 in terms of customer references and past experiences. For instance one customer
26 (programme manager at a government organisation) commented "*their smallness does*
27 *show through their written document skills and their approach to project management*".
28 Another customer (IT manager at a chemical company) perceived them as being
29 "*friendly...which works for the small stuff, but can they really deliver a large scale*
30 *software project?*" Richard overcame these barriers by focusing on the positive aspects
31 of the locality. In this respect, Draig became socially embedded, which was vital in
32 understanding the local structure and to identify entrepreneurial opportunities in a
33 specific context (Jack and Anderson, 2002; Kalantaridis, 2009) by mobilising their
34 bilingual capability. The subsequent focus on the Welsh language was an opportunity
35 developed due to Draig's social context and a unique capability, which emerged through
36 relationships. Richard reflected after Draig were commissioned to write the bilingual
37 software standards for Wales: "*Did we get paid for writing the standards? No. Did we*
38 *win any business? No. But I got to speak at various seminars three or four times a year*
39 *and those seminars included people from Oracle, Microsoft...*". This demonstrates how
40 a firm's social context was able to shape an entrepreneur's propensity to engage in RM.
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9 In 2006, Draig won a ‘Best Bilingual Business in Wales’ award, and subsequently
10 developed new relationships with future customers based on the award’s publicity and
11 improved perceived credibility in the marketplace. One of the customers whom Draig
12 attracted after the award stated:
13
14

15 *“the award was very impressive as it demonstrated their expertise and knowledge*
16 *of Wales”* (software engineer in the emergency services sector). These examples
17 illustrate how Draig was able to use their bilingual capability to develop new networks
18 and relationships and, ensure social embeddedness. Social embeddedness theorists
19 assert that an entrepreneur’s level of social embeddedness can determine the resources
20 available to an entrepreneur (Jack and Anderson, 2002). In this case we see an instance
21 whereby an NTBF not only is able to access local resources but is able to create a
22 unique capability through the practice of RM which further impacts their level of
23 embeddedness. Therefore:
24
25
26
27
28
29

30 P4: Novice entrepreneurs with limited resources operating in a rural
31 resource-constrained bilingual context seeking firm development engage in RM
32 to broaden their firm’s social embeddedness.
33
34

35 P5: Novice entrepreneurs in a rural resource-constrained bilingual context
36 engage in RM to accumulate and mobilise local embeddedness resources.
37
38
39

40 **Conclusion**

41 *Contributions of the study*

42 This in-depth case has provided rich description relating to the evolution of RM
43 by a NTBF operating in a rural bilingual resource-constrained context where the firms’
44 novel technological and bilingual capabilities provide a competitive advantage. The key
45 theoretical contribution of the case is its ability to demonstrate how this context shaped
46 the RM process in a NTBF and illustrates how social embeddedness can be achieved by
47 engaging in RM.
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Developing relationships, networking and forming alliances with customers and key partners can enable a novice entrepreneur with no prior business ownership and limited marketing experience to accumulate and mobilise resources in order to achieve credibility and business growth. Engaging in RM also generates social embeddedness benefits (i.e. customer retention and accumulation of resources) for a novice entrepreneur of a NTBF. Guided by presented findings, we elaborate RM theory by linking RM to the theoretical stream of social embeddedness that relates to the entrepreneurial process. The qualitative approach followed in this study builds on prior empirical and theoretical literature and enables the derivation of the contextually grounded new propositions that are amenable to subsequent testing.

Implications for practice

This case suggests implications for entrepreneurs and policy-makers. The behaviour of Richard Sheppard illustrates how relationship building and networking is appropriate for a novice entrepreneur who seeks to acquire resources to ensure firm development. We believe that RM can enable a firm to address the liabilities of newness in a rural resource-constrained context where there is limited external resources, and intense local competition for resources. Entrepreneurs need to focus on relevant and specialised partnership and alliance relationships that can provide strategic resources for firm development. This case also illustrates that entrepreneurs need to focus on customer needs and quickly recognise when formal or informal networks cease to be useful. Despite the potential benefits of alliances with larger organisations, we recommend that novice entrepreneurs should avoid over-dependence on a sole large organisation, and they should be vigilant throughout the relationship. Power struggles and control issues within a key relationship with a sole large organisation can threaten a novice entrepreneur's confidence, and firm development. Novice entrepreneurs need to foster RM with less embedded but more redundant vertical partners, which generate new and

1
2
3
4
5
6
7
8
9 innovative capabilities required for new opportunity discovery. Working with other
10 software smaller firms that have complementary knowledge, but are not too close in
11 capabilities, would enhance inter-firm learning and may lead to co-creation of new
12 solutions. Another way of remaining innovative is to proactively change partners in
13 order to fight 'institutionalised creativity' (Grayson and Ambler, 1999). Finally, RM
14 can enable entrepreneurial firms to embed themselves socially and in the wider
15 opportunity structure. Taken together we believe that this study demonstrates RM to be
16 an effective process for entrepreneurial firms to overcome local restraints on business
17 survival and development.
18
19

20
21
22
23
24 This case has implications for policy-makers seeking to promote economic
25 development, whilst at the same time enhancing local culture in a resource-constrained
26 environment. Assuming an interventionist stance, we suggest that policy-makers
27 seeking to promote wealth creation could play an active role in encouraging
28 entrepreneurs to engage in RM for venture development. Policy-makers could directly
29 (or indirectly) support the provision of information and educational support systems that
30 promote the take-up of RM, particularly by inexperienced entrepreneurs who do not
31 have any prior marketing and/or business ownership experience. Events and/or schemes
32 directly (or indirectly) supported by the public purse should clearly illustrate to
33 entrepreneurs the benefits of partnering, and the risks associated with overdependence
34 on a single partner. At these events, the story of Draig Technology Limited could be
35 presented as an exemplar case illustrating the issues facing NTBFs, and how RM is a
36 route to ensure venture development in a rural resource-constrained area. Finally the
37 bilingual influence has also been shown to aid the development of new relationships and
38 thus ensuring social embeddedness for Draig in North Wales and as such, this could
39 have wider applicability to firms who wish to operate in bilingual markets globally.
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Limitations of the study and recommendations for future research

Inevitably, evidence from a single case relating to a single industry and a single extreme locational context is associated with limitations. Despite the recognition by Eisenhardt and Graebner (2007, p.27) that, "... theory building from multiple cases typically yields more robust, generalizable, and testable theory than single-case research", the persuasive power of the single extreme case for theory building or elaboration is recognised (Siggelkow, 2007). We recognise that the novel findings from this study need to be explored in a variety of national, environmental and cultural contexts in order to ascertain their validity. However, the explored context, which is atypical in entrepreneurship research, aids theoretical development by serving as a comparison (Stringfellow *et al.*, 2014) with the extant RM and resource mobilisation research more typically conducted with reference to large firms, and resource munificent environments. Additional qualitative (i.e. multiple cases that can derive propositions deeply grounded in varied empirical evidence) (Eisenhardt and Graebner, 2007) and quantitative studies are required to explore the issue of RM in small private entrepreneurial firms. Case studies or cross-sectional quantitative studies could compare different types of serial and portfolio entrepreneurs who have contrasting combinations of prior business ownership success and/or economic and/or non-economic failure experience to mobilise. Links between RM, prior business ownership experience, embeddedness and networking could provide additional insights to guide the resource allocation decisions of practitioners seeking to protect and economically and socially stimulate rural communities with distinctive cultural and linguistic attributes.

References

- Ahmed, F. and Capretz, L.F. (2007), "Managing the business of software product line: An empirical investigation of key business factors", *Information and Software Technology*, Vol 49 No 2, pp. 149-208.

- 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
- Boussara, M. and Deakins, D. (1999), "Market-based learning, entrepreneurship and the high technology small firm", *International Journal of Entrepreneurial Behaviour & Research*, Vol 5 No 4, pp.204-223.
- Brennan, R., Canning, L. and McDowell, R. (2014), *Business-to-business marketing* (3rd ed) Sage Publications, London.
- Brennan, R. and Turnbull, P.W. (1999), "Adaptive behavior in buyer-supplier relationships", *Industrial Marketing Management*, Vol 28 No 5, pp.481-495.
- Burger-Helmchen, T. (2009), "Capabilities in small high-tech firms: a case of plural-entrepreneurship", *Journal of Small Business and Enterprise Development*, Vol 16 No 3, pp.391-405.
- Cannon, J. and Perreault, W. (1999), "Buyer-seller relationships in business markets", *Journal of Marketing Research*, Vol 36, pp.439-460.
- Curran, J. and Storey, D. (2016), "The location of small and medium enterprises: are there urban-rural differences?" in: Curran, J. and Storey, D. (eds.), *Small firms in Urban and Rural Locations*, Routledge, New York, pp.1-16, available at: https://books.google.co.uk/books?id=GK-uDAAAQBAJ&pg=PT3&lpg=PT3&dq=Small+firms+in+Urban+and+Rural+Locations,+Routledge&source=bl&ots=F7OnXlBS_T&sig=ZOQsxmeKUFMYtuFxBmGopRl7rGU&hl=en&sa=X&ved=0ahUKEwjtiKSvzKvRAhUICMAKHcQZAGcQ6AEIQjAG#v=onepage&q=Small%20firms%20in%20Urban%20and%20Rural%20Locations%2C%20Routledge&f=false (accessed 18th December 2016).
- Day, J., Dean, A.A. and Reynolds, P.L. (1998), "Relationship marketing: Its key role in entrepreneurship", *Long Range Planning*, Vol 31 No 6, pp.828-837.
- Easton, G. (2010), "Critical realism in case study research", *Industrial Marketing Management*, Vol 39 No 1, pp.118-128.
- Eisenhardt, K.M. (1989), "Building theories from case study research", *Academy of Management Review*, Vol 14, pp.532-550.

- 1
2
3
4
5
6
7
8 Eisenhardt, K.M. and Graebner, M.E. (2007), "Theory building from cases:
9 Opportunities and challenges", *Academy of Management Journal*, Vol 50 No 1,
10 pp.25-32.
11
12 Eisenhardt, K.M. and Schoonhoven, C.B. (1996), "Resource-based view of strategic
13 alliance formation: strategic and social effects in entrepreneurial firms",
14 *Organization Science*, Vol 7 No 2, pp.136-151.
15
16 Fischer, E. and Reuber, A.R. (2004), "Contextual antecedents and consequences of
17 relationships between young firms and distinct types of dominant exchange
18 partners", *Journal of Business Venturing*, Vol 19 No 5, pp.681-706.
19
20 Franco, M., de Fatima Santos, M., Ramalho, I. and Nunes, C. (2014), "An exploratory
21 study of entrepreneurial marketing in SMEs: The role of the founder-entrepreneur",
22 *Journal of Small Business and Enterprise Development*, Vol 21 No 2, pp.265-283.
23
24 Gilmore, A., Carson, D. and Grant, K. (2001), "SME marketing in practice", *Marketing
25 Intelligence & Planning*, Vol 19 No 1, pp.6-11.
26
27 Gil-Saura, I., Frassetto-Deltoro, M. and Cervera-Taulet, A. (2009), "The value of B2B
28 relationships", *Industrial Management Data & Systems*, Vol 109 No 5, pp.593-609.
29
30 Granovetter, M. (1985), "Economic action and social structure: the problem of
31 embeddedness", *American Journal of Sociology*, pp.481-510.
32
33 Grayson, K. and Ambler, T. (1999), "The dark side of long-term relationships in
34 marketing services", *Journal of Marketing Research*, Vol 72, No 4, pp.132-141.
35
36 Gronroos, C. (1994), "From marketing mix to relationship marketing: Towards a
37 paradigm shift in marketing", *Management Decision*, Vol 32 No 2, pp.4-20.
38
39 Gummesson, E. (1994), "Making relationship marketing operational", *International
40 Journal of Service Industry Management*, Vol 5 No 5, pp.5-20.
41
42 Hatonen, J. and Ruokonen, M. (2010), "Revising marketing strategies for supplier
43 selection criteria: Small firm approach from the information and communications
44 industry", *Journal of Business & Industrial Marketing*, Vol 25 No 2, pp.159-167.
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

- 1
2
3
4
5
6
7
8
9 Hedaa, L. and Ritter, T. (2005), "Business relationships on different waves: Paradigm
10 shift and marketing orientation revisited", *Industrial Marketing Management*, Vol
11 34 No 7, pp.714-721.
12
13 Helander, N. and Ulkuniemi, P. (2006), "Marketing challenges in the software
14 component business", *International Journal of Technology Marketing* Vol 1 No 4,
15 pp.375-392.
16
17 Hennig-Thurau, T., Gwinner, K.P. and Gremler, D.D. (2002), "Understanding
18 relationship marketing outcomes an integration of relational benefits and relationship
19 quality", *Journal of Service Research* Vol 4 No 3, pp.230-247.
20
21 Henry, C. and Mcelwee, G. (2014), Exploring Rural Enterprise: New Perspectives on
22 Research, Policy & Practice, in Henry, C. and Mcelwee. G. (eds.), *Exploring Rural*
23 *Enterprise: New Perspectives on Research, Policy & Practice (Contemporary Issues*
24 *in Entrepreneurship Research, Volume 4)* Emerald Group Publishing Limited, pp.4.
25
26 Holmlund, M. and Törnroos, J.Å. (1997), "What are relationships in business
27 networks?" *Management Decision*, Vol 35 No 4, pp.304-309.
28
29 Hultman, and Shaw, E. (2003), "The interface between transactional and relational
30 orientation in small service firm's marketing behaviour: A study of Scottish and
31 Swedish firms in the service sector", *Journal of Marketing Theory and Practice*,
32 Vol 11 No 1, pp.36-51.
33
34 Hunt, S.D., Lambe, C.J. and Wittman, C.M. (2002), "A theory and model of business
35 alliance success", *Journal of Relationship Marketing*, Vol 1 No 1, pp.17-34.
36
37 Jack, S.L. (2010), "Approaches to studying networks: Implications and outcomes",
38 *Journal of Business Venturing*, Vol 25 No 1, pp.120-137.
39
40 Jack, S.L. and Anderson, A.R. (2002), "The effects of embeddedness on the
41 entrepreneurial process", *Journal of Business Venturing*, Vol 17 No 5, pp.467-487.
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

- 1
2
3
4
5
6
7
8
9 Jack, S., Moulton, S., Anderson, A.R. and Dodd, S. (2010), "An entrepreneurial network
10 evolving: Patterns of change", *International Small Business Journal*, Vol 28 No 4,
11 pp.315-337.
12
13 Jayawarna, D., Rouse, J. and Kitching, J. (2013), "Entrepreneur motivations and life
14 course", *International Small Business Journal*, Vol 31 No 1, pp.34-56.
15
16 Jones-Evans, D., Thompson, P. and Kwong, C. (2011), "Entrepreneurship amongst
17 minority speakers: The case of Wales", *Regional Studies*, Vol 45 No 2, pp.219-238.
18
19 Kalantaridis, C. (2009), "SME Strategy, embeddedness and performance in East
20 Cleveland, North East England", *International Small Business Journal*, Vol 27 No
21 4, pp.496-521.
22
23
24
25 Katila, R., Rosenberger, J.D. and Eisenhardt, K.M. (2008), "Swimming with sharks:
26 Technology ventures, defence mechanisms and corporate relationships",
27 *Administrative Science Quarterly*, Vol 53 No 2, pp.295-332.
28
29
30
31 Keeble, D. (2016), "Small firm creation, innovation and growth and the urban-rural
32 shift", in Curran, J. and Storey, D. (eds.), *Small firms in Urban and Rural*
33 *Locations*, Routledge, New York, pp.54-78, available at:
34 [https://books.google.co.uk/books?id=GK-
35 uDAAAQBAJ&pg=PT3&lpg=PT3&dq=Small+firms+in+Urban+and+Rural+Locat
36 ions,+Routledge&source=bl&ots=F7OnXIbS_T&sig=ZOQsxmeKUFMYtuFxBmG
37 opRI7rGU&hl=en&sa=X&ved=0ahUKEwjtiKSvzKvRAhUICMAKHcQZAGcQ6
38 AEIQjAG#v=onepage&q=Small%20firms%20in%20Urban%20and%20Rural%20
39 Locations%20C%20Routledge&f=false](https://books.google.co.uk/books?id=GK-uDAAAQBAJ&pg=PT3&lpg=PT3&dq=Small+firms+in+Urban+and+Rural+Locations,+Routledge&source=bl&ots=F7OnXIbS_T&sig=ZOQsxmeKUFMYtuFxBmGopRI7rGU&hl=en&sa=X&ved=0ahUKEwjtiKSvzKvRAhUICMAKHcQZAGcQ6AEIQjAG#v=onepage&q=Small%20firms%20in%20Urban%20and%20Rural%20Locations%20C%20Routledge&f=false) (accessed 18th December 2016).
40
41
42
43
44
45 Kelly, S (2007), "The function and character of relationship benefits: Transferring
46 capabilities and resources to the small firm", *Journal of Small Business and*
47 *Enterprise Development*, Vol 14 No 4, pp.602-619.
48
49
50
51
52
53
54
55
56
57
58
59
60

- 1
2
3
4
5
6
7
8
9 Kelly, S. and Scott, D. (2011), "Relationship benefits: Conceptualization and
10 measurement in a business-to-business environment", *International Small Business*
11 *Journal*, Vol 30 No 3, pp.310-339.
- 12
13 Kumar, V. (2015), "Evolution of marketing as a discipline: What has happened and
14 what to look out for", *Journal of Marketing*, Vol 79 No 1, pp.1-9.
- 15
16 James, J., Deacon, J. and Huxtable-Thomas, L. (2016), "Relationship marketing in high
17 technology based SMEs: A customer perspective", in *Let's Get Engaged! Crossing*
18 *the Threshold of Marketing's Engagement Era*. Springer International Publishing,
19 pp. 413-425.
- 20
21
22
23
24 Lam, W. and Harker, M.J. (2015), "Marketing and entrepreneurship: An integrated view
25 from the entrepreneur's perspective", *International Small Business Journal*, Vol 33
26 No 3, pp.321-348.
- 27
28
29 Lechner, C. and Dowling, M. (2003), "Firm networks: external relationships as sources
30 for the growth and competitiveness of entrepreneurial firms", *Entrepreneurship &*
31 *Regional Development*, Vol 15 No 1, pp.1-26.
- 32
33
34 Leonard-Barton, D. (1992), "Core capabilities and core rigidities: A paradox in
35 managing new product development", *Strategic Management Journal*, Vol 13,
36 pp.111-125.
- 37
38
39 Miles, M.A. and Huberman, A.M. (1994), *Qualitative Data Analysis*. 2nd Edition, Sage
40 Publications, California, USA.
- 41
42 Morrish, S.C., Miles, M.P. and Deacon, J.H. (2010), "Entrepreneurial marketing:
43 Acknowledging the entrepreneur and customer-centric interrelationship", *Journal*
44 *of Strategic Marketing*, Vol 18 No 4, pp.303-316.
- 45
46
47 Morgan, R.M. and Hunt, S.D. (1994), "The commitment-trust theory of relationship
48 marketing", *Journal of Marketing*, Vol 58, pp.20-38.
- 49
50
51
52
53
54
55
56
57
58
59
60

- 1
2
3
4
5
6
7
8
9 Newbert, S.L. and Tornikoski, E.T. (2013), "Resource acquisition in the emergence
10 phase: Considering the effects of embeddedness and resource dependence",
11 *Entrepreneurship Theory and Practice*, Vol 37 No 2, pp.249-280.
- 12
13 Noordhoff, C.S., Kyriakopoulos, K. and Moorman, C. (2012), "Overcoming core
14 rigidities in B2B innovation partnerships". Working paper, FEWEB/Marketing, VU
15 University, Amsterdam.
- 16
17 North, D. and Smallbone, D. (2000), "Innovative activity in SMEs and rural economic
18 development: Some evidence from England. *European Planning Studies*, Vol 8 No
19 1, pp.87-106.
- 20
21
22
23 O'Driscoll, A., Carson, D. and Gilmore, A. (2000), "Developing marketing competence
24 and managing in networks: A strategic perspective", *Journal of Strategic*
25 *Marketing*, Vol 8 No 2, pp.183-196.
- 26
27
28 Parry, S., Jones, R., Rowley, J. and Kupiec-Teahan, B. (2011), "Marketing for survival:
29 A comparative case study of SME software firms", *Journal of Small Business and*
30 *Enterprise Development*, Vol 19 No 4, pp.712-728.
- 31
32
33 Reicheld, F.F. and Sasser, W.E. (1990), "Zero defections: Quality comes to services",
34 *Harvard Business Review*, Vol 68 No 5, pp.105-111.
- 35
36
37 Reijonen, H. (2010), "Do all SMEs practise same kind of marketing?" *Journal of Small*
38 *Business and Enterprise Development*, Vol 17 No 2, pp.279-293.
- 39
40
41 Ruokonen, M., Nummela, N., Puumalainen, K. and Saarenketo, S. (2008), "Market
42 orientation and internationalisation in small software firms", *European Journal of*
43 *Marketing*, Vol 42 No 11/12, pp.1294-1315.
- 44
45
46 Shaw, E. (2006), "Small firm networking: An insight into contents and motivating
47 factors", *International Small Business Journal*, Vol 24 No 1, pp.5-29.
- 48
49 Sheth, J.N. and Parvatiyar, A. (1995), "The evolution of relationship marketing",
50 *International business review*, Vol 4 No 4, pp.397-418.
- 51
52
53
54
55
56
57
58
59
60

- 1
2
3
4
5
6
7
8
9 Siggelkow, N. (2007), "Persuasion with case studies", *Academy of Management Journal*, Vol 50 No 1, pp.20-24.
- 10
11
12 Stokes, D. (2000), "Entrepreneurial marketing: A conceptualisation from qualitative
13 research", *Qualitative Market Research: An International Journal*, Vol 3 No 1,
14 pp.47-54.
- 15
16
17 Street, C.T. and Cameron, A. (2007), "External relationships and the small business: A
18 review of small business alliance and network research", *Journal of Small Business
19 Management*, Vol 45 No 2, pp.239-266.
- 20
21
22 Stringfellow, L., Shaw, E. and Maclean, M. (2014), "Apostasy versus legitimacy:
23 Relational dynamics and routes to resource acquisition in entrepreneurial ventures",
24 *International Small Business Journal*, Vol 32 No 5, pp.571-592.
- 25
26
27 Swaminathan, V. and Moorman, C. (2009), "Marketing alliances, firm networks, and
28 firm value creation", *Journal of Marketing*, Vol 73 No 5, pp.52-69.
- 29
30
31 Tzokas, N., Kim, Y.A., Akbar, H. and Al-Dajani, H. (2015), "Absorptive capacity and
32 performance: The role of customer relationship and technological capabilities in
33 high-tech SMEs", *Industrial Marketing Management*, Vol 47, pp.134-142.
- 34
35
36 Uzzi, B. (1997), "Social structure and competition in interfirm networks: The paradox
37 of embeddedness", *Administrative Science Quarterly*, Vol 42 No 1, pp.35-67.
- 38
39
40 Uzzi, B. (1999), "Embeddedness in the making of financial capital: How social relations
41 and networks benefit firms seeking financing", *American Sociological Review*,
42 pp.481-505.
- 43
44
45 Villaneuva, J., Van de Ven., A.H. and Sapienza, H.J. (2012), "Resource mobilization in
46 entrepreneurial firms", *Journal of Business Venturing*, Vol 27 No 1, pp.19-30.
- 47
48
49 Voudouris, I., Dimitratos, P. and Salavou, H. (2010), "Entrepreneurial learning in the
50 international new high-technology venture", *International Small Business Journal*,
51 Vol 29 No 3, pp.238-258.
- 52
53
54
55
56
57
58
59
60

- 1
2
3
4
5
6
7
8
9 Westhead, P. and Wright, M. (2013), *Entrepreneurship: A Very Short Introduction*,
10 Oxford University Press, Oxford.
11
12 Yin, R.K. (1994), *Case Study Research: Design and Methods*, Sage Publications,
13 Thousand Oaks, CA.
14
15 Yin, R.K. (2009), "How to do better case studies" in Bickman, L. and Rog, D.J. (eds.),
16 *The Sage Handbook of Applied Social Research Methods*, Sage Publications,
17 Thousand Oaks, CA.
18
19
20 Yli-Renko, H., Sapienza, H.J. and Hay, M. (2001), "The role of contractual governance
21 flexibility in realizing the outcomes of key customer relationships", *Journal of*
22 *Business Venturing*, Vol 16 No 6, pp.529-555.
23
24
25 Zhang, J. (2010), "The problems of using social networks in entrepreneurial resource
26 acquisition", *International Small Business Journal*, Vol 28 No 4, pp.338-361.
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60