

Entrepreneurial competencies and motivations to enhance marketing innovation in Europe

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Abstract

Global Entrepreneurship Monitor (GEM) country profile variables were analyzed using qualitative comparative analysis (QCA). This analysis identified which combinations of entrepreneurs' competencies and motivations boost marketing innovation. Marketing innovation contributes to defining and reinforcing competitive advantages, goal setting, and business performance. The findings of this study can help policymakers design strategies to foster regional marketing innovation and economic growth.

KEYWORDS

capabilities, entrepreneurial intentions, fear of failure, marketing innovation, motivation, opportunities

1 | INTRODUCTION

This paper analyzes the relationship between entrepreneurial competencies and marketing innovation in 26 EU countries. Few studies have linked entrepreneurial competencies to marketing innovation (Baum, Frese, & Baron, 2014; Ivanov, Shaidullina, Drovnikov, Yakovlev, & Masalimova, 2014), although the relationship between innovation and entrepreneurship in incumbent organizations is nothing new. Penrose's (1959) seminal research describes how certain individuals within established firms perform an entrepreneurial function consisting of searching for and identifying productive opportunities. Scholars such as Stam (2013), however, have highlighted the lack of studies that link knowledge to entrepreneurship in incumbent organizations at the country level. Stam (2013) compared innovation by independent entrepreneurs and intrapreneurs who have been involved in new activities for their main employer for more than three years.

According to the metadata for the 2012 CIS results, enterprises that are innovative in marketing implement, "a new marketing concept or strategy that differs significantly from enterprises' existing marketing methods and which has not been used before. It requires significant changes in product design or packaging, product placement, product promotion or pricing and excludes seasonal, regular and other routine changes in marketing methods." The CIS focuses on technological innovation and nontechnological innovation (for the service sector). Many firms, particularly in the service sector, innovate through other nontechnological forms of innovation. Examples include marketing and organizational innovations (Battisti & Stoneman, 2010).

To achieve the study's research aims, qualitative comparative analysis (QCA) was used to analyze the empirical data. New entrepreneurs

and owners of incumbent firms aged less than 42 months were considered—Global Entrepreneurship Monitor (GEM) variables Total Early-stage Entrepreneurial Activity (TEA) and established business ownership. Competencies were assessed using the four GEM conditions that relate to the entrepreneur's self-perceptions (i.e., perceived opportunities, perceived capabilities, entrepreneurial intentions, and fear of failure) and entrepreneurial motivation.

The paper has the following structure. The second section provides a theoretical review of entrepreneurial activity and marketing innovation, entrepreneurial motivation, and perceived competencies of the entrepreneur. The third section summarizes the QCA method used to identify the combinations of conditions that lead to marketing innovation in 26 EU countries. The fourth section presents the results. The fifth section discusses the key conclusions of the research, as well as the limitations and avenues for future research.

2 | THEORETICAL FRAMEWORK

2.1 | Entrepreneurial activity and marketing innovation

Entrepreneurial activity unquestionably affects the growth of today's economies, and it does so in a range of ways. Entrepreneurs might develop important innovations by introducing new products or production processes to the market (Acs & Audretsch, 1990). Alternatively, they might drive growth in certain sectors (as did Henry Ford and Bill Gates, for example). They might even boost productivity by increasing competition (Nickell, Nicolitsas, & Dryden, 1997).

TABLE 1 Competencies of the entrepreneur

Conditions				
	Skills-related		Personality-related	
Motivation to start a business (MOT)	Perceived opportunities (POR)	Perceived capabilities (PCR)	Entrepreneurial intentions (EIR)	Fear of failure (FFR)

Regardless of how entrepreneurs drive growth, they always enhance existing knowledge of what is technically viable and what consumers want through changes to the existing products or services (Van Stel, Carree, & Thurick, 2005).

Previous studies of marketing innovation have shown that entrepreneurship is a common denominator for this type of innovation, which ultimately leads to the creation and strengthening of competitive advantages. Alves (2016) analyzed how entrepreneurial intensity and marketing capabilities affect organizational innovation and thus the competitive advantages of innovative organizations. In the same vein, Moreira, Silva, Simoes, and Sousa (2012) report that strategies of marketing innovation set out to implement new marketing methods aimed at improving the efficiency and effectiveness with which firms commercialize their products or services and thus boost competitive advantage, performance, and, accordingly, shareholder value.

This study considered two types of variables related to entrepreneurial activity: the duration of the business activity and the entrepreneur's competencies. The duration of the business activity or maturity of the firm was measured using two GEM variables: TEA (Total early-stage Entrepreneurial Activity) and Established Business Ownership.

A distinction was thus made between two stages of entrepreneurship. The first stage consisted of individuals, aged 18–64 years old, who are preparing to open a new business or who are already owner-managers of new firms or independent businesses less than 42 months old (GEM variable TEA). The second stage consisted of “people who are currently owner-manager of companies aged more than 42 months” (GEM variable established business ownership).

According to Van Stel et al. (2005), TEA affects a country's economic growth in terms of GDP per capita, but this effect depends on the per capita income of that country. Thus, entrepreneurship stimulates growth differently in countries at different stages of economic development. Interestingly, TEA affects growth negatively in poorer countries and positively in wealthier or more developed countries. Linking TEA to innovation, Santarelli and Vivarelli (2007) report that early-stage entrepreneurship activities do not yield technological or radical innovation, but instead find niches to comfortably conduct entrepreneurial activity or adapt products and services to the local environment. Stam (2013) reports that radical innovations generally do not derive from independent entrepreneurs or even intrapreneurs, but rather from other sources such as students, laboratories, universities, large enterprise, and so forth. Thus, Wong, Ho, and Autio (2005) failed to find a relationship between technological innovation, which contributes to a country's economic growth, and new business creation, observing that only a small number of entrepreneurs perform true technological innovation.

Numerous recent studies have shown that intrapreneurship contributes more than independent entrepreneurs do to the development of new products (Bosma, Stam, & Wennekers, 2010; Parker, 2011; Stam, 2013). In contrast, Dougherty and Heller (1994) found that large established firms have barriers to product innovation. According to these authors, large old firms may be too organizationally rigid and inflexible, characteristics that do not facilitate the necessary learning or creativity to yield effective innovations.

The GEM studies the competencies of the entrepreneur using the concepts of perceived opportunities, perceived capabilities, fear of failure, and entrepreneurial intentions. These competencies can be separated into two categories: competencies related to the skills of the entrepreneur (e.g., perceived opportunities and perceived capabilities) and competencies related to the entrepreneur's personality (e.g., low fear of failure) (Zali, Bastian, & Qureshi, 2013). As in Barazandeh, Parvzian, Alizadeh, and Khosravi (2015) study, competencies were defined in terms of the entrepreneur's skill and personality. The four previously mentioned GEM variables were used to measure these two kinds of competencies (Table 1).

Some studies have linked entrepreneurial competencies and business performance (Barazandeh et al., 2015; Deniz, Taştan Boz, & Ertoşun, 2011). Empirical studies have used different indicators to measure business performance (Combs, Crook, & Shook, 2005; Venkatraman & Ramanujam, 1986), most commonly differentiating between financial and nonfinancial performance. In this study, marketing innovation was considered a form of nonfinancial business performance.

2.2 | Motivation

An entrepreneur is expected to have characteristics that push him or her to achieve success. A propensity to take risks, a tolerance of ambiguity, independence, tenacity, and good motivational skills are examples of such characteristics. The analysis of the motivations that encourage individuals to create or start a business forms the basis of one of the streams of entrepreneurship research that have attracted most interest from scholars (Gill & Ganesh, 2007).

Interestingly, when Carter, Gartner, Shaver, and Gatewood (2003) analyzed the motives that lead individuals to undertake some form of entrepreneurial activity and start a business, they did not find significant differences between entrepreneurs and nonentrepreneurs in terms of innovation as a career motivation. It is widely accepted that necessity is one reason for people to start a business when alternatives are unappealing or nonexistent (Hisrich & Ozturk, 1999).

An active personality is highly attractive in entrepreneurship. People with active personalities do not let their environment affect them, but instead affect their environment. Active individuals seek opportunities, show initiative, act, and persevere until they achieve the

changes they desire (Bateman & Crant, 1993). An active attitude not only means taking opportunities to improve situations but also creating opportunities. In other words, an active person helps others cope with unexpected events or changes. Active individuals seek opportunities, show initiative, act, and persevere until they achieve the changes they desire (Bateman & Crant, 1993). According to GEM data, the entrepreneurs with the greatest motivation to start a business are from Denmark (11%), Sweden, and Luxembourg (approximately 5.6%), where entrepreneurs perceive numerous business opportunities.

2.3 | Perceived competencies of the entrepreneur

2.3.1 | Perceived capabilities and opportunities

Koellinger (2008) analyzed why some entrepreneurs are more innovative than others. The main findings of the study show that to start innovative businesses, aside from individual characteristics such as education, risk-aversion, and self-confidence, the entrepreneur's perception of opportunities is important. The perception of opportunities varies by country, with the most developed countries having the lowest rates of imitation-based entrepreneurship. Koellinger (2008) also points out that innovation and imitation in entrepreneurship coexist in all countries, and both types of entrepreneurial activity contribute to economic growth and countries' wealth.

According to the knowledge spillover theory of entrepreneurship, knowledge generated by established businesses is an important source of entrepreneurial opportunities. For example, Stam (2013) highlights the role of established businesses in knowledge development and thus innovation. The author measured innovation using indicators at the national level: gross expenditure on R&D investments (percentage of GDP), patents (per inhabitant), percentage of the population with tertiary education, and employment in knowledge-intensive areas (percentage of employment). The author concluded that in developed economies, investments, activities, and outcomes related to knowledge are more closely linked to activities by employees in established firms (intrapreneurship) than activities by independent entrepreneurs.

Many studies have linked perceived capabilities and perceptions of entrepreneurs to greater intentions to start a business (Ajzen, 1991; Liñán, 2008; Teece, Pisano, & Shuen, 1997). The way entrepreneurs view themselves, their self-confidence, the way they work, and their perceptions in general make them feel more confident when facing new challenges than when they are not facing new challenges. These factors can be analyzed separately, but some authors such as Monllor and Altay (2016) group these factors together under the umbrella concept of self-efficacy. In one way or another, the literature contains evidence of a clear, positive relationship between these characteristics and the intention to start a business. The relationship is so direct that the cause-effect relationship is two way. In the first direction of the cause-effect relationship, Tiago, Faria, Couto, and Tiago (2015) report that entrepreneurs think and act by evaluating the potential benefits of risks and the threats of perceived opportunities, concluding that this evaluation is what determines entrepreneurial intentions, whereas other authors such as Prodan and Drnovsek (2010) report that self-efficacy influences entrepreneurial intentions indirectly. In

the other direction of the cause-effect relationship, Krueger, Reilly, and Carsrud (2000) report that entrepreneurial intentions are what influence the process of opportunity identification.

According to the data from the GEM, more entrepreneurs perceive opportunities in Northern European countries such as Sweden (70% perceive opportunities to start a business), Denmark (60%), Estonia, Finland, the Netherlands, and Luxembourg (approximately 50%) than in Greece, Bulgaria (only 15% perceive opportunities to start a business), and Eastern European countries like Slovenia, Croatia, and the Czech Republic (approximately 20%). In terms of the perception of the capabilities required to start a business, it is striking that in many countries where opportunities are not perceived, entrepreneurs nonetheless feel capable. Latvia, Slovakia, Slovenia, Romania, the Czech Republic, Croatia, Greece, Portugal, and Spain are examples of such countries.

2.3.2 | Entrepreneurial intentions and fear of failure

Extensive literature provides evidence that fear of failure is a key factor that molds entrepreneurial intentions. This variable can be explained as a combination of factors that force entrepreneurs to compare their motivation to keep going with their motivation to abandon a new business project (Atkinson, 1957; Birney, Burdick, & Teevan, 1969; Elliot, 1999; Elliot & Church, 1997). Traditionally, this variable has been analyzed as a factor that negatively influences entrepreneurial intentions. It is a barrier; a response to risk that hinders a positive assessment of opportunities from both a psychological viewpoint (Bosma, Jones, Autio, & Levie, 2007; Hatala, 2005; Henderson & Robertson, 2000) and an organizational perspective (Ardagna & Lusardi, 2008; Arenius & Minniti, 2005; Kihlstrom & Laffont, 1979; Langowitz & Minniti, 2007; Li, 2011; Minniti & Nardone, 2007; Wagner, 2007; Welpel, Spörrle, Grichnik, Michl, & Audretsch, 2012). Nevertheless, some studies, such as those conducted by Mitchell and Shepherd (2011) and Ray (1994), have shown that fear of failure can actually act as an extra motivation for entrepreneurs who strive to overcome hurdles. Whatever the nature of its effect, as Cacciotti, Hayton, Mitchell, and Giazitzoglu (2016, p. 302) note, fear of failure undeniably "represents a rich opportunity for better understanding entrepreneurial motivation."

The literature contains examples of numerous approaches to analyzing whether innovation is linked to the ideas of creative destruction and transformation. Schumpeter (1942) was the first scholar to note that new products, new methods of production, and new markets are the engines of growth. Since then, scholars have shown that breaking with traditions and established policies and breaking down traditional organizational structures are actions that create a climate conducive to innovation and entrepreneurial initiative. Innovative entrepreneurs enter new markets in the wake of creative destruction, a disruptive process with transformations that, regardless of how radical they are, cause established structures to lose value (Monllor & Altay, 2016). Casson (2003) reports that although this disruption is negative in the short term, in the long run, society values this kind of entrepreneurship and innovation. Hence, according to Johnstone and Lionais (2004), communities encourage entrepreneurial behavior.

Innovative companies seek both technological and nontechnological innovation. Nontechnological innovation encompasses marketing innovation, which, according to the latest version of the Oslo Manual (2005), is “the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing” (OECD 2005, p. 49).

Authors such as Chuwiruch, Jhundra-Indra, and Boonlua (2015) and Teece et al. (1997) point out that dynamic capabilities affect a company's ability to achieve new and innovative forms of competitive advantage, and hence affect that company's performance. Breznik and Lahovnik (2014) go further, claiming that a strategy based on marketing innovation can be considered a key capability to achieve greater competitive advantage and better performance. According to GEM data on fear of failure, the results are quite even throughout Europe. Between 33% and 48% of European entrepreneurs (regardless of their physical location) feel hampered by fear of failure when starting a business, which means that between 52% and 67% do not feel this way. The exception is Italy, where nearly 60% of entrepreneurs would abandon their plans to start a business because of fear of failure.

The rate of entrepreneurial intentions to start a business in Europe is low. Only 30% of Romanian entrepreneurs intend to do so, and just 20% would start a business in Latvia, Lithuania, and Poland. The lowest figures are for Spain and Bulgaria (approximately 5%).

3 | METHOD

In this study, fuzzy-set qualitative comparative analysis (fsQCA) was used to analyze the empirical data. fsQCA is a qualitative analysis technique used to identify conditions that lead to an outcome of interest. It was developed by Charles Ragin (1987, 2000, 2008). The technique draws on Mill's cannons (1846) to systematically compare cases. This process highlights differences and similarities between cases and thus identifies the elements that must be present (or absent) for an outcome to occur.

fsQCA (Ragin, 2008) involves systematically comparing cases to identify configurations of conditions that lead to an outcome of interest. For instance, for an outcome such as high efficiency, the causal conditions discussed in the literature might be the presence of employee training, a flexible work schedule, and optimal facilities and the absence of managerial pressure. Using fsQCA, researchers can identify conditions that lead to the outcome. Such conditions are sufficient. For small populations (i.e., small N), some possible logical configurations may not be represented by empirical cases. These configurations are called logical remainders. These logical remainders are an example of the phenomenon known as limited diversity in the social sciences (Ragin, 1987).

Drawing on the theory of complex causality, fsQCA can be used to study social phenomena that can be formulated as sets and explained in terms of necessity and sufficiency (Legewie, 2013; Schneider & Wagemann, 2012). A sufficient condition always leads to the outcome. A necessary condition is always present when the outcome occurs.

Through Boolean minimization, irrelevant conditions (i.e., conditions whose presence or absence does not alter the outcome) are removed from the causal configurations that lead to the outcome. Consider two configurations that are identical except for one condition (A) that is present in one configuration and absent in the other. If these two configurations lead to the same outcome, condition A is irrelevant and the configuration can be minimized, removing condition A to simplify the expressions and the complexity of the configuration.

The software fsQCA 3.0 yields three solutions: the complex solution, the parsimonious solution, and the intermediate solution. The complex solution has a low degree of simplification and is thus more difficult to interpret. The parsimonious solution allows simplifications that do not always follow the logical premises that the researcher knows to be true. The intermediate solution is the most commonly used solution because it allows only simplifications that do not interfere with the logical implications of the empirical cases. In other words, simplifications in the solution must be consistent with the researcher's knowledge regarding the phenomena under study.

Marketing innovation was analyzed for all 28 EU countries except Cyprus and Malta. The GEM does not publish data on Cyprus and Malta, even though the CIS does. Data were therefore analyzed for 26 EU countries: Austria, Belgium, Bulgaria, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

4 | RESULTS

This section presents results of the analysis of two models. The outcome in the first model was the presence of marketing innovation. The outcome in the second model was the absence of marketing innovation.

One of the fundamental properties of fsQCA is asymmetric causality. This property means that knowing the causes for a certain outcome does not automatically reveal the causes for the opposite outcome. For example, in the words of Wagemann (2014, p. 61), “if we know which factors allow us to identify a democracy, we don't necessarily know which factors lead to a non-democratic system.” Hence, the presence and the absence of marketing innovation must be analyzed. The fact that certain conditions lead to an outcome does not necessarily mean that the opposite conditions lead to the opposite of the outcome.

MOD I. $fs_SME_MK = f(fs_POR, fs_PCR, fs_FFR, fs_EIR, fs_MOT)$

MOD II. $\sim fs_SME_MK = f(fs_POR, fs_PCR, fs_FFR, fs_EIR, fs_MOT)$

The first stage of the empirical analysis was necessity analysis. A necessary condition must have a consistency value greater than 0.9 according to the necessity analysis performed in fsQCA 3.0 software (Schneider & Wagemann., 2010). As Tables 2 and 3 illustrate, no condition was necessary for either the presence or the absence of the outcome.

Table 4 presents two causal configurations, or recipes, that explain nearly 70% of the empirical cases. According to the first causal

TABLE 2 Analysis of necessary conditions: outcome variable: fs_SME_MK

	Consistency	Coverage
fs_POR	0.659140	0.665755
~fs_POR	0.477047	0.472164
fs_PCR	0.527323	0.540935
~fs_PCR	0.640735	0.624761
fs_FFR	0.599107	0.654113
~fs_FFR	0.560857	0.517159
fs_EIR	0.433452	0.462577
~fs_EIR	0.764739	0.719168
fs_TEA	0.547864	0.537649
~fs_TEA	0.687460	0.700485
fs_EBOR	0.527967	0.512285
~fs_EBOR	0.657790	0.678278

TABLE 3 Analysis of necessary conditions: outcome variable: ~fs_SME_MK

	Consistency	Coverage
fs_POR	0.466921	0.471799
~fs_POR	0.669211	0.662629
fs_PCR	0.615322	0.631461
~fs_PCR	0.552668	0.539108
fs_FFR	0.476573	0.520539
~fs_FFR	0.683327	0.630342
fs_EIR	0.701493	0.748932
~fs_EIR	0.496618	0.467213
fs_TEA	0.706174	0.693287
~fs_TEA	0.529055	0.539298
fs_EBOR	0.688122	0.667954
~fs_EBOR	0.497559	0.513264

TABLE 4 Intermediate solution for Model I

	Raw Coverage	Unique Coverage	Consistency
fs_POR*~fs_EIR	0.554761	0.235713	0.84658
fs_FFR*~fs_EIR	0.463361	0.144313	0.895702
Solution coverage: 0.699074			
Solution consistency: 0.838167			

configuration (fs_POR*~fs_EIR), perceived opportunities combined with the fact that the entrepreneur is not an entrepreneur who intends to start a business within three years leads to EU-based firms that engage in marketing innovation. Likewise, the second configuration implies that fear of failure combined with the fact that the entrepreneur is not a latent entrepreneur who intends to start a business within three years leads to EU-based firms that engage in marketing innovation. Although the presence of fear of failure in this configuration is surprising, fear of failure, as discussed later in the paper, may act as an incentive for entrepreneurs to become more innovative in order to survive.

TABLE 5 Intermediate solution for Model II

	Raw Coverage	Unique Coverage	Consistency
~fs_POR*~fs_FFR	0.507294	0.304654	0.785191
~fs_FFR*fs_EIR*fs_MOT	0.297683	0.0950434	0.823491
Solution coverage: 0.602337			
Solution consistency: 0.787832			

For the first configuration in Model I, the countries with the highest rates of marketing innovation (i.e., membership greater than 0.5 in the first configuration fs_POR*~fs_EIR) are Denmark (0.956369, 0.792345), Sweden (0.901464, 0.649082), Austria (0.881417, 0.937486), the Netherlands (0.836316, 0.44758), the United Kingdom (0.818895, 0.712365), Germany (0.715669, 0.960662), Belgium (0.680763, 0.531577), and Finland (0.680763, 0.56023). These are all prosperous countries where entrepreneurs perceive numerous business opportunities and embrace innovation—in this case, marketing innovation—regardless of whether they start a new business.

For the second configuration, the countries with the highest rates of marketing innovation (membership greater than 0.5 in the second configuration fs_FFR*~fs_EIR) are Italy (0.911339, 0.937993), Greece (0.906518, 0.942922), Germany (0.72441, 0.960662), Belgium (0.680763, 0.531577), and Denmark (0.608962, 0.792345). In these countries, the fear of failure prevents entrepreneurs from starting their own businesses, but as previously explained, these are thriving economies (except in the case of Greece), and the culture of innovation is already widespread without the need to create new businesses. Established firms also embrace innovation. In Greece, marketing innovation is probably embraced because of the need for economic renewal.

Table 5 presents the causal configurations leading to the absence of marketing innovation.

Two causal configurations explain 60% of the empirical cases in the data set. Both causal configurations are consistent with the previous analysis for Model I. Fear of failure continues to act as an incentive for marketing innovation.

In Model II, the outcome was the absence of marketing innovation. The countries with the lowest rates of marketing innovation for the first configuration (membership greater than 0.5 in the configuration ~fs_POR*~fs_FFR) are Slovenia (0.961976, 0.518509), Bulgaria (0.951545, 0.97096), Croatia (0.922813, 0.751387), the Czech Republic (0.864083, 0.758847), Slovakia (0.847864, 0.868739), and Spain (0.578298, 0.929616).

The countries with membership greater than 0.5 in the configuration ~fs_FFR*fs_EIR*fs_MOT are Latvia (0.642554, 0.923216), the Czech Republic (0.638524, 0.758847), and Estonia (0.567259, 0.723225).

The results reveal that for both configurations, the entrepreneurs of Eastern European countries that acceded to the EU in 2004 are reluctant to embrace marketing innovation. This attitude may owe to the fact that these countries receive considerable EU funding to support their economies. Entrepreneurs in these countries are

therefore less likely to perceive (or do not need to perceive) business opportunities, have no intention to start businesses, and lack the motivation to do so. Hence, fear of failure does not hinder these entrepreneurs.

5 | CONCLUSIONS

This study examined how entrepreneurial competencies (perceived opportunities, perceived capabilities, entrepreneurial intentions, and fear of failure) and motivation are linked to marketing innovation. The study focused on EU countries, considering the role of both new entrepreneurs and owner-managers of established businesses, which, by definition, had been operating for more than 42 months (GEM variables TEA and established business ownership).

The data were analyzed using fsQCA. The main difference between QCA and correlation-based analysis techniques is that QCA uses Boolean logic to establish configurational relationships. Whereas traditional techniques are based on identifying correlations between individual variables, QCA is based on identifying combinations of conditions (i.e., perceived competencies and motivations of the entrepreneur) that lead to an outcome of interest (i.e., marketing innovation).

The following findings are of particular relevance. First, fear of failure, rather than acting as an inhibitor of marketing innovation among European companies, was actually found to incentivize marketing innovation among companies in both Models I and II. Second, the fact that the entrepreneurs are not entrepreneurs who intend to start a business within three years leads to European firms that engage in marketing innovation. Third, the EU countries with the highest rates of marketing innovation are countries with thriving economies (Denmark, Sweden, Germany, etc.), where entrepreneurs perceive a large number of business opportunities. Fourth, entrepreneurs in Eastern European countries that acceded to the EU in 2004 are reluctant to embrace marketing innovation.

The main conclusions of the study are as follows. First, the findings highlight the gap in the literature caused by a lack of studies that link data on entrepreneurs (not entrepreneurship) to marketing innovation. This paper contributes to the literature by identifying a theoretical link between entrepreneurs and marketing innovation. This contribution is consistent with the separate bodies of literature on entrepreneurs and marketing innovation. The paper highlights a larger gap than expected, creating an opportunity for further research. Second, the analysis yielded a grouping of two types of countries: countries that are more advanced in terms of innovation and countries that are lagging behind and have yet to discover how to harness the full potential of innovation, in this case marketing innovation. The findings therefore confirm those of the CIS, namely that certain countries are innovation leaders (in this case, marketing innovation leaders) and other countries are followers. Although including such a large number of countries in the study was ambitious, it provided a broad scope and led to valuable findings that present an opportunity for European entrepreneurship policies to enhance marketing innovation. Policies

that could be implemented in less-developed European economies and Eastern European countries consist of transferring best practices that have already been successful in thriving economies. Nevertheless, these best practices will fail unless the entrepreneurial ecosystems in the receiving countries are prepared for change. Third, innovation stems from both newly created businesses and activities in incumbent firms (i.e., entrepreneurial employee activities). Therefore, to foster entrepreneurship and, accordingly, innovation, public policy should not only encourage the actions of individuals but also focus on incumbent organizations.

A limitation of this study was that the authors did not work closely with the entrepreneurs themselves. Instead, the analysis was based on an aggregated data set with missing data for two EU countries, as mentioned earlier. In the future, it would be of interest to replicate this study with entrepreneurs from other innovation leaders such as the USA to see which nonfinancial factors affect marketing innovation.

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