

## The Spontaneity of International Market and the Need for Entrepreneurial Marketing Evidence of Albanian Entrepreneurs in Italy

Fetahu Elvira<sup>1</sup>, Xhaferi Besa<sup>2</sup> and Fetahu Elona<sup>3</sup>

### Abstract

Nowadays the evidence is in support toward the new characteristic of international markets - spontaneity, despite all the regulations made in the world wide trade recently. There are too many forces influencing its development, mostly not interfering to each other, and making it evolve very unexpectedly. Consequently, capturing marketing internationally is fundamentally different compared to the domestic market. International market is a very fractioned market and finding ways to enter is both easy and risky. Considering traditional international marketing channels, we can easily notice several difficulties in making goods and services move efficiently and effectively to the final consumer. In times of crisis, this becomes even more evident and we need to try other concepts and ideas than low costs and typical marketing mix. Having present the migrant minority entrepreneurship as a possible international marketing channel to go international with our Albanian products and services, and taking for granted that Albanian immigrant entrepreneurship deals with international marketing, we can consider two main moments of interest to compare on this regard; first, the low cost these channels represent to bridge transnational in the host countries, and, second, their entrepreneurial attitude regarding their experience almost always dealing with several difficulties, being more entrepreneurial and more active in the international market, answering to its spontaneity with a much more aggressive behavior, proactive attitude, entrepreneurial marketing increasing significantly their effective behavior, being the first to achieve the next consumer in the international market. This last model can be much more promising for success and better marketing performance, as they already have the characteristic of low cost operation and this way fits to innovation and risk management, leveraging value of the products and services advancing consumers' needs.

**Key words:** Spontaneity, international market, immigrant minority entrepreneurship, entrepreneurial marketing.



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### A CONCEPTUALIZATION

Recent studies of European countries facing the phenomenon of immigrant entrepreneurship (IE) prove that IE is strongly oriented toward specific segments of the opportunity structure where the barriers of entry for setting up the business are relatively low and they do not absolutely need sophisticated skills and specific large amount of capital. Usually this business accepts small profit margins because of the highly competitive environment where entrepreneurs basically compete with prices rather than quality with their co-nationals who are in the same business. Recently the research on IE has entered in a new phase by paying more attention to the economic perspective, the role of the institutional framework and the impact of international market developments on them.

According to Rath and Kloosteman, 2000 in a study on immigrant entrepreneurship, this phenomenon is located at the intersection of many different disciplines which revealed different scientific responsiveness to the contemporary rise of it. Many studies in Europe have a specific focus on immigrant entrepreneurship because of the important economic impact it has on the host societies. IE, if successful, provides good opportunities in employment and income of this category of people but also it affects

<sup>1</sup> University 'Aleksander Xhuvani', Economic Faculty, Elbasan, Albania  
E-mail: [elvira.fetahu@uniel.edu.al](mailto:elvira.fetahu@uniel.edu.al)

<sup>2</sup> State University of Tetovo, Faculty of Economics, Tetovo, Macedonia  
E-mail: [besa.xhaferi@gmail.com](mailto:besa.xhaferi@gmail.com)

<sup>3</sup> Central European University, Department of Mathematics and its Applications, Budapest, Hungary  
E-mail: [Fetahu\\_Elona@student.ceu.hu](mailto:Fetahu_Elona@student.ceu.hu)

overall the employment opportunities of other immigrant groups with which they establish a special network conditioned also by the supplier chain.

The ties connecting immigrants with their countries of origin and their long distance economic relations with them have been subject of many intensive researches in immigrant entrepreneurship. One interesting but not very successful approach to look at this connection is the monetary remittances to fully measure the multiple macroeconomic effect of immigrant economic and noneconomic activity. Immigrants' social, cultural, political and economic relationship with their homeland is implicated theoretically and practically by their multiple economic effects. According to Guarnizo 2003, their activity has multiple effects not only on the global macroeconomic processes such as international trade and consumption of culture but also on the localities and countries of origin. Although there is a trend of different studies to focus this relationship with the home land only toward money transfer, actually the knowledge about IE and their economic activities has produced a wealth of knowledge related to the import of economic and noneconomic relations. The studies engaged in researches trying to analyze the above relationship refer to the concept of transnational living which mean the "cross border relations in the context of social, political, economic, cultural aspects and which emerge from immigrants drive to maintain and reproduce their social milieu or origin so far" (Guarnizo, 20003). An analytical framework with focus on immigrant transitional living can provide new challenges in understanding the relationship between immigrant entrepreneurship and country of origin economic development.

According to Rath and Kloosteman, 2000 the study of immigrant entrepreneurship is linked up with various contemporary theoretically-informed research perspectives. The first perspective<sup>4</sup>, sees the entrepreneur as an economic actor and questions the ability of the entrepreneurs to be innovative and not dictated from the market. According to this perspective through innovation of the product, logistic and marketing the entrepreneur can generate a monopoly form of doing business in short term by raising prices and profits consequently. The second perspective uses the context of social capital and emphasis the fact that entrepreneurs operate and are embedded in various social networks which help them to benefit for the successful realization of their economic goals. The importance of embeddedness in social networks and research on international distribution, and extend of such network indicates a role in transnational economies. The third perspective discusses the immigrant business position in an economic network and values system and the extent that their immigrant background conditions this position by advantaging or disadvantaging it. So, this perspective starting point is the business and not the entrepreneur himself. The fourth perspective, underlines the relationship between immigrant business and the urban economic activities in the specific economic sectors. The fifth and the last perspective, focuses on the law, rules and regulations and explores the kind of favourable or unfavourable relationships that exist between the political institutional framework and IE. Last but not least is the international comparison perspective which proposes the development of comparative researches about IE and their role in other economies so that we develop a new vision of this phenomenon.

#### **ENTREPRENEURIAL MARKETING PERSPECTIVE**

Companies nowadays are facing a very challenging and demanding environment for changes and developments. Not only this, but companies must create an environment or change helped by marketing strategies. "Markets are shifting, overlapping, fragmenting, and frictionless; distribution channels are being reshaped, reconfigured, and bypassed; firms interact as competitors, customers, and collaborators in a global, knowledge economy; and customers are becoming even more demanding"<sup>5</sup> entrepreneurial marketing is a integrative construct which synthesizes critical aspect of marketing in the light of firms which act entrepreneurially. For the conventional marketing there are many criticism which are related to the way companies use it in order to serve their customers and satisfy their needs. Criticism of marketing is diverse but mostly it is focused on "the tendencies to imitate instead of innovation and to serve existing markets instead of creating new ones" (Morris, Schindehutte, LaForge, 2002).

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<sup>4</sup> Schumpeterian entrepreneurship (Rath and Kloosteman, 2000)

<sup>5</sup> Michael H. Morris, Minet Schindehutte and Raymond LaForge, "Entrepreneurial marketing: A construct for integrating emerging entrepreneurship and marketing perspectives" *Journal of Marketing Theory and Practice*, Vol.10 No.4 ( Fall 2002).

Because of this, recently a number of alternative marketing approaches are being introduced among different companies, in order to approach the new markets and face their challenges in a more difficult and changing environment. According to Morris, Schindehutte, LaForge (2002) these approaches tend to provide a prescription for success in the new environments within which firms compete and also prescribe some common characteristics which support the criticism of contemporary marketing. As obviously noted none of them presents a unique framework to be successful enough to guide marketing practice in the future. "A growing body of evidence suggests the more successful firms over time are the ones that engage in higher levels of entrepreneurial activity" (Morris, Schindehutte, LaForge, 2002). Entrepreneurship is vital for companies, especially in times when it faces opportunity streams and changes in technology consumer needs and social values. Consequently entrepreneurship has been defined as the process which contributes in value creation by using resources to exploit an opportunity. The term "entrepreneurial marketing" (EM) is used in many ways among companies and universities. Some refer to it as the kind of marketing applied in small firms with constrained capital which required creative marketing tactics that make heavy "use of personal networks" and other to refer to the unpredicted visionary marketing action of the entrepreneur. Nowadays entrepreneurial marketing is proposed as an integrative construct need in an era of change and which mixes the key recent aspects of marketing developments and entrepreneurship role. Consequently it represents the ways the marketer creates value for the targeted customers without being constrained by resources. So, EM is not just simply a comparison and analysis of the role of marketing in the entrepreneurial activity or vice versa but places it in the center and integrates the two disciplines by representing an approach of doing marketing under predefined or certain conditions. So, EM is defined as "the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation" (Morris, Schindehutte, LaForge, 2002). EM has seven underlying dimensions; proactiveness, calculated risk-taking, innovativeness, opportunity focus, resource leveraging, customer intensity and value creation.

#### **HYPOTHESES AND METHODOLOGY**

As we considered the discussion done here above regarding the need to be more effective as much as efficient in going international with our Albanian products and services, to benefit from the larger possibilities the international market offers, this way increasing competitiveness and revenues to the national economy, other than just getting use of the immigrant entrepreneurship and the immigrant transnational marketing channels as we have argued in other studies before, we can consider a new fostering hypothesis pushing further to the first one:

- $H_1$  - Identifying and getting use to our best in class in EM between Albanian immigrant entrepreneurship, classifying this group as the set of 'immigrant entrepreneurial marketing people', will be a better alternative to increase immigrant entrepreneurship performance in bridging transnational and marketing internationally our Albanian products and services, given the case of Albanian immigrants working and living in the province of Milan, Italy.

Designing the questionnaire for us was the most challenging task, taking into consideration the fact that the questionnaire is one of the most vital parts of a research. We were very attentive in building the different sections and questions of it.

The questionnaire we have built has 47 questions in total which are grouped into 3 main sections. The first section on entrepreneurial activity and business includes questions from 1 to 14, the second on business strategy with questions from number 15 to 33 and the last socio - anagraphic profile including questions 34 to 47.

The questionnaire is built based on the following types of questions:

- Closed Format Questions (Leading, Dichotomous, Multiple Choice, Rating Scale using Likert Scale)
- Open Format Questions (Description and Opinions)

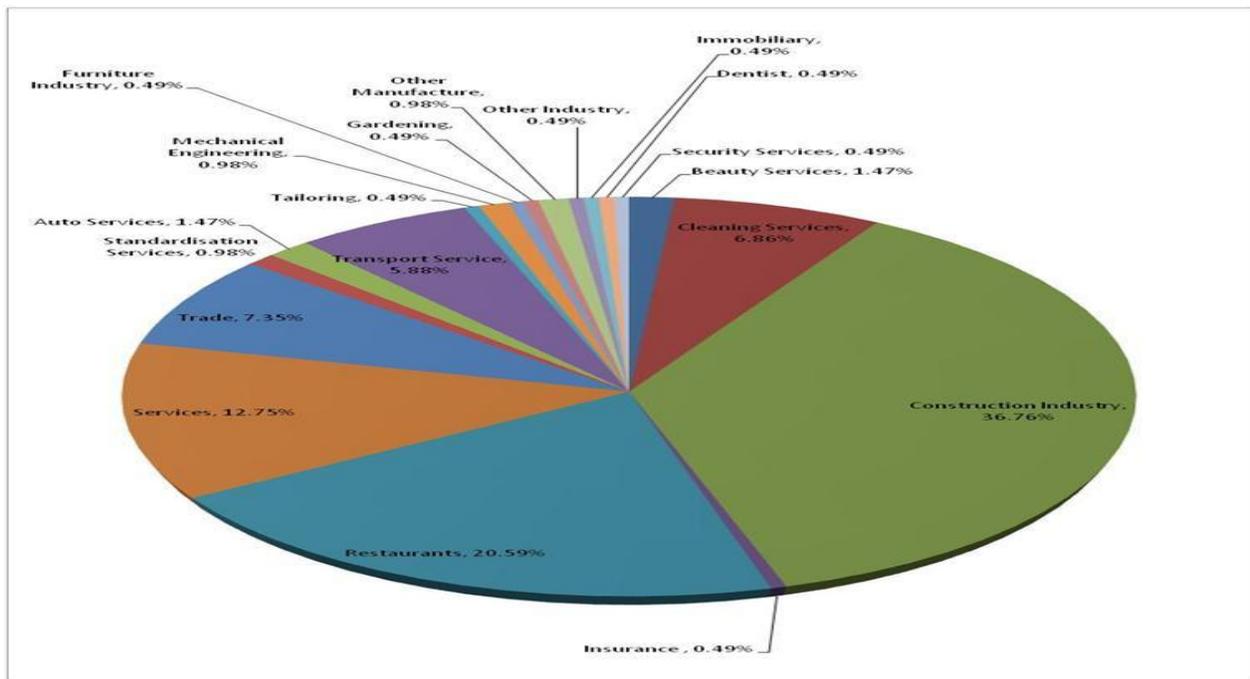
About 77% of our respondents were subject to telephone-administered questionnaire and the rest 23% via internet. The telephone -administered questionnaire resulted efficient in cost and speed especially in this case where as stated above the sample was geographically dispersed and in this case the respondents were more comfortable working and also responding to the question of the questionnaire. Another

advantage of this way of conducting the questionnaire was also the fact that we were 100% sure that the respondent was the person we were looking for to answer the questions and not any other collaborative or assistant of him.

Our questionnaire was built for respondents who were identified to live and work within the Province of Milan. The questionnaires were processed with SPSS in order to find and analyse the facts and give or understand answers and reasons to argue on the possible choice on immigrant entrepreneurial marketing as an alternative to go international.

## FINDINGS

Considering the topic of this study it is evident that our population is defined as Albanian immigrant entrepreneurs who live and work in the province of Milan and who have employed more than five people in their business. The initial data we gathered from the Chamber of Commerce in Milan showed us a list of 204 Albanian immigrant entrepreneurs which have their activity there. This number was not conditioned by the number of employees. Out of this, those who had employed five people or more were a number of 110 businesses which had a more integrated activity.



**Table 1: Structure of the firms by sector**

In order to have a clear view about the profile of the Albanian immigrant entrepreneurship the data from Chamber of Commerce in Milan helped us to built tables and graphs depending on different attributes and characteristics such as the sector of the business, number of dependents and independents, fiscal code and the time being into business. We will analyze below one by one each of these characteristics.

First, we start with the industry and the sector. For our study, it is very challenging to find the data of the industry and the sector in which Albanians operate. For this reason, when asking the Chamber of Commerce to provide us with information, the title of the business and the description of the type of activity helped us to divide the industries and the sectors for each and every of the 204 businesses. The table 3 shows the above information.

Almost (91.7%) of the interviewees gathered long experience working in the Italian market as simple employees until they decided to start their own businesses there. They increased their human capital experiencing in different sectors and jobs. Improving their standards of living being more and more involved into social life, they increased their social capital enhancing their entrepreneurial capacity and capital too, being more skilled especially in managerial ones.

Considering specific reasons why they decided to start their entrepreneurship, we found that (50%) were looking for more revenues and better economic situation, (91.7%) wanted to valorize better their human capital, (25%) for increasing their independence and prestige in the labor market and having a better social status among locals and (33%) to valorize better their professional skills and capacity.

Most of them, (83.3%) are founders of their own businesses, and (16%) have bought it from the others in the market. (83%) have been using their own financial capital and only (33%) have taken use of the financial system (banks and credit institutions).

Related to the effect of the global crisis they confirm in strong similarity of figures that all the three situations; increased number of employees, reduction or stable are common. While they confirm in a majority of (51%) to hold on the annual revenues and only (16%) plan to increase their business and revenues. The rest is in strong doubt to have a better position in the upcoming years.

More than (90%) of the entrepreneurs sell their products and services in the local market, Milan or Italy, and only (8.3%) sell in the international market, mostly EU.

Almost (90%) of their principal customers are Italians, and (8%) are other immigrant groups than Albanians.

(50%) of them have more than 100 important organizational buyers, and more than (90%) have Italian suppliers, being still far from transnational bridging with their home country.

Only (18.3%) do their own accounting and (11%) resolve their need for ICT.

Related to the strengths and weaknesses due to the global crisis, almost (82%) base their success in the quality of their products and services, (73%) count for the good image gained among the customers, (54%) have established intimate relations with their customers and are flexible to their needs and wants, and only (27%) see their success based on the competitive low prices. This shows for a strong capacity in entrepreneurial skills. While, they suffer mostly the competition of other immigrant entrepreneurs operating in the same industry/sector (66,7%), (44%) suffer the competition by the Italian competitors which tells that the Albanian immigrant entrepreneurs still operate in sectors or industries not too much preferred by the locals, which do not enjoy the same prestige in the market. This certifies for a still low social inclusion and integration of the Albanian immigrants in Italy. (33.3%) of the entrepreneurs suffer access to the credit in the banks and credit institutions. More than (72%) think their businesses will come out stronger from the global crisis. Their optimistic attitude is due to their experience in the past and to the strong entrepreneurial orientation, instead of being too preventive and preemptive in the same time, these two last are characteristics of classical managers.

Regarding the necessity they have for highly qualified professionals more than (75%) agree and find it very important factor to the local competition. They also estimate strongly important the need for more qualified and qualitative financial and accounting services, in order to save operational costs and better evaluate their projects for the future in terms of costs and benefits (70%). Still a small number, (14.5%) think on the importance of shorter international marketing channels, (43%) are not sure and (42%) think this is not so important. These data are somehow contradictory to the other data above and do not support strongly the idea of bridging transnational by immigrant entrepreneurs, and the establishment of international immigrant marketing channels to get into shorter channels and reducing the costs based on more entrepreneurial marketing efforts.

Regarding business relations (70%) of them think that participation and relations with Italian associations are very important to their business and to their inclusion in the social and labor market, as well as they find important this relations to the dissemination of the Albanian Trade brand in the international market.

Almost (80%) of them ask for important information on new partners for their business to their co nationals (not parents) and (60%) of them ask to the Italian resources of information.

More than (80%) of them have relations with other co national entrepreneurs, and (89%) of them are collaborative and cooperative relations. Only (11%) are relations of competition. While (90%) of them have business relations with Italians and almost all of them partnership relations.

Only (19%) of them have business relations with their home country entrepreneurs and all of them to intermediate for their entry and vending in Italy.

(37.5%) of them are members of Albanian cultural associations, (62.5%) are members of Italian associations of category, and (25%) participate in Italian cultural associations.

To conclude, more than (75%) of them are sure their education and professional experience has been decisive in their business start, more than (85%) think their ability in Italian language has been very much important for their business start, almost (80%) highly evaluate their ties and contacts with Italians, (60%) think the support of their own family has been of significant importance, they do not evaluate their links with the home country and their relatives there, (42%) think their former familiar and home country experience and education has been important to their business start and management, and the most important factors to their business start and administration are their necessity to work (92%) and their gained professional experience (100%). These last two figures confirm their entrepreneurial capacities and the possible strongly support they find in entrepreneurial marketing as their new approach to move more effectively in the international market being almost always successful.

It comes out also that (70%) of them do not think their sons should do the same businesses and works their parents are doing.

More than (70%) have hired their family women in their businesses, while all their businesses are managed by men.

(45.5%) of them think their contribution to the welfare improvement of their parent families in Albania is very much important and they are the principal contributors to this welfare.

## CONCLUSIONS

Referring to the analyses on the data collected the findings above we can come to some important conclusions as follow:

The life difficulties related to the immigration abroad in hard conditions, their efforts to survive in a very competitive society and market labor has strongly feed and cultivate high entrepreneurial skills and capacity among Albanian immigrants abroad.

The experiences in the stages prior to the establishment of their enterprises confirm preconditions to strongly oriented people towards entrepreneurial characteristics for the Albanian immigrants. The lack of access in financial resources in the financial market too, has increased their entrepreneurial capacity and sensitivity in finding other resources to their businesses more risky and charged by higher rates and tariffs.

Their need to larger financial resources to develop their businesses has also increased their partnership capabilities. This shows for other risk facing by their side and increased entrepreneurial instinct in creating alliances and dealing agreements.

Their increased managerial and other business skills necessary to foster their business efforts gained learning by doing support the idea that spontaneity and tacit or implicit innovation is their characteristic, pretty entrepreneurial based, and not planning oriented.

The need to be competitive in a market requesting for high qualities and standards, fosters the strong necessity for the Albanian immigrant business people to look for and apply high quality genuine Albanian products and services, valorizing those using techniques other than operational or technological to commit on this problem. They are obliged to be more and more oriented to entrepreneurial marketing to have this standards and quality. They can strongly rely on promotion through EM of values related to origin, land, tradition, genuinely, bio cultivation, specific culture of consumption, mysticism etc, strongly valorizing their offer for the international market. It still remains the fact that, in majority, Albanian immigrant entrepreneurs do not see yet the Albanian product and services as a good possibility to do business internationally. They find it easier to work with local products to which local consumers are more familiar.

Identifying and promoting the 'best in class' among them, addicted to EM and embedded to marketing skills, as well as lot of entrepreneurial capacity, will serve to promote among them a better way to increase effectiveness without losing efficiency, while doing business abroad either with Albanian products and services, or other originated ones.

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