Quantitative Methodological Considerations in the Study of Marketing at the Entrepreneurship Interface

Robert G Schwartz,
Nancy J. Birch
Eastern Washington University, Spokane, Washington, USA
Richard D. Teach
Georgia Institute of Technology, Atlanta, Georgia, USA

Entrepreneurship researchers must seek the “truth” in their data analyses. Utilizing appropriate methodology is not only the right path to the truth, but also the duty of each researcher. The “truth” also involves the interpretations that accompany the analyses. There is a difference between statistically significant and “practically significant.” An adjusted r square that has a value of 2%, with significance at the 0.000 level, provides little information about the real world. An analysis that is conducted utilizing point-in-time samples of firms provides only results for that time and those firms studied, not for all time and for all firms. Thus, while social scientists struggle to provide generalized results of agglomerated and in the most part, anonymous data, little is learned about specific firm types.

As strategies are multivariate constructs, the use of multivariate techniques to explain strategic relationships is a critical methodological issue. Focusing on particular firm types, rather than on all firms, and over time allows researchers to better understand firm behaviour and the linkage to performance. As entrepreneurial firms and their environments change over time, a series of point-in-time studies of similar firms or longitudinal studies are then efficacious. Thus researchers can contribute to a body of knowledge and an increasing level of understanding about a variety of firm types serving to enhance the education of students, practitioners, and researchers alike.

The paper discusses various statistical techniques that should be more useful for the researcher leading the way to better analyzed data sets and more meaningful outcomes. The work concludes with examples of two known but rarely used methodologies: factor structure comparisons utilizing interpoint distance calculations and survival analysis for predicting and understanding factors related to firm failure.

The paper is based upon a chapter in a forthcoming book that Professor David Carson serves as co-editor of.