The Impact of the Voice-of-the-Consumer in the Start up Process for Knowledge Intensive Entrepreneurial Firms
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Abstract

Many high tech knowledge intensive entrepreneurial firms tend to focus on their technological capabilities and to develop products that are typically taken to the market using a “push” strategy. In doing so, the firm and its downstream value-chain members push their technology into the marketplace with scarcely a thought of the consumer until after the product is in the hands of the user (Workman, 1994). The need to bring the voice of the consumer (VOC) into the start up firm has seldom been discussed. A true VOC orientation involves integrating a consumer-orientation throughout the firm (regardless of the firm’s position in the value chain). Innovation should be viewed as a continuous process that operated in response to emerging consumer needs so that the firm leads rather than follows the industry (e.g., Sheth, Sisodia and Sharma, 2000). High tech knowledge intensive entrepreneurial firms who listen to the VOC throughout the startup process should be more successful since they are more able to (1) understand how their technical capabilities translate into consumer benefits, (2) develop products that reflect this understanding and (3) better align their value chains to deliver these benefits.

As noted by Morris, Schindehutte and LaForge (2002), a consumer orientation in an entrepreneurial context should involve marketing efforts that emphasize three dimensions: Customer Equity, Visceral Relationships and Emotional Experience. Customer equity reflects the firm’s attitude toward the consumer and refers to the view that the primary value of a customer\textsuperscript{1} to the firm is across the lifetime, not situated in a single transaction. A customer equity perspective requires that the firm develop a knowledge base of changing consumer preferences, which helps the firm to anticipate and respond to changes in its current customer base and potentially to expand to new consumer segments. Visceral Relationships reflect the depth of connection, at fundamental level of identity, between the firm and the customer (e.g., many users have a strong personal bond with myspace.com and the online community it serves). A hallmark of a strong visceral relationship is that it is highly interactive. The final dimension is the nature and intensity of the emotional experience (see also Fournier [1998] for a discussion of the quality of emotional experience and consumer bonding with brands). The firm and the customer have a deeply felt sense of purpose and conviction reflecting a different level of commitment and resulting in a sense of authenticity that underlies the customer experience (e.g., Second Life, paperbackswap.com).

This paper explores the role of the VOC in the start up process for high tech knowledge intensive firms. We examine the following research questions, (1) what kind insight into consumer behavior is needed at which stage of entrepreneurial development, (2) what methods are best suited to developing these insights and (3) what benefits accrue to firms that successfully integrate the VOC into their innovation processes. First, we will provide a review of the literature VOC and knowledge intensive entrepreneurship. Then using survey data, business plan analysis and annual reports from a random sample of firms started in the last five years of the TOP program at the University of Twente, we highlight different techniques and tools for capturing the VOC and the impact on the startup process and firm performance. Our goal is to focus on how startups with limited experience and

\textsuperscript{1} Throughout, we make the following distinctions: consumer is used to refer to the end user in the market whether or not this person or entity has purchased a product from the firm. Customer is used to refer to individuals or entities who have purchased products or services from the firm.
available resources are able to integrate the VOC into the firm’s systems and processes and to thereby develop more effective product offerings. Finally, we propose a research agenda and offer some practical suggestions for start up firms.
References


