



# Disruptive marketing and unintended consequences in the nonprofit arts sector

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## Abstract

**Purpose** – This research is the first to examine disruptive marketing, a subset perspective of entrepreneurial marketing, and unintended consequences of marketing in the context of the nonprofit arts sector.

**Design/methodology/approach** – This exploratory research has two components: development of a body of knowledge and conceptual model of disruptive marketing, its predictors, and its intended/unintended consequences based on pertinent literature and input from arts organization executive directors, artistic directors, and marketing managers; and preliminary assessment, with a qualitative study, of the operationalization of disruptive marketing and related factors in arts organizations.

**Findings** – The study categorizes and analyzes qualitative study structured interview responses to outline commonality/lack of commonality among them and provide insight into perceptions of arts organization executive directors.

**Research limitations/implications** – This initial study inaugurates an academic research stream on the topic of disruptive marketing which has the potential to make a significant contribution to the body of marketing knowledge. Future opportunities include scale development and quantitative testing of the proposed theoretical model, broadening the research scope to include multiple input sources from a wide variety of arts organizations and longitudinal research to assess the model factors over time.

**Practical implications** – Analyses of both preliminary input from arts organization managers and qualitative study responses of arts organization executive directors indicate significant interest in application of creative and innovative approaches to arts sector marketing-related situations.

**Originality/value** – This paper is the first to study perceived scope/characteristics of disruptive marketing and unintended consequences of marketing in the nonprofit arts sector, and it presents results of a qualitative assessment of those topics, including consequences.

**Keywords** Arts marketing, Arts, Disruptive marketing, Entrepreneurial marketing, Nonprofit marketing, Marketing, Unintended consequences

**Paper type** Research paper



## Introduction

This exploratory, qualitative study addresses the current paucity of research on the topics of disruptive marketing and unintended consequences in the nonprofit arts sector. Both academic/practitioner literature and input from arts organization managers suggest that disruptive marketing, a component perspective of entrepreneurial marketing (Morris *et al.*, 2002), may foster significant positive effects for the arts organization which uses it, although negative unintended consequences may also result. This research project has two primary objectives: first, development of a comprehensive review of the extant literature on the topic of disruptive marketing in the nonprofit arts setting, and synthesis of that research to create a conceptual model of disruptive marketing, with related research propositions; and second, exploration, with a structured qualitative study, of the nature of disruptive marketing, the factors that affect its development and use in an arts organization, and its consequences. This first phase of an academic research stream on disruptive marketing, examined in the context of nonprofit arts organizations, includes a literature review and analysis of structured, in-depth interviews. That work has yielded important insights and provides a foundation for use in development and administration of a second qualitative interview instrument, which will be used to assess the theoretical model and construct a quantitative survey tool engineered to provide model assessments with high reliability and validity.

## Theoretical context

Disruptive marketing, as described by Dru (1996, 2002, 2007), is a strategic approach that attempts to eliminate product and market boundaries and allows creativity to take center stage in the development of a radical new vision of the organization's product, brand, or service. Its name is a compound of two words which appear to conflict with one other, but that implied contention aptly conveys the essence of the concept. Disruptive marketing is applied, in part, to counteract the effects of various environmental discontinuities, and it can be seen as both a volatile and an iterative process. It forces "out-of-the-box" thinking and focusses on breaking down strong biases and paradigms. Such dynamics may be especially applicable in the cultural/artistic sector because of the inherent creative nature and innovative environment of arts organizations, which are typically formed and driven by entrepreneurial artistic directors and artists, and operate with the support of management and boards which often share, or at least support, those characteristics. Although "disruptive marketing" is a relatively common colloquial term in the marketing arena, there has been virtually no research on the topic; existing practitioner literature is outlined in Table I. That literature indicates that the concept of disruptive marketing is related to the ideas of entrepreneurial marketing, creative marketing, corporate entrepreneurship, economic creative destruction, and blue ocean strategy. Examples of key literature on those topics are listed in Table II.

Morris *et al.* (2002) discuss disruptive marketing as a strategic approach that falls under the broader concept of entrepreneurial marketing, which began to emerge in marketing literature during the early 1980s (Miller and Friesen, 1983) and involves the employment of innovative techniques to identify, acquire, and retain profitable customers. The point of entrepreneurial marketing is that the creation of customer perceived value is facilitated through novel and innovative mechanisms. The goal for entrepreneurial organizations is to find new approaches, which will reach customers without the constraints placed on marketers by having to follow the tried and true tools

Author (year)	Topic
Dru (1996)	Disruption describes disruptive marketing as a process of uncovering and shattering culturally embedded biases and conventions that shape standard approaches to business thinking and impede clear, creative thinking. It sets creativity free to forge a radical new vision of a product/brand/service, spearheading change rather than reacting to it
Goldberg (2001)	Proposes that marketers should approach their craft as technologists do when creating disruptive events. Old box-centric ways no longer work. Marketers who develop disruptive programs (e.g. all-inclusive fee-based and closed-loop/target marketing approaches) will drive market share
Dru (2002)	Beyond disruption describes disruption as not only a foolproof methodology for creating breakthrough advertising/marketing campaigns, but also as a groundbreaking new language for the global economy that forges links among all facets of the business organization (creativity, vision, strategy, operations, product development, media marketing) and is used to identify/develop new markets/products/distribution channels, revamp brands, invent new organizations, and trigger cultural changes
Dru (2007)	How disruption brought order concludes Dru's disruptive marketing series. It further expounds on related concepts, stresses the role of creative destruction in the process of breaking with convention to achieve renewal, and uses business cases to provide a practical guide
Silberzahn and Cartwright (2007)	Proposes a transformation of the marketing function from a linear "see-act-launch" approach to a continuous "active seeing," and action cycle which downplays the "launch" step as simply one that follows previous action steps. In this new mode, marketers must be integrally involved with lead-users in the creation of new concepts and radical innovations

**Table I.**  
Disruptive marketing

and techniques approach. This is particularly important for the small organization, which often is not able to operate using the traditional marketing approach, due to financial constraints, and is vulnerable to the high risk often associated with taking a nontraditional approach. Entrepreneurial marketing is comprised of a variety of manifestations (e.g. Miller and Friesen, 1983; Covin and Slevin, 1994): innovativeness, calculated risk-taking, proactivity, ability to identify opportunities, resource leveraging, and customer focus/market orientation (Jaworski and Kohli, 1993; Slater and Narver, 1995; Han *et al.*, 1998). Entrepreneurial marketing tends to be a matter of degree, and all of these possible dimensions would not necessarily operate simultaneously. It will manifest itself in a variety of ways as the organization evolves. Research has indicated that entrepreneurial marketing ebbs and flows and cycles back and forth with the use of traditional marketing over time, as organizations typically are not able to sustain high levels of entrepreneurialism indefinitely (Covin and Slevin, 1994; Kotler, 2001).

Entrepreneurial marketing, as described in the extant literature, may involve creativity, and Fillis and Rentschler (2006) note that the concept may be related to that of creative marketing, albeit indirectly. They view creative marketing as a metaphor that forms the intersection of marketing and creativity, and define it as "the process of bringing new approaches and ideas to problem-solving to achieve results in pecuniary and non-pecuniary terms" (p. 13). Hills *et al.* (2010) and Hills and Hultman (2011), on the other hand, describe entrepreneurial marketing as the interface of marketing and entrepreneurship. Examples of work on the topic of creative marketing in arts

Author (year)	Topic
<i>Entrepreneurial/creative marketing</i>	
Covin and Slevin (1994)	Defines 3 entrepreneurial marketing dimensions: innovativeness, calculated risk-taking, proactiveness/proactive orientation
Slater and Narver (1995)	Proposes that entrepreneurial marketing lies at the interface between a market orientation and an entrepreneurial orientation, representing a bridge between strategic action and entrepreneurial action
Morris <i>et al.</i> (2002)	Defines entrepreneurial marketing as proactive identification exploitation of opportunities for acquiring/retaining profitable customers through innovative approaches to risk management/resource leveraging/value creation. Discusses disruptive marketing as a component perspective of entrepreneurial marketing
Fillis and Rentschler (2006)	Outlines the importance of creativity to the marketing paradigm and discipline, discussing related concepts of entrepreneurial marketing, organizational creativity and sustainable innovation
Hills and Hultman (2011)	The most recent of a comprehensive series of articles by these authors that summarizes the 30-year stream of scholarly research examining the concept and research domain of entrepreneurial marketing
<i>Corporate entrepreneurship</i>	
Miller and Friesen (1983)	Foundational work on corporate entrepreneurship contrasting traditional and entrepreneurial strategic momentum models, identifying strategic choice as a mediating influence between managerial motives/ideologies/goals and innovation, and positing that momentum of innovation should not outstrip the organization's utility financial capability
Lassen <i>et al.</i> (2006)	Examines the nexus between corporate entrepreneurship and radical innovation; finds that firms emphasizing entrepreneurial orientation in terms of proactiveness, risk-taking, and autonomy stimulate radical innovation and displace old competitors through the creation of new competitive arenas where no direct competitors yet exist
Lassen and Løwe Nielsen (2009)	Presents a framework of corporate entrepreneurship that identifies its component roles of "creative destruction" and "controlled adaptation" and discusses the management of resulting tension
<i>Economic creative destruction</i>	
Schumpeter (1911, 1950)	Defined creative destruction, in the context of capitalism, as a cycle of continual disruption of economic equilibrium brought on by entrepreneurial activity, innovation, and resulting economic development
McCraw (2007)	Comprehensive overview and analysis of Schumpeter's life work on the evolutionary process of continuous innovation and creative destruction, which he described as the "driving force of capitalism"
<i>Blue ocean strategy</i>	
Kim and Mauborgne (2004, 2009)	Describes blue ocean strategy, a dynamic market-creating process designed to free an organization from established market boundaries and make competition irrelevant by reconstructing those boundaries to create a leap in value for the company and its customers/clients
Pitta (2009)	Presents a blue ocean strategy process/approach to new product development and restructure of product/service offerings to attract new customers and achieve freedom from industry competition

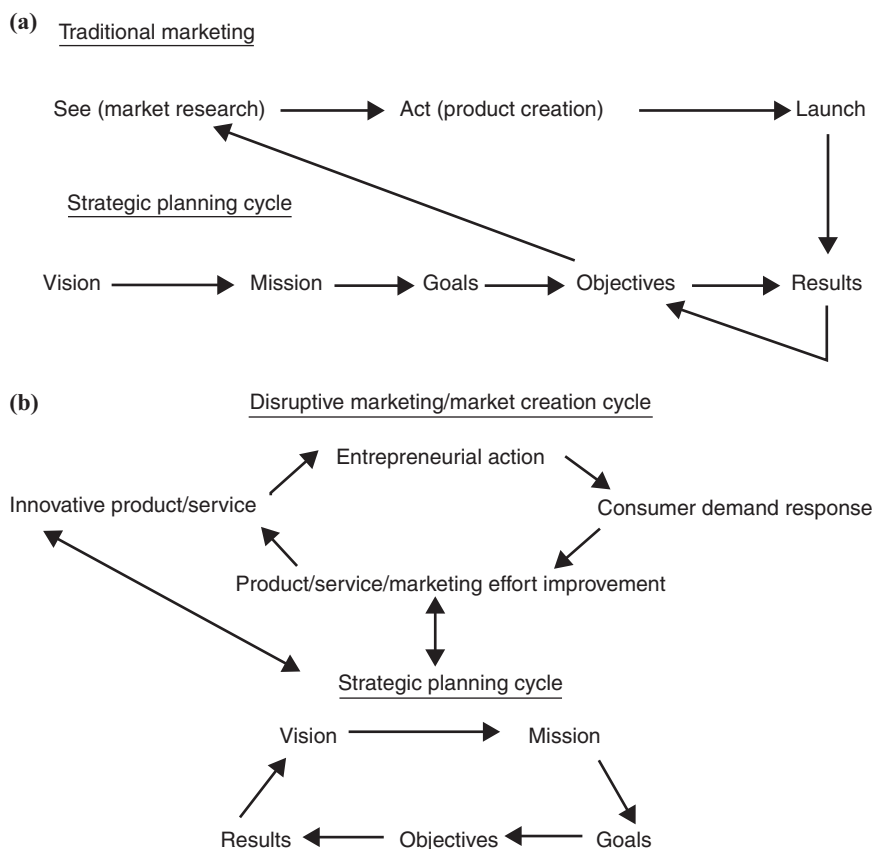
Table II.  
Related topics

marketing-related literature include Fillis' (2002) examination of creative marketing in the context of a manifesto of arts marketing, McNichol's (2005) work on creative marketing strategies in museums, and Rajagopal's (2011) view of development and implementation of creative marketing strategy as analogous to orchestration of a symphony. To the extent that disruptive marketing is a specific strategic process that involves responding to environmental discontinuities in a creative way in order to achieve market creation, it can be viewed as closely related to the concept of creative marketing.

One may also intuitively see a connection between the concepts of disruptive marketing and creative destruction, which was originally envisioned by Schumpeter (1911, 1950) to describe the continuous disruption of economic equilibrium as a result of entrepreneurial efforts. This is readily apparent in the strategies of leading product companies, such as Sony and Apple, which regularly strive to stay on the cutting edge by making their previous iterations of products obsolete with the next generation. Taking opera offerings as an example in the nonprofit arena, if the old product is seen as stodgy and obsolete, new envisioning can result in excellent opportunities to infuse new life into cultural offerings. Even the Metropolitan Opera finds that it needs to move on from some of its most famous stagings/productions with innovative new offerings (i.e. the new highly acclaimed production of Carmen from December of 2009 and the recent innovative John Adams opera, Dr Atomic). However, disruptive marketing and creative destruction, as described by strategic management/marketing academicians and practitioners, differ both in focus (disruption vs destruction) and scope (Schumpeter describes creative destruction as a broad macro/micro-economic principle).

Disruptive marketing can also be compared to, and contrasted with, the concept of blue ocean strategy, which was initially described, in Kim and Mauborgne's (2004) seminal paper on the topic, as a strategic, dynamic market-creating process that results in movement by an organization out of the "red ocean" of existing market space to create an uncontested "blue ocean" of uncontested market space in which it can create and capture new demand, with simultaneous achievement of differentiation and low-cost goals. The two concepts share an emphasis on the broad idea that strategy should drive and shape structure (Kim and Mauborgne, 2009; Pitta, 2009). However, we propose that blue ocean strategy, as a specific process, is narrower in focus than the broader idea of disruptive marketing and may be considered as a disruptive marketing approach.

The traditional marketing process and the disruptive marketing cycle, including interactions with the organizational strategic planning process, are depicted in Figure 1. Comparing and contrasting the elements and flow of the two diagrams clearly shows that one of the major benefits of the disruptive marketing cycle is that it makes better use of the strategic planning cycle than the traditional marketing model. In many, if not most, marketing departments, the traditional see-act-launch linear process involves the typical tactical activities involved in developing/improving and selling products to existing markets (Silberzahn and Cartwright, 2007). There is typically little, if any, discussion of how tactical marketing department efforts tie in with the organization's strategic vision, mission, and goals. Traditional marketing rarely involves active use of the strategic planning cycle, except, possibly, for the mechanics of output and metrics measurement against organizational objectives, with subsequent cycling back to market research, if the organization deems that necessary. Too often, traditional marketing focusses on "mundane issues, defining problems



**Figure 1.**  
Traditional marketing and disruptive marketing

narrowly, and emphasizing tactical responses” (Morris *et al.*, 2002). The marketing function, in such cases, needs to be transformed, since “applying orthodox, incrementally focussed marketing techniques will only ensure classic see-act-launch failures” (Silberzahn and Cartwright, 2007). Hence, the disruptive marketing process and approach, which is cyclical, rather than linear, and is focussed on creatively recognizing and leveraging new markets, innovations, and technologies, is also integrally entwined with organizational strategic planning. That “messier,” inter-functional, more organic, disruptive model, which is needed to achieve success in a world of disruptive markets, stands in stark contrast to the linear and limited model that, arguably, is still used by most traditional organizations.

Arts organizations currently face a harsh and ever-changing economic environment with scarce resources and fierce competition. This type of environmental turbulence creates an atmosphere of fear and uncertainty within the arts organizations as well as their patrons, and it forces enterprise management to take risks, make quicker decisions, and attempt total makeovers and reinventions to stand out in a confusing marketplace. As a result, managers need to seek out unique marketing techniques/offerings/processes to survive (Deshpande, 1999; Sanchez, 1999). More than ever, in environmentally turbulent times firms/organizations will need entrepreneurial

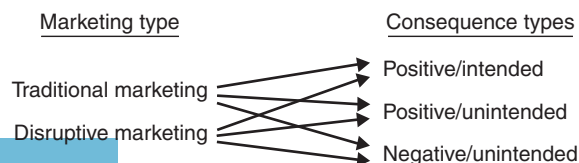
marketing to remain competitive. Our contention in this study is that disruptive marketing offers real potential for better than traditional success, albeit with potential for increased risk.

Obviously, with risk comes the potential for failure. As Dickson and Giglierano (1986) discuss in their conceptual study of entrepreneurial risk, organizations can sit back and fail by not taking any chances, they can try something and fail, and they can see an opportunity but not act in time and fail to capitalize on the opportunity. These are the potential downsides, but it can be argued that minimization of disruptive action on the part of the arts organization is unlikely to improve its chances of success if it remains mired in the middle ground with other organizations, for example, with patrons bored and disinterested with “run-of-the-mill” cultural offerings. Such organizations face the risk of being perceived as unappealing to new audiences. The aging of once-solid supporters, with little or no young energy and commitment, has been the downfall of many organizations that attempted to keep their once proven approaches intact while assuming that what worked in the past will continue to work in the present and into the future.

Of course, the arts organization management must consider the fact that with either traditional or disruptive marketing, there will be both intended and unintended consequences. The various possible scenarios are shown in Figure 2. One would expect that positive outcomes from either traditional or disruptive marketing efforts would be intended, but it is also possible, especially in cases of unintended marketing, that there will be either positive or negative unintended outcomes. For example, what happens if the new approach taken is too successful, and management cannot meet the increased demand for the particular offering? Suppose a community music school brings in a large number of new scholarship students that help it meet its “impact in the community” objectives, but the pool of full-tuition students remains at a lower level, putting a severe financial strain on the organization to provide the necessary scholarships? What about a cooperative venture in which arts organizations collaborate on a joint innovative event which increases their appeal to patrons but miss the fact that their individual marketing efforts involve overlapping audiences, so that their individual projections of number of attendees and total income are overestimated? Such an event may be perceived as highly successful from an artistic standpoint, but a problem from a financial standpoint if proceeds are smaller than anticipated after being divided among the collaborating organizations.

It is our contention that understanding the process and properly planning for possible outcomes is a necessity for arts/cultural organizations in the difficult environment in which they have historically operated. In times of economic downturn, when the need for “standing out from the crowd” is at an all-time high, traditional linear-mode marketing fails in terms of the organizational reevaluation that is necessary to address significant environmental change, and disruptive marketing may be not only critically important for an organization’s continued health but also imperative for survival.

**Figure 2.**  
Consequences of  
traditional/disruptive  
marketing



This exploratory, qualitative study addresses the current scarcity of research on the topics of disruptive marketing and unintended consequences in the nonprofit arts sector. Both academic/practitioner literature and input from arts organization managers suggest that disruptive marketing (a sub-emphasis of entrepreneurial marketing) may foster significant positive effects for the arts organization, which uses it, although negative unintended consequences may also result. This research project has two primary objectives: first, development of a research model of disruptive marketing in the nonprofit arts setting, with related research propositions, based on a comprehensive review of the literature on the topic of disruptive marketing; and second, exploration, with a structured qualitative study, of the nature of disruptive marketing, the factors that enhance its tendency to develop in an arts organization, and its consequences. To date, the study has yielded an important foundation for use in development and administration of a qualitative interview instrument for use in developing the basis for construction of a quantitative survey tool.

### Conceptual model

A conceptual model of disruptive marketing is proposed, based on review and analysis of existing literature and input from four arts organization executive/artistic directors who were asked for their feedback on the term and how it might apply in their organizations and to the arts sector in general. All of those directors said that the term “disruptive marketing” was familiar to them, an indication of the extent of its colloquial use in the business world (see Figure 3). Based on their input and on the review of literature on the concept and related topics, disruptive marketing is proposed to be evaluated through measurement of eight predictors which are posited to

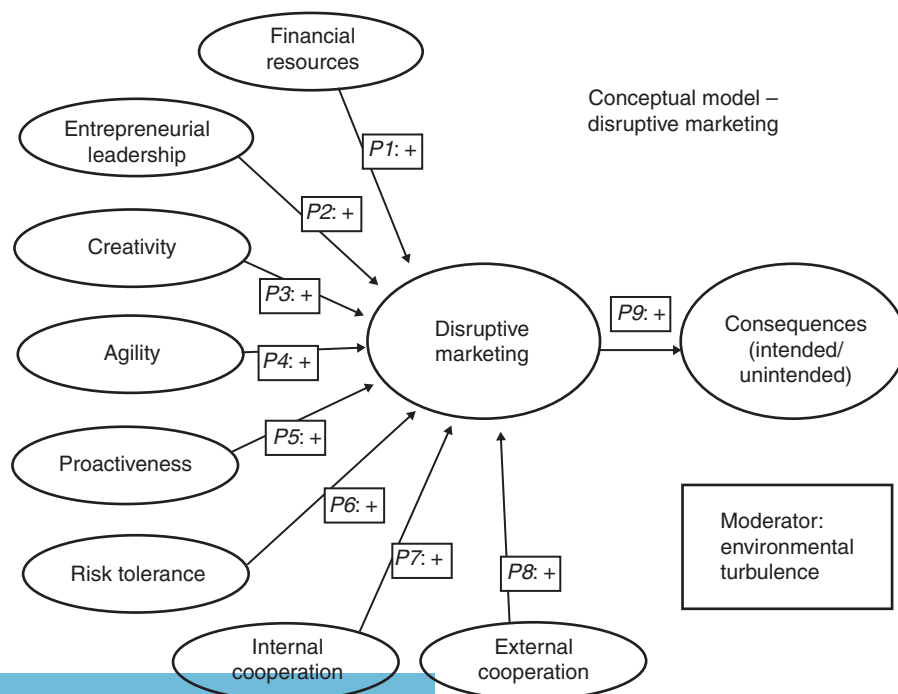


Figure 3. Conceptual model – disruptive marketing



contribute positively to it: financial resources, entrepreneurial leadership, creativity, agility, proactiveness, risk tolerance, internal cooperation, and external cooperation. Each of those hypothesized relationships is proposed to be moderated by environmental turbulence. Disruptive marketing, in turn, is proposed to result in both intended (positive) and unintended (positive and/or negative) consequences, in terms of financial impact and other strategically related measurement of outcome factors.

### **Conceptual model research propositions**

The following research propositions related to the conceptual model are posited:

- P1.* There is a positive and direct effect of availability of financial resources on the tendency for an arts organization and/or key leader to engage in disruptive marketing.
- P2.* There is a positive and direct effect of entrepreneurial leadership on the tendency for an arts organization and/or key leader to engage in disruptive marketing.
- P3.* There is a positive and direct effect of organizational and/or individual creativity on the tendency for an arts organization and/or key leader to engage in disruptive marketing.
- P4.* There is a positive and direct effect of organizational and/or individual agility on the tendency for an arts organization and/or key leader to engage in disruptive marketing.
- P5.* There is a positive and direct effect of organizational and/or individual proactiveness on the tendency for an arts organization and/or key leader to engage in disruptive marketing.
- P6.* There is a positive and direct effect of organizational and/or risk tolerance on the tendency for an arts organization and/or key leader to engage in disruptive marketing.
- P7.* There is a positive and direct effect of internal cooperation on the tendency for an arts organization and/or key leader to engage in disruptive marketing.
- P8.* There is a positive and direct effect of external cooperation on the tendency for an arts organization and/or key leader to engage in disruptive marketing.
- P9.* The direct effects of disruptive marketing on consequences of that marketing are either positive/intended, positive/unintended, or negative/unintended.

### **Qualitative study methodology and results**

The sample for the qualitative phase of this study is comprised of five executive/ artistic directors, chosen because they represent diverse types of large, regional nonprofit arts organizations, who are generically described in Table III. All of the organizations reside within the geographic area of Hampton Roads, which includes

Interviewee #1	Executive director, large professional symphony orchestra Year founded: 1920 Organization budget (expenses): US\$5,470,312 Program services revenue: US\$2,010,622 Number of employees: full-time – 67, part-time – 32, volunteers – 100 +
Interviewee #2	Executive director, large regional opera company Year founded: 1975 Organization budget (expenses): US\$5,308,184 Program services: US\$1,820,333 Number of employees: full-time – 27, part-time – 17, volunteers – 275
Interviewee #3	Executive director, regional academy of music Year founded: 1991 Organization budget (expenses): US\$425,473 Program services revenue: US\$212,390 Number of employees: full-time – 2, part-time – 30, volunteers – 20 Number of students: 1,000
Interviewee #4	Executive director, regional alliance of arts/culture organizations Year founded: 1982 Organization budget (expenses): US\$51,834 Number of employees: full-time – 1, part-time – 1, board members – 33 Number of member organizations: 350 +
Interviewee #5	Executive director, nonprofit arts creation organization, artistic Director, professional, and symphony chorus organizations Year founded (nonprofit arts creation organization): 2011 Organization budget (expenses): US\$30,000 Number of employees: full-time – 0, part-time – 1, board members – 8

Source: Guidestar (2011) report

**Table III.**  
Qualitative study –  
interviewee/organization  
descriptions

1.7 million people in nine cities and seven counties in southeastern Virginia and northeastern North Carolina and comprises the 36th largest Metropolitan Statistical Area in the USA. The participating interviewees represented organizations including a symphony orchestra and chorus, an opera company, an academy of music, a professional choral ensemble and a nonprofit arts creation organization, and an arts alliance/coalition organization.

The qualitative assessment process began with in-depth exploratory interviews with those executive/artistic directors. Individual, guided interviews were completed with the qualitative study participants, using a structured set of questions designed to elicit feedback on concepts related to disruptive marketing and its intended/unintended consequences, as suggested by prior research. The topics included entrepreneurial marketing; disruptive marketing; creative destruction; inadvertent marketing; unintended consequences of marketing; the extent to which marketing and fund development efforts are planned, evaluated, and analyzed; and evaluation of the effectiveness of marketing, organizational financial success, and executive director performance. Since it was likely that the interviewees were unfamiliar with many of the above terms, they were first asked what meaning the terms evoked for them and how the terms might apply to them and their organizations. After their initial replies, definitions derived from the extant literature were given to them, and they were asked to elaborate further on their thoughts about the concepts (a copy of the structured interview questions document appears in Appendix). All questions were presented as perceptual and answered from the point of view of the interviewee. The interviewer

guided the discussion only when it was necessary to move it back toward the general subject matter if the interviewee moved from it to another topic. The interviews were recorded, with the interviewees' permission, and complete transcripts were generated. Tables IV-XII summarize the transcribed material, outlining key points and commonality/lack of commonality among the responses.

### Qualitative study conclusions

The results of preliminary input from key leaders of nonprofit arts organizations and the qualitative interviews with executive directors that are summarized above indicate that the disruptive marketing and intended/unintended consequences constructs that form the basis of the conceptual model are appropriate in the context of nonprofit arts organization marketing and that there are no indications that the model needs to be adjusted prior to the next phase of research.

A particularly interesting aspect of this study to date is the wide range of executive director opinions about the scope/components of marketing in nonprofit organizations, which are summarized in Table IV. While it is understandable that different organizations have different organizational structures, which, in most cases, pre-dated the arrival of these executive directors at their organizations, their input on the conceptual scope/components of marketing reflects divergent and strongly held positions. Another intriguing point involves the role of fund development (fundraising from individuals, corporations, foundations, and governments) as a subset of marketing. While four of the five executive directors initially stated that fund development does not fall under the umbrella of marketing, two of them later changed their minds during the interview process, as they reasoned that fund development involves marketing to potential donors and grantors.

Interviewee	Scope of marketing	Components of marketing
#1	Promotion of a product and selling of a product; raises awareness in the community	Paid advertising Direct mail Public relations (including social media) Ticket sales – bulk group and individual Not fund development
#2	Establishing the organization's presence in the community; telling the target population who you are, all about you	Not individual/group ticket sales Not fund development
#3	Getting the mission statement out to the community; bootstrapping it with available resources	Four Ps (product, price, place, promotion) Fund development
#4	Day-to-day operations; whatever you can do with a zero-based budget; guerrilla marketing; doing things that enhance your organization's credibility and reputation in the community	Fund development Advocacy Social networking Word of mouth
#5	Communication of messages to multiple audiences; selling a story and an experience to funders, ticket buyers, staff, potential partners, other organizations	Communications Fund development Public relations

**Table IV.**  
Scope/components of marketing in nonprofit arts organizations

The executive director statements about entrepreneurial and disruptive marketing are summarized in Tables V and VI. Both tables also outline the degree to which the interviewees accepted definitions of both concepts derived from the extant literature and the extent to which their organizations have implemented entrepreneurial and disruptive marketing. In general, they perceived the term, “entrepreneurial marketing” as having a positive connotation. “Disruptive marketing” was initially perceived as having a negative connotation, although, during the interview process, four of the five executive directors discussed “disruptive marketing” as a potentially positive force. The same was true of the term, “creative destruction” (summarized in Table VIII). In that case, although the interviewees understood the pairing of the words, “creative” and “destruction” and accepted the extant literature definition, they disliked the choice of the second word, characterizing its connotation as quite negative.

Examples of positive intended and unintended results of disruptive marketing noted in the preliminary interviews include increased financial revenue, improved services, and improved customer satisfaction with provided services at levels which interviewees believe are above those which they could have achieved with traditional marketing. Unintended negative consequences were reported for both traditional and disruptive marketing, including overestimation of expected income for cross-organizational projects, unanticipated positive response from less desirable market segments resulting in negative business model changes, and unexpected expenses related to the iterative nature of disruptive marketing.

Interviewee	Meaning	Acceptance of extant literature definition	Extent of organizational implementation (1 = low; 10 = high)
#1	Innovative outreach; sales outreach; outward-facing sales of your activities; responsibility to go out and seek business for the organization	Yes	5
#2	How is entrepreneurial marketing different from marketing? Marketing has got to constantly be thinking out of the box in new ways to position the company and get the message out. “entrepreneurial” is an overused word	Yes	6-7
#3	This executive director characterizes himself and his organization as reactive rather than proactive; simply trying to fulfill the organization’s mission; does not see “entrepreneurial” marketing as applicable	n/a	1
#4	Cutting-edge stuff that is not typical; doing things in a nontraditional way	Yes	3
#5	Creating something new that has not existed before; making the case that something deserves to be in place that has not been thought of before; breaking new ground; creating/building demand	Yes	2

**Table V.**  
Entrepreneurial  
marketing

Interviewee	Meaning	Acceptance of extant literature definition	Extent of organizational implementation (1 = low; 10 = high)
#1	Promoting something through disruptive/ innovative marketing angles/techniques that resonate with the marketplace, getting attention for your business (e.g. a flash mob) (positive) or doing something in a disruptive way that does not work (negative)	Yes	4-5
#2	Negative connotation; e.g. unproductive interference by board members which gets in the way of what you are doing with limited resources, because they have no concept of what it takes to "move the sales needle"	No	4 (executive directors definition) 6-7 (literature definition)
#3	Leadership philosophy that what you have been doing is probably not going to work down the road, so shake everything up to see what happens. N/A for his organization; stability/predictability are important	n/a	1-2
#4	Promoting something by showing it in an innovative light; can be extreme or negative, but can also be positive; constantly looking for creative ways of getting the word out about the organization	Yes	2
#5	Marketing that changes the game; that takes a product and presents it in a new way or twists things around in a way that people have not seen before	Yes	1-2 (for organization) 8 (for executive director)

**Table VI.**  
Disruptive marketing

Table IX summarizes the extent to which marketing and fund development efforts in the arts organizations were planned, deliberated, evaluated, and analyzed. Tables X and XI summarize detailed information about how the effectiveness of marketing and the financial success of the organizations are evaluated. Those results varied, and several of the executive directors noted that they were in the process of implementing processes to improve those efforts.

Table XII outlines the executive directors' answers to the question, "How do you know if you are doing a good job?" Interestingly, in three of the five cases, the executive directors had to proactively ask the board of directors for performance appraisals. In one case, the board conducted a review process, but never met with the executive director to discuss the results. In another case, the board has never given the executive director a performance appraisal. It is also noteworthy that, throughout the interviews, with one exception, the executive directors expressed concerns about their boards of directors, individually and/or as a group.

A key next step in this stream of research involves further in-depth analysis of these and subsequent interviews. The transcribed interviews are currently undergoing additional independent review by each of three assessors, using a structured analysis

Interviewee	Reasons	Barriers
#1	The major challenge of each successive manager is to figure out the community and marketplace, and what is going on in this generation, and try to deliver a new way to present a mature product, moving people slowly to be more innovative	Internal culture – people who support what we do support for their own reasons; audience challenges – diverse sets of expectations about what will/should happen. How do we deliver on thousands of different sets of expectations?
#2	People are always looking for new, less expensive, and different ways to do things, to get the edge on the market	People who live in the past, who just cannot wake up to what the future means
#3	If you have got a failing organization, you may as well try something new; conscious change that is reactive to the situation	Being disruptive or entrepreneurial carries some risk of the great unknown and uncertainty that is created
#4	You cannot keep repeating the same structural message and have it gain attention. At a certain point, you have to re-brand	Traditional thinking on boards; negativity; generally, people are reluctant to change; scarce resources
#5	If you do not ever change, if you do not pay attention to the world changing around you, if your message stays the same, you would not ever grab people where they live	The nonprofit financial structure, absence of reserve funds that allow risk-taking, and unwillingness at board level to allow/envision measured risk, resistance to doing anything new

**Table VII.**  
Reasons for/barriers to entrepreneurial and disruptive marketing

worksheet, followed by meetings of the assessors to discuss the interview transcripts and the analysis worksheets, from both an individual and summary perspective, to develop consensus on the results. Those results will be used as input in the development of a second qualitative survey instrument, which will be administered to generate input needed to refine the conceptual model and develop a questionnaire for use in the subsequent quantitative phase of the research.

Validation of data and results, assessed by evaluating triangulation, is particularly important with a qualitative research effort such as this one. In terms of theory triangulation, this study uses a variety of extant literature sources to derive our model and research propositions. Investigator triangulation is satisfied by the utilization of three researchers to analyze the theoretical approach, the literature, and the data. Methodological triangulation is addressed in three ways: first, preliminary input was solicited from four arts organization executive/artistic directors in the process of developing the model and the questionnaire; second, five organization executive/artistic directors (different from those involved in the first step) were interviewed using a structured set of questions; and third, informal observations of the dynamics of arts organizations and their marketing efforts, all of which contributed to the development of a detailed and balanced view of the implementation of traditional and disruptive marketing in arts organizations. Data triangulation involves time, space, and people. From the perspective of using multiple input sources, the people perspective is satisfied. From the space perspective, subsequent research efforts should branch out to other geographic areas. The “time” element of data triangulation implies longitudinal interviews and/or quantitative data analysis, which are also opportunities for future research.

Interviewee	Meaning	Acceptance of extant literature definition	Extent of organizational implementation (1 = low; 10 = high)
#1	Discarding what you have been doing in favor of something new and innovative; a bit of a rollercoaster; our organization tends to enhance ideas that exist	Yes	0-1
#2	Entrepreneurial and disruptive marketing are creative destruction, because you are destroying the past and moving on to what needs to work today	Yes	7
#3	That does not apply to me, personally. People who need to make a product obsolete can go off in some pretty dangerous directions, with unintended consequences. However, we all have a part to play to be active	n/a	Very low
#4	Negative connotation – conspiratorial behavior or using marketing to distort the competition Positive connotation – can use to alter a mission, re-educate people about a new frame of behavior or a new way of doing business	Yes	1-2 Should be more
#5	“Destruction” has a negative connotation; allowing pure creativity to run separate from message and intent of a marketing effort; continual product development, evolution, life cycle; not obsolescence, but evolving/paying attention to whom you are serving	No, not with the word “destruction”	0-1

**Table VIII.**  
Creative destruction

Interviewee	Extent to which planned/deliberate (1 = low; 10 = high)	Extent to which evaluated/analyzed (1 = low; 10 = high)
#1	6-8 and improving	6-7 and improving
#2	9+	9.8
#3	5-6	3
#4	5-6	7
#5	2-3 – professional chorus organization 6-7 – symphony organization	4

**Table IX.**  
Marketing and fund development efforts

### Managerial and academic implications

Our preliminary work indicates that arts organization managers are interested in the topic of disruptive marketing and, in particular, the entrepreneurial, creative, and cooperative elements of it, which may be of practical use to them. All of the four executive/artistic directors who were asked for their input on factors which contribute

Interviewee	How do you evaluate the effectiveness of marketing in your organization?
#1	Marketing is easy, because marketing is directly related to earned revenue. We monitor our subscriptions, single ticket sales, and support for the organization
#2	How we compare with our peers, looking at various industry ratios of income to expense for organizations our size Tracing results of specific campaigns
#3	By looking at the checking account and the financial statements
#4	We measure membership and changes in membership We are hearing less, "What does your organization do," which is a good sign. We are getting more calls to consult with organizations and do public speaking We track our on-line newsletter to see what stories got opened, who forwarded what, and we know who read it We track Facebook to get a report of who is new, who continues to "like" us
#5	Did people come or not? Evaluating where people are coming from – how did they found out about us? Evaluating attendance based on the nature of the programs Constant questioning – how to get audiences

**Table X.**  
Evaluation of the effectiveness of marketing

Interviewee	How do you evaluate the financial success of your organization?
#1	We have very good accounting and reporting mechanisms to take the temperature of our finances at any given time Our Finance Committee is very engaged with the board. It is a team effort to keep an eye on finances to make sure things are going well, and that is a part of good management
#2	Do we have a black number at the bottom line? In this business, you cannot be in the red very much for very long Whether there is money in the checking account to make payroll
#3	Evaluating the cash position and cash forecast We recently received a substantial endowment grant, which is transformational, because we know we will have an income stream and sufficient cash for the foreseeable future
#4	We are not financially successful – we are in the red every year by March, and that is a continuing problem that we have not resolved We do not have good standing with grantors or in the business community We constantly have to remind members to renew
#5	Going beyond self-sustaining into the ability to vision Having enough financial support, as a result of your product, to not simply sustain your current activities but imagine new dreams, break new ground, so that you could do disruptive marketing Freeing up people who do the creative work to do it, not simply avoid failure

**Table XI.**  
Evaluation of organizational financial success

to disruptive marketing recognized the term when it was brought up, as did four of the five executive/artistic directors who participated in the in-depth interviews. Eyes literally lit up when we asked them for examples of disruptive marketing and unintended consequences. Their discussion of the topic was lively and accompanied by examples of their experiences with those concepts in actual practice. We believe, therefore, that there is significant interest of the results of this research in terms of practical application to marketing-related situations.



Interviewee	How do you know if you are doing a good job?
#1	Officially, from the board. I get reviewed by the board once a year and have already had my review. I encouraged a review sooner rather than later, because an executive director of my type moves very quickly and accomplishes things very quickly, and it is easy to go off the track of where the board thinks we should be going Unofficially, I speak to individual musicians and staff. I am constantly talking to people out in the community and the regional stakeholders
#2	I evaluate myself on the bottom line. If it is black, and it is consistently black year after year, by one means or another, to me, I am doing a good job, because that is what I am asked to deliver
#3	There is an annual review process that gives me formal feedback The board keeps telling me that they want to pay me more, although the current size of our budget does not allow that to happen I get wonderful feedback from many directions, including the board and the staff. People are happy that the organization is stable
#4	I have not been evaluated in three years. An evaluation was done last summer, and no one has ever met with me about that evaluation. So, I have no idea There is a personnel policy but no personnel system in place – no one actively engaged in personnel relations I rely heavily on feedback from email and from in-person feedback, e.g. from workshops or other programs. That is pretty much it – it is all osmosis
#5	Your board will tell you – or they would not I have never had any formal performance review at any of my jobs, ever. I think that is very damaging, because you do not know where you stand In the symphonic world, I could not tell you who, artistically, is my supervisor With self-assessment, you can pay attention to the signals, and intentionally build systems to keep yourself accountable

**Table XII.**  
Management evaluation

No work on the specific topics of disruptive marketing and unintended consequences has been done in the nonprofit arts sector, and we found little academic work on those topics in the mainstream marketing literature. We found some reviews of literature on disruptive marketing as a sub-perspective (along with guerrilla marketing, radical marketing, and expeditionary marketing) of entrepreneurial marketing, one of which was quite extensive (Morris *et al.*, 2002), and several research papers on related aspects of marketing. The subject of disruptive marketing has been discussed in several practitioner journal papers. We found no significant qualitative studies and no quantitative studies on disruptive marketing. We were unable to find any literature on unintended consequences, *per se*. This research stream, therefore, has the potential to make a significant contribution to the body of marketing knowledge, in terms of both qualitative and quantitative research. In particular, we propose that an in-depth exploration of disruptive marketing, and related concepts, such as entrepreneurial marketing, creative marketing, corporate entrepreneurship, economic creative destruction, and blue ocean strategy, in the context of the arts sector, will, as indicated by the interviewees for this project, has the potential to yield valuable insights for key arts organization stakeholders.

The combination of data, observations, and methodologies used in this study makes a credible case for the conclusions drawn from analysis and lends credibility to future efforts in this area. A key next step is to expand the scope of the research to a wider

population and variety of arts organizations (e.g. museums and dance companies) and managers (executive directors, artistic directors, and marketing managers) across different geographic areas to improve potential generalizability. Following arts organizations and managers longitudinally, over time, has the potential to yield particularly rich research insights.

This study presented a theoretical model of disruptive marketing and intended/unintended consequences, and the results of the qualitative interviews indicated that no changes were necessary to the theoretical model of disruptive marketing and intended/unintended consequences. The next step toward validation of that model involves development of scales for the model constructs, followed by quantitative assessment of the model, using results of surveys completed by arts organization executive directors and marketing managers, which will specifically test the model and its component factors and propositions.

Opportunities for future research to build directly on this qualitative study, therefore, include: first, further qualitative research to yield further information on manifestations of disruptive marketing in arts organizations, factors which can mitigate unintended negative consequences, and best practices which can enhance intended positive results, and second, empirical assessment of the topic of disruptive marketing and its intended/unintended consequences to produce useful, quantitative data which can be analyzed to provide information for arts organizations, which may benefit from moving toward an entrepreneurial, disruptive marketing approach.

### Conclusion

This is the first academic study to examine the concepts of disruptive marketing and unintended consequences in the larger contexts of entrepreneurial marketing and, at the broader level, arts marketing in the nonprofit arts sector. The significance of this research stream, based on preliminary input from senior managers of arts organizations, and subsequent in-depth interviews with executive directors, is that there is immense interest in these topics, even among arts organizations and leaders who, for a variety of reasons, have not yet explored, and tapped the potential of entrepreneurial/disruptive marketing. The comprehensive foundation that this work has begun to build has the potential to yield important practical ideas, opportunities, tools, and measurable results for individual organizations and the larger arts/culture sector. It is our hope that this initial research will stimulate additional complementary study by other researchers on the subjects of disruptive marketing, entrepreneurial marketing, creative marketing, creative destruction, and unintended consequences of marketing.

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### **Appendix. Entrepreneurial and disruptive marketing/intended and unintended consequences**

#### Structured Interview Questions

1. What, to you, is the scope of "marketing" in a nonprofit arts organization?
2. What does the term "entrepreneurial marketing" mean to you?
3. Provide definition of entrepreneurial marketing: the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches.
4. On a scale of 1-10, to what extent do, or have, you and your organization engaged in entrepreneurial marketing?
5. What does the term "disruptive marketing" mean to you?
6. Provide definition of disruptive marketing: An emergent and alternative process/methodology entrepreneurial marketing approach.
7. On a scale of 1-10, to what extent do, or have, you and your organization engaged in disruptive marketing?
8. What do you see as potential reasons for entrepreneurial marketing? for disruptive marketing?
9. What do you see as potential barriers to entrepreneurial marketing? to disruptive marketing?
10. What does the term "creative destruction" mean to you?
11. Provide definition of creative destruction: continual disruption of economic equilibrium brought on by entrepreneurial activity
12. On a scale of 1-10, to what extent do, or have, you and your organization engaged in creative destruction?
13. Can you think of an example of a situation in which marketing resulted in unintended consequences? Were they positive or negative?
14. Sometimes, marketing itself is inadvertent. Can you think of an example of inadvertent marketing?
15. Provide definition of inadvertent marketing: unplanned, unintended and/or unforeseen marketing

16. To what extent, on a scale of 1-10 are your marketing/development efforts planned and deliberate? (1 – unplanned; completely *ad hoc*; 10 – planned down to the finest detail)
17. To what extent, on a scale of 1-10 are your marketing/development efforts evaluated and analyzed? (1 – no evaluation or analysis; 10 – formal, detailed evaluation and analysis, leading to changes, as needed)
18. How do you evaluate the effectiveness of marketing in your organization?
19. How do you evaluate the financial success of your organization?
20. How do you know if you're doing a good job?

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