

Entrepreneurship Marketing and Performance of Smes in Ogun State Nigeria

Olatunde Dairo

Department of Marketing, MoshoodAbiola Polytechnic, Ogun state, Nigeria

Submitted: 18-09-2021

Revised: 28-09-2021

Accepted: 30-09-2021

ABSTRACT

This paper investigated the effect of entrepreneurship marketing on performance of selected SMEs in Ogun State, Nigeria. The study adopted a survey research design. The total population of the study is two thousand, four hundred and twenty-five (2425) personnel of the selected SMEs in Ogun state, Nigeria. A sample size of 446 was determined using Taro Yamane formula. A well-structured and adapted questionnaire was used to collect data from the respondents. The data collected were analyzed using linear regression analysis. Findings revealed that there is a positive effect of Entrepreneurship marketing on performance of SMEs in Ogun state, Nigeria (Adj. $R^2 = 0.452$; $p < 0.05$). Therefore, training and development is needed for SME owners on wise use of advanced technology marketing tools to drive their enterprises and to generate valuable items or services.

Keywords: Covid-19 Era, Entrepreneurship Marketing, Performance, SMEs.

I. INTRODUCTION

Small and medium-sized businesses have long been thought to be the engines of economic growth and the drivers of fair development. The primary advantage of the sector is its low capital cost employment potential. When compared to large corporations, SMEs have a far higher labor intensity. Small and medium-sized businesses have a well-established role in the country's economic and social development (Ogunode, Abereola & Oloyede, 2020). The industry is a breeding ground for new businesses, usually propelled by individual initiative and creativity (Aremu & Adeyemi, 2011). Small and medium-sized companies (SMEs) play an important role in the growth process in the majority of industrialized and developing countries. Many governments have recognized the importance of small businesses. Dynamism, new ideas, efficiency, and compact sizes allow for faster and more efficient decision-

making. According to Janet and Ngugi (2014), since the mid-1980s, the marketing/business interface of SMEs (SMEs) has been the subject of a steady stream of research, much of which has concentrated on marketing problems in enterprise businesses (Kurtz, 2010). Entrepreneurial Marketing has been used to characterize the marketing activities of small and developing businesses. EM is an investigation of how entrepreneurial traits may be leveraged to develop marketing strategies and approaches (Krohmer, Homburg, & Workman, 2011).

Nigeria's economy is now in disarray because of the overall impact of the pandemic Covid-19. Meanwhile, previous research shows that SMEs contribute significantly to the economic success of the majority of rising countries. According to Kenyan statistics, SMEs generate more than 70% of Kenya's GDP (Ogunode et al., 2020). SMEs are increasingly seen as the driving force behind Kenya's economic growth, but the opposite is true in Nigeria. According to historical data, three out of every five firms in Nigeria's SME sector fail during the first few months of existence (Ogunode et al., 2020). Nonetheless, it is widely accepted that SMEs have particular challenges that affect growth, profitability, and creative performance, reducing their capability to contribute effectively to sustainable development. Corporate marketing, according to Hill and Hultman (2006), is a tool for success in small and medium-sized businesses due to their tremendous effect in supporting and producing sector growth. Unfortunately, it appears that the majority of Nigerian SMEs are still unable to achieve the desired results for their businesses by embracing entrepreneurial marketing. Worse, there are still limited applications for entrepreneurial marketing in SMEs in marketing literature.

Although there has been an increase in study on the marketing of SMEs in recent years, the outcomes in marketing practices among SMEs in Nigeria have not reflected contemporary

findings. Large organizational models for small businesses have been criticized in the literature (Aremu&Adeyemi, 2011), and more study is needed to discover how small- and medium-sized marketing is conducted (Aremu&Adeyemi, 2011). Consumers now have a wide variety of products/services to compete against, with strong competitiveness on the SMEs and the vast range of brokerage models in SMEs. Therefore it is crucial that SMEs have a robust marketing plan to improve their industry performance. While bridging the research gap, the study objectively assesses current knowledge and scientific discoveries in the context of the Nigerian SME sector. As a result, this article was written to meet a market demand and to pave the way for new vistas of knowledge. Thus, this paper investigated the effect of entrepreneurship marketing on performance of selected SMEs in Ogun State, Nigeria.

II. LITERATURE REVIEW

Entrepreneurship Marketing

The formal definition for the American Marketing Association is that marketing is the activity, collection of institutions and process of the creation, communication, exchange and exchange of products that give value to the consumers, customers, partners and the general public. The management of these exchange procedures requires substantial labor and skill (Kotler & Keller, 2012). Entrepreneurship on the other hand means any kind of self-employment; activities involving identification of opportunities within the economic system; the establishment of new organizations; the willingness and capacity of an individual to search for investment opportunities in a given environment and to successfully set up and run an enterprise based on identifiable opportunities.

The idea of entrepreneurship marketing (EM) was established in 1982 as a new, entrepreneurial and marketing-oriented paradigm. The word EM does not have a meaning that is generally recognized however it may be characterized as the process that companies conduct when marketing is used to act business. EM usually involves the innovative marketing of small companies with little resources (Fatoki, 2019). The responsibility of small enterprises as well as the responsibility of newness lies with small companies. Limited consumer base, market strength and human and financial resources are shown in the responsibility for minor things. The newness responsibility applies to new small companies that often do not have established ties with market partners. EM refers to the marketing of resources-controlled companies with unexpected,

intuitive, dangerous, unfamiliar and intimate marketing strategy (Sadiku-Dushi, Dana &Ramadani, 2019).

Olannye and Eromafuru (2016) define entrepreneurial marketing as the values, skills, and behaviors of entrepreneurs in addressing problems and identifying business opportunities. It represents a different approach to imagining the business itself, its relationship with the market, and the role of the marketing function within the firm, or as a strategic entrepreneurial posture. Collinson and Shaw (2001) defined entrepreneurial marketing as market responsiveness and a seeming intuitive ability to foresee changes in client needs. The entrepreneur's main activity is anticipating change because he takes advantage of gathering market knowledge through his or her network contacts with few financial resources and limited time to do market research. According to them, the confluence of marketing and entrepreneurship is based on a change-oriented, opportunistic, and inventive management style. This article concentrated on three key aspects of EM: proactiveness, opportunity-driven risk-taking, and measured risk-taking.

Pro-activeness refers to an entrepreneur's propensity to outperform competitors by combining proactive and aggressive actions, such as offering new products or services ahead of the competition and acting in anticipation of future demand to generate change and affect the environment. Furthermore, having a proactive mindset entails finding and addressing consumers' latent, unarticulated wants through gathering customer and competitor-based data (Keh&Nguyen, 2007). Proactivity is linked to the conditions in which businesses function. It considers the business's activities and internal changes that may have an impact on the environment and help the organization to achieve competitive advantages (Andersen, Flocke, Mikkelsen&Roepstorff, 2010). Although opportunity can strike at any time, entrepreneurial marketers are recognized for looking for new possibilities ahead of time. Entrepreneurial businesses that are forward-thinking and willing to be pioneers are better equipped to meet unmet demands and seize new possibilities before their competitors. Entrepreneurial businesses need tools like innovation and creativity to transform prospects become reality. It may be seen in the enterprises' drive to grow their company, expand into new markets, and be the best in their field (Klodiana& Ana, 2016).

The ability to take risks, which includes the willingness to invest significant resources in

pursuing possibilities through the use of business techniques. It's possible that the outcomes will be highly ambiguous (Morris Schindehutte&LaForge, 2002). The firm's proclivity to invest its resources in risky operations is referred to as risk taking (Eggers Kraus, Hughes, Laraway&Snyerski., 2013). Risk taking is measured on a scale of one to ten, with SME risk taking being lower and BIG company risk taking greater. It might range from investing in a new product or introducing it into a whole new market to stock market investment. The efficacy of risk taking is determined by the level of performance and reputation (Eggers et al. 2013). Entrepreneurial marketing methods allow businesses to take calculated, reasonable, and measured risks. Firms that have embraced entrepreneurial marketing strategies are risk takers that recognize that innovation in today's social, technical, and economic settings is fundamentally unpredictable and necessitates rational long-shot wagering (Panama &Adeola, 2020). Working in alliance with other parties, which these businesses feel will bring complementary competencies and assist shift risk to other parties, is one strategy for controlling risk (Miles &Darroch, 2004).

SMEs Performance

SME's have long been seen as the engine of economic growth and a means of fostering equitable development. The sector's main benefit is its ability to generate jobs at a cheap cost of capital. The labor intensity of small and medium-sized businesses is significantly higher than that of giant corporations. Small and medium businesses play an important part in the country's economic and social growth. The industry is a breeding ground for entrepreneurship, which is typically fueled by individual ingenuity and invention (Aremu&Adeyemi, 2011). In most developed and emerging nations, small and medium enterprises play critical roles in the growth process. The importance of small companies has been recognized by several countries. They are known for their dynamism, clever ideas, and efficiency, and their tiny size allows for quicker decision-making (Adegbuyi, Akinyele&Akinyele, 2015). Since SMEs are widely recognized as the engine of economic growth and development, the federal government has established a number of programs to assist and support them, including the establishment of the Small Scale Industries Credit Scheme (SSIC) (Adegbuyi, et al, 2015). Firm performance, on the other hand, is defined by Lebens and Euske (2006) as a combination of financial and non-financial indicators that offer information on the achievement of objectives and

results. Financial or objective performance include profitability, turnover or sales and market value indicators. EM allows a firm to have a dual customer and entrepreneur-centric orientation. The combination of EM as both market-oriented and entrepreneurially oriented activities allows firms to survive both static and volatile market environments.

Theoretical Framework

This study was anchored on Resource based view theory which satisfactorily dealt with the subject matter as regard EM and SMEs performance. To have a sustained competitive advantage, a company must have valuable, uncommon, inimitable, and non-substitutable resources, according to Barney's (1991) Resource-Based View (RBV) Theory, and these resources encompass everything internal to the organization. All assets, capabilities, organizational processes, company qualities, information, expertise, and so on were identified as resources by Barney (1986). This theory's application to organizations demonstrates the importance of people in a company's competitive advantage. Wright and McMahan (2001) used the following four qualities that people, as resources, must have for the firm to be competitive to demonstrate how this theory may be applied to organizations. First and foremost, they must place a high value on the company's production processes, implying that individual performance must be crucial. Second, the company's desired talents must be uncommon. They believe that because human resources are dispersed equitably, they should all satisfy these two requirements. Third, a company's workers' total human capital investments are difficult to duplicate. It's possible that the RBV is tautological or self-verifying. Because this argument is circular, it is ineffective (Priem& Butler, 2001). Collis (1994) also stated that. Barney's perspective, according to Priem and Butler (2001), does not form a firm theory. The requirements of law, such as empirical content generalizations (Rudner, 2016), anomic necessity, and generalized conditionals, are not satisfied. However, Priem and Butler (2001) might be faulted for missing the point significantly. This is due to their emphasis on the RBV's position as a theory, the tautology accusation, and long-term competitive advantage. In practice, senior managers are frequently unconcerned with whether or not the RBV is a valid theory. Instead, kids require supervision in order to survive in a competitive environment. The presumption is that a company can be profitable in a highly competitive market if it can take use of beneficial resources, however this is not always the

case. It overlooks external industry-wide issues; a company should also examine Porter's industry structure study.

Empirical Review and Hypothesis Development

HaciogluEren, Eren andCelikkan(2012) investigate the relationship between the seven dimensions of EM and firm innovative performance in a sample of Turkish SMEs. The study found that four dimensions of the EM namely proactiveness, innovativeness, customer intensity and resource leveraging have significant relationships with firm innovative performance. The effects of the three other dimensions are not significant. Hamali (2015) finds that proactiveness, resources leveraging, value creation and customer intensity dimensions of EM have significant positive relationships with business performance. Olannye and Edward (2016) examine the effect of EM on the performance of fast food restaurants in Nigeria. The findings of the study show that proactiveness, innovation and opportunity recognition dimensions of EM exhibit significant positive effects on firm competitive advantage. Sadiku-Dushiet al. (2019) explore the relationship between the seven dimensions of EM and overall firm performance as measured by efficiency, profit, owner's personal goal and firm and owner's reputation. The results indicate that proactiveness and calculated risk-taking have negative relationships with overall SME Performance. Opportunity focus, innovativeness, customer intensity, resource leveraging and value creation have significant positive effects on overall firm performance Hamaliet al. (2016) examine the effect of EM on innovation and its impact on marketing performance and financial performance of small firm in Indonesia. The results indicate that EM is

positively related to innovation. In addition, the findings of the study show that there is a significant positive relationship between EM and marketing and financial performance. The results suggest that the higher the EM, the higher the innovation, marketing and financial performance of a firm.Hence, based on the discussion presented above, it is possible to establish the following research hypothesis:

H₀: Entrepreneurship marketing has no significant effect on performance of selected SMEs in Ogun State, Nigeria.

III. METHODOLOGY

The survey design was chosen for this research. This design was considered in order to look into the correlations that exist between the study variables as well as to gather data. Furthermore, the study employed a cross sectional research strategy, which entails gathering data from a particular sample of the population just once, at different locations, and during the same time period. The study instrument was distributed and collected from respondents as the primary source of data collection.The reliability of the research instrument was determined utilizing the cronbach alpha analysis, and the instrument was confirmed to be reliable. The study's population is two thousand four hundred and twenty-five (2425) people, including the owners and workers of the selected SMEs in Ogun State. The sample size was calculated using the Yamane (1967) equations, which resulted in a total of 446 participants (446). The statistical software for service solutions was used to examine the data using basic linear regression analysis (SPSS).

IV. RESULTS AND DISCUSSIONS

Linear Regression Analysis between Entrepreneur Marketing and SMEs development

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.674 ^a	.455	.452	1.01762

a. Predictors: (Constant), EM

Source: Researcher's Field Survey Result (2021)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.986	.146		6.764	.000
	EM	.688	.056	.674		

a. Dependent Variable: SME's Performance

Source: Researcher's Field Survey Result (2021)

Interpretation

The result in table showed that entrepreneurship marketing has a statistically effect on performance of the selected SMEs in Ogun State, Nigeria as it is associated with sig-value of 0.000 which is less than 0.05 or 5%. Therefore, the null hypothesis is rejected since $P < 0.05$ (which states; entrepreneurship marketing has no significant effect on SMEs performance in Ogun State, Nigeria).

The table also revealed that entrepreneur marketing and SMEs performance has a moderate correlation of 0.674 indicating that there is a moderate relationship between the two (2) variables. The coefficient of determination (R^2) indicates that entrepreneurship marketing explains (45.5 %) in the differences of SME's performance, while the increasing degree in entrepreneurship marketing will increase SMEs performance by (0.674). The coefficient tells how much the dependent variable measure of SMEs performance is expected to increase since it is positive when the independent variable is increased by unit.

Discussion of Findings

The findings of the study revealed that entrepreneurship marketing significantly affect performance of selected SME's in Ogun state, Nigeria and is consistent with findings revealed in the work of Olannye and Edward (2016) that proactiveness, innovation and opportunity recognition dimensions of EM exhibit significant positive effects on firm competitive advantage. Similarly, Mugambi and Karugu (2017) posited that a strong relationship between strategic orientation, market orientation, innovation orientation and resource leveraging on the performance of real enterprise a case of Optiven Limited. Rashad (2018) concluded that the dimensions of EM were demonstrated within the sample of SMEs in Jeddah. Whereas regression analysis results revealed that opportunity focused, the calculated risk taken, and value creation dimensions of EM are positively related to performance. In addition, Fatoki (2019) discovered that a positive relationships between some dimensions of EM and organizational and personal performance. Theoretically, the study linked EM to the personal performance of the owners of SMEs.

V. CONCLUSION, RECOMMENDATIONS AND SUGGESTION FOR FURTHER STUDIES

The study found out that entrepreneurship marketing had a significant effect on performance of SME's in Ogun state, Nigeria. The study's theoretical consequence is that the characteristics of EM are linked to owners' personal performance. Firm performance measures, particularly financial indicators, have tended to be the focus of studies on EM and the performance of SMEs. The study adds to the knowledge on the link between EM and SMEs' performance from an empirical standpoint. Practically, the study recommends that training and development is needed for SME owners on wise use of advanced technology marketing tools to drive their enterprises and to generate valuable items or services. Similarly, the government must extend current changes to our educational system in order to make it more functional, relevant, and demand-driven if it is to succeed in reinventing the future of SMEs. Modern technology, practical technological, and entrepreneurial courses targeted at generating entrepreneurs should be the focus and attention. This necessitates a shift in our culture, value system, and direction, as well as a shift in Nigerians' general attitude, ethics, and understanding of the importance of each Nigerian contributing to make our nation better than we found it. Future studies can investigate the impact of EM on non-financial variables like as social responsibility.

REFERENCE

- [1]. Adegbuyi, O. A., Akinyele, F. A., & Akinyele, S. T. (2015) Effect of social media marketing on small scale business performance in Ota-Metropolis, Nigeria. *International Journal of Social Science and Management*, 2(3) 275-283
- [2]. Andersen, H. H., Flocke, T., Mikkelsen, K., & Roepstorff, C. (2010). Measuring enterprise proactiveness in managing occupational safety. *Safety Science Monitor*.
- [3]. Aremu, M. A., & Adeyemi, S. L. (2011). Small and medium scale enterprises as a survival strategy for employment generation in Nigeria. *Journal of Sustainable Development*. 4(1) 200-206.
- [4]. Collinson, E., & Shaw, E. (2001). Entrepreneurial marketing: A historical perspective on development and practice. *Management Decision*, 39(9), 761-767
- [5]. Eggers, F., Kraus, S., Hughes, M., Laraway, S., & Snyckerski, S. (2013). Implications of

- customer and entrepreneurial orientations for SME growth. *Management Decision*
- [6]. Fatoki, O. (2019). Entrepreneurial marketing and performance of small and medium enterprises in South Africa. *Journal of Reviews on Global Economics*, 8, 1429-1437.
- [7]. Hamali, S., Suryana, Y., Effendi, N., &Azis, Y.(2016). Influence of entrepreneurial marketing toward innovation and its impact on business performance: A survey on small industries of wearing apparel in West Java, Indonesia. *International Journal of Economics, Commerce and Management*, 4(8), 101-114.
- [8]. Hills, G., &Hultman, C. (2006). Marketing entrepreneurship and SMEs: Knowledge and education revisite”. Paper presented at the Academy of Marketing Special Interest Group on Entrepreneurial and SMEs Marketing, Southampton, UK, January.
- [9]. Hacioglu, G, Eren, S., Eren, M. &Celikkan, H. (2012). The effect of entrepreneurial marketing on firms’ innovative performance in Turkish SMEs.*Procedia-Social and Behavioural Sciences*, 58 (12), 871-878
- [10]. Janet, M. &Nguni, K. (2014). Influence of entrepreneurial marketing on the growth of SMEs in Kiambu Town-CBD, Kenya. *European Journal of Business Management*, 1(11), 361-377.
- [11]. Keh, H. T., & Nguyen, T. H. (2007). The effects of entrepreneurial orientation and marketing information on the performance of SMEs. *Journal of Business Venturing*, 22, 592–611.
- [12]. Klodiana, G., & Ana, B. (2016). Entrepreneurial marketing: Evidence from SMEs in Albania. *American Journal of Marketing Research* 2(2), 46-52
- [13]. Kotler, P &Keller, L. K. (2012) *Marketing management*.(14 ed.). Pearson Education, Inc., publishing as Prentice Hall, One Lake Street, Upper Saddle River, New Jersey
- [14]. Krohmer, H., Homburg, C., & Workman, J., (2002). Should marketing be cross-functional? Conceptual development and international empirical evidence. *Journal of Business Research*, 55, Accessed 17 May 2018
- [15]. Kurtz, D. (2010). *Contemporary Marketing* Mason. OH: South-Western Cengage Learning.
- [16]. Lebens, M. &Euske, K. (2006). A conceptual and operational delineation of performance. *Business Performance Measurement*. Cambridge University Press
- [17]. Miles, M. P. &Darroch, J. (2006). Large firms, entrepreneurial marketing processes, and the cycle of competitive advantage. *European Journal of Marketing* 40, 485-501.
- [18]. Morris, M. H., Schindehutte, M., &LaForge, R. W. (2002). Entrepreneurial marketing: A construct for integrating emerging entrepreneurship and marketing perspectives. *Journal of Marketing Theory and Practice*, 10(4), 1-19.
- [19]. Mugambi, E. N., &Karugu, W. N. (2017). Effect of entrepreneurial marketing on performance of real estate enterprises: A case of Optiven limited in Nairobi, Kenya. *International Academic Journal of Innovation, Leadership and Entrepreneurship*, 2(1), 46–70.
- [20]. Ogunode, P., Abereola, S., &Oloyede, A. (2020). Entrepreneurship marketing and performance of SMES in Nigeria. *International Journal of Small Business and Entrepreneurship Research*, 8(1), 39-52
- [21]. Olannye, A. P &Eromafuru, E. (2016). The dimension of entrepreneurial marketing on the performance of fast food restaurants in Asaba, Delta State, Nigeria. *Journal of Emerging Trends in Economics and Management Sciences (JETEMS)*, 7(3), 137-146.
- [22]. Panama, A., &Adeola, A. (2020). Entrepreneurial marketing dimensions and market performance of small and medium-scaled enterprises in Niger Delta, Nigeria. *International Journal of Small Business and Entrepreneurship Research*, 8(2), 43-58
- [23]. Sadiku-Dushi, N., Dana, L., & Ramadani, V. (2019). Entrepreneurial marketing dimensions and SMEs performance. *Journal of Business Research*, 100, 86-99.