EFFECT OF ENTREPRENEURIAL MARKETING ON THE GROWTH OF SMALL-SCALE ENTERPRISES IN KWARA STATE, NIGERIA

OLOTA, Oluwayomi Omotayo
Department of Business Administration
Faculty of Management Sciences,
University of Ilorin;
olota.oo@unilorin.edu.ng

AYOOLA, Olorunfemi Joseph
Department of Business Administration,
Faculty of Management Sciences,
University of Ilorin
aolorunfemi@yahoo.com

BALOGUN Ebenezer Oluwadamilare
Department of Business Administration
Faculty of Management Sciences,
University of Ilorin.
balobendar@gmail.com

Abstract
This study examined the impact of entrepreneurial marketing on the growth of SSEs in Ilorin, Kwara State, Nigeria. Specifically, it assessed how proactiveness affects SMEs product expansion and how innovativeness affects SMEs survival in Ilorin. A descriptive survey design was utilized to choose respondents. The sample size determination formulae used by Krejcie and Morgan (1970) yielded 304 SSEs, in which 282 questionnaires were retrieved. Statistical product and service solution version 23 (SPSS v23) was utilized to analyze the collected data. The hypotheses were tested through multiple regression. The study found that entrepreneurs' proactiveness has a 97% positive influence on SSE product expansion and entrepreneurs' innovativeness has a 98.5% positive effect on SSE survival. The study concluded that entrepreneurial marketing helps SSEs flourish. It advised SSE management to always innovate in order to sustain, expand, and prosper in the industry.
Keywords: Entrepreneurial marketing, SSE growth, Proactiveness, Product expansion, Innovativeness

Introduction

Marketing is a matrix of corporate activities structured to plan, create, price, market, and distribute goods, services, and ideas to meet relevant needs. In today's fast-paced competitive markets, tracking marketing's growth is crucial to managing it efficiently. For organizations to increase performance, stay relevant, and effectively compete, they must practice it wisely (Masato & Troilo, 2015; Zaefarian, 2014).

Entrepreneurial marketing is the conduct of any individual or organization that seeks to establish and promote market concepts while developing new ones in order to produce value (Kraus, Harms & Fink, 2010). Entrepreneurial marketing is a business function and various stages for developing, communicating, and offering values to customers, and maintaining customer relationships in ways that are advantageous to the firm and its stakeholders (Kraus, Harms & Fink, 2010).

Entrepreneurial marketing would leverage creative communication channels (e.g.,

internet, mobile marketing) or traditional channels in new ways with fresh content. The communication strategy also utilizes external resources, such as consumer referrals. Other marketing functions (Ahuja, Michels, Walker & Weissbuch, 2007) can be conservative or entrepreneurial in nature.

Most studies on entrepreneurial marketing strategies and small business growth have always concentrated on large enterprises in developed markets and economies (Salavou, Baltas, and Lioukas 2004). Few are undertaken in the research area (Mba & Emerti, 2014). Therefore. This paper investigates the effect of entrepreneurial marketing on Small Scale Enterprises in Ilorin, kwara State using entrepreneurial Innovation theory as the basis and applying multiple regression model model for the analysis.

2.1 Conceptual Literature

2.1.1 Concept of Entrepreneurial Marketing

Entrepreneurial marketing (EM) is the marketing by entrepreneurs and small business owners (Kraus, Harms and Fink, 2010, Nwaizugbo and Anukam, 2014). Entrepreneurial Marketing is the first of three stages in the marketing practice of growing new business ventures (2010). They claim that EM helps entrepreneurs spot market opportunities and aggressively lead customers to exploit them. EM is not inferior to traditional marketing (TM) used by large organizations, but it is more suited to entrepreneurial contexts (Goffee & Scase, 2015). EM is not just for small businesses; big businesses can also adopt an entrepreneurial marketing strategy (Kraus, Harms & Fink, 2010). Marketing activities with an entrepreneurial mindset can be described as EM regardless of firm size or age (Kraus, Harms & Fink, 2010). An EM is "the marketing function that considers innovation, risk taking, proactiveness and opportunity pursuit regardless of the resources currently controlled" (Kraus et al., 2010).

2.1.2 Concept of Pro-activeness

To be pro-active is to be forward-looking and responsive to market opportunities (Mamun & Fazal, 2018). Entrepreneurial marketing is proactive and change-oriented, rather than reactive (Nwaizugbo & Anukam, 2014). Entrepreneurial firms anticipate the need of their customers and competitor actions (Blesa & Ripollés, 2008). Entrepreneurial marketers see the external environment as fluid, changing, and full of opportunities (Morris, Kuratko, Schindehutte, & Spivack, 2012). They are proactive and take actions that can affect their environment (Mayasari, Maharani, & Wiadi, 2009).

2.1.3 Concept of Innovativeness

Adopting something new is innovation (Rogers, 2003). Regardless of size, organizations must innovate to quickly respond to changing customer and market situations (Baregheh, Rowley, & Seabrook, 2009). According to Baregheh et al. (2009), organizational innovation encompasses products, services, processes, operations, and people. Marketing innovation is critical to maintaining a competitive advantage in the market (Mayasari, Maharani, & Wiadi, 2009). Customer connection and communication management, service level and operational operations are all areas where entrepreneurs constantly push innovative ways (Mayasari et al., 2009).

2.1.4 Concept of Small and Medium Enterprise Growth (SME)

Various academics have argued that SMEs vary from larger businesses in terms of growth potential. They stated that large companies grow during recessions/recoveries, while SMEs flourish during booms. According to Huynh and Petrunia (2010), growth-oriented enterprises have greater debt levels than non-growth-oriented firms. The drive for business growth is the only way for SMEs to grow and create jobs (Davidsson,

Achtenhagen & Naldi, 2010). Levratto, Tessier, and Zouikri (2010) identified important determinants impacting SME growth as firm resources, human capital (age, experience), environmental, and market features.

2.1.5 Product Expansion

All successful small business startups must eventually deal with business expansion. Expansion presents both opportunities and risks to a corporation. On one hand, corporate growth frequently means better financial fortunes for both owners and employees. Expansion also validates the entrepreneur's initial business startup idea and subsequent attempts to realize that goal.

Concept of Business Survival

Business survival is a short-term goal, probably for new businesses, new firms entering the market, or during a crisis (Ong & Thomas, 2021). These are frequent objectives for small enterprises. Business survival means keeping the business running for a long time. The majority of businesses want to make it through their first year.

2.2 Theoretical Literature Review

2.2.1 Entrepreneurship Innovation Theory

According to Schumpeter (1934), entrepreneurship is the fourth factor of production, a driver of economic growth and renewal. He also stated that an entrepreneur is creative, imaginative, and foresighted. Schumpeter (1949) termed these entrepreneurial innovations “New Combinations”. Since tradition and routine stifled change, Schumpeter held that innovations tend to be undertaken by new firms. Thus in Schumpeter’s theory of innovation, entrepreneurial changes in business activity created an environment conducive to further change. Innovations were copied, applied in similar and related lines, and even transferred to other non-related fields. Through this widespread entrepreneurial copying, significant innovations transformed entire sectors of the economy. One consequence of extensive imitation was “that innovations do not remain isolated events, and are not evenly distributed in time, but that on the contrary they tend to cluster, to come about in bunches, simply because some, and then most, firms follow in the wake of successful innovation. The result, the Austrian economist concluded, was that innovation pushed capitalist economic development forward not evenly, but rather “by jerks and rushes.” It was “a distinct and painful process”. After much deliberation and thinking, Schumpeter has come to the conclusion that innovation is the factor which sets a common risk taker from entrepreneurs as according to Schumpeter entrepreneurs is someone who “Creatively destructs” or one who is “Creative destructor”

This theory only focuses upon innovation function of entrepreneurs and does not talk about other important and equally critical aspects of entrepreneurs like organization and management skills.

The theory does not up holds the concept of Risk bearing as intensely as it does the idea of innovation. It looks like that innovation comes first then risk bearing, but according to several experts entrepreneurship is all about risk bearing and assessing uncertainties and devising strategies to avert their impact. This study adopted entrepreneurship innovation theory because it places emphasis on the creative and innovative mindset of an entrepreneur in marketing a new business venture or product or service.

2.3 Empirical Review

Otika, Nwaizugbo and Olise (2019) carried out a study on the effect entrepreneurial marketing on competitive advantage of SMEs in Nigeria. Descriptive research design was adopted for the study while data was collected using primary data. 356 questionnaires were distributed to SMEs in Enugu state. The researcher made use of quota sampling technique in selecting the sample. Data was analyzed using multiple regressions. The findings reveal that entrepreneurial marketing have a significant influence on competitive advantage. The study therefore concludes that entrepreneurial marketing gives a significant edge and a competitive advantage to entrepreneurs involved in SMEs.

Michael, Nwokolie and Okwuraiwe (2018) carried out a study on the impact of entrepreneurial marketing on the performance of SMEs in Nigeria and its conurbation, especially, the effects of the various dimensions of entrepreneurial marketing (Innovativeness, Resource Leveraging, Pro-activeness, Calculated risk taking, Customer Intensity, Value creation, Opportunity Focus) on the performance of the selected SMEs in Enugu State. Descriptive research design was adopted for the study. Data was collected using primary data. A total of 405 questionnaires were administered to selected SMEs in Enugu state but 370 was duly completed and retrieved for the purpose of data analysis. The researcher made use of purposive sampling technique in selecting the sample. Data was analyzed using multiple linear regressions. The findings of this study revealed that entrepreneurial innovativeness and pro-activeness, have positive significant influences on the performance of the selected SMEs in Enugu state. Therefore it was concluded in the study that with entrepreneurial marketing, SMEs have competitive advantage on others SMEs without entrepreneurial marketing.

Olaniyan, Ogbuana and Oduguwa (2017) carried out a study on the effect of entrepreneurial marketing on the development of SMEs in Nigeria. Survey research design and cross sectional research design were adopted for the study where primary data were collected through the use of questionnaire. Questionnaire was administered to a sample of 446 SMEs in Oyo state. The researcher employs both stratified and simple random sampling in selecting the sample. Data was analyzed using simple linear regression analysis. The findings show that entrepreneurial marketing have a significant impact on the development of SME in Nigeria. In conclusion the study shows that entrepreneurial marketing have a significant impact on the development of SMEs in Nigeria.

Hanmaikyur (2016) studied the effect of entrepreneurial marketing practices on the performance of small and medium scale enterprises in Makurdi Metropolis of Benue State, Nigeria. A cross-sectional survey design was put in place for the study. The unit of analysis was organizations while the owner/managers of SMEs were the respondents. Systematic, simple random and snowball sampling techniques were employed to collect the needed data for the study. A sample size of 401 SMEs covering all sectors that exist in the study area was drawn from a population of 1101 SMEs. Descriptive and Inferential statistics were used to empirically and statistically analyze. Multiple regression analysis was used to test the hypotheses. The finding shows that entrepreneurial marketing has a significant influence on the performance of SMEs. The study then concluded that entrepreneurial marketing has a positive effect on the performance of SMEs.

Most of the previous work on entrepreneurial marketing focus on either competitive advantages or performance of SMS but this paper focus on the growth of SMS as the dependent variables.

Methodology

This study used a descriptive survey research approach to gather data. This study's population is limited to commercial SMEs, which is 90% of the total 1448 SMEs in Ilorin Kwara, or 1303. This is the study's population. The justification for this study population is because the growth of commercial SMEs can easily be evaluated and measured. A total of 304 small businesses were chosen for the study, using Krejcie and Morgan's (1970) sample size determination formula. Krejcie's formula was used because it put into consideration number the population involve in determining size. The sample was chosen at random. This study's data came from original sources. Small-scale company owners in Ilorin were polled using questionnaires. The Cronbach Alpha coefficient (99.4%) was used to assess the questionnaire's content validity. It used both descriptive (frequency and percentage tables) and inferential statistical analysis (multiple linear regression to assess and infer on the supplied data, as well as test significance of the hypotheses) to examine data acquired throughout the research.

Testing of Hypotheses

This section addresses the objectives of the study through the formulated hypotheses using regression analysis.

Hypotheses one: Pro-activeness does not have any significant influence on the product expansion of SMEs

Table 1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.985[a]	.970	.969	.18401

a. Predictors: (Constant), Identifying opportunity, Overcoming Obstacles, Action Oriented

Source: Field Survey, 2021

Table 1 presents the model summary with r (correlation coefficient) equal to 0.985 which indicates that there exists a positive relationship between the independent and the dependent variable. R-square from the table which is the coefficient of determination is 0.970. This implies that 97.0% changes in product expansion of SMEs are explained by pro-activeness while the remaining percentage is attributed to other variables not included in the model.

Table 2 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	190.239	4	47.560	1404.558	.000[b]
	Residual	5.858	173	.034		
	Total	196.097	177			

a. Dependent Variable: Product Expansion

b. Predictors: (Constant), Identifying opportunity, overcoming obstacle, Action Oriented

Source: Field Survey, 2021

The F-statistics shown in the ANOVA table 2 is significant since the ANOVA statistical significance value is 0.000 and is less than the alpha level of 0.05. Thus, the result is achieved. Also, the regression sum of square of 190.239 is greater than the residual sum

of square of 5.858, this further shows the significance of the overall model. Therefore, the model is fit.

Table 3 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.223	.080		2.778	.006
	Identifying Opportunities	.251	.115	.257	2.189	.030
	Overcoming obstacles	.161	.062	.140	2.582	.011
	Action Oriented	.286	.050	.326	5.706	.000

a. Dependent Variable: Product expansion

Source: Field Survey, 2021

The coefficients of the explanatory variables in table 3, shows the overall significance with values of 0.030, 0.011, and 0.000 for identifying opportunities, overcoming obstacles and action-oriented respectively which are less than the set alpha of 0.05 significant level. This implies that the stated variables have a significant impact on product expansion of SMEs which consequently means that there is a significant effect of pro-activeness on product expansion of SMEs. Therefore, the null hypothesis is not accepted and the alternate hypothesis is accepted. The positive Beta values of 0.257, 0.140 and 0.326 for identifying opportunities, overcoming obstacles and action-oriented show that an increase or change in these variables will lead to 25.7%, 14% and 32.6% changes in product expansion of SMEs respectively. The highest contributing factor in this model is the action-oriented practices of entrepreneurs on product expansion of SMEs compared to other variables.

Hypothesis two: Entrepreneurial innovativeness has no significant effect on the survival of SMEs

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.993[a]	.985	.985	.13910

a. Predictors: (Constant), Process innovation, Product innovation, Organizational innovation

Source: Field Survey, 2021

Table 4 presents the model summary with r (correlation coefficient) equal to 0.993 which indicates that there exists a positive relationship between the independent and the dependent variable. R-square from the table which is the coefficient of determination is 0.985. This implies that 98.5% changes in the survival of SMEs are explained by innovativeness while the remaining percentage is attributed to other variables not included in the model.

Table 5 ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.

1	Regression	223.377	4	55.844	2886.197	.000[b]
	Residual	3.347	173	.019		
	Total	226.725	177			

a. Dependent Variable: Survival

b. Predictors: (Constant), Process innovation, Product innovation, Organizational innovation

Source: Field Survey, 2021

The F-statistics shown in the ANOVA table 5 is significant since the ANOVA significance of 0.000 is less than the alpha level of 0.05. Thus, the result is achieved. Also, the regression sum of the square of 223.377 is greater than the residual sum of square of 3.347, this further shows the significance of the overall model. Therefore, the model is fit.

Table 6 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.116	.043		-2.725	.007
	Process Innovation	-.085	.038	-.088	-2.254	.000
	Product Innovation	.206	.046	.221	4.511	.000
	Organizational Innovation	.480	.047	.449	10.099	.025

a. Dependent Variable: Survival

Source: Field Survey, 2021

The coefficients in table 6 show the overall significance with values 0.000, 0.000 and 0.025 for product innovation, process innovation and organizational innovation respectively which are less than the set alpha of 0.05 significant level. It shows that all the stated variables have a significant effect on the survival of SMEs and this consequently implies that there is a significant effect of entrepreneurial innovativeness on survival of SMEs. Therefore, the null hypothesis is not rejected and the alternate hypothesis is accepted. The negative Beta value of -0.088 for process innovation, shows that it has a negative contribution to the survival of SMEs while positive Beta values of 0.221 and 0.449 for product innovation and organizational innovation respectively shows that they have a weak but positive contribution to the model. However, an increase or change in these variables will lead to -88.1%, 22.1% and 44.9% changes in SMEs survival respectively. The variable with the highest contribution in this model is Organizational innovation as the analysis shows that it has the highest impact on the survival of SMEs compared to other indicators.

Findings and Discussions

The analysis of the first objective revealed that pro-activeness such has identifying opportunities (0.030), overcoming obstacles (0.011), and action oriented (0.000) have significant impact on product expansion of SSEs. The p-value gives 0.030, 0.011, and 0.000 which is less than the alpha level of 0.05 which implies that there is a strong significant impact of pro-activeness on product expansion of SSEs. Thus, pro-activeness is significant to product expansion of SSEs. This is in-line with the study of Michael, Nwokolie and Okwuraiwe (2018) which concluded that pro-activeness has positive significant influence on the performance of selected SMEs in Enugu state, Nigeria.

The analysis of the second objective also demonstrates that innovativeness such as process innovation (0.000), product innovation (0.000), and market innovation (0.025) have significant impact on survival of SSEs. Their p values are less than 0.05 i.e. $P<0.05$. It was observed from the findings that innovativeness can influence the sustainability of SSEs. From the study, it was demonstrated that survival of SSEs was affected by 98.5% of innovativeness while other unexplained factors account for the remaining percentage. Thus, innovativeness is significant to survival of SSEs. This is in line with the study of Michael, Nwokolie and Okwuraiwe (2018) which revealed that entrepreneurial innovativeness has positive significant influence on the performance of the selected SMEs in Enugu state. Innovativeness is the level of creativity and invention in an organization that transform an SME to a better and refined form.

Conclusion

From the above findings on entrepreneurial marketing and growth of SSEs, the study concludes that innovativeness should be given consideration when discussing factors affecting the survival of SMEs. Process innovation, product innovation, and organizational innovation are significant in order to maximize the survival of SSEs.

Furthermore, the findings show that pro-activeness had significant influence on product expansion of SSEs. The study thus concludes that pro-activeness significantly influence product expansion of SSEs. Pro-activeness such as identifying opportunity, overcoming obstacles, and action oriented are important factors affecting the product expansion of SSEs.

Recommendations

The following recommendations were suggested from the findings of this study;

1. Entrepreneurs of SSEs should be pro-active in order to expand their product and enhance business performance through gathering data on consumer expectations, feedbacks, reviews on existing products in order to grow by satisfying consumer needs and also be on the lookout for latest technologies which could help to improve production process and ultimately final products.
2. SSEs should ensure that they are always innovative in their business so as to sustain their business, grow and survive in the industry by changing the process they use in manufacturing their products, development of new products which could be influenced as a result of information on customers anticipation and reviews on existing products gathered from customers through feedback as this will help them in surviving competition from similar businesses.

References

Ahuja, R.D., Michels, T.A., Walker, M.M. and Weissbuch, M. (2007) 'Tenperceptions of disclosure in buzz marketing', *Journal of Consumer Marketing*, 24, No. 3, pp.151-159.

Al Mamun, A. and Fazal, S.A. (2018), "Effect of entrepreneurial orientation on competency and micro-enterprise performance", Asia Pacific Journal of Innovation and Entrepreneurship, 12(3), 379-398.

Baregheh, A., Rowley, J., & Seabrook, S. (2009). Towards a multidisciplinary definition of innovation. *Management Decision, 47*(8), 1323-1339.

Blesa, A., & Ripolles, M. (2008). The influence of marketing capabilities on economic international performance. *International Marketing Review*.

Davidsson P., L. Achtenhagen, & L. Naldi (2010). Small Firm Growth. *Foundations and Trends in Entrepreneurship,* 6(2), 69-166.

Goffee, R., & Scase, R. (2015). *Corporate realities (routledge revivals): The dynamics of*

large and small organisations. Routledge.

Huynh, K. & R. Petrunia (2010). Age, Leverage and Firm growth. *Journal of Economic Dynamics and Control,* 34, 5.

Kraus, S., Harms, R., & Fink, M. (2010). Entrepreneurial marketing: Moving beyond in new ventures. *International Journal of Entrepreneurship & Innovation Management, 11*(1), 1934.

Krejcie RV, Morgan DW (1970). Determining Sample Size for Research Activities. *Education Psychology Measure* 30(3):607–10

Levratto, N., L. Tessier & M. Zouikri (2010). The Determinants of Growth for SMEs. A Longitudinal Study of French Manufacturing Firms. [Online] Available: http://ssrn.com/abstract=1780466 or http://dx.doi.org/10.2139/ssrn.1780466 (Feb. 15th, 2014).

Masato, A.M. Troilo, O.B (2015), Financing small and medium enterprises in Asia and the Pacific. *Journal of Entrepreneurship and Public Policy, Vol. 4* (1). pp 2 – 32

Mayasari, L., Maharani, A., & Wiadi, Y. (2009). Entrepreneurial marketing for small and medium enterprises business: An exploratory study on entrepreneurial performance. *Integritas - Jurnal Managemen Bisnis, 2*(1), 1-12.

Mba and Emeti (2014) studied the Issues, Challenges and Prospects of Small and Medium Scale Enterprises (SMEs) in Port-Harcourt City, Nigeria. *European Journal of Sustainable Development* 3 (1), 101-114

Michael O. M., Nwokolie, C. E., & Okwuraiwe F. E. (2018) Entrepreneurial Marketing and the Performance of the Selected Small and Medium Scale Enterprises in Nigeria. *Scholars Journal of Economics, Business and Management (SJEBM)*, 5(10): 977-991

Morris, M. H., Kuratko, D. F., Schindehutte, M., & Spivack, A. J. (2012). Framing the entrepreneurial experience. Entrepreneurship theory and practice, 36(1), 11-40.

Nwaizugbo, C. I., & Anukam, A. (2014). Assessment of entrepreneurial marketing practiceamong small and medium scale enterprises (SMEs) in Imo Nigeria: Prospects and Challenges. *Review of Contemporary Business Research, 3n*(1), 77-98.

Ong, P. M., & Thomas, W. F. (2021). Early adopters, firm survival, and environmental policy: dry cleaners in the South Coast Basin of California. *Journal of Environmental Planning and Management*, *64*(4), 635-648.

Otika, U.S., Nwaizugbo, I., & Olise, C.M. (2019). Entrepreneurial marketing practices and competitive advantage of small and medium size enterprises in Nigeria. *European Journal of Business and Innovation Research, 7*(3), 1-30.

Rogers, E.M. (2003). Diffusion of innovations (5th ed.). New York: Free Press.

Salavou, H., Baltas, G., & Lioukas, S. (2004). Organisational innovation in SMEs: the importance of strategic orientation and competitive structure. *European journal of marketing*.

Schumpeter, J. A. (1934). The Theory of Economic Development, Cambridge, *Harvard University Press*

Zaefarian. (2014). The influence of network effects on SME performance. *Journal of Industrial Marketing Management* 43 (4), 630-641.