

ENTREPRENEURIAL MARKETING AND ECONOMIC DEVELOPMENT OF SMEs IN PORT HARCOURT

Bernard Nwekeala
Department of Marketing, Faculty of Management Sciences
Ignatius Ajuru University of Education, Port Harcourt, Nigeria

Email: benonyedi@yahoo.com

ABSTRACT

The study examined Entrepreneurial Marketing and Economic Development of SMEs in Port Harcourt. The study developed two (2) research objectives, two (2) research questions, and two (2) research hypotheses based on its framework. The population of the study was made up of 120 SMEs in Port Harcourt who were identified through the yellow pages of the fact book and the Rivers State Ministry of Commerce and Industry. The study used a correlational survey design. The Krejcie and Morgan Sampling Table was used to calculate the sample size of 92. Statistical Package for Social Sciences (SPSS) version 23 was used to calculate the instrument's dependability, which was found to be 0.88 points greater than the benchmark of 0.7. The data collected for this study were analyzed through descriptive and inferential statistics. The linear regression model was employed to test the various hypotheses formulated through the aid of Statistical Package for Social Sciences (SPSS). The outcome of the hypothesis test demonstrates a substantial, significant, and favorable association between entrepreneurial marketing and the economic development of SMEs in Port Harcourt. According to the data, the study comes to the conclusion that entrepreneurial marketing is essential to the development of SMEs in Port Harcourt. The article makes the following recommendations in light of its results and conclusions: Managers of SMEs should be proactive in all respects; they should react quickly to market demands; they should be innovative and constantly come up with new products and services that will attract customers.

INTRODUCTION

Small and medium-sized business growth is extremely important since it contributes significantly to the economic expansion and development of many established and developing nations, including Nigeria. In summary, Nigeria as a nation has greatly benefited by this growth as it has acknowledged the importance of small businesses. Only by using entrepreneurial marketing techniques can SMEs expand. Entrepreneurial marketing, according to Mari (2014), is associated with small businesses, although it is truly applicable in both large and small company contexts. Entrepreneurial marketing is frequently associated with SMEs because it is more evident there and because maintaining an entrepreneurial mindset in large businesses can be difficult (Collinson & Shaw 2001).

Initially, entrepreneurial marketing was linked with tiny, resource-constrained businesses that were perceived as being less sophisticated. Today, awareness has increased due to the entrepreneurial marketing's imaginative nature (Mort et al., 2008). The integration of marketing and entrepreneurship principles was taken into account in entrepreneurial marketing. According to Kraus and Fink (2009), entrepreneurial marketing is an organizational function and a collection of procedures for developing, communicating, and delivering value to customers as well as managing customer relationships in a way that benefits the company and its stakeholders. It is distinguished by innovation, risk-taking, and proactiveness and can be carried out without using resources that are currently under control. The seven basic characteristics of entrepreneurial marketing identified by Morris et al. (2002) are proactivity, measured risk-taking, innovativeness, opportunity focus, resource leveraging, customer intensity, and value creation. According to Hills (2010), these characteristics set entrepreneurial marketing apart from conventional marketing. The first five

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aspects are those related to entrepreneurial orientation, and the final two are those related to marketing orientation. One of the most crucial elements for SMEs growth and global competitiveness in small and medium-sized firms has been highlighted as entrepreneurial marketing practices (Junde, 2014).

Statement of the Problem

The increased frequency of SMEs failing, according to Mohammed and Obeleagu-Nzelibe (2014), is a significant worry. They stated that the majority of SMEs don't engage in entrepreneurial marketing, which they claimed is one of the key barriers to their growth. They have a hard time acting creatively and strategically, which is why. Due to a lack of entrepreneurial marketing approaches, SMEs may not achieve their desired market share and development potentials, endangering their ability to survive (Dauda, 2007). This study on entrepreneurial marketing and development of SMEs in Port Harcourt was created with this premise in mind.

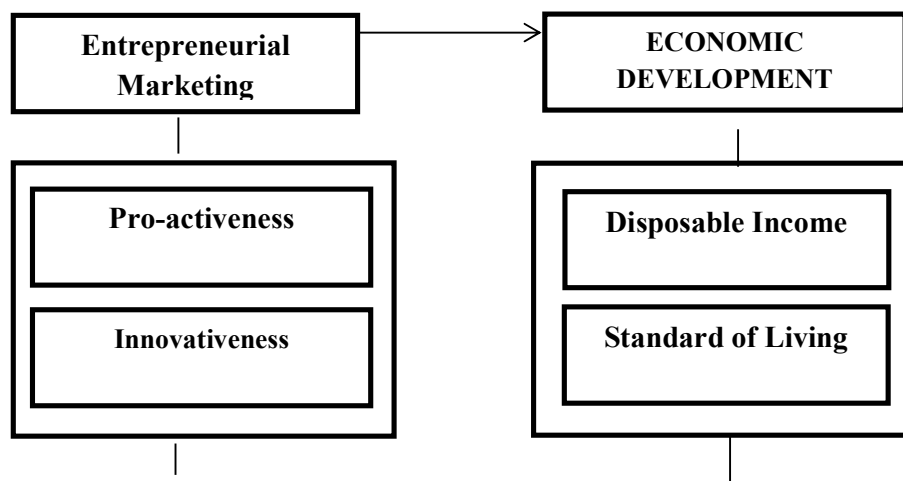


Fig.1.1: Conceptual framework of entrepreneurial marketing and economic development.

Source: Morris et. al., (2002).

Aim and Objectives of the Study

The main of this study was to investigate the relationship between entrepreneurial marketing and economic development of SMEs in Port Harcourt. The specific objectives are as to:

- i. examine the relationship between proactiveness and economic development of SMEs in Port Harcourt.
- ii. investigate the relationship between innovativeness and economic development of SMEs in Port Harcourt.

Research Questions

The following research questions were formulated in order to address the objectives of the study:

- i. What is the relationship between proactiveness and economic development of SMEs in Port Harcourt?
- ii. What is the relationship between innovativeness and economic development of SMEs in Port Harcourt?

Research Hypotheses

H₀₁ There is no significant relationship between proactiveness and disposable income of SMEs in Port Harcourt.

H₀₂ There is no significant relationship between innovativeness and standard of living of SMEs in Port Harcourt.

Review of Related Literature

Concept of Entrepreneurial Marketing

Entrepreneurial marketing represents an exploration of ways in which entrepreneurial attitudes and behaviors can be applied to the development of marketing strategy and tactics (Janet & Ngugi, 2014). Olannye and Eromafuru (2016) submitted that the concept of entrepreneurial marketing describe the values, skills and behaviours of entrepreneur in addressing their problems and finding business opportunities, it represents a different approach to envisaging the business itself, its relationship with the market place and the role of marketing function within the firm or as a strategic entrepreneurial posture or behaviour in marketing which is represented by an individual/organization.

Pro-activeness

To be proactive simply is to take action beforehand. According to Li et al. (2009), pro-activeness refers to how businesses respond to market possibilities by taking the initiative in the market. Being proactive is essential for businesses because it enables them to take proactive action, setting the pace and enjoying the benefits (Panama & Adeola, 2020). Proactiveness has a significant association with firm business growth, according to Kerr et al. (2017). According to Mehran and Morteza (2014), being proactive shows an entrepreneurial willingness to outperform rivals through a combination of proactive and aggressive actions, such as launching new goods or services before the competition and acting now to influence the environment and create change.

Innovativeness

The Latin word "innovare" (which means "new") is where the English word "innovation" was first coined. Simply put, innovation is acting in a unique way from what others are doing. Innovation may also be characterized as a strategy and technology for opening up new markets, developing novel product approaches, and identifying fresh demographics of consumers (Panama & Adeola, 2020). This suggests that businesses of all sizes must innovate in order to quickly adapt to shifting consumer demands and market dynamics and seize new opportunities. Since the company might not have the resources to achieve or maintain industry standards, SMEs may decide to concentrate on creative marketing strategies (Panama & Adeola, 2020).

Disposable Income

Disposable income is the amount of money you have left over from your total annual income after paying all direct federal, state, and local taxes. Depending on the context; such as taxation, financial accounting, or economic analysis; income may have a variety of definitions. For the majority of people, their total earnings include their wages and salaries, investment returns, pension payments, and other receipts. For businesses, income refers to the money made from selling goods and services as well as any interest or dividends paid on the company's cash holdings and reserves (Scott, 2022).

Standard of Living

A person's or group's standard of living is the level of material comfort or quality of life they enjoy. Income, physical health and environmental quality, housing availability, life expectancy, personal safety, and access to education, medical facilities, and social services are all factors that influence one's standard of living. Standard-of-living measurements are commonly used in economics to assess the level of material comfort attained by entire nations. These assessments of the overall population, however, take into account the individual's standard of living (by measuring factors such as average incomes and life expectancies) (Fidelis, 2018). The term "standard of living" refers to the necessities, comforts, and luxuries that a person is accustomed to having. In other words, people's standard of living refers to the quantity and quality of their consumption.

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Theoretical Review

Resource-Based View (RBV)

The Resource-Based View which was first coined by Birger Wernerfelt in 1984. The theory describes a firm as a unique bundle of tangible and intangible resources (assets, capabilities, competencies, organizational processes, firm attributes, information and knowledge and so forth) that are controlled by the firm (Barney, 1991). These resources enable a firm to implement strategies designed to improve its efficiency and effectiveness (Barney, 1991). The resource-based view suggests that valuable firm resources are usually scarce, imperfectly imitable and lacking in direct substitutes.

Empirical Review

Ogundele et al., (2012) examined the relationship between entrepreneurship training and poor alleviation in Nigeria. They employed 250 samples collected from five local government areas in Lagos state using random sampling techniques. The T-values, F-statistics and R-square values from the OLS regression approach employed as tools for analysis of the 250 data size were used. The study opines that entrepreneurship training significantly impacted on youth empowerment and social welfare services I Nigeria. Also, it was revealed that youth empowerment have a positive impact on technical skill acquisition.

Panama and Adeola (2020) The study examined the entrepreneurial marketing dimensions and market performance of small and medium scale enterprises in Delta State. A sample of 245 respondents comprises of owners or managers of SME's in Warri/Effurun Metropolis were selected for study. Convenience sampling techniques was used to select the sample after the area has been subdivided into zone with quota sampling methods. A survey research design was used to collect data from respondents through the use of questionnaire. Hypothesized relationships between the variables of study were tested using multiple regressions. Findings reveal that all the entrepreneurial marketing dimensions of pro-activeness, opportunity-focused, innovation-oriented, customer intensity, resource leveraging and value creation have significant positive relationship with market performance while risk making have a negative relationship.

Faggian et., al., (2016) examined the methods of creating an environment for economic growth and creativity with entrepreneurship or human capital in U.S counties with a three-way modelling approach which follows the methods of Ordinary Least Square (OLS), traditional method human capital development indicator, and creativity, secondly Two Stage Least Square (2SLS) to address the problem of endogeneity by introducing the right instrument and thirdly spatial autocorrelation method developed by Conley's and the 2SLS GMM estimator. They discovered that educational attainment/small and medium firms statistically impacted on economic growth, whereas factor like creative workers are insignificant.

METHODOLOGY

The research adopted correlational survey design; the population of this study was made up of 145 SMEs in Port Harcourt who were identified through the yellow pages of the fact book and the Rivers State Ministry of Commerce and Industry. The research used a correlational survey design. The Krejcie and Morgan Sampling Table was used to estimate the sample size. Statistical Package for Social Sciences (SPSS) version 23 was used to calculate the instrument's dependability, which was found to be 0.88 points greater than the benchmark of 0.7. Descriptive and inferential statistics were used to analyze the data that were gathered for this study. Linear Regression model was used to test the various hypotheses formulated.

Data Analysis and Presentation

In this section, the data obtained in the questionnaire were presented in tables and interpreted. A total of one hundred and forty(145) copies of the questionnaire were administered to the respondents (owners/managers of SMEs) in Port Harcourt.

Questionnaire Distribution and Retrieval

Questionnaire Distribution	Questionnaire Retrieval	Useful Questionnaire	Not Useful
145	122	108	-

Source: Survey Data, 2023.

The table above shows the order in which copies of the questionnaire were administered to the respondents (owners/managers of SMEs) in Port Harcourt and their collection rate. From the table, it is observed that out of the 145 copies of the questionnaire administered to the respondents (owners/managers of SMEs) in Port Harcourt, 122 copies were retrieved and 108 copies were used for the study.

Demographic Analysis

The demographic variables of the respondents were presented and analyzed in this section. The demographic variables include age and gender of the respondents.

Gender	Frequency	Percent	Valid Percent
Valid	MALE	65	60
	FEMALE	43	40
	Total	108	100.0

Source: field survey, 2023.

Table above shows the gender distribution of the respondents used for the study. 65 respondents which represent 60 percent of the population were male while the remaining 43 respondents which represent 40 percent of the population were female.

Bivariate Analyses

Hypothesis 1

H0₁ There is no significant relationship between proactiveness and income of SMEs in Port Harcourt.

Part A: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.933 ^a	.870	.853	.75456	1.703

a. Predictors: (Constant), proactiveness

b. Dependent Variable: income

Source: SPSS-generated Output, 2023.

The table presents the model summary between proactiveness and income of SMEs in Port Harcourt. This table provides the R value and R² values; the R value indicates a very strong degree of correlation (.93) and the R² value of .87 indicates a variation of 87%. This shows that the model is effective enough to determine the relationship. In this case, the value of .870 is good. The Adjusted R-square shows the generalization of the results. In this case, the value is .853, which is not far off from .870, so it is good.

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Part B: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.421	1	30.421	53.430	.000 ^b
	Residual	4.555	8	.569		
	Total	34.976	9			

a. Dependent Variable: income

b. Predictors: (Constant), proactiveness

Source: SPSS-generated Output, 2023.

The table above shows the analysis of variance. From the above decision criterion statement, if the P value is less than 0.05 the null hypothesis is rejected if otherwise the null hypothesis is accepted. Hence the P value (Sig) is less than 0.05 therefore the null hypothesis is rejected. This implies that there is significant relationship between proactiveness and income of SMES in Port Harcourt.

Part C: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	17.828	.534		33.390	.000		
	proactiveness	.105	.014	.933	7.310	.000	1.000	1.000

a. Dependent Variable: income

Source: SPSS-generated Output, 2023.

From the table above, there is significant increase in income due to proactiveness because of the Sig. value which is 0.000, less than the acceptable value of 0.05. With a 1% increase in proactiveness, income will increase by .11% (B value). Therefore, the analysis suggests that proactiveness has a significant positive relationship with income.

Hypothesis 2

H₀₂ There is no significant relationship between proactiveness and standard of living of SMES in Port Harcourt.

Part A: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.778 ^a	.605	.555	1.31471	1.503

a. Predictors: (Constant), proactiveness

b. Dependent Variable: standard of living

Source: SPSS-generated Output, 2023.

The table above presents the model summary between proactiveness and standard of living of SMES in Port Harcourt. This table provides the R value and R² values; the R value indicates a very strong degree of correlation at (.778) and the R² value of .605 indicates a variation of 60%. The table also showed that innovativeness accounts for about 0.605% (0.605x100) relationship with

income. The Adjusted R-square shows the generalization of the results. In this case, the value is .555, which is not far off from .605, so it is good.

Part B: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.148	1	21.148	12.235	.008 ^b
	Residual	13.828	8	1.728		
	Total	34.976	9			

a. Dependent Variable: standard of living

b. Predictors: (Constant), proactiveness

Source: SPSS-generated Output, 2023.

The table above shows the analysis of variance. From the above decision criterion statement, if the P value is less than 0.05 the null hypothesis is rejected if otherwise the null hypothesis is accepted. Hence the P value (Sig) .008 is less than 0.05 therefore the null hypothesis is rejected. This implies that, there is significant relationship between proactiveness and standard of living of SMEs in Port Harcourt.

Part C: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	12.946	2.430		5.328	.001		
	proactiveness	.195	.056	.778	3.498	.008	1.000	1.000

a. Dependent Variable: standard of living

Source: SPSS-generated Output, 2023.

From the table above, there is significant increase in standard of living due to proactiveness because of the Sig. value which is 0.008, less than the acceptable value of 0.05. With a 1% increase in proactiveness, standard of living will increase by .195% (B value). Therefore, the analysis suggests that proactiveness has a significant positive relationship with standard of living of SMEs in Port Harcourt.

Summary of Findings

Based on the analyses the following findings were discovered:

- i. There is significant relationship between proactiveness and income of SMEs in Port Harcourt.
- ii. There is significant relationship between innovativeness and standard of living of SMEs in Port Harcourt.

Discussion of Findings

Pro-activeness equally showed a strong positive relationship with income of SMEs in Port Harcourt. The result of the finding is in line with the study of Olannye and Edward (2016) they submitted that pro-activeness showed a positive effect on performance of fast food and on competitive advantage.

Also, innovativeness showed a strong positive relationship with standard of living of SMEs in Port Harcourt. The result of the finding is in line with the study of Mehran and Morteza (2013). They submitted that innovativeness influences performance. The finding of the study was also supported by the study of Olannye and Edward (2016). They submitted that entrepreneurial

innovation showed a significant positive effect on competitive advantage and performance of fast food restaurant in Asaba, Nigeria.

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CONCLUSION

The study examined the relationship between entrepreneurial marketing and economic development of SMEs in Port Harcourt. Dimensions of entrepreneurial marketing as used in the study were discussed elaborately. The result of the test of hypotheses shows that entrepreneurial marketing showed a strong, positive and significant relationship with market share growth of SMEs in Port Harcourt. Thus, economic development of SMEs in Port Harcourt is dependent on entrepreneurial marketing.

RECOMMENDATIONS

In line with the findings and conclusions; the paper recommends as follows:

1. SMEs managers' should be pro-active in all ramifications; they should be quick and swift in responding to market needs.
2. SMEs managers' should be innovative and always come up with novel products and services that will catch the customer's attention.

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