

Entrepreneurial Marketing and the Performance of the Selected Small and Medium Scale Enterprises in Nigeria

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Abstract: This study examined the influence of entrepreneurial marketing on the performance of the selected small and medium scale enterprises (SMEs) in Enugu and its conurbation, especially, the effects of the various dimensions of entrepreneurial marketing (Innovativeness, Resource Leveraging, Proactiveness, Calculated risk taking, Customer Intensity, Value creation, Opportunity Focus) on the performance of the selected SMEs in Enugu State. Arguably, Entrepreneurial marketing encompasses marketing for small and medium enterprises, coupled with other components of marketing strategy. It entails innovative marketing strategy with limited resources. In this study, 405 questionnaires were distributed to different entrepreneurs of the 15 selected SMEs in Enugu, Nsukka, and Awkunanaw. 370 questionnaires were duly completed and suitable for the analysis. We adopted descriptive research design and primary source of data was used. Data gathered were analyzed using a computerized data analysis technique. Multiple regression analysis was used to test the hypotheses. The findings of this study revealed that entrepreneurial innovativeness and proactiveness, have positive significant influences on the performance of the selected SMEs in Enugu state, while other entrepreneurial marketing variables have no effect. The recommendations of this study, among others, are that entrepreneurs in the study area, should revisit and modify their product delivery processes, through the identified dimensions of entrepreneurial marketing strategies, geared towards improving Calculated risk taking, Resource Leveraging, Customer Intensity, Opportunity Focus and Value Creation for, enhanced and sustainable performance of SMEs in Enugu state in particular and Nigeria in general.

Keywords: Entrepreneurship, Marketing, Entrepreneurial marketing, SMEs, Performance.

INTRODUCTION

It is being argued that Marketing is the central concern of entrepreneurial research, even though entrepreneurs are not typically marketing experts [1]. Beyond that, entrepreneurship can look up to marketing as the key function within the firm, which can encompass innovation and creativity [2]. Arguably, entrepreneurial spirit creates employment and millions of jobs are provided by the factories, service industries, agricultural enterprises and numerous other businesses, owned by entrepreneurs. Such massive employment has multiplier and accelerative effects for the whole economy. More jobs, mean more income, which invariably, increases demands for goods and services and in return stimulates production.

Marketing is a process with set of activities designed to discover new ways of satisfying needs and wants of the customers, through product or services innovations. Entrepreneurial spirit refers to the overall activities and behavior of entrepreneurs. An entrepreneur is the owner or manager of a business enterprise who, by risks and initiative, tries to make a profit. Entrepreneurial marketing represents an opportunistic strategy, wherein entrepreneurs proactively seek novel ways to create value for desired customer and build customer equity [3]. Entrepreneurial marketing is a blend of organizational functions and a set of processes for creating, communicating and delivering value to customers and for managing customer relationship in ways that benefits the organization and its stakeholders. Entrepreneurial marketing therefore, captures the interface between entrepreneurship and marketing and serves as an umbrella for many emergent perspectives on marketing.

In a developing economy, the owners of Small and Medium Scale Enterprises (SMEs) need to reassess the essence of marketing for the sustainable growth of their enterprise. This will enable the SMEs to overcome the challenges posed by external forces, such as global financial crisis cum economic and environmental factors. Entrepreneurship facilitates economic activities and often contributes to national economic growth.

The interface between marketing and entrepreneurship involves how the marketing concept and principles can be made more relevant in entrepreneurial context [4]. Zabra and Garvis [5] highlighted seven dimensions of entrepreneurial marketing, viz; proactiveness, calculated risk taking, innovativeness and opportunity focus that are derived from entrepreneurial foundation. The fifth dimension is resource leveraging. Customer intensity and value creation dimensions capture market orientation of the firm. Morris, Schindehutte & LaForge [6] introduced the seventh dimension as resource leveraging.

Statement of the Problem

The growing competition in the SMEs has motivated the entrepreneurial business owners, managers and other stakeholders to look for the survival strategies. It is generally being argued that SMEs face unique business challenges, which affect their growth, profitability, and diminish their overall performance and ability to contribute effectively to sustainable economic development. Business entrepreneurs in Nigeria are presumed to have several problems that account for their perceived inefficiency and sometimes failures. Essentially, it is noteworthy that many SMEs encounter some challenges in the field of marketing, such as having small range of customers, financial constraints, little innovativeness, unguarded risk-taking [7]. The turbulent business environment of increased risk, diminishing ability to forecast and traditional marketing, are some of the factors that equally militate against the performance of the SMEs. This calls for a paradigm shift in the work-flow process, in order to create conducive and enabling environment for business owners. Entrepreneurial marketing is being presented by experts, as a survival strategy, which will enable the entrepreneurs, to identify and adequately utilize marketing opportunities in the market place and market space. Many studies have been conducted on the effect of entrepreneurial marketing on the performance of SMEs, mostly in advanced nations but a few in Nigeria. This study therefore, examined the effect of entrepreneurial marketing on the performance of selected SMEs in Enugu State, Nigeria.

The objectives are to: i. examines the influence of innovativeness on the performance of the selected SMEs; ii. Determine the influence of proactiveness on the performance of selected SMEs; iii. Examine the influence of value creation on the performance of the selected SMEs; and iv Evaluate the influence of calculated risk-taking on the performance of the selected SMEs, all in Enugu state.

Hypotheses

Ho₁: Innovativeness has no significant influence on the performance of SMEs

Ho₂: Proactiveness has no significant influence on the performance of SMEs

Ho₃: Value creation has no significant influence on the performance of SMEs

Ho₄: Calculated risk-taking has no significant influence on the performance of SMEs

Conceptual Framework

Entrepreneurial Proactiveness

Proactivity is defining your goals and your future and arriving there as planned. Proactivity is a personal behavioral conduct that exhibits a relatively stable tendency to effect environmental change. It reflects entrepreneurial willingness to dominant competitors through a combination of proactive and aggressive moves. It is envisioning a future towards which one derives the strategy parameter for influencing, impacting and recreating the environment, within which to operate in line with that vision.

Entrepreneurial proactiveness is defined as the ability of the firm, to predict where products/service do not exist or have become unexpected valuable to customers and where new producers of manufacturing are unknown to others becomes feasible. Krzner [8] views it as “flashes of superior insight”. Proactiveness is the recognition and utilization of the company’s business opportunity. Kirzner [8], added that entrepreneurial proactiveness depends on the attractiveness of an opportunity and ability of the firm to grasp it, once it is perceived. Pitsamorn, Hills and Hutman [9] relate entrepreneurial proactiveness to innovativeness and risk assumption. Innovativeness prepares business around a unique product, service or process. Oni [10], concluded that innovativeness is willingness to the take up opportunities that may be either profits or losses.

Innovation Orientation

Kumpkin and Dess[11] defined innovativeness as a “firms” tendency to employ and support new ideas, experimentations, creative processes and novelty that may create new services, products or advanced technological processes. As a marketing action, innovation entails the ability to bring a new level of quality to the products, services, processes and opportunities, to lead a company on new markets. Typically, resourceful firms tend to bring innovations in their business process, in order to move in tandem with current trends in market dynamics, changing consumer tastes and demands on already existing products, and ensuring sustainable corporate growth and profitability.

Innovative actions are classified into two dimensions: the highly new to the market innovations and incremental market maker. The difference between these two dimensions is that the new to the market creator provides completely new solutions and values for the customer, but the market maker usually follow already existing customer relations and use market knowledge. It is being argued that small business may focus on incremental market maker, since they might not have resources to meet industry standards

Innovation focused marketing action allow the firm to concentrate on new ideas that lead to new markets, products or processes. The degree to which a successful organization emphasizes innovation in its market actions, can range from the highly innovative new market creator to the incremental market builder [12].

Innovation refers to a firm’s tendency to engage in creative processes, experimentation of new ideas, which may result in the introduction of new methods of production and/or bringing new products or services to current or new markets. The innovative aspect of entrepreneurial orientation would promote change and creative behaviors, which encourage active exchange of ideas, increase information flows and novelty in new product development.

Entrepreneurial Value Creation

The focal point of entrepreneurial marketing is innovative value creation. The task of marketers is to discover untapped sources of customer value and to create unique combinations of resources to produce value [13].

Value creation results from actions that entail novel combination and exchange of resources, by which resources are diverted from known application to be deployed in new contexts. The creation of new value lies at the heart of economic development and a population’s adaptive efficiency. Value is created through an organization’s business model, which takes inputs from the capitals and transforms them through business activities and interactions, to produce outputs and outcomes that, over the short, medium and long term, create or destroy value for the organization, its stakeholders, society and the environment.

Tangible assets have a physical form and existence. By contrast, intangible assets do not have a physical presence. They are seen as non-monetary assets, which are without physical substance. Intangible assets includes; goodwill, reputation, the knowledge held by employees and the cooperate strategy. Increasingly, value is created primarily from intangible rather than physical assets. Intangible assets such as good reputation have been described as “critical” because of their potential for value creation and also because their intangible character makes reputation by competing firms considerably more difficult.

Changes to the content in which organization operate, including globalization, resource scarcity, demographical changes and competitions require strategies that secure a competitive advantage for organization. Such strategies are aimed at generating and innovating new outcomes that distinguish organization from others in an increasingly complex and competitive environment and that makes the organization resident and capable of adapting of new circumstance.

Value creation is manifested in outcomes for, or changes to, those stores of capital that results from an organization activity. Those outcomes may be affected by the way in which an organization governs environmental and social concerns in creating value for itself and its stakeholders.

Outcomes are not always stable and predictable and take place over multiple time frames. Creation of value in short or medium, term has the potential for value creation in the future.

Entrepreneurial Risk Taking

Risk-taking is indispensable in several fields, such as creativity, entrepreneurship etc. It can argue that the outcome of risk-taking can sometimes be disastrous, but for one to really make remarkable progress in any endeavor, calculated risk-taking becomes inevitable. Succinctly stated, risk-taking involves actions taken, when the consequences or probabilities of outcomes are unknown or partially known.

The success of most enterprises depends on the capabilities of their leaders to evaluate risks and decide which path to pursue. It is presumed that top decision-makers, consistently tend to identify more opportunities in risky situations and higher risk reference manifests itself, the greater the confidence in their decision. Invariably, risk-taking has its benefit, but the decision should be based on accurate information. Other factors include but are limited to the risk to benefit ratio, magnitude of impact, whether the effects/consequences of the risk will be experienced by an individual, group, organization or the public; long term and short term impact etc. When a risk taker takes into account all these factors basically acknowledging the potential risk of failure, it can be referred to as a calculated risk, as opposed to a complete lack of knowledge of these factors - taking risks on sheer whim.

There are times when risk takers may become the victims of what is known as a “halo effect” when one characteristic or just one factor dominates all other factors or even the person unknowingly ignores other factors and focuses on only one factor.

Furthermore, it has been found that (a) past success leads to willingness to take risks; (b) individual focus on highly favorable outcomes, even if there is less probability of them occurring and (c) risks taking propensity is negatively associated with both the time required to reach a decision and the amount of information upon which the decision was based. The power of risk taking including willingness to using substantial resources for exploiting of opportunities, with using business strategies. Miles and Darroch[14] pointed out that one method of managing risk, is to work in alliance with other parties, where both parties will provide complementary capabilities and help shift the risks for other parties.

Organizational Performance

Organizational performance reflects the capability of a company to fulfill its stakeholders’ requirements and survive in the market p15]. It is also known as the outcome of the actions or activities carried out by members of the organization to measure how well an organization has accomplished its objectives [16, 17]. Organizational performance has been the most imperative issue for every organization, be it a profit or non-profit one [18]. The notion of performance embraces a far wider dimension of interpretations of financial measures and non-financial [19]. Organizational performance has been mostly assessed through financial based performance measures. The financial measures are return-on-assets (ROA), return-on-investment (ROI), return-on-equity (ROE), market share, sales growth, and profitability.

Despite the fact that these indicators are still the ultimate aim of most organizations’ operations, measuring performance solely on these indicators are no longer adequate to measure competencies that contemporary organizations are looking for [20]. Moreover, the non-financial performance measures, offers information on the degree of achievement of objectives and results and is more helpful on predicting future performance and facilitating the performance of the companies [21].

The non-financial performance measures assess the intangible payback such as customer contentment, worker commitment, innovation capability, internal business process effectiveness, and service delivery effectiveness from intangible assets [22]. This includes the integration of systems, operations, process, people, clients, partners and management [23]. In this study, the researcher tends to employ the non-financial performance indicators to measure organizational performance.

Theoretical Framework

Schumpeter’s Innovative Entrepreneurial Theory

In the Schumpeter [24] general economic theory, economic development occurs through a dynamic process of boom and depression. The depression which follows a boom is caused by the entrepreneur when he/she initiates an innovation. The recession or depression comes through a process of “creative destruction”, which is Schumpeter’s way of expressing market saturation and decline. With innovation, old firms find their markets being destroyed by the advent of new competing products of the new firms market, and the new firms market the old products at much lower price, thereby taking competitive advantage. The process forces some established firms who cannot compete to go under or become bankrupt.

In the quest to determine the characteristics of entrepreneurship according to the Schumpeterian model, Higgins [25] symbolically summarized these as follows;

$$E = E (Rx) \text{ ----- (1)}$$

$$X = X (R/w) \text{ ----- (2)}$$

Where E = supply of entrepreneurship

R = Profit (return on investment)

X = social climate

W = wage level

R/W = Ratio of profit to wages

In Schumpeter view, the supply of entrepreneurship is a function of the rate of profit and the social climate. He further posited in this model, that a good economic system would normally encourage entrepreneurship, while a moribund economic system, would discourage entrepreneurship. In Schumpeter's concept, a variable "social climate", is a complex phenomenon encompassing the whole social, political and socio-psychology environment, within which the entrepreneur must operate and invest in. It includes the educational system, the social values, the class structure, the nature and extent of prestige and other rewards, that accompany business success, as well as, the attitude of society towards business success.

Schumpeter added that the availability of credit by the banking system, with good social climate, provision of equipment and other materials and appropriate training, help start-up entrepreneurs or innovators to function with proficiency. When these conditions are available, the entrepreneur or innovator, whom Schumpeter also saw as a social Deviant, who would not be adaptable to traditions, would become receptive to changes, individualistic, aggressive, highly competitive, egocentric and ambitious.

The Schumpeterian model is a simple economic development strategy. Schumpeter inferred that if entrepreneurship is properly developed through the provision of the enabling environment, funding and relevant entrepreneurial trainings, jobs will be created and purchasing power will increase, leading to increased demand for goods and services.

Entrepreneurial Marketing versus Traditional Marketing

Entrepreneurial marketing cannot exist in the absence of the entrepreneur. Unlike traditional marketing, which is exclusively customer-centric focused, in Entrepreneurial Marketing the customer and the entrepreneur are equally important factors that shape the culture, strategy and firm behavior. Entrepreneurial marketing is influenced by entrepreneur's personal characteristics and values. However, there is no consensus about the relationship between factors related to personal traits (experience, education level, propensity to risk, preferences for innovation, tolerance for ambiguity) and firm performance results being contradictory [26].

A consensus emerged regarding how entrepreneurs think and make decisions with consequences on marketing practices. There are five significant differences between the way non-entrepreneurs think (predictive logic) and non-entrepreneurs think (effectual logic) [26].

- Vision for future: It is predictive for predictive logic and creative for effectual logic. In the first case, the future is seen as a casual continuation of the past and therefore can be predicted. In the second case the future is shaped, at least partially by voluntary actions of agents and therefore his prediction is not possible.
- Basis for making decision: in predictive logic, actions are determined by purposes. In effectual logic, actions are determined by available means. Purposes "are born" by imagining course of action based on those available means.
- Attitude towards risk: In predictive logic, an option is selected based on maximum gain while effectual logic an option is based on how much the entrepreneur can afford to lose by selecting it.
- Attitude toward outsiders: Competition- In case of predictive logic, and cooperation, in case of effectual logic.
- Attitude towards unexpected contingencies: Avoidance in case of predictive logic and fructification in the effectual logic. Accurate predictions, careful planning and focus on objectives which are specific to predictive logic make contingencies to be perceived as obstacles to be avoided. Avoiding predictions, imaginative thinking, and continuous transformation of objectives which are specific to effectual logic make contingencies to be perceived as opportunities to create something new and therefore are appreciated.

By modeling the decision making process according to effectual logic, we find that entrepreneurs do not believe that the future can be predicted and therefore they do not consider that setting objectives should be of great importance. They start with what they have (tangible and intangible assets), what they can do (capabilities) and whom they know (networks) and build various options with different ends choosing an option is not based on maximizing the results but on how much can afford to lose by choosing that option.

Empirical Review

Although Entrepreneurial Marketing behaviors are widely reported, there is no common agreement on how many dimensions are underlying Entrepreneurial Marketing behaviors. When investigating firms, Entrepreneurial marketing behaviors, researchers use different elements to identify dimensions of Entrepreneurial Marketing behaviors.

The elements used by researchers vary from one study to other both in contents and in number of their dimensions. Those dimensions are, proactive orientation, opportunity focus, customer intensity, innovations, calculated risk taking, resources leveraging and value creation.

While Kocak [14] confirmed five dimensions of Entrepreneurial marketing in a study of small firms in Turkey and Schmid [27] confirmed four dimensions in a study of SMES in Austria.

Hulya [28] carried out a study, titled Entrepreneurial marketing: the interface between marketing and entrepreneurship in boutique hotels in Turkey. The broad objective of the study was to determine the dimensions of entrepreneurial marketing approach suitable for boutique hotels. Descriptive survey design was adopted. The major motivation of the study was steamed from the fact that the empirical examination of the notion of entrepreneurial marketing from the view point of boutique hotels, has received scanty attention in the relevant literature. The research was conducted with semi-structured interview method, in nine boutique hotels located in Izmir province, Turkey. Based on seven dimensions of entrepreneurial marketing concept examined, the findings revealed that they all reflect significant great importance on the performance of boutique hotels. The findings are now being well adopted and put into effective use by boutique hotels in Turkey.

Mugambi & Karugu [29] on their recently conducted study on Effect of entrepreneurial marketing on performance of real estate enterprises: a case of Optiven limited in Nairobi, Kenya. The objectives of the study were to examine how entrepreneurial marketing dimensions of strategic, innovation, market, and resource leverage orientations, affect the performance of Optiven real estate in Nairobi. Descriptive survey design was adopted and primary data collected through the use of questionnaire. From population of 522 clients, they derived sample size of 227. Statistical techniques were correlation and regression analysis. The findings revealed that all the four entrepreneurial marketing dimensions in the objectives, significantly affect the performance of Optiven real estate in Nairobi, Kenya.

METHODOLOGY

Descriptive survey design was adopted. The population of this study is limited to examining fifteen selected SMEs in Enugu, Nsukka and Awkunanaw. The population of the study therefore, comprises a total of 405 entrepreneurs from the designated locations (see appendix table 1).

Table-1: Population of the Study

S/n	Entrepreneurial venture	Senatorial zones		
		Enugu	Nsukka	Awkunanaw
1.	Bead making	9	9	9
2.	Catering	9	9	9
3.	Bakery	9	9	9
4.	Fashion and designing	9	9	9
5.	Salon/ hair dresser	9	9	9
6.	Cosmetics	9	9	9
7.	Roofing sheet	9	9	9
8.	Block moulding	9	9	9
9.	Detergent	9	9	9
10.	Mable producing firms	9	9	9
11.	Paint making firm	9	9	9
12.	Cyber café	9	9	9
13.	Cement firms	9	9	9
14.	Table water companies	9	9	9
15.	Photocoping firm	9	9	9
	Total	135	135	135
	Grand total	405 entrepreneurial firms		

Since 405 entrepreneurs (owners) formed the population size of the study which is not up to 1,000. Therefore, 405 entrepreneurs also formed the sample size of the study.

This study used the purposive sampling method. The choice of purposive sampling design was informed by the fact that the researcher wanted to include only entrepreneurs who can answer critical questions concerning their firms and excluded their customers due to the nature of this study. Content validity was used to adequately measure coverage of the

topic, while reliability of the instrument was measured using the Crombach Alpha with the internal consistency of 0.792, which is within the acceptable range.

Model Specification and Operationalization of Variables

$Y=f(x)$

PERF=f (EM), Y= performance, X= Entrepreneurial marketing

Y= dependent Variable

X= Independent Variable

F= function

PERF = Performance (dependent variable)

EM= Entrepreneurial Marketing (Independent variable)

Where: Y is a function of X

$Y = F(X_1+X_2+X_3+X_4+X_5)$ i.e. Entrepreneurial marketing variables

$Y = f(X_1)$ i.e. performance is a function of Entrepreneurial Proactiveness

$Y = f(X_2)$ i.e. performance is a function of Entrepreneurial Calculated Risk

$Y = f(X_3)$ i.e. performance is a function of Entrepreneur Innovativeness

$Y = f(X_4)$ i.e. performance is a function of Entrepreneur Value Creatio

$Y = a_0+B_1X_1+B_2X_2+B_3 X_3+ B_4X_4+ U$

$Y = a_0+B_1 PROV+B_2CARK+B_3INN+B_4 VALCR + U$

ao = constant (intercept)

$B_1- B_4$ = Coefficient of parameter $X_1 - X_7$

PRO= Proactiveness

CARK= Calculated Risk Taking

INN= Innovativeness

VAL CR= Value creation

METHOD OF DATA ANALYSIS

Multiple Linear Regression was used for the study which was computed using SPSS version 20 software package. Four formulated hypothesis were tested at the accepted stipulated significant level. Ms excel package was also used to organize the scores which SPSS software package was used to compute the data generated from the respondents. Decision Rule: Accept null hypothesis if the P. value is not within the range of research stipulated insignificant level (0.01, 0.05, 0.10), used as standard and reject null hypothesis if the P-value is within the stipulated significant level.

RESULTS AND DISCUSSION OF FINDINGS

Out of 405 copies of the questionnaire distributed to the entrepreneurs, 370 usable copies (91% response rate) were used for analyses in this study.

Table-7: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PERF	370	6	19	12.74	2.363
INNO	370	8	20	13.86	2.217
PRO	370	8	24	16.43	3.278
VACR	370	9	24	17.32	3.238
CARK	370	8	23	14.89	2.960
Valid N (list wise)	370				

Source: SPSS Computation Output.

Table 7: shows that the mean scores for performance, innovativeness, proactiveness, value creation, and calculated risks taking are; 12.74, 13.86, 16.43, 17.32 and 14.89 respectively. Table 7 also, shows the minimum score by the respondents for performance (Y) responses was 6 while 19 were the maximum score. The minimum score by the respondents for innovativeness (X_2) responses was 8 while 20 was the maximum score. The minimum score by the respondents for proactiveness (X_3) responses was 8 while 24 was the maximum score. Moreover, the minimum score by the respondents for value creation (X_5) responses was 9 while 24 was the maximum score. The minimum score by the

respondents for calculated risks taking (X_4) responses was 8 while 23 was the maximum score. Moreover, the standard deviation for performance, innovativeness, proactiveness, value creation and calculated risks taking are; 2.363, 2.217, 3.238, and 2.960 respectively. The descriptive statistics on table 7 implies that all the variables signaled significant variations in relations to sizes and magnitude at different estimation levels.

Table-8: Correlations Analysis

		PERF	INNO	PRO	VACR	CARK
PERF	Pearson Correlation	1	.877**	.452**	.420**	.614**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	370	370	370	370	370
INNO	Pearson Correlation	.877**	1	.463**	.437**	.670**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	370	370	370	370	370
PRO	Pearson Correlation	.452**	.463**	1	.980**	.633**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	370	370	370	370	370
VACR	Pearson Correlation	.420**	.437**	.980**	1	.614**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	370	370	370	370	370
CARK	Pearson Correlation	.614**	.670**	.633**	.614**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	370	370	370	370	370

Correlation is significant at the 0.00-0.10 level (2-tailed).

Source: SPSS Computation Output.

Table 8: shows the correlation analysis result which revealed the relationships among the study variables. The table 8 reveals an absolute correlation value of 0.877 (p-value 0.000) for entrepreneurial innovativeness which shows a strong positive significant relationship between entrepreneurial innovativeness and performance. This implies that entrepreneurial innovativeness has strong direct relationship with the performance of SMEs in Enugu State. Entrepreneurial proactiveness, value creation, and calculated risk taking have absolute correlation values of 0.452(p-value 0.000), 0.420(p-value 0.000), and 0.614 (p-value 0.000) respectively which show weak positive significant relationships with the performance of SMEs in Enugu State

Presentation of Multiple Regression Analysis Result and Hypotheses Testing

Table-9: Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	INNO, PRO, C VACR, CARK ^b		Enter

a. Dependent Variable: Performance (PERF)

b. All requested variables entered.

Source: SPSS Computation Output.

Table-10: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.881 ^a	.776	.772	1.129	2.180

a. Predictors: (Constant), INNO, PRO, VACR, CARK.

b. Dependent Variable: Performance (PERF)

All the variables were entered as no variable was left out based on result on table c.

Table 10 shows that a (R) has a value of 0.881 which shows a strong positive relationship between the independent and dependent variables. The R-squared (R^2) value of 0.776 (77.6%) ie the coefficient of determination (measure of goodness of fit of the regression model) entails that 77.6% of the changes in the dependent variable (performance) was determined by the changes in the independent variables (entrepreneurial marketing). Thus, 22.4% (remaining) was explained by other factors or variables not captured by the regression model.

The adjusted R^2 value of 0.772 entails that 77.2% of the changes in the dependent variable (performance) was determined by the independent variables (entrepreneurial marketing variables) adjustment made. The Durbin-Watson (DW) test for autocorrelation result of 2.180 indicates absence of auto-correlation among the explanatory parameters in the regression model.

Table-11: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1599.103	7	228.443	179.189	.000 ^b
	Residual	461.505	362	1.275		
	Total	2060.608	369			

Dependent Variable: Performance (PERF)

b. Predictors: (Constant), INNO, PRO, VACR, CALRK

Table 11: The F-statistics value 253.845 (P-value 0.000) shows that the model is statistically significant in determining the influence of the explanatory variables on the dependent variable The model is fit and has successfully determined the overall significance of the explanatory parameters in the regression model

Table-12: Regression Coefficients

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.260	.513		.507	.612
	INNO	.894	.041	.838	21.859	.000
	PRO	.177	.093	.245	1.892	.050
	VACR	-.147	.093	-.201	-1.586	.114
	CARK	.017	.034	.021	.506	.613

Dependent Variable: PERF

SPSS Computation Output, 2018

Table 12: shows the standardized coefficient which measures the individual contributions (influences) of independent variables to changes in the dependent variable. Table 12 reveals that entrepreneurial innovativeness, proactiveness, and calculated risk-taking have positive influences on the performance of SMEs (83.8%, 24.5%, & 2.1%) respectively while value creation have negative influence on the performance of SMEs with the coefficient value of -0.201. The result shows that entrepreneurial innovativeness is the most important predictor of entrepreneurial marketing and also most significant determinant of entrepreneurial performance while value creation is the least based on the coefficient (β) result.

T-statistics measures the statistical significance of each of the explanatory variables in the regression model. Table 12, shows that the t-statistics absolute values for innovativeness, proactiveness, value creation, and calculated risks taking are; 21.859, 1.892, -1.586, and 0.506. The P-values are 0.000, 0.050, 0.114, and 0.613 respectively.

Test of Hypotheses One

Ho1: Entrepreneurial innovativeness has no statistically significant influence on the performance of the selected SMEs in Enugu State.

Based on the result in table 12, the absolute value of t-statistic for entrepreneurial innovativeness is 21.859 with a p-value of 0.000. Since 0.000 is within the stipulated acceptable level of significance for this study, the decision is to accept the alternative hypothesis and reject the null hypothesis. We conclude that entrepreneurial innovativeness has statistically significant influence on the performance of the selected SMEs in Enugu State.

Test of Hypotheses Two

Ho₂: Entrepreneurial proactiveness has no statistically significant influence on the performance of the selected SMEs in Enugu State.

Based on the result in table 12, the absolute value of t-statistic for entrepreneurial proactiveness is 1.892 with a p-value of 0.050. Since 0.050 is within the stipulated acceptable level of significance for this study, the decision is to accept the alternative hypothesis and reject the null hypothesis. We conclude that entrepreneurial proactiveness has statistically significant influence on the performance of the selected SMEs in Enugu State.

Test of Hypotheses Three

Ho3: Value creation has no statistically significant influence on the performance of the selected SMEs in Enugu State.

Based on the result in table 12, the absolute value of t-statistic for value creation is 1.586 with a p-value of 0.114. Since 0.114 is greater than the stipulated level of significance for this study, the decision is that alternative hypothesis is rejected and null hypothesis accepted. We conclude that value creation has no statistically significant influence on the performance of the selected SMEs in Enugu State.

Test of Hypotheses Four

Ho4: Calculated risk taking has no statistically significant influence on the performance of the selected SMEs in Enugu State.

Based on the result in table 12, the absolute value of t-statistic for calculated risk taking is 0.506 with a p-value of 0.613. Since 0.613 is greater than the stipulated level of significance for this study, the decision is that alternative hypothesis is rejected and null hypothesis accepted. We conclude that calculated risk taking has no statistically significant influence on the performance of the selected SMEs in Enugu State.

DISCUSSION OF RESULTS

The study is an investigation on the influence of entrepreneurial marketing on the performance of SMEs in Enugu State using Enugu, Nsukka, and Awkunanaw areas. The main objective of the study is to investigate the influence of entrepreneurial marketing on the performance of the selected SMEs in Enugu State.

Based on objective no 2; to determine the influence of proactiveness on the performance of the selected SMEs in Enugu State coupled with hypothesis no. 1, the results of (beta -0.245; t-statistics= 1.892, p-value= 0.050) showed that proactiveness has positive significant influence on the performance of the selected SMEs in Enugu State. This implies that proactiveness has significantly influenced the performance of the selected SMEs in Enugu State.

Based on objective no 4; to determine the influence of calculated risk taking on the performance of the selected SMEs in Enugu State, coupled with the research question no 3 and hypothesis no 3; the results of (beta= 0.021, t-statistics=0.506, p-value=0.613) showed that calculated risk taking has positive insignificant influence on the performance of the selected SMEs in Enugu State. This implies that calculated risk taking has not significantly influenced the performance of the selected SMEs in Enugu State.

Based on objective no 1; to determine the influence of innovativeness on the performance on the selected SMEs in Enugu State, coupled with the research question no 4 and hypothesis no 4; the results of (beta =0.838; t-statistics=0.617, p-value= 0.000) showed that innovativeness has positive significant influence on the performance of the selected SMEs in Enugu State. This implies that innovativeness has significantly influenced the performance of the selected SMEs in Enugu State.

Based on objective no 3; to determine the influence of value creation on the performance of the selected SMEs in Enugu State, coupled with research question no 6 and hypothesis no 6; the results of (beta=0.201; t-statistics=1.586; p-value=0.114) this showed that value creation has no significant influence on the performance of the selected SMEs in Enugu State. This implies that value creation has not significantly influenced the performance of the selected SMEs in Enugu State.

SUMMARY OF FINDINGS

- Entrepreneurial innovativeness has positive influence on the performance of the selected SMEs in Enugu State.
- Entrepreneurial proactiveness has positive significant on the performance of the selected SMEs in Enugu State.
- Value Creation has no significant influence on the performance of the selected SMEs in Enugu State.
- Calculated risk-taking has positive insignificant on the performance of the selected SMES in Enugu State.

CONCLUSION

Proactively, the small and medium scale entrepreneur should know their competitors, the nature of their market and be conversant with their customers' fast changing tastes, needs and desires cum satisfaction levels. Based on the findings of this study, we can infer that innovativeness is the most significant predictor and very crucial in the performance of SMEs in Enugu state. Entrepreneurial proactiveness and calculated risk-taking play significant role in the operations of the SMEs in Enugu state. This study also reveals that entrepreneurial value creation does not significant influence on the performance of SMEs in Enugu state

RECOMMENDATIONS

Based on the findings and conclusion drawn from the findings, the following recommendations were made;

- Entrepreneurial marketing need to be encouraged as it seeks novel ways to create value for customers.
- Entrepreneurs should maintain and sustain those entrepreneurial marketing dimensions that have strong direct relationship with the performance and are suitable to enhance the performance of SMEs in Enugu State; viz; innovativeness, proactiveness and calculated risk management.
- The entrepreneurs should step up actions on entrepreneurial value creation, the explanatory variable that is ranked very low in the regression model.

REFERENCES

APPENDIX I

Table-2: Innovativeness (INNO)

Scores		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	8	3	.8	.8	.8
	9	12	3.2	3.2	4.1
	10	7	1.9	1.9	5.9
	11	19	5.1	5.1	11.1
	12	51	13.8	13.8	24.9
	13	62	16.8	16.8	41.6
	14	93	25.1	25.1	66.8
	15	49	13.2	13.2	80.0
	16	32	8.6	8.6	88.6
	17	20	5.4	5.4	94.1
	18	11	3.0	3.0	97.0
	19	6	1.6	1.6	98.6
	20	5	1.4	1.4	100.0
Total		370	100.0	100.0	

Source: SPSS Computation Output Based on Field Survey, 2018.

The table above shows the frequency and scores on innovativeness based on the respondents' responses.

Table-3: Proactiveness (PRO)

Scores		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	8	2	.5	.5	.5
	9	5	1.4	1.4	1.9
	10	8	2.2	2.2	4.1
	11	16	4.3	4.3	8.4
	12	17	4.6	4.6	13.0
	13	21	5.7	5.7	18.6
	14	33	8.9	8.9	27.6
	15	30	8.1	8.1	35.7
	16	52	14.1	14.1	49.7
	17	45	12.2	12.2	61.9
	18	39	10.5	10.5	72.4
	19	47	12.7	12.7	85.1
	20	17	4.6	4.6	89.7
	21	9	2.4	2.4	92.2
	22	16	4.3	4.3	96.5
	23	12	3.2	3.2	99.7
	24	1	.3	.3	100.0

	Total	370	100.0	100.0	
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Source: SPSS Computation Output Based on Field Survey, 2018.

The table above shows the frequency and scores on reactiveness based on the respondents' responses.

Table-4: Value Creation (VACR)

Scores		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	9	2	.5	.5	.5
	10	5	1.4	1.4	1.9
	11	8	2.2	2.2	4.1
	12	14	3.8	3.8	7.8
	13	18	4.9	4.9	12.7
	14	24	6.5	6.5	19.2
	15	41	11.1	11.1	30.3
	16	29	7.8	7.8	38.1
	17	48	13.0	13.0	51.1
	18	42	11.4	11.4	62.4
	19	37	10.0	10.0	72.4
	20	49	13.2	13.2	85.7
	21	22	5.9	5.9	91.6
	22	5	1.4	1.4	93.0
	23	14	3.8	3.8	96.8
24	12	3.2	3.2	100.0	
Total		370	100.0	100.0	

Source: SPSS Computation Output Based on Field Survey, 2018.

The table above shows the frequency and scores on value creation based on the respondents' responses.

Table-5: Calculated Risks (CARK)

Scores		Frequency	Percent	Valid Percent	Cumulative Percent	
Valid	8	2	.5	.5	.5	
	9	11	3.0	3.0	3.5	
	10	8	2.2	2.2	5.7	
	11	17	4.6	4.6	10.3	
	12	35	9.5	9.5	19.7	
	13	46	12.4	12.4	32.2	
	14	68	18.4	18.4	50.5	
	15	41	11.1	11.1	61.6	
	16	43	11.6	11.6	73.2	
	17	31	8.4	8.4	81.6	
	18	18	4.9	4.9	86.5	
	19	26	7.0	7.0	93.5	
	20	10	2.7	2.7	96.2	
	21	4	1.1	1.1	97.3	
	22	5	1.4	1.4	98.6	
	23	5	1.4	1.4	100.0	
	Total		370	100.0	100.0	

Source: SPSS Computation Output Based on Field Survey, 2018.

The table above shows the frequency and scores on calculated risk-taking based on the respondents' responses.

Table-6: Performance (PERF)

Scores		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	6	2	.5	.5	.5
	7	5	1.4	1.4	1.9
	8	16	4.3	4.3	6.2
	9	7	1.9	1.9	8.1
	10	17	4.6	4.6	12.7
	11	47	12.7	12.7	25.4
	12	70	18.9	18.9	44.3
	13	89	24.1	24.1	68.4
	14	46	12.4	12.4	80.8
	15	29	7.8	7.8	88.6
	16	19	5.1	5.1	93.8
	17	10	2.7	2.7	96.5
	18	7	1.9	1.9	98.4
	19	6	1.6	1.6	100.0
Total		370	100.0	100.0	

Source: SPSS Computation Output Based on Field Survey, 2018.

The table above shows the frequency and scores on performance based on the respondents' responses.

APPENDIX II

Questionnaire

Key for evaluation; Scale on section B

[1] SD=Strongly Disagree [2] D=Disagree [3] UN=Uncertain [4] A= Agree [5] SA= Strongly Agree

ATTRIBUTES OF X		1	2	3	4	5
Entrepreneurial resource leveraging						
PRO1	Entrepreneurial Proactiveness					
PRO2	A strong proactive behavior gives SMEs the ability to anticipate needs.					
PRO3	Proactiveness leads to enhanced firm performance.					
PRO4	Proactiveness enables introduction of new products and brands.					
PRO5	Proactivity influences environmental change.					
PRO5	Proactivity helps in achieving entrepreneurial business goals..					
Entrepreneurial Calculated Risk Taking						
CARK1	The success of most enterprises depends on the ability of an entrepreneur to evaluate risks.					
CARK2	An entrepreneur previous success propels him to take more calculated risks.					
CARK3	Entrepreneur hopes on favorable outcomes.					
CARK4	An entrepreneur is optimistic over uncertainty					
CARK5	High risk taker makes wise and profitable decisions.					
Entrepreneurial Innovativeness						
INNO1	Entrepreneurial changes in business activity creates an environment conducive for further change.					
INNO2	Adequate facilities promote change and creative behaviors.					
INNO3	Entrepreneurship is a creative activity.					
INNO4	Innovation involves new ideas.					
INNO5	Entrepreneurs should be quick to adapt to new changes.					
Entrepreneurial Value Creation						
VALCR1	An entrepreneur creates new value by using existing technology.					
VALCR2	Resources are exploited to create value for customers.					

VALCR3	Value created should be commensurate with the customers' expectation.				
VALCR4	The focal point of entrepreneurial marketing is value creation.				
VALCR5	The task of an entrepreneur is to discover untapped sources of customer value.				

PERFORMANCE OF SMES

	ATTRIBUTES OF Y	SD	D	UN	A	SA
PER1	New and improved products are enhanced due to entrepreneurial innovativeness and resources well leveraged.					
PERF2	Market share and sales volume have increased due to entrepreneurial proactiveness and opportunity well focused.					
PERF3	Customers turnover has reduced due to entrepreneurial intensified efforts on customers.					
PERF4	Quality of products has improved due to entrepreneurial value creation.					
PERF5	The profitability of the enterprise has risen due to the calculated risk taken by an entrepreneur.					

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