

EMPIRICAL ASSESSMENT OF NEXUS AMONG MARKETING ORIENTATION, ENTREPRENEURIAL ORIENTATION AND FIRM PERFORMANCE

Ogunnaike Olaleke Oluseye,
Ekaette Akaninyene Victor,
Adegbuyi Abimbola,
Fadeyi Olatunji

ABSTRACT

This study was carried out to ascertain the strength of the link among marketing orientation, entrepreneurial orientation and firm performance. The objectives of the study include: to examine the effects of entrepreneurial orientation on the performance of the firm, to examine the degree of the relationship between market orientation and performance of the firm, to determine the effect of entrepreneurial marketing on the performance of the firm, to examine the degree of the relationship between entrepreneurial orientation and market orientation, to determine the effect of entrepreneurial marketing and market orientation, to determine the effect of entrepreneurial marketing and entrepreneurial orientation. The study is restricted to employees of the selected firms. While regression was used to test the four hypotheses for this study. The core findings from the result obtained revealed that entrepreneurial marketing implementation was found to be effective in increasing the company's market share as well as improving their competitive position in the industry, it was found that entrepreneurial marketing plays a crucial role in achievements of the firm's performance and marketing goals. It was recommended that entrepreneurial and marketing orientation should be inculcated by employees to promote employee performance thereby culminating into the overall firm performance.

Keywords: *Entrepreneurial marketing, entrepreneurship, entrepreneurial orientation, firm performance.*

EMPIRICAL ASSESSMENT OF NEXUS ENTRE L'ORIENTATION MARKETING PERFORMANCE D'ORIENTATION ENTREPRENEURIALE ET ENTREPRISE

RÉSUMÉ

Cette étude a été réalisée pour déterminer la force du lien entre l'orientation marketing, l'orientation entrepreneuriale et la performance de l'entreprise. Les objectifs de l'étude comprennent : l'étude des effets d'orientation entrepreneuriale sur la performance de l'entreprise, d'examiner le degré de la relation entre l'orientation vers le marché et la performance de l'entreprise, déterminer l'effet du marketing d'entreprise sur la performance de l'entreprise, d'examiner le degré de la relation entre l'orientation entrepreneuriale de l'orientation et le marché, déterminer l'effet de l'orientation entrepreneuriale de commercialisation et marché et de déterminer l'effet de l'esprit d'entreprise dans l'orientation marketing et entrepreneuriale. L'étude est limitée aux employés des entreprises sélectionnées. Alors que la régression a été utilisée pour tester les quatre hypothèses pour cette étude, les résultats de la base du résultat obtenu a révélé qu'entrepreneurial marketing mise en œuvre s'est avéré efficace pour accroître le part du marché de la société ainsi que pour améliorer leur position concurrentielle de l'industrie, il a été constaté que le marketing d'entreprise joue un rôle crucial dans les réalisations de la performance de l'entreprise et dans l'objectifs de marketing. Il a été recommandé que l'orientation entrepreneuriale et de marketing devrait être inculquée par les employés pour promouvoir le rendement des employés afin de culminer la performance de l'entreprise dans l'ensemble.

Mots-clés: *Marketing d'entreprise, l'esprit d'entreprise, entrepreneuriat d'orientation, performance de l'entreprise.*

INTRODUCTION

Entrepreneurs rely upon innovation to create new markets and to differentiate themselves in highly competitive markets. There is a solid need to create instruments, standards and hypotheses to help organizations; particularly new companies and little ones to survive and flourish in an inexorably unfriendly and erratic environment. Innovation is the bedrock of every organization, it is through innovation that the success of an organization can be determined. The entrepreneurial activities concerning innovation and creativity can determine the performance of a firm. The performance of a new firm is only as strong as the innovative ideas of the entrepreneur.

The level of entrepreneurial marketing through innovation really affects the buying behavior of some consumers especially the young people. Innovation provides firms with the opportunity to influence consumers' choice. Innovation will make consumers to be easily attracted to the products offered by an organization and this will assist consumer to easily overcome the challenge of choosing from varieties of products from competitors (Ampuero and Vila, 2006).

With entrepreneurial marketing strategies, the purchasing decision is a series of choices or judgment made by a consumer prior to making a purchase that begins once the consumer has established a willingness to buy becomes easier. The consumer must then decide when making the purchase, what brand, model, or size to purchase, when to make the purchase, how much to spend, and what method of payment will be used, but this decision can only be influenced by the product innovation, how different is the product from other brands, thus entrepreneurial marketing innovation affects consumer purchase decision which will ultimately affect the firm performance and profitability.

According to Rundh (2005) different entrepreneurial marketing innovations will attract consumer's attention to a particular brand, enhance products image, and influence consumer's perceptions about products, thus organization should introduce different marketing strategies to boost the sales of their products leading to high profitability.

Such entrepreneurial innovation can be in terms of packaging a certain product based on consumer needs, the producer can use labeling or image description to arouse the interest of the consumer to purchase that product, when the consumer is moved by the image or label used to package the product he or she desires or makes a purchase for that product that is needed. It is against this background that this study has the following specific objectives:

- To examine the effects of entrepreneurial orientation on the performance of the firm.
- To examine the degree of the relationship between market orientation and performance of the firm.
- To determine the effect of entrepreneurial marketing on the performance of the firm.
- To examine the degree of the relationship between entrepreneurial orientation and market orientation.
- To determine the effect of entrepreneurial marketing on market orientation.

LITERATURE REVIEW

During the past two decades a new area of marketing namely, (Entrepreneurial Marketing) has increasingly gained attention in research as well as a subject for new courses and new aspects of marketing (Hills and Hultman, 2006). For this research the definition for entrepreneurial marketing is defined as “the proactive identification and exploration of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resources leveraging and value creation” (Morris, Schindehutte, and LaForge, 2002). Entrepreneurial marketing entails the interface between marketing and entrepreneurship. Entrepreneurial marketing can likewise be seen as the joint impact of entrepreneurial introduction and market introduction. The rapidly changing technological and competitive conditions have created environment characterized by high level of market and technological uncertainty (Li, Liu, & Zhao, 2006). The definition of an entrepreneurial firm according

to Miller is a firm that “engages in product marketing innovation, undertakes somewhat risky ventures, and is fast to come up with proactive innovations” (Miller, 1983). Firms must work to be inventive so as to satisfy potential client needs, bolster new thoughts, take part in new investigation, explore and empower innovativeness. All of which are endeavors that may bring about new items, administrations or innovative courses of action, and change existing advances or practices and endeavors. Firms with entrepreneurial introduction are portrayed by danger taking conduct spurred by significant yields. On the planet today, developments and proactiveness is essential for the survival and extreme achievement of a firm.

The advancement part of business alludes to the quest for innovative answers for issues or difficulties defying the firm, including the improvement or upgrade of items and administrations, and additionally new managerial strategies and innovations for performing authoritative capacities and exercises.

Proactiveness is said to be the direct inverse of sensitivity and is likewise connected with self toward oneself assured situating in connection to contenders. There is an accentuation on savage execution, headed toward the accomplishment of authoritative goals by any sensible means important. These measurements consolidate to demonstrate the degree to which a given association is entrepreneurial. Innovative solutions when deployed in new markets the predictability of the market is restricted and limited information is available for marketing planning. This is due to the high degree of uncertainty and turbulence related to innovative solutions (Gruber, 2010).

It is because of this, it is probable that for innovative new products a marketing strategy still has to be defined for that industry. In any line of business where the dominant design still has not been established it will be very difficult for the new venture to win widespread acceptance and establish itself as a dominant solution in the organization or industry.

High tech companies usually operate in uncertain environments creating innovative solutions for still to be defined markets.

A market orientated company puts the customer at the "heart" of the business; all activities in the organization are based around the customer. The customer is truly the 'king'. A market orientated organization endeavors to understand customer needs and wants, then implements marketing strategy based on their market research; from product development through to product sales. Once sales have begun further research will be conducted to find out what consumers think about the product and whether product improvements are required. As markets continuously change, market research and product development is an ongoing process for a market orientation company. A business approach or philosophy that focuses on identifying and meeting the stated or hidden needs or wants of customers. Marketing orientation is a central component of the more general notion of the marketing concept, the pillar upon which the modern study of marketing is based. Market orientation mainly represents a response of firms to current market demand (Narver and Slater, 1990) and is defined as an "organizational culture that most effectively and efficiently created the necessary behaviors for the creation of superior value for buyers and thus superior performance for the business."

The performance of an organization can be defined in various ways such as profitability, market share or customer satisfaction. In the book *Marketing Metrics: (50+ Metrics Every Executive Should Master)* Farris, Bendle, Pfeifer, & Reibstein (2006) list the descriptions of major metrics used in academics and practice. The metrics which are broken down into nine(9) categories are: margins and profits, share of hearts, mind and markets, product and portfolio, management, promotion, marketing and finance, advertising media and web pricing strategy, customer profitability. Financial performance perimeters of an organization include market share, profitability and organization's growth in financial terms and sales development. While non-financial measures comprises of the start-up goals, employee satisfaction and job security.

According to American Marketing Association (AMA), marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large.

Marketing is conveying the estimation of an item, administration or brand to customers, with the end goal of advancing or offering that item, administration, or brand.

It comprises of techniques such as choosing the target markets through market analysis and market segmentation as well as understanding consumer behavior and advertising the value of the product to the customer. It is the link between a society's material requirements and its economic patterns of response.

Marketing includes the coordination of basically four (4) elements known as the 4p's of marketing; Identification, selection and development of the product, determination of its price, selection of a distribution channel to reach the customer's place, development and implementation of a promotional strategy. These 4ps of marketing can also be generally known as the (*Marketing Mix Elements*).

HYPOTHESES DEVELOPMENT

Entrepreneurial orientation is an important factor for the competitive advantage and performance of a firm (Miller, 2010). The definition of an entrepreneurial firm according to Miller is a firm that "engages in product marketing innovation, undertakes somewhat risky ventures, and is fast to come up with proactive innovations" (Miller, 1983). Researchers have used this conceptualization and measure of entrepreneurial orientation from innovativeness, risk-taking and proactiveness in their works. The following hypothesis is therefore proposed.

H₁: *Entrepreneurial orientation has a significant effect on performance of the firm.*

Entrepreneurial marketing is said to capture the interface between entrepreneurship and marketing. Morris, Schindehutte & LaForge (2002) defined Entrepreneurial Marketing as the proactive identification and exploration of opportunities for acquiring

and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation. New ventures have unique characteristics that differentiate them from larger, more established ventures, firms or organizations. These characteristics most likely include the newness and the small size of this venture, as well as the uncertainty to undertake on this venture. High growth and turbulence is often characterized in their markets. There are certain organization environmental characteristics that must be considered to adequately assess the challenges that new ventures are facing in their marketing efforts. Entrepreneurial Marketing has increasingly gained attention in research as well as a subject for new courses and new aspects of marketing (Hills and Hultman, 2006). It is defined as “the proactive identification and exploration of opportunities for acquiring and retaining profitable customers through innovation approaches to risk management, resources leveraging and value creation” (Morris, Schindehutte and LaForge, 2012). The following hypothesis is developed:

H₂: *Entrepreneurial marketing has a significant effect on performance of the firm.*

A market orientated company puts the customer at the "heart" of the business; all activities in the organization are based around the customer. The customer is truly King. A market orientated organization endeavors to understand customer needs and wants, then implements marketing strategy based on their market research; from product development through to product sales. The study of Kara, Spillan and DeShield (2005) suggest that in small-sized business market orientation is positively correlated with performance.

Firms that are able to develop market orientation usually pay more attention to understanding and meeting customer needs and wants, through products and/or services, understand the economic environment that they encounter better, on a day-to-day basis, and are more open and responsive to changes in market and competitive environments. Based on this, the following hypothesis is proposed.

H₃: *Entrepreneurship marketing has a significant effect on marketing orientation*

Entrepreneurial orientation is the development proactiveness which is essential for the survival and extreme achievement of a firm. The advancement part of business alludes to the quest for innovative answers for issues or difficulties defying the firm, including the improvement or upgrade of items and administrations, and additionally new managerial strategies and innovations for performing authoritative capacities and exercises.

Proactiveness is said to be the direct inverse of sensitivity and is likewise connected with self toward oneself assured situating in connection to contenders. There is an accentuation on savage execution, headed toward the accomplishment of authoritative goals by all sensible means. These measurements consolidate to demonstrate the degree to which a firm is entrepreneurial. Entrepreneurial marketing impacts entrepreneurial orientation by providing the products that will appeal and satisfy customers through firm's proactiveness.

METHODOLOGY

Descriptive survey method was adopted in carrying out this study. Data were obtained through the use of questionnaire. 202 persons who are pioneering employees of the selected firms were purposively selected for the study.

The survey instrument consisted of a two part self-administered questionnaire. The first part of the questionnaire was designed to capture demographic characteristics of respondents. The other parts were designed to capture information on constructs pertaining to Entrepreneurial Marketing and Organizational Performance. The questions were designed in simple and clear language to remove ambiguity. The questionnaires were intended to generate responses that assisted the researcher to address the research problem, objectives, questions and hypotheses. The copies of the questionnaire were carefully distributed, returned and analyzed to aid a reasonable

conclusion. Multiple regression analysis was used for the hypotheses testing. The data analysis procedure was done using the SPSS, statistic software/application. The Cronbach alpha reliability test for the study was found to be 0.742 for the 25 items analyzed together. This indicates that the research instrument used for this study is reliable.

Data Analysis and Interpretation of Results

H₁: *Entrepreneurial orientation does not have any significant effect on performance of the firm.*

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 (constant)	2.978	1	2.978	13.258	.000 ^b
Entrepreneurial orientation has significant effect on performance of the firm.					
R	.249 ^a				
R ²	.062				
Adj R ²	.057				
F	13.258				
Overall sig	0.000				

The table 1 above summarizes the relationship that exists between entrepreneurial orientation and the effect on performance of the firm. It therefore, shows that there is a direct significant relationship between entrepreneurial orientation and firm performance. It yielded a co-efficient of regression R = .249 and adjusted R²= .057. The table also indicates that the analysis of variance of the regression analysis produces an F-ratio value of significant at 0.05 level (F=13.258; P < 0.05) which therefore holds that entrepreneurial orientation significantly impacts firms performance. This finding is in

line with Miller (2010) which says that entrepreneurial orientation in form of firm's proactiveness is essential for the survival and extreme achievement of a firm.

H₂: *Entrepreneurial marketing does not have a significant effect on performance of the firm.*

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 (constant)	21.593	1	21.593	164.135	.000 ^b
Entrepreneurial orientation has a significant effect on performance of the firm.					
R	.671 ^a				
R ²	.451				
Adj R ²	.057				
F	164.135				
Overall sig	0.000				

The table 2 above summarizes the relationship that exists between entrepreneurial marketing and the effect on performance of the firm. It therefore, shows that there is a direct significant relationship between entrepreneurial marketing and firm performance. It yielded a coefficient of regression $R = .671$ and adjusted $R^2 = .451$. The table also indicates that the analysis of variance of the regression analysis produces an F-ratio value of significant at 0.05 level ($F=164.135$; $P < 0.05$) which therefore holds that entrepreneurial marketing significantly impacts firms performance. This finding collaborates Li, Liu, & Zhao (2006) that entrepreneurial marketing can likewise be seen as the joint impact of entrepreneurial orientation and market introduction. It was uncovered that the proper arrangement between an association of entrepreneurial marketing propels market introduction which impacts firm's performance particularly

small firms because of their constrained assets. The rapidly changing technological and competitive conditions have created environment characterized by high level of market and technological uncertainty.

H₃: Entrepreneurial marketing does not have a significant effect on marketing orientation.

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 (constant)	13.349	1	13.349	391.418	.000 ^b
Entrepreneurial orientation has significant effect on marketing orientation					
R	.814 ^a				
R ²	.662				
Adj R ²	.660				
F	391.418				
Overall sig	0.000				

The table 3 above summarizes the relationship that exists between entrepreneurial marketing and marketing orientation. It therefore, shows that there is a direct significant relationship between entrepreneurial marketing and marketing orientation. It yielded a co-efficient of regression R = .814 and adjusted R²= .660. The table also indicates that the analysis of variance of the regression analysis produces an F-ratio value of significant at 0.05 level (F=391.418; P < 0.05) which therefore holds that entrepreneurial marketing significantly impacts on marketing orientation. This finding collaborates Li, Liu, & Zhao (2006) that market orientation is defined by three behavioral components: competitor orientation, customer orientation and interventional coordination and two decision criteria: long-term focus and profitability. Market

orientation can help to improve the performance for small firms and new business ventures. The study of Kara, Spillan and DeShield (2005) suggest that in small-sized business, market orientation is positively correlated with performance.

H₄: Entrepreneurial marketing does not have a significant effect on entrepreneurial orientation

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 (constant)	2.711	1	2.711	79.508	.000 ^b
Entrepreneurial orientation has a significant effect on entrepreneurial orientation.					
R	.533 ^a				
R ²	.662				
Adj R ²	.284				
F	79.508				
Overall sig	0.000				

The table 4 above summarizes the relationship that exists between entrepreneurial marketing and entrepreneurial orientation. It therefore, shows that there is a direct significant relationship between entrepreneurial marketing and entrepreneurial orientation. It yielded a co-efficient of regression $R = .533$ and adjusted $R^2 = .284$. The table also indicates that the analysis of variance of the regression analysis produces an F-ratio value of significant at 0.05 level ($F=79.418$; $P < 0.05$) which therefore holds that entrepreneurial marketing significantly impacts on entrepreneurial orientation. According to Hills and Hultman (2006) entrepreneurial marketing helps a firm to be innovative in accordance to the changing environment, while entrepreneurial

orientation helps a firm to respond quickly to the changing environment which will help to positively affect the firm's performance.

CONCLUSION AND RECOMMENDATIONS

It was discovered that for an organization to be able to meet the specific requirements of the consumers of its products and services, there is the need for the adoption and implementation of Entrepreneurial Marketing elements. This brings about a shared set of beliefs and values that puts the consumer in the center of the firms' strategy and operations.

Entrepreneurial marketing which is an organizational wide culture dedicated to delivering superior performance and designed to appeal to customers in the market.

With proper harnessing of entrepreneurial marketing, organizational performance would experience a boost. That is to say, a better implementation of entrepreneurial marketing elements would lead to the optimal performance of firms.

From the findings of this study, it can be concluded that Entrepreneurial Marketing plays a crucial role in enhancing organizational performance, their proper application and implementation by the firm will lead to achievements of optimal results and ultimately higher standards of the firm's performance. Based on the findings, it is therefore recommended that:

- The limited level of application of Entrepreneurial orientation elements in some firms is due to lack of Entrepreneurial training. Hence, the management and staff of the company should be trained on how to make use of the entrepreneurial orientation so as to improve on the organizational performance.
- With increasing stiff competition, firms should be more pro-active in deriving ideas, developing new varieties of services rendered and developing fresh promotional strategies. The manager should be able relate market orientation and organizational performance to gain optimum pro-activeness.

The managers should be able to recognize and promote entrepreneurial marketing activities to effect changes and gain an effective organizational performance.

REFERENCES

- Ampuero, O. & Vila, N. (2006). Consumer perceptions of product packaging dawms X of Consumer Marketing.
- Farris, F. B., Bendle, E. N., Pfeifer, O. O. & Reibstein,. (2016). Marketing Metrics: 50+ Metrics Every Executive Should Master. New Jersey: Wharton School Publishing.
- Gruber, M. .Marketing in New Ventures .Theory and Empirical Evidence. Schmalenbach Business Review, 56, 164-199.
- Hills, G. & Hultman, C. (2006). From Marketing a Broadening the F/or/zora.
- Studentlitteratur Kara, A., Spillan, J. E., & DeShields, O. (2005). The effects of a market orientation on business performance: a study of small-sized service retailers using MARKOR scale. Journal of Small Business Management ,105-118.
- Li, Y., Liu, Y., & Zhao, Y. B. (2009). The role of market and entrepreneurship orientation and internal control in the new product development activities of Chinese Industrial Marketing Management, 336-347.