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# Review of Global Marketing Environment and Entrepreneurship Development

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**Abstract**

In recent times, globalization of new entrepreneurial ventures are both expanding and this may possibly contribute to a greater number of economic actors pursuing foreign markets. Empirical studies reveals that the expansion and acceleration of cross-border entrepreneurship should be considered in the light of substantial changes that has taken place in the past decades and that resulted in a reduction of transaction costs for undertaking international business. In view of this, business venture owners globally find avenues of taking their brands to global markets, but marketing environment at the global arena presents several challenges to overseas players. The political, cultural and technological atmosphere has many influence on entrepreneurial success in foreign markets. The purpose of this study is to understand the challenges that entrepreneurial firms encounter in trying to launch their brands in global market. This study adopted a secondary approach to data collection by reviewing archival literatures in this domain of investigation. This study concludes that cross-border business activities are essential avenues through which emerging entrepreneurs could create value, generate growth and access new knowledge and technologies via their exposure to foreign markets.

**Keywords:** International Marketing, Small and Medium Sized Firms, Cross Border Entrepreneurs, Business Venturing, Business Environment.

## 1. Introduction

Barringer & Ireland (2005) argued that businesses are the movers of most national economies of the world, and that the prosperity attained by majority of entrepreneurs are tied to different economic regulations that operates in such countries. Importantly, environmental variables play an essential role in the accomplishment of entrepreneurial ventures particularly in global markets (Barringer & Ireland, 2005; Ajagbe, 2014; Ajagbe & Ismail, 2014). However, in most of the developing economies, small and medium sized businesses contribute a larger proportion of what drives the economy. Not minding this, entrepreneurs encounter many challenges such as inadequate funds, inadequate power supply and inadequate support from national governments. These problems have resulted to entrepreneurs rather than getting involved in large production oriented ventures but are engaged in ordinary trading activities. The concept of buy low sell high has given a lot of business persons many reasons to be involved in trading commodities both locally and internationally.

Acs et al. (2005) argued that international marketing environment cannot be avoided in evaluating entrepreneurship development particularly in situations where such entrepreneur transacts his ventures across international borders. The reason is that for anyone to operate successfully in a country of their choice, such venture owner should be ready to adhere to the trade policies that exist in such country. In addition to this, trade organizations in the foreign environment are another subject of interest to the entrepreneur because there is need to understand trade restrictions, regulations and barriers that are applicable to the new entrants. Hannafey (2003) posit that this is not surprising that entrepreneurs are as varied as the kinds of businesses they engage in. The author added that for every characteristic that describes one prosperous entrepreneur, one can find another completely varying, yet successful, entrepreneur who displays another kind of behavior. In relation to this, studies indicates that there are four broad groups that entrepreneurs can be categorized: the home-based entrepreneur, the serial entrepreneur, the traditional entrepreneur, and, more recently, the cyber entrepreneur (Shane & Venkataraman, 2000; Hannafey, 2003; Ismail et al. 2011). These group of behaviours are self-explanatory, however, the emergence of the commercial Internet gave rise to the cyber entrepreneur, one who takes pride in the fact that they do not have a “bricks-and-mortar” operation. Allen (2003) opine that cyber entrepreneurs transact all their businesses with customers, suppliers, strategic partners, and others on the Internet and deal in digital products and services that do not require bricks-and-mortar infrastructure like warehousing and physical distribution. Empirical literature has revealed an inadequate studies recognizing the articulated and contextual dimension of entrepreneurship (Shane & Venkataraman, 2000). The available studies describes entrepreneurship mainly in terms of the personality and functions of the entrepreneurs, independent of the situations in which they find themselves. Shane (2003) wrote that the entrepreneurship concept has long been viewed as an important economic activity. The author added that the past twenty years has witnessed an abundance of investigation of research into entrepreneurs and their actions with considerable emphasis on the elements that constitute successful entrepreneurship. There is no doubt that entrepreneurship has tremendous impact on national economies and on society. Evidence are bound that considerably large number of people are engaged in entrepreneurial endeavours around the world. Studies also shows that entrepreneurial activity varies significantly by geographic region, types of business, and entrepreneurial motivation. Review of empirical literature has focused more on medium sized firms and multinational corporations as regards the concept of international marketing. Most studies did not investigate the extent to which international marketing environment has affected entrepreneurs in emerging markets. Furthermore, many of the existing studies dwell more on large sized firms as regards production of exportable commodities and this has received much attention as regards entrepreneurship development of business owners. However, this study shall be arranged in the following manner. The next section shed more light on perspectives of entrepreneurship, followed by the characteristics of entrepreneurs, challenges of entrepreneurs in developing economies, dynamics of international environment, market and sales forecasting in international environment, international trade theory and ends with a detailed conclusion. Figure 1 below shows the relationship among the variables as a conceptual research framework.

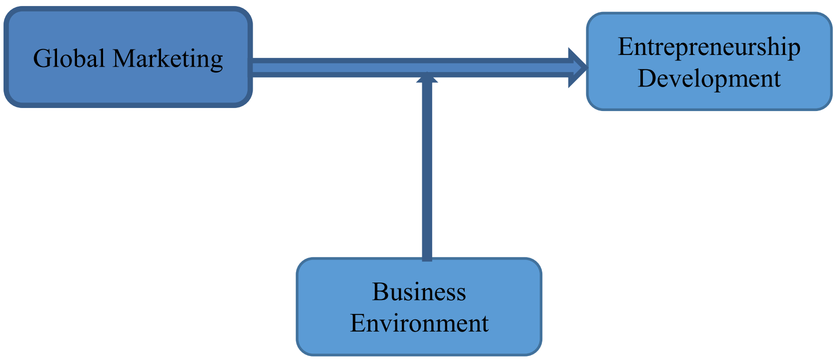

Figure 1: Research Framework

## 2. Conceptual Overview

*2.1 Entrepreneurship in Perspectives*

Writers and researchers have for many decades described the entrepreneurship concept in terms of pursuing new, innovative, flexible, dynamic, creative, and risk-taking ventures (Drucker, 1985; Porter, 1990; Mason & Brown, 2010; Mason, 2010). Many of the researchers have argued that recognizing and pursuing business ideas are an essential dimension of entrepreneurship. Mason & Brown (2011) posit that entrepreneurship involves the generation of value, the process of starting or building new profit-making ventures, the process of making available new products or services, and the deliberate creation of value through organization by an individual contributor or a small group of partners (Coulter, 2003; Ajagbe & Ismail, 2014; Ajagbe, 2014). Another definition of entrepreneurship that has been used is "the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological, and social risks, and receiving the resulting rewards of monetary and personal satisfaction". The concept was coined from the French words *entre*, which means "between," and *prendre,* meaning "to take." It was originally used to describe people who "take on the risk" between buyers and sellers or who "undertake" a task such as starting a new business venture. Barringer & Ireland (2005) added that it is also important to distinguish between inventors and entrepreneurs as they differ from each other. They put forward that an inventor creates something new, while an entrepreneur assembles and then integrates all the resources needed, the money, the people, the business model, the strategy, and the risk bearing ability to transform the invention into a viable business.

Therefore "entrepreneurship" is the process by which individuals pursue opportunities without regard to resources they currently control. Barringer & Ireland (2005) argued that the essence of entrepreneurial behaviour is identifying opportunities and putting useful ideas into practice. Markman et al. (2009) concluded that the responsibilities required for by this character can be derived by either a group of individual or an individual and particularly requires creativity, drive, and an urge to be a risk taker. They added that it is not compulsory that it must be a new product and/or service, but a new insight and the preparedness to be committed and take risks. Whereas many people perceive entrepreneurship as establishing a new venture, it is usually viewed to be an individual's activity. Mason (2010) opine that existing firms could also display an entrepreneurial attitude. Characteristically, existing firms with an entrepreneurial focus are proactive, innovative, and risk-taking. It is also essential that the level of entrepreneurship displayed in an organization could be dependent on the type of industry. Ismail et al. (2011) emphasized that an entrepreneur is one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to commercialize on them. Not minding the intention behind been an entrepreneur, it is the act of creating businesses by perceiving an opportunity, assessing and risking resources to exploit the opportunity, managing the process of creating business enterprise from an idea, and creating value that makes it the entrepreneurial act.

*2.2 Characteristics of Entrepreneurs*

Mason et al. (2009) argued that the characteristics of an entrepreneur is not of one particular dimension and that there is no single set of behavior that one can use to describe who will become entrepreneurs and whether or not such person will succeed. The researchers wrote that the diversity inherent in them seems to be a central characteristic of entrepreneurs. Although entrepreneurship theory is considered to be underdeveloped, existing studies has shown a preoccupation with the success or failure of individual entrepreneurs and organizations. Shane & Venkataraman (2000) believe that it is more appreciated to have a more inclusive opinion of prosperous entrepreneurship which is based on both foundational classics and more recent literature in the area. This report perceive the concept as a reflection of the component of innovation, social and economic change, risk (Mill, 1848; Knight, 1921), and reward (Hawley, 1901; McClelland, 1961). The components of successful entrepreneurship are universally identified in the more recent studies which advocates an emphasis on the attitude of creating new enterprise (Gartner, 1988). The combination of various views of the components of an entrepreneur appears to display the following characteristics:

*Vision:* Entrepreneurs are perceived as successful, partly if they visualize a future not seen by others in their industry (Hamel & Prahalad, 1994).
*Innovation:* They are people who create new markets, new products, and/or new services, it involves changing, revolutionizing, transforming, and introducing new approaches or systems (Drucker, 1985; Ajagbe et al. 2015a; Ajagbe et al. 2015b).

*Passion for the business:* This passion typically stems from the entrepreneur's belief that the business will positively influence people's lives (Shane, 2003). Entrepreneurship is not for a person who is only partially committed. It is important to be enthusiastic about a business idea, but it also is important to understand its potential flaws and risks (Barringer & Ireland, 2005).

*Product/customer focus*: This underscores an understanding of the two most important elements in any business. An entrepreneur's keen focus on products and customers typically stems from the fact that most successful entrepreneurs are, at heart, craftspeople (Mason & Harrison, 2008).

*Opportunity identification:* Whether opportunities are created or opportunities are identified, entrepreneurs seize opportunities. Entrepreneurs' special talent lies in recognizing and exploiting particular opportunities (Shane & Venkataraman, 2000; Shane, 2003).

*Creating value:* This involves the ability to fashion a solid business idea into a viable business. This means developing a business model, putting together a new venture team, raising money, establishing partnerships, managing finances, leading and motivating employees, and so on (Barringer & Ireland, 2005).

*Growth:* Traditional definitions of entrepreneurial success have included tangible growth indicators such as revenue growth, increase in market share, and growth profits (Ismail et al. 2011).

*Social and economic change*: Arguably, a key outcome of entrepreneurial activity is reward for the individual entrepreneurs. Drucker (1985) find that entrepreneurs are more likely than others to "approve of actions that maximize personal financial rewards" even when such rewards come at other people's expense.

*Financial risk:* Almost always entrepreneurs' actions involve financial risk, both for individual entrepreneurs and for external investors (Baumol, 2002; Sarasvathy et al. 1998).

*Tenacity despite failure:* Because entrepreneurs are typically trying something new, the failure rate associated with their efforts is naturally high. Developing a new business idea may require a certain degree of experimentation before a success is attained (Barringer & Ireland, 2005; Kotler, 2007).

### *2.3 Challenges of Entrepreneurs in Developing Economies*

Ajagbe & Ismail (2014) opine that before international investors stake in their money in a particular venture, they are of the knowledge that a few challenges may occur. Among these is that they must consider the determinants of the conditions of entry, which the authors describes as the power of the established sellers in an industry persistently to raise prices above the competitive level without attracting new firms to enter. Three major determinants of entry has been described by previous researchers, firstly, an absolute cost advantage for established firms, such as the control of production techniques through patents, imperfections in factor markets, which allow lower purchasing prices, and money market imperfections, which impose higher interest rates on potential entrants (Shane, 2003; Mason, 2010; Mason & Brown, 2011). The situation that is favourable to product differentiation through brand preferences and the reputation of the firm is the second determinant and finally, the significant economies of scale. Barriers to new entre are characteristics of Oligopoly and it is amazing that most of the oligopolies in developing countries are expatriates (Shane, 2003). This does not mean that there is any mindful behaviour on the part of the firms, expatriate or indigenous to deter new entry; but, where such situations have arisen, the industry remains the exclusive preserve of the established firms. In case such firms foreign, the removal of entry barriers to indigenous firms requires particular regulations. In addition, the main deterrent to local firms in manufacturing is ignorance on the part of potential investors (Oliveira et al. 2014; Abdallah et al. 2014). Knowledge acquired from empirical studies focusing on developed countries has shown that theories of underdevelopment connected to a lack of entrepreneurial spirit are inapplicable to many of the developing countries.

## 3. International Environmental Factors

The international business environment is a very significant area considering certain group of ventures. Bjorklund (2011) opine that it is essentially important for industries directly relying on imports or exports and import-competing industries. The author contributed that a recession in international markets or the implementation of protectionist regulations by foreign countries could create difficulties for firms that depend on exports. Wang et al. (2012) on the other hand suggest that a boom in the export market or a relaxation of the protectionist regulations may help the export-oriented industries. They added that a liberalization of imports may help industries that depend on imports, but may deter import-competing industries. Lin (2014) observed that key international developments have their spread effects on local enterprises. He argued further that a number of other countries felt the shock waves of the recent past economic recession in the global world. In addition, fluctuations in crude oil price have seriously affected a number of economies. These situation has resulted in increase in the cost of production and the prices of certain products. Increase in crude oil prices led to an increase in the demand for automobile models that economize fuel consumption (Bjorklund, 2011; Wang et al., 2012; Cheraghi et al., 2004). An in-depth knowledge of export market allows a firm to develop a more profitable product mix and to consolidate its position in the home market. This has encouraged many companies to plan ahead their investment and production capacities considering the international markets.

### *3.1 Dynamics of International Environment*

*Political and Legal Factors:* Legal and political environment are inter-related with the business strategy formulation due to competition. The communist countries for instance operate a centrally planned economic system. Saffu et al. (2012) reported that many countries aside from those regulations that control financial investment and connected issues, a number of regulations exist that control the conduct of the investors. Ku (2014) added that such regulations cover such matters as standards of products, packaging, and promotion etc. In addition to the aim of protecting local industries and consumer interest, rules have become stricter. Regulations to protect the purity of the environment and preserve the ecological balance have assumed great importance in many countries including Nigeria.
*Socio-Cultural Factor:* The socio-cultural fabric of a society is a significant environmental variable that require to be evaluated while formulating business strategies. Bach et al. (2013) argued that the cost of neglecting the customs, traditions, taboos, tastes and preferences of people could be very high. Ajjan et al. (2013) posit that purchasing and consumption habits of the local people, their language, beliefs and values, customs and traditions, tastes and preferences, education are all factors that affect business.

*Demographic Factors:* Demographic variables such as population size, growth rate of the area, composition of age, life expectancy, family size, spatial dispersal, employment status, job pattern and others affect the demand for goods and services (Hanafizadeh et al. 2012). Markets with growing population and income are growth markets. Population that is rapidly increasing reveals a rising demand for many commodities (Ku, 2014).

*Natural Environmental Factors:* Ecological and geographical variables such as endowment of natural resource, weather and climatic environments, topographical dynamics, locational aspects in the global context, port facilities, etc., are all pertinent to business. Lin (2014) reported that variation in geographical environment between markets could sometimes call for changes in the marketing mix.

*Physical and Technological Factors:* Physical influences such as geographical variables, weather and climatic situations may call for alterations in the product to suit the environment because these environmental constructs are not controllable (Saffu et al. 2012). In addition, technological variables sometimes pose problems. An organization that is not capable of adjusting with the technological dynamics, may not survive. Ajagbe et al. (2011) opine that differing technological conditions of varying markets may call for product modifications.

*3.2 Market and Sales Forecasting in International Environment*

Thome et al. (2012) argued that market and sales forecasting are fundamental to the theory and practice of the international marketing functions. They authors put further that without a sales forecast, in the short term, operations can only respond retroactively, leading to lost orders, inadequate service and poorly utilized production resources. In the longer term, financial and market decision leading to misallocation of resources so that the organization's continuing existence may be brought into question. Danese & Kalchsmidt (2011) opine that in such consequences it is hardly surprising that the management science literature has long been filled with attempts to improve the quality of an organization's market forecasts. Ogbari et al. (2015) posit that previous studies on management science and operational research practice forecasting is placed at the head of the techniques employed. Researchers reported that since 1960 major growth has been witnessed in the areas of research into forecasting (Danese and Kalchschmidt, 2011; Thome et al. 2012; Solomon et al. 2012). However, most of those research have concentrated on only one aspect of the problem: how to develop appropriate forecasting methods. In parallel with the technical research into forecasting methods, some researchers have examined market forecasting practices. They have been concerned with such factors as the level of aggregation for which a forecast is made (from product up to industry), the time horizon of the forecast, the methods used and the accuracy achieved.

Bach et al. (2013) found that in any organization the objectives of the market forecasting process are not straightforward, and different organizational objectives will be better served by a matching organizational design. While these objectives will usually, if not invariably, include statistical notions such as accuracy and bias, more general aspects of the marketing function are also affected such as improved competitive intelligence and sales force motivation. Hanafizadeh et al. (2012) concluded that the relative importance (both perceived and actual) of any particular objective will vary from organization to organization. Organizational theorists have postulated a desired match between environmental uncertainty and organizational design (Ajagbe et al. 2011; Ogbari et al. 2015). In order to counter the effects of an unstable, complex environment the organization needs a richer information base and more effective buffers to cushion it from rapidly deteriorating market conditions or swift changes in technology or fashion. Scholars argued that organizations performed better when the uncertainty in their environment was matched by levels of staff specialization and integration between business functions. Bjorklund (2011) suggested that organizational aim should be to combine these differing information sources, and achieve a synthesis where conflicting information is available. However, inadequate linkages between departments can undermine the value of any forecasting procedure.

*3.3 Domestic Markets and International Competitiveness*

Alessandria & Choi (2014) argued that one possible way of enhancing international competitiveness of firms and continuous existence is the increasing returns to scale at the firm level. Several sources exist to determine increasing returns to scale, including the adoption of more efficient production technologies, learning by doing and other experience-based learning (Marin & Verdier, 2014). However, increasing returns at the firm level could likely be a source of variations in competence across markets when the size of market is on the order of minimum efficient scale. The description emphasizes on increasing returns to scale at the level of the industry. Hence, this study suggest that larger markets can accommodate more firms. Thus, if the efficiency level of each firm is a random variable, then the most efficient firm in a large market will, on average, be more efficient than the most efficient firm in a smaller market (Kotler, 2007; Porter, 1990; Ogbari et al. 2015). This result is an application of a standard result in the theory of order statistics that states that the maximum of a sample is bigger, the bigger is the size of the sample: the greater the number of times one can try out a game of pure chance, the higher the 'best' one can achieve (Kotler, 2007; Ogbari et al. 2015). However, economics research strongly suggests that larger markets are also more competitive, and hence, that the number of firms does not increase in proportion with market size (Porter, 1990; Ogbari et al. 2015). Thus such model implies that the expected difference in efficiency between the most efficient firms in two markets of different size will diminish as both markets expand in proportion (Hannan et al. 1990; Allen et al. 2005; Hannan & Freeman, 1977).

Reynolds (1997) argued that small and medium sized firms seems to migrate into international markets as exporters and/or as foreign investors. He suggested that foreign direct investment (FDI) and exporting are also collective techniques adopted in the international operations of big multinational organizations. Though past studies emphasized on the recognition of the causes of one of these internationalization techniques, it is a distinctively significant techniques of growth for small and medium sized firms whose scope of business has been geographically confined. Zahra et al. (2000) argued that by broadening customer bases through entering into new markets, firms are able to achieve a larger volume of production and growth. Furthermore, there are differences in market conditions across different geo-graphic areas. By leveraging resources in different markets, firms are in a position to capitalize on market imperfections and achieve higher returns on their resources. Sooner or later, in the pursuit of growth and/or higher return to resources, small firms will adopt a geographic expansion strategy to pursue new opportunities to leverage core competences across a broader range of markets (Zahra et al. 2000).

The characteristics of the internationalization of entrepreneurial firms have arrested the interest of entrepreneurship researchers who traditionally study start-ups that have a domestic business scope (Ajagbe, 2014; Mason, 2007; Mason & Pierrakis, 2011). The growing emphasis in the globalization of small and medium sized firms has resulted to ample studies on the phenomenon. Whereas the area of global entrepreneurship is still in its infancy (Hisrich et al. 1977; Brazeal & Herbert, 1999; Mason & Harrison, 2008), two varying thoughts have emerged (McDougall & Oviatt, 2000). One domain emphasizes on international new firms: that is start-ups that are international from inception, otherwise called born global. The other domain, to which this study belongs, looks at the internationalization of established, yet small firms. In the former domain, authors have investigated both the antecedents and outcomes of internationalization (Autio et al. 2000; Zahra et al. 2000). In the latter domain, however, previous studies tended to focus on various aspects of small and medium sized firms export activities in terms of the antecedents and the process of exporting, and export performance (Miesenbock, 1988; Shoham, 1998). More recently, researchers have extended investigation beyond exporting to include more broadly the processes and patterns of internationalization. However, few studies have addressed the performance implications of internationalization even thought this is of central concern to entrepreneurs (McDougall & Oviatt, 2000). This is primarily due to the difficulties in obtaining detailed information on small and medium sized firm's foreign investments and firm performance. Documented information about many small and medium sized firms are simply not publicly available. While studies on the performance implications of internationalization strategies have been sparse in the entrepreneurship literature, studies in international business and strategic management literatures have long explored the performance implications of international diversification strategies.

## 4. Theoretical Overview

### *International Economic Theories*

Alessandria & Choi (2014) argued that a general perspective of the theory of international trade is interchange of goods, capital, and services across international territories. Marin & Verdier (2014) wrote that in many international markets, it reveals an ample share of gross domestic product (GDP). While international trade has been present throughout much of history, its economic, social, and political significance has been increasing in recent centuries. Tong & Wei (2014) opine that industrialization, advanced transportation, globalization, multinational corporations, and outsourcing are all having major impact on the international trade system. They argued further that rising foreign trade is critical to the continuance of globalization. International trade is a major source of economic revenue for any nation that is considered a world power. Without foreign trade, countries would be restricted to the goods and services produced within their own borders.

International trade is in principle not different from domestic trade as the motivation and the behavior of parties involved in a trade does not change fundamentally depending on whether trade is across a border or not. The main difference is that international trade is typically more costly than domestic trade (Marin & Verdier, 2014; Alessandria & Choi, 2014; Tong & Wei, 2014). The authors suggested reasons for this to be that an international border typically imposes additional costs such as tariffs, time costs due to border delays and costs associated with country differences such as language, the legal system or a different culture. International trade uses a variety of currencies, the most important of which are held as foreign reserves by governments and central banks. Ren et al. (2010) argued that international trade is also a branch of economics, which, together with international finance, forms the larger branch of international economics. However, free trade is a type of trade policy that permits trading partners' mutual gains from trade as a function of the law of comparative advantage. Pol & Folev (2011) wrote that under a free trade regulation, commodity prices are a reflection of true demand and supply, and are the sole determinant of resource allocation. It varies from forms of trade regulation where the allocation of goods and services amongst trading partners are determined by artificial prices that do not reflect the true nature of demand and supply.

***Trade theory:*** This in addition embraces endogenous dissimilarities between nations. The main emphasis here is on economies of scale. JaeBin (2010) argued that the larger market as a result of trade imposes a cost advantage in an industry in one of the countries. The second theory depends on monopolistic competition, Ren et al. (2010) opine that this is a situation that the larger markets result to trade increase. Due to varieties of commodities in the markets, buyers search for distinctive qualities of international brands. James and Marcouiller (2002) mentioned that differentiated products trade flows both ways within product groups, and the costs also determine the structure of trade in the international market. Economic theory of gravity describes the complicated mutual trade mechanism among nations. Real trade is far lesser than gravity envisages in a frictionless atmosphere, this provides evidence of trade costs much larger than those due to policy or transportation (Marin & Verdier, 2014). Such costs are properly described by geography and a set of national variations. Stabilizing this interconnection over time reveals that the costs change slowly.

***Absolute Advantage Theory****:* This term in principles of economics means the ability of a particular country to produce a particular good with fewer resources than another country (Alessandria & Choi, 2014; Saffu et al. 2012). It is also the ability to produce more of a given product using a given amount of resources. Hanafizadeh et al. (2012) opine that this concept could be in contrast to the notion of comparative advantage which means the ability to produce a particular good at a lower opportunity cost. The notion behind absolute advantage is universally connected to Adam Smith, while "the principle of comparative advantage", is universally connected to David Ricardo in his 1817 Principles of Political Economy and Taxation.

***Comparative Advantage Theory****:* The comparative advantage theory in the principles of economics means the ability of a country to produce a particular commodity at a lower opportunity cost than another country. The concept further means the ability to produce a product most efficiently given all the other products that could be produced in the same market. Bach et al. (2013) opine that this theory can be contrasted with absolute advantage which means the ability of a country to produce a particular good at a lower absolute cost than another. The theory describes the manner in which trade can create value for both parties even when one can produce all commodities with fewer resources than the other (Hanafizadeh et al. 2012). The net benefits of such an outcome are called gains from trade. Initial research on comparative advantage theory was first described by Robert Torrens in 1815 in an essay on the Corn Laws. He concluded it was England's advantage to trade with Poland in return for grain, even though it might be possible to produce that grain more cheaply in England than Poland.

***Competitive Advantage Theory***: This concept is a situation a firm occupies against its competitors. Michael Porter propounded the three mechanism for creating a sustainable competitive advantage through cost leadership, differentiation or focus (James & Marcouiller, 2002). The aspect of cost leadership come to play when an organization the same services as its competitors but at a lower cost. However, the differentiation advantage come to play when an organization delivers greater services for the same price of its competitors. JaeBin (2010) posit that they concept is jointly refer to as positional advantages because they indicate the position of the organization in its industry as a leader in either superior services or cost. Porter, competitive advantage emerges from the manner an organization organizes and performs discrete operations (1990). The activities of an organization can be grouped into a series of operations such as salespeople making sales calls, service technicians performing repairs, scientists in the laboratory designing products or processes, and treasurers raising capital. Ren et al. (2010) mentioned that by carrying out these operations firms create value for their customers. The ultimate value an enterprise creates is measured by the amount customers are willing to pay for its product or services. However, an organization is successful if the value created supersedes the overall cost of carrying out all of the required operations. In order to derive competitive advantage over its competitors, an organization must either provide comparable value to the customer, but carry out its operations more perfectly than its competitors (lower cost), or perform operations in a unique way that creates greater buyer value and commands a premium price (Porter,1990).

## 5. Empirical Analysis

Feenstra (2003) argued that the concept of “buy low, sell high” rationality lead economists to the comparative advantage theory. The theory indicates that the comparison of relative price variance between countries to describe the trade pattern. Acs & Audretsch (2003) opine that entrepreneurship as measured by varying dimensions such as start-up activity rates, increase in business ownership both play significant role in economies of nations. Entrepreneurship is perceived as an essential mechanism for development of national economies. This could be through its contribution to employment and innovation generation (Acs & Audretsch, 2003; Autio, 1994; Baumol, 2002; Carree & Thurik, 2003; Wennekers & Thurik, 1999). In addition, there are ample dissimilarities that occur between nations at the degree to which entrepreneurship adds positively to national economic growth.

Yeoh (2004) recommended cross-border entrepreneurship as an important instrument for national economic development. This mindset helps to gain insight into the variables that impact the emergence of different groups of entrepreneurship and into the economic outcomes. Additionally, the involvement of small and medium sized firms and young start-ups in the global economy despite environmental forces that deter firms performance outside their regions of operation. Mason & Zhou (2009) wrote that cross-border entrepreneurship, such as exports, are an essential avenue through which small firms are able to create value, to generate growth, to access new knowledge and technologies overseas. Recently, globalization of small and medium sized firms and young start-ups are expanding and could largely contribute to a greater number of economic players aiming at foreign markets (Hessels, 2007b). This expansion should be measured in the view of substantial dynamics that took place many years ago and that lead to lowering of transaction costs for undertaking global ventures. Considering that firms are operating in an economy that is becoming increasingly internationalized. Technological advancements such as the adoption of the internet, e-mail and lowering transportation costs have led to increased flow of information between countries that encourage small and medium sized firm’s globalization (Autio, 2005; Reynolds, 1997). This scenario has made it easier for small and medium firms to be able to assess needed information about international markets, communicate with international business partners and to coordinate different operations across national boundaries.

## 6. Conclusion of Study

This study has examined the effects of global marketing environment on entrepreneurship development. This study laid much emphasis on variables that influence global marketing environment of business, such variables are technological, cultural, political, environment, and government regulations. Empirical studies of previous researchers were reviewed as they relate to the research topic. In addition, theories that surround this topic of investigation were brought to light in the theoretical framework, empirical framework and the gap in the literature reviewed. This study finds that global marketing environment cannot be separated from other entrepreneurship development of the economy. Hence, as earlier reported by earlier researchers, the impact of global marketing on entrepreneurship development of an economy cannot be over emphasized. Therefore for entrepreneurs to be successful in international market the impact of global marketing environment must be considered in business decision making.

This study found that cross-border activities, such as exports, are an important means through which small and new ventures are able to create value, to generate growth and to access new knowledge and technologies abroad. This finding is consistent with the report of Yeoh (2004). The finding of Hessels (2007b) further corroborated this current report and that of Yeoh (2004) because the author also adds that the internationalization of SMEs and new ventures are both expanding and this may likely contribute to a greater number of economic actors pursuing foreign markets. The expansion and acceleration of cross-border entrepreneurship should be considered in the light of substantial changes that took place in the past decades and that resulted in a reduction of transaction costs for undertaking international business. Firms are operating in an economy that is becoming increasingly global. The global shrinking of trade and investment barriers through the World Trade Organization and the establishment of regional economic cooperation agreements such as the European Union have diminished barriers for SMEs and new ventures to become internationally active. Also, technological advancements (including the widespread use of internet and e-mail) and falling transportation costs have resulted in enhanced information flows between countries which facilitate small and new venture internationalization. However, this study suggests that potential profit from international dealings is dependent on the potential to align the business with available government regulations in the host country. In addition, there is urgent need for entrepreneurial ventures to key into the ongoing technological revolution to make their products available to the global markets, this is because it is evident in the literature that emerging countries with substantial number of small and medium sized firms have not really cashed into the adoption of technology to enhance their business transactions.

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