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## **EFFECTS OF MARKETING STRATEGIES ON ENTREPRENEURIAL DEVELOPMENT**

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### **Abstract**

*This study examined the effects of Marketing Strategies on Entrepreneurial Development. It also attempts to determine the extent to which promotion increases sales growth. Survey research method was used in a cross sectional design through the use of comprehensive questionnaires which were distributed to selected business enterprises in Ikeja area of Lagos State, Nigeria. In the analysis of data collected, it was found that marketing strategy such as promotion has a significant impact on the sales growth of any company. It was also noted that the use of direct distribution channel has a positive effect on the overall profitability of the firm. From these analytical findings, it is therefore recommended that entrepreneurs should be able to understand the need for customer satisfaction and create niche for the product they sell. Entrepreneurs should engage in more marketing promotions by making use of the internet, radio, TV, billboards, and ensure their customers are reached wherever they are found. The research makes clear the importance of Marketing Strategy to all organizations, as it has been confirmed that marketing strategy does have effects on entrepreneurial development.*

*Key words: Marketing, Strategy, Entrepreneurial, Promotion, and Development.*

### **Introduction.**

In the global world of business today, marketing activities have become very competitive and enterprises are doing just about anything in order to remain relevant and still meet the ever dynamic needs of their customers. Studies have shown that, for these enterprises to survive, they must take their marketing very seriously. People are now better educated and the global world of business today is a very dynamic one in order to satisfy the changing needs of customers, you

must first know their needs and that is where marketing strategy begins. For an organization to survive in today's competitive market, it has to treat the marketing part of its firm with top priority. The main purpose of any organizations existence is to satisfy needs of its chosen target customers at a profit and keep the business growing. For that to happen, there must be an effective marketing strategy in place, which is why a specific department has been set-aside in almost all firms just to handle the marketing aspect of the firm. A marketing strategy is the result of decisions being made about how a particular product or service will be packaged to its target customers. The word packaged above is used to include how the product is designed, priced, promoted, and distributed to target customers at a profit to the organization. Marketing strategies are used to increase sales, launch new products and generally provide profit for a company (Cyprus 2010).

Interestingly, the objective for the organization is to tie its marketing promotional efforts into a comprehensive marketing strategy that is carefully designed to attract the desired attention in the marketplace. Some marketing strategies are created for the purpose of capturing a certain segment of the market, but majority of small business strategies are more generic in nature. A marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements; identifies the firm's marketing goals, and explains how they will be achieved, ideally within a stated timeframe [Ibidunni 2004]. Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. It is most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena. Entrepreneurship has been recognized as the main bedrock of any economy. For an economy to develop or improve, that economy's entrepreneurship must of necessity develop as well. It is now widely agreed that the entrepreneur is the prime driver of economic progress They are involved in the production of all the goods and services, they also help increase the economy's revenue, they help reduce the rate of unemployment in the economy and even train and develop the economy manpower in order to increase productivity. These enterprises operate in different parts of every economy, [Achumba, 2000]

In the words of Bhattachary (1999), an entrepreneur is a person with ideas, originality, ingenuity, vision and foresight about what to produce or how best to produce it. The economic growth of

any economy depends to a large extent on the continuous growth and development of small and medium scale enterprises, which has been described as the engine of development in any economy. All enterprises involved in one form of business or the other are regarded as entrepreneurial firms that is either the small ones or medium firms or even multinational organizations. This sums up the fact that the development of the economy is largely dependent on the growth and development of such country's entrepreneurial firms.

**STATEMENT OF RESEARCH PROBLEM:** In recent times, more firms are coming up day by day and the market is becoming more and more competitive and dynamic. Enterprises are becoming more dynamic and they are using different strategies in order to still remain relevant in the market. Just any marketing strategy cannot be used by any enterprise; each enterprise must discover the appropriate marketing strategy that best suits its own operations. Without the appropriate marketing strategy, an enterprise cannot survive in today's competitive environment.

Enterprises of today are aspiring to achieve sales growth because without constant adequate sales growth, the enterprise will stagnate and when this occurs, the enterprise won't be able to compete favourably in the competitive market of today, [Kotler, 2006]. In our competitive market, everyone is struggling to improve and satisfy the needs of the customers. An enterprise cannot survive without constant sales growth. Most enterprises of today are failing because there is no constant sales growth and that is why promotion has to be taken more seriously. Promotion basically has to do with making people aware of the existence of the product and also making people buy more of the product, thereby increasing sales growth, [Porter, 1998].

Today, a number of enterprises are trying to get a high market share in order to survive the ever-competitive market. Many of them believe that this can be achieved through effective market segmentation, [Achumba, 2000]. The challenge many firms have today is how to effectively segment their market in order to achieve the desired effects. It has also been discovered that enterprises use the long type of distribution channel,[Bharadwaj , Varadarajam and Fahy, 1993].. This has become a major challenge for producers as the products move from the manufacturer to wholesalers then to retailers before it reaches the final consumers or it might even be longer than that in some cases. Every enterprise's major reason for existence is to make profit. However, with this long channel, a lot of cost is incurred, and the product might even be spoilt or damaged

in the process of handling the product. Firms therefore face the challenge of knowing the appropriate type of channels, which they could use for their product (Vesper 1969). Hence, this research also looks at the challenge involved in the use of distribution strategy.

**OBJECTIVES OF THE STUDY:** The general objective of this research work is to critically examine the effects of Marketing Strategies on entrepreneurial development. However, the specific objectives of the study are to: (i) determine the extent to which promotional strategy will increase sales growth.; (ii) find out how the use of market segmentation will increase the market share of the business (iii); ascertain whether the use of direct channels of distribution can have a positive effect on the profitability of the business. ; (iv) offer useful policy recommendations which firms will find beneficial in the ever dynamic and highly competitive world of business.

**RESEARCH HYPOTHESES:** The paper makes three propositions, which are stated in the form of null hypotheses. These are: (i) The use of promotional strategy cannot increase company's sales growth; (ii) Effective market segmentation cannot increase a company's market share; (iii) There is no relationship between the use of direct channels of distribution strategy and a firm's profitability.

## LITERATURE REVIEW

The concept of marketing Strategy is gradually becoming an essential part of every existing enterprise of today. The concept of strategy is ancient and it comes from Greek word *strategia*, which means art of Army General. Effective Army Generals are needed to win battles and protect territories. Strategic Marketing is defined by Achumba (2000) as a chosen line of action selected by an organization for pursuing a marketing objective. Strategic marketing management can also be viewed as the art of formulating, implementing, and evaluating cross-functional decisions that will enable an organization to achieve its desired objectives. It must be pointed out here that *Marketing* involves activities that provide satisfaction to consumers. It is a matching process. Marketers must recognize and understand consumers' needs and wants and then determine how best to satisfy them. Satisfaction becomes available through the process of exchange in the society. Marketing, with its emphasis on satisfaction, exists because society has

needs that must be met and wants that must be satisfied. Thus, the goal of marketing is to facilitate exchange so that satisfaction is increased for all the parties involved (Ibidunni 2004). Exchange requires two or more individuals or groups that have certain want satisfying products. In order for exchange to come about, each party must want what will be received more than what will be given up; that is, both parties must feel that their total satisfaction will be enhanced as a result of the exchange. The constituent parts of a marketing strategy are based on a thorough and objective understanding of the current situation. They usually include: (i) The scope of the business: (ii) Marketing objectives: (iii) Target segments and positioning: (iv) Marketing mix strategy.

In today's very competitive marketplace, the use of marketing strategy must ensure a consistent approach to offering one's product or service in a way that will outsell that of competitors. However, in our attempt at defining marketing strategy one must also have a well-defined methodology for the day-to-day process of implementing it. It is of little value to have a strategy if we lack either the resources or the expertise to implement it. In the process of creating a marketing strategy, one must consider a number of factors, some of which are more important than others. Because each strategy must address some unique considerations, it is not reasonable to identify 'every' important factor at a generic level. However, many are common to all marketing strategies.

The marketing objectives will focus on how a firm will increase its sales by getting and keeping customers. To explain how to do this, experts talk about how best a firm can package its products and services, how much to charge for them and how to take them to market. A marketing strategy will help the company to tailor its messages and put the right marketing communication mix of marketing approaches in place so that the company can bring its sales and marketing activities together effectively. [Pride and Ferrell , 2002].

You begin the creation of your marketing strategy by deciding what the overall objective of your enterprise should be. In general this falls into one of four categories, [Porter, 1998].

- If the market is very attractive and your enterprise is one of the strongest in the industry you will want to invest your best resources in support of your offering.

- If the market is very attractive but your enterprise is one of the weaker ones in the industry you must concentrate on strengthening the enterprise, using your offering as a stepping-stone toward this objective.
- If the market is not especially attractive, but your enterprise is one of the strongest in the industry then an effective marketing and sales effort for your offering will be good for generating near term profits.
- If the market is not especially attractive and your enterprise is one of the weaker ones in the industry you should promote this offering only if it supports a more profitable part of your business (for instance, if this segment completes a product line range) or if it absorbs some of the overhead costs of a more profitable segment. Otherwise, you should determine the most cost effective way to divest your enterprise of this offering.

**TYPES OF MARKETING STRATEGY:** One of the most important concepts of the marketing planning process is the need to develop a cohesive marketing strategy that guides tactical programs for the marketing decision areas. In marketing there are two levels to strategy formulation: General Marketing Strategies, Decision Area Strategies, Strategies based on market dominance, Porter generic strategies, and Innovation strategies, [Porter, 1998].

**General marketing strategy:** This strategy looks to maintain the marketer's current position in the market, such as maintaining the same level of market share. This strategy looks to remove the product from the organization's product mix. This can be accomplished by selling the product to another organization, eliminating the product the company's product offerings

**Decision area strategy:** These are used to achieve the General Marketing Strategies by guiding the decisions within important marketing areas (product, pricing, distribution, promotion, target marketing). For example, a General Marketing Strategy that centers on entering a new market with new products may be supported by Decision Area Strategies that include: target market strategy – employ segmenting techniques, product strategy – develop new product line, pricing strategy – create price programs that offer lower pricing versus competitors, distribution strategy – use methods to gain access to important distribution partners that service the target market, promotion strategy – create a plan that can quickly build awareness of the product. Achieving the decision area strategies is accomplished through the development of detailed Tactical Programs

for each area. For instance, to meet the Pricing Strategy that lowers cost versus competitors' products, the marketer may employ such tactics as: quantity discounts, trade-in allowances or sales volume incentives to distributors.

**Strategies based on market dominance:** In this scheme, firms are classified based on their market share or dominance of an industry. Typically there are four types of market dominance strategies: Leader, Challenger, Follower, and Niche.

**Porter generic strategies:** Strategy on the dimensions of strategic scope and strategic strength refers to Porters generic strategy. Strategic scope refers to the market penetration while strategic strength refers to the firm's sustainable competitive advantage. The generic strategy framework (porter 1984) comprises two alternatives each with two alternative scopes. These are Differentiation and low-cost leadership each with a dimension of Focus-broad or narrow.

**Integrated Marketing Strategy:** When a company pursues an integrated marketing strategy, most elements of the marketing strategy must be incorporated. Integration includes not only the product but also the communications strategy, pricing and distribution as well as such strategic elements as segmentation and positioning. Such a strategy may be advisable for companies that face completely globalized customers along the lines. It also assumes that the way a given industry works is highly similar paths in country by country.

**Product Category Strategy:** Possibly the least integrated type of marketing strategy is the product category strategy. Leverage is gained from competing in the same category country after country and may come in the form of product technology or development costs. Selecting the form of product category implies that the company while staying within that category will consider targeting different segments in each category or varying the product, advertising and branding according to local market requirements. Companies competing in the multi-domestic mode are frequently applying the category strategy and leveraging knowledge across markets without pursuing standardization. That strategy works best if there are significant differences across markets and when few segments are present in market after market. Several traditional multinationals players who had for decades pursued a multi-domestic marketing approach-

tailoring marketing strategies to local market conditions and assigning management to local management teams have been moving towards the product category strategy.

**Marketing Mix Element Strategy:** These strategies pursue expansion along individual marketing mix elements such as pricing, distribution, place, promotion, communication and product. They are partially globalized strategies that allow a company that customize other aspects of its marketing strategy. Although various types of strategies, advertising strategies and branding strategies. Typically companies globalize those marketing mix elements that are subject to particular strong logic forces. A company facing strong purchasing logic may globalize its account management practices or its pricing strategy. Another firm facing strong information logic will find it important to globalize its communications strategy, [Porter, 1998].

**Product Strategy:** Pursuing a product strategy implies that a company has largely globalized its product offering. Although the product may not need to be completely standardized, key aspects or modules may in fact be globalized. Product strategies require that product use conditions, expected features and required product functions be largely identical so that few variations or changes are needed. Companies pursuing a product strategy are interested in leveraging the fact that all investments for producing and developing a given product have already been made. Strategies will yield more volume, which will make the original investment easier to justify, [Barney, 1998].

**Promotional strategy:** promotional strategy involves how the company decides on the use of marketing communication mix elements such as advertising, sales promotion, public relations, personal selling and direct marketing so that the company can achieve a better. Advertising is generally associated with the use of the same brand name across the world. However, a company may want to use different brand names partly for historic purposes. Many firms have made acquisitions in other countries resulting in a number of local brands. These local brands have their own distinctive market and a company may find it counterproductive to change those names. Instead, the company may want to leverage a certain theme or advertising approach that may have developed as a result of some customer research. Advertising themes are most advisable when a firm may market to customers seeking similar benefits across the world. Once



the purchasing reason has been determined as similar, a common theme may be created to address it.

**Composite Marketing Strategy:** The above description of the various marketing models give the distinct impression that companies might be using one or the other generic strategy exclusively. Reality shows, however that few companies consistently adhere to only one single strategy. More often companies adopt several generic strategies and run them in parallel. A company might for one part of its business follow a brand strategy while at the same time running local brands in other parts. Many firms are a mixture of different approaches, thus the term composite.

**Competitive Marketing Strategies:** One of the longest running battles in competition is the fight for market dominance between Coca-Cola and Pepsi, the world's largest soft drink companies. Firms are able to leverage their experience and market position in one market for the benefit of another. Although firms have superior resources, they often become inflexible after several successful market entries and tend to stay with standard approaches when flexibility is called for. In general, the firms' strongest local competitors are those who watch firms carefully and learn from their moves in other countries. With some firms requiring several years before a product is introduced in all markets, local competitors in some markets can take advantage of such advance notice by building defenses or launching a pre-emptive attack on the same segment.

**Branding Strategy:** Branding strategies consist of using the same brand name, label, design, logo, or a combination of these on a product, worldwide. Branding strategies tend to be advisable if the target customers travel across country borders and will be exposed to products elsewhere. Branding strategies also become important if target customers are exposed to advertising worldwide. This is often the case for industrial marketing customers who may read industry and trade journals from other countries. Interestingly, global branding has become important also for consumers products where cross-border advertising through international TV channels has been common, [Achumba, 2000],

**Segment Strategy:** A company that decides to target the same segment in many countries is following a segment strategy, [Pride and Ferrell, 2002

]. The company may develop an understanding of its customer base and leverage that experience around the world. In both consumers and industrial industries significant knowledge is accumulated when a company gains in-depth understanding of a niche or segment. A pure segment strategy will even allow for different products, brands or advertising although some standardization is expected. The choices may consist of competing always in the upper or middle segment of a given customer market or for a particular technical application in an industrial segment. Segment strategies are relatively new to marketing. The above view is also supported by a number of scholars such as Miles (2004), Achumba, (2000), Ibidunni, (2004) amongst others.

**ENTREPRENEURIAL DEVELOPMENT:** The study of entrepreneurship reaches back to the work of Richard Cantillon and Adam Smith in the late 17th and early 18th centuries, but was largely ignored theoretically until the late 19th and early 20th centuries, [Aaker, 1989]. In the 20th century, the understanding of entrepreneurship owes much to the work of economist Joseph Schumpeter in the 1930s and other Austrian economists such as Carl Menger, Ludwig von Mises and Friedrich von Hayek. In Schumpeter, an entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation. Entrepreneurship employs what Schumpeter called "the gale of creative destruction" to replace in whole or in part inferior innovations across markets and industries, simultaneously creating new products including new business models. In this way, creative destruction is largely responsible for the dynamism of industries and long-run economic growth, [Kotler, 2006]. The proposition that entrepreneurship leads to economic growth is an interpretation of the residual endogenous growth theory and Kirzner as such, is hotly debated by academic in economics. An alternate, description posited by, according to Baumol, (1990) suggests that majority of innovations may be much more of incremental improvement.

Entrepreneurship concept, like other concept has no specific or single definition. It has been defined in different ways by many authors, according to their understanding of the view or of the subject matter. For instance, Baumol (1990) defines entrepreneurship as "a practical

creativity, which combines resources and opportunities in new ways. It involves the application of personal qualities, finances and other resources within the environment for the achievement of business success". Barro (1997), sees entrepreneurship as the process of using available capital in any form, for the business endeavors in an open and free market economy for the sole purpose of making profit and it includes all enterprises in new fields.

Entrepreneurship is the act of being an entrepreneur, which is a French word meaning "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods". This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. The most obvious form of entrepreneurship is that of starting new businesses (referred as Startup Company); however, in recent years, the term has been extended to include social and political forms of entrepreneurial activity. When entrepreneurship is describing activities within a firm or large organization it is referred to as intra-preneurship and may include corporate venturing, when large entities spin-off organizations.

Entrepreneur is any person who coordinates other factors of production and bears the risk of uncertainty by investing his scarce resources in the business venture. He also takes the managerial decision such as planning, staffing, organizing, developing and controlling the business organization. A person who is willing to risk his capital and other resources in a new business venture from which he expects substantial rewards, if not immediately, out in the foreseeable future at least.

Speaking on the economic importance of entrepreneurship, Porter, (1998) quoted the former American president, Ronald Reagan, in his speech titled "the greatest game in town is business" made this statement, "we have lived through the age of big industry and the age of giant corporation, but I believe that this is the age of the entrepreneur, the age of the individual; that is where the nation's prosperity is coming from and that is where it is going to come from in the future". Entrepreneurship contributes significantly to the economic growth of any country in a number of ways. Some of which include (i) Employment Generation ;(ii) Conversion of foreign exchange;(iii) Promotion of effective domestic resource utilization ;(iv) Channel for

maximization of the potential in entrepreneurs ;(v) Equitable distribution of income and wealth; amongst others.

The entrepreneur is faced with a number of challenges, some of which according to Baumol, (1990) include (i) Managerial incompetence;(ii) Infrastructural constraints; (iii) Competition from foreign businesses;(iv) Political instability;(v) Poor manpower training and development; (vi) Financial problems, amongst others.

Empirically, a lot of research work has been carried out on the effects of marketing strategy such as promotion and market segmentation on the entrepreneurial development of the economy. Majority of the researches do not focus on the development of enterprise and this poses a challenge because of the strategic importance of entrepreneurial sector as it helps in the development of developing nations. Today, many CEOs of major companies are disappointed over marketing's inability to produce measurable results. Interestingly, they view their marketing department as not living up to expectations. Again, fewer marketers today are rising through the ranks to become CEOs, [Asika and Osuagwu, 1995]. While companies unabashedly declare their wish to get closer to customers, marketing is actually losing power to other functions in the enterprise. What happened? How did marketers lose their influence, and marketing its organizational relevance? More importantly, how can marketers capture the imagination of CEOs and marketing its strategic role in the firm? Ironically, while the marketing influence has been declining, the need for marketing function has been on the increase. However to rescue themselves from the corporate obscurity that comes from responsibility for implementing tactics, marketers must start driving overall strategic change. They must help CEOs lead organization-wide transformational initiatives that will be able to deliver substantial revenue growth and increased profitability.

## **Methodology**

This research was carried out in the first quarter of this year, precisely March, 2013. The paper uses survey research method. A set of questionnaires was well structured and administered to four categories of respondents, which were in Trading, Service firms, Manufacturing, and Retailing. Likert Scale structured questionnaire was used with options of five variables: which

ranges from Strongly Agree (SA); Agree (A); Undecided (U); Disagree (D); and Strongly Disagree (SD).

The researcher used the whole population of registered enterprises in the local government. In all 120 questionnaires were sent among the categories of respondents 103 questionnaires were returned while 11 of these questionnaires were rejected because they were not properly filled. In all, the research made use of 92 returned questionnaires. Below is the summary of demographical data showing classification of participants.

**TABLE 1  
THE NATURE OF BUSINESS THAT RESPONDENTS' ENTERPRISES ARE INTO.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Trading	23	25.0	25.0	25.0
Servicing	47	51.1	51.1	76.1
Manufacturing	16	17.4	17.4	93.5
Retailing	6	6.5	6.5	100.0
Total	92	100.0	100.0	

Source: field survey, 2013

Table 1 above shows the nature of business enterprise the respondent belongs to is involved in. of the 92 respondents, 23 (25%) respondents are involved in trading, 47 (51.1%) are involved in servicing, 16 (17.4%) is involved in manufacturing and 6 (6.5%) are involved in retailing. This goes to show that most of the respondents are involved in service industry.

**TEST OF HYPOTHESES AND DISCUSSION OF RESULTS**

Regression analysis was used to measure the effects of the independent variable to the dependent variable. Each of the hypotheses has strong linkage with the objectives of the study and research problem stated earlier.

**TEST OF HYPOTHESIS 1:** The use of promotional strategy cannot increase company sales.

**TABLE 1 MODEL SUMMARY**

Model	R	R Square	Adjusted R Square	Std. Error of the
1				

				Estimate
1	.466(a)	.217	.191	.54028

Source: field survey, 2013

a Predictors: (Constant), the strategic use of advertising improves the competitive advantage of your company, promotional strategy (such as advertising, public relations etc) improves entrepreneurial development in your company, promotion (such as advertising and public relations etc) helps to effectively utilize the firm's resources

Table (i) is the model summary. It shows how much of the variance in the dependent variable (sales growth) is explained by the model (promotion). In this case the R square value is .217. Expressed by a percentage, this means that our model (promotion) explains 21.7% of the variance in sales growth. The adjusted R square shows .191, while the standard error of estimate indicates .54028 which signifies the error term that was not captured in the model.

TABLE (ii) ANOVA (B)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.139	3	2.380	8.152	.000(a)
	Residual	25.687	88	.292		
	Total	32.826	91			

Source: field survey, 2013

- a. Predictors: (Constant), the strategic use of advertising improves the competitive advantage of your company, promotional strategy (such as advertising, public relations etc) improves entrepreneurial development in your company, promotion (such as advertising and public relations etc) helps to effectively utilize the firm's resources
- b. Dependent Variable: strategic use of marketing communication increases the sales growth of your company

Table (ii) shows the assessment of the statistical significance of the result. The ANOVA table tests the null hypothesis to determine if it is statistically significant. From the results, the model in this table is statistically significant (Sig = .000) and hence, the null hypothesis should be rejected.

TABLE (iii) COEFFICIENTS (A)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	1.847	.610		3.027	.003
	Promotional strategy (such as advertising, public relations etc) improves entrepreneurial development in your company	.376	.111	.341	3.391	.001
	Promotion (such as advertising and public relations etc) helps to effectively utilize the firm's resources	.097	.071	.151	1.368	.175
	the strategic use of advertising improves the competitive advantage of your company	.133	.098	.141	1.354	.179

Source: field survey, 2013

a. Dependent Variable: strategic use of marketing communication increases the sales growth of your company

Table (iii) also shows which of the variables included in the model contributed to the prediction of the dependent variable. The study is interested in comparing the contribution of each independent variable; therefore beta values are used for the comparison. In this table, the largest beta co-efficient is .341

### Interpretation of results

- i. The result of the analyses presented thus far allows us to answer the question, ‘To what extent does promotion increase sales growth?’ The independent variables used in representing promotion were statistically significant in contributing to the

prediction of sales growth. As a result, the null hypothesis was rejected while the alternate hypothesis, which states that the use of promotional strategy can increase company sales growth., was accepted.

TEST OF HYPOTHESIS 2: There is no a relationship between the use of direct channels of distribution and a firm’s profitability.

TABLE (iv) MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.357(a)	.127	.087	.63506

Source: field survey, 2013

a. Predictors: (Constant), effective use of distribution channels enhances your company's profitability, efficient use of distribution channel facilitates the company's sales growth, efficient use of distribution channel increases the market share of your company, direct distribution channel enables your company to satisfy its customers in a particular level

Table (iv) above is the model summary. It shows how much of the variance in the dependent variable (business profitability) is explained by the model (direct distribution channel). In this case the R square value is .127. Expressed by a percentage, this means that our model explains 12.7% of the variance in business profitability. The adjusted R square shows .087, while the standard error of estimate indicates .63506 which signifies the error term that was not captured in the model.

TABLE (v) ANOVA(B)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.119	4	1.280	3.173	.017(a)
	Residual	35.088	87	.403		
	Total	40.207	91			

Source: field survey, 2013

a. Predictors: (Constant), effective use of distribution channels enhances your company's profitability, efficient use of distribution channel facilitates the company's sales growth, efficient



use of distribution channel increases the market share of your company, direct distribution channel enables your company to satisfy its customers in a particular level

b. Dependent Variable: good policy recommendation helps build the level of company profitability to an optimum level

Table (v) shows the assessment of the statistical significance of the result. The ANOVA table tests the null hypothesis to determine if it is statistically significant. From the results, the model in this table is statistically significant (Sig = .017) and hence, the null hypothesis should be rejected.

TABLE (vi) COEFFICIENTS(A)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	2.415	.588		4.106	.000
	efficient use of distribution channel increases the market share of your company	.009	.098	.010	.093	.926
	efficient use of distribution channel facilitates the company's sales growth	.249	.102	.268	2.445	.017
	direct distribution channel enables your company to satisfy its customers in a particular level	-.023	.092	-.028	-.248	.805
	effective use of distribution channels enhances your company's profitability	.187	.105	.197	1.778	.079

Source: field survey, 2013.

a. Dependent Variable: good policy recommendation helps build the level of company profitability to an optimum level

Table (vi) shows which of the variables included in the model contributed to the prediction of the dependent variable. The study is interested in comparing the contribution of each

independent variable; therefore beta values are used for the comparison. In this table, the largest beta co-efficient is .197.

**Interpretation of results:** The result of the analyses presented thus far allows us to answer the question, 'Does the use of direct distribution channel positively affect the business profitability?' The independent variables used in representing marketing strategy were statistically significant in contributing to the prediction of entrepreneurial development. As a result, the null hypothesis is rejected while the alternative hypothesis was accepted.

**Discussion of Findings:** From the results of the field survey, it is found that marketing strategy has a significant effect on entrepreneurial development because marketing strategy helps the enterprise achieve optimum turnover on the long run. It helps the enterprise know what it is the customers want and how to satisfy their needs. It also makes the customers aware of the existence of the product through promotion.

Furthermore, it was also discovered in this research study that the use of promotion can help to increase sales growth of enterprises. Also direct distribution channels can have a positive effect on the profitability of the enterprise involved.

## CONCLUSION

The study has contributed to our knowledge on the effects of marketing strategy on entrepreneurial development. The results demonstrated that there is a significant effect of promotion on the sales growth of an enterprise, likewise a significant relationship between the usages of direct distribution channels on the profitability of an enterprise.

Findings of the paper implies that government should formulate policies that will encourage, enterprises in adopting marketing strategy by creating awareness programmers' to intimate them of the benefits to enterprises. Also, the enterprises should know that no firm can survive without adequate marketing strategy. The earlier the enterprises start making marketing the central of their activities, the better for the enterprise. The workers should be properly inform about marketing and everything it entails so that they can be making the most of it in their daily operations because marketing strategies are used to increase sales, launch new products and generally provide profit for a company (Cyprus 2010).

## Policy Recommendations:

Based on the findings of this research, the study provides a few points on how entrepreneurs could improve their use of marketing strategy:

- ❖ Marketing communication agencies should implement the use of integrated marketing communication because it solves most problems and helps the marketing agencies to improve in their services to their customers.
- ❖ Entrepreneurs will need to intensify more effort on marketing their products either through open market sales or consumer contact (one on one sale) will improve sales. They could also make use of product display, proper packaging and branding.
- ❖ The entrepreneurs should engage in more advertising by making use of the internet, print, radio, television etc. ensure their clients get reached wherever they are found. They could improve their use of marketing strategy by making use of effective sales promotion.
- ❖ Entrepreneurs should endeavor to always check and review their marketing strategy on a regular basis. They should engage in a realistic strategy that will produce result.
- ❖ Entrepreneurs should be able to understand the need for customer satisfaction and create niche for the product to sell. Hence, the need of the consumers should be known before production is done. They should try and know what their consumers want and make sure that maximum satisfaction is being derived.
- ❖ There should be proper training and retraining of personnel. That is, the staff of the enterprise should be well informed about the use of marketing strategies to the maximum benefits.

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Dr. Kehinde, Oladele Joseph holds a B.sc (Hons) in Business Administration from University of Ilorin, and an M.sc degree in Business Admin. (Marketing) from the University of Lagos. He equally holds a Ph.D in marketing from the Covenant University, where he currently lectures. At the Covenant University, Dr Kehinde blends his versatile industry experience in Advertising with marketing theory. He has published a number of research findings in both local and foreign journals as well as conference proceedings