

Effect of Entrepreneurial Marketing Practices

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Abstract

Entrepreneurial Marketing (EM) is a concept that was developed at the interface between two sciences – marketing and entrepreneurship – almost thirty years ago. While Marketing Entrepreneurship Interface (MEI) has attracted researchers not only from marketing and entrepreneurship, but also from economy, psychology and sociology, the evolution of this construct is still underdeveloped. Growth in any MSE is important, bearing in mind the high level of competition within the industry. The purpose of the study was to assess the role of Entrepreneurial marketing in the growth of the beauty parlours in Kottayam. The general objective of this study was to discuss the perception and behaviour of entrepreneurs and to evaluate various EM Practices adopted by them in Kottayam Town. The target population of the study was the beauty parlour owners. Convenience sampling was used as a technique of collecting the data. 50 beauty parlours were taken as the sample population. The research design adopted was descriptive research. Primary data were collected through interview method. The study revealed that all the entrepreneurs adopted EM practices. Relationship marketing was the major marketing strategy adopted by them. Enhancing and retaining relation with basic customers were the important techniques used by them in relationship marketing.

Key words

Marketing- Entrepreneurial Marketing- Relationship Marketing

Introduction¹

Entrepreneurial Marketing (EM) is a concept that was developed at the interface between two sciences – marketing and entrepreneurship – almost thirty years ago. While Marketing Entrepreneurship Interface (MEI) has attracted researchers not only from marketing and entrepreneurship, but also from economy, psychology and sociology, the evolution of this construct is still underdeveloped. A proper definition and specific principles in this area are missing, practical tools are inadequate and unfortunately there is no unifying theory. Although it is generally accepted that entrepreneurs behave differently regarding “traditional” marketing, however some of them are very successful. Lacking a unique definition makes research efforts remain fragmented and misaligned. Moreover, the theoretical development

is limited to the identification of concepts, mostly borrowed from other social sciences and the development of some conceptual models. However, there is a strong need to develop tools, principles and theories to help businesses – especially start-ups and small ones – to survive and thrive in an increasingly hostile and unpredictable environment.

Due to increased awareness about the impact of entrepreneurship and innovation on marketing, entrepreneurship and marketing have been combined and the concept of “entrepreneurial marketing” has emerged. The aspect of interface between marketing and entrepreneurship involves how the marketing concept and principles can be made more relevant in entrepreneurial context. Marketing has much to offer to entrepreneurship and likewise entrepreneurship can look to marketing as the key function with the firm which can encompass innovation and creativity. Entrepreneurial marketing is a proactive identification and exploitation of opportunities to obtain and maintain profitable customers through innovation, perspective on risk

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management, value creation and entrepreneurial resource navigation. It has been most frequently associated with marketing activities in firms which are small and resource constrained, and therefore must rely on creative and often unsophisticated marketing tactics that make heavy use of personal networks. The term has also been employed to describe the unplanned, non-linear, visionary marketing action of the entrepreneur.

On the other hand, entrepreneurship, has been defined as the process of creating value by bringing together a unique package of resources to exploit an opportunity which results not only in the creation of new, growth oriented firms, but in strategic renewal of existing firms.

Entrepreneurship process includes innovation in creating new products/services, processes, market and strategies. This will create sustainable advantage in market which allows identifying new needs and demands of customers and meet their satisfaction. On the other hand, marketing is an organizational function and a set of process to create, communicate and deliver value to customer and manage relationship with them in order to achieve profitability and value for organization and its stakeholders.

For any business to succeed, it requires establishment of long term relationships with customers and also delivery of customer value. This will create customer loyalty and will help in disseminating products to other customers. Entrepreneurial marketing

sees on-going entrepreneurship as a change agent of the marketing discipline. Its main role is of continuous value creation to marketing through pursuit of opportunities and innovation, risk taking and leveraging of resources as a way of ensuring incremental and improvement in performance. This is the kind of marketing that enables entrepreneurs to discover, create, motivate, satisfy and meet the demands and desire of customers.

The manifestation of the inadequate entrepreneurial marketing in beauty parlours in Kottayam Town is due to low rate of their growth and the high rate of mortality. The problem is evident particularly in Kottayam Town where the entrepreneurial marketing has not been sufficiently developed for growth and sustainability of MSEs. A deeper understanding of entrepreneurial marketing dimension i.e. (entrepreneurial orientation, marketing orientation and resource leveraging) is needed to assess the competence, growth and sustainability of beauty parlours in Kottayam Town. The study therefore focuses on the entrepreneurial marketing dimension practices of beauty parlour owners in Kottayam Town.

Entrepreneurial Marketing Strategies

The marketing methods which will be used are derived from the entrepreneurial marketing Perspective by Sikke Hempenius (2012)¹. The Result of this can be seen in the table below,

No	EM Strategies	Definition
1	Relationship Marketing	An approach to marketing which seeks to strengthen a business's relationships with its customers.
2	Viral Marketing	Marketing designed to disseminate information about a product or service very rapidly by making it likely to be passed from person to person especially via electronic means
3	Innovative marketing	A principle of enlightened marketing that requires that a company seek real product/service and marketing improvements
4	Network Marketing	A marketing strategy in which the sales force is compensated not only for sales they personally generate, but also for the sales of others they recruit, creating a hierarchy of multiple levels of compensation.
5	Social Marketing	Marketing that emphasizes that consumer or target audiences should be the focus of the planning, strategizing, and implementation of a marketing program
6	Buzz Marketing	The promotion of a company or its products or services through initiatives conceived and designed to get people and the media talking positively about that company, product or service.
7	Social Network Marketing	The process of gaining website traffic or attention through social media sites.
8	Personalised Marketing	An extreme form of product differentiation. Whereas product differentiation tries to differentiate a product from competing ones, personalization tries to make a unique product offering for each customer.
9	Digital Marketing	The use of digital sources such as internet, digital displays or mobile phones in the promotion of brands and products to consumers.
10	Guerrilla Marketing	Innovative, unconventional, and low-cost marketing techniques aimed at obtaining maximum exposure for a product

Statement of the Problem

Marketing is the most critical element in the success of any MSEs and beauty parlours cannot be an exception. It is noted that many MSEs have major problems in the field of marketing such as having small range of customers, financial constrains in the field of marketing, little innovation among others. Many MSEs also operate in a very turbulent environment of increased risk and diminishing ability to forecast, traditional marketing among others. Forecasting may become difficult and sometimes even impossible. In such environment business owners, must unlearn traditional way of doing things and replace them with new thinking and new behaviours that not only incorporate change but also create the necessary changes in the marketplace.

Entrepreneurship may be a vehicle for this and entrepreneurial marketing practices may be the utmost importance for many MSEs. Research also shows that many MSEs owners do not position themselves to be able to sport and utilize opportunities in the market place. This can be interpreted to mean that many beauty parlour owners do not effectively embrace entrepreneurial marketing. The study will therefore, investigate the entrepreneurial marketing practices and their effect on the enterprises amongst beauty parlour owners in Kottayam Town.

Objectives of the Study

The objective of the paper is to discuss the perception and behaviour of entrepreneurs, evaluate various EM Practices adopted by them and to analyse the effect of EM practice on growth of an enterprise.

Analysis-EM Practice Adopted

Table 1: EM Practiced by Entrepreneur

Sl.No.	EM Practice	Respondents	Percentage
1	Yes	50	100
2	No	0	0
Total		50	100

Source: Survey data.

Table 1 indicates that 100 % of the entrepreneurs are practicing entrepreneurial marketing.

Marketing Strategies Used

Table 2: Ranking of the Marketing Strategies Used – Friedman Test

Sl.No	Techniques Used	Mean	Rank
1	Relationship Marketing	1.72	1
2	Viral Marketing	4.26	4
3	Innovative marketing	7.76	8
4	Network Marketing	8.92	9
5	Social Marketing	4.71	5
6	Buzz Marketing	6.16	6
7	Social Network Marketing	7.16	7
8	Personalised Marketing	2.15	2
9	Digital Marketing	2.72	3
10	Guerrilla Marketing	9.44	10

Source: Survey data.

Hypotheses of the Study

- H₀₁ There is no significant difference in the marketing techniques used by the entrepreneurs in EM.
 H₀₂ Growth of an enterprise is not affected by Entrepreneurial marketing practice.

Research Design

The research design adopted was descriptive research. Descriptive research design attempts to describe such things as possible behaviour, attitude, value and characteristic. In this method, objectives of the study were formulated, method of data collection designed, sample population was selected and data collected was analyzed. Qualitative and quantitative data was collected and results were analyzed.

Population of the Study

The study focused on the beauty parlour owners in Kottayam Town. All categories of beauty parlours were considered for the study. Convenience sampling was used. The instrument used for data collection was structured interview schedule. Interviews are advantageous because they provide in-depth data which is not possible to get using a questionnaire. Statistical Package for Social Sciences (SPSS) 16.0 was used to analyze and present quantitative data using tables. Descriptive statistics refers to methods employed in summarizing the obtained data into frequency, distribution, percentage distribution. Statistical tools viz.

Table 2 shows that **relationship marketing** was the major marketing strategy used by the respondents (Mean score=1.72), Maintaining relation in grass root by **personalized marketing** was ranked second (Mean score=2.15), Digital Marketing, Viral marketing and Social marketing were ranked as third, fourth and fifth respectively. Hence it is clear that enhancing and retaining relation with basic customers were the important techniques used by the entrepreneurs at Kottayam Town.

As per Table 3, The Chi-square statistics provided different values for different marketing strategies, which were significant at 5 per cent level of significance with $p=0.000<0.05$ in all cases. Therefore, this null hypothesis is rejected with the conclusion that there is a significant variation in the strategies used by the entrepreneurs in EM.

Table 3: Mean Rank Variation of the Responses - Friedman Test

Test Statistics	
N	50
Chi-Square	416.957
Df	9
Sig.	.000

a. Friedman Test Source : Survey data

Relationship Marketing Practices-

According to Mwangi H.W (2013)² Relationship marketing is characterised by identifying, establishing, maintaining and enhancing relationship with customers. It requires personal communication with customers. According to (Roger 1993)³ in Mwangi

EM Practices for Relationship Enhancement

Table 4: EM Practices for Customer Relationship Enhancement

STATEMENTS	Response	Opinion					Total
		SA	A	M	D	SD	
1 We make follow up to customers	Number	25	25	0	0	0	50
	Per cent	50	50	0	0	0	100
2 We give after sales service	Number	20	25	5	0	0	50
	Per cent	40	50	10	0	0	100
3 We usually give credits to regular customers	Number	0	0	15	10	25	50
	Per cent	0	0	30	20	50	100
4 We give personal attention to customers	Number	5	25	15	5	0	50
	Per cent	10	50	30	10	0	100

Source: Survey data.

From the above analysis 100 % of the respondents indicated that they always followed up their customers after giving them services. 90% of the respondent gave after sale services to their

H.W (2013)⁴ the relationship marketing has taken some forms;

- i) Creating customer satisfaction through delivering superior products/service
- ii) Creating and maintaining relationship, this will result into growth of the firm as a result of high level of repeat purchases and improved responsiveness to marketing communication by customers.

Relationships marketing focuses on one to one on “share of customers rather than mass marketer share of market. (Martha Roger 1993)⁵ One to one interaction with customer would lead to improve life time value which may result to business growth. (Reincuheld 1996)⁶ continues to say that relationship marketing, loyal customers can generate word of mouth to the prospective customer hence increases customer retention and company profitability which results in to growth.

Morgan and Hunt (1994)⁷ define relationship marketing as all marketing activities directed towards establishing developing and maintaining successful relations exchange. RM seeks to create new value for customers and then share it with customers.

The goal of relationship marketing is to establish, maintain and enhance relationship with customers and other parties at a profit so that the objective of the parties involved met (Score 2002)⁸ he continues to say relationship marketing is an integrated effort to identify and maintain and build up a network with customers and continue strengthen the network for the mutual benefit of both the customer and the entrepreneur, though interactive individualized and value of time.

customers which encouraged them to come back for more services while 30% gave the customers personal attention. But no respondents favoured to give credit to the royal customers to come again.

EM Practices for Customer Retention

Table 5: EM Practices for Customer Retention

STATEMENTS	Response	Opinion					Total
		SA	A	M	D	SD	
1 Appealing customers to come	Number	5	10	10	15	10	50
	Per cent	10	20	20	30	20	100
2 Listening them & giving the best accordingly	Number	25	20	5	0	0	50
	Per cent	50	40	10	0	0	100
3 We use electronic media to remind the next visit	Number	10	20	10	10	0	50
	Per cent	20	40	20	20	0	100
4 We give them individual attention	Number	20	25	5	0	0	50
	Per cent	40	50	10	0	0	100

Source: Survey data.

From the table above on customer retention, 90 per cent of the respondents opined that they listened to the customers and gave them the best services to come back again, 90 per cent agreed that they gave

individual attention to clients, while only 60 per cent of the respondents reminded the customer of their next visit through SMS and 30 per cent were appealing customers to come.

EM Practices to Enterprise Growth (Non-Financial)

Table 6: Opinion About Growth

STATEMENTS	Response	Opinion					Total
		SA	A	M	D	SD	
1 We have achieved startup goals	Number	15	15	10	10	0	50
	Per cent	30	30	20	20	0	100
2 We provide secured job to employees	Number	20	15	15	0	0	50
	Per cent	40	30	30	0	0	100
3 We are satisfied with the performance of the enterprise	Number	30	20	0	0	0	50
	Per cent	60	40	00	0	0	100

Source: Survey data.

Table 6 showed that 60% respondents opined that they have achieved start up goals, 70 % of them opined that they provided permanent job to some

employees and all the respondents were satisfied with the performance of the enterprise by adopting EM practices.

Table 7: Two-way ANOVA – Growth of Enterprise

Dependent Variable: Enterprise Growth						
Source	Type I Sum of Squares	df	Mean Square	F	Sig.	
Customer Enhancement	40.000	4	10.000	41.000	.000	
Customer Retention	30.833	4	7.708	31.604	.000	
Error	10.000	41	.244			
Total	7750.000	50				

a. R Squared = .839(Adjusted R Squared = .807)

Source: Survey data.

From Table 7 it is understood that the two components of relationship marketing; customer

enhancement and customer retention interact with enterprise growth, as the mean score 10 and 7.708

respectively, were very high in the mean table. Moreover, the mean variation was statistically significant at 5 per cent level of significance in the test of between-subjects' effects in the case of customer enhancement as $P=0.000<0.05$, and in the case of customer retention as $P=0.000<0.05$. Therefore, it is confirmed that the entrepreneurial marketing practice has a significant effect on enterprise's growth by rejecting the hypothesis.

Conclusion

All entrepreneurs adopted EM. as a part of EM practices and preferred relationship marketing strategy. Enhancing and retaining relation with basic customers were important techniques used in relationship marketing. Entrepreneurs always followed up their customers after giving them services by providing after sale services and personal attention to customers. They used to listen to the customers and gave them best services and personal attention. The two components of relationship marketing strategy in entrepreneurial marketing, viz. customer enhancement and customer retention have a significant effect on enterprise growth.

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