STUDY OF ENTREPRENEURIAL MARKETING OF SMEs IN THE SOUTHERN PART OF TAMIL NADU

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Abstract

The study reveals that the opportunities driven dimension has a significant influence on the perceived marketing performance (PMP) of SMME entrepreneurs. Proactiveness and continuous innovation dimensions also have a significant impact on SMME units' PMP. However, the influence of customer intensity and risk-taking dimensions is not significant. The resource leverage dimension has a significant influence on SMME units' PMP. The study assumes that EM's dimension effect on the production and marketing performance of SMEs is moderated by gender. Women entrepreneurs have a higher influence on the opportunities-driven dimension than men, while proactiveness and continuous innovation dimensions have a significant difference. The study also finds that customer intensity and risk-taking dimensions have less significant influence on SMME performance.

Keywords - Perceived Marketing Performance, Entrepreneurial Marketing, Continuous Innovation

Introduction

Entrepreneurial Marketing (EM) is the combination of two distinct aspects of the management. Existing as distinct disciplines, entrepreneurship and marketing have emerged by business house/owner/manager/entrepreneur in order fulfill limitations of the traditional marketing theories and concepts. Lam and Harker (2013) said marketing is the flesh and entrepreneurship is soul for the business. Bojei, Julian, Wel, and Ahmed (2013)said Entrepreneurial Marketing (EM) is a combination of

entrepreneurship and marketing, aiming to fill the limitations of traditional marketing theories. It involves translating innovation ideas into products, creating positive market responses, and adding value to gain a competitive advantage. EM is traditionally associated with small to medium-sized enterprises but can impact large companies in fast-changing environments with increased risks and diminishing forecasting capabilities. The present research focus MSME entrepreneurs' perceived marketing performance (PMP) in Tamil Nadu.

RESEARCH PROBLEM

India's MSME sector, despite its diverse size, product diversity, and technology use, has the potential to rapidly develop due to substantial job prospects. The National Manufacturing Policy aims to increase the sector's GDP share from 16% to 25% by 2022. A&A Business Consulting conducted a nationwide survey of 0.08 million SMEs in India during 2018-19. The survey revealed that 47% of SMEs face major issues such as sales, working capital, short-term expenses, asset misuse, and employee retention. The economic downturn has further exacerbated these challenges, highlighting the unorganized nature of the Indian SMEs sector.They further suggest that are not able to pay off short-term expenses or their assets are not being put to good use. 20% SME say that we are not able retain the good employees. The survey also suggests that our economy going through a sluggish phase and it heavy affects the SME fortunes in India. Economic times made Survey 2019 in tier 1 and tier 11 cities in India suggest that present economic condition create liquidity is in tier 11 cities. This could affect SME and MSME heavier than big companies (Economic times report 2019). Economic times made Survey 2019 in tier 1 and tier 11 cities in India suggest that present economic condition create liquidity is in tier 11 cities. This could affect SME and MSME heavier than big companies.

Entrepreneurial marketing can be reflected in several dimensions and it is impact more or less beneficial for the business. What is important is how micro and small entrepreneurs actually do business and how they make their decisions, deliver their market offering in the market place with their limited resources for marketing process (Gilmore & Carson, 2018). Rezvani (2017) entrepreneurial marketing dimension difference on the base of institutions' age and size. EM dimension also differ from country to country and from one period to another. EM evaluation necessitated changes in the dimensions too and the present study also focus the dimensions of EM which is more suitable for the study area. Bedi (2016) Size of firm (based on number of employees) and type of the organization were significantly associated with the degree of entrepreneurial orientation. He further suggest that risk-taking dimension have significant association with nature of business and other dimensions such as proactiveness and competitive aggressiveness not significantly associated with nature of business. Phatak (2017) study about EM of SMEMs in Karnataka suggests that EM dimensions (seven) have significant influence on the market mix. Results creates studies suggest undefined role and effect of EM dimension on MSMEs.

OPPORTUNITY- DRIVEN : Real time intelligences needed to find new business opportunists from the existing market whether from existing customer or potential customer. Morries, Schindehutte, and LaForge

(2002) suggest first and foremost dimension of EM, they also suggest that rapid learning from the market would be the main character of this dimension. Hills and Hultman (2011) this characters of entrepreneur focus on recognition of opportunities on proactively, and creating and exploiting markets by the way innovation in products/services to the customer. Opportunity focus will be positively related to innovative performance of the SMEs reported by (Hacioglu, Eren, Eren, & Celikka., 2012). Opportunity driven may works well only up to a certain level (Crick & Crick., 2023). Sadiku-Dushi, Dana, and Ramadani (2019) said that SMEs are opportunities driven and majority of the time its main focus on resource leveraging and value creation dimensions of the EM and risk taking, proactive are not much active.

H1) Opportunities driven dimension have significant influence on perceived marketing performance of entrepreneurs SMME's units.

H9) Opportunities driven dimension have significant higher influence on perceived marketing performance of women entrepreneurs SMME's than man

 PROACTIVENESS- ORIENTATION - Proactiveness can be considered as opportunity seeking, forward looking perspective concerning introducing new products or services ahead of the competitive concern and acting in anticipation of future demand, to create and change shape firm's environment (Kreiser and Davis, 2010). Reactiveness refers to the firm's actions, which are introducing new products or services in advance of competitors and thus succeed on a market, and create firm in position to leader than follower (Abbasi-khazaei & Rezvani 2014). Morgan, Clark and Vorhies (2019) studies suggest that customer and market centric are key strategies for present business and EM needed to be proactive to tap opportunities.

H2) Proactiveness has significant influence on perceived marketing performance of SMME's units.

H10) Proactiveness has significant higher influence on perceived marketing performance of women entrepreneurs than man

Continuous Innovation- Middeke and Kottmair (2010) have considered entrepreneurs as 'important agents of innovation', who not only introduce new products and services, but also upgrade the existing technological processes. SMMEs success depends on continues processes such as understand and translate an innovation idea into actual product and create positive market response adds value to gain competitive advantage. Creative entrepreneurs generate ideas and works based the opportunities exists in market and opportunity creation in the EM is more dynamic and sensitive it requires various innovation approaches (Sullivan Mort, Weerawardena, & Liesch., 2012)

H3) Continuous Innovation dimension have significant influence on perceived marketing performance of SMME's units.

H11) Continuous Innovation dimension have significant higher influence on perceived marketing performance of women entrepreneurs than man

Customer Intensity (CI) is engaging in entrepreneurial role requires entrepreneurs to need to seek out customer needs and find better way to offer their product and services in order to gain the competitive advantage in the market. Studies in past continues stated that awareness of customers and their needs are central pillars of any marketing activities (Matsuno & Mentzer, 2014)

H4) Customer Intensity dimension have significant influence on the perceived marketing performance of SMME's units.

H12) Customer Intensity dimension have significant higher influence on perceived marketing performance of women entrepreneurs than man

Calculated Risk-Taking-   Barrett, Balloun, and Weinstein (2000) said that risk taking as the degree of uncertainty or possibility of obtaining unwanted or negative return associated with new venture. Bedi (2016) concluded that risk-taking dimension have significant association with nature of business and other dimensions such as proactiveness and competitive aggressiveness not significantly associated with nature of business.

H5) Calculated Risk-Taking dimension have significant influence on perceived marketing performance of SMME's units.

H13) Calculated Risk-Taking dimension have significant higher influence on perceived marketing performance of women entrepreneurs than man

Resource Leverage- Normally entrepreneurs are ambitious persons, their desires usually exceed their resources, and they are needed to use their resources in the best possible way. Resource leveraging is not only spending limited resources effectively but also discovering a source not seen by others (Becherer, Helms, McDonald., &2012). Resources as one of the bases of EM are required to create customer value and usually gained by cooperation with partners.

H6) Resource Leverage dimension have significant influence on perceived marketing performance of SMME's units.

H14) Resource Leverage dimension have significant higher influence on perceived marketing performance of women entrepreneurs than man

Value Creation- Abebe and Angriawan (2014) entrepreneurship and marketing creates valuable products through the successful commercialization and their findings has suggested if entrepreneurship and marking works together, have better chance of creating valuable new products. Miles and Darroch (2015) concerns which are management by entrepreneurs, proactive focuses their marketing activities in innovative and efficient value creation throughout their business process.

H7) Value Creation dimension have significant influence on the perceived marketing performance of SMME's units.

H15) Value Creation dimension have a significant higher influence on the perceived marketing performance of women entrepreneurs than man

Sampling design and size

Random sampling from a finite population refers to that method of sample selection which gives each possible sample combination an equal probability of being picked up and each item in the entire population to have an equal chance of being included in the sample. The present uses a simple random sampling method. The present study collected 120 responses but only 114 were used for analysis; the rest was detective. Samples were collected from the southern part of Tamandu. and   Measured Structural Equation Modeling (MSEM) is one of the prominent methods to fulfill the research requirements of most modern researchers nowadays. The present study also uses MSEM to test hypotheses which designed to affect perceived marketing performance of SMMEs. Innovation consists of five items which is adopted from Yuan Wang, Li-Hua and Xu (2007). Risk-taking and Proactiveness each consists of five items adopted from Matsuno, Mentzer, and Ozsomer (2002); Lannelongue, Gonzalez-Benito and Gonzalez-Benito (2015) respectively. Innovation-focused, Customer intensity, Resource leveraging, and Value creation are adopted from Morris et al., 2002 with same modification. All questions were designed in five-point scale. The production performance consists of four items which are designed on pilot study basis. Measured Structural Equation Modeling (MSEM) (AMOS graphic version 23) is one of the prominent methods to fulfill the research requirements most of the modern researchers nowadays. The present study also uses MSEM to test hypotheses which designed effect on production performance and marketing performance of SMEs. To test the hypotheses were tested through MSEM which require few validity tests to run, which are listed below:

- ➢ Exploratory factory analysis
- ➢ Discriminant Validity (DV)
- ➢ Convergent Validity
- ➢ Average Variance Extracted (AVE)
- ➢ Reliability test
- ➢ Confirmatory factor analysis

After data screen the data, Explorative factor analysis executed in SPSS version 23 and the results show that items are loading in particular variable with two cross loading. In a Confirmatory Factor Analysis was performed to test convergent and discriminant validities in order to observe the extent to which measures of a latent variable shared their variance and how they are different from other variables. To check the internal consistency of the measures, Cronbach's alpha was calculated. Internal consistency is a vital factor for behavioral studies. Cronbach (1951) developed a measurement for testing the internal consistency of a data set. Pallant (2013) recommends 0.70 level for accepting internal consistency results in SPSS. In the present study, alphas results shows, all the variables have more than the acceptable range (0.730 -0.927). To find the consistency of the data used for this research, Cronbach's alpha values were calculated. All the corresponding values of the study variable were greater than the acceptable level, which indicates that the

collected primary data was reliable and established a high internal consistency among the items in the variables.

Table -1 Reliability Test Results

Study variable	Alpha value	No. Loaded items
Opportunities driven	.789	5
Risk taking	.841	4
Proactiveness	.752	6
Innovation-focused	.710	4
Customer intensity	.782	4
Resource leveraging	.837	4
Value creation	.812	4
Production performance	.852	4
Overall marketing performance	-.674	3
Total items		46

According to Fornell and Larcker, (1981) AVE measures the level of variance captured by a construct versus the level due to measurement error, values above 0.7 are considered very good, whereas, a level of 0.5 is acceptable. To find the consistency of the data used for this research, Cronbach's alpha values were tested. All the values of the study variable were greater than the acceptable level of .70, which indicates that the collected primary data was reliable and established a high internal consistency among the items in the variables. The mater validity table shows that the data set has no above-mentioned issues. The present study uses a schedule questionnaire which consists of two parts. The second part contains 52 questions initially designed to measure the behavior, character, and performance of the firm. The second part of the questions were designed on a five-point Likert scale. Out of 52 questions, the researcher removes six items to improve the AVE of variables.

Table -2 Master validity Table

	CR	AVE	MSV	MaxR(H)	OD	PRO	CI	CU	RT		VC	MMP	IF
1	0.952	0.770	0.057	0.958	**0.877**								
2	0.943	0.780	0.057	0.993	0.238*	**0.883**							
3	0.930	0.730	0.041	1.002	0.169**	0.018	**0.855**						
4	0.923	0.752	0.008	0.973	-0.023	-0.089	-0.036	**0.867**					
5	0.850	0.586	0.070	0.855	0.052	0.065	0.004	0.048	**0.765**				
6	0.810	0.523	0.022	0.853	0.148*	0.106†	-0.007	-0.023	-0.001	**0.723**			
7	0.911	0.781	0.041	1.054	0.107†	0.114*	0.203***	0.061	0.096	0.015	**0.884**		
8	0.793	0.513	0.070	0.847	0.065	0.063	-0.005	0.084	0.264***	-0.034	0.107†	**0.707**	
9	0.673	0.509	0.065	0.817	0.056	0.075	0.067	0.097	0.230	0.12	0.61	.0.13	**0,31**

Source: statwiki.gaskination.com/in-depth/Plugins

(OD- Opportunities driven, PRO – Proactiveness, CI - Customer intensity, RT- Innovation-focused

VC - Value creation, MMP- Perceived marketing performance IF- Innovation-focused OP- overall performance)

Master validity table suggest that data set has cleared the convergent and discriminate and convergent validity

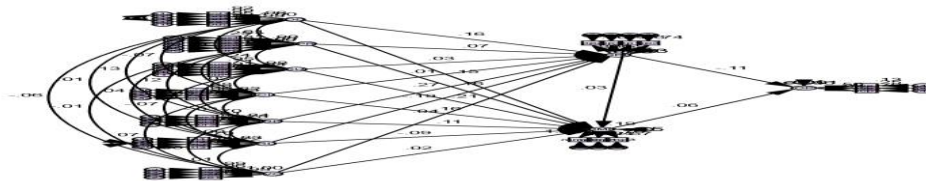is acceptable for MSEM.

Measured Structural Equation Model (MSEM)

Table – 4 : Variance Explained

S.No	Dependent variable	Independent Variable	Variance Explained
1	Perceived Marketing performance	Opportunities-driven, Risk-taking, Proactiveness, Innovation-focused, Customer intensity, Resource leveraging, and Value Creation	44%

The present study has seven determinations opportunities driven, Risk taking, Proactiveness, Innovation-focused, Customer intensity, Resource leveraging, and Value creation and these explained 44% variance on perceived marketing performance.

Results and interpretation

Table 5 Measured Structural   Equation Model (MSEM)Result

S.No	Endogenous variables < Exogenous variables	Estim ate	S.E.	C.R.	P
HI	Marketing performance < Opportunities driven	0.11	.011	2.199	.018
H2	marketing performance < Proactiveness	.020	.011	1.970	.047
H4	marketing performance < Customer intensity	.144	.058	2.494	.011
H3	Marketing performance < Innovation-focused	.0.389	.208	1.868	0.63
H5	marketing performance < Risk taking	.000	.023	.019	.985
H6	marketing performance < Resource leveraging	.089	.039	2.257	.022
H7	marketing performance < Value creation	-.017	.037	-.440	.660
H8	overall performance of SMME < perceived marketing performance	.089	.039	2.257	.022

H1 is accepted and it suggests that the opportunity-driven dimension have a significant influence on perceived marketing performance (PMP) of SMME entrepreneurs. Sadiku-Dushi et al (2019) suggest that OD plays a dominant dimension in SMME performance, and the present study suggests that PMP of SMME is significantly influenced by the opportunities-driven dimension.H2 is accepted and it suggests that proactiveness has a significant influence on perceived marketing performance of SMME's units. H3 is not accepted, and it suggests that the continuous innovation dimension influences on perceived marketing performance of SMME units is not significant. H4 is rejected and the customer Intensity dimension has a significant influence on the perceived marketing performance of SMME's units. H5 is accepted, and it suggests that the risk-taking dimension influences on perceived marketing performance of SMME units is not significant. H6 is accepted at P value of 0.22 and it suggest that resource leverage dimension have significant influence on perceived marketing performance of SMME's units. We suggest that resource leverage has pay major in entrepreneur's PMPs. H7 is rejected and the value creation dimension influence on the perceived marketing performance of SMME's units is also not significant,

Table -6

S. No	Gender Effect / Endogenous variables < Exogenous variables	Male		Female		
		Estimate	P	Estimate	P	z-score
HI	Marketing performance < Opportunities driven	0.126	0.137	0.253	0.00 8	2.01 1
H2	marketing performance < Proactiveness	0.172	0.086	0.314	0.021	1.968
H4	marketing performance < Customer intensity	0.074	0.304	0.087	0.358	0.254
H3	Marketing performance < Innovation-focused	0.360	0.000	0.168	0.129	-1.439
H5	marketing performance < Risk taking	0.142	0.074	-0.015	0.891	-1.156
H6	marketing performance < Resource leveraging	-0.090	0.319	-0.145	0.265	-0.346
H7	marketing performance < Value creation	0.089	0.484	-0.127	0.466	-1.002
H8	marketing performance < overall performance of SMME	0.053	0.517	0.061	0.609	0.051

Moderating effect of gender

A moderator is a variable that affects the strength of the relation between the predictor and criterion variable. Moderators specify when a relation will hold. It can be qualitative (e.g., sex, race, class…) or quantitative (e.g., drug dosage or level of reward). The present study assumes EM's dimension effect on production performance and marketing performance of the SMEs being moderated by gender (Table 6).H9 is accepted and it suggests that the opportunities dimension has a significantly higher influence on perceived marketing performance of women entrepreneurs SMME's than man and difference between then is also significant. H10 is also accepted and proactiveness has a higher on the perceived marketing performance of women entrepreneurs than man and the difference between them is also significant. H11 is not accepted and it suggests that the continuous innovation dimension have a significantly higher influence on the perceived marketing performance of man entrepreneurs than women. It is against our hypotheses. H12 is rejected and Customer Intensity dimension less influence on the perceived marketing performance of male and female entrepreneurs and the difference between them is also insignificant. H13 is a risk-taking influence on the perceived marketing performance of both women and men entrepreneurs is not significant and the difference between them is also insignificant. H14 is not accepted, and the resource Leverage dimension has a less significant influence on both women's and men's entrepreneurs'

perceived marketing performance and the difference between them is also not significant. H15 is rejected, and it suggests value creation dimension influence on the perceived marketing performance of men is significant, and for women, it has a less significant influence and incase difference between them is also significant.

Conclusion

The study reveals that opportunities driven, proactiveness, continuous innovation, customer intensity, risk-taking, and resource leverage dimensions significantly influence the perceived marketing performance (PMP) of SMME entrepreneurs. Proactiveness is accepted, while continuous innovation and risk-taking are not significant. Resource leverage is found to be a major factor in entrepreneurs' PMPs, while value creation is not significant. The study supports the dominant role of opportunities driven in SMME performance. The study found that opportunities, proactiveness, continuous innovation, customer intensity, risk-taking, resource leverage, and value creation dimensions have significant influences on the perceived marketing performance of women entrepreneurs SMMEs. However, continuous innovation had a higher influence on the perceived marketing performance of male entrepreneurs than women. The difference between the two groups was also significant. The study suggests that the value creation dimension has a significant influence on the perceived marketing performance of men entrepreneurs.

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