



Study Of Entrepreneurial Marketing Of SMES In Southern Part Of Tamilnadu

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Citation: Dr.P. Karthikesan, (2024), Study Of Entrepreneurial Marketing Of SMES In Southern Part Of Tamilnadu, *Educational Administration: Theory and Practice*, 30(5), 10455-10459, Doi: 10.53555/kuey.v30i5.4771

ARTICLE INFO

ABSTRACT

Studies of the EM dimension, especially SME have got the interest of the academicians and marketing experts for the last three decades. Morris et al. (2002) have developed seven core dimensions of entrepreneurial marketing, which are considered as the base theme of this study, such as calculated risk-taking, opportunity focus, resource leveraging, customer intensity, and value creation. The present study applies seven seven-dimension models of EM to assess the impact on SME production performance in the southern part of Tamil Nadu.

Keywords: Opportunity focus, Innovativeness, Risk-taking, Dimension, Entrepreneurial Marketing, Small and Medium Enterprises, Measured Structural Equation Modeling, Average Variance Extracted

Introduction

Entrepreneurial activity is considered the major driver of economic growth and accounts for many new business opportunities and job creation. Entrepreneurship is derived from the French verb 'entreprendre', which means to undertake. Entrepreneurial Marketing (EM) combines two distinct aspects of management. As distinct disciplines, entrepreneurship and marketing have emerged from a business house/owner/manager/entrepreneur to fulfil the limitations of traditional marketing theories and concepts. Lam and Harker (2013) said marketing is the flesh and entrepreneurship is the soul of business.

Theoretical background of the study

Ahmadi and O'Cass (2015) said EM expressed the degree of complementarity between entrepreneurial orientation (EO) and market orientation (MO). Miles et al., (2015) report, EM in two parts a horizontal level entrepreneurial function and a vertical level marketing function. EM dimensions have been examined by authors continuously for the last three decades. Sahid and Habidin (2018) suggest EM is a four-dimensional model, which includes opportunity creation, customer intimacy-based innovative products, resource enhancement, and legitimacy. Whalen et al. (2015) give seven-dimensional models for EM, such as, innovation, productivity, customer intensity, risk-taking, value-creation/co-creation, opportunity and networking. Alqahtani and Uslay (2018) provided a dimensional model of EM, such as innovation, productivity, value co-creation, opportunity focus, resource leveraging, networking, acceptable risks, and inclusive attention. Pane Haden, Kernek, and Toombs (2016) also support eight dimensions for EM, such as innovation, proactiveness, customer intensity, risk-taking, value-creation opportunity discovery, opportunity exploitation, and resource leveraging, but their work is different from Alqahtani and Uslay (2018) in networking aspect; they include customer intensity. Crick, crick and Chaudhry (2018) EM dimensions play different roles for different organizations. Furthermore, proactive, taking risks, leveraging resources, and innovation was mainly focused on work aspects and opportunity work may work up to a certain level. Clinton, Hultman, and Hills (2016) made a strong statement, "EM should not be conceptualized separately in respect of the behavior of small firms". Further, this concept explained by Miles et al. (2016) reports, EM in two parts: as a horizontal-level entrepreneurial function and a vertical-level marketing function.

Research problem:

Reijonen, (2010) small and medium enterprises (SMEs) have some unique characteristics and problems. Gamble, Gilmore, McCartan-Quinn, and Durkan (2011); Gilmore (2011) also suggest that try to transfer large organization model to SMEs leads to failure of SMEs. Kraus, Frese, Friedrich, and Unger (2005) said that EM as descriptive as the marketing practices which is followed by micro, small and medium-sized enterprises. In

Indian, SME segment is an unorganized sector, and continues economic downturn of the country has made it even more difficult for them. The nationwide SME survey reveals the underlying challenges that the SME segment is facing and has brought the issues foreground. The major findings of the national survey suggest: 47% of Indian SMEs, says that sales as a major issue, and which is followed by 20% SMEs says working capital being an issue. A global survey reveals that India's MSME index ranked India only 69 places because the short fall of quality of production" (times of india.indiatimes.com). Whalen et al. (2016) even though EM has substantial progress in the last three decades, but there is no thorough investigation in between EM and performance being done. The present study uses Morris, Schindehutte, and LaForge, (2002) seven dimensions of EM to test the influence of production performance of the SMEs in the southern part of the Tamilnadu. Morris et al. (2002) has developed seven core dimensions of entrepreneurial marketing, which is considered as base theme of the study, such as, innovativeness, calculated risk-taking, opportunity focus, resource leveraging, costumer intensity, and value creation. In contract also reported, Hendijani Fard and Seyyed Amiri (2018) EM on production performance of halal food companies is not confirmed and production, market and innovative performances of SMEs affects their financial performance.

Research methodology:

"Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically" (Kothari, 2004). Totally 257 responses were collected through questionnaire method and only 223 response were considered (the rest of them incomplete). The simple random sampling method used to collect primary data in the study area. Innovation consist of five items which is adopted from Yang, Li-Hua, Zhang, and Wang.2007. Risk taking and Proactiveness each consists of five items adopted from Matsuno, Mentzer, and Ozsomer (2002); Gonzalez-Benito, Gonzalez-Benito, and Muñoz-Gallego (2009) 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 21 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.

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, the level of 0.5 is acceptable. To find the consistency of the data used for this research, Cronbach's alpha values were test. All the values of the study variable were greater than the acceptable level .70, which indicates that the collected primary data was reliable and established a high internal consistency among the items in the variables. Mater validity table show that the data set has no above said issues.

Hypotheses of the study

- 1). Entrepreneurial marketing Innovation dimension will positively influence production performance of the SMEs.
- 2). Entrepreneurial marketing Risk taking dimension will positively influence production performance of the SMEs.
- 3). Entrepreneurial marketing Proactiveness dimension will positively influence production performance of the SMEs.
- 4).Entrepreneurial marketing Innovation-focused dimension will positively influence production performance of the SMEs.
- 5). Entrepreneurial marketing Customer intensity will positively influence production performance of the SMEs.
- 6).Entrepreneurial marketing Resource leveraging will positively influence production performance of the SMEs
- 7). Entrepreneurial marketing Value creation will positively influence production performance of the SMEs
- 8). Production performance of the SMEs will positively influence the marketing performance of

Table -1 MASTER VALIDITY TABLE

	CR	AVE	MSV	MaxR(H)	OD	PRO	CI	CU	RT	VC	MMP	PP
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	-	-0.036	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	-	-0.001	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	0.500	0.070	0.847	0.065	0.063	-0.005	0.084	0.264**	-	0.107†	0.707

Source: primary data

Measured Structural Equation Model

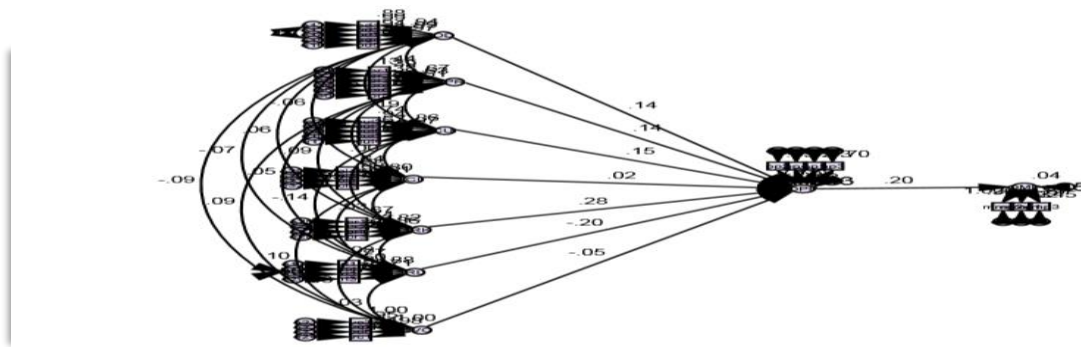


Figure1 Standardized regression weights

Table 2 Hypotheses Results

S.no	Endogenous variables < Exogenous variables	Estimate	S.E.	C.R.	P
H1	Production performance < Opportunities driven	.147	.073	2.020	.043
H2	Production performance < Proactiveness	.355	.198	1.790	.073
H3	Production performance < Customer intensify	.141	.070	2.021	.043
H4	Production performance < Innovation-focused	.023	.082	.284	.776
H5	Production performance < Risk taking	.256	.069	3.686	***
H6	Production performance < Resource leverage	-.212	.083	-2.565	.010
H7	Production performance < Value creation	-.052	.069	-.753	.452
H8	Marketing performance < Production performance	.271	.097	2.806	.005

Model fitness

Hu and Bentler (1999) suggest five measures to accept the MSEM and present study follows Hu and Bentler criteria for model fitness, and tabled below the criteria details

Table 3 Model Fit Measures

Measure	Estimate	Threshold	Interpretation
CMIN	1228.476	--	--
DF	672	--	--
CMIN/DF	1.828	Between 1 and 3	Excellent
CFI	0.923	>0.95	Acceptable
SRMR	0.073	<0.08	Excellent
RMSEA	0.064	<0.06	Acceptable
PClose	0.120	>0.05	Acceptable

Table 4 Cutoff Criteria*

Measure	Terrible	Acceptable	Excellent
CMIN/DF	> 5	> 3	> 1
CFI	<0.90	<0.95	>0.95
SRMR	>0.10	>0.08	<0.08
RMSEA	>0.08	>0.06	<0.06
PClose	<0.01	<0.05	>0.05

Source: AMOS output version 21

Hypotheses Results and Interpretation: - The H1 production performance of SMEs in the southern part of Tamilnadu is significantly influenced by the opportunities driven dimension of entrepreneurs and this result supports the previous study Hacıoglu, Eren, Erin, and Celikkan (2012). H2 was rejected, Production performance is not affected by the proactiveness dimension of an entrepreneur. H3 is accepted, this implies that the production performance of SMEs is significantly influenced by Customers intensifying the dimension of Entrepreneurs. H4 was rejected, production performance is not significantly influenced by the innovation orientation dimension of the SME manager /owner and this result supports Bojei, Julian, Wel, and Ahmed (2013).

H5 is accepted, this implies that the Production performance of SMEs has significantly influenced risk-taking the dimension of entrepreneurs of SMEs. This supports the previous works of (Swierczek & Ha, 2003; Gamble et al., 2012). H6 is accepted, and this implies that production performance is significantly influenced by the resource leverage capacity of the entrepreneurs. H7 is rejected and it shows that production performance of SMEs not significantly influenced by the value creation dimension of EM. H8 is accepted, this shows that the marketing performance of SMEs is significantly influenced by production performance.

Conclusion

The present study suggests that the risk-taking dimension plays a major role in the production performance of the SMEs. Out seven dimensions suggested by Morris et al. (2002), opportunities driven, customer intensification and risk taking to have a significant influence on production performance and at the same time resource leverage (RL) dimension has a significant negative influence on production performance. The SMEs suggests improving their production performance of SMEs. They try utilizing RL dimension positively.

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