

Performance Measurement in Entrepreneurial Marketing

Dr. Shanmugan Joghee, Associate Professor, Skyline University College, Sharjah, UAE

Dr. Anil Roy Dubey, Associate Professor, Skyline University College, Sharjah, UAE

ABSTRACT

This paper aims to investigate the performance measuring practices in Entrepreneurial Marketing among Small and Medium-size Enterprises (SMEs). It throws light on the changing nature of entrepreneurial marketing and the ways to deal with marketing approaches that business visionaries apply in the market. Entrepreneurial marketing does not look for an ideal condition to grow a firm. The essential features of entrepreneurial marketing practices are examined in this paper. This paper endeavours to broaden the perspectives on the synergetic use of factors towards more noteworthy outcomes of entrepreneurial marketing. Entrepreneurs in UAE were surveyed with a structured questionnaire to ascertain the impact of certain factors on organization's performance. The impact of gender and total experience were also analysed.

Keywords: Performance Measurement, UAE, Entrepreneurial Marketing.

INTRODUCTION

The term entrepreneurial marketing has widely pulled in the enthusiasm among government officials, politicians, businessman and scholars nowadays. The previous decade has magnified the business enterprise as a necessity for the survival of society. It lay emphasis on business, and business people as having a vital role to play in the present society. While globalization is the order of the day, environmental changes are stressed rigorously and unemployment rates are escalating. Therefore, the requirement for entrepreneurship and its success has become vital. Legislators are battling high unemployment rates and they harping on entrepreneurship with the aim of promoting new start-ups. Organizations worldwide are caught amidst severe rivalry and are finding it cumbersome to make the business enterprise remain focused and alert (Lovstal, 2011; Hills and Huktman, 2006).

The enthusiasm for entrepreneurship marketing has been widely reflected at scholarly level discussions among academicians. In the field of business, a number of studies have been introduced concentrating on either the accomplishment of entrepreneurial procedures or the conditions for enterprise in various settings. The enthusiasms for considering entrepreneurial marketing inside existing businesses has expanded in recent decades. Also, there have been a few endeavours to thoughtfully build up a general theory of business (Shcherbak, et al., 2015; Ionita, 2012).

In spite of the fact that entrepreneurial marketing has been examined in various distinctive settings, there are settings in which the performance measuring tool and its practices have not been discussed. One of these settings in the field of entrepreneurship is marketing. Truly, there appears to exist a shortage in marketing literature. The need to comprehend the role and purpose of marketing inside the business has, since the 1980s, been insisted by a few research analysts. Scapens and Bromwich (2010) contend that there is a requirement for more research on entrepreneurial marketing for new organizational structures.

DEFINITION OF KEY CONCEPTS

An entrepreneurial firm identifies with firm activities of development of new products or services, the pro-activeness, and the risk-taking ability which is considered for critical measurement of any business. Entrepreneurial firm is defined as an entrepreneurial firm is one that takes part in the innovation of new product, embraces to some degree of risk, and is to devise 'proactive' developments, getting the best of contenders (Phatak and Ashwinikumar, 2017).

Entrepreneurial Marketing and its interface reflect entrepreneurial lead. Thoughts, for instance, foster new improvements. One The interface of entrepreneurial lead and marketing is that where Innovation is passed on to market. Marketing part being developed, by then, is to give the thoughts, instruments and establishment to satisfy the gap between innovation and market requirement to achieve sensibly engaged points of interest (Holmes and Jorlov, 2015).

Entrepreneurial Orientation (EO) is a scholastics term that is being levied and measured. Entrepreneurial orientation alludes to the readiness of a firm to participate in entrepreneurial conduct. The term is best depicted as the vital intention or standpoint of the firm (Reijonen et al., 2012).

Performance measurement alludes to the measurement of performance of an action or part of a firm, for instance operating profit, quality of the product, or consumer loyalty (Miller, 1983). Subsequently, this examination centred on a wide utilization of performance measurement, including measurements of both monetary and non-monetary terms.

Performance measures are the particular numbers or amounts used to show concentrated data about firm performance got from the measurement of exercises or parts of the firm (Colombelli, 2008).

Performance measurement frameworks include various performance measures used to methodically measure the performance of the firm. The frameworks are formal, data-based procedures used to keep up or alternate designs in the organizational settings (Hacioglu et al., 2012).

REVIEW OF LITERATURE

Entrepreneurship

There is no unitary definition of the term “Entrepreneurship” in the management literature. Indeed, the term has been utilized to characterize an extensive variety of activities, like developing, establishing, branding, and dealing with a venture. So, entrepreneurship takes numerous roles.

The current definition of entrepreneurship has, to a vast degree, contended that, it is about the investigation and use of chances (Shane and Venkataraman, 2000). The investigation is on the way towards finding and investigating business opportunities and what may happen in an enterprise, as well as outside the business. The investigations are expected to produce organizational development and, thus, development of the general public. Nonetheless, the investigation does not in-itself produce development; the exploitation of opportunities creates development. Entrepreneurship is about development whether it is caused by developing new product or service or by expanding demand. It is furthermore conceivable to discover entrepreneurial activity in the exploitation of new products, and also of old ones.

As a few analysts moved their concentration from the personal perspective to the procedure perspective, new meanings of the enterprise were built up. Shane and Venkataraman (2000) expressed that business enterprise is about how chances are found to develop new products and services, assessed and utilized.

The old meaning of entrepreneurship was that enterprises need to do with combining of assets in new ways that make disequilibrium in the economic framework. This implies entrepreneurial firms are imaginative to such a degree, to the point that they affect the market. Quest for opportunity is the most critical element of business enterprise. A combined definition of entrepreneurship could be: exploiting opportunities by novel blend of resources in ways that impact the market (Rahim et al., 2015).

Entrepreneurial Organizations

People who work in a company have the potential for being as entrepreneurial as those working freely to begin their own particular business. A business enterprise can make a situation where the individuals can add to its entrepreneurial capacity. The enterprise that can make such a situation is an entrepreneurial organisation (Kolabi et al., 2011).

Entrepreneurial Marketing

Entrepreneurial marketing attempts to acquire an upper hand by routinely making vivid innovations and taking risks. The critical components of this 'entrepreneurial marketing' are the business activities with respect to new developments, risk appetite, and pro-activeness. Miller examined the key linkages amongst natural and key factors, and a company's entrepreneurial marketing. A measurement instrument was made to measure the level of entrepreneurial system inside an organization. Miller's conceptualization has since turned into an instrument. Miller additionally inferred that an entrepreneurial firm is one that takes part in the marketing of their product innovation, undertakes some degree of risks and is first to concoct 'proactive' developments, getting the best out of contenders (Kilenthong et al., 2016; Mattila and Ahlqvist, 2001).

The non-entrepreneurial firm, then again, is one that enhances practically nothing, is very loath, and copies the moves of the rivals instead of leading the way. The three measurements that constitute business (development, risk appetite, and pro-activeness) are the entrepreneurial strategy. Miller's definition of the attributes of entrepreneurial strategy puts the attention on the strategy of the business enterprise as opposed to the person behind it. Notwithstanding, in-depth investigation of Miller's measurement instrument demonstrates that it really measures achieved actions and present dispositions instead of the real conduct (Swenson et al., 2012; Morris et al., 2001).

Performance Measurement

The procedures utilized by the management to control the actions of a firm are generally alluded to as the management control system. This system normally involves a few unique sorts of control instruments or sub-systems. Though some of these control devices could be portrayed as soft, for example, corporate culture and sort of administration, there are others that could be depicted as hard, for example, budgeting and costing. Samuelson (1990) categorized these diverse kinds of control frameworks into three primary classes: Formal control system, Organisational structure, and less formalized control frameworks. The branch of performance measurement ought to be viewed as hard and formal control apparatus and may hence be gathered along control devices with comparable attributes, like budgeting, target costing, and benchmarking.

The idea of performance measurement emanates from the way that each firm accomplishes a wide range of performances. Consequently, the measurement could be identified with pretty much any action or role of the firm, like financial outcomes, quality of the product, or consumer satisfaction and loyalty. Performance measure is a numerical value or quantity, which gives data about performance of the

programme. Performance measures could also be in a financial term such as Return on Equity (ROE), operating profit, etc. This can also be non-monetary in nature, like, the number of complaints and delivery time (reflecting, for instance, quality or client satisfaction) (Rezvani et al., 2014).

RESEARCH METHODOLOGY

Research Design and Nature

Descriptive and explanatory research was undertaken to explain the objective of the study. The descriptive study is fundamentally undertaken when the analyst is keen on portraying the qualities of a predefined issue area. As adequate studies have not been undertaken in this region of performance measure in entrepreneurial marketing, studies on this area have become vital for entrepreneurs and academicians. The primary objective of this study is to depict and outline the utilization of performance measures in entrepreneurial marketing.

The explanatory approach is principally used when the authors / researchers need to set up connections between two or more factors. The information available in this examination explores conceivable connections between various factors identified with financial and non-financial variables and the performance measure frameworks utilized by entrepreneurial organizations. The factors used in this study are entrepreneurial marketing, firm performance and firm possession.

Sampling Technique Adopted

In this study, the respondents were chosen through random sampling technique. The study was conducted at select malls in a few emirates in UAE (Abu Dhabi, Dubai, and Sharjah). Entrepreneurs in malls were selected because these malls were the first among the many centres in the country. A target population is a researcher's interests to which she or he would like the results of the research to be generalized. In particular, the target population for this study comprised entrepreneurs in the study area. The choice was based on the fact that the group of entrepreneurs were undertaking entrepreneurship marketing activities depending on the nature of their targets.

Questionnaire

A structured self-administrative questionnaire consisting of both open and closed-ended questions was prepared and distributed among the entrepreneurs to obtain their response.

Reliability and Validity of Data

Validity is depicted as a system that guarantees that the procedure adopted to collect the response from the respondents has gathered the proposed information effectively. Validity alludes to the degree to which an experimental measure sufficiently portrays the genuine significance of the subject under study (web 1).

Self-administrated questionnaires were given to respondents who were guaranteed of their secrecy and privacy. The questionnaire was pre-tested among a small population to ascertain comprehensibility. Extensive literature review, and interview were also conducted. The above steps ensured that multiple sources of data collection such as literature, interviews and questionnaire ensured that the process and findings were truly worthy and valid.

RESULTS AND DISCUSSION

The impact of gender and total experience on organizational performance is presented in Table 1.

Table 1: Effects of Gender, Total Experience, Gender and Total Experience together in Organizational Performance

Source	df	Mean Square	F	Sig.
Gender	1	130.892	10.842	0.001**
Total experience	3	12.255	1.015	0.385
Gender & total experience	2	15.992	1.325	0.266

** Denotes significant at 1% level.

Table 1 depicts the result of the ANCOVA test between organizational performance and Gender, Total Experience, and Gender and Total Experience together. Organization's performance was the dependent variable while gender, total experience, gender and total experience together were the independent variables.

The figures arrived in Table 1 shows that there is no significance in Organization's performance with regard to Total Experience, and Gender and Total Experience together. Organization's Performance and Gender is significant at 1% (where $p = 0.01$ and the Mean square is 130.892, F value 10.842).

The significant difference between mean ranks towards factors influencing Entrepreneurial Marketing was ascertained using Friedman test and is depicted in Table 2.

Table 2: Friedman test for significant difference between mean ranks towards factors influencing Entrepreneurial Marketing

Factors influencing organizational climate	Mean Rank	Chi-square value	p value
Customer Relationship	2.30	291.218	<0.001 **
Innovation & Product Quality	2.04		
Pricing factors	2.74		
Market factors	2.92		

** Denotes significant at 1% level.

Table 2 reveals that since p value is less than 0.01, the null hypothesis is rejected at 1% level of significance. Hence it is concluded that there is significant difference between mean ranks towards factors influencing performance of the organization, with regard to Entrepreneurial Marketing.

The most important factor that contributed was *Market factors*, which reflects a rational economic model of organizational functioning in which the emphasis is upon productivity and goal achievement. Based on the mean rank, Market factors (2.92), is most important factor influencing Entrepreneurial Marketing. Pricing factors with the second highest mean rank of 2.74, Customer Relationship with a mean rank of 2.30, and Innovation and Product Quality with a mean rank of 2.04 were the other factors which affect performance of the organization in Entrepreneurial Marketing.

The analysis highlights the positive effect on the business environment resulting from improved performance that stems from better perceived entrepreneurial marketing by the entrepreneurs.

CONCLUSION

Considering the objective of the study, there are a few conclusions to be drawn from the outline and utilization of performance measurement frameworks in entrepreneurial marketing. Albeit financial measures are stressed, non-financial measures are also often considered by organizations, including measures reflecting quality, efficiency, and asset use. Quality and productivity are seen as more critical than revenue and cash flows. Other measures like supplier relationship and customer relationship are also seen as very important. The focal point of this study was on the formal performance measures. The informal performance measures may likewise be intriguing to contemplate. In addition, chances to expand the investigation of different firm attributes and their impact on the performance measures frameworks exist. It might hold interest to think about these issues in a more profound manner as this investigation demonstrated conceivable relations between the factors and performance measures utilized by the organizations.

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