

# The Role Of Entrepreneurial Marketing In Enhancing The Competitiveness Of Smes In Oyo State

Olateju Idowu A. PhD1, Ashamu Idris A.O. PhD2

1Department of Management and Accounting  
Faculty of Management and Social Sciences,  
Lead City University, Ibadan  
olateju@gmail.com, olateju.idowu@lcu.edu.ng  
08023880440  
2Adjunct lecturer, LASUSTECH  
oluwaseyifunmixyz@gmail.com  
08023597050

**Abstract:** This paper investigates the role of entrepreneurial marketing in enhancing the competitiveness of SMEs in Oyo State. The study made use of a survey research methodology while a stratified sampling technique and simple random sampling techniques were used as sampling techniques, and the sample size was determined using Slovin's Formula with a sample size of 150 was used in this study. The research instrument adopted was a questionnaire. The Statistical Package for Social Sciences (SPSS) was used for analyzing the data. The finding revealed that some of the challenges facing SMEs in Oyo State include limited access to credit and funding ( $X = 3.28$ ,  $SD = 2.19$ ), Poor infrastructure, including unreliable electricity, inadequate road networks, and limited access to water ( $X = 3.09$ ,  $SD = 2.13$ ), changing government policies and regulations ( $X = 3.17$ ,  $SD = 2.23$ ). Furthermore, it was revealed that entrepreneurial marketing (Value creation and customer-centric) significantly influenced competitiveness of SMEs in Oyo State [ $R^2 = .634$ ;  $F(2, 149) = 124.887$ ;  $p < .05$ ]. The study recommends the need to ensure that policies are consistent and transparent, reducing the risk of sudden regulatory changes that can disrupt SME operations.

**Keywords:** Business, Competitiveness, Entrepreneurial Marketing, Performance, Value Creation

## Introduction

In various small business literature, numerous researchers have explored factors influencing the performance of SMEs. Many of these studies focused on SMEs' performance, identifying several variables as key determinants. SME performance reflects how well a firm creates value for its stakeholders, including owners, customers, society, and the government. In essence, it measures how effectively management utilizes the firm's resources (Ibrahim & Mohd, 2015). Performance in SMEs represents the processes and actions taken by business owners or managers to execute their roles and is critical to improving organizational outcomes (Gruenbichler, Klucka, Haviernikova & Strelcova, 2021).

The performance of SMEs is a vital indicator of industrialization, modernization, urbanization, meaningful employment, income distribution, and citizens' welfare and quality of life. SMEs, which generally employ 200 or fewer people, contribute significantly to job creation, often outpacing larger firms in employment growth. Consequently, governments worldwide actively promote and support the SME sector as part of their national development strategies (Ariyo, 2018). Beyond job creation, SMEs foster linkages with larger industries and contribute to a competitive and efficient market. In today's dynamic, unpredictable, and competitive business landscape, entrepreneurs and managers must adapt by abandoning traditional marketing approaches and adopting innovative strategies, such as entrepreneurial marketing (Gontur et al., 2022). Entrepreneurial marketing provides a promising solution to address business challenges and improve performance, particularly during periods of turbulence (Alqahtani et al., 2022). This study investigates the impact of entrepreneurial marketing on enhancing the competitiveness of SMEs in Oyo State. Over time, some enterprises transition from micro, small, and medium classifications to larger organizations. To ensure growth and high performance, these organizations leverage opportunities from both internal and external environments. The extent to which these opportunities are utilized determines their performance levels.

## Statement of the Problem

Small and Medium Enterprises (SMEs) are widely regarded as the cornerstone of economic growth, innovation, and job creation in Nigeria. However, despite their crucial role in driving economic development, SMEs in Oyo State face significant challenges that affect their performance and long-term sustainability. These challenges include limited access to funding, inadequate infrastructure, insufficient market information, and an intensely competitive business environment. Additionally, the dynamic and often unpredictable nature of the entrepreneurial market further complicates the survival and growth of SMEs. The entrepreneurial

landscape in Oyo State is marked by fierce competition, rapid technological advancements, and shifting consumer preferences, presenting both opportunities and threats to SMEs. Unfortunately, many SMEs struggle to respond effectively to these changes due to a lack of strategic planning, innovation, and market orientation. This has resulted in a high failure rate among SMEs, exacerbating unemployment and economic instability in the region. Considering the vital role SMEs play in Oyo State's economic development, it is essential to identify and address the factors influencing their performance in the entrepreneurial market.

### **Aim and Objective of the Study**

This study aims to investigate how the entrepreneurial market influences the competitiveness of SMEs in Oyo State, with a focus on identifying the key challenges that these businesses face. The secondary objective is to

- i. determine the effect of entrepreneurial marketing on competitiveness of small and medium enterprises in Oyo State

### **Literature Review**

#### **Small Scale Enterprises**

The definition of SMEs varies across nations and industries, often based on factors such as size, capacity, number of employees, and annual turnover. The significance of small and medium enterprises cannot be overstated, given their vital contribution to national development. Muritala, Awolaja, and Bako (2012) describe SMEs as the foundation of any large and developed economy. According to Akoja and Balcioglu (2010), criteria for defining small enterprises include financial capacity, workforce size, sales volume, industry type, ownership structure, and working capital. For instance, countries like the United States, the United Kingdom, and Canada define SMEs by annual turnover and employee count. In the UK, small enterprises are classified as industries with an annual turnover of £2 million or less and fewer than 200 employees (Ekpeyong & Nyong, 2012). In Nigeria, the definition of SMEs also varies. The Federal Ministry of Industries in 1973 defined small enterprises as those with capital of up to ₦60,000 and 50 or fewer employees (Muritala et al., 2012). Similarly, the Central Bank of Nigeria, in its 1988 Monetary Policy Circular No. 22, defined small-scale enterprises as having an annual turnover not exceeding ₦500,000. These varied definitions make it challenging to establish a universally accepted categorization of SMEs. Osotimehin (2012) takes a broader perspective, defining small-scale businesses as enterprises created to make the owner self-employed and self-reliant, including food vendors, small-scale farmers, fishermen, mechanics, supermarket owners, and artisans. This definition emphasizes employment creation over capital or workforce size.

SMEs are often referred to as engines of economic growth, playing a key role in promoting private sector development. Micro and small-scale enterprises contribute significantly to improved living standards, local capital formation, and enhanced productivity and innovation (Adebiyi, 2013). Business performance is a critical focus for top management, as weak performance requires prompt managerial intervention to restore growth. In an increasingly competitive and globalized market, business leaders must closely monitor performance metrics. Ultimately, all business processes aim to enhance the company's success, which is reflected in its level of achievement relative to its objectives. Business success can be assessed through various dimensions, such as sales growth, capital accumulation, workforce expansion, and increased production capacity.

#### **Entrepreneurial Marketing**

Manishimwe et al. (2022) described entrepreneurial marketing as the interface of marketing and entrepreneurship which focuses on innovation and change. Entrepreneurial marketing can also be perceived as a novel model that incorporates important features of marketing and entrepreneurship into a comprehensive concept where marketing becomes a process used by enterprises as well as acting entrepreneurially (Gontur et al., 2022). The combination of entrepreneurial marketing as both market-oriented and entrepreneurially oriented activities allows businesses to survive both static and volatile market environments (Fatoki, 2019). Entrepreneurial marketing assists businesses to remain relevant and competitive in a world full of uncertainties brought about by advances in science and technology. Entrepreneurial marketing practices have been identified as one of the most important key ingredients for superior performance and global competitiveness in small and medium-sized enterprises (Otika et al., 2019).

#### **Entrepreneurial Values**

- i. Entrepreneurial values are the fundamental principles and beliefs that guide entrepreneurs in their business activities. These values influence decision-making, business practices, and overall entrepreneurial behavior. Some key entrepreneurial values include:
- ii. **Innovation:** Entrepreneurs value creativity and the ability to develop new ideas, products, or services. Innovation drives growth and helps businesses stay competitive in the market.

- iii. **Resilience:** The ability to persevere through challenges, setbacks, and failures is crucial for entrepreneurs. Resilience ensures that they can overcome obstacles and continue to push their business forward.
- iv. **Passion:** A deep passion for their business and its mission is a driving force for entrepreneurs. This passion fuels their motivation, commitment, and determination to succeed.
- v. **Integrity:** Ethical behavior and honesty are essential values for entrepreneurs. Integrity builds trust with customers, partners, employees, and investors, which is vital for long-term success.
- vi. **Risk-Taking:** Entrepreneurs are willing to take calculated risks to achieve their goals. They understand that risk is inherent in business, and they embrace it as part of the entrepreneurial journey.
- vii. **Customer-Centricity:** Successful entrepreneurs prioritize their customers' needs and satisfaction. They focus on delivering value and building strong relationships with their customer base.

### Empirical Reviews

Ighomereho and Odunewu (2022) examine the impact of entrepreneurial marketing and its components on achieving a sustainable competitive advantage among SMEs. Using a survey research design, data were collected through questionnaires administered to SME managers in Osun State, Nigeria. Of the 384 questionnaires distributed, 356 were retrieved, representing a 92.7% response rate. The findings reveal that entrepreneurial marketing dimensions—such as growth orientation, opportunity orientation, total customer focus, value creation through networks, informal market analysis, and market proximity—significantly influence sustainable competitive advantage. The study concludes that SMEs can enhance their competitiveness by prioritizing entrepreneurial marketing. These findings offer practical guidance for SME managers to adopt entrepreneurial marketing strategies and for regulatory agencies to formulate policies promoting SME growth and sustainability.

Similarly, Ibrahim, Keat, and Abd Rani (2017) investigated the moderating role of government support policies (GSPs) on the relationship between entrepreneurial culture, technology orientation, and SME performance in northeast Nigeria. The study employed a quantitative survey approach, collecting data via structured questionnaires from 240 SME owner-managers. Data analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM) revealed a significant positive relationship between entrepreneurial culture, technology orientation, and SME performance. Furthermore, the findings demonstrate that GSPs moderate this relationship, emphasizing the critical role of government support in enhancing SME performance. This study provides practical insights for governments, policymakers, regulators, and SME stakeholders to understand the importance of GSPs in strengthening SME performance and extends knowledge on the interplay between these variables, being the first study in Nigeria to examine GSPs' moderating role.

In another study, Arisi-Nwugballa, Elom, and Onyeizugbe (2016) assessed the relevance of entrepreneurial culture dimensions to the performance of micro, small, and medium enterprises (MSMEs) in Ebonyi State, Nigeria. The researchers distributed 400 questionnaires randomly to MSMEs, with 246 responses retrieved, yielding a 61.5% response rate. Using Pearson Product-Moment Correlation, the study identified that three dimensions of entrepreneurial culture—innovativeness, proactiveness, and competitive aggressiveness—are significantly related to at least one aspect of MSME performance. Specifically, innovativeness and proactiveness correlate with customer performance, while competitive aggressiveness is linked to both product and customer performance. However, risk-taking and autonomy showed no significant relationship with performance measures, indicating their limited relevance in the state. These findings suggest that MSMEs in Ebonyi State should strategically prioritize innovativeness, proactiveness, and competitive aggressiveness to improve overall performance. Additionally, the study underscores the non-universality of entrepreneurial culture dimensions and supports the five-dimensional model for analyzing entrepreneurial culture.

### Research Methodology

The design adopted for this study is the survey design. This design was considered in order to investigate the relationships that exist among variables of the research and also to collect data. In addition, cross sectional research design was used in the study because it involves collection of information from a given sample of population only once and at different location and at the same period of time. The population of the study include the business owners and employees in the selected SMEs in Oyo State. The study made use of a stratified sampling technique in selecting the respondents for the study. Primary source of data collection was employed using a questionnaire which was used as research instrument for data collection. The research instrument was validated and reliability was carried out using the cronbach alpha analysis and the instrument was found to be reliable. The Yamane (1967) formulae were used to determine the sample size which was arrived at One hundred and fifty (150). Data was analyzed using frequency table, percentages and research question was analyzed using Regression Analysis. The software package used for the data analysis was Statistical Package for Social Sciences (SPSS) version 21.0.

**Data Analysis****Table 1: The challenges that SMEs face in Ibadan**

S/N	Statement	SA	A	D	SD	Mean	Stand Dev
1	Limited access to credit and funding	58 (38.7%)	81 (54.0%)	6 (4.0%)	5 (3.3%)	3.28	2.19
2	Poor infrastructure, including unreliable electricity, inadequate road networks, and limited access to water, significantly impacts the operations of SMEs	104 (69.3%)	32 (21.3%)	14 (9.3%)	-	3.09	2.13
3	SMEs often face uncertainty due to changing government policies and regulations	74 (49.3%)	63 (42.0%)	13 (8.7%)	-	3.17	2.23
4	Many SMEs struggle to find and retain skilled labor, which affects their productivity and ability to innovate	69 (46.0%)	73 (48.7%)	8 (5.3%)	-	3.64	2.18
5	Many SMEs lack the managerial expertise needed to run their businesses efficiently	53 (35.3%)	78 (52.0%)	14 (9.3%)	5 (3.3%)	3.71	2.47

Table 1 shows that 81 (54.0%) of the respondents agree, 58 (38.7%) strongly agree, 6 (4.0%) disagree while 5 (3.3%) strongly disagree that limited access to credit and funding. Also, 104 (69.3%) of the respondents strongly agree, 32 (21.3%) agree while 14 (9.3%) disagree that poor infrastructure, including unreliable electricity, inadequate road networks, and limited access to water, significantly impacts the operations of SMEs. In addition, 74 (49.3%) of the respondents strongly agree, 63 (42.0%) agree while 13 (8.7%) disagree that SMEs often face uncertainty due to changing government policies and regulations. Similarly, 69 (46.0%) of the respondents strongly agree, 73 (48.7%) agree while 8 (5.3%) disagree that many SMEs struggle to find and retain skilled labor, which affects their productivity and ability to innovate. Furthermore, 53 (35.3%) of the respondents strongly agree, 78 (52.0%) agree, 14 (9.3%) disagree while 5 (3.3%) strongly disagree that many SMEs lack the managerial expertise needed to run their businesses efficiently.

**Research Question****What is the effect of entrepreneurial marketing on competitiveness of small and medium enterprises in Oyo State?**

The effect of entrepreneurial marketing (Value creation and customer-centric) on competitiveness of small and medium enterprises in Oyo State was determined using regression analysis.

**Table 2: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.796 <sup>a</sup>	.634	.623	1.07434

a. Predictors: (Constant), Value creation and customer-centric

**Table 3: ANOVA**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	286.345	2	143.17	124.887	.000 <sup>b</sup>
	Residual	168.517	147	1.1464		

Total	454.862	149			
-------	---------	-----	--	--	--

a. Dependent Variable: Competitiveness

b. Predictors: Value creation and customer-centric

**Table 4: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.282	.618		.421	.000
Value creation	.446	.022	.684	9.481	.000
Customer-centric	.239	.082	.262	3.135	.002

a. Dependent Variable: Competitiveness

The result of the multiple regression analysis is shown in tables 2-4 respectively. It shows that entrepreneurial marketing (Value creation and customer-centric) jointly significantly influenced competitiveness of SMEs in Oyo State [ $R^2 = .634$ ;  $F(2, 149) = 124.887$ ;  $p < .05$ ]. This infers that Value creation and customer-centric accounted for about 63.4% of the variance observable in competitiveness of SMEs while the remaining 36.6% variation in competitiveness of SMEs is explained by other exogenous variable different from entrepreneurial marketing (Value creation and customer-centric) is considered in this study and the effect is statistically significant at 95% confidence interval.

In addition, the result of the coefficients of multiple determination for the model shows that the independent contribution of Value creation was positively significant ( $\beta = .684$ ;  $t = 9.481$ ;  $p < .000$ ), and that of customer-centric was also positively significant ( $\beta = .262$ ;  $t = 3.135$ ;  $p < .000$ ). In terms of magnitude, Value creation has the highest magnitude of ( $\beta = .684$ ), followed by customer-centric ( $\beta = .262$ ).

### Discussion of Findings

The findings showed that some of the challenges facing SMEs in Oyo State include limited access to credit and funding ( $X = 3.28$ ,  $SD = 2.19$ ), Poor infrastructure, including unreliable electricity, inadequate road networks, and limited access to water ( $X = 3.09$ ,  $SD = 2.13$ ), changing government policies and regulations ( $X = 3.17$ ,  $SD = 2.23$ ) and many SMEs struggle to find and retain skilled labor, which affects their productivity ( $X = 3.64$ ,  $SD = 2.18$ ). Furthermore, entrepreneurial values (Value creation and customer-centric) significantly influenced marketing performance [ $R^2 = .634$ ;  $F(2, 149) = 124.887$ ;  $p < .05$ ]. This finding support the study of Ighomereho and Odunewu (2022) who reported that entrepreneurial marketing and its dimensions significantly influence sustainable competitive advantage.

### Conclusion

This study is on entrepreneurial marketing and competitiveness of SMEs in Oyo State. The study made used of a survey research design and 150 respondents were selected for the study. The finding of this study showed that some of the challenges that SMEs face in Ibadan include access to credit and funding, poor infrastructure, including unreliable electricity, inadequate road networks, and limited access to water, poor government policies and regulations, lack of skilled labour and lack of managerial expertise. Furthermore, entrepreneurial marketing significantly influenced competitiveness of SMEs in Oyo State

### Recommendations

- i. There is need for government to make funding available for SMEs including low-interest loans, flexible repayment plans, and microfinancing options.
- ii. There is need to ensure that policies are consistent and transparent, reducing the risk of sudden regulatory changes that can disrupt SME operations.

## **References**

- Alqahtani, N., Uslay, C., & Yeniyurt, S. (2022). Entrepreneurial marketing and firm performance: scale development, validation, and empirical test. *Journal of Strategic Marketing*, 1-22
- Arisi-Nwugballa, E.A., Elom. M.E. & Onyeizugbe, C.U. (2016). "Evaluating the relevance of Entrepreneurial Orientation to the Performance of Micro, Small and Medium Enterprises in Ebonyi State, Nigeria," *International Journal of Academic Research in Accounting, Finance and Management Sciences, Human Resource Management Academic Research Society, International Journal of Academic Research in Accounting, Finance and Management Sciences*, vol. 6(3), pages 221-230, July.
- Ariyo, A.,(2018). The development of SME managerial practice for effective performance management. *Journal of Small Business and Enterprise Development*, 20 (1), 28–54.
- Fatoki, O. (2019). Entrepreneurial marketing and performance of small and medium enterprises in South Africa. *Journal of Reviews on Global Economics*, 8, 1429-1437.
- Gruenbichler, R., Klucka, J., Haviernikova, K., & Strelcova, S. (2021). Business Performance Management in Small and Medium-Sized Enterprises in the Slovak Republic: An Integrated Three- Phase-Framework for Implementation. *Journal of Competitiveness*, 13(1), 42–58
- Gontur, S., Vem, L.J., Goyit, M.G., & Davireng, M. (2022). Entrepreneurial marketing, corporate reputation, corporate creativity and competitive advantage: A research framework and proposition. *International Journal of Business, Management and Economics*, 3(1), 52-80.
- Ibrahim, M. I., Keat, O. Y., & Abd Rani, S. H. B. (2017). Entrepreneurial Orientation, Technology Orientation and Small and Medium Enterprises Performance in Nigeria: Role of Government Support Policies. *Journal of Business and Social Review in Emerging Economies*, 3(1), 75-84. <https://doi.org/10.26710/jbsee.v3i1.44>
- Ighomereho, S.O. and Odunewu, V.A. (2022).Entrepreneurial Marketing and Sustainable Competitive Advantage of Small and Medium Enterprises (SMEs) In Osun State, Nigeria. *Academy of Entrepreneurship Journal*, 28(6), 1-17.
- Manishimwe, T., Raimi, L., & Azubuike, C.J. (2022). Customer-centric influence of entrepreneurial marketing on business performance of hotels in Nigeria during the COVID-19 crisis. *Journal of Revenue and Pricing Management*, 1-16.
- Mohammed, I. and Ibrahim, A.(2015). The Effect of SMEs’ Cost of Capital on Their Financial Performance in Nigeria. *Journal of Finance and Accounting*. 2015; 3(1):8-11. doi: 10.12691/jfa-3-1-2
- Osotimehin, N. (2012). Entrepreneurial innovation: Small and medium scale enterprises health research and economic development in Nigeria. *Research on Humanities and Social Sciences*, 2(11), 49-55.
- Otika, U.S., Nwaizugbo, I. & Olise, C.M. (2019). Entrepreneurial marketing practices and competitive advantage of small and medium size enterprises in Nigeria. *European Journal of Business and Innovation Research*, 7(3), 1-30.