

Effect of Entrepreneurial Marketing on SMEs Development in Nigeria

¹Olaniyan, Toyin,
²Ogbuanu, Basil &
³Oduguwa, Adedara
^{1,2,&3}Department of Business
Administration and
Marketing,
Babcock University,
Ilishan Remo, Nigeria

Abstract

Small and medium enterprise (SMEs) has always been an interesting subject for research. In comparison to larger business organizations, SMEs faced many challenges including how they manage daily marketing activities and make marketing related decision. This study compiles the related literature review on the issues of marketing mix and entrepreneurial marketing. This study aims to explore the effect of entrepreneurial marketing and SMEs development in Oyo State, Nigeria. 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. The result of this study that adaptation strategy will significantly affect business policy as a tool for SME development in Oyo state and is consistent with findings revealed in the work of Ibidunni, Iyiola & Ibidunni (2014) revealed in their study titled Product adaptation, a survival strategy for small and medium enterprises in Nigeria. This study uses a small number of SME companies in one region and therefore the generalizability of the findings may be limited. Further research could extend the number of SME companies and to other regions of Nigeria. The findings have a bearing on the Malaysian SME performance. This study offers insights into how the marketing practices in Nigerian SMEs needs to be adapted in light of the findings to ensure marketing practices of SMEs are compatible with current digital approaches.

Keywords:

Small and Medium
Enterprises (SME),
Entrepreneur
marketing,
Marketing mix,
Marketing Strategy

Corresponding Author:
Olaniyan, Toyin

Background to the Study

Although research on small and medium sized enterprise (SME) marketing has increased in recent years, existing findings have not been reflected in the marketing practices amongst SMEs in Nigeria. Large organizational models applied to small firms setting have been criticized in the literature (Gilmore, 2011) and there is a need for further research to identify how marketing is practiced within the small and medium sector (Blankston & Stokes, 2012). This study aims explore how SME owners practice marketing and how it provides solution that are cognizant of the realities of small business ownership which has witnessed drastic changes with the usage of more digital and virtual medium. The strategic marketing literature first began to deal with SMEs 20 years ago (Carson and Gilmore, 2010; Gilmore, 2011; Julien & Ramangalahy, 2013) and some topics like SMEs' market orientation, international growth and strategic operations have received extensive attention (Julien & Ramangalahy, 2013; Kara, 2015; Blankston, 2016; Paccito, 2007). However, there is some evidence that the role and relevance of marketing in SMEs depends on certain differences in marketing activities and on the organization for marketing within these companies (Simpson, 2016). There is still insufficient knowledge about marketing in small business and in particular, in relation to the understanding of strategic marketing practices (Siu & Kirby, 2008).

Definitions of Entrepreneurial Marketing (EM)

Entrepreneurship has been defined as the process of creating value by bringing together a unique set of resources, an opportunity to exploration. The process includes the set of activities to identify opportunities, business definition, evaluation and acquiring the necessary resources, management and getting results. Entrepreneurship is the main mediator of change. The events leading to the elimination of economic equilibrium entrepreneurial phenomenon Schumpeter termed "creative destruction" (Schumpeter, 1971). In addition, entrepreneurship is seen as an organizational orientation, which emphasizes the three dimensions: innovation, taking calculated risks and proactive orientation. Innovations is refers to the generation of creative solutions to problems facing the company and new customers' latent needs. Taking calculated risk involves the willingness to devote significant resources to projects that shows a probability of failure considered to be reasonable, but at the same time, ensure risk diversification. The need for an entrepreneurial approach is high in situations where firms are faced with these situations: rapid changes in the technology, needs consumer and social values, decision-making situations in which reaction time is reduced, reduced possibility of long-term control of environmental variables. Businesses operate in an environment characterized by a high risk and low possibilities of anticipating changes, the new competitive characterized by four categories of factors: a change, complexity, chaos and contradiction. Marketing Entrepreneurship is approached as an integrative concept marketing approach to adapt to new environmental conditions in which the enterprise operates. Marketing of entrepreneurial marketing and entrepreneurship synthesize a comprehensive concept, in which marketing is a process the company can make the mindset.

It could be argued that the SMEs pay less attention to marketing as an important function of the business because marketing is often perceived as a large organization activity (Stokes & Blackburn, 2009) and moreover, marketing is seen as a "troublesome and problematic undertaking for SMEs" (Krake, 2015). Existing literature highlights that the characteristics of SME marketing are different from those of large organizations in ways that it takes into

account the firm's unique business environment, characteristics of owners and managers such as skills and abilities and resources (O'Dwyer et al, 2009). Management culture is more innovative and entrepreneurial in a small firms setting and SME owners and managers tend to be more proactive and opportunistic in nature (Day, 1998). Numerous authors agree that SME marketing practices and decision making tends to be more creative, alternative, instinctive (O'Dwyer, 2009), informal and unstructured (Gilmore,2011), chaotic and unplanned (Carson et al., 1998; Hill & Wright, 2001). An increasing number of studies have taken into account SME owners and managers features into considerations when applying marketing theories to the small business context (O'Dwyer, 2009). A holistic model of marketing has also been developed by Hill (2001) who emphasizes the core competencies of SMEs such as the complexity of the SME business environment and characteristics of SMEs owners and managers. This model integrates and highlights the activities and characteristics of SMEs, including sales orientation, use of personal contact network and decision making style (Hill, 2001). The differences between how marketing is practiced between small firms and large organizations are apparent, especially in setting and achieving long-term objectives and carrying out market research (Blankston & Stokes, 2002).

Marketing is not only a functional area in large corporations; it applies to SMEs or new ventures as well. Entrepreneurial behaviour has traditionally been linked to the SME sector. Though, in these kinds of enterprises, often being faced by limited financial and human resources, marketing is different to the standard marketing textbook approaches (Kotler, 2014) being originally developed for larger enterprises and widely ignoring the marketing particularities of SMEs (Kraus et al., 2007; Grünhagen & Mishra, 2008). Marketing is one business function which needs to be used appropriately by the entrepreneur for successfully leading his venture (Richard et. al, 2012; Helmers, 2009; Hisrich, 1992). The intersection between entrepreneurship and marketing becomes evident. Successful entrepreneurs practice marketing and the better marketers are entrepreneurial (Day et al., 1998). Several entrepreneurial activities, for example the identification of new opportunities, the application of innovative techniques, the conveyance of the products to the marketplace, or the successful meeting of customer needs, are also fundamental aspects of marketing theory (Collinson and Shaw, 2001).

Concept, Theoretical and Empirical Review

Concept

The evolution in scholarly views of entrepreneurship is reflected in the categories of behavioral, occupational, and synthesis definitions. Schumpeter (1950; 1961) famously defined the entrepreneur as the coordinator of production and agent of change ('creative destruction'). As such the "Schumpeterian" entrepreneur is above else an innovator. Scholars who share this view of entrepreneurship do not consider entrepreneurship to be very important in earlier stages of economic development – they see the contribution of entrepreneurship to be much more important at later stages of development, where economic growth is driven by knowledge and competition. At earlier stages of development, entrepreneurship may play a less pronounced role because growth is largely driven by factor accumulation (Ács and Naudé, 2013). Other behavioural definitions allow for a more substantial role for entrepreneurship in developing countries. Kirzner (1973) views the

entrepreneur as someone who facilitates adjustment to change by spotting opportunities for profitable arbitrage (and 'disequilibrium' situations in the market). This view has resonated among scholars who emphasize the opportunity-grabbing-for-profit nature of entrepreneurship (Shane and Ventakaram 2000) particularly in developing countries where market disequilibria may be common. Behavioural definitions also stress the risk-taking dimension of entrepreneurship. Kanbur (1979:773) described the entrepreneur as one who 'manages the production function' by paying workers' wages (which are more certain than profits) and shouldering the risks and uncertainties of production. Such definitions are seen as very relevant for developing country contexts characterized by high risk and uncertainty. The predominance of small firms in developing countries – the bulk of entrepreneurship studies in developing countries are concerned with small and medium enterprises (SMEs) – has been postulated to be a symptom of economy-wide uncertainty, where the probability of success is small (Wiggins 1995). Policy implications follow from these views, for instance that government policy for promoting entrepreneurship should reduce uncertainty and transaction costs. Policy though, is only a proximate cause for risk and uncertainty and in recent years development scholars have recognized 'institutions' (the “rules of the game”) as the ultimate determinant of development. Institutions affect not only the supply but, perhaps even more importantly, the allocation of entrepreneurship. According to Baumol (1990:895) entrepreneurial ability can be allocated towards productive, unproductive, or even destructive activities. He defines entrepreneurs as persons who are ingenious and creative in finding ways that add to their own wealth, power, and prestige'.

The Evolution of the Marketing Concept

The marketing concept has evolved through three main different frameworks – transactional, relationship, and induction – which can be traced in the academic literature in a paradigmatic way. Although they still co-exist in practice and can be used by a given organization also in a complementary fashion, in relation to specific contingent factors (e.g., the strategic relevance of the customer) (Coviello et al. 2002; Fruchter and Sigué 2005), these three approaches are based on different assumptions and principles, thus positioning marketing at different levels – i.e., respectively, treating marketing as a function, a strategy, and a firm's orientation. The transactional marketing was the first approach developed in literature. Its name, “transactional”, is due to its theoretical focus on the exchange concept, implemented through the so-called marketing mix paradigm, developed by McCarthy (1960) and referred to the mixture of those elements (the 4Ps: Product, Price, Promotion, and Place) useful in pursuing a certain market response. Although the marketing mix paradigm still dominates both practices and theories in the field, in the last decades it has undergone criticisms, which principally stressed among its weaknesses: its theoretical flaws (Grönroos 1994); its departure from the exchange concept (Yudelson 1999); the lack of a mutual exclusivity among the four categories (i.e., the 4Ps) driving its implementation (Van Waterschoot and Van den Bulte 1992); its obsolescence, due to a production-oriented definition of marketing (Gummesson 1998); its restricted theoretical domain, because of its focus only on the 4Ps thereby neglecting many other marketing activities (Hyman 2004); its functional, rather than strategic, role (Grönroos 2002); and its focus only on the purchase phase of the consumption experience (Dobscha and Foxman 1998). Due to these theoretical limitations, a new approach was proposed during the '80s, the so-called relationship marketing approach. This approach emphasized the concept of relationship between the organization and its counterparts (e.g.,

customers in the strict sense, and also suppliers, distributors, and competitors) (cf. Berry 1983; Grönroos 1994). According to this approach, marketing should be repositioned at a strategic level and all organization counterparts and members, at each level, should be considered as customers (in a broader sense) and, therefore, involved in the relational marketing activities of the firm. To implement this approach, Gummesson (1994) proposed thirty key relationships – the 30Rs model – by which the relationship marketing could be successfully achieved. Yet the implementation of this approach, according to which marketing strategies should pervade all organization functions, continues to show some weaknesses.

Theoretical Review

The Hierarchy of Effects Theory

Lavidge and Steiner (2010) Hierarchy-of-effects model is created to show the process that an advertiser assumes that customers pass through in the actual purchase process (Barry & Howard, 2009). The model is based on seven steps, which as with the other models must be completed in a linear way. The big difference between this model and the others is not only the steps, but also the view on how to pass them. Lavidge and Steiner (2010) write that the steps have to be completed in a linear way, but a potential purchaser sometimes may move up several steps simultaneously (Lavidge & Steiner, 2010) which is supported by Munoz (2012) who writes that normally ultimate customers do not switch directly from being interested to become convinced buyers. The Hierarchy of effects theory suggests that there are six steps from viewing a product advertisement (advert) to product purchase. The job of the advertiser is to encourage the customer to go through the six steps and purchase the product which include; awareness, knowledge, liking, preference, conviction and purchase. The design of the advertisement has a huge effect on the result of the campaign. Advertising is a campaign that sets high demands on the creativity and to put all of this within a frame of models would kill the creativity (Jobber, 2004). Hierarchy of effects theory identifies the six steps in the following order: Close to purchasing, but still a long way from the cash register, are those who are merely aware of its existence, up a step are prospects who know what the product has to offer, still closer to purchasing are those who have favorable attitudes toward the product those who like the product, those whose favorable attitudes have developed to the point of preference over all other possibilities are up still another step, even closer to purchasing are customers who couple preference with a desire to buy and the conviction that the purchase would be wise, finally, of course, is the step which translates this attitude into actual purchase (Lavidge & Steiner, 2010).

Criticisms of the Hierarchy of effects theory are diverse and are as outlined below. The models that are based on the hierarchy of effects theory (Mackay, 2005) can be very helpful but are not conclusive. There are several factors that these models do not take in consideration. Not all buyers go through all stages. The stages do not necessarily occur in hierarchical sequence. Impulse purchases contract the process (Smith & Taylor, 2011). The hierarchy models help the advertiser to identify the stages that buyers generally passes through, but cannot be used as obvious guidelines (Smith & Taylor, 2011). The criticism on the models and theories are very similar. They have all been met with the criticism that customers do not always follow a straight line of steps when purchasing a product. Not all customers pass through all the steps before buying a product, some may stop at one stage, and some may go back several steps

before later on going back for the product. The theory is missing the loop from the top to the end of the steps. A loop like this would show that a purchase is not always the end step, rather the beginning of an ongoing relationship with the customer (Smith & Taylor, 2011).

The psychodynamic theory

The psychodynamic theory, according to Folarin (2002), was formulated by Sigmund Freud in 1900. The theory is based on individual differences perspectives. It holds that for a persuasive message to be effective or considered effective, it must succeed in altering the psychological functioning of the recipient(s) in such a way that he or she or they will respond overtly to the model of behavior suggested by the communicator. The theory provides basic explanation of how thoughts and experiences end up in the unconscious mind. It holds that for a persuasive message to be effective or considered effective, it must succeed in altering the psychological functioning of the recipient(s) in such a way that he or she or they will respond overtly to the model of behavior suggested by the communicator. In line with this thinking Wogu (2008) citing White (1964) asserts that a communicator can influence attitude or behavior only when he is able to convey information that may be utilized by members of his audience to satisfy their needs. From the advertiser's angle, the intention of using models in billboard advertising is to draw attention of the audience or consumers to the product being advertised and influence their attitude and behavior in order to buy the product.

The major critique of the theory is that the media set agenda for the public to follow. The theory holds that most of the pictures we store in our heads, most of the things we think or worry about, most of the issues we discuss, are based on what we have read, listened to or watched in different mass media (Asemah & Edegoh, 2012). The theory is relevant to the study in that the media set psychodynamic for the public to follow and have the capacity to influence what people think about. Thus, models (particularly in billboard advertising) are used to persuade potential buyers of a product to accept that product by initiating buying action. The theory provides basic explanation of how thoughts and experiences end up in the unconscious mind. It holds that for a persuasive message to be effective or considered effective, it must succeed in altering the psychological functioning of the recipient(s) in such a way that he or she or they will respond overtly to the model of behavior suggested by the communicator.

Resource-Based View Theory

Barney's (1991) Resource-Based View (RBV) Theory claims that a company must have valuable, rare, inimitable and non-substitutable resources to have a sustainable competitive advantage, and that these resources include everything internal to the firm. Barney (1986) listed all of the assets, capabilities, organizational processes, firm attributes, information, knowledge, and so on, as resources. The application of this theory to organization illustrates the role that people play in building a company's competitive advantage. To explain how this theory can be applied to organization, Wright and McMahan (2001) referred to the following four features that people, as resources, must have for the company to be competitive. First, they must give value to the company's production processes meaning that the level of individual performance must be significant. Second, the skills that the company looks for must be rare. According to them, all human resources should meet these two criteria, since they are evenly distributed. Third, the combined human capital investments of a company's employees cannot be easily imitated. Some argue that other types of resources in a company,

such as technology and natural resources, are available to anyone and easy to copy nowadays. On the other hand, human resources particularly HR systems represent a complex social system (Ulrich & Lake, 1990), and are regarded as invisible assets.

The RBV may be tautological, or self-verifying. This reasoning is circular and therefore operationally invalid (Priem & Butler, 2001a). Also Collis, 1994 asserted it. According to Priem and Butler (2001a), Barney's perspective does not constitute a theory of the firm. The conditions of law like generalizations (Rudner, 2016) of empirical content, anomic necessity and generalized conditionals are not met. Priem and Butler (2001a; 2001b), however could be criticized for slightly missing the point. This is because they focus on the status of the RBV as a theory, the tautology allegation and sustainable competitive advantage. In business reality, senior managers are often not interested whether or not the RBV constitutes a real theory or not. Instead, they require guidance for achieving competitive survival. As Ludwig and Pemberton (2011) have shown, any firm operating in today's dynamic external business environments needs to focus on competitive survival and their capabilities. As described earlier, perhaps the entire focus of the RBV on achievement of sustainable competitive advantage should be re-considered (Babajide, 2013). It is perhaps difficult (if not impossible) to find a resource which satisfies all of the Barney's criteria. There is the assumption that a firm can be profitable in a highly competitive market as long as it can exploit advantageous resources, but this may not necessarily be the case. It ignores external factors concerning the industry as a whole; a firm should also consider Porter's industry structure analysis (Porter's five forces).

Empirical Review

Structural Economic Transformation and Entrepreneurship

One of the seminal contributions to development economics has been dual economy models, inspired by Lewis (1954), utilized to explain the structural transformation of underdeveloped economies. Gries and Naudé (2010) expand the Lewis-model distinction between a traditional and modern sector with the micro-foundations of optimizing households, firms and labour market matching. They also distinguish between mature and start-up entrepreneurs, between large firms and small firms, and between necessity and opportunity-driven entrepreneurship. In their model the transformation from a low-income, traditional economy to a modern economy involves significant changes to production methods, a process of change where entrepreneurs provide essential roles, including providing innovative intermediate inputs, permitting Specialization and raising productivity and employment. The Gries-Naudé structural change model of entrepreneurship also builds on earlier work of Rada (2007), Puerto (1999) and Murphy et al (1991). In Rada (2007) entrepreneurs 'trigger' an investment in the modern sector once they have perceived profitable opportunities and facilitate the re-allocation of production factors from the traditional to the modern sector. Peretto (1999) provided a modified endogenous growth model that implied long-run structural transformation depends on the degree to which an economy can make a transition from a growth path driven by capital accumulation ('the Solow economy') to a growth path driven by knowledge accumulation (the 'innovation-driven' economy). In structural change, entrepreneurial ability has been accorded center stage. Murphy et al (1991) provided a model that described firm size and the growth of the economy as a function of entrepreneurial

ability. Nelson and Pack (1999) assigns a key role to the 'effectiveness of entrepreneurial ability' which they see as a vital determinant of the rate of assimilation of technology (1999:420) – as in Michelacci (2003) where entrepreneurial ability is vital for R&D. In Nelson and Pack (1999) a 'rapid' expansion of skilled labour can only be absorbed if entrepreneurial ability is high, and that without entrepreneurial ability the returns to physical and human capital is low.

In the Gries-Naudé (2010) model the process of structural change as facilitated by high ability entrepreneurs lead to firms adopting more complex production methods and producing more complex and specialized intermediate inputs. As a result, the technological intensity of a country's economic structure increases (Ciccone and Matsuyama 1996). These structural changes have interesting implications for the development of entrepreneurship itself, so that entrepreneurship may be itself endogenous in the development process. Ciccone and Matsuyama (1996) make a distinction between consumer goods and intermediate goods. If a particular economy produces a limited range of intermediate goods, they show that the final (consumer) goods sector will use 'primitive' production methods and will have little demand for sophisticated, new inputs. This will lead to lower incentives for potential entrepreneurs to start-up new firms. The economy can get stuck in such an underdevelopment trap with primitive production in its (small) modern sector. They also point out that there might, in such an 'underdevelopment trap' be a case for assistance to new start-ups since these can provide both pecuniary and technological externalities, If they start producing new intermediate goods, these will induce final good producers to demand more, in turn improving the incentives for other entrepreneurs to start-up firms due to greater demand and the example provided in the application new technology. In this model, start-ups face positive costs that include R&D activities in bringing a new good to the market. That entrepreneurs create a positive externality through bringing new goods to the market and in the process showcase new technology has been extended by Hausmann and Rodrik (2003) who point out that entrepreneurs provide not only these technological externalities in bringing new goods to market, but pecuniary externalities by providing information on the profitability of new activities. Entrepreneurs fulfill a 'cost-discovery' function in making sunk costs in a new activity which ex ante may or may not be profitable, but which will provide information ex post on such profitability to other entrepreneurs - information that often lacks in developing countries.

Multi-dimensional Development and Entrepreneurship

The entrepreneurship literature generally takes a restricted view of development. Most empirical studies on the relationship between entrepreneurship and development have similarly been limited to GDP, productivity and employment growth as proxies for development – and not multi-dimensional development (Ács et al. 2008, van Praag and Versloot 2007). Yet entrepreneurship can also contribute to multi-dimensional well-being by what people can achieve through their capabilities (Gries and Naudé, 2011). This notion of human development -or human flourishing - has been pioneered by Sen (2000), Nussbaum (2000) and others. This capabilities approach can inform both theoretical thinking on and measurement of entrepreneurship. It views entrepreneurship is a human functioning² that can be valued as an end, and not just as a means to other ends. It can enrich human capabilities if people's complementary capabilities are expanded so that they can choose not to be

entrepreneurs. An important implication is that the demand for entrepreneurs is not a derived demand as in the instrumentalist view (as e.g. in Casson et al., 2006). Individual level data from the Global Entrepreneurship Monitor (GEM) show evidence of an inverse U-shape relationship between entrepreneurship and national happiness. Opportunity-motivated entrepreneurship may contribute to a nation's happiness, but only up to a point. Not everybody should become entrepreneurs, and the happiness of a nation cannot be –indefinitely increased by increasing the numbers of entrepreneurs (Naudé et al. 2013).

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. Primary source of data collection was used as research instrument were distributed and collected from respondents. The research instrument was validated and reliability was carried out using the cronbach alpha analysis and the instrument was found to be reliable. The population of the study is two thousand four hundred and twenty-five (2425) personnel which includes the business owners and employees in the selected SMEs in Oyo State. The Yamane (1967) formulae were used to determine the sample size which was arrived at four hundred and forty-six (446). Data was analyzed using simple linear regression analysis via the statistical package for service solutions (spss).

Data Presentation, Analysis and Discussion of findings

Linear Regression Analysis between Entrepreneur Marketing and SMEs development

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744 ^a	.553	.552	1.90805

a. Predictors: (Constant), Entrepreneur Marketing

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.497	.663		9.799	.000
	Entrepreneur Marketing	.717	.032	.744	22.458	.000

a. Dependent Variable: SMEs Development

Interpretation

The result in table showed that entrepreneur marketing has a statistically effect on business policy in selected SMEs in Oyo State as it is associated with sig-value of 0.000 which is less than 0.005 or 5%. Therefore, the null hypothesis is rejected since $P < 0.05$ (which states; entrepreneur marketing has no significant effect on SMEs development in Oyo State).

The table also revealed that entrepreneur marketing and SMEs development has a moderate correlation of 0.744 indicating that there is a moderate relationship between the two variables. The coefficient of determination (R^2) indicates that entrepreneur marketing explains (55.3 %) in the differences of business policy, while the increasing degree in entrepreneur marketing will increase SMEs development by (0.744). The coefficient tells how much the dependent variable measure of SMEs development is expected to increase since it is positive when the independent variable is increased by 1 unit.

Discussion of Findings

The result of this study that entrepreneur marketing will significantly affect SMEs development in Oyo state and is consistent with findings revealed in the work of Ibidunni, Iyiola & Ibidunni (2014) revealed in their study titled Product version, a survival strategy for small and medium enterprises in Nigeria that there is a significant relationship between entrepreneur marketing and the survival of SMEs, also, that changes in tastes and preference of consumers necessitates innovation, and that innovation increases sales volume of SMEs. The conclusion from the research findings showed that there is need for SMEs to carry out research on innovation; in other to meet and fulfills the demand and expectations of all consumers and the market making it a vital entrepreneurial strategy. Campel (2005) blame sanctions on poor performance of SMEs entrepreneurial marketing while some attribute the same to policy inconsistency and bad governance and these resulting from inability to effectively implement their marketing. Complex tax policies can put uneven pressure on smaller businesses. Reduction in tax rates increases the profit margin of SMEs as well as intensifying government tax revenues since such provisions reduce the size of the shadow economy (Vasak, 2008). Despite existing policies on financial support for small businesses, very few entrepreneurs receive financial help when they need it. Mambula (2012) found that 72 percent of entrepreneurs that he studied in Nigeria considered lack of financial support as number one constraint in developing their business as government policies towards it suffer from lack implementation of strategies. Although in some African countries banks are by law required to set aside a certain percentage of their profits for small business loans, many banks would rather pay a fine than make what they believe to be a high risk loan to SMEs.

Conclusion

The effect of entrepreneur marketing on SMEs development cannot be overemphasize as this strategy can positively or negatively affect the SMEs if it is not well formulated and implemented. Deduction from the findings also revealed that adaptation strategy has a statistically significant effect on SMEs development in Oyo State.

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