

EFFECT OF ENTREPRENEURSHIP DEVELOPMENT ON MARKETING STRATEGIES, IN SOKOTO STATE METROPOLIS

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ABSTRACT

Entrepreneurship and marketing are considered among the main characteristics of strategic thinking in business organizations today because of their complicated effects on designing and executing the different activities of such organizations, especially the marketing activities, which constitute the core of all other activities. This study aimed to examine the effects of Entrepreneurial Development on Marketing Strategies. It also attempts to determine the extent to which promotion increases sales growth. The survey research method was used in a cross-sectional design through the use of comprehensive questionnaires distributed to selected business enterprises. In the analysis of data collected, it was found that marketing strategies such as promotion have a significant impact on the sales growth of any company. In Table 1, 92 respondents, 23 (25%) respondents are involved in trading, 47 (51.1%) are involved in servicing, 16 (17.4%) are involved in manufacturing, and 6 (6.5%) are involved in retailing. Table 2 is the model summary. It shows much of the variance in the dependent variable (sales growth) is explained by the model (promotion). In this case, the R square value is .217. Expressed by a percentage, our model (promotion) explains 21.7% of the variance in sales growth. The adjusted R square shows .191, while the standard error of estimate indicates. It was also noted that the use of direct distribution channels has a positive effect on the firm's overall profitability. From these analytical findings, entrepreneurs should be able to understand the need for customer satisfaction and create a niche for the product they sell. Entrepreneurs should engage in more marketing promotions by using the internet, radio, T.V., and billboards and ensure their customers are reached wherever they are found. The research clarifies the importance of the marketing strategy in all organizations, as it has been confirmed that marketing strategy does entrepreneurial development.

Keywords: Marketing, Entrepreneurship, Promotion, sales growth, direct distribution channel

INTRODUCTION

Many firms are emerging daily in the current business landscape, rendering the market increasingly competitive and dynamic. To remain relevant in this environment, enterprises must adopt diverse strategies that align with their unique operations; a one-size-fits-all marketing approach will not suffice. With an appropriate marketing strategy, survival in today's cutthroat market is likely. Sales growth is the primary aspiration for modern-day businesses because without it, stagnation looms, and competitiveness wanes (Kotler, 2006).



In this climate of heightened competition, customer satisfaction reigns supreme as all enterprises strive to improve their offerings. Thus, constant sales growth is vital for any enterprise's survival; however, many need help to achieve it, leading to failure if left unaddressed. Promotion is a tool for raising product awareness and increasing sales growth (Porter, 1998). Consequently, many firms seek to gain high market share through effective segmentation techniques (Achumba, 2000), although challenges persist in segmenting markets for optimal results. Long distribution channels have also been identified as prevalent among successful enterprises today (Bharat et al., 1993)

Any enterprise cannot use any marketing strategy; each must discover the appropriate marketing strategy that best suits its operations. Without it, an enterprise cannot survive in today's competitive environment without the appropriate marketing strategy. Enterprises of today are aspiring to achieve sales growth because constant adequate sales growth is necessary for the enterprise to continue, and when this occurs, the enterprise will be able to compete favorably in the competitive market of today (Kotler, 2006). In our competitive market, everyone struggles and needs help to improve and satisfy their customers' needs. An enterprise can only survive with constant sales growth. Most enterprises today are failing because there is no constant sales growth, so promotion has to be taken more seriously. Promotion basically has to do with making people aware of the product's existence and making people buy more of the product, thereby increasing sales growth (Porter, 1998). Today, many enterprises are trying to get a high market share to survive the ever-competitive market. Many believe this can be achieved through effective market segmentation (Achumba, 2015). The challenge many firms face today is how to segment their market to achieve the desired effects effectively. It has also been discovered that enterprises use a long type of distribution channel (Bharat et al., 1993)

In the global world of business today, marketing activities have become very competitive, and enterprises are doing just about anything to remain relevant and still meet the ever-dynamic needs of their customers. Studies have shown that, for these enterprises to survive, they must take their marketing very seriously. People are now better educated, and the global world of business today is a very dynamic one. In order to satisfy the changing needs of customers, you must first know their needs, and that is where marketing strategy begins. For an organization to survive in today's competitive market, it has to treat the marketing part of its firm with top priority. The main purpose of any organization's existence is to satisfy needs of its chosen target customers at a profit and keep the business growing. For that to happen, there must be an effective marketing strategy in place, which is why a specific department has been set-aside in almost all firms just to handle the marketing aspect of the firm. A marketing strategy is the result of decisions being made about how a particular product or service will be packaged to its target customers. A marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements; identifies the firm's marketing goals, and explains how they will be achieved, ideally within a stated time frame (Ibidunni 2004). Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. It is most effective when it is an integral component of overall firm strategy,

defining how the organization will successfully engage customers, prospects, and competitors in the market arena. Entrepreneurship has been recognized as the main bedrock of any economy. For an economy to develop or improve, that economy's entrepreneurship must of necessity develop as well. It is now widely agreed that the entrepreneur is the prime driver of economic progress. They are involved in the production of all the goods and services, they also help increase the economy's revenue, they help reduce the rate of unemployment in the economy and even train and develop the economy manpower in order to increase productivity. These enterprises operate in different parts of every economy (Achumba,2000). This sums up the fact that the development of the economy is largely dependent on the growth and development of such country's entrepreneurial firms.

Aim and Objectives

The aim of this research work was to critically examine the effects of entrepreneurial development on Marketing Strategies in Sokoto metropolis.

Objectives

The objective of the study was to:

- a) Determine the extent to which promotional strategy will increase sales growth.
- b) Find out how the use of market segmentation will increase the market share of the business
- c) Ascertain whether the use of direct channels of distribution can have a positive effect on the profitability of the business.
- d) Offer useful policy recommendations which firms will find beneficial in the ever dynamic and highly competitive world of business.

2.0 LITERATURE REVIEW

The concept of Entrepreneurship is gradually becoming an essential part of every existing enterprise of today. The concept of strategy is ancient and it comes from Greek word strategia, which means art of Army General. Effective Army Generals are needed to win battles and protect territories. Strategic Marketing is defined by Achumba (2000) as a chosen line of action selected by an organization for pursuing a marketing objective. Strategic marketing management can also be viewed as the art of formulating, implementing, and evaluating cross-functional decisions that will enable an organization to achieve its desired objectives. It must be pointed out here that *Marketing* involves activities that provide satisfaction to consumers. It is a matching process. They usually include:

- a) The scope of the business:
- b) Marketing objectives:

- c) Target segments and positioning:
- d) Marketing mix strategy.

In today's very competitive marketplace, the use of marketing strategy must ensure a consistent approach to offering one's product or service in a way that will outsell that of competitors. However, in our attempt at defining marketing strategy one must also have a well-defined methodology for the day to day process of implementing it. It is of little value to have a strategy if we lack either the resources or the expertise to implement it. You begin the creation of your marketing strategy by deciding what the overall objective of your enterprise should be. In general, this falls into one of four categories, (Porter, 1998). If the market is very attractive and your enterprise is one of the strongest in the industry you will want to invest our best resources in support of your offering, if the market is very attractive but your enterprise is one of the weaker ones in the industry you must concentrate on strengthening the enterprise, using your offering as stepping-stone toward this objective, if the market is not especially attractive, but your enterprise is one of the strongest in the industry then an effective marketing and sales effort for your offering will be good for generating near term profits.

2.1 Types of marketing strategies:

One of the most important concepts of the marketing planning process is the need to develop a cohesive marketing strategy that guides tactical programs for the marketing decision areas. In marketing there are two levels to strategy formulation; General Marketing Strategies, Decision Area Strategies, Strategies based on market dominance, Porter generic strategies, and Innovation strategies, (Porter,1998).

2.2 General marketing strategy

This strategy looks to maintain the marketer's current position in the market, such as maintaining the same level of market share. This strategy looks to remove the product from the organization's product mix. This can be accomplished by selling the product to another organization, eliminating the product the company's product offerings

2.3 Decision area strategy

These are used to achieve the General Marketing Strategies by guiding the decisions within important marketing areas (product, pricing, distribution, promotion, target marketing).For example, a General Marketing Strategy that centers on entering a new market with new products may be supported by Decision Area Strategies that include: target market strategy – employ segmenting techniques, product strategy – develop new product line, pricing strategy – create price programs that offer lower pricing versus competitors, distribution

strategy – use methods to gain access to important distribution partners that service the target market, promotion strategy – create a plan that can quickly build awareness of the products.

2.4 Strategies based on market dominance

In this scheme, firms are classified based on their market share or dominance of an industry. Typically, there are four types of market dominance strategies: Leader, Challenger, Follower, and Niche.

2.5 Porter generic strategies

Strategy on the dimensions of strategic scope and strategic strength refers to Porters generic strategy. Strategic coperefers to the market penetration while strategic strength refers to the firm's sustainable competitive advantage. The generic strategy framework, (porter1984), comprises two alternatives each with two alternative scopes. These are Differentiation and low-cost leadership each with a dimension of Focus broad or narrow.

2.6 Integrated Marketing Strategy

When a company pursues an integrated marketing strategy, most elements of the marketing strategy must be incorporated. Integration includes not only the product but also the communications strategy, pricing and distribution, as well as such strategic elements as segmentation and positioning. Such a strategy may be advisable for companies that face completely globalized customers along the lines. It also assumes that the way a given industry works is highly similar paths in country by country.

2.7 Marketing Mix Element Strategy

These strategies pursue expansion along individual marketing mix elements such as pricing, distribution, place, promotion, communication and product. They are partially globalized strategies that allow a company that customize other aspects of its marketing strategy. Although various types of strategies, advertising strategies and branding strategies. Typically companies globalize those marketing mix elements that are subject to particular strong logic forces. A company facing strong purchasing logic may globalize its account management practices or its pricing strategy. Another firm facing strong information logic will find it important to globalize its communications strategy, [Porter,1998].

2.8 Product Strategy

Pursuing a product strategy implies that a company has largely globalized its product offering. Although the product may not need to be completely standardized, key aspects or modules may in fact be globalized. Product strategies require that product use conditions, expected features and required product functions be largely identical so that few variations or changes are needed. Companies pursuing a product strategy are interested in leveraging the fact that all investments for producing and developing a given product have already been made. Strategies will yield more volume, which will make the original investment easier to justify [Barney, 1998].

2.9 Promotional strategy

Promotional strategy involves how the company decides on the use of marketing communication mix elements such as advertising, sales promotion, public relations, personal selling and direct marketing so that the company can achieve better. Advertising is generally associated with the use of the same brand name across the world. However, a company may want to use different brand names partly for historic purposes. Many firms have made acquisitions in other countries, resulting in a number of local brands. These local brands have their own distinctive market and a company may find it counterproductive to change those names. Instead, the company may want to leverage a certain theme or advertising approach that may have developed as a result of some customer research. Advertising themes are most advisable when a firm may market to customers seeking similar benefits across the world. Once the purchasing reason has been determined as similar, a common theme may be created to address it.

2.10 Composite Marketing Strategy

The above description of the various marketing models give the distinct impression that companies might be using one or the other generic strategy exclusively. Reality shows, however that few companies consistently adhere to only one single strategy. More often, companies adopt several generic strategies and run them in parallel. A company might for one part of its business follow a brand strategy while at the same time running local brands in other parts. Many firms are a mixture of different approaches, thus the term composite.

2.11 Competitive Marketing Strategies

One of the longest-running battles in competition is the fight for market dominance between Coca-Cola and Pepsi, the world's largest soft drink companies. Firms are able to leverage their experience and market position in one market for the benefit of another. Although firms have superior resources, they often become inflexible after several successful market entries and tend to stay with standard approaches when flexibility is called for. In general, the firms' strongest local competitors are those who watch firms carefully and learn from their moves in other countries. With some firms requiring several years before a product is introduced in all markets, local

competitors in some markets can take advantage of such advance notice by building defenses or launching a pre-emptive attack on the same segment.

2.12 Branding Strategy

Branding strategies consist of using the same brand name, label, design, logo, or a combination of these on a product, worldwide. Branding strategies tend to be advisable if the target customers travel across country borders and will be exposed to products elsewhere. Branding strategies also become important if target customers are exposed to advertising worldwide. This is often the case for industrial marketing customers who may read industry and trade journals from other countries. Interestingly, global branding has become important also for consumers products where cross-border advertising through international T.V. channels as been common, (Achumba, 2000),

2.13 Entrepreneurial development

The study of entrepreneurship reaches back to the work of Richard Cantillon and Adam Smith in the late 17th and early 18th centuries, but was largely ignored theoretically until the late 19th and early 20th centuries, [Aaker, 1989]. In the 20th century, the understanding of entrepreneurship owes much to the work of economist Joseph Schumpeter in the 1930s and other Austrian economists such as Carl Menger, Ludwig von Mises and Friedrich von Hayek. In Schumpeter, an entrepreneur is a person who is willing and able to convert a new idea or invention into a successful innovation. The proposition that entrepreneurship leads to economic growth is an interpretation of the residual endogenous growth theory and Kirzner's such, shortly debated by academic economics. An alternate, description posited by, according to Baumol, (1990) suggests that majority of innovations may be much more of incremental improvement. Entrepreneurship concept, like other concept has no specific or single definition. A person who is willing to risk his capital and other resources in a new business venture from which he expects substantial rewards, if not immediately, out in the foreseeable future at least. Speaking on the economic importance of entrepreneurship, Porter, (1998) quoted the former American president, Ronald Reagan, in his speech titled "the greatest game in town is business" made this statement, "we have lived through the age of big industry and the age of giant corporation, but I believe that this is the age of the entrepreneur, the age of the individual; that is where the nation's prosperity is coming from and that is where it is going to come from in the future". Entrepreneurship contributes significantly to the economic growth of any country in a number of ways. Some of these include

- a) Employment Generation ;
- b) Conversion of foreign exchange;
- c) Promotion of effective domestic resource utilization ;

- d) Channel for maximization of the potential in entrepreneurs ;
- e) Equitable distribution of income and wealth amongst others.

The entrepreneurs faced a number of challenges, some of which, according to Baumol (1990), include

- a) Managerial incompetence;
- b) (ii) Infrastructural constraints;
- c) Competition from foreign businesses;
- d) Political instability
- e) Poor manpower training and development;
- f) Financial problems, amongst others.

Empirically, a lot of research work has been carried out on the effects of marketing strategy such as promotion and market segmentation on the entrepreneurial development of the economy. Majority of the researches do not focus on the development of enterprise and this poses challenge because of the strategic importance of entrepreneurial sector as it helps in the development of developing nations. Today, many CEOs of major companies are disappointed over marketing inability to produce measurable. Interestingly, they view their marketing department as not living up to expectations On the basis of above literature the hypothesis of this study are The use of promotional strategy cannot increase company's sales growth, effective market segmentation cannot increase a company's market share. There is no relationship between the use of direct channels of distribution strategy and a firm's profitability.

3.0 METHODOLOGY

The paper uses survey research method. A set of questionnaires was well structured and administered to four categories of respondents, which were in Trading, Service firms, Manufacturing, and Retailing. Like Scale structured questionnaire was used with options of five variables: which ranges from Strongly Agree (S.A.); Agree(A); Undecided (U); Disagree (D); and Strongly Disagree (S.D.). The researcher used the whole population of registered enterprises in the local government. In all 120 questionnaires were sent among the categories of respondents 103 questionnaires were returned while 11 of these questionnaires were rejected because they were not properly filled. In all, the research made use of 92 returned questionnaires. Below is the summary of demographical data showing classification of participants





Table 1: The nature of business that respondent enterprises are into.

| Valid | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|---------------|-----------|---------|---------------|--------------------|
| | Trading | 23 | 25.0 | 25.0 | 25.0 |
| | Servicing | 47 | 51.1 | 51.1 | 76.1 |
| | Manufacturing | 16 | 17.4 | 17.4 | 93.5 |
| | Retailing | 6 | 6.5 | 6.5 | 100.0 |
| | Total | 92 | 100.0 | 100.0 | |

Source: field survey, 2020

Table 1 above shows the nature of business enterprise the respondent belongs to is involved in. of the 92 respondents, 23 (25%) respondents are involved in trading, 47 (51.1%) are involved in servicing, 16 (17.4%) is involved in manufacturing and 6 (6.5%) are involved in retailing. This goes to show that most of the respondents are involved in service industry.

4.0 DISCUSSION OF RESULTS

Regression analysis was used to measure the effects of the independent variable to the dependent variable. Each of the hypotheses has strong link age with the objectives of the study and research problem stated earlier.

TABLE: 2 Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|---------|----------|-------------------|----------------------------|
| 1 | .466(a) | .217 | .191 | .54028 |



Source: field survey, 2020

A Predictors:(Constant),the strategic use of advertising improves the competitive advantage of your company, promotional strategy (such as advertising, public relations etc)improves entrepreneurial development in your company, promotion (such as advertising and public relations etc) helps to effectively utilize the firm's resources Table 2 is the model summary. It shows much of the variance in the dependent variable (sales growth) is explained by the model (promotion).In this case, the R square value is. 217. Expressed by a percentage, this means that our model (promotion) explains 21.7% of the variance in sales growth. The adjusted R square shows .191, while the standard error of estimate indicates .54028, which signifies the error term that was not captured in the model.

TABLE 2: ANOVA

| Model | Sum of Squares | D f | Mean Square | F | Sig. |
|--------------|----------------|--------|-------------|-------|---------|
| 1 Regression | 7.139 | 3 | 2.380 | 8.152 | .000(a) |
| Residual | 25.687 | 8 | .292 | | |
| Total | 32.826 | 9 | | | |

Source: field survey, 2013

- a) Predictors: (Constant), the strategic use of advertising improves the competitive advantage of your company, promotional strategy (such as advertising, public relations etc) improves entrepreneurial development in your company, promotion (such as advertising and public relations etc) helps to effectively utilize the firm's resources
- b) Dependent Variable: strategic use of marketing communication increases the sales growth of your company. Table (2) shows the assessment of the statistical significance of the result

TABLE 3 MODEL SUMMARY

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|---------|----------|-------------------|----------------------------|
| 1 | .357(a) | .127 | .087 | .63506 |

Source: field survey, 2013

Predictors: (Constant), effective use of distribution channels enhances your company's profitability, efficient use of distribution channel



facilitates the company's sales growth, efficient use of distribution channel increases the market share of your company, direct distribution channel enables your company to satisfy its customers in a particular level Table (3) above is the model summary. It shows how much of the variance in the dependent variable (business profitability) is explained by the model (direct distribution channel). In this case, the R square value is .127. Expressed by a percentage, this means that our model explains 12.7% of the variance in business profitability. The adjusted R square shows .087, while the standard error of estimate indicates .63506, which signifies the error term that was not captured in the model.

5.0 CONCLUSION

The study has contributed to our knowledge on the effects of entrepreneurial development on marketing strategy. The results demonstrated that there is a significant effect of promotion on the sales growth of an enterprise, likewise a significant relationship between the usages of direct distribution channels on the profitability of an enterprise. Findings of the paper implies that government should formulate policies that will encourage, enterprises in adopting marketing strategy by creating awareness programmers' to intimate them of the benefits to enterprises. Also, the enterprises should know that no firm can survive without adequate marketing strategy. The earlier the enterprises start making marketing the central of their activities, the better for the enterprise. The workers should be properly informed about marketing and everything it entails so that they can make the most of it in their daily operations because marketing strategies are used to increase sales, launch new products and generally provide profit for a company (Cyprus, 2010)

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