



## **Performance Measurement in Entrepreneurial Marketing**

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### **ABSTRACT**

This study attempts to look into how small and medium-sized businesses measure their entrepreneurial marketing performance (SMEs). It sheds light on how entrepreneurial marketing is evolving as well as how to respond to the marketing strategies that market innovators use. Entrepreneurial marketing doesn't search for the best circumstances to expand a business. This study examines the key components of entrepreneurial marketing tactics. In order to get more notable results for entrepreneurial marketing, this research aims to extend perspectives on the synergetic application of components. To determine the effect of specific aspects on an organization's performance, entrepreneurs were polled using a structured questionnaire. Additionally, the effects of gender and overall experience were examined.

**Keywords:** Performance Measurement, Entrepreneurial Marketing.

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### **INTRODUCTION**

Nowadays, academics, businessmen, politicians, and government officials are all quite enthusiastic about the concept of entrepreneurial marketing. The last ten years have shown how important business is to society's survival. In the modern culture, it placed a strong premium on business and business people. While globalisation is the norm, environmental issues are strongly emphasised, and the unemployment rate is rising. As a result, the prerequisite for entrepreneurship has become crucial. Legislators are trying to encourage new start-ups while also fighting against the high unemployment rates. The intense competition that businesses face around the world makes it difficult for them to stay focused and aware.

Academic dialogues among academicians have frequently expressed the passion for entrepreneurship marketing. Numerous studies focused on either the success of entrepreneurial processes or the environment for enterprise in various settings has been introduced in the subject of business. In recent years, there has been an increase in interest in adopting entrepreneurial marketing within established businesses. Additionally, there have been some attempts to carefully develop a general theory of business.

An entrepreneurial firm is one that engages in activities like the creation of new goods or services, initiative, and risk-taking, all of which are crucial indicators for any company. An entrepreneurial firm is characterised as one that participates in the development of new products, accepts some level of risk, and plans "proactive" developments to outperform competitors.

The academic term "entrepreneurial orientation" (EO) is assessed and measured. The phrase "entrepreneurial orientation" refers to a company's capacity for entrepreneurial activity. The word is most accurately described as the company's core purpose or viewpoint.

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

## **REVIEW OF LITERATURE**

### **ENTREPRENEURSHIP**

The French word "entreprendre" is the ancestor of the English word "entrepreneur," and it denotes an act in which the person attempts, tries, adventures, or undertakes some form of act. Richard Cantillon was the one who distinguished between entrepreneurial and capitalistic activity in the 18th century. Later, Jean-Baptiste Say coined the phrase to describe the shift from low to high productivity in resources. John Stuart Mill established the innovative idea throughout the middle of the 19th century and included the notion of entrepreneurial profit in the equation along with taking risk. Beginning in the 20th century, Joseph Schumpeter distinguished between entrepreneurship and the capitalistic function, asserting that businesspeople were "sociologically unique individuals" (Carland, Hoy, & Carland, 1988 cited in Krueger, 2002; McDaniel, 2002).

Entrepreneurship is frequently linked to recently launched firms. However, this does not imply that only specific professions can do entrepreneurship. According to Hisrich and Peters (1992, cited in Bjerke & Hultman, 2002), entrepreneurs can be found in every industry. For instance, entrepreneurship can be found in the fields of education, engineering, and architecture. Because the concept is present in so many dissimilar and disparate professions, it is difficult for academics and businesspeople to agree on a single description of the field and concept. Cook (1992) concurs and adds that an individual who possesses administrative and organisational abilities as well as understanding of how to minimise risk can succeed as an entrepreneur in any industry.

In the management literature, the term "Entrepreneurship" is not defined uniformly. The phrase has been used to describe a wide range of tasks, including creating, establishing, promoting, and managing an enterprise. Entrepreneurship thus plays a variety of roles.

The majority of the current definition of entrepreneurship has argued that it is about identifying and seizing opportunities (Shane and Venkataraman, 2000). The research is moving toward identifying and examining business prospects as well as potential outcomes both inside and outside of an enterprise. The inquiries should result in organisational development and subsequently, public development. The exploitation of opportunities, rather than the investigation per se, is what leads to development. Entrepreneurship is about growth, whether it comes from creating new goods or services or from

increasing demand. Additionally, it is possible to find entrepreneurial activity in the exploitation of both new and ancient items.

New definitions of the enterprise were developed as a few analysts switched their focus from the human perspective to the process perspective. Business enterprise, according to Shane and Venkataraman (2000), is about how opportunities are identified, evaluated, and used to generate new products and services.

The traditional definition of entrepreneurship stated that businesses needed to combine assets in novel ways to create economic instability. This suggests that innovative businesses are so creative that they have an impact on the market. The most important aspect of any enterprise is the search for opportunities. Exploiting possibilities through a creative fusion of resources in ways that have an influence on the market might be a unified definition of entrepreneurship.

### **ENTREPRENEURIAL ORGANIZATIONS**

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### **ENTREPRENEURIAL MARKETING**

By regularly coming up with innovative ideas and taking chances, entrepreneurial marketing seeks to gain the upper hand. The company operations in relation to new innovations, risk tolerance, and proactiveness are crucial elements of this "entrepreneurial marketing." Miller looked at how a company's entrepreneurial marketing relates to major natural and external elements. To gauge the degree of the entrepreneurial system within a firm, a measurement tool was developed. Since then, Miller's conception has evolved into a tool. Miller also implied that an entrepreneurial company is one that participates in the promotion of their innovative product, takes certain calculated risks, and is the first to devise "proactive" advancements, eliciting the best performance from rivals.

The non-entrepreneurial firm, on the other hand, is one that adds little, is abhorrent, and repeats the strategies of the competitors rather than setting the pace. The entrepreneurial strategy is comprised of the three factors of development, risk appetite, and proactiveness. In Miller's description of the characteristics of entrepreneurial strategy, the focus is on the commercial enterprise's strategy rather than the individual who is driving it. However, a thorough examination of Miller's assessment tool reveals that it actually evaluates achieved acts and present attitudes rather than the actual behaviour.

### **PERFORMANCE MEASUREMENT**

The management control system refers to the processes used by management to oversee a company's operations. This system typically consists of a few distinct types of control devices or subsystems. While some of these control mechanisms can be seen as soft, like corporate culture and some types of administration, others might be seen as harsh, like budgeting and costing. These many control framework types were grouped by Samuelson (1990) into three main categories: formal control systems, organisational structures, and less formalised control frameworks. Performance assessment should be

seen as a hard, formal control mechanism and can therefore be grouped with other controls that have similar characteristics, such as budgeting, target costing, and benchmarking.

The concept of performance measurement comes from how each company completes a variety of tasks. As a result, the measurement might be linked to just about every business action or function, including financial results, product quality, and customer happiness and loyalty. A performance measure is a monetary number or quantity that provides information about how well the programme is performing. Financial terms like Return on Equity (ROE), operational profit, etc. could also be used as performance indicators. This may also be of a non-financial aspect, such as the quantity of complaints and turnaround time (reflecting, for instance, quality or client satisfaction)

### **OBJECTIVE OF THE STUDY**

The Objective of the study is as below:

1. To find out if gender and experience has any impact on Organisation Performance.
2. To analyze if Customer Relationship, Product Quality and Innovation, Pricing Factors or Marketing factors has any influence on Entrepreneurial Marketing

### **RESEARCH METHODOLOGY**

#### **RESEARCH DESIGN AND NATURE**

To clarify the study's goal, descriptive and explanatory research was conducted. The descriptive study is typically conducted when the analyst is interested in highlighting the characteristics of a specific problem area. Studies on this topic are essential for both academics and businesspeople because appropriate research has not been done in this area of performance measurement in entrepreneurial marketing. This study's main goal is to illustrate and describe how performance measures are used in entrepreneurial marketing.

When authors or researchers seek to establish relationships between two or more things, they typically employ the explanatory approach. The data presented in this investigation looks into potential relationships between various elements associated with financial and non-financial variables and the frameworks for performance measure usage by entrepreneurial businesses. Entrepreneurial marketing, company performance, and firm ownership were the characteristics considered in this study.

#### **SAMPLING TECHNIQUES ADOPTED**

The respondents in this study were picked at random by sampling. The survey was carried out in a few malls at Bihar (Patna, Hazipur & Muzaffarpur). Because these malls were the State's first among the several centres, their business owners were chosen. The interests of a researcher's target population are the groups to which the researcher would like to generalise the study's findings. The entrepreneurs in the study area were specifically the target population for this study. The decision was made in light of the fact that the group of business owners was engaging in entrepreneurship marketing operations based on the characteristics of their target markets.

## QUESTIONNAIRE

To gather information from the entrepreneurs, a systematic self-administrative questionnaire with both open- and closed-ended questions was created and delivered.

## RELIABILITY & VALIDITY OF DATA

Validity is defined as a system that ensures the method used to obtain the respondents' responses has successfully collected the requested information. Validity refers to the extent to which an experimental measure accurately captures the significance of the topic being studied (web 1).

Respondents who were assured of their privacy and secrecy were handed self-administrated questionnaires. To ensure readability, the questionnaire was pre-tested with a small group of people.

A thorough assessment of the literature was done, along with an interview. The aforementioned stages ensured that the method and results were genuinely worthy and valid by using multiple sources of data collection, including literature, interviews, and questionnaires.

## 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 Significance at 1% level

The results of an ANCOVA test comparing organizational performance to total experience, gender, and gender and total experience together are shown in Table 1. Organizational performance was the dependent variable, and the independent factors were gender, total experience, and gender and total experience taken combined.

The data in Table 1 demonstrates that there is no correlation between an organization's success and total experience, gender, or both. The correlation between organisational performance and gender is significant at 1% ( $p = 0.01$ ; mean square 130.892;  $F = 10.842$ ).

**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	2.3	291.218	<0.001**
Innovation & Product Quality	2.04		
Pricing factors	2.74		
Market factors	2.92		

Using the Friedman test, it was determined that there was a significant difference between the mean rankings for the characteristics affecting entrepreneurial marketing, which is shown in Table 2.

Table 2 shows that the null hypothesis is disregarded at the 1% level of significance because the p value is less than 0.01. Therefore, it can be inferred that there are notable differences between mean rankings for elements affecting organisational success with relation to entrepreneurial marketing.

Market forces, which represent a logical economic model of organisational functioning and place an emphasis on productivity and goal achievement, were the main contributing element.

The most significant component driving entrepreneurial marketing, according to the mean rank, is market factors (2.92). The other characteristics that have an impact on an organization's effectiveness in entrepreneurial marketing were pricing factors, which had the second-highest mean rank of 2.74, customer relationships, which had a mean rank of 2.30, and innovation and product quality, which had a mean rank of 2.04.

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**

There are a few inferences that can be made from the design and application of performance assessment frameworks in entrepreneurial marketing, taking into account the study's goal. Although financial indicators are emphasised, businesses frequently take into account non-financial measures as well, such as those that represent quality, efficiency, and asset use. Revenue and cash flow are viewed as less important than quality and productivity. Other metrics, such as supplier and customer relationships, are also considered to be of paramount importance. The formal performance measures were the study's main focus. It can be interesting to think about the informal performance measures as well. Additionally, there are opportunities to deepen the analysis of various business characteristics and how they affect frameworks for performance metrics. As our analysis showed potential connections between the characteristics and performance measurements used by the businesses, it could be interesting to consider these topics in greater depth.

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