

**INFLUENCE OF ENTREPRENEURIAL MARKETING ON
GROWTH OF SMALL AND MEDIUM SCALE ENTERPRISES IN
KENYA:**

A CASE STUDY OF UHURU MARKET – JOGOO ROAD

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DECLARATION

This research project is my original work and has not been presented for a degree in any other university.

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D61/73642/2012

This research project has been submitted for registration with my approval as the University Supervisor

APPROVAL

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DEDICATION

To my lovely sons, Brendan Kiplimo and Ivan Kigen and my loving family for their immense support, love, prayers and constructive criticism. You are a blessing!

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ABSTRACT

The purpose of this study was to establish the influence of entrepreneurial marketing on growth of small and medium scale enterprises (SMEs) in Uhuru Market, Jogoo Road Kenya. Specifically, the study sought to establish how marketing budget, affect the growth of SMEs Uhuru Market, Jogoo Road Kenya; to determine the degree to which market orientation influence the growth of SMEs Uhuru Market, Jogoo Road Kenya; as well as investigating the extent to which marketing practices to opportunity influence growth of SMEs Uhuru Market, Jogoo Road Kenya. The researcher used descriptive survey research design. These fit the definition of SMEs and hence constitute the population for purposes of this study. The target population was obtained from Uhuru Market – Jogoo Road where there are 2000 SMEs dealing in various sectors of the economy according to County Government of Nairobi. The research sampled sixty SMEs on a random basis. The technique is preferred since it applies a sampling fraction in each strata that represents the entire population. The study used both the primary and secondary data. Primary data was collected using structured questionnaires and interviews with the marketing managers'/business owners, while secondary data was in form of literature review sourced from the relevant journals, articles and magazines. To test the accuracy of the questionnaire as well as the understanding of the questions by the respondents, a test was carried out with 10 respondents so as to assure the researcher that the main research process would flow smoothly. Both qualitative and quantitative data was collected from the respondents. The SPSS software was utilized for data analysis. Descriptive statistics including mean, frequencies and the standard deviations were used in the analysis of data. Thereafter, the findings were presented using pie charts and tables for easy interpretation. Content analysis was employed to analyze the qualitative data. This analysis enabled the researcher to analyze the data that would not be quantitative in nature. At the same time the method would allow respondents to express their feelings on certain issues to a larger extent as compared to the quantitative analysis. From the findings, it can be inferred that owner manager level of education, experience in the enterprise a critical factor affecting growth of SMEs. Thus, it can be deduced that marketing orientation and marketing budget are the key drivers in growth of small and medium enterprises in Kenya. For effective and successful entrepreneurial marketing practices, the owner manager should possess technical skills and interpersonal skills. Since year 2012, it can be concluded that the SMEs have gradually and steadily introduced new products/services. As part of recommendations, policy and practices for Entrepreneurial marketing practices for SMEs should be assessed and applied in in a productive manner as different combination of marketing practices in varying weights will yield different results. This should be considered in line with the existing government regulations and ethical practices

ABBREVIATIONS AND ACRONYMS

SMEs	Small and medium Enterprises
GoK	Government of Kenya
MFI	Micro Finance Institutions
LGA	Local Government Act
FIAS	Foreign Investment Advisory Service
KIPPRA	Kenya Institute for Public Policy Research and Analysis
UNIDO	United Nations Industrial Development Organization
ROSCAs	Rotating Savings and Credit Associations
OECD	Organization for Economic and Co-operation Development
KACC	Kenya Anti-Corruption Commission
CBK	Central Bank of Kenya
KIRDI	Kenya Industrial Research Development Institute
CBS	Central Bureau of Statistics
ACEG	Africa Centre for Economic Growth
K-REP	Kenya Rural Enterprise Program
EM	Entrepreneurial Marketing

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The distinct features of the small ventures distinguish them from the reputable organizations (Fallgatter, 2012). Some of the features of the small ventures include: the freshness in the market and the risks that they undertake. The environment organizations must be taken into account when evaluating the challenges, they face in their marketing undertakings. Growth of these firms has been used as an indicator of business success. It is perceived as the most practical business performance indicator for the survival of small firms (Mohammed and Obeleagu-Nzelibe, 2014). Additionally, growth is a vital precondition for the attainment of other business's financial goals. Growing young firms have twice the likelihood as opposed to young firms that experience stagnant growth. The profitability of a firm may also be temporarily reduced by strong growth although substantial growth is realized in the long run (Burns, 2011).

Brown *et al.* (2004) in the resource-based view (RBV) analyzes the small firm growth policy determinants using panel data on new business ventures in Romania. These determinants included the finance, technical assistance, human capital, the business environment, and other complementary institutions. A five-stage model by Churchill and Lewis (1983), nonetheless, indicates the issues and growth patterns of small businesses as revolving around existence, success, survival, resource maturity and take-off. This is in line with Ngugi (2013) who referred to them as the "missing middle"

The survival of Small and medium Enterprises is key to any economy since they have is perceived as one of the growth tool in different nations worldwide making up more than 90 % of the total enterprises (Lev, 2015). Within the Kenyan context, out of the total new jobs created, SMEs created 426.9 (89.9%) thousand new jobs from a total of 474.5 thousand new jobs advanced in Kenya (Economic Survey, 2015). During the same period, KSh. 806,170 million of GDP was raised from the sector which is 59 % of the gross GDP (RoK, 2015). Despite the places SMEs in the economy Reports from World Bank (WB) show that SMEs are known to experience stagnation with no significant graduation from one enterprise level to the next (WB, 2013).

1.1.1 Entrepreneurial Marketing Factors Influencing Growth of SMEs

Achieving long term survival and performance in SMEs, however transcend beyond putting in place general marketing practices (Dmitriy& Snyder, 2015). Though the basic principles of marketing are relevant to all kinds of enterprises, SMEs have specific features (including inadequate knowledge on basic marketing ingredients – marketing research, marketing planning and market segmentation) that differentiate them from large enterprises which also subject their marketing practices to opposing forces since they are not market-focused and oriented. Nigussie, 2014 confirm that SME's encounter many marketing hurdles that cannot be tackled only by examining the findings from the overall marketing field.

The uniqueness of a firm's characteristics is mainly said to be a result of diverse shortcomings. In literature, the marketing functions of the SME's are said to be as a result of an inconsistent cash flow, Inexperience in the market field, the size of the business, tactics employed and also the strategic-customer-led problems (O'Dwyeret et al., 2009), a

narrow customer base, and heavily dependence on the expertise of the proprietor (Stokes, 2000), inadequate finances in terms of finance and time and also a small force felt in the market (Gilmore et al., 2011). Inadequate resources lead to strains in everyday business operations, and marketing will be deemed superfluous especially in the small firms.

The concept of entrepreneurial marketing primarily originated from the small businesses or the just set up businesses. In support of this, Hultman & Kotler (2002) entrepreneurial marketing is classified as marketing especially in its bud stages. Entrepreneurial marketing as a retailer marketing that rises via entrepreneurship (Bjerke & Hultman, 2002) that is said to be more suitable in solving the problem and inadequate results in the SME's (Stokes, 2000). When the entrepreneurial marketing approach is applied by the small businesses, a finer focus in the prevailing business conditions linked to fulfilling the set targets is seen.

According to Burns (2015), in the United Kingdom the small firms engage 62% of the total labour force and ads up to 25% of the total GDP. Similarly, in the European Community, only 66% of the total workforce comes from the workforce. In his emphasis, Burns said that the small firms have an impact especially in the workforce sector. Similarly, the small firms contribute 79%, 60% ,63% to the work force in Italy, Germany & France respectively. In SENET (2004), nearly 100% of the 3.2 million enterprises in the UK are said to be SME's and they make over two thirds of the total business turnover (KIPPRA, 2013).

A Malaysia study by Ong & Ismail (2013), reveled and also supported the implication of the nexus that exist between individual traits and entrepreneurial management. Moreover,

they gave their suggestions that supported the boosting of personal characteristics especially for the upcoming entrepreneurs. Individual characteristics are said to be useful especially in evaluating the granting financial aid of the new business startup or the expansion of the current businesses. In support of this, researchers in Malaysia (Chong, Kuppusamy & Jusoh, 2005). They noted that traits including risk taking and innovation are important for entrepreneurial growth. High growth is brought about by pro-activeness, innovativeness and the firms' risk-taking orientation, the scopes (Hamel, 2000).

As opined by Itodo, (2015) entrepreneurial marketing practices must in addition involve a process by which firms derive strategies to enable them anticipate and respond innovatively to the dynamic business environment, adding that such efforts inevitably improve the competitiveness of business firms and eventually their performances. Performance, considered to be a subset of the broader concept of organizational success is a fundamental feature for survival and sustainability as performance factors like appropriate entrepreneurial marketing practices have been found to spur business expansion, sales growth, customer satisfaction and return on investment in all classes of SMEs (Itodo, 2015).

1.1.2 Overview of SMEs in Kenya

The Global Economic Report ranks Kenya as the 98th Country of the 133 in global competitiveness in 2015, a 5 point decline from the 2013-2015 ranking when it was placed 93rd (WB, 2015). Though reasonable African context, the rating poor compared to rating of the trading partners in Africa specifically South Africa and Egypt who rank 45th and 70th respectively (GCI, 2014).

In an Economic survey (ROK, 2014), the SME's heavily contributed to over 79.8% of the total jobs in Kenya. Thus, heavy emphasis has been put on small and medium enterprises in the Kenya development plans for 1989-2013, 1994-1996 and 1997-2015 in the creation of job opportunities (RoK, 2015). The jobs created rose by a margin of 5.1 percent in 2011. The increase was of 445,900 in comparison with a 437,300 in 2010. The county of Nairobi revealed the highest increase of 5.4 percent (RoK, 2012). The SME's are said to survive for not less than three years this was in view of the Sessional paper No. 2 of 2005 (Rok, 2013).

The potential benefits of SME include: higher and regular income for entrepreneurs, increased employment opportunities, increased living standards, increased capital accumulation and reduced crime activities in towns and cities. Nairobi is one of the cities where there is a huge number of SMEs. SMEs form the major sources of income, which becomes the driving force for commercial activities within the city. Examples of SME in Nairobi include: Mini supermarkets and shops, groceries, chemists, Jua kali artisans, food kiosks and motels, hardware, clothes vendors among others. Even though a significant number of households are engaged in small scale businesses, efforts to support this sector will not only be helpful in the development of this sector, but also in improving the living standards of Nairobi residents. Despite the important role played by SMEs in the industry and society, they face several problems that hinder their growth.

1.2 Statement of the Problem

SMEs can only maintain such a position when a good number of strategies including the formulation and application of appropriate entrepreneurial marketing practices are put in place at the right time and proportion to exert positive effect on performance. Naelati and

SobrotulImti, (2014) argues that EM practices affect performance, however, little has been established on which of the entrepreneurial marketing practices influence the long term *growth of SMEs* and the extent of its impact. Attempts in this regard have always resulted in mixed, conflicting, inconsistent and inconclusive findings.

Numerous studies have been done on SMEs Hortoványi (2009) studied management in Hungarian SMEs and concluded that entrepreneurial managers highly committed to exploiting given opportunity, they are confident that the missing elements of this pattern will realign themselves and they show a confidence level along the way the opportunity unfolds .Shehu, Aminu, Kamariah, Mat & Nasiru (2013) their descriptive study on Entrepreneurial Growth and Behavior of selected SMEs in Uganda. Using a multidimensional analysis, Garoma (2012) conducted a study on the microenterprise success' determinants in the Addis Ababa's urban informal sector and concluded that start-up capital has been one of the major attributes of microenterprises. Ngugi(2013) identified many of new SMEs fail within first five years of their business operation.

Little has nonetheless been established on which of the entrepreneurial marketing practices influence the long term *growth of SMEs* and the extent of its impact. Attempts in this regard have always resulted in mixed, conflicting, inconsistent and inconclusive findings. In addition, the highlighted studies have shown that, despite the fact that the concept of SMEs growth has been explored since long ago, and its scope the empirical study of the phenomenon is still undeveloped and their determinants to growth. Therefore, this study will fill the existing void by answering the question: what is the influence of entrepreneurial marketing on growth of SMEs in Uhuru Market, Jogoo Road Kenya.

1.3 Objectives of the study

The study's general objective was;

1.3.1 General Objective

The general objective for this study was to establish the influence of entrepreneurial marketing on growth of small and medium scale enterprises (SMEs) in Uhuru Market, Jogoo Road Kenya

1.3.2 Specific Objectives

- i. To establish how marketing budget, influence the growth of SMEs Uhuru Market, Jogoo Road Kenya.
- ii. To determine the extent to which market orientation influences the growth of SMEs Uhuru Market, Jogoo Road Kenya.
- iii. To investigate the extent to which marketing practices to opportunity influence growth of SMEs Uhuru Market, Jogoo Road Kenya.

1.4 Value of the study

This study will enable both existing and prospective entrepreneurs understand and appreciate the dynamic SME sector and therefore are able to successfully start and run their business. The study would be vital not only to managers of SMEs but also other managers in various firms. The study would enable them understand the management practices and this understanding can help institutions in the growth of these firms. The benefit the managers in understanding the technique used in applying various growth components, which would enable them to improve their management techniques.

The study will enable the government to create awareness to the industry and conducive good working environment. This will translate into more jobs, increased revenue inform of taxes and investors will generate substantial wealth. Non-Government Organizations need information about an area and their status in order to come up with programs, which might be used to support the SMEs in the area. This study will be used as a useful documentation for the NGOs to support local economic policies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the literature review on the concept of the study. The section presents the theoretical review as well as discussing the variables which include growth, choice of financial institution, technology and suitability of financing option to financing needs of the SMEs.

2.2 Theoretical Framework

Theory can be defined as statements that are used in the explanation of facts which have been repetitively tested widely and can be used as a forecast tool for natural occurrence (Popper, 1963). The theories are analysis instruments in comprehending, clarifying and forecasting on a given subject matter (Konrad & Bongkochmas, 2011).

Theoretical literature review is a concrete examination of the accumulated theory centered in this issue, concept, or phenomena and is crucial in setting up existing theories, the nexus between them, the level of investigation, and in widening new hypothesis to be tested. In Blumberg, Cooper & Schindler (2011), theoretical literature is deduced as a lens that gives the researcher the world view.

2.2.1 Competency Theory

Competency theory (Kruger & Dunning, 1999) suggested that the skillful students are better in evaluating their skills unlike the unskilled individuals. The concept of competence was one of the main concepts that popped up in the competency based training (Mansfield, 2014). The concept has however resulted into disorderliness and misapprehension worldwide (Van, Loo & Semeijn, 2011), national (Kushnir, 2010) and

State(Mitchelmore & Rowley, 2010) levels. The appropriate concepts are identified by the learners with the guidance of the teacher.Under the supervision of the teacher, learners are carefully directed on how to come up with a link of the problem statement to the desired knowledge, and also from the appropriate knowledge to actual performance by using along the skills gained and lastly form performance criteria to the problem.

In Boyatzis (2016), performance is at its peak when the capabilities of the person are in line with the job market demands and the organizational environment, systems and structures. Competencies can be defined as abilities that are linked to motive and personality and which have an impact on the rate of recurrence and inherent affective value that are linked to the implementation of certain behaviours and cognitive- affective processes. Therefore, competencies are simply the capabilities one can do and what they intend to do in future. So as to realize better work performance in future, all the factors ought to be considered. Therefore, there is a difference between competencies and abilities, as motives play a significant role in the crafting of theoretical framework. Simply, abilities enlighten of what a person is capable of doing unlike competencies that give a picture of what one can do and will do in future (Ryan, Emmerling & Spencer, 2009). In this study, the competency theory is applied based on a survey by Xiang (2009) between business owners and managers. When using the discriminant analysis, Xiang found empirical evidence that the business owners had better entrepreneurial skills than the managers. The business owners and managers can be classified on their level of competency; this forms the basis of our hypothesis.

2.2.2 McClelland's Psychological Theory

The theory is grounded on the argument that, the thirst for achievement pushes one to set challenging goals and puts efforts and skills to accomplish, the person is individually liable for the decisions and the level of risk is said to be at a moderate level (McClelland, 1961). Thus, both the managers and entrepreneurs have a high appetite of achievement and not the entrepreneurs only (Othman & Rosli, 2011). This therefore means that the risk taking difference between managers and entrepreneurs is minimal. Some researchers therefore came to a conclusion that, there is no distinctiveness in the level of risk taking between managers and entrepreneurs (Tan & Tay, 2015).

There have been clash on the same results in some earlier studies. In this study, psychological theories anchor the study on the fact that risk taking has been found to be associated with entrepreneurial inclination. In several earlier studies, risk taking is said to foretell the success of a business (Rauch & Frese, 2010), while others found no such relationship at all (Kraus et al., 2015). Albeit, Rashid, Jaafar & Dahalan (2013), used a two Meta analysis that confirmed that indeed there existed a positive effect of risk-taking on entrepreneurship and business success. Generally, the link between risk taking, entrepreneurship and the success of business was negligible; this was a revelation of existence of moderators. Thus a conclusion can be derived that risk taking impact on the success of business and entrepreneurship is positive and significant, although little.

2.2.3 Schumpeterian Theory of Innovation

Entrepreneurial activity as a mechanism of change has renovated resources to unpredicted products and resources. This formed a solid ground for the idea of Joseph Schumpeter (1885-1950). Schumpeter proposed that capital is comprised more of goods

or production equipment, relatively it is a political factor; a power over the production (Schreier, 2012). Capital plays a major role in an ever-changing economy as it aids the entrepreneur to the existing market situation via introduction of better innovations in the system.

The entrepreneurship forces “creative destruction” in the markets and industries, concurrently introducing new products and business models. Innovation can be defined as the effort either by one or more people who eventually achieve a gain economically by either minimizing cost or through creation of more income (Schumpeter, 1934). There are three immense contributions linked to Schumpeter on the advancement of the entrepreneurship theory: Firstly, the enthusiasm of industries and the growth of economy in the long run is due to entrepreneurial activities (SitiNabiha, Wahid & Kamalul Ariffin, 2010). Secondly, it is not a must that the first mover to make a profit, this is evident when imitators or followers adds are added. When the business model is right, all is well even where the first mover loses out (Christensen, 2013). Thirdly, Schumpeter depicts as agents with a clear vision (Sandberg, 1992) and viewed them as one’s with an admiration to increase wealth. In regard to Schumpeter, an entrepreneur is the person who conceptualizes a business idea and not one who injects the starting capital (SMECorp Malaysia, 2014).

2.4 Entrepreneurial Marketing Determinants in growth of SMEs

The growth of SME’s can be accounted for in two ways. Firstly, the dynamic competition model that is in the view that innovations are as a result of intense competition and is the one that precipitates an increase in growth (Elling, 2001). Secondly, the neoclassical model supports investments as the cause for growth (Audu, 2004). The neoclassical

model is most suitable on the basis of the role of scale expansion based on growth in productivity while the dynamic competition model is confined only to scale.

2.3.1 Marketing Budget

The main hindrance to growth and investment is SME's financing specifically the medium to long-term finance. The hindrances manifest in two levels. In the developing and the least developed countries, the micro-economic and macro-economic environments cause challenges, and they include: unstable exchange rates, high budget deficits, legal and administrative environment. Other challenges include: unavailability of capital, legal restrictions in the ownership of land, under development of the market especially in the immovable assets, Legal restrictions when acquiring collateral, lack of mortgage registries and pledges that increases risks to the creditors, contract implementation and liquidation of assets are hindered by law gaps.

The low budget arrears, a lower inflation rate, a transparent and stable government and aggressive exchange rates aid in the stability of businesses and form a rigid base in future decision crafting. In a worldwide survey by Schiffer and Weder (2001), inflation and exchange rates heavily impacted SME's as a result of lower hedging chances available especially for the smaller firms, whereas instability in policy formulation affected all the firms. A comparison of budgets can be used in carrying out a market audit (Janicic & Jankovic, 2014). Marketing strategies aid in the growth of the brand. 60% of product decisions and 32% decisions in the distribution control the brand sales in the long term (Ataman, Berk, Van Heerde & Mela, 2010).

2.3.2 Market Orientation

The market orientation plays a central place in the entrepreneurial marketing concept and also forms a solid basic rock of marketing concepts. It is mainly centered on the responsiveness of firms to the demand of the market at that particular time and is described as “organizational culture that most effectively and efficiently created the necessary behaviors for the creation of superior value for buyers and thus superior performance for the business.” According to Njanja & Pellisier (2011), there are three chief behavioural aspects that define market orientation: Customer orientation, international coordination and competitor orientation and two decision technique: Profitability and long term focus (Zhao, Li, Lou 2006). Performance can be improved by the market orientation of small firms .A by study by and Kall (2005) proposes that a positive association exists between small sized enterprises and firm performance. Firms that exhibit market orientation seek to fulfill the needs of the customers as per their preferences and timely respond to the changes in the competitive environment and market changes Slater (1990). A positive association exists between a firm’s innovativeness and performance. A firm’s innovative capacity enables it to engage in new explorations, fulfill potential customer needs, stimulate creativity and support new ideas. Firms exhibiting entrepreneur orientation take huge risks in order to attain high returns. Business success is dependent on proactiveness and innovation which dictate the ultimate success. The success of a company is greatly determined by its entrepreneurial capacity. The innovation perspective of entrepreneurial marketing means the formulation of innovative solutions to curb confronting challenges and the undertaking the techniques and technologies for undertaking organizational functions.

2.3.3 Marketing practices

In the marketing field, there are different marketing practices, in the case of small business executives; some strategies can be adopted such as introducing new promotional strategies and adjustment of product price so as to boost the sales via introduction of new products and positioning strategies (Centikaya & Kalkan, 2014). When a distinct market model structure, an improved customer satisfaction is seen, market premiums rise and sales of high competence are seen (Li & Ju, 2014). In order to gauge the market premiums and sales efficiency, the entrepreneurs ought to come up with products that are centered on the consumption behavior of customers.

One entrepreneurial marketing method is relationship marketing which involves relationship building and in-depth analysis of the market; it is one of the marketing theories that emerged in the 1990's (Khan, 2014a). When coming up with a business strategy, the relationships with customers and competitors must be the first priority. The chief reason of using the relationship marketing is mainly to expand and keep up a profitable relationship portfolio (Catoiu & Tichindelean, 2012). The implementation of relationship marketing has got an impact in the profit of any business (Borisavljevic, 2013). Thus, it is crucial for the managers of the small restaurant to put into practice marketing strategies that agree with the strategy of the business, it consists of a cordial-link with the customers, prospects and customers especially in the market field (Jemaiyo, 2013).

Another method is business/products whereby a brand that is strategically built boosts the insight especially in the customer's insight of value, a better product quality level is attained and profits are greatly boosted (Dogramatzis, 2012). The brand perception can be

greatly boosted via innovation of the business model, differentiation of products and the establishment of trend (Yang & Chiu, 2014). It is crucial for the small, independent restaurant to have continuity in product innovation to enable the growth of the brand.

A Corporate marketing model structure ought to be used effectively by the business executives in order to boost customer value, communicate efficiently and interactively and also minimize the total customer cost (Liu & Ju, 2014). In Khan (2014 b) the business that have greatly improved ought to use pricing tool as a complementary of the marketing tools, despite high prices leading to high profit, it leads to a decline in the sales. The formulation of short and long-term marketing strategies that agree with the existing strategic plans, aid the business to propel to greater profit levels.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter sets out the research methodology that would be used to meet the objectives of this study. It discusses the research design namely study population, sampling, data collection and data analysis.

3.1 Research Design

The researcher used descriptive survey research design. The design is justifiable since it compares the sample's qualitative reasoning. Due to the cross-sectional nature of the design, there is equal distribution of the entire population. The design also explains the 'Why' and 'How' of decision making besides 'What', 'Where' and 'When'.

3.2 Study Population

In Kenya, there are 2.2 million, small and medium enterprises (Strategic Business Advisors (Africa) Ltd., 2016). These fit the definition of SMEs and hence is part the population for purposes of this study. The target population was obtained from Uhuru Market – Jogoo Road where there are 2000 SMEs dealing in various sectors of the economy according to County Government of Nairobi (2017).

3.3 Sample Design

Sampling is the procedure selecting individuals to represent the population for the purposes of the study. From the population, the study concentrated on SMEs in Uhuru Market. The research sampled sixty SMEs on a random basis. The technique is preferred because proportionate allocation in this technique uses a sampling fraction in every strata that is same as that of the entire population. The target businesses are mainly

homogeneous being in the same industry and they have the same suppliers and customers as well as similar business model. In addition, random sampling technique considers the whole population for sampling. Moreover, it allows for more balancing of statistical power of tests between different strata .

3.4 Data collection

The study used both the secondary and primary data. Primary interviews and structured questionnaires in the collection of primary data from marketing managers'/business owners, while journals, magazines and articles was used to collect secondary data. questionnaires were used because of the nature of the target population where businesses are owned by individuals and secrecy of their financial matters is valued. They would therefore prefer questionnaires for which they do not have to indicate their names of business or their personal names so that they can give objective responses for an objective assessment and results.

The questionnaire was well structured and detailed to address the research questions. In order to achieve the objective, secondary and primary data was gathered through the use of questionnaires from finance managers/ financial advisors of 60 sample companies, which fitted the definition of an SME. Researchers have preferred questionnaires and interviews for this type of study as they allow for qualitative assessment and they can also be tailored by the researcher for objectivity throughout the research.

To test the accuracy of the questionnaire as well as the understanding of the questions by the respondents, a test was carried out with 10 respondents so as to assure the researcher that the main research process would flow smoothly.

3.5 Data Analysis

Both qualitative and quantitative data was collected from the respondents. The SPSS tool was used to analyze the quantitative data. Descriptive statistics for instance mean scores, frequencies, and standard deviations were used in data analysis. The variables under the study were to be explained by descriptive statistics. For easier interpretation; the findings were then be presented using pie charts and tables.

Content analysis was used in analyzing the qualitative data. This analysis enabled the researcher to analyze the data that would not be quantitative in nature. At the same time the method would enable the respondents to express towards certain issues to a larger extent as opposed to the quantitative technique.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The chapter presents the study's findings, data analysis and interpretation. The study was done on entrepreneurial marketing practices and growth of SMEs targeting Uhuru Market in Nairobi County, Kenya. Analysis was done in line with the study's objectives. The main objective was to determine the relationship between entrepreneurial marketing practices and growth of SMEs. In particular, analysis was done to establish the influence of marketing budget, marketing orientation and marketing practices on growth of SMEs in Nairobi County.

4.2 Response Rate

The study's target population comprised of SMEs in Uhuru Market, Nairobi County, Kenya since the area has a wide variety of SMEs. The study had a sample of 60 respondents 57 of all the dispatched questionnaires were closely monitored giving a response rate of 95%. This commendable response rate was made a reality after the researcher engaged research assistants to administer the questionnaires. This survey can therefore be said to be successful.

4.3 Pilot Test Results

4.3.1 Validity

Validity is the degree to which an instrument measures what it is supposed to measure. Kothari (2004) describes it as the extent to which differences found with a measuring instrument reflect true differences among the sample or target population being tested.

The aspect of validity to be considered in this study is content validity of the instrument. For content validity to be ensured in this study, the second approach was used where the researcher applied expert judgement of the supervisors on the items contained in the questionnaire. The supervisors counterchecked and confirmed the accuracy of the concepts being measured.

4.3.2 Reliability Analysis

The consistence of the results is tested using a measuring instrument. A reliable measuring instrument contributes to validity. The reliability's reliability aspect is concerned with securing consistent findings with repeated measurements of the same person using the same instrument (Cronbach, 1951). To measure the the data collection instruments' reliability an internal consistency technique Cronbach's alpha was computed. Table 4.1 shows that the data obtained was reliable since the independent variables had a Cronbach's alpha values of between 0.7 to 0.90 which was above 0.7 satisfying Johnson and Gill (2010) recommendation that an alpha coefficient higher than 0.70 is considered to be adequate.

Table 4.1: Reliability Results

Constructs (B)	Cronbach's Alpha Values
Marketing budget	0.70
Market Orientation	0.971
Marketing practices	.728
Growth of SMEs	0.800

4.4 Demographics Information

4.4.1 Gender

The examined the respondent's gender composition. From the study results , the constitution of male was 46 % while that of women was 54 % . This implies that there were more female entrepreneurs than males. The findings relates with a study in Canada investigating only SMEs with employees; women-led SMEs are poorly represented in various sectors but account for 43% of businesses in the combined public administration, health , defense sector and education (Amarjit& Nahum, 2012).

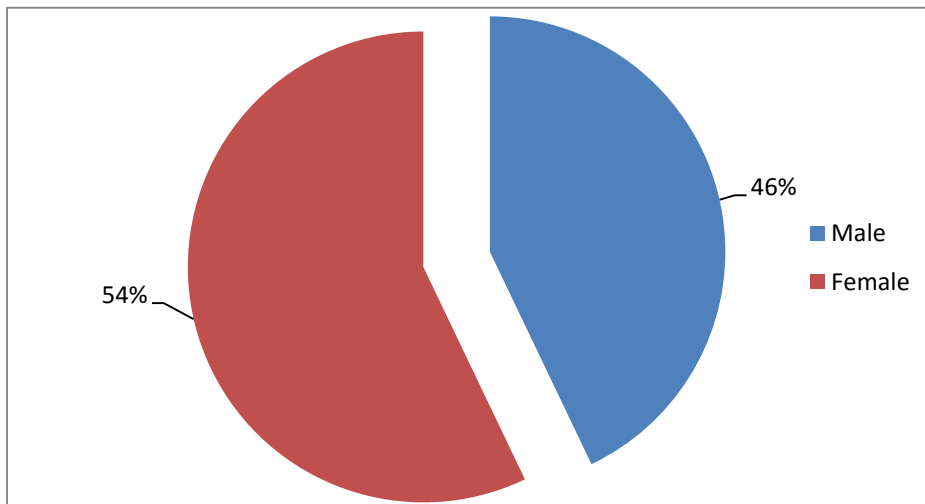


Figure 4.1: Gender of Respondents

4.4.2 Age of the respondents

On the respondents' age brackets, 41% of the respondents indicated that they were aged 35-39 years, 26% of the respondents indicated that they were aged 45-49 years, 19% of the respondents were aged 40-44 years, 7% of the respondents indicated that they were aged over 50 years, while 3% of the respondents indicated that they were aged, 25-29, 2% between 20-24 and 30-34 years in each case. These findings imply that most of the SMEs were owned by individuals who were above 35 years of age.. Mmbengwa et al

(2013) affirmed those fundamental cognitive abilities, such as reasoning, episodic memory and speed, significantly decline by the time one is 50 years. It is therefore evident that age distribution may affect the performance of an enterprise and its existence.

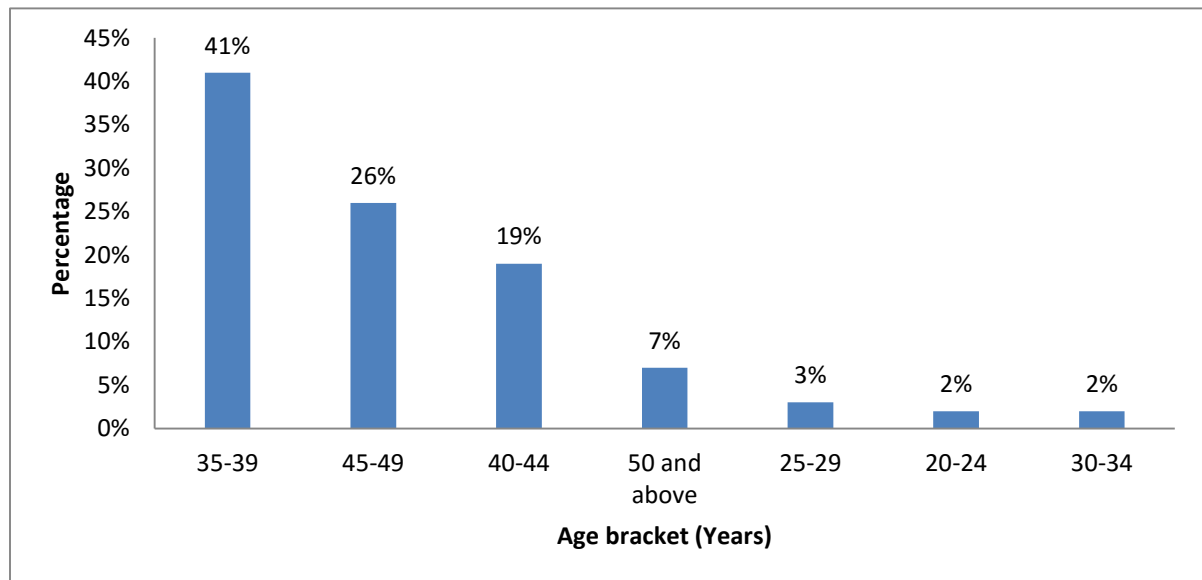


Figure 4.2: Age of the respondents

4.4.3 No of years worked in the enterprise

From the findings, majority of the respondents had worked between 1 and 2 years (41%). On the same note, 26% and 10% of them had worked for between 2-4years and 6-10 years respectively. Those who had worked for less than 1 year were equal to those who had worked for 4-6 years at 8%. Similarly, the number of those who had worked for 10-15 tied with those who had worked for above 15 years at 4. These findings show that over90% of the respondents had worked in the current enterprise for not more than 10 years. This implies that majority of the respondents in the SMEs had worked for below 10 years. These findings concur with Ong and Ismail (2008) most of the entrepreneurs had worked in their respective micro-enterprises for less than 10 years. The duration

worked is linked with the learning curve due to experience gained with time. Kristiansen, Wahid & Furuholt (2003) noted that the duration worked is directly associated with business success.

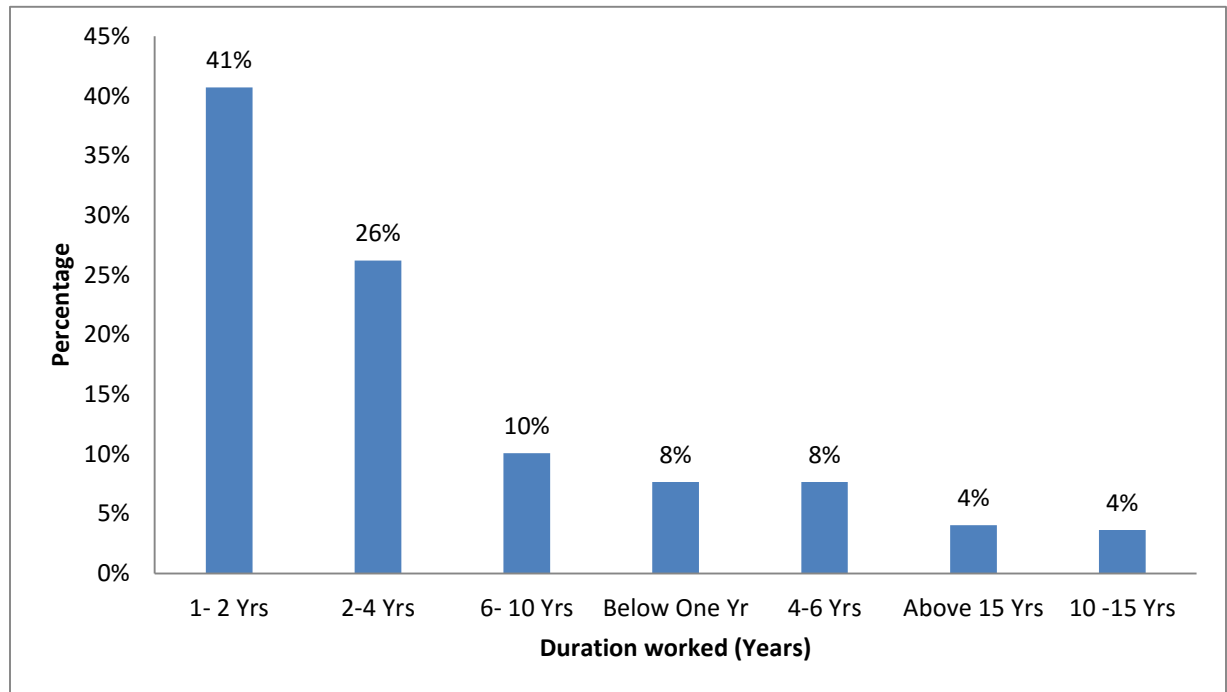


Figure 4.3: No of years worked in the enterprise

4.4.4 Total Number of employees in a department

From the findings majority of the respondents (61%) indicated that the number of employees were between 1 and 5 employees, 30% between 5 and 10 years while 9% indicated that they had above 10 employees. The study findings are in line with findings from U.K on no of employees in SMEs where it was found that Micro-businesses had 0-9 employees (Higon, 2011). However, the findings differ with those by Abdullahi et al (2015) in Nigeria who found that majority of the SMEs had 11-20 employees. The company size is inversely associated with profit conforming to the findings by Bigsten (2007).

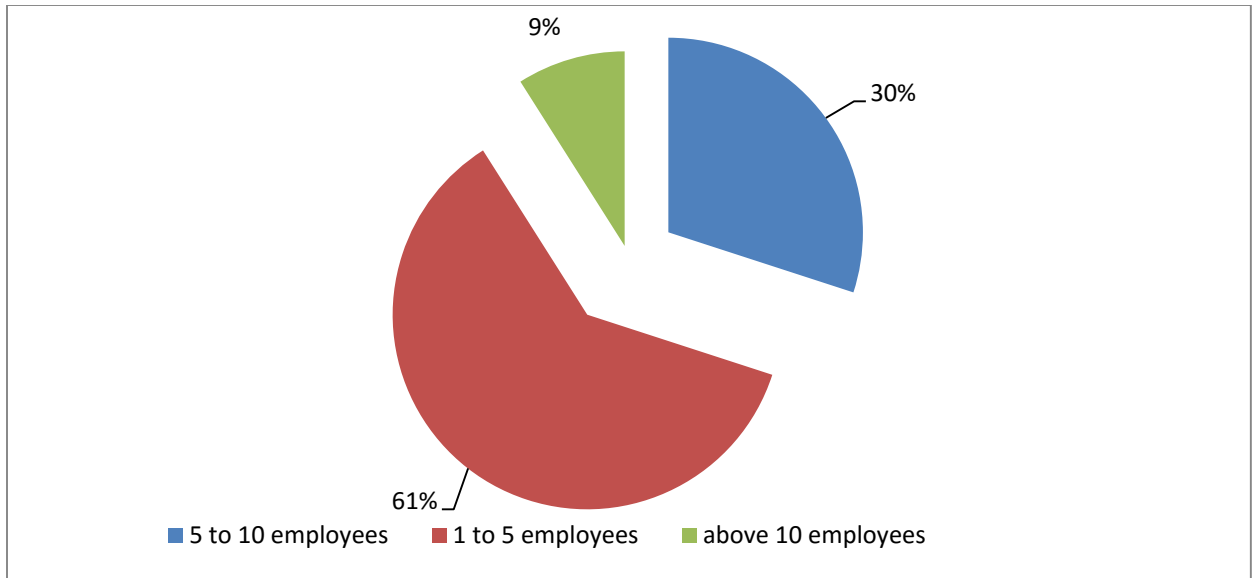


Figure 4.4: Total Number of employees in a department

4.5 Influence of marketing budget on growth of SMEs

Influence of marketing budget on performance was based on factors related to marketing budget and the extent to which they contribute to growth of SMEs.

Table 4.2: Extent to which marketing budget contributes growth of SMEs

	Mean	Standard Deviation
a) Marketing budget in business is performed by senior managers	4.1	0.8
b) The strategies for attainment of business objectives are formulated by the managers	3.7	1.0
c) The implementation of business strategies requires resources	4.3	0.8
d) The desired quality levels that seek to see the attainment of business objectives are proposed by the managers	4.0	0.9
e) Marketing budget enables the lower level managers to operate smoothly	4.2	0.7
f) Marketing budget contingency enables the firm to execute executive course of action for the attainment of business objectives.	4.1	0.8
Average	4.1	0.8

The extent to which marketing budget contributes growth of SMEs was also analyzed. six (6) statements/indicators on marketing budget were used to test the extent to which the mentioned marketing practice influenced growth of SMEs. Likert scales were then used at 5 point where 1 represented an extreme disagreement on the statements with 5 points indicating a strongly agreement. Mean and standard deviation were then used to interpret the data. The higher the mean, the stronger the particular statement was as an indication of the influence of marketing budget on growth of SMEs. The opposite is also true. Standard deviation, on the other hand, was used to measure the dispersal from the mean, of the particular statements and thus the level of unanimity in the responses. As indicated on the table, the lower the standard deviation the higher the degree of unanimity of the responses in determining the level of influence and thus the stronger the statement. Vice versa is also applicable.

From the findings, the contention that the implementation of business strategies entails the use of resources was found to be the highest in positively influencing the growth of SMEs with mean of 4.3 and standard deviation of 0.8. Others factors included marketing budget being undertaken by senior managers in the enterprise. This confirms that, budgeting is a topmost marketing tool towards the growth of SMEs. In growing economies, and in some developing economies deficiencies in both microeconomic and macroeconomic challenges such as: unstable exchange rates and legal and high budget deficits administrative and regulatory environment poses great challenges to SMEs financing.

4.6 Influence of market orientation on growth of SMEs

Influence of market orientation on growth of SMEs was based on factors related to market orientation that contributes to growth of SMEs.

Table 4.3: Extent to which market orientation contributes to growth of SMEs

	Mean	Standard Deviation
a) Adding more features in our products have been emphasized	3.6	1.2
b) New processes are introduced in our firm every six (6) months to improve our operations	3.1	1.3
c) Every year, management allocate some portion of our budget to Research and Development (R & D)	3.6	1.2
d) Our company has an intense propensity for project risks, with the probability of bigger outcomes.	4.0	1.0
e) When faced with uncertainties, our firm stands firm so as to increase the chances of opening up opportunities.	3.8	1.1
f) Owing to the nature of the environment, bold and wide-ranging actions are required to achieve the firm's objectives.	3.8	1.1
g) Owing to the type of environment, our firm typically takes steps to be able to withstand unexpected turbulence in the market.	3.9	0.8
h) Our firm constantly looks for businesses that can be acquired.	3.5	1.1
i) Usually our firm is the first to come up with new brands or products or process into the market	4.0	1.0
Average	3.7	1.1

Table 4.3 illustrates the extent to which market orientation contributes growth of SMEs.

Nine (9) statements/indicators of market orientation were used to test the extent to which the mentioned strategy influenced growth of SMEs. Likert scales were then used at 5 point where 1 represented an extreme disagreement on the statements with 5 points indicating a strongly agreement. Mean and standard deviation were then used to interpret the data. The higher the mean, the stronger the particular statement was as an indication of the influence of market orientation on growth of SMEs. The opposite is also true. Standard deviation, on the other hand, was used to measure the dispersal from the mean,

of the particular statements and thus the level of unanimity in the responses. As indicated on the table, the lower the standard deviation the higher the degree of unanimity of the responses in determining the level of influence and thus the stronger the statement. Vice versa is also applicable.

Findings revealed that, strong propensity for high-risk projects, with likelihood of high returns is highly necessary in growth of SMEs as supported by 4.0 M and 1.0 SD In addition, introduction of new brands or products or process into the market is essential in attracting more customers as given by 4.0M and 1.0 SD. Taking steps to be able to withstand unexpected turbulence in the market was also found to be greatly contributing to the growth of SMEs (with 3.9M and a 0.8 SD) owing to the nature of the environment. Other factors playing vital role in growth of SMEs include adopting a bold posture so as to maximize the likelihood of exhorting the opportunities when confronted with decisions involving uncertainty as well as bold and wide-ranging actions that are required to achieve the firm's objectives (A 3.8M and a 1.1 SD).

The results of this study are consistent with the literature which emphasizes that market orientation mainly the firms' response to current market demand and is described as an "organizational culture that most effectively and efficiently created the necessary behaviours for the creation of superior value for buyers and thus superior performance for the business."

4.5 Influence of marketing practices on growth of SMEs

Influence of marketing practices on growth of SMEs was based on the aspects of marketing practices that lead to growth of SMEs.

Table 4.4: Extent to which marketing practices contributes to growth of SMEs

	Mean	Standard Deviation
a) The current business setup prepares steps that seek to attain specific goals	2.8	1.3
b) The current marketing method of the business can eradicate the necessary effort and time of attaining a goal	3.1	1.2
c) Marketing method in the business is conducted in various ways and at all levels	3.1	1.0
d) Marketing method has given the business its goals and the procedures to reach them	3.0	1.3
Average	3.0	1.2

The extent to which marketing practices contributes growth of SMEs was also analyzed. Five (5) statements/indicators on marketing practices were used to test the extent to which the mentioned strategy influenced growth of SMEs. Likert scales were then used at 5 point where 1 represented an extreme disagreement on the statements with 5 points indicating a strongly agreement. Mean and standard deviation were then used to interpret the data. The higher the mean, the stronger the particular statement was as an indication of the influence of marketing practices on growth of SMEs. The opposite is also true. Standard deviation, on the other hand, was used to measure the dispersal from the mean, of the particular statements and thus the level of unanimity in the responses. As indicated on the table, the lower the standard deviation the higher the degree of unanimity of the responses in determining the level of influence and thus the stronger the statement. Vice versa is also applicable.

As indicated in Table 4.4, entrepreneurs believe that the marketing method of the current business can reduce the effort and time of attaining a goal as indicated by a 3.1M and 1.0 SD. Respondents, also, gave a moderate rating on fact that its easier to adapt the current

marketing method to smoothen an upcoming crisis, marketing method has given the business its objectives and the procedures of attaining them (mean = 3.1 and standard deviation = 1.2). Findings, nonetheless, indicates that the current business enterprise different action steps to attain specific objectives (mean =2.8 and standard deviation =1.3).

4.6 Growth of SMEs

The growth of the SMEs was analyzed on the basis of percentage increase in number of employees, annual turnover and capital assets over the five-year period. In Daley (2001) argument, the SME's contribution to the economy is immense as they: provide a source of livelihood for many citizens boosts sustainability and also encourages intense innovation. According to Harvie (2003), SME's are said to be the chief source of employment, social support and a solid base where international competition in the economy thrives.

4.6.1 Increase in number of employees

Table 4.5: Increase in number of employees between 2012 and 2016

Percentage Increase in Number of Employees	Frequency	Percent
50% and below	6	10
51% - 100%	3	5.2
101% - 150%	5	8.4
151% - 200%	18	31.6
201% - 250%	11	18.8
251% - 300%	5	9.2
Over 300%	9	16.8
Total	57	100

Findings indicated that most of the SMEs had recorded over 150% increase in their number of employees over the 5 years. Seventy-nine of them (31.6%) of them had seen their employee base increase by a margin of 151%-200%. A further 18% of them recorded an increase of 201%-250% with 16% of them having increased their employees by over 300%. These findings imply that in most of the SMEs, the number of employees was more than double compared with the initial number of employees at the very first year of operation.

4.6.2 Increase in Annual Turnover

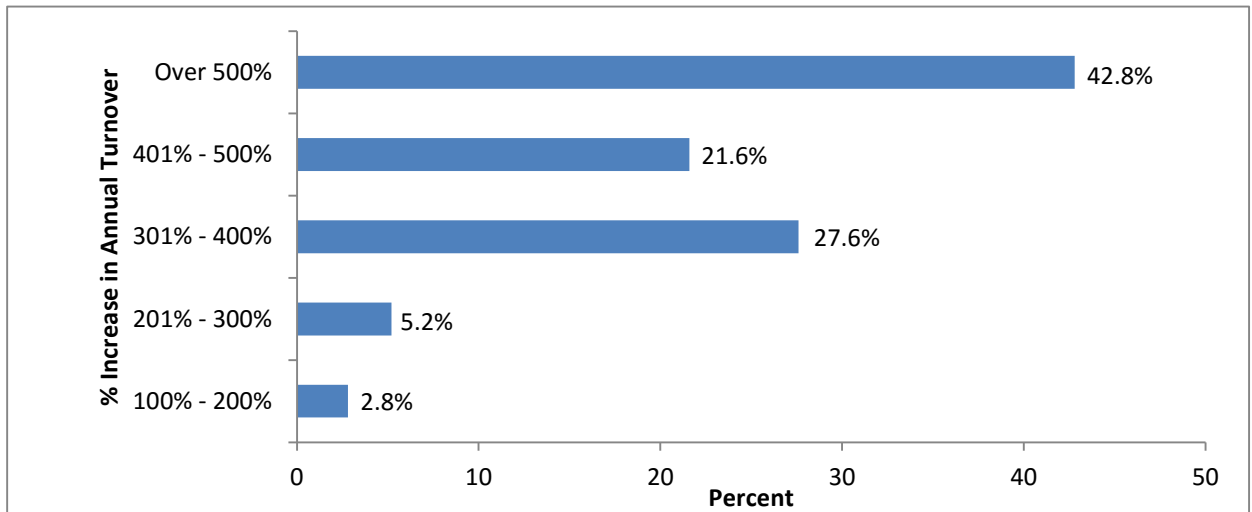


Figure 4.5: Increase in annual turnover

Concerning the gross turnover, 42.8% of the SMEs had increased their annual turnover by over 500%. Another 27.6% reported an increase of between 301% – 400% while 21.6% of them had increased their turnover by 401% - 500%. Gross turnover is critical as it is one of the aspects that are also used to define SMEs in various contexts either independently or in combination with other aspects. The World Bank for instance defines SMEs as enterprises with a maximum of 300 employees, 15 million dollars in annual turnover and 15 million dollars in assets. Meanwhile the definition of the European

Union states: "small and medium enterprises are those that employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million and / or an annual balance sheet not exceeding 43 million Euros". In this way small and medium enterprises are defined as enterprises with 10 to 250 employees as and more than EUR 10 million turnover or EUR 10 million annual balances (Govori, 2013).

4.6.3 Increase in Capital Assets

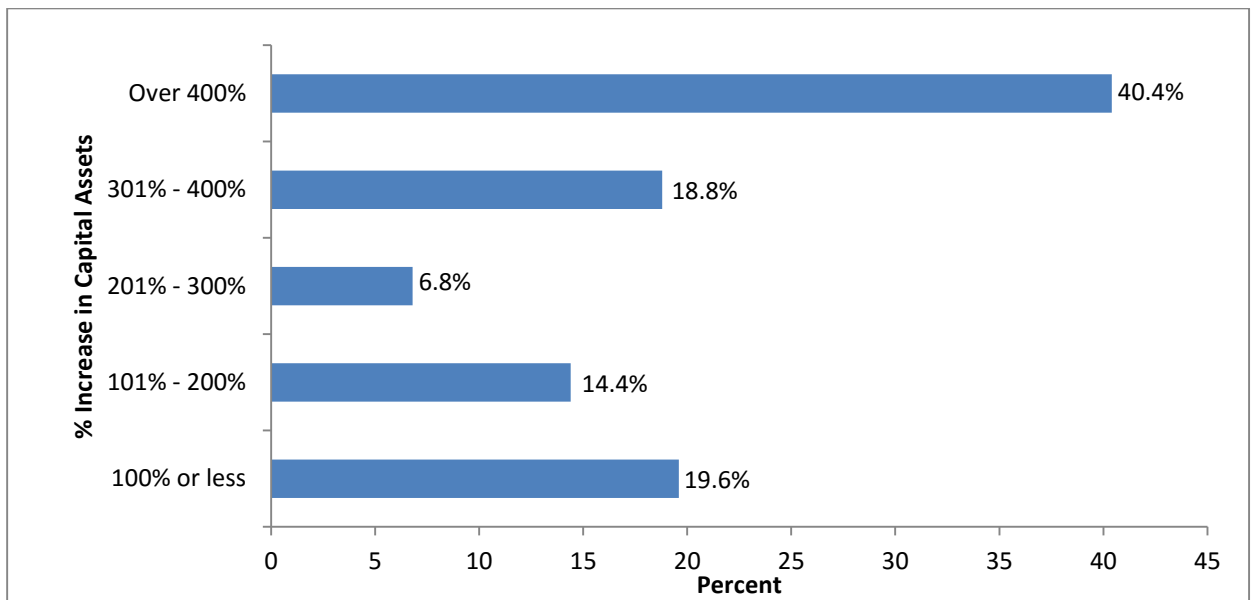


Figure 4.6: Increase in capital assets

Pertaining to the capital assets, findings indicated that 40.4% of the SMEs had increased their capital assets by more than 400% while 18.8% of them reported an increase ranging between 301% and 400%. Only 19.6% of them had increased their capital assets by 100% and below. This implies that the SMEs had grown significantly in terms of capital assets. Salman and Yazdanfar (2012) argued that an effect exists between size and profitability where firm size in terms of company's total assets has a negative effect to the firm profitability. According to them, negative outcome shows an inverse influence, meaning that larger firm size (in terms of total assets) will attain lower profitability

levels.. This problem has become a classical problem in the SMEs sector worldwide. According to Margaretha and Supartika (2016),the limitation of assets makes the management (or the entrepreneur) in SMEs to increase the production levels at the optimum level. This limitation also makes the management think about the right strategy in the selection of markets, the appropriate technology, and the strategy to compete in the same market thus achieving a higher profitability.

4.7 Regression Analysis

Regression analysis was based on establishing and interpreting the coefficient of determination, analysis of variance as well as generating the coefficients matrix. Table 4.6, Table 4.7 and Table 4.8 gives the details of the findings.

4.7.1 Coefficient of Determination

Table 4.6: Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
				R Square Change	df1	df2
0.882	0.777	0.754	0.217	0.777	3	53

Predictors: (Constant), Marketing practices, Market orientation, Marketing budget

Coefficient of determination is a statistical index showing the extent to which the dependent/explanatory variables as a cluster explain the changes in the dependent/explained variable. It shows the magnitude to which any changes in the dependent variable rely on the independent variables. For this study, the index was generated using SPSS alongside the correlation coefficient (R); adjusted R Square; Std. Error of the Estimate as well as the degrees of freedom.

As illustrated in Table 4.6, the coefficient of determination (R Square) is 0.777 same as 77.7%. This implies that for any change in growth of SMEs (whether positive or negative), marketing practices, market orientation, marketing budget collectively explain 77.7% while the remaining 22.3% is explained by other factors not envisaged in this study. This further indicates that entrepreneurial marketing practices significantly influence growth of SMEs as indicated by the various performance indicators.

These findings concur with those of Mutunga(2014) who conducted a study in the food industry of Kenya. The study confirms that firms can employ both marketing budget and differentiation simultaneously with few employing any one at the exclusion of the other. This does not constitute being 'stuck in the middle' but rather a more secure company position against environmental turbulence and market uncertainty. The linear regression model used to analyze this study clearly demonstrated that the combination of both market orientation and marketing budget produced 63% of R^2 value, implying that the findings of this study was not strongly supporting a strong positive correlation between organizational performance and entrepreneurial marketing practices. For the case of our study, a combination of marketing budget, market orientation and marketing practices has produced R square of 77.7% thus confirming which clears any doubt that the combination can yield better results than that of individual variables.

Further analysis in the telecommunication industry of Albania showed Satisfactory findings on the association between marketing budget and firm' performance when a triple variable regression model was run (marketing budget, market orientation, and marketing practices), the study showed that 73% of the firm's performance (dependent

variable) were explained by the independent variable, implying that only 27% were other factors that were contributing to firm's growth.

4.7.2 Analysis of Variance (ANOVA)

Table 4.7: Analysis of Variance (ANOVA)

ANOVA(b)						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.759	3	1.586	61.639	0.000
	Residual	1.364	53	0.026		
	Total	6.122	56			
a	Predictors: (Constant), Marketing practices, Market orientation, Marketing budget					
b	Dependent Variable: Growth of SMEs					

ANOVA explains the relationship between and within the variables under study as expressed by the mean squares. F Value (61.6) shows the calculated statistical score and is derived by dividing regression (1.59) by residual (0.03). Given the $F_{critical}$ from F distribution table for 2-tail test, 95% confidence level is 3.26 the F calculated then shows the significantly influence growth of SMEs. The criteria for this are to consider any value greater than F critical as a confirmation that marketing practices are greatly significant in influencing growth of SMEs.

4.7.3 Coefficient Matrix

Table 4.8: Coefficient Matrix

	Unstandardized		Standardized		T	Sig.
	Coefficients		Coefficients			
	B	Std. Error	Beta			
(Constant)	0.999	0.344			2.903	0.007
Marketing budget	0.220	0.078	0.265		2.833	0.008
Market orientation	0.364	0.051	0.660		7.078	0.000
Marketing practices	0.170	0.041	0.372		4.174	0.000

Dependent Variable: Growth of SMEs

Table 4.8 illustrates the relationship between individual independent variables with the dependent variable. The ‘B’ column on the table shows the constant while the ‘Beta’ column indicates the coefficients. ‘t’ column, on the other hand show the student scores against which hypotheses for the variables are either accepted or not accepted. The ‘Sig.’ column shows the significant level which is set at 0.05 for this study. Given the output as displayed in Table 4.8, the constant for the model of the study is 0.999. This implies that if application of entrepreneurial marketing practices is at zero (0), growth of SMEs would stand at 0.999 out of the five points of the Likert scale.

On the coefficients/slopes for the various variables, the study has revealed that a change in application by one (1) unit of marketing budget would lead to a change in 0.265 ingrowth of SMEs. The change would be 0.660 and 0.372 for the market orientation and marketing practices respectively.

T-scores for this study were found to be 2.833, 7.078 and 4.174 for marketing budget, market orientation and marketing practices respectively. All these are higher than the

critical t-value at 2-tail test, 95% confidence level and at 56 degrees of freedom which is 2.021 implying that, every independent variable was significant in explaining changes in the dependent variable (growth of SMEs). At the same time the significance level at 0.05 shows a confidence level of higher than 95% for each of the independent variables thus confirming that every independent variable has been significant at 95% confidence level.

Given the analytical model for this study, the constant and coefficients for the model would be constituted as:

$$y = a_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + e$$

Where;

y- The growth of SMEs

a_0 -Constant

x_1 + x_2 + x_3 - independent variable such as marketing budget, market orientation and marketing practices.

β – Regression coefficients.

e – Error term of the model

$$y = 0.999 + 0.265x_1 + 0.660x_2 + 0.372x_3 + e$$

CHAPTER FIVE: SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the findings' summary. The chapter also draws the conclusion and recommendations for policy and practices. This chapter finally gives recommendations for further studies. This study's objective was to analyze the influence of Entrepreneurial marketing practices on the growth of SMEs in Kenya.

5.2 Summary of the Findings

Summary was based on the marketing budget, market orientation and marketing practices as well as growth of SMEs.

5.2.1 Marketing budget

The contention that resources are required so as to implement the business strategies was found to be the highest in positively influencing the growth of SMEs with 4.3 M and 0.8 SD. Other factors included marketing budget being undertaken by senior managers; marketing budget is beneficial to middle level managers. This confirms that, budgeting is a topmost marketing tool towards the growth of SMEs. In growing economies both the microeconomic and macroeconomic environments present challenges: unstable exchange rates and legal, administrative and regulatory environment, high budget deficits poses great challenges to SMEs financing access.

5.2.2 Market orientation

Findings revealed that, strong propensity/proclivity for high-risk projects, with chances of high returns is highly necessary in growth of SMEs as supported by 4.0M and standard 1.0 SD. In addition, introduction of new brands or products or process into the market is essential in attracting more customers as given by 4.0M and 1.0 SD. Taking steps to be able to withstand unexpected turbulence in the market was also found to be greatly contributing to the growth of SMEs (with 3.9M and 0.8SD) owing to the nature of the environment. Other factors playing vital role in growth of SMEs include adopting a bold posture so as to maximize the likelihood of exhorting opportunities when faced with decisions involving uncertainty as well as bold and wide range of actions that are required to achieve the firm's objectives (3.8M and 1.1SD).

5.2.3 Marketing practices

Entrepreneurs believe that the effective marketing method being used by the business can reduce the necessary effort and time of attaining goals as evidenced by 3.1M and 1.0 SD. Respondents, also, gave a moderate rating on fact that it is much easier meet the current marketing method to handle any likely challenge instead of waiting till it occurs (mean = 3.1 and 1.2 SD). Findings, nonetheless, indicates that the current business enterprise dismally leads to action steps to attain certain objectives (2.8M and 1.3SD).

5.2.4 Growth of SMEs

Findings indicated that most of the SMEs had recorded over 150% increase in their number of employees over the 5 years. Seventy-nine of them (31.6%) of them had seen

their employee base increase by a margin of 151%-200%. A further 18% of them recorded an increase of 201%-250% with 16% of them having increased their employees by over 300%. These findings imply that in most of the SMEs, the number of employees was more than double compared with the initial number of employees at the very first year of operation.

Concerning the gross turnover, 42.8% of the SMEs had increased their annual turnover by over 500%. Another 27.6% reported an increase of between 301% – 400% while 21.6% of them had increased their turnover by 401% - 500%. Gross turnover is critical as it is one of the aspects that are also used to define SMEs in various contexts either independently or in combination with other aspects. Pertaining to the capital assets, findings indicated that 40.4% of the SMEs had increased their capital assets by more than 400% while 18.8% of them reported an increase ranging between 301% and 400%. Only 19.6% of them had increased their capital assets by 100% and below.

5.3 Conclusions

From the findings, it can be inferred that owner manager level of education, experience in the enterprise a critical factor affecting growth of SMEs. Thus, it can be deduced that marketing orientation and marketing budget are the key drivers in growth of small and medium enterprises in Kenya. For effective and successful entrepreneurial marketing practices, the owner manager should possess technical skills and interpersonal skills. Since year 2012, it can be concluded that the SMEs have gradually and steadily introduced new products/services. Furthermore, they have consistently increased their market orientation through innovation. It is also inferred that innovative management on

employees' innovation through material rewards influence growth of SMEs. Thus, entrepreneurs who provide a conducive environment for employees within the enterprise are likely to increase growth capacity of the enterprise.

5.4 Recommendations for policy and practice

Policy and practices for Entrepreneurial marketing practices for SMEs should be assessed and applied in a productive manner as different combination of marketing practices in varying weights will yield different results. This should be considered in line with the existing government regulations and ethical practices

Organizations and particularly SMEs should dwell on innovation, promotion/advertising and skills/experience as well as technological leadership to outcompete their rivals based on marketing method.

Although the results of this study were not emphatic on significance of marketing practices in influence growth of SMEs, market methods based on benefit sought by the customers should be given an extensive consideration more so in combination with other practices.

5.4 Recommendations for further studies

Given the study's scope and limitations, the researcher recommends the following for further study.

A study establishing and evaluating other marketing practices that would influence growth of SMEs given that this study has shown these other practices have an influence of over 22% of on growth.

A study evaluating influence of entrepreneurial marketing practices should be carried out on large organizations for comparative purpose

Growth of SMEs for this study was based on only financial measures and the number of employees. A study including such other parameters as customer satisfaction level and employees' satisfaction level among others should be carried out. In addition, the sample size should be expanded to beyond one Uhuru Market to generate more probabilistic and unbiased findings.

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