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Core Dimensions' Role In The Perceived Production Performance Of Smes In Thanjavur District

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Abstract

The study reveals a positive relationship between opportunity-driven proactiveness, customer intensity, and innovation-focused marketing performance in SMEs. Proactiveness leads to better marketing outcomes, while customer intensity is a significant predictor of performance. Innovation-focused efforts also positively impact perceived production performance. Resource leveraging does not significantly influence perceived production performance, and overall performance does not show a significant relationship with marketing performance. Risk-taking has a marginally significant effect, while resource leveraging and value creation do not significantly influence marketing performance. The most influential factors for marketing performance are opportunities driven, proactiveness, customer intensity, and innovation, with risk-taking, resource leveraging, and value creation showing less influence.

Keyword - Entrepreneurial Marketing, Proactiveness, Innovation orientation

Introduction

The passage emphasizes the importance of entrepreneurship in today's global market, highlighting its role as a strategic choice for organizations seeking a competitive edge. It challenges the common perception of entrepreneurship as a personality trait and emphasizes its broader definition as a mindset and systematic approach to identifying and exploiting opportunities. Entrepreneurs focus on identifying market gaps and creating new solutions, rather than replicating existing offerings. This proactive nature of entrepreneurship highlights its critical role in shaping industries and driving continuous progress. Marketing research often overlooks SMEs' unique challenges and approaches, obscuring the potential for a distinct perspective. Entrepreneurial Marketing (EM) bridges this gap by blending entrepreneurship with marketing practices, enabling SMEs to achieve organizational goals despite resource constraints (Morris et al., 2002; Shahmohammadi, 2022).

Entrepreneurial innovation is a crucial aspect of marketing, fostering resilient management, strategic processes, and customer-centricity, yet it remains a relatively unexplored field with evolving definitions (Damer et al., 2023). Morris et al. (2002) and Damer et al. (2023) have explored the practical implications of EM, focusing on seven dimensions: proactiveness, opportunity focus, risk-taking, innovation orientation, customer intensity, resource leverage, and value creation. However, the application of EM principles in achieving a successful New Product Launch remains a significant gap in the current literature. Shahmohammadi (2022) argues that marketing research often overlooks small entrepreneurial organizations, highlighting the importance of entrepreneurship in marketing. EM, a concept that bridges the gap between marketing and resource-restrained entrepreneurship, has positively impacted SMEs'

organizational entrepreneurship performance. EM, which emphasizes innovation, proactiveness, and risk-taking, is crucial for driving SMEs' business sustainability and maintaining competitive advantage. EM operates in constantly changing markets and requires quick adjustments to adapt to external factors like globalization, market turbulence, and environmental disasters. Researchers emphasize the need for a more common understanding of EM and its evolution.

core dimensions' role in perceived production performance

Entrepreneurial Marketing (EM) is an evolving concept with several core dimensions, such as proactiveness, opportunity focus, risk-taking, innovation, resource leveraging, customer satisfaction, and value creation. Despite a lack of a universally accepted definition, these dimensions are consistently highlighted in academic literature. Extended models based on these dimensions have emerged, reflecting the evolving nature of EM. The development of EM is ongoing, with new contributions shaping its understanding. The next section will provide a deeper dive into these dimensions, highlighting their fundamental importance in the practice of EM.

Proactiveness

Proactiveness, as described by Al-Shaikh and Hanaysha (2023), is crucial for SMEs in dynamic environments, involving anticipating and managing challenging situations. Proactiveness enables the entrepreneur to reshape external conditions to minimize uncertainty and reduce dependency (Araújo & Gava).

customer intensity –

Bachman et al. (2021) highlight customer intensity as a crucial dimension in attracting and retaining customers. This involves a dyadic relationship where the customer and firm identify, understand, and anticipate customer needs, leading to higher satisfaction and loyalty. Entrepreneurs who excel in this area create personalized and effective marketing strategies that resonate with their target audience, positively impacting SME performance.

Innovation orientation

Al-Hanakta, Illes, Dunay, Abdissa, and Abdi Khalife, M. (2021); Becherer et al. (2012). Innovation orientation is a crucial third dimension in Entrepreneurial Marketing, emphasizing the continuous development and implementation of new ideas, products, and processes for small and medium enterprises (SMEs). This approach offers benefits such as adaptability to market changes and evolving customer needs, providing SMEs with a competitive edge. By focusing on innovation, businesses can maintain a strong market presence and relevance in dynamic industries.

Risk-taking

Casson and Casson (2013). Entrepreneurship involves risk-taking, which can be beneficial for innovation and growth, but it should be approached strategically. Excessive risk-taking can negatively impact SME performance. Balancing risk with caution is crucial for success. Effective risk management strategies should focus on seizing opportunities while minimizing downsides. Navigating market uncertainties is essential for SMEs to navigate challenges while pursuing growth and innovation. By balancing risk and caution, SMEs can navigate potential challenges and achieve success.

Resource leveraging

Resource leveraging is a crucial aspect of Entrepreneurial Marketing (EM) that enables SMEs to maximize and optimize limited resources, achieving more with less. This capability is essential for growth and survival in constrained environments. SMEs can achieve greater value by creatively using their resources through strategic partnerships, networking, and technology. This allows them to "punch above their weight" and compete effectively with larger competitors. Effective resource leveraging directly contributes to SME performance, improving their ability to adapt to market changes, innovate, and sustain long-term growth. Thus, resource leveraging is a critical element for SMEs to thrive in competitive environments (Wilches Tinjaca, Saumeth, & Aguja, 2024)

Opportunity focus

Allen and Sennoga (2021) state that the focus on opportunity is crucial for younger firms, as they are more flexible and open to new possibilities. This approach allows them to quickly adapt to market changes and capitalize on new trends, giving them a competitive edge over established firms.

value creation

The value creation dimension in Entrepreneurial Marketing (EM) is crucial for the long-term success of SMEs. It involves exceeding customer expectations by delivering superior value through products and services, enhancing customer experience, and generating greater satisfaction and loyalty. Entrepreneurs who focus on creating value tend to achieve better results, gain a competitive edge, and build strong brand loyalty. This approach also contributes to high-profit margins, as customers are willing to pay a premium for exceptional value. SMEs can differentiate themselves from competitors, establish a unique identity, and drive sustained growth by continually innovating and improving the value offered to customers (Al-Shaikh & Hanaysha, 2022)

Research methodology

The study uses MSEM to collect schedules from 126 enterprises in the Thanjavur district of Tamil Nadu using a simple random sampling method. The study uses statistical methods such as MSEM and descriptive statistics to determine significant differences among groups, and the Scheffe test to identify specific group differences.

Table 1: Study variables

Study variables	No items	Minimum	Maximum	Mean	Std. Deviation
Opportunities driven	5	1.2	5.0	3.8	0.91
Risk taking	4	1.0	5.0	2.91	0.94
Proactiveness	4	1.0	5.0	4.30	0.77
Innovation-focused	4	1.75	5	3.39	0.886
Customer intensity	4	1	5	3.41	0.9694
Resource leveraging	4	1.5	5	3.26	0.801
Value creation	4	2.60	4.60	3.42	0.57
Marketing performance	4	1	5	3.45	0.99
Overall performance	3	1	5	3.59	1.06

Source : primary data

Result and analysis

The dimensions Proactiveness and Opportunities Driven are the highest-rated, with Proactiveness showing the lowest variability, indicating strong alignment on this factor. Risk-taking and Innovation-Focused have moderate means, but there is considerable variation in responses, particularly for Risk-Taking, which might indicate diverse strategies among SMEs. Value Creation, Customer Intensity, and Resource Leveraging are also moderately rated, with Value Creation showing the least variability. Marketing Performance and Overall Performance show slightly lower means with higher variability, pointing to a range of outcomes across SMEs.

H1). Entrepreneurial marketing opportunities-driven dimension will positively influence the perceived production performance of the SMEs.

H2). The entrepreneurial marketing Proactiveness dimension will positively influence the perceived production performance of the SMEs.

H3). Entrepreneurial marketing Customer intensity dimension will positively influence the perceived production performance of the SMEs.

H5). Entrepreneurial marketing risk-taking dimension will positively influence the perceived production performance of SMEs

H6). Entrepreneurial marketing Resource leveraging will negatively influence the perceived production performance of SMEs

H4). Entrepreneurial marketing, an Innovation-focused dimension, will positively influence the perceived production performance of SMEs.

H7). Entrepreneurial marketing Value creation will positively influence the perceived production performance of SMEs

H8) The perceived production performance of the SMEs will positively influence the overall performance of the SMEs

Table 1: MSEM results

S.no	Endogenous variables < Exogenous variables	Esti mate	S.E.	C.R.	P
H1	Perceived production performance < Opportunities driven	.175	.067	2.433	.011
H2	Perceived production performance < Proactiveness	.245	.093	2.661	.007
H3	Perceived production performance < Customer intensity	.230	.062	3.641	***
H4	Perceived production performance < Innovation-focused	.233	.081	2.771	.004
H5	Perceived production performance < Risk-taking	.135	.075	1.975	.051
H6	Perceived production performance < Resource leveraging	-.12	.090	-1.38	.166
H7	Perceived production performance < Value creation	.021	.070	.298	.766
H17	Overall performance < Perceived production performance	-.07	.049	-1.45	.145

Source : primary data

H1 suggests that there is a positive relationship between opportunity-driven and perceived production performance. Since the p-value is less than 0.05, this relationship is statistically significant, suggesting that an increased focus on opportunities leads to better perceived production performance.

H2 Proactiveness has a positive and significant effect on perceived production performance. This indicates that SMEs that are more proactive in their approach tend to have better marketing outcomes.

H3 Customer intensity is a significant predictor of marketing performance, with a positive relationship. The relationship is highly significant, suggesting that a stronger focus on customers enhances perceived production performance.

H4 Innovation-focused efforts positively impact perceived production performance. The relationship is statistically significant, meaning that innovative practices lead to improved production performance results.

H5 Innovation-focused efforts positively impact perceived production performance. The relationship is statistically significant, meaning that innovative practices lead to improved production performance results.

H6 Resource leveraging does not significantly influence perceived production performance in this model, as the p-value is greater than 0.05. The negative estimate suggests that there may be an inverse or negligible relationship, but it isn't significant.

H7 There is no significant relationship between perceived production performance and overall performance in this model. The negative estimate suggests a slight inverse relationship, but the p-value indicates it is not statistically significant

Results summary

The study reveals a significant positive relationship between opportunity-driven proactiveness, customer intensity, and innovation-focused marketing performance in SMEs. Proactiveness has a positive effect on marketing performance, suggesting that SMEs with a proactive approach tend to have better outcomes. Customer intensity is a significant predictor of marketing performance, suggesting that a stronger focus

on customers enhances it. Innovation-focused efforts positively impact marketing performance, leading to improved results. Risk-taking has a marginally significant effect on marketing performance, but it is not as strongly supported as other factors. Resource leveraging does not significantly influence marketing performance, and value creation does not have a significant impact. Overall performance does not show a significant relationship with marketing performance. The most influential factors for marketing performance in this model are opportunities driven, proactiveness, customer intensity, and innovation, with risk-taking, resource leveraging, and value creation showing less influence.

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