CHAPTER 5

ENTREPNEURSHIP MARKETING PRACTICES AND HAIR SALONS' PATRONAGE IN KWARA STATE: A SURVEY OF SELECTED HAIR SALONS IN ILORIN METROPOLIS

A. O .I Oyebode, and A. Mustapha

This study examined the effects of Entrepreneurship Marketing (EM) on the patronage of the Hair Salons Enterprises in Kwara State, Nigeria. Monitoring customer patronage in any MSE is important as a result of high level of competition within the industry. Patronage was the dependent variable while the independent variable was entrepreneurial marketing. The main objective of this study was to examine the level of entrepreneurial marketing among the Hair Salon owners in Ilorin Metropolis. The study established how the Hair Salons' owners are marketing their Hair Salons and the effects of EM on the customer patronage of the selected Hair Salons within Ilorin Metropolis. The population of study is the Hair Salon entrepreneurs and their clients. Simple random sampling method was used as the method of data collection. The Hair Salons owners and their customers were interviewed in order to achieve the aim of this study. A total of 30 Hair Salons and their customers in each Hair Salons were taken as the sample population. This sampling method was premised on the study o f Mwangi and Bwisa (2013) Descriptive research design was also adopted. Data was collected using interview method in order to obtain detailed information which questionnaire cannot provide. Structured questions were also used to guide the interviewer. A pilot study was also done to test the

validity and reliability of the research instrument. Data collected was analyzed using both quantitative and qualitative method of analysis. The results were interpreted and conclusion and recommendations were made on the research findings.

Key Words: entrepreneur, entrepreneurship marketing, customer patronage

Introduction

Small and medium enterprises (SMEs) are considered the backbone of economic growth in all countries of the world (Rajesh, Suresh, and Deshmukh 2008). They play important roles in Nigerian's economic growth, as they constitute 97.2% of the companies in Nigeria (Federal Office of Statistics 2007)]. They also contribute to national development by positively influencing the distribution of income in both functional and nominal terms (Uzor 2004). In emphasizing the importance of SMEs, Rogers (2002) stated that they enhance capacity building as they serve as entrepreneurial training grounds; they provide greater employment; they assist in providing a much relative high value added operations because they are driven by basic economic activities that rely purely on locally sourced raw materials; they provide intermediate industry services as they serve as major suppliers of intermediate goods and components to large-scale industries. SME also serve as major agents for the distribution of final products of big industries and provide opportunities for the adaptation and development of local skills and technology acquisition.

Despite the catalytic role of SMEs in the economic emancipation of countries, some of the major constraints hindering small and medium scale business growth in Nigeria are lack of financial support, poor management and lack of strategic planning , corruption, lack of training and experience, poor infrastructure, insufficient profits, and low demand for product and services. (Muritala, Awolaja and Bako 2012; Makinde, Ajike and Akinlabi 2015; Imafidon 2014; Okezie,A. I. 2013) In spite of the importance attached to entrepreneurial skills to take Nigeria out of recession, researches on entrepreneurial marketing on Hair salon businesses are few and far between hence, thr need to examine the effects of entrepreneurship marketing (EM) on customer patronage of salon enterprises in Kwara State.

Statements of problem

Nigeria is a country with numerous entrepreneurs as a result of the abundant human and natural resources it possesses. The growth of these entrepreneurs in the country is important to economic growth and this has been examined by many scholars because of its inability to solve unemployment problem. A nation's ability to generate a steady stream of business opportunities can only come about when its people take to entrepreneurial activities and good entrepreneur can create a strong economy. (Okezie and Asoluka, 2013).The salon enterprises belong to SME in Kwara State and it is characterized by stiffened competition due to a lot of women that are gifted in hair making who conduct their businesses at home. Marketing is one area where entrepreneurs can actually define a unique identity for themselves.

Objective of the Study

The objective of this study is to examine the extent to which entrepreneurial marketing can significantly influence customer patronage of salon entrepreneurs in Ilorin, Kwara State, Nigeria.

Hypothesis of the Study

There is no significant relationship between entrepreneurial marketing and customer patronage of Hair salon entrepreneurs in Ilorin, Kwara State.

Literature Review

According to Daniela (2012) entrepreneur strives to introduce new products and processes, open up new markets and seeks new sources of supply which is determined by a complex , chaotic environment, characterized by frequent and sometimes contradictory changes. Nwaizugbo and Anukam (2014) establish that entrepreneurial marketing (EM) seems to thrive in a highly fluctuating environment as experienced in Nigeria because in most cases before any formal marketing planning is concluded, new condition would have arisen to render the plan ineffective. Carson, Cromie, McGraw and Hills (1995) also remark that entrepreneurship marketing is effective within fluctuating and changing environments which restrict opportunities for formal planning. A similar concept which combines marketing definition with elements of entrepreneurship is given by (Kraus, Harms and Fink

2012) "EM is an organizational function and a set of processes forcreating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders and that is characterized by innovativeness, risk-taking, proactiveness, and may be performed without resources currently controlled." Daniela (2012) argued that the focus of this definition is not on entrepreneurship side (identifying opportunities) but on marketing side (creating, communicating and delivering value) and concludes that all those definitions are centered on business processes.

Theoretical review

Innovation theory

Innovation theory was developed by Rogers (1962) and called it diffusion of innovation theory (DOI). Schumpeter, (1962) sees the role of an innovation as an entrepreneur rather than capitalist. He stated that an entrepreneur is not a man of ordinary managerial ability, but one who introduces something entirely new. the entrepreneur is motivated by willingness to find a private commercial kingdom; the will to conquer and improve his superiority; the joy of creating or getting things done or simply exercising one's energy or ingenuity.

Roger argues that diffusion is the process by which an innovation is communicated through certain channel over time among participants in a social system. Rogers proposes that four main elements influence the spread of new idea; the innovation itself, communication channels, time and a social system. The categories of adopters are; innovators, early adopters,early majority, late majority and the laggards. The innovation must be widely adopted to be self sustaining.

This is one of the theories adopted in marketing strategy that is concerned with innovation and RandD for the long term profitability of the firm and views it as process of "creative destruction" (through innovation that changes the very nature of competitive advantage in the market) rather than as a condition leading to equilibrium.

Empirical Review

This study builds upon knowledge gained in previous study by various scholars. Muritala, Awolaja, Bako (2012) investigate impact of small and medium enterprises on economic growth and development. A survey method

was used to gather datafrom200 SME/entrepreneurial officers and managers from five selected local government in Nigeria namely; Ijebu North, Yewa South, Sagamu, Odeda and Ogun Waterside Local government. Data was collected with a structured questionnaire and analyzed with several descriptive statistics to identify the perception of the roles of SMEs in Nigeria. The results of the study therefore reveals that the most common constraints hindering small and medium scale business growth in Nigeria are lack of financial support, poor management, corruption, lack of training and experience, poor infrastructure, insufficient profits, and low demand for product and services. Kesinro, Ogunlusi and Adu (2016) examine the effect of entrepreneurial marketing on Small and Medium SMEs in Lagos State, Nigeria.The study employed a descriptive survey design where 100 owners of SMEs in Badagry Local Government Area of Lagos State.The study's findings reveal that there is significant relationship between entrepreneurial marketing and organizational performance of SMEs. Mwangi and Bwisa (2013) assess the effects of entrepreneurial marketing practices on growth of Hair Salons in Kiambu Town,Kenya .Descrptive survey design was adopted whereby a sample of 30 Hair Salons and client in every Hair Salons were taken randomly selected from a study population of 61 respondents. The study finds that there is relationship between entrepreneurial marketing practices and the growth of the hair salons. Janet and Ngugi (2014) study the influence of entrepreneurial marketing on the growth of SMEs in Kiambu Town-CBD,Kenya.T he study employed a descriptive research design and questionnaire was the instrument of primary data collection. The study's findings reviewed that product development strategy (P-value=0.001<0.005), Pricing strategy (P-value=0.003<0.005), Promotional strategy (P-value=0.004<0.005) and Distribution strategy (P-value=0.045<0.005), further evidence show that product development strategy was the key critical factor of entrepreneurial marketing that influences growth of SMEs in Kiambu-CBD, Kenya.

Methodology

The research design is descriptive research design. The study population is made up of 120 Hair Salons owners and their customers in Ilorin, Kwara State and the simple random sampling technique was adopted. The research instrument is questionnaire and Statistical Package for Social Sciences (SPSS) was used to analyze the data collected.

Findings and Discussion

Table 1: Regression results for the effect of EM on Hair Salon Patronage in Ilorin, Kw St., Nigeria.

Coefficientsa

Model Unstandardized Coefficients Standardized Coefficients T Sig. 95.0% Confidence Interval for B B Std. Error Beta Lower Bound Upper Bound
1 (Constant) 4.268 1.261 3.385 .005 .585 3.169 EM .628 .026 .651 24.307 .000 1.008 .504
a. Dependent Variable: Hair Salon Patronage
R =.651; R2 = .424; Adj. R2 = .421; SER = 3.165; F= 590.822, Sig.: 0.000
Source: Computed from field survey, 2016

Interpretation

The regression results for the effect of entrepreneurial marketing (EM) on Hair Salon Patronage in Ilorin, Kwara State, Nigeria. From the results presented the parameter estimates did conform to a priori expectation which explains that Hair Salon patronage is dependent on entrepreneurial marketing. The table shows the unstandardized coefficient of entrepreneurial marketing (EM) to be 0.628 meaning that a one unit increase in entrepreneurial marketing will lead to 0.628 unit increase in Hair Salon patronage. The regression coefficient of 0.628 is statistically significant at $p<0.05$ indicating that entrepreneurial marketing (EM) has significant effect on Hair Salon patronage of selected Hair Salon in Kwara State, Nigeria. The estimated value of correlation coefficient (R) of 0.651 signifies that there is a moderate positive relationship between entrepreneurial marketing (EM) and Hair Salon patronage of selected Hair Salons in Ilorin, Kwara State, Nigeria. The results in the table show that 42.4% of the patronage of selected Hair Salons can be explained by entrepreneurial marketing ($R2 = 0.424$). Furthermore, the overall significance of the entire model as measured by the F-statistic shows that the calculated F-statistic was 590.822 ($p=0.000$) which is statistically significant at $p<0.05$. Therefore, the null hypothesis (Ho1) which states that there is no significant effect of entrepreneurial marketing (EM) on Hair Salon patronage of selected Hair Salons in Ilorin, Kwara State, Nigeria is hereby rejected.

Discussion

The findings of the research and hypothesis tested revealed that there is a significant effect of entrepreneurial marketing (EM) on Hair Salon patronage; hence the hypothesis is hereby rejected. The results agreed with previous studies such as Mwangi and Bwisa (2013); Janet and Ngugi (2014) and Kesinro, Ogunlusi and Adu (2016); The study of Mwangi and Bwisa (2013) finds that there is relationship between entrepreneurial marketing practices and the growth of the hair salons in Kiambu Township, Kenya. Janet and Ngugi (2014) corroborated the current study and established that entrepreneurial marketing influences the growth of SMEs in Kiambu Town-CBD,Kenya. Kesinro, Ogunlusi and Adu (2016) study reveals that there is significant relationship between entrepreneurial marketing and organizational performance of SMEs in Badagry Local Government Area of Lagos State, Nigeria supports this study. Based on these findings and its supporting literature the study therefore rejects the null hypothesis (H01) which states that there is no significant effect of entrepreneurial marketing on Hair Salon Patronage.

Conclusion

The study concludes that there is a significant effect of entrepreneurial marketing (EM) on Hair Salon patronage. Findings of the paper imply that Hair Salon entrepreneur should adopt entrepreneur marketing strategy. Therefore entrepreneurial marketing which include innovation, risk taking, and being proactive is required by Hair Salon entrepreneurs. Developing innovative products and unique customer service is a way to stand out from competitors. Growth is the primary goal of entrepreneurship, and marketing expedites this growth.

Recommendations

Traditional marketing strategy such as television advert, sales promotion pricing strategy, innovative product design ,physical environmental designs and esthetic packaging of the building is recommended for Hair Salon entrepreneur in Ilorin. Place or location must be convenient for customer to park their cars.The study also recommends current marketing practices such as relationship marketing,viral videos, tweets, facebook pages, and email marketing and online marketing. Any or all marketing strategies can be considered as long as they produce results. Hair Salon entrepreneur must undergo proper training and retraining on what entrepreneur marketing entails.

References

Carson, D., Cromie, S., McGraw, P. and Hills, J. (1995), Marketing and Entrepreneurship in SMEs, London, Prentice Hall.

Daniela, I. (2012).Entrepreneur Marketing: A New Approach for Challenging Times, Management and Marketing for the Knowledge Society,7(1),131-150

Rajesh, K. S., Suresh, K. G., and Deshmukh, S. G. (2008). Strategy development by SMEs for competitiveness: a review. Benchmarking: An International Journal, 15(5): 525-547.

Federal Office of Statistics (2007). Small and Medium Enterprises in Nigeria.

Uzor, O.O. (2004). Small and Medium Scale Enterprises Cluster Development in South Eastern Region of Nigeria. Institute for World Economics and International Management, 5-15.

13.

Rogers, B.A. (2002). Funding of SMEs: Sourcing of Funds and Problems Limiting Access, ICAN journal. Nigerian Accountant (35)(1) .

Imafidon, K. (2014) ;Entrepreneurship Development for Sustaining Economic Growth in the Third World Nations, Journal of Emerging Trends in Economic and Management Sciences (JETEMS);101-108.

Kraus,S.,Harms, R. and Fink (2012).The Effect of Entrepreneurial Marketing on Firms Innovative Performance in Turkish SME, Procedia-Social and Behavioural Sciences, 58; 871-818.

Kehinde,O.J.(2013). Effects of Marketing Strategies on entrepreneurial Development;Kashere Journal of Humanities, Federal University Kashere,Gombe State,Nigeria;1(2);1-21.S

Muritala, T. A, Awolaja, A. M., Bako , Y.A.(2012) . Impact of Small and Medium Enterprises on Economic Growth and Development, American Journal of Business and Management (1) (1), 18–22

Makinde,O.G, .Akinlabi, B.A., Ajike,E.O. (2015).Strategic Planning: Effect on Performance of SME in Lagos, Nigeria.

Nwaizugbo, I. C and Anukam, A. I. (2014); Assessment of Entrepreneurial Marketing Practices among Small and Medium Scale Enterprises in Imo State Nigeria: Prospects and Challenges. Review of Contemporary Business Research. 3(1), 77-98.