

Relationship between Entrepreneurial Marketing and Return-on-Investment Performance of the Reed Broom Suppliers and Manufacturers in San Antonio, Nueva Ecija

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Abstract— This paper examined the relationship between entrepreneurial marketing and return-on-investment performance of the reed broom suppliers and manufacturers in San Antonio, Nueva Ecija. A quantitative research design was used in this study and the data were collected through a Likert-scale questionnaire. The data were analyzed using appropriate statistical tools and performed with computerized data analysis tools. Findings revealed that all the dimensions of entrepreneurial marketing (EM); proactiveness, calculated risk-taking, innovation-focus, opportunity-focus, customer intensity, resource leverage and value creation have positive relationships to the return-on-investment (ROI) performance of the reed broom suppliers and manufacturers in San Antonio, Nueva Ecija. It is recommended therefore that reed broom suppliers and manufacturers must be highly proactive, take a calculated risk, focus both on innovation and opportunity, demonstrate customer intensity, leverage their resources and create value for their customers in order to improve their return-on-investment performance.

Keywords— *Entrepreneurial marketing, proactiveness, reed broom, return-on-investment, value creation*

I. INTRODUCTION

While market competition and modernization continue to affect and challenge all businesses, it becomes more difficult to maintain long-term stability and sustainability. Adoption of the concept of entrepreneurial marketing (EM) practices is becoming increasingly popular among various businesses in order to ensure that they will be able to cope with all of the changes in the market and maintain a competitive advantage. EM, according to Das (2022), is the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging, and value creation. He also suggests that EM employs a toolkit of novel and unconventional marketing

techniques to assist emerging businesses in gaining a foothold in crowded markets. Because this type of marketing does not necessitate a large investment, it is appropriate for and well-suited for small-business owners with limited resources (Durant, 2021). Proactiveness, calculated risk-taking, innovation focus, opportunity focus, resource leverage, customer intensity, and value creation are the seven dimensions of EM. Morris et al seven 's dimensions were used in this study (2002).

Proactiveness reflects an entrepreneur's willingness to outperform competitors by combining proactive and aggressive actions, such as introducing new products or services ahead of the competition and acting in anticipation of future demand to create change and shape the

environment (Mehran & Morteza 2014). Calculativeness refers to the prompt ability to pursue opportunities that involve a realistic chance of resulting losses or significant performance discrepancy (Otieno et al., 2012).

According to Hacıoglu et al. (2012), the dimension of opportunity focus represents unnoticed market positions that can be sources of long-term profit potential. The ability of a business to obtain resources in order to create more with less is referred to as resource leveraging (Becherer et al., 2012). Customer intensity is the primary driving force behind enterprise marketing (Rezvani & Khazaei, 2014). Finally, value creation is defined as the marketers' task of locating untapped sources of customer value and developing exclusive combinations of sources to produce value (Morris et al., 2002). Return-on-Investment is one of the performance metrics used to assess organizational success (ROI). According to Fernando (2022), ROI is a metric used to determine the profitability of an investment. It evaluates the efficiency of an investment by comparing how much an investor paid for it to how much he earned.

The municipality of San Antonio in Nueva Ecija, Philippines, is very proud of its thriving broom reed industry, which has been an important source of income and revenue for decades. It is well-known for its Tambo Festival, which is held in honor of its patron saint, San Antonio Abad (St. Anthony the Abbot). What began as small household businesses, broom reed selling and production has evolved into an essential source of income for many hardworking San Antonians. With the market's modernization and evolution, this industry is facing many challenges, including how to make a good return on their investment money. Existing research claims that entrepreneurial marketing helps micro, small, and medium-sized businesses achieve organizational success.

The purpose of this study was to focus its analysis on the relationship between EM and ROI performance, specifically of reed broom suppliers and manufacturers in San Antonio, Nueva Ecija.

This study is based on the concept emerging from the statement of Bacherer et al. (2012) that EM is one of the critical factors of business growth and survival, particularly for small and medium-sized enterprises whose marketing approaches do not fit with established theories on traditional marketing. Its goal was to investigate the relationship between the various dimensions of EM and the ROI performance of reed broom suppliers and manufacturers in San Antonio, Nueva Ecija. The seven identified independent variables in this study are the dimensions of EM as proposed by Morris, et. al., namely; proactiveness, calculated risk-taking, innovation-focus, opportunity-focus, customer intensity, resource leverage and value creation.

These independent variables were analyzed to find out if they have a significant relationship with the dependent variable ROI performance.

II. METHODOLOGY

This study is designed to be a quantitative study. According to Watson (2014) "quantitative research through the use of statistical or numerical data includes a range of methods concerned with the systematic investigation of social phenomena. Stating therefore that quantitative research involves measurement and assumes that the phenomena under study can be measured. It delineates to analyze data for trends and relationships and to validate the measurements made" (Watson, 2014).

The data for the study was collected using a questionnaire. The questionnaire contained closed-ended questions that provide respondents with a fixed number of responses from which to choose an answer. Closed-ended questions are question formats that elicit a simple response from a respondent, making them better suited to quantitative research because they yield a higher response rate for the researcher (Formplus Blog, n.d.). The level of agreement is measured using a Likert Scale: (1) Strongly Disagree, (2) Disagree, (3) Agree, and (4) Strongly Agree. Bhandari (2020) defines the Likert scale as a rating scale used to assess opinions, attitudes, or behaviors. She asserts that Likert scales are popular in survey research because they allow researchers to easily operationalize personality traits or perceptions. A total of 15 respondents who are owners and/or managers of reed broom shops in the *barangays* of San Mariano, Maugat and Papaya in San Antonio, Nueva Ecija was surveyed and chosen based on purposive sampling (Subia, 2018). A purposive sample is a non-probability sample that is selected based on the characteristics of a population and the objective of the study (Crossman, 2020). The data gathered were analyzed using regression analysis.

III. RESULTS AND DISCUSSION

Regression analysis is a way of mathematically arranging and categorizing a series of variables. It is used to determine which variables have an effect and how they relate to one another. In other words, regression analysis helps determine which factors matter most and which can be ignored. (Market Business News, n.d.) It also provides a clearer understanding of the relationship between the independent variables to the dependent variable of the study.

Based on the main hypothesis of the study, a model specification is created:

$$ROIP = f(\text{Entrepreneurial Marketing Dimension})$$

Below is the linear relationship between the dependent variable and the independent variables of the study:

$$ROIP = \beta_0 + \beta_1PRO + \beta_2CRT + \beta_3INNF + \beta_4OPPF + \beta_5CI + \beta_6RL + \beta_7VC + \epsilon_i$$

Where:

ROIP = Return-on-investment performance

PRO = Proactiveness

CRT = Calculated Risk-taking

INNF = Innovation-focus

OPPF = Opportunity-focus

CI = Customer Intensity

RL = Resource Leverage

VC = Value Creation

Table 1: Regression Analysis

Variables	Coefficients
Proactiveness	0.0465
Calculated risk-taking	0.4094
Innovation-focus	0.2366
Opportunity-focus	0.1043
Customer Intensity	0.3306
Resource Leverage	0.1900
Value Creation	0.0800
Intercept	-1.2430

Based on the main study hypothesis the a priori expectation of all β coefficients are assumed to be positive, $\beta > 0$ meaning that all the EM dimensions are assumed to have a positive impact on ROI performance.

The hypothesis testing in this study is conducted by running a regression analysis. Table 1 shows the result of the regression analysis.

The regression table shows the β coefficients for each independent variable. These coefficients will be interpreted for each independent variable comparing to the a priori expectations that all the β coefficients are > 0 .

1. Proactiveness: As shown in table 1, a positive relationship exists between Proactiveness (PRO) and Return-on-investment Performance (ROIP) which is in line with a priori expectation that $\beta_1 > 0$. This means that a unit increase in Proactiveness will result in a corresponding increase in ROI Performance by 0.0465 units.

2. Calculated Risk-taking: As shown in the result of the regression analysis in table 1, there exist a positive relationship between Calculated Risk-Taking (CRT) and

Return-on-investment Performance (ROIP). This is consistent with the a priori expectation that $\beta_2 > 0$. This means that a unit increase in Calculated Risk-Taking will result in a corresponding increase in ROI Performance by 0.4094 units.

3. Innovation-focus: The findings of the regression analysis show a positive relationship between Innovation-focus (INNF) and Return-on-investment Performance (ROIP) which is in conformity with the priori expectation that $\beta_3 > 0$. This means that a unit increase in Innovation-focus will result in a corresponding increase in ROI Performance by 0.2366.

4. Opportunity-focus: A positive relationship exists between Opportunity-focus (OPPF) and Return-on-investment Performance (ROIP). The result shows that the coefficient for Opportunity-focus is in line with a priori expectation that $\beta_4 > 0$. This means that a unit increase in Opportunity-focus will result in a corresponding increase in ROI Performance by 0.1043.

5. Customer Intensity: Results of the regression analysis show that there is a positive relationship between Customer Intensity (CI) and Return-on-investment Performance (ROIP). The result is in accordance with the a priori expectation that $\beta_5 > 0$. This means that a unit increase in customer intensity will correspondingly increase ROI performance by 0.3306 units.

6. Resource Leverage: There is a positive relationship between Resource Leverage (RL) and Return-on-investment Performance (ROIP). It is in line with the priori expectation $\beta_6 > 0$. This means that a unit increase in Resource Leverage will result in a 0.1900 increase in units of ROI Performance.

7. Value Creation: The outcome of the regression analysis shows that a positive relationship exists between Value Creation (VC) and Return-on-investment Performance (ROIP). The result is in line with the priori expectation $\beta_7 > 0$. This means that a unit increase in Value Creations will correspondingly increase ROI performance by 0.0800 units.

Based on the regression results the regression model will be as follows.

$$ROIP = - 1.2430 + 0.0465PRO + 0.4094CRT + 0.2366INNF + 0.1043OPPF + 0.3306CI + 0.1900RL + 0.0800VC + \epsilon_i$$

IV. CONCLUSIONS AND RECOMMENDATIONS

This study intended to determine the effect of EM dimensions on the ROI performance of the reed broom suppliers and manufacturers in San Antonio, Nueva Ecija.

The results of regression analysis revealed that all the EM dimensions are positively related and have significant effects on the ROI performance. Therefore, the hypothesis is that EM positively impacts the ROI performance of reed broom suppliers and manufacturers of San Antonio, Nueva Ecija.

Based on the results it can be stated that the reed broom suppliers and manufacturers in San Antonio Nueva Ecija tend to show proactiveness and are willing to gain control over competitors by combining proactive and aggressive moves (Mehran et al., 2014). They also take a calculated risks. They understand that innovation in the present social, technological, and economic environment is intrinsically unpredictable and involves logical betting on uncertainties. They find creative and unique solutions in order for them to perform more efficiently. They are also aware that evaluating their current market position and strategies will help them find and pursue new opportunities. They also demonstrate the dimension of customer intensity by being customer-oriented and using innovative methods to make, build, retain and sustain customer relationships. They promote the ability for resource leveraging, working and creating more with fewer resources. Lastly, they offer value to customers by making sure that they provide customer service including an appropriate pricing strategy.

However, this study is conducted on the reed broom suppliers and manufacturers of San Antonio, Nueva Ecija such findings may not be transferable to other types of industry. It is therefore recommended that further research be conducted in different organizations and on a larger scale for generalizability. It is also recommended that other studies be conducted to explore the challenges encountered (Abelardo et al, 2019) by the manufacturers and discover the relationship of entrepreneurial marketing to other performance indicators.

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