

Research article**Entrepreneurial marketing behavior in higher education institutions: The influence of nature of institute****Morteza khazaei Pool^{*1}, Amir Khazaei Pool²,****Hadi Manjiri³ and Mahsa Mashayekh bakhsh⁴**¹Department of Management and Accounting, Allameh Tabataba'i University, Tehran, Iran

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²Department of Management, Qeshm International Branch, Islamic Azad University, Qeshm, Iran³Department of management, Payame Noor University (PNU), P.O.BOX.19395-3697, Tehran, Iran⁴Department of Business Management, Islamic Azad University, Babol branch, Iran**ABSTRACT**

Entrepreneurial marketing is defined as the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation. This study investigates the effect of nature of institute on entrepreneurial marketing in higher education institutions in Tehran-Iran. Data were collected with questionnaire instruments. Model was developed and tested with regression analysis using data collected from 56 active managers of these institutions. The results show that none of the hypotheses was accepted. That is, scope of business and ownership doesn't have any effect on entrepreneurial marketing.

Key words: Entrepreneurial marketing, Nature of institute, Higher education institutions.**1. INTRODUCTION**

What has become increasingly apparent to researchers is that conventional marketing practices are not always available, or appropriate, for entrepreneurial firms. When pursuing new opportunities with limited resources, the entrepreneur must use innovative approaches in the face of these uncertainties (Becherer & et al., 2008). Traditional marketing may not be adequate for firms to compete in this highly dynamic business environment. Recent studies propose firms to be more entrepreneurial in their marketing when dealing with market uncertainty and ambiguity. A growing collection of evidence suggests that the more successful companies over time are those that are involved in entrepreneurial activity in the higher levels. In their study of 59 firms from Sweden and the US, Hills et al. (2008) found that firms with

entrepreneurial marketing orientation exhibit a different strategic orientation, commitment to opportunities; opportunity recognition would tend to use formal market research while entrepreneurial marketing firms tend to rely on experience, immersion and intuition. Further, entrepreneurial marketing firms are less constrained by budgets and have adaptive strategies whereas non-entrepreneurial marketing firms are more oriented to using budgets and top-down corporate planning driven by financial metrics. This study is based on Kilenthong et al. (2010) research which examines systematic relationships between firms' characteristics and entrepreneurial marketing. But the contribution of our study is simultaneously investigating of nature of institute and entrepreneurial marketing. Unlike

many other studies in entrepreneurial marketing which had been done in business firms, this study has been done in higher education institutes. The analysis, therefore, may help to find new knowledge regarding firms' entrepreneurial marketing practice that was not reported by prior research. This research quantitatively examines entrepreneurial marketing practice in order to determine if a systematic relationship exists between institutes' characteristics (i.e. scope of business and ownership) and entrepreneurial marketing practice.

The paper proceeds as follows. First, we review the relevant literature and theoretical framework of nature of institutes and entrepreneurial marketing. Then we develop hypotheses to be tested and describe the empirical approach and the data collection. The last section outlines the implications of our findings and discusses avenues for further research.

2. Literature review

2.1. Entrepreneurial Marketing

Entrepreneurs has become a hero in recessionary times. And the ability to operate, and often also to grow, a business in a challenging business environment is important for society. So there is a need for scholarly studies of entrepreneurship and its intersections with other academic disciplines, such as marketing. The basic idea of linking Marketing and Entrepreneurship has been discussed for many years. Early authors linking the two fields together were, for example, Murray (1981) and Tyebjee et al. (1983). In the 90s, both education at various university levels and published research in entrepreneurial marketing (EM) grew significantly. We find more courses, conferences and symposia organized than ever before (Hills and Hultman, 2011). For many years, the American Marketing Association did not change their definition, but revisions were made in 1935, 1982 and 2004, and the latest modification came in 2007. The definition of marketing has evolved from being focused on performing business activities (1935) to focus on activities, institutions and processes for value-creating offerings. At the time of the

first Marketing and Entrepreneurship Symposium in 1982, mainstream marketing, as defined by the American Marketing Association in 1981, was very different from discussions of entrepreneurial marketing. However, the gap has been reduced by the way the American Marketing Association changed the definition in 2004 and in 2007 (Jones and Rowley, 2011). Review of existing research about marketing and entrepreneurship indicate that Knowledge of Marketing and Entrepreneurship has always been two attractive research areas for many researchers. So, On the one hand, raise awareness about the impact of entrepreneurship and innovation in Businesses and the role of marketing in obtaining of success in the other hand led to the combination of these two disciplines and creation of entrepreneurial marketing concept. Entrepreneurial marketing is described as the interface between entrepreneurship and marketing. Entrepreneurial marketing is very complex and is related to the highly competitive and dynamic environment (Hills and Hultman, 2006). In one of the most comprehensive discussions on entrepreneurial marketing to date, Morris et al. (2002) propose that entrepreneurial marketing is composed of a proactive organizational focus on customer satisfaction through innovative and efficient value creation throughout the value chain (Miles and Darroch, 2004). This form of marketing tends to be responsive and reactive to competition and opportunistic in nature. Indeed, empirical evidence suggests that there exists a significant correlation between an enterprise's marketing and entrepreneurial orientations, both widely being responsible for corporate success (Jones and Rowley, 2011).

3.1. Nature of institute

3.1.1. Ownership

Entrepreneurial firms are influenced by individuals who operate them. More than often that firms' business strategy is guided by the management's goals. If the management is entrepreneurs, it is likely that firms' business strategy is also entrepreneurial. Although there is no agreement on a definition of entrepreneur,

researchers seems to agree on who entrepreneurs are. Based on Gartner (1988)'s idea that entrepreneurship is a process of new venture creation, researchers seems to agree that entrepreneurs are founders of new business. Prior studies also find that behaviors of entrepreneurs are different from those of non entrepreneurs. Founders have higher need for achievement, higher risk-taking propensity and tolerance of ambiguity, and higher self-efficacy than non-founders. In addition, Busenitz and Barney (1997) also find that entrepreneurs and managers in behave differently and the differences are substantial. The difference in founders and non-founders' behaviors are expected to influence firms' level of entrepreneurialness and ultimately, firms' level of entrepreneurial marketing practice. It is assumed that firms that are operated by "entrepreneurs" (founders) are more likely to practice entrepreneurial marketing than firms that are not operated by "entrepreneurs" (founders) (Kielenthong & et al., 2010).

3.1.2. Scope of business

The scope of any business involves every activity performed by that business including sales, services, product developments, marketing and contracts. Basically, business scope refers to all daily operations of the business, particularly those activities required to secure revenue. The scope of a business usually covers several departments and covers a lot of different areas, depending on the company. For example, many corporations own several businesses and companies, meaning the corporation's business scope is quite large and potentially covers multiple products and markets. Smaller businesses, such as family-owned stores, have a smaller business scope as they are focused primarily on acquiring goods wholesale and selling those goods on to consumers at retail prices.

When starting a business, it is important to understand its scope of operation to write a proper business plan. For the sake of profits, most businesses engage in activities or focus on products and services that maximize their

income. For example, a company that sells parts for appliances but does not offer servicing since doing both might spread its workforce too thin or negatively affect its profit margin. On the other hand, a business might decide to expand its scope to include services or products when it identifies a demand for such. Richter (2007) showed that regional activities prevent a firm from suffering heavy performance decreases during its initial international expansion, but that the regional activity impedes the firm when attempting to exploit all of the potential international benefits. Delios and Beamish (2004) found that the performance of global and bi-regional firms was statistically better than the home region oriented firms (Oh, 2007).

3. Theoretical framework

Bercovitz & Mitchell, (2007) said that businesses having more expansive routine sets will also have greater opportunity to leverage and creatively combine existing routines to solve problems and create new opportunities, thus enhancing the business's survival chances (Penrose, 1959; Nelson and Winter, 1982; Fleming, 2001). Peng & Delios (2006) said that diversification—along product, geographic, or both dimensions—usually results in a larger organization and because managerial power, income, and prestige are usually correlated with the size of the firm, many managers may engage in empire-building. For example increase of complexity, like formalization, is a function of increasing size. As size and complexity increase, span of control becomes taxed, and the need for more hierarchical levels of management develops. Task specialization, division of labor, and functional differentiation are the organizational responses to this increasing complexity (Varadarajan & Clark, 1994). Thus the following hypotheses can be proposed:

H1: Scope of business effect entrepreneurial marketing.

Entrepreneurial firms are influenced by individuals who operate them. More than often that firms' business strategy is guided by the management's goals. If the management is entrepreneurs, it is likely that firms' business

strategies are also entrepreneurial. Although there is no agreement on a definition of entrepreneur, researchers seems to agree on who entrepreneurs are. Based on Gartner (1988)'s idea that entrepreneurship is a process of new venture creation, researchers seems to agree that entrepreneurs are founders of new business. Prior studies also find that behaviors of entrepreneurs are different from those of non entrepreneurs. Busenitz and Barney (1997) also find that entrepreneurs and managers in behave differently and the differences are substantial. The difference in founders and non-founders' behaviors are expected to influence firms' level of entrepreneurialness and ultimately, firms' level of entrepreneurial marketing practice. It is assumed that firms that are operated by "entrepreneurs" (founders) are more likely to practice entrepreneurial marketing than firms that are not operated by "entrepreneurs" (founders) (Kielenthong & et al., 2010). Thus the following hypotheses can be proposed:

H2: Ownership effect entrepreneurial marketing.

To measure the effects of nature of institute on entrepreneurial marketing, in the research was used the combination of 26-items questionnaire developed by Becherer & et al., (2008. Seven latent variables were measured in this study. proactiveness, opportunity focus, calculated risk taking, innovativeness, customer intensity, resource leveraging, and value creation which represented the entrepreneurial marketing elements. Items of these seven latent variables is consist of 3 items for proactiveness, 3 items for opportunity focus, 3 items for calculated risk taking, 3 items for innovativeness, 3 items for customer intensity, 4 items for resource leveraging, and 7 items for value creation. Respondents were asked to rate their agreement on a five point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) for the items of entrepreneurial marketing dimensions. For internal reliability, Cronbach's alpha coefficients were calculated. Results indicated that all the scales were considered to be reliable (Cronbach's alphas).

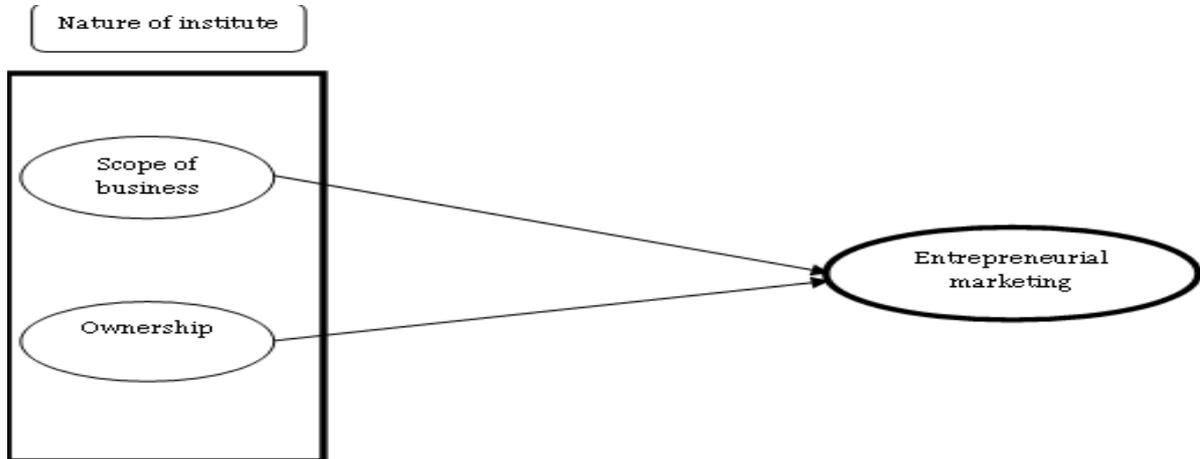


Fig. 1: The conceptual model of the study

4. Methodology

4.1. Sample

The samples include active managers of higher education institutions of Tehran province in Iran. 56 questionnaires were completed and were ready for analyzing.

The samples of 56 respondents were 57.1 percent male (n=32) and 42.9 percent female (n=24) and 67.9 percent were graduated (n=38) and 26.8 percent with MA degree (n=15) and 5.4 percent with Ph.D degree (n=3).

4.2. Measures

For determining reliability of the questionnaire in this research used Cronbach's alpha. Cronbach's alpha for this study is 0.82, which is above the acceptable threshold which indicating a good correlation between the questions. So the questionnaire reliability is acceptable. Cronbach's alpha for constructs are: proactiveness: 0.728, opportunity focus: 0.724, calculated risk taking: 0.764, innovativeness: 0.779, customer intensity: 0.720, resource

leveraging: 0.778, value creation: 0.750 so the constructs reliability is acceptable.

To increase the internal validity of the questionnaire, after compiling, it was seen by a group of experts and their views on the questions and variables, and the overall structure of the questionnaire were collected and the revised questionnaire was used and acknowledge by them. Figure 1 show the conceptual model of this study.

5. RESULT

The proposed hypotheses were tested using regression analysis via SPSS 15. to determine whether the hypotheses were supported or not. The results are shown in tables. If researchers can make use of the assumptions of linear regression analysis it first tested by the researcher. One of these tests is the test of independence of errors (the difference between the actual values and the values predicted by the regression equation). So in order to test these assumptions we use Durbin-Watson statistics.

Table 1:Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.308 ^a	.095	.024	.27312	1.708
a. Predictors: (Constant), ownership, age, size, scope of business					
b. Dependent Variable: entrepreneurial marketing					

According to Durbin-Watson statistics, the null hypothesis of no autocorrelation between the errors will be accepted, and then the regression equation can be used if available.

Table 2:ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.398	4	.100	2.857	.000
	Residual	3.804	51	.035		
	Total	4.202	55			
a. Predictors: (Constant), ownership, age, size, scope of business						
b. Dependent Variable: entrepreneurial marketing						

According to Table 2 of the model, because the significant level is less than .05 percentages, thus, assuming a linear relationship between the independent variables and the dependent variable will be confirmed in other words the model is reliable.

Table 3:Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.527	.293		12.051	.000
	Scope of business	.018	.045	.076	.404	.688
	Ownership	-.081	.093	-.143	-.870	.388
a. Dependent Variable: entrepreneurial marketing						

According to table 3 of the model, because the significant level of all variables is more than .05 percentages, thus none of the hypotheses is accepted. That is, scope of business and ownership doesn't have any effect on entrepreneurial marketing. Also, R Square in table 1 indicates that independent variables explain only about 5/9% variance of the dependent variable and the rest (5/91%) is due to

unknown factors that should be identified in future research.

6. DISCUSSION

The objective of this study was to examine the effect of nature including scope of business and ownership of institute on entrepreneurial marketing in higher education institutions. The proposed hypotheses were tested using regression analysis.

Bercovitz and Mitchell (2007) said that businesses having more expansive routine sets will also have greater opportunity to leverage and creatively combine existing routines to solve problems and create new opportunities, thus enhancing the business's survival chances (Penrose, 1959; Nelson and Winter, 1982; Fleming, 2001). These results have a close relationship with entrepreneurial marketing. So, it does not match with the result of H1. In the investigated institutions the changes in scope of business doesn't have any effect on entrepreneurial marketing. These results can have different reason. Increase in the scope of business can increase the size for better answer to the changes. Increase in the size can lead to increase in complexity, formalization and centralization and create a mechanical structure; this structure can prevent use of entrepreneurial marketing. Another thing that can affect use of entrepreneurial marketing is the existence of resources. Organizations need resources to increase their scope and successfully compete with other organizations. We can say that not differences in resources between the institutions lead to this result. Next factor is that marketing strategies and activities in the education system is more limited than in other manufacturing and service industries because of the impact of government regulations which define control mechanism on them.

Busenitz and Barney (1997) also find that entrepreneurs and managers in behave differently and the differences are substantial. The difference in founders and non-founders' behaviors are expected to influence firms' level of entrepreneurialness and ultimately, firms' level of entrepreneurial marketing practice (Kielenthong & et al., 2010). The emphasis on entrepreneurial marketing actions is closely linked to the owner/operator who influences the firm directly, rather than through layers of management. In many ways the entrepreneurial marketing activity of the firm may be the area of business decision-making most reflective of the entrepreneur, his or her background, and the circumstances that led to firm ownership (Becherer & et al., 2008). These researches

didn't support hypothesis H2. According to the result of this hypothesis ownership doesn't have any effect on the use of entrepreneurial marketing. This indicates that for measuring use of entrepreneurial marketing other factors must also be considered.

Some limitations to this study should be noted, and efforts to resolve them would serve as avenues for future research in this field. First, the findings of the study may have limited generalizability. The sample, which seemed appropriate for this particular study, was managers from Tehran province in Iran. It would be more meaningful if the same findings hold consistent in different types of managers from other cities across the country.

Second, in the present study we examined the effect of nature of institute on entrepreneurial marketing in higher education institutions that future research could investigate among managers of other service sections and organizations, institutes and even business forms to compare the results. Another important area of future investigation is identifying the use of each dimensions of entrepreneurial marketing according to the nature of firms. Also investigating the role of entrepreneurial marketing on the performance of firms and investigating the effect of applying entrepreneurial marketing on the success of marketing activities is another area for future research.

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