

# Entrepreneurial Marketing and Performance of Small and Medium Enterprises in South Africa

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**Abstract:** The study investigated the effect of entrepreneurial marketing (EM) on the performance of SMEs. Performance was measured using both organisational and personal criteria. The study utilised the quantitative research approach. The cross-sectional survey method was used for data collection. Data was collected from small business owners through the survey method. The self-administered questionnaire method was used to collect data from the participants. Convenience and snowball methods were used for sampling. Descriptive statistics and multiple regression were used for data analysis. The Cronbach's alpha was used as the measure of reliability. The results of this study showed significant positive relationships between some dimensions of EM and organisational and personal performance. Theoretically, the study linked EM to the personal performance of the owners of SMEs. Empirically, the study adds to the literature on the relationship between EM and the financial performance of SMEs. Practically, the study suggested recommendations that can improve EM by SMEs.

**Keywords:** Small and medium enterprises, entrepreneurial marketing, performance, South Africa.

## 1. INTRODUCTION

Small and medium enterprises (SMEs) play a significant role in the economies of countries around the world. SMEs contribute to innovation, generate employment and are key to the achievement of inclusive economic growth and social integration. In countries such as the United States of America (USA) and Japan, more than 99% of all businesses are SMEs. In the European Union, SMEs represent 99% of all businesses, provide two-thirds of all private sector employment and have created approximately 85% of new jobs in the past five years. The contribution of the SME sector is one of the reasons for the low rates of unemployment and high rates of economic growth in many developed countries (Ayyagari *et al.*, 2007; Pandya, 2012; European Union, 2018). SMEs contribute up to 40% of the gross domestic product (GDP) and 60% of total employment in developing economies. (World Bank, 2018). In South Africa, SMEs account for about 34% of GDP and 60% of all employment and make up 91% of all formalised businesses. There is a positive relationship between SME success and the sustainable economic growth of South Africa (Abor and Quartey, 2010; van Scheers, 2016).

Despite the noted contribution of SMEs globally and in South Africa, the failure rates of these enterprises are very high. In the USA, about 20% of SMEs fail

within the first year of operation, 50% by the end of the fifth year and 65% by the end of the tenth year. It is estimated that 50% of the small businesses that are started in South Africa eventually fail. SMEs are high-risk businesses with high levels of market entry and exit (Naude and Chiweshe, 2017; USA Bureau of Labour Statistics, 2018). The negative consequences of the high failure rate of SMEs can be seen at the micro level, the market level and the macro level. At the micro level, the entrepreneur because of failure may not start another business. At the market level, the failure of SMEs negatively affect the value chain. Stakeholders such as employees and their families and commercial banks are negatively affected through job losses and bad debt. At the macro level, SME failure increases the levels of unemployment, poverty and income inequality (Gillis, 2015; Bushe, 2019). The causes of the failure of SMEs include financial and marketing challenges. Marketing factors such wrong pricing strategy, lack of promotion, competition and low demand for products negatively affect the performance of SMEs (Cant and Wiid, 2013; Simpson *et al.*, 2015).

Although marketing plays an important role in large firms, its effect is more crucial for SMEs due to competition, technological progress and limited number of customers. Marketing is one the biggest challenges faced by SMEs but one of the most important to their survival and growth. SMEs possess many features such as size, limited resources, business goal and management style that differentiate them from large firms. The business environment is constantly changing, and today's market conditions are characterised by chaos, complexity and ambiguity

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(Fillis, 2010; Reijonen and Laukkanen 2010). SMEs are under increasing pressure to be more agile, proactive and innovative in their marketing strategies. Instead of the planned, linear, rational approach of conventional marketing, an entrepreneurially creative response to marketing has emerged. Conventional marketing theories applicable to large firms may not be applicable to SMEs. The limitations of resources and few customers suggest that entrepreneurial marketing becomes more suitable for SMEs (Franco *et al.*, 2014; Fard and Amiri, 2018). Entrepreneurial marketing (EM) is a new paradigm that merges the principles of entrepreneurship and marketing together and describes the marketing processes of firms that pursue opportunities with limited resources in uncertain market conditions. EM is a process that allows firms use marketing to act entrepreneurially and exploit opportunities for obtaining and retaining profitable customers through innovative approaches. EM is needed to cope with increasing uncertainty and limited resources and as an organisational orientation has seven underlying dimensions. These are proactiveness, opportunity focus, calculated risk taking, innovativeness, customer intensity, resource leveraging and value creation. EM is a situational, unplanned, informal, nonlinear marketing action taken by entrepreneurs to manage environmental uncertainty by creative and unsophisticated tactics (Morris *et al.* 2002; Becherer *et al.*, 2006; Hacıoglu *et al.*, 2012; Astuti *et al.*, 2018; Alqahtani and Uslay 2019).

The effectiveness of the marketing strategy adopted by a firm needs to be evaluated. One of the ways to measure the impact of EM is to examine its effect on performance. The aim of this study is to examine the effect of the seven dimensions of EM on performance as measured by organisational (firm) and personal (owner) performance. Entrepreneurial performance is not only about firm achievement but also personal accomplishment. Choosing only firm performance is restrictive and the inclusion of personal success indicators demonstrates the acknowledgement of the relationship between the entrepreneur and their business (Chong, 2008, Garba, 2016). The study will

make a contribution to the knowledge on EM and performance at both firm and personal levels. First, there is a scarcity of the quantitative studies on EM and firm performance as many studies have been qualitative in nature. Second, extant research on EM and performance has focused primarily on firm performance. Personal performance has received little empirical attention and has been marginalised in EM research (Becherer *et al.*, 2012; Sadiku-Dushi *et al.*, 2019). The combination of the both firm and personal indicators gives a more comprehensive measure of performance. Third, the relationship between EM dimensions and firm performance is inconclusive. Studies have reached different conclusions about the effect of the seven dimensions of EM on performance. Fourth, empirical studies on the effect of EM and the performance of SMEs in South Africa are scarce. The findings of this study will provide an understanding of how EM can affect the performance of SMEs in South Africa. This is significant in the light of the high failure rate of SMEs in South Africa. Understanding the factors that can improve the performance of SMEs will positively impact on South Africa's sustainable development. The study is grounded on the following research questions: (1) What is the relationship between EM and the financial performance of SMEs? and (2) What is the relationship between EM and the personal performance of the owners of SMEs?

## 2. LITERATURE REVIEW

### 2.1. Small and Medium Enterprises in South Africa

The National Small Business Act of 1996, as revised in 2003, defines a small business as "a separate distinct entity including cooperative enterprises and non-governmental organisations managed by one owner or more, including branches or subsidiaries if any is predominately carried out in any sector or subsector of the economy mentioned in the schedule of size standards". There are three enterprise classes for SMEs in South Africa. These are micro, small and medium. The quantitative definition focuses on the number of employees and total annual turnover

**Table 1: Definition of Small and Medium Enterprises in South Africa**

Size or class of enterprise	Total full-time paid employees	Total annual turnover
Micro	0-10	Less or equal to R7.5m
Small	11-50	Less or equal to R25m
Medium	51-250	Less or equal to R80m

(Government Gazette, 2019). Table 1 depicts the definition of SMEs in the retail sector in South Africa.

Adapted from Government Gazette (2019)

The number of employees is one of the indicators that is used to classify SMEs in South Africa. Quantitatively, a micro enterprise in the retail sector will have between 0 and 10 employees, small enterprises between 11 and 50 employees, and medium enterprises between 51 and 250 employees (Government Gazette, 2019). SMEs contribute significantly to the economies of both developed and developing countries. The SME sector make up 91% of all formalised businesses in South Africa and contribute 34% of GDP and 60% of all employment in South Africa. However, it is estimated that 50% of the SMEs that are started in South Africa eventually fail. The causes of the failure of SMEs in South Africa include financial and marketing challenges (Abor and Biekpe, 2011; Cant and Wiid, 2013; Naude and Chiweshe, 2017).

## 2.2. Entrepreneurial Marketing

Entrepreneurial marketing (EM) as a concept was introduced in 1982 as a new paradigm that integrates both entrepreneurship and marketing. The term EM does not have a universally acceptable definition but can be described as the process that firms undertake when using marketing to act entrepreneurially. EM is generally associated with the creative marketing activities of small firms with limited resources. Small firms suffer from both the liability of smallness and the liability of newness. The liability of smallness depicts limited customer base, market power and human and financial resources. The liability of newness is applicable to new small firms that usually lack established relationships with market partners. EM refers to the marketing activities of resources constrained firms with an unplanned, intuitive, haphazard, unsophisticated and personal approach to marketing (Morris *et al.*, 2002; Solé, 2013; Kraus *et al.*, 2010; Anderssen *et al.*, 2018; Hisrich and Ramadani, 2018; Nouri *et al.*, 2018; Sadiku-Dushi *et al.*, 2019). Hills *et al.* (2010: p 6) define EM as “*a process of pursuing opportunities and launching and growing ventures that create perceived customer value through relationships by employing innovativeness, creativity, selling, market immersion, networking and flexibility*”. Kraus *et al.* (2010: p12) define EM as “*an organizational function and a set of processes for creating, 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.*”

The advantages of EM to a firm include growth orientation, opportunity orientation, total customer focus, value creation through networks, informal market analysis and closeness to the market. Entrepreneurial marketers are excellent in leveraging resources through creative approaches. The high level of uncertainty in the marketplace has rendered traditional marketing efforts inadequate in improving firm performance. EM can improve firm performance under a situation of uncertainty more effectively (Kilenthong *et al.*, 2015; Alqahtani and Uslay, 2019). The seminal work of Morris *et al.* (2002) formed the theoretical background for EM. Based on the entrepreneurial orientation construct, Morris *et al.* (2002) described EM of consisting of seven dimensions. These are proactive orientation, opportunity-driven, customer-intensity, innovation-focus, risk management, resource leveraging, and value creation. Proactiveness shows how a firm responds to market demands or creates new demands. Opportunity-driven shows that EM is intuitive, opportunistic and informal. Customer intensity explains that the driver of the marketing function of a firm should be a customer-centric orientation. Innovation is an orientation that focuses on new ideas and creative processes that may lead to new products and services. Risk taking is the willingness to take calculated actions to diminish the inherent risk in the pursuit of opportunities. Resource leveraging focuses on the effective utilisation of available resources and the discovery of new sources of resources. Value creation focuses on providing continuous value to customers (Becherer *et al.*, 2012; Fard and Amiri, 2018).

## 2.3. EM and Performance at Firm and Personal Levels

Lebens and Euske (2006) define firm performance as a set of financial and non-financial indicators that provide information on the accomplishment of objectives and results. Financial or objective performance include profitability, turnover or sales and market value indicators Non-financial or subjective performance measures include owners and employee satisfaction, customer satisfaction, and environmental and social performance (Selvam, *et al.*, 2016; Taouab and Issor, 2019). In free, open markets, EM can be

used by firms to create superior value for customers and owners. EM allows a firm to have a dual customer and entrepreneur-centric orientation. The combination of EM as both market-oriented and entrepreneurially-oriented activities allows firms to survive both static and volatile market environments. EM may lead to sustainable growth for firms operating in challenging markets (Miles and Darroach, 2006; Morrish, 2011; Jones *et al.*, 2013). Hacıoglu *et al.* (2012) investigate the relationship between the seven dimensions of EM and firm innovative performance in a sample of Turkish SMEs. The study found that four dimensions of the EM namely proactiveness, innovativeness, customer intensity and resource leveraging have significant relationships with firm innovative performance. The effects of the three other dimensions are not significant. Hamali (2015) finds that proactiveness, resources leveraging, value creation and customer intensity dimensions of EM have significant positive relationships with business performance. Olannye and Edward (2016) examine the effect of EM on the performance of fast food restaurants in Nigeria. The findings of the study show that pro-activeness, innovation and opportunity recognition dimensions of EM exhibit significant positive effects on firm competitive advantage. Sadiku-Dushi *et al.* (2019) explore the relationship between the seven dimensions of EM and overall firm performance as measured by efficiency, profit, owner's personal goal and firm and owner's reputation. The results indicate that proactiveness and calculated risk-taking have negative relationships with overall SME Performance. Opportunity focus, innovativeness, customer intensity, resource leveraging and value creation have significant positive effects on overall firm performance Hamali *et al.* (2016) examine the effect of EM on innovation and its impact on marketing performance and financial performance of small firm in Indonesia. The results indicate that EM is positively related to innovation. In addition, the findings of the study show that there is a significant positive relationship between EM and marketing and financial performance. The results suggest that the higher the EM, the higher the innovation, marketing and financial performance of a firm.

Becherer *et al.* (2012) point out that unlike large firms, the outcomes for SMEs are not limited to financial performance but also the personal accomplishments of the owners in terms of goal achievement and improved standard of living. Also, firm performance directly impact on the personal

performance of owners. Becherer *et al.* (2012) investigate the relationship between the seven dimensions of EM and quantitative and qualitative performance outcomes of the SMEs. The results indicate that value creating dimension of EM has significant positive effect on both firm and personal success. The study by Sadiku-Dushi *et al.* (2019) includes both firm and personal performance. However, the two performance measures are aggregated to form the overall performance.

This argument of this study is that small firms because of resource constraints tend to be innovative in their marketing approaches and can use EM to obtain and retain customers in an increasingly uncertain business environment. Also, the performance of SMEs depends not only on the firm but the realisation of the personal goals of the owners. Consequently, it is hypothesised that (H1): EM dimensions (proactiveness, calculated risk-taking, innovativeness, opportunity focus, resource leveraging, customer intensity and value creation) positively affect the financial performance of SMEs. H2: EM dimensions positively affect the personal performance of the owners of SMEs.

### 3. RESEARCH METHODOLOGY

The study utilised the quantitative research approach with the causal research design. Data was collected through the cross-sectional survey approach. The survey was conducted in the Central Business District of Johannesburg and Polokwane in the Gauteng and Limpopo provinces of South Africa. The areas were used for the survey because they contain a large number of SMEs. Because of the difficulty in obtaining the population of new SMEs in the study area, convenience and the snowball sampling methods were used to identify survey participants. All the respondents in this study were in the retail business, and were owners of the firms. This helped to control the effect of industry on entrepreneurial marketing. Owners are expected to possess both personal information on firm and personal performance. The phone numbers and Email addresses of the participants were obtained by the researcher during the distribution of questionnaires. Repeated phone calls, emails and visits were made to the participants to complete the questionnaire. If the questionnaire is not completed after two months, it is treated as non-response. A pilot study was conducted on the survey instrument used in this research with 25 new SME owners in order to ensure face and content validity.

The questionnaire was divided into four parts: (1) biographical information; (2) entrepreneurial marketing (3) firm financial performance and (4) owners' personal performance. Descriptive statistics and multiple regression analysis were used for data analysis. The Cronbach's alpha was used as a measure of reliability. For ethical, consideration, the purpose of the study was clearly specified in the questionnaire, participation was voluntary, and confidentiality and anonymity were ensured.

**Measures**

**EM**

Forty two questions adopted from Becherer *et al.* (2012) and anchored on the five point Likert scale (1= strongly disagree, 5= strongly agree) were used to measure EM. The seven dimensions of the study by Becherer *et al.* (2012 had Cronbach's alphas ranging from 0.62 to 0.78. The responses for each dimension are aggregated to form the dimension score.

**Financial Performance**

Two questions (growth in profitability and sales) and anchored on the five point Likert scale (1 significant decline" to "5 significant increase" in the prior year) were used to measure financial performance. The responses to the two questions are summed to obtain the average financial performance.

**Personal Performance**

Four questions adopted from early empirical studies (Fisher and Lobo, 2016; Fatoki, 2018; Sadiku-Dushi *et al.* 2019) and anchored on the five point Likert scale (1= strongly disagree, 5= strongly agree) were used to measure personal performance. The four items are: "(1) My personal financial situation is satisfactory (2) Since, I started my business, my standard of living has improved (3) since I started my business, my status in the society has improved I do only that which I want to do in life and business and (4) I have achieved the business goals that I set out to achieve". The four items are averaged to produce a scale mean score for personal performance.

**4. RESULTS**

**4.1. Response Rate and Biographical Information**

Four hundred questionnaires were distributed to small business owners and one hundred and seventy questionnaires were returned. The response rate was 42.5%. The results as depicted by Table 2 show that

the majority of the small business owners that participated in the survey are male in the 31–40 age, have been in business for between 1 and 5 years. The Kolmogorov-Smirnov test was used to determine the normality of the data. The significance of the Kolmogorov-Smirnov test was greater than 0.05 in all the tests. This implies that the normality of the data can be assumed. Harman's single factor test was used to identify the presence of common method bias. The result is not significant. This suggests that the interpretation of the findings of this study would not be disturbed by substantial method bias. Therefore, the full data set of 170 responses is valid and usable for testing the hypothesised relationships in this study

**Table 2: Biographical Information of the Respondents**

Biographical Characteristics	Frequency (N = 170)
Educational qualification of owner/manager	
Below Matric	42
Matric	90
Post-Matric qualifications	38
Gender	
Female	72
Male	98
Age of the owner (years)	
Less than 20	0
20–30	43
31–40	82
41–50	25
Above 50	20
Age of the firm (years)	
1–5	74
6-10	62
Above 10 years	34
Number of employees	
No employees	21
1–4 employees	83
5–9 employees	53
10–49 employees	15
50–99 employees	3

**4.2. Descriptive Statistics of EM and Performance**

Table 3 depicts the descriptive statistics of the dimensions of EM, firm financial performance and owners' personal performance. The EM dimension with

**Table 3: Descriptive Statistics of EM and Performance**

EM dimensions/performance variables	Mean	Standard deviation	Cronbach's alpha
Proactiveness	3.45	1.07	0.79
Opportunity-focused	3.55	1.01	0.84
Risk-taking orientation	4.05	1.01	0.82
Innovation-oriented	3.40	1.03	0.76
Customer intensity	3.75	1.06	0.79
Resource leveraging	3.80	1.07	0.71
Value creation	4.55	1.01	0.76
Firm financial performance	3.46	0.99	0.72
Personal performance of owner	3.35	1.03	0.77

the highest mean is value creation with a mean of 4.55 and standard deviation of 1.01. Value creation is necessary for obtaining and retaining customers. The EM dimension with the lowest mean is innovation-oriented (mean 3.40 and standard deviation of 1.03). All the EM dimensions have means above 3.00. On a five-point Likert scale, a mean value below three is considered as low, three to four moderate and above four high. The results indicate moderate to high levels of EM dimensions. Dispersion values of the standard deviation showed that the highest value of 1.07 for proactiveness and resource leveraging and the lowest value of 1.01 for opportunity-focused and value creation. The mean values for firm financial performance and owners' personal performance are 3.46 and 3.35 respectively. The Cronbach's alpha was used as the measure of reliability. The Cronbach's alpha coefficients for all EM Dimensions and performance measures are greater than 0.70 indicating a good internal consistency of measures (Nunnally, 1978).

### 4.3. Regression Results

#### 4.3.1. EM and Financial Performance

The model summary of the regression results of the relationship between EM dimensions and firm financial

performance has a R square of 0.442 and adjusted R square of 0.416. This means that the regression explains 44.2% of the variance in the data. The standard error of the estimate is 8.00351 and the Durbin-Watson of 2.007. The ANOVA results are ( $F=41,372$ , sig 0.00) and it can be assumed that the model explains a significant amount of the variance in financial performance. Collinearity statistics show that tolerance is  $> 0.1$  and  $VIF < 10$  for all variables.

Dependent variable: financial performance

The results of Table 4 show that opportunity focused ( $\beta$  0.48,  $t$ , 3.072, sig  $< 0.05$ ), customer intensity ( $\beta$  0.57,  $T$ , 3.408, sig  $< 0.05$ ), resource leveraging ( $b$  0.109,  $t$  2.261, sig  $< 0.05$ ) and value creation ( $\beta$  0.167,  $T$ , 3.640, sig  $< 0.05$ ) are the four EM dimensions that significantly impact on firm financial performance. The three other dimensions proactiveness, innovativeness and risk-taking do not have significant relationships with EM.

#### 4.3.2. EM and Personal Performance

The model summary of the regression results of the relationship between EM dimensions and owners' performance has a R square of 0.437 and adjusted R

**Table 4: EM and Financial Performance**

Model	Unstandardised coefficient		Standardised coefficient	t	Sig	Collinearity statistics	
	B	Std error	Beta			Tolerance	VIF
(Constant)	1.458	3,294		.446			
Proactiveness	9,026E5	.003	.336	.603	.502	.665	1,004
Opportunity-focused	.006	.000	.048	3,072	.000	.762	2,061
Risk-taking orientation	.009	.000	.247	.338	.608	.558	2,036
Innovation-oriented	.003	.003	.504	.416	.326	.403	1,091
Customer intensity	.012	.002	.266	3,408	0.00	.803	1,826
Resource leveraging	.008	.004	.009	2,361	.000	.752	1,737
Value creation	.004	.000	.057	3,640	.000	.837	2,208

**Table 5: Coefficients of EM and Personal Performance**

Model	Unstandardised coefficient		Standardised coefficient	t	Sig	Collinearity statistics	
	B	Std error	Beta			Tolerance	VIF
(Constant)	1.208	2,616		.404			
Proactiveness	7,041	.009	.288	.608	.411	.583	1,013
Opportunity-focused	.002	.000	.036	.268	.307	.408	1,005
Risk-taking orientation	.003	.000	.420	.369	.000	.628	1,427
Innovation-oriented	.006	.002	.225	.162	.308	.441	1,373
Customer intensity	.001	.004	.137	.308	0.00	.539	1,738
Resource leveraging	.002	.004	.336	.503	.000	.665	1,582
Value creation	.003	.002	.194	3.640	.000	.628	2,091

square of 0.409. This means that the regression explains 43.7 % of the variance in the data. The standard error of the estimate is 7.36417 and the Durbin-Watson of 2.124. The ANOVA results are (F=40,008, sig 0.00) and it can be assumed that the model explains a significant amount of the variance in personal performance.

Dependent variable: personal performance

The results as depicted by Table 5 show that risk-taking ( $\beta$  0.48 t, 2.369, sig <0.05), customer intensity ( $\beta$  0.137 t, 2.308, sig. <0.05), resource leveraging ( $\beta$  0.336, t 1.803, sig<0.05) and value creation (0.194, t, 3.640, sig. <0.05) are the four EM dimensions that significantly impact on personal performance. The three other dimensions proactiveness, innovativeness and opportunity focused are insignificant.

**5. DISCUSSION**

The SME sector creates employment and is one of the drivers of prosperity and inclusive growth in South Africa. It is estimated that 50% of the small businesses that are started in South Africa eventually fail. SMEs are high-risk businesses with high levels of market entry and exit. The causes of the failure of SMEs include marketing challenges. Marketing factors such wrong pricing strategy, lack of promotion, competition and low demand for products negatively affect the performance of SMEs. Conventional marketing theories applicable to large firms may not be applicable to SMEs. The limitations of resources and few customers suggest that entrepreneurial marketing becomes more suitable for SMEs. The seminal work of Morris *et al.* (2002) described EM of consisting of seven dimensions. These are proactive orientation, opportunity-driven, customer-intensity, innovation-focus, risk management, resource leveraging, and value creation. The study investigated the relationship between the seven EM dimensions and the firm

financial performance and owners' personal performance. Two hypotheses were proposed (H1): EM dimensions positively affect the financial performance of SMEs. H2: EM dimensions positively affect the personal performance of the owners of SMEs. The results of this study which is validated by a data set of one hundred and seventy SME owners show significant positive relationships between opportunity-focused customer intensity, resource leveraging and value creation and the financial performance of SMEs. The findings are consistent with the results of similar empirical studies that not all the dimensions of EM impact on firm performance. Hamali (2015) finds that proactiveness, resources leveraging, value creation and customer intensity dimensions of EM have significant positive relationships with business performance. Olannye and Edward (2016) show that pro-activeness, innovation and opportunity recognition dimensions of EM exhibit significant positive effects on firm competitive advantage. Sadiku-Dushi *et al.* (2019) indicate that proactiveness and calculated risk-taking have negative relationships with overall SME performance. The effects of opportunity focus, innovativeness, customer intensity, resource leveraging and value creation on overall firm performance are positive. The results also indicate that show that risk-taking, customer intensity, resource leveraging and value creation are the four EM dimensions that significantly impact on personal performance. The three other dimensions proactiveness, innovativeness and opportunity focused are insignificant. Becherer *et al.* (2012) indicate that value creating dimension of EM has significant positive effect on both firm and personal success. The results indicate that some dimensions of EM can help to improve financial performance and owners' personal performance.

**6. CONCLUSION**

Despite the positive contribution of SMEs, these enterprises suffer from a high failure rate. The study

investigated the effect of seven dimensions of EM on firm financial performance and owners' personal performance. The results of this study showed significant positive relationships between opportunity focus, customer intensity, resource leveraging and value creation and the financial performance of SMEs. In addition, the results indicated that risk-taking, customer intensity, resource leveraging and value creation significantly impact on personal performance of the owners of SMEs. The theoretical implication of the study is the linkage of the dimensions of EM to owners' personal performance. Studies on EM and the performance of SMEs have tended to focus on firm performance metrics especially financial and innovation indicators. Empirically, the study adds to the literature on the relationship between EM and the financial performance of SMEs. Practically, the study recommends that SME owners should be proactive and attend training on EM in order to improve business performance. Local and international government and non-governmental organisations that support entrepreneurship should include EM in their programmes for SMEs. The study has some limitations. The cross-sectional survey approach adopted by this study cannot be used to analyse behaviour of firms or owners over a period of time. This limits the cause and effect relationship. Also, only 170 SMEs participated in the study. Thus, care should be exercised in generalising the findings of the study. The study used the convenience sampling method. The data collected may be biased and represent the views of the study participants and not the entire population. Other studies can explore the moderating effects of firm and owners variables on the EM of SMEs. In addition, the effect of EM on non-financial indicators such as social responsibility can be examined.

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