



**ENTREPRENEURIAL MARKETING AND OPPORTUNITY
DEVELOPMENT: A FUNCTIONAL DISPOSITION OF THE
ENTREPRENEUR**

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ABSTRACT

Entrepreneurial marketing 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 (Morris et al, 2002). This study sets out to provide contribution to the on-going and still emergent discussion of opportunity development. The focus of the research is entrepreneurial marketing and opportunity development in the context of functional disposition of the entrepreneur. The objective of the study therefore was geared towards determining the effect of the interplay of entrepreneurial functions and marketing activities on opportunity development and product creation. The research adopted qualitative descriptive research design and relies heavily on content analytical methodology of data analysis. Therefore, secondary data were generated from the review of related literature relevant to the study. The paper revealed that for an entrepreneur's business to be viable, he must marry entrepreneurial marketing with opportunity development. The study recommended inter alia, that an entrepreneur must

possess the ability to see what others cannot see. While others see problems, an entrepreneur must see opportunities

Keywords: *Entrepreneur, Entrepreneurial-marketing, Opportunity, Development, Risk.*

INTRODUCTION

The issue of entrepreneurship for national development and the process of its attainment is one that has over time engaged the attention of scholars especially the economists, entrepreneurs, political scientists, lawyers, among others. The impact of the activities of the entrepreneurs on the socio-political and economic life of Nigeria is quite obvious. It is in recognition of the strategic role of the entrepreneurs in national development, that the practitioners such as politicians, corporate institutions are continuously creating the enabling environment to enhance entrepreneurship. However, what has remained critical is the focus and process of this opportunities arising from entrepreneurial marketing. Notable among these various opportunities are those related to business. According to Peter Drucker “business is any organized set of human activity which has the primary objective of creating customer grouping and group satisfaction by efficiently converting society’s opportunity into desirable good and service.” Therefore, fostering growth of entrepreneurship and creating environment for scaling up rapid growth of innovative and more productive firms should become one of the key priorities of the country’s development goals.

However, there is no important issues to discuss on entrepreneurship than entrepreneurial marketing and opportunity. The simple reason is because they are geared towards the satisfaction of human needs. Entrepreneur exploit opportunities in form of “ready-made markets” and market this opportunities for consumer satisfaction. Entrepreneurial marketing, which lies in the intersection between marketing and opportunities and aims at making proactive use of opportunities through innovative perspectives, can be said to be a strong and flourishing partner in opportunity development. The qualities attributed to entrepreneurship in the literature can also be found in entrepreneurial marketing activities which emerge through an entrepreneurial foresight of traditional marketing. So our definitions of entrepreneurship and entrepreneurial

marketing will revolve around opportunities. Opportunities are defined as a product or an idea which has adequate market and acceptance.

Statement of the problem

The problem of the study as identified in this paper is the: “Effect of the interface between entrepreneurship and marketing on opportunity development”

The process of creative construction is built on dynamic, deliberate entrepreneurial efforts to change market structures and can be propitious for additional innovations and profit opportunities. Entrepreneurship describes the process of value creation through the identification and exploitation of opportunities, e.g. through developing new products, seeking new markets, or both (Lumpkin, Shrader & Hill, 1998). It focuses on innovation by identifying market opportunities and by building a unique set of resources through which the opportunities can be exploited, and is usually connected with growth (Davidson, Delmar & Wiklund, 2002).

Therefore, the originality of this study is stemmed from the fact that the notion of entrepreneurial marketing has not been examined qualitatively from the viewpoint of opportunity development. The major motivation of this study is that entrepreneurial marketing and opportunity development has received none or little attention up to now. This study undertook qualitative research method and content analysis research design since the notion of entrepreneurial marketing in opportunity development is relatively new and untouched issue so that the study seems to be a preliminary study for the subsequent researches in this field.

Objective of the study

The study explored to determine the effect of the interplay of entrepreneurial function and marketing activities on opportunity development and product creation

Review of related literature

Entrepreneur is people who have the ability to see and evaluate business opportunities, gather the necessary resources and take advantage of them, and initiate appropriate action to ensure success. According to (Shonekan, 2003)

entrepreneur is a person who explores the window of opportunities to create value and improve the well-being of others by meeting their unmet needs and by finding better ways of delivering a product or service.

An entrepreneur is an economic leader who possesses the ability to recognize opportunities for the successful introduction of a new product, new sources of supply, new technique of production etc and who assembled the necessary resources and organizes them into a going concern. He always searches for change, responds to it and exploits it as an opportunity. He equally looks for opportunities, identifies them and seizes them mainly for economic gains. The process of performing the roles of an entrepreneur is called entrepreneurship. Entrepreneurship is the willingness and ability of an individual to seek for investment opportunities to establish and run an organization successfully (Solomon, 2001). It entails that people would have absorptive capacity to take advantage of opportunity for new venture by way of knowledge transfer (Porter, 2008). Therefore, the parameter for determining the degree of entrepreneurship of an individual is in taking advantage of opportunities in his/her environment and converting it into meaningful venture. For (Stevenson et al, 1989) entrepreneurship is the process of creating value by bringing together a unique package of resources to exploit an opportunity. The process includes the set of activities necessary to identify an opportunity, define a business concept, assess needed resources, acquire those resources, and manages and harvests the venture (Morris et al, 2004). Thus, the fundamental task of an entrepreneurs to become successful is by exploring opportunities and identifying opportunities in which innovative activities will yield significant rewards. This could be actualized by being trend spotters, analyzing sources of opportunities, observing and asking questions (Onuegbu & Obiah, 2013).

Nexus between marketing and entrepreneurship

The consensus in the strategic management and entrepreneurship literature offers three underlying dimensions of the organizational pre-disposition to entrepreneurial management processes: innovativeness (i.e. introducing novel goods, services, or technology, and to develop new markets), risk taking (i.e. making reasonable decisions when faced with environmental uncertainties, systematically mitigating risk factors) and proactiveness (i.e. seeking novel ways both to bring an entrepreneurial concept to fruition) (Miller & Friesen,

1982; Covin & Slevin, 1991; Miller, 1983; Morris & Paul, 1987; Miles & Arnold, 1991; Morris et al, 1993; Caruana et al, 1998; Barringer & Bluedorn, 1999). Similarly, in marketing literature there has been an evident trend that addresses the traditional marketing approach from an entrepreneurial perspective and reveals itself in the interface of marketing and entrepreneurship (Morris & Paul, 1987; Miles & Arnold, 1991; Jaworski & Kohli, 1993; Yukselen et al, 2008). When examining the definitions of marketing proposed by American Marketing Association (AMA) in 2004 and 2007 respectively, it can be seen that AMA draws attention to the fact that the relationship between marketing and entrepreneurship is gradually gaining importance (Yukselen et al, 2008). The definition made by AMA in 2007 discussed the marketing activities as providing long term value with changing products and services rather than considering narrowly as a short term benefit for the stakeholders or organization (AMA, 2010). Likewise, (Mile & Darroch, 2006) indicated that entrepreneurial marketing process augments marketing customer focus with the understanding that the firm must proactively seek out opportunities to innovatively and efficiently create superior value propositions for current and future customers and their stakeholders.

Concept of entrepreneurial marketing

Modern marketing is concerned with the performance of the activities by which the needs of consumers in a society are identified and satisfied through the exchange process (Olakunori, 2005). The marketing concept holds that the success of an organization largely depends upon satisfying the needs and wants of the customer better than competitor's (Kotler & Amstrong, 1994). It recognizes that understanding of customer wants is the starting point of an organization's business operations. It equally recognizes that a company's knowledge and skill in designing products may not always be meeting the needs of customers and it recognizes that even a good sales department cannot meet customer's needs (Deshpande, 1999; Zebel, 2003). Under the marketing concept a company should place major emphasis on the analysis of target market's needs and wants and delivering the desired satisfaction more effectively and efficiently than competitors in order to maximize its current profit (Kotler, 1998; Walker, Boyd & Larreche, 1992). Marketing is a very interesting, lively, dynamic and wide field of endeavor. Its philosophy and

activities are contemporary and pervasive. Its functions universally is to ensure the satisfaction of people's needs.

Entrepreneurial marketing however, seems to be a concept which so far has been hard to grasp. Hills & Hultman, (2006) indicated that entrepreneurial marketing concept can be explained by using traditional marketing concepts and words, but can never be completely understood without including aspects of entrepreneurship theory and therefore they specify that a fruitful way of understanding the subject is to regard entrepreneurial marketing as an interface between marketing and entrepreneurship.

Entrepreneurial marketing 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 (Morris et al, 2002). They developed seven core dimension of entrepreneurial marketing from this definition. They include proactiveness, calculated risk-taking, innovativeness, opportunity focus, resource leveraging, customer intensity, and value creation. Combining the AMA definition of marketing and the definitions of entrepreneurship (Kraus et al, 2009) proposed a new definition of entrepreneurial marketing. To them, it is 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. In other words, marketing is the home of the entrepreneurial process in the organization. To us, entrepreneurial marketing is the ability of an entrepreneur to learn, understand and respond to customer, competitors and environmental issues on a continuous basis by innovately and proactively, permitting them to act on events and trends in present and potential markets for value satisfaction.

Opportunity development

Opportunity development is a very interesting topic as it is a theme that situates itself in the cross section of many disciplines. For instance, opportunity construction falls under both marketing and entrepreneurship literature (Carson, Cromie, McGowan & Hill, 1995). Marketing literature is discussed here especially under product development process. However, if you see problems

as opportunities to find solutions, then you may be an entrepreneur at heart. It was Winston Churchill who said, “The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty.” Therefore, opportunity is a disguised problem. It is an attractive investment idea or proposition that provides the possibility of a return for the investor/risk taker (Onuegbu & Obiah, 2013). In the context of this study the term opportunity refers to a business idea or innovation that is developed further. Entrepreneurial opportunity consists of a set of ideas, beliefs and actions that enable the creation of future goods and services in the absence of current market for them (Venkataraman, 1997). Dutta & Crossan (2005) defined entrepreneurial opportunities as being a set of environmental conditions that lead to the introduction of one or more new products or services in the marketplace by an entrepreneur or by an entrepreneurial team through an existing ventures or a newly created one.

The discovery or creation of an opportunity can either happen inside existing organization, or outside by an independent individual. Again, this opportunity can be taken forward either by the organization, or by the individual (Sarasvathy, Dew, Velamuri & Venkataraman, 2010). According to (Sarasvathy & Venkataraman, 2001) an entrepreneurial opportunity consists of four elements (1) New ideas or innovation with (2) one or more ends, which are either subjective aspirations or objective goals. (3) Beliefs about things favourable to the achievement of those ends and (4) possible implementations of those ends through the creation of new economic artefacts. In other words, entrepreneurial opportunity consists of a set of ideas, beliefs and actions that enable the creation of future goods and services in the absence of current markets for them (Venkataraman, 1997).

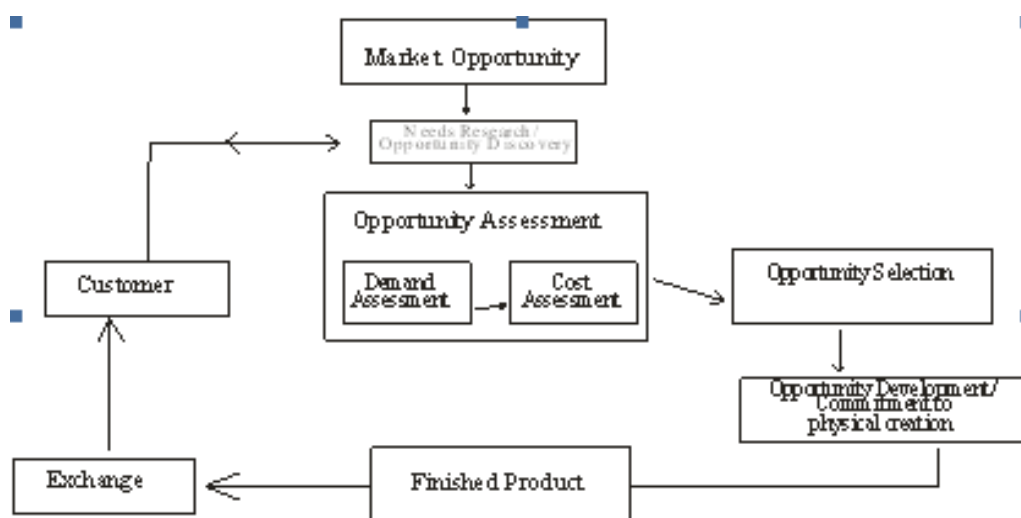
DISCUSSIONS

The opportunity development can be seen as a part of the entrepreneurial process, where opportunity discovery precedes the exploitation of the opportunity (Shane & Venkataraman, 2000). It entails the identification, exploitation, assessment and commercialization of an opportunity to ensure value satisfaction for customer and profit to the entrepreneur. At the point of value satisfaction and revenue generation, opportunity development meets marketing. Ebitu (2005) opines that “No matter how lofty the entrepreneur’s

ideas, techniques and products are, effective marketing must be applied in order to reap the dividends of his endeavor.” He further implied that marketing is crucial to the survival and growth of any organization. It is only marketing that brings revenue into the organization which is used to settle bills, acquire assets, carryout expansion, pay dividends and taxes and embark on community projects as part of its social responsibility. As willingness to invest time or money in something is tied to the riskiness of the investment, that is also how opportunity development depends on opportunity creation, discovery or recognition for proper returns on the investment opportunity.

Entrepreneurial marketing and opportunity development

The functional disposition of an entrepreneur is to harmonize the opportunity potential and market potential to satisfy customers at a profit. The process of seeking maximal effects of opportunities makes it possible to expand existing market or create totally new markets. In this section, We explored the admixture of entrepreneurial marketing, and opportunity starting from opportunity discovery, market opportunity till the final user. This cycle is different from product introduction to decline, which is always the normal product cycle. The process is started here with a sketch of diagram referred to as entrepreneurial marketing and opportunity development cycle.



Source: Survey 2020

From the diagramme above, the existing unsatisfied needs of consumers are the marketing opportunities available for the exploitation by the entrepreneur. The entrepreneur proceed from opportunity discovery to selection and finally to commitment to physical creation (product). This sequential order of things might not be as clear, when we consider development of highly novel opportunities. When making sense of the potential opportunity and forming commitments to explore further, entrepreneurs don't yet know, what the exact opportunity is and how to exploit it. Only afterwards does the feasibility of the idea become clear (Miller, 2007).

In opportunity discovery, the environment is imposed on us and we attempt to recognize and exploit opportunities before others see them. Traditional management of the innovation process leans heavily on the expected future returns of opportunities. Opportunity discovery is essentially an adaptation process; the entrepreneur needs to readjust these objectives during the process and assess made discoveries retrospectively. This adaptable discovery process can be conceptualized as exploratory searching (Miller, 2007). Therefore, when aiming to discover opportunities from relatively unknown environment, the activity entrepreneurs take can be defined as searching (Miller, 2007). As such, entrepreneurs actively engage themselves with the market in order to gather understanding conduct experiments and create prototypes and thus enable richer learning (Corbett, 2005).

A market opportunity is an area of customer needs which an entrepreneur can satisfy profitably through the provision and delivery of a specific product and marketing programme. To find marketing opportunities, an entrepreneur would have to carry out a research in order to identify the existing unsatisfied needs and wants of consumers – opportunity discovery. From opportunity discovery to opportunity assessment which leads to selection. Opportunity assessment entails forecasting and comparing the production costs and monetary value of the demand for the different products which an entrepreneur believes it can use to meet the discovered unsatisfied needs of consumers. The assessment is actually a rigorous process, since it should be done quantitatively and qualitatively (Olakunori, 2002). This enables entrepreneur to discover and select the best opportunity in terms of attractiveness and the ability of the entrepreneur to exploit it successfully.

The factors that come under opportunity assessment when determining the attractiveness of an opportunity and the strength of an entrepreneur in exploiting it include the size/extent of the demand (market) for the need satisfying product, competitors' strength and response, the entrepreneur's technological know-how as well as managerial, financial, and marketing resources, and the legislations and policies of the government. Specifically, competitors show that there is potential in the market and provide clues about the readiness of the market.

After selecting the best of assessed discovered opportunities, the entrepreneur must vigorously exploit it for the satisfaction of its consumers. The exploitation of the opportunity begins with marketing having to furnish the production people with information on exactly what the consumers need and what should be produced. According to (Olakunori & Ejionueme, 1997) the suggestions of marketing with respect to whether or not a particular idea should be turned into a physical creation (product), its features, styles, options, and package, among others are vital for the success of the product in the market. The selection of best opportunity alternatives enhances the chances of opportunity development, which is the commitment of physical creation. Thus, entrepreneurial marketing culture promotes new product concepts through effectiveness and innovativeness of opportunity development. Yet, entrepreneurs with an entrepreneurial marketing perspective have a better awareness in filtering and evaluating opportunities in line with their current strategies and position in the marketplace. Such entrepreneurs go beyond their existing strategies and seek for new opportunities (Christensen, 1997).

Commitment to physical creation is the development peak of opportunity. During the development and production of the product and thereafter, entrepreneur must seriously think about how it will price, promote and distribute it in such a way that maximum impact can be achieved among the target consumers. The essential marketing decisions are taken based on the perceived or researched needs of the consumers. The best price, promotion and distribution strategies an entrepreneur can offer to its products are those which put the needs of consumers ahead of the business considerations to guarantee consumer satisfaction. Olakunori & Ejionueme (1997) affirmed that the satisfaction of consumers' needs will inevitably lead to the long-run survival, growth and profitability of any organization.

A product has to be exchanged in order to satisfy consumer needs. Exchange is the marketing activity which relates to the transfer of the ownership and/ or possession of a product to a consumer or buyer after paying for it in cash or kind or both. It presupposes that the marketing tasks of product development, pricing, promotion and distribution have been performed to the satisfaction of the consumer (Olakunori & Ejionueme, 1997). In exchange process, both parties must exchange something of value. Exchange normally goes with the negotiation of the terms of sales and delivery between the seller and buyer or their agents. This also marks the final stage of entrepreneurial marketing and opportunity development. Therefore, entrepreneurial marketing can be seen as comprising a set of integrated activities which are performed to continuously discover and satisfy the consumer's needs through opportunity development.

CONCLUSION AND RECOMMENDATIONS

The paper has tried to x-ray entrepreneurial marketing and opportunity development as a functional disposition of an entrepreneur. The variables concentrate much on customer satisfaction by exploring opportunities to create value in a market. An entrepreneur with entrepreneurial activities can develop specific competencies through an understanding that will serve future customer's latent demands for non-existing products. The study of this topic, shows that opportunity is a problem, and the problem is a gap in the market, hence, entrepreneur should perceive problem as opportunity wherever it exists by taking risk. This of the view that, condition for being successful in innovativeness, customer intensity, proactiveness and opportunity focus is closely linked to risk taking propensity of an entrepreneur. The risk taking approach should be handled with a calculable balance between entrepreneur perspective and level of risk. Therefore, a formidable marriage between entrepreneurial marketing and opportunity development is quite obvious to ensure the birth of a new product in the market.

The fact that marketing has been influenced by entrepreneurial qualities, taken the shape of entrepreneurial marketing and started to play an important role for opportunity development has turned a functional disposition of an entrepreneur an interesting field of research in entrepreneurship studies. Further researches should be conducted empirically in order to confirm, contradict and generalize the conclusion of this study.

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