



**THE EFFECT OF ENTREPRENEURIAL MARKETING DIMENSIONS ON THE
PERFORMANCE OF MICRO AND SMALL ENTERPRISES
IN ADDIS KETEMA SUB CITY ADMINISTRATION**

**BY
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**ADVISOR
DR. ANDENET WORKU**

**A THESIS SUBMITTED TO ADDISABABA UNIVERSITY SCHOOL OF COMMERCE
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
MASTER OF ARTS DEGREE IN MARKETING MANAGEMENT
(MA)**

**June, 2023
ADDIS ABABA, ETHIOPIA**

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT**

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STUDENT'S DECLARATION

I, the undersigned, confirmed that this study entitled “the effect of entrepreneurial market dimension on micro and small enterprises performance in Addis Ababa, addis ketema Sub City” work is submitted by me for the award of the Degree of Master of marketing management at Addis Ababa university school of commerce, is my original work and has not presented for a Degree in any other university or colleges, and that all sources of materials used for the study have duly acknowledged.

Name **MEAZA NEGUSSIE**

Advisor Name **DR. ANDENET WORKU**

Signature -----

Signature -----

STATEMENT OF CERTIFICATION

This is to certify that the thesis prepared by Meaza Negussie entitled, “The effect of entrepreneurial marketing dimension on MSEs performance in the case of Addis Ababa, addis ketema Sub City” and submitted for the partial fulfillment of Masters of marketing management (MA) in Addis Ababa university school of commerce, with the regulations of the College and meets the accepted standards with respect to originality and quality.

Approved by Board of Examiners

<u>Name</u>	<u>signature</u>
1. Advisor _____	_____
2. Internal examiner _____	_____
3. External examiner _____	_____

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LIST OF ACRONYMS

FMSEDA	Federal Micro and Small Enterprises Development Agency
GEM	Global Entrepreneurship Monitor
GTP	Growth and Transformation Plan
MSEs	Micro and Small Enterprises
MUDoH	Ministry of Urban Development and Housing
SPSS	Statistical Package for Social Science
VIF	Variance inflation factor
EM	Enterpruneral marketing dimensions

ABSTRACT

The purpose of this study is to analyze the effect of entrepreneurial marketing dimension on micro and small enterprises performance in Addis Ababa city, This research analyzed the effect of such entrepreneurial marketing dimensions as (value creation, customer intensity, opportunity focus, proactiveness, resource leverage, innovativeness, calculated risk taking) on overall performance of MSEs. The research is important for identifying significant entrepreneurial marketing dimensions and to use them selectively for profitable performance of small enterprises. Academically this is important because most of the extant studies on MSEs are done in the context of developed countries where MSEs are may be characteristically different from those of developing countries. Thus there is a need to determine whether the finding from the extant studies can be useful for MSEs in developing countries. The study used explanatory and cross-sectional design and will adopt a quantitative approach. Data was collected through a self-administered questionnaire and 370 questionnaire were issued to the respondents. From the total population of the existing MSEs enterprises will be selected in the selected sub city of the city administration. The data is collected from the sample micro and small enterprises owner/manager are selected. Descriptive and inferential statistics is used to analyze the data. Finally, it is discovered that the performance of MSEs has a substantial association with the six entrepreneurial marketing aspects. However, the study found that resource leverage ($B=.10$, $P=.063$) has no significant impact on the overall performance of MSEs. But In particular, it is found that value creation ($B =.065$, $p =.045$), proactiveness ($B =.16$, $P =.015$), customer intensity ($B =.168$, $P =.010$), risk-taking ($B =.089$, $P =.007$), innovation ($B =.084$, $P =.002$), and opportunity focus ($B=.107$, $P=.006$) have significant relation with performance. This study suggests that MSEs should focus on these six entrepreneurial marketing traits to increase their effectiveness.

Keywords: *(customer intensity, proactiveness, value creation, calculated risk taking, innovativeness, resource leverage and opportunity focus, MSEs)*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

All around the world, micro and small businesses (MSEs) are seen as a major force behind social and economic advancement. Due to its important role in advancing the economic and industrial growth of the nation, the sector has received a lot of attention in recent entrepreneurship studies. The industry plays a crucial role in helping the country achieve its employment and poverty reduction goals. (2000) Man and Lau)

During the initial growth and transformation plan (GTP) period, MSEs Development received priority focus. The GTP has identified the development of MSEs as one of the acknowledged growth pillars. MSEs have been in the vanguard of job creation, poverty reduction, entrepreneurial formation, and consequently overall contribution to the economic growth of the nation, as some studies have correctly noted (MUDoH, 2006; MOE, 1997).

The Ethiopian MSE Development Strategy, created in 1997, provides clear guidance for a methodical approach to address issues and encourage the expansion and development of businesses. This national MSE development strategy's main goal was to establish a climate that would encourage MSEs and later firms to make significant efforts to function, expand, and advance to the next level. Promoting export, establishing the groundwork for medium and large-scale firms, strengthening collaboration between MSEs, fostering economic growth to bring about equitable development, balancing preferential treatment between MSEs and major enterprises, and providing long-term jobs (MOTI, 1997).

Entrepreneurial marketing dimensions are a significant contributor to a firm's success. Similarly different authors explain about entrepreneurial dimensions which is the main potential for entrepreneurial marketing. Ahmad, et al., (2010) suggests that entrepreneurial abilities are a strong predictor of business success. Man, et al (2002) realize entrepreneurial dimensions as a collection of higher-level characteristics involving personality traits, skills, and knowledge.

Ahmad, et al (2010) defined entrepreneurial marketing dimensions as the total ability of an entrepreneur to perform their role successfully. According to Tahseen & Ramyah (2015);

Omar et al. (2016), any business' success depends on a few key factors, the most important and intangible of which are the entrepreneurial aspects. They contend that entrepreneurial skills are a company's most strategic asset, and that they can have a wide range of positive effects. Entrepreneurial marketing is also very essential for our overall economic growth.

An entrepreneur should always possess personal abilities that are linked to significant character traits and abilities that contribute to personal development and increase efficiency in tackling difficult jobs like running their own business (Man and Lau, 2000).

The opportunity focus, proactivity, value generation, and customer intensity of entrepreneurial marketing in connection to MSE context. Opportunity focus (OPF) is, according to Mohammed et al. (2017); Seabela & Fatoki (2014), the capacity of a firm to recognize the ideal opportunity that results in success. And business owners who seek rapid growth for their companies can get OPF. Accordingly, to enhance the effectiveness of their businesses It's important to manage both internal and external programs while organizing marketing dimensions (ORC) (Chandler & Jansen, 1992; Man, 2001). Risk-taking, inventiveness, and risk-taking skills are among the core traits of entrepreneurs and are thought to be crucial success determinants for business performance, according to prior study (Man, 2001; Man, et al., 2002). Entrepreneurs, as the business's owners, are responsible for establishing the company's long-term goals, medium- and short-term objectives, and overall direction (Georgellis et al., 2000; Man et al., 2002; Chandler & Jansen, 1992).

Entrepreneurial marketing is essentially a collection of unconventional tactics that may provide start-ups and young businesses an edge in competitive markets. Entrepreneurial marketing promotes client happiness and trust-building by providing cutting-edge goods and services that either disrupt or appeal to a particular market, which is the main difference between these techniques and conventional ones. explains the differences between entrepreneurial marketing and traditional marketing.

Entrepreneurial marketing is vital, as we all know. Morris et al. (2002, p. 5) offered one of the definitions that is most frequently used, which is as follows: "proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging, and value creation." This definition combines aspects of both marketing (customer focus, resource leveraging, and value generation) and entrepreneurship (initiative, risk-taking, opportunity, and invention).

Now a day's different enterprises are using new technologies but mostly their performance is not that much improved yet in this study we are trying to find out the problem on the marketing area which inhibits the performance of the enterprise on using entrepreneurial technique and the solution for that problem

- **Seven components make up the entrepreneurial marketing concept. (Morris et al., 2002)**

entrepreneurial marketing consists of seven elements these are customer intensity, proactiveness, value creation ,calculated risk taking, resource leverage, innovativeness and opportunity focus these are entrepreneurial dimensions that helps to improve the performance of small enterprises they are tools to increase effectiveness they are added to help to clearly understand their effect on the performance of small enterprises also this will help the literature to include the effects of this dimensions on the performance of the firm.

Customer intensity this element focuses on the zeal, excitement, passion, and belief in marketing that contribute to the success of the organization. An emphasis on the customer is said to strengthen the company's basic principles and the zeal for the client.

Value Creation The capacity of marketing experts to identify untapped sources of consumer value and integrate those sources appropriately to deliver the intended value, according to Morris et al. Hamel and Prahalad also claimed that in order to establish new sources of customer value, one had to recognize them and exhibit outstanding capability to give customers the biggest advantages. Use of the value for the firm's performance is crucial.

Resource Leveraging It has been established in the theoretical literature that the resource-based view (RBV), which maintains that organizational resources are valuable assets that may be used to gain a competitive advantage and improve performance outcomes, is an important viewpoint.

Innovativeness Technical advancement is thought to occur when new ideas can be developed, tested, and new products or services can be produced. shkabatur et al.(2022).

Proactiveness being able to take actions that affect a company's environment is a common definition of being proactive.

Risk taking From an entrepreneurial perspective, taking a risk involves a company's ability to use deliberate actions to lessen the risk involved in pursuing an opportunity. It also involves a company's intention to seize a specific chance for corporate growth.

Opportunity Focus Opportunity focus has been described in a number of different ways in the literature. According to Clark Ramachandran, a company's ability to spot the appropriate opportunity is what determines its success. Opportunity focus, according to Morrish et al. (2002), is the ability to locate untapped market positions that can be sources of sustainably profitable growth. Deficits in the market create opportunities, and entrepreneurial marketing stands out by knowing how to recognize and take advantage of these inadequacies.

But the existence of opportunities often depends on the extent of environmental change, demonstrating the necessity for marketing experts to conduct continuing marketing research.

This thesis provides or demonstrates the relationship and importance of the entrepreneurial marketing dimensions for the success of the firm in addition to the literature on these marketing dimensions. Understanding the implications of this marketing dimension will make it easier to plan, alter, and execute utilizing this information, which is crucial for improving MSE performance.

According to the authors, innovative marketing is centered on the creation of concepts that are in line with Stokes' (2000) instinctive grasp of market needs. According to Collinson and Shaw (2001), entrepreneurial marketing is characterized by market reactivity and an apparently intuitive capacity to foresee changes in client expectations. Entrepreneurial marketing, according

to Morris Schindehutte and LaForge (2002), is the proactive identification and exploitation of opportunities for attracting and keeping profitable clients through creative approaches to risk management, resource leveraging, and value creation. Bäckbrö and Nyström (2006), on the other hand, define it as the intersection of entrepreneurship and marketing. A company that practices entrepreneurial marketing, according to Miles and Darroch (2006), will engage in marketing activities that place an emphasis on opportunity creation and/or discovery, appraisal, and exploitation.

However, according to Kraus, Harms, and Fink (2010), entrepreneurial marketing is an organizational function and a collection of procedures for developing, disseminating, and providing value to customers as well as for managing customer relationships in a way that benefits the company and its stakeholders. It is also distinguished by innovation, risk-taking, and proactiveness, and it can be carried out without using resources that are currently under another form of control. Hill et al. (2010) defined entrepreneurial marketing as a spirit, an orientation, as well as a process of pursuing opportunities and starting and expanding businesses that create perceived customer value through connections, particularly by using inventiveness, creativity, selling, market immersion, networking, or flexibility.

Entrepreneurial marketing dimensions evolve in a spiral pattern over time. Entrepreneurs typically start out with a set of technical capabilities, although their marketing abilities are minimal. Due mostly to involvement in management activities, entrepreneurs start to build these abilities through experiential learning and start to degrade the technical skills. They upgrade their technical expertise and establish their entrepreneurial marketing competencies over the following phase. However, it should be highlighted that this dimension differs from "classical" marketing-management in that entrepreneurs place more emphasis on intuition, informality, and speed in decision-making than they do on preparation, rigor, or statistical techniques (Collinson and Shaw, 2001). Martin (2009) argues that communication is the most significant skill, while Foltean (2007) sees creativity as a necessary but insufficient component of EM.

A micro-enterprise is defined by (FeMSEDA, 2011) as any business that employs up to five people, including the owner and members of his family, and whose total assets, excluding buildings, have a value of no more than birr 50,000 (fifty thousand birr) in the service sector or

no more than birr 100,000 in the industrial sector.

Generally enterpruneral marketing dimensions are very important for the performance of the enterprise to identify and use the dimensions effectively enterprneral dimensions are examined in addis ketema sub city on MSE.

1.2. Statement of the Problem

MSEs (Micro and Small Enterprises) are crucial to Ethiopia's economy. It is commonly acknowledged that they contribute to economic expansion, income generation, and the reduction of poverty (CSA, 2007). The development of more prosperous MSEs has the potential to boost GDP, trade, and the creation of new jobs (Bereket, 2010). However, their contribution is significantly lower than that of other nations, and they face a number of difficulties and problems, including a shortage of skilled workers as a result of low productivity and low-quality output, competition from the global market, a lack of capacity to meet the standards of globalization, and a lack of management skills and experience (CSA, 2007).

Few start-ups may survive, while many others fail in a few years, allowing just a small fraction to develop into medium and large firms, according to MUDoH (2006). However, MSE operators continue to represent the largest group of growth-oriented investors involved in fostering entrepreneurial attitudes and abilities. 99 percent of micro and small businesses either never succeed or are unable to grow into medium or large businesses.

Previous studies aimed at examining the effect of Entrepreneurial marketing dimensions and performance reported inconsistent results. Several studies (Julius, 2011; Fatoki, 2014; Azmi et al. 2018; Hoang et al. 2019, gemechu, Csaba, Anna. 2021) reported a positive effect of entrepreneurial marketing dimensions on MSEs performance, Furthermore, Noor (2007) notes that in nations with diverse cultural contexts, the impact of entrepreneurial abilities on business success may not be the same. Most research on the result of entrepreneurial skill on MSE success has been conducted in developing nations and some African nations, where the cultural contexts differ from those in Ethiopia.

Entrepreneurial marketing dimensions have found to be vital to the marketing performance of MSEs. Because entrepreneurial marketing characteristics help in how organizational resources are organized and used to get the organization goals and objectives. The governmental and non-

government organizations participate in the support of MSEs sector in Ethiopia to enhance the performance of them. But according to several studies it is still identified with poor marketing performance because of lack of entrepreneurial abilities. practical justifications shows that MSES needs to be efficient on their resource utilization because they have limited amount of resource this can be possible through using entrepreneurial skills Due to that this research is designed to find out the effects of entrepreneurial marketing dimensions on the performance of MSEs in addis ketema Sub city administration.

As far as the researcher is aware, no previous researches have been directly addressed the effect of entrepreneurial marketing dimensions on MSEs performance in Addis Ababa, Addis Ketema sub city MSEs in particular. The study selected customer intensity, proactiveness, opportunity focus, and value creation as a measure of entrepreneurial marketing dimensions. Therefore, This work aims to close this knowledge gap. in the Ethiopian context by examining the

Effect of entrepreneurial abilities on MSEs performance in Addis Ababa addis ketema Sub City MSEs.

1.3. Research Questions

The research will give answers to the following research questions

General research question

1. what are the effect of entrepreneurial marketing dimensions on the performance of MSE in addis ketema sub city administration

To successfully address the major question, the research seeks answer/s to the following questions.

1. What is the impact of customer intensity on the marketing performance of small enterprises in addis ketema Sub city Administration?
2. What are the effect of proactiveness on the marketing success of MSEs in addis ketema Sub city Administration?
3. What are the effect of opportunity focus on the marketing success of MSEs in addis ketema Sub city Administration?
4. What are the effect of value creation on the marketing success of micro and small enterprisesses in addis ketema Sub city Administration?

5. What are the impact of calculated risk taking on the success of micro and small enterprisesses in addis ketema Sub city Administration?
6. What are the impact of resource leverage success of micro and small enterprisesses in addis ketema Sub city Administration?
7. What are the impact of innovativeness on the marketing performance of micro and small enterprisesses in addis ketema Sub city Administration?

1.4. Objective of the research

1.4.1. General Objective

The general objective of this study is to assess the effect of entrepreneurial marketing dimensions on the success of micro and small enterprises in Addis Ababa, addisketema sub city

1.4.2. Specific Objectives

The specific objectives of the research are:

1. To identify the effect of customer intensity on the performance of MSEs in addisketema Sub city.
2. To show the effect of proactivness on the performance of MSEs in addis ketema Sub city.
3. To describe the effect of opportunity focus on the performance of MSEs in addis ketema Sub city.
4. To determine the effect of value creation on the effectiveness of micro and small enterprises in addis ketema Sub city.
5. To identify the effect of calculated risk taking on the performance of MSEs in addis ketema Sub city.
6. To show the effect of innovativeness on the performance of MSEs in addisketema Sub city.
7. To determine the effect of Resource leverage on the effectiveness of micro and small enterprises in addis ketema Sub city.

1.5. Definition of terms

1. Customer intensity

2. This component focuses on the marketing zeal, excitement, emotion, and conviction that help the company succeed. It is believed that putting the customer first will reinforce the company's core values and client-focused fervor.
3. According to the entrepreneurial **value creation** theory, a venture's capacity to capture value, or the efficacy of its dynamic capacities, can be measured by how quickly it can launch its product and generate a profit.
4. **Being proactive** is the propensity to foresee and respond to future needs rather than responding to situations as they arise. An organization that has an opportunity-seeking mindset is proactive.
5. **Opportunity-centered** or Entrepreneurial opportunity arises when there is a clear consumer need and the ability to deliver the sought good or service. In the field of entrepreneurship, some requirements must be completed before a concept can become an opportunity.
Objectivity of the Study
6. **Resource leverage** Leveraging is the process through which a business expands its current resources and effectively employs them to generate better customer value and benefits. Morris et al. 2002 defined resource leveraging as essentially accomplishing more with fewer resources.
7. **Innovativeness** Technical advancement is thought to occur when new ideas can be developed, tested, and new products and services can be produced.
8. **Calculated risk taking** A company is taking a risk when it uses its resources to operate under uncertain conditions. Various businesses incur varying amounts of risk.

1.6. Significance of the Study

Through raising awareness of the effect of entrepreneurial marketing dimensions on the success of micro and small firms, the study's findings are intended to help MSEs and other stakeholders. Politicians and policymakers could will gain from the Study's findings since they could use them as a guide when allocating resources. The study's findings might also serve as benchmark information for other studies. so the study will have practical effect on different stalk holders and on the society

1.7. Scope of the research

This research focused on how the success of small businesses (MSEs) in addis ketema Sub City was impacted by entrepreneurial marketing dimensions. The addisketema Sub City administration MSEs will be the only subjects that will be covered by the study. As a result, the study's specific focus will be on the relationship between MSEs' marketing performance as a measure by gross profit margin, retrun from operations, return on investment, and customer satisfaction over the previous few years, as well as the impact of entrepreneurial competencies (opportunity focus, Proactiveness, Value addition, and Customer intensity) as the independent variable. The chosen competencies can adequately measure the overall marketing performance of MSEs since the marketing dimensions primarily focus on concept of the establishment of an organization, formulation and implementation of the strategy by recognizing and capturing opportunities, and the level of commitment and its impact on the organization.

The research will provide answers to the following research questions (the four dimension effects).Additionally, addisketema sub city is chosen for the study because there aren't any research articles on it. However, because there are a considerable number of micro and small enterprises in addisketema sub city, it is assumed that their number can be used to represent MSEs throughout Addis Ababa.

Limitation

It is a recent idea specially for collecting historical practical experiences different enterprises don't keep documented experiences well so for data collection as you know practical experiences in our country are not collected for the next generation because of that we may face lack of source documented experience but we will solve this problem by compiling data using questionnaire

1.8. Organization of the research

It contains five chapters in the study report. There will be an introduction section at the start of each chapter in the research report. The introduction of the study, the explanation of the research problem, the importance, the aims of the study, the questions of the study, the scope, and an outline of the thesis chapter are subjects and subtopics that must be include 11 the first chapter. A review of relevant literature, conceptual clarification, a review theoretical literature, a review of empirical research, a conceptual framework, and a hypothesis are all included in the second chapter, Chapter Two.

The methodology, study design, including sampling techniques, research variables and measures, data collection methods, and data analysis techniques will all be briefly covered in Chapter 3. Chapter 4 presents the empirical findings of the study, the research findings, an analysis and interpretation of the data gathered during the research survey, as well as a discussion of the findings. Chapter five concludes with a discussion of the summary, conclusions, and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter reviews various theoretical literature, empirical literature and conceptual definitions, to provide the basis for a conceptual framework to examine the effect of entrepreneurial marketing dimensions on MSEs performance in addis ketema Sub city.

Entrepreneurial marketing, according to Morrish et al. [2010], is the process of routinely evaluating the environment to uncover or establish new chances and efficiently use the occasion to renew competitive advantage. Entrepreneurial marketing is a strategy used by businesses to take the initiative and attract clients rather than reacting to their demands [11]. As a result, entrepreneurial marketing enables businesses to concentrate more on developing new market segments than on serving existing ones.

According to Morris et al. and Hallbäck and Gabrielsson [1], entrepreneurial marketing is a beneficial strategy for boosting an organization's creative performance.

These views are in line with those of Maritz et al. [33], who discovered that entrepreneurial marketing mixes marketing with entrepreneurship and is a marketing approach in specific circumstances, such as a volatile and complex market environment and limited resources.

Entrepreneurial marketing (EM) is "the proactive identification and exploitation of chances for attracting and retaining profitable consumers through innovative methods to risk management, resource leveraging, and value creation," based on Morris, Schindehutte, and Laforge (2002).

The term "EM" is most typically used to describe the marketing operations carried out by small and medium-sized firms, frequently in the start-up or early growth period.

Most of the time, these MSEs have limited human and financial resources, necessitating innovative marketing strategies from the business owners,

Including extensive use of personal networks (Ali & Seiders, 2011; Collinson & Shaw, 2001; Elvira, Besa, & Elona, 2014; Gilmore et al., 2001; Martin, 2009; Morris et al., 2002).

When an entrepreneur acts as an agent for the client, they are strengthening their commitment to the consumer. They are also leveraging their resources to get more done with what they have. Finally, they are creating value, which is the ratio of costs to benefits (Kotler, 2001).

Four of the EM dimensions, proactiveness, risk management, innovation-focused, and opportunity-driven, were derived from work on entrepreneurial orientation; two dimensions, customer intensity and value creation, were derived from work on market orientation; and one dimension, resource leveraging, is frequently found in entrepreneurship and marketing works of literature. It may be noted that some EM practices, such as networking, do not yet fall under one of the seven EM aspects (Jones et al., 2013).

We therefore plan to thoroughly explore the phenomena of EM using the present EM dimensions as our interview process in order to broaden the current dimensions.

According to Hunt and Lambe, the theoretical underpinning of entrepreneurial marketing is resource-advantage theory.

2.2. Theoretical Review

The study was guided by the resource-based vision theory and the human capital theory. These ideas have gained popularity because they are based on the important and nebulous premise that successful business operations depend on the marketing talents of entrepreneurs.

2.2.1. Resource advantage theory (resource based theory)

Organizations that possess "strategic resources" have significant competitive advantages over those that do not, according to resource-based theory. Because rival businesses can easily obtain some resources, such money and trucks, they are not regarded as key resources. Instead, a resource is strategic if it is valuable, uncommon, challenging to duplicate, and unreplaceable.

In examining sources of competitive advantage, it adopts two presumptions (Peteraf & Bergen, 2003). The first presumption made by this approach is that businesses within a sector (or a strategic group) may have a different collection of resources.

Second, it makes the assumption that resource heterogeneity may endure over time since not all of the resources employed by different firms to implement their strategies may be sold on factor markets and are challenging to acquire and replicate.

Resource heterogeneity (or uniqueness) is considered to be a necessity for a resource bundle to contribute to a competitive advantage. According to the hypothesis (Peteraf, & Bergen, 2003), if all firms in a market have the same stock of resources, no strategy for one firm can be adopted that would not also be available to all other firms in the market. The resource-based view (RBV) of the firm maintains that a firm's particular resources and competencies have an impact on its performance. According to this, the RBV distributes resources heterogeneously (unevenly) among industries. Organizations must be aware of their strengths and shortcomings because they must develop strategies to outperform competitors with the resource packages and skills that are available.

This type of study will evaluate the entrepreneurial marketing aspects, which are one of the tools used by business owners to improve market performance.

According to a theory based on resources proposed by Barney in 1991, a company's performance depends on its ability to obtain and produce precious, uncommon, essential, and unique resources. the process by which people make use of different resources to launch their own businesses. Social networks and the information they supply, as well as human resources like education and training, are resources that business owners can use.

According to this perspective, an entrepreneur's skills are an essential resource for creating a company's competitive edge. An intangible resource that boosts corporate performance is human capital. Because entrepreneurial competencies are typically extremely rare and challenging to obtain for all necessary skills, they can contribute to a company's lasting competitive advantage. Only skilled business owners can create and direct successful business success strategies.

The entrepreneurial performance of MSEs that results in entrepreneurial success is strongly predicted by their entrepreneurial competencies. It bolsters the idea put out by the resource-based theory that a company's distinct set of resources can be used to its advantage (Barney, 1991). The resource-based perspective's fundamental premise is that immobile and heterogeneous organizational skills produce long-term competitive advantage. According to Barney (1991), heterogeneous skills can produce a competitive advantage when they satisfy at least two

requirements: first, competencies must be valuable in order for the company to be able to neutralize threats and take advantage of opportunities in the competitive environment; and second, only a small number of companies are able to use these skills in a particular competitive environment. An entrepreneur can benefit from the prospects offered by outdoor settings and then exploit those opportunities for company success thanks to the combination of particular abilities. It should be highlighted that not every entrepreneur possesses all of the necessary skills in this fashion; instead, the entrepreneurial competencies of different businesses can be used to discern between their successes. The performance of the business and its competitiveness are related to entrepreneurial skills (Man et al., 2002).

This study adopts the theory of resource-based views because resource-based view theory acts as a catalyst for distribution capability of an organization's resources when they are needed. And these theories assume that entrepreneurial abilities are important and intangible resources that lead to the success of a company.

2.2.2. Human Capital Theory

The human capital theory, on the other hand, relates to entrepreneurial success in a manner similar to personality structure; having enough expertise and experience in the relevant fields enables business founders to make more effective decisions, such as when organizing production processes, developing financial strategies, or researching markets for a new product. Small business owners' knowledge and experiences are important in human capital theory. The prevalent belief is that in addition to working as a resource, founders' human capital increases small firms' chances of surviving (Bruederl et al., 1992). The founder becomes more effective thanks to the human capital idea whether it comes to managing workflows or luring clients and investors. Different research operationalized human capital in different ways.

In 1992, Bruederl et al. made a distinction between general human capital, such as years of education and years of job experience, and specialist human capital, such as experience in a particular industry, leadership experience, and self-employment. According to studies, success is positively correlated with human capital. Since the idea is focused on knowledge and capabilities, it has significant implications.

It is possible to develop and train human capital. Furthermore, if human capital serves as a resource, it would be interesting to analyze how owner/manager performance affects human capital.

2.2.3. Concept of Entrepreneurship

According to Schumpeter (1942), entrepreneurship is the process of replacing inferior products, procedures, concepts, and activities with superior ones. He thought that the best strategies and products replaced outdated ones and ineffective ones through the process of creative destruction.

Entrepreneurship, in the view of Drucker (1985), is making the most of opportunities. According to him, entrepreneurship doesn't just appear out of nowhere; rather, it develops in response to opportunities that the entrepreneur perceives as unrealized and underutilized. According to Hisrich and Peters (2012), entrepreneurship is a process that involves taking risks and creating something new.

2.2.4. Models of Entrepreneurial marketing dimensions

PROACTIVNESS

Morris and associates postulated seven EM dimensions in 2002. One of these characteristics is

Which occurs when a business or organization acts as a change agent and develops an emerging market by providing the services (Lumpkin & Dess, 2001);

According to Mehran and Morteza (2014), Bateman and Crant (1993) claim that proactivity is a behavioral construct of the individual that demonstrates a relatively constant propensity to influence environmental change. This is expanded upon by Frese & Fay (2001), who argue that proactivity will enhance both individual and organizational performance. According to Andersen et al. (2010), proactivity is an ongoing organizational process that tries to anticipate, enhance, and assess occupational health and safety procedures in the workplace. According to Mehran and Morteza (2014), being proactive shows an entrepreneurial willingness to outperform rivals through a mix of proactive and aggressive actions, such as launching new goods or services before the competition and acting to anticipate demand in order to bring about change and influence the environment. Additionally, a proactive attitude involves learning about and meeting the latent, unspoken wants of customers through gathering competition and customer-

based data. Implementing new ideas and taking the required steps to foresee and seize business opportunities are both examples of proactive behavior.

Opportunity driven (opportunity focus)

The continuous pursuit of possibilities regardless of the resources at hand Compared to traditional marketing, entrepreneurial marketing is more opportunity-driven. Using occupation and acknowledgments as marketing methods can be very effective for small firms. Because it determines a firm's success, the "correct" opportunity must be chosen (Becherer, Haynes & Helms, 2008). Business success could result from taking the correct move at the right time. Entrepreneurs who are focused on the future prioritize meeting unmet demands and seizing new opportunities before their competitors. In this situation, innovation and originality may enable firms to surpass their competitors by two steps (Kilenthong et al., 2010).

Calculated Risk taking

According to Nwaizugbo and Anukam (2014), entrepreneurial marketing is compatible with taking chances based on years of expertise.

Risk-taking propensity, particularly the readiness to invest considerable resources in taking chances and using business strategies based on the results, can be extremely unpredictable (Morris et al., 2004).

Businesses who use entrepreneurial marketing techniques take planned, logical, and calibrated risks. Businesses that are not gamblers but risk-takers and who understand that innovation in the current social, technological, and economic environments is essentially uncertain and needs reasonable gambling on long shots adopt entrepreneurial marketing methods. Which enables an entrepreneur to accept ambiguity and unpredictable volatility;

Innovativeness

company with a narrow focus that fosters unique and unorthodox ideas and serves as an invention factory Becherer et al. (2012) claim that innovation-focused marketing campaigns give the business the ability to concentrate on ideas that lead to new markets, products, or processes.

In its marketing tactics, a successful company may place a heavy emphasis on innovation or it may place more of an emphasis on incremental market expansion.

The market creator must diverge from prior solutions in order to provide the consumer with a value that is substantially different from what was previously offered, whereas the incremental innovator builds on already-existing customer relationships and market expertise.

SMEs may elect to focus on innovative marketing methods because they may not have the means to achieve or uphold industry standards (Carson & Gilmore, 2000).

Customer Intensity

Customer intensity is an important part of the market-orientation paradigm and a strategic component of entrepreneurial marketing. It focuses on supplying suitable items or services to clients through organizational workers in order to improve their overall brand experience and uphold solid relationships with them. Jones and Rowley defined customer intensity as a perspective that seeks to meet the needs and expectations of customers by employing cutting-edge techniques to create, establish, and maintain fruitful customer relationships. Spence and Essoussi contend that business owners must be mindful of their public image and live up to expectations if they want to change how customers view their companies. Jones and Rowley emphasized the value of putting the needs of the customer first by teaching staff how to provide top-notch customer service as a crucial indicator of brand excellence. Additionally, they argued that client intensity was looked at in earlier studies and discovered to be one of the key marketing pillars. Numerous research revealed that consumer intensity had a favorable impact on business performance. Customer intensity has a substantial positive link with business performance, according to Theodosiou et al. who also looked at the aspects of entrepreneurial marketing. The following theory is presented in light of the debate above:

Value creation

The idea of customer value has always been seen as the main goal for many firms since it offers a powerful strategy for drawing in new clients and gaining a competitive edge. Morris et al. defined value creation as marketing professionals' capacity to recognize underutilized sources of consumer value and combine those sources optimally to provide the desired value. Additionally, Hamel and Prahalad stated that in order to create new customer value, one must identify new sources of customer value and demonstrate superior ability to provide the biggest advantages to customers. Sharma asserts that business owners should concentrate on using current technology

in an effort to provide clients with modern customer assistance in order to build new customer value. Additionally, marketing managers should concentrate on comprehending clients' demands and being able to deliver goods or services that satisfy them superior to rivals.

Resource leveraging

The resource-based view (RBV), which asserts that organizational resources are valuable assets that may be utilized to gain a competitive advantage and improve performance outcomes, has been established in the theoretical literature as a key perspective. When a company grows its current resources and uses them properly to produce higher customer value and benefits, this is known as leveraging. Resource leveraging, according to Morris et al., is essentially doing more with fewer resources. They went on to explain that in order to exploit underutilized resources and make the most of them, marketing practitioners needed to have a sufficient level of expertise, relevant knowledge, and critical abilities. According to Qin et al., resource optimization by successful entrepreneurial marketers depends on their aptitudes, competencies, and prior experiences. Prior research shown that resource leveraging improved business performance. Additionally, Schindehute and Morris (2002) demonstrated that SMEs' ability to practice resource leveraging through sharing resources and routinely outsourcing crucial functions can boost their competitiveness..

2.3. Empirical Literature Review

A study that looked into the marketing techniques of entrepreneurial enterprises identified certain marketing habits that are typical of these businesses.

Researchers attempted to empirically examine the seven dimensions using Morris et al definition. (Kocak, 2005; Schmid, 2012; Fiore et al., 2013).Kocak studied small businesses; Schmid studied small and medium-sized businesses. In Turkey, Kocak conducted studies that only confirmed five of the seven dimensions. Schmid's study was conducted in Austria and could only support four dimensions. Only four of the US organizations reviewed by Fiore et al. could be verified. A review of empirical research papers that were published led to the suggestion that EM has six dimensions (Kilenthong et al., 2015).

Hultman and Bjerke (2002) Processes, participants, and resources the four pillars of entrepreneurial marketing have been acknowledged. (Fig. 2). The pillar of entrepreneurship

places an emphasis on initiative, opportunity seeking, and creativity. It also discusses the causes of and procedures for identifying and utilizing opportunities in the creation of customer value. All techniques and activities a company employs to produce value for its clients are referred to as "processes" in this context. Actors take on the roles of entrepreneurs who control the processes and create value for the consumer. The inputs needed to create value for the client are called resources.

Resources may be held by businesses or produced through collaboration with outside parties (Bjerke & Hultman, 2002).

Darroch and Miles (2006) Researchers have examined how large corporations may employ entrepreneurial marketing strategies to gain and preserve competitive advantage.

Their study has applied prior research on entrepreneurial marketing and entrepreneurship with examples from a long-term case study of firms in New Zealand, Sweden, the United Kingdom, and the United States in order to show how entrepreneurial marketing processes can be strategically used by large firms to create or discover, assess, and exploit entrepreneurial opportunities more effectively and efficiently. They adopted risk management, proactiveness, opportunity-divineness, innovation, customer intensity, value generation, and resource leveraging as the explanatory variables that contributed to this competitive advantage.

Their research revealed how big businesses use entrepreneurial marketing techniques to expand.

As of 2001, Kurgun Bargiran Ozeren and Maral Researchers in Izmir, Turkey, conducted a qualitative study of boutique hotels to see if these facilities' marketing tactics matched those of business owners.

Based on the seven EM dimensions, semi-structured interviews have been conducted.

They noted the use of entrepreneurial marketing concepts and how important they were for boutique hotels.

The effects of seven entrepreneurial marketing characteristics on the qualitative and quantitative outcomes of SMEs were examined by Bacherer et al. (2013) using a sample of 174 small business owners. Through factor analysis, the three success variables came together. They

discovered through stepwise regression that the entrepreneurial marketing aspects have an impact on the outcome variables. The results of the study show that entrepreneurial marketing aspects have a direct and positive impact on the outcomes of owner-operated SMEs. The effect of EM on inventive performance was also examined by Hacıoglu et al. (2012) utilizing a sample size of 560 SMEs in the Turkish manufacturing industry.

Results showed that entrepreneurial marketing's pro-activeness, innovativeness, customer intensity, and resource leveraging aspects are all positively correlated with innovative performance.

The Morris et al. (2002) model has also been employed by Morrish and Deacon (2012). Their research's objective was to examine examples of entrepreneurial marketing strategies. They used two cases for their qualitative research: Penderyn Distillery, a Welsh whiskey manufacturer, and 42Below, a vodka producer from New Zealand. They discovered that EM was successfully applied in both situations.

Rezvani and Khazaei (2014) examined at how the size and age of higher education institutions affect the usage of entrepreneurial marketing.

According to the findings, the age and size of the institution has an impact on how each entrepreneurial marketing dimension is used.

In particular, Hamali (2015) examined the effects of EM on the performance of the small garment sector in Bandung City, Indonesia. He conducted research on a sample of 90 people. He used a multiple linear regression to determine the influence of EM aspects such proactiveness, resource leveraging, value creation, and customer intensity on business performance.

In a study by Hamali et al. (2016), authors used a sample of 200 small businesses to evaluate the relationship between entrepreneurial marketing and innovation and its effects on the marketing effectiveness and financial performance of wearing apparel small enterprises in West Java, Indonesia. The findings imply that entrepreneurial marketing influences invention and, together with innovation, influences the financial success of the small wearing clothing industries in West Java.

According to Morris et al. (2002), there are many prospects for research in the area of entrepreneurial marketing. He asserts that his seven developed dimensions require more understanding. Even though there has been progress, there are still many issues to be resolved regarding the EM, its causes, manifestations, and relationships to performance.

2.4. Research Hypothesis

The following theory was created and put to the test in order to determine how entrepreneurial marketing aspects affected MSE performance.

The following hypothesis will be to develop and test to find the effect of Entrepreneurial Competencies on MSEs Performance.

By putting emphasis on educating staff to provide top-notch customer services as a crucial driver of brand quality, Jones and Rowley underlined the importance of being client focused. Additionally, they argued that consumer intensity had been researched in the past and was one of the key marketing pillars for improving performance.

Numerous research revealed that consumer intensity had a favorable impact on business performance. Theodosiou et al. also looked at the aspects of entrepreneurial marketing and discovered that there was a strong correlation between client intensity and business performance. In light of the debate above, the following theory is recommended.

H₁Customer intensity has a favorable and considerable impact on MSEs' performance in Addis Ketema Sub City.

Value creation was defined by Morris et al. as the ability of marketing practitioners to identify the unexploited sources of customer value and form the best combinations of them to create the desired value.

Hamel and Prahalad also revealed that creating customer value occurs through realizing new customer-value sources and being capable to deliver the greatest benefits for consumers better than others Past studies found that value creation had a positive influence on firm performance .Accordingly, the following hypothesis is projected

H₂: Value Creation has a huge, favorable impact on how well MSEs perform in the Addis Ketema Sub City.

Proactiveness has been widely viewed as the ability to take an action to influence the environment of a firm. Prior studies found that proactiveness is positively correlated with firm performance.

Mamun and Fazal also showed that proactiveness significantly and positively affected a firm's competitive advantage.

McCormick et al. also suggested that proactive behavior is an important aspect of an individual's initiative and will exert a positive effect on corporate performance. Based on the above discussion, the following hypothesis is suggested:

H₃: Proactiveness significantly and positively affects the performance of MSEs in Addis Ketema Sub city.

It was described by Clark Ramachandran as the ability of a firm to identify the right opportunity that leads to success.

Al-Ansari et al. also investigated the association between the dimensions of entrepreneurial marketing and a firm's performance in a sample of Dubai SMEs and found that opportunity focus had a significant linkage with a firm's innovative performance.

Morrish et al. also defined opportunity focus as the ability to detect unnoticed market positions that represent potential sources for viable profits. They added that the recognition of existing opportunities enables a firm to make the right decision at the right time. Accordingly, the following hypothesis is created:

H₄: opportunity focus significantly and positively affects the performance of MSEs in Addis Ketema Sub city.

According to Miozzo and DiVito, firms face risks when they attempt to find opportunities and employ plenty of resources to optimize such opportunities that are uncertain. The authors added that risk can be seen in company operations.

Petersen and Kumar also stated that firms tend to experience risks based on the decision of allocating different resources, in addition to products' choice, offered services, and selected market segments. Therefore, entrepreneurial marketing is largely allied with considerable risk taking, which suggests overt efforts to detect factors of risk, and ultimately alleviate and manage those factors.

Prior studies found that risk taking had a positive effect on firm performance. Based on the above discussion, the following hypothesis is suggested:

H5: In Addis Ketema Sub City, calculated risk-taking has a considerable and favorable impact on MSE performance.

Successful entrepreneurial marketers, according to Marcati et al., tend to develop their innovation capabilities, foster employee creativity, are open to novelty, and want to be among those who adopt innovation earlier than others to gain competitive advantages.

Innovativeness and company inventive performance were found to be significantly correlated by Kocak et al. As a result, the following assertion is made:

H6: Innovativeness significantly and positively affects the performance of MSEs in addis ketema Sub city.

According to Morris et al., resource leveraging simply means working more with fewer resources. Fard and Amiri also revealed that entrepreneurial marketing dimensions, namely, value creation, being opportunity focused, customer intensity, and resource leveraging can significantly affect the financial performance of a firm Symeonidou, who demonstrated that the decisions of investment alone are not enough to generate the best outcomes during start-up periods; rather, a higher performance can be achieved when the investments in resource and strategy leveraging are intentionally concurred by an entrepreneur

Schindehutte and Morris confirmed that the competitiveness of SMEs can be improved when they have the ability to practice resource leveraging through sharing resources and regularly outsourcing important functions.

H7: Resource leverage significantly and positively affects the performance of MSEs in addis ketema Sub city.

Entrepreneurial marketing dimension



The conceptual framework of this study presents the effect of entrepreneurial marketing dimensions on MSEs performance. Proactivity, opportunity focus, risk taking, innovation emphasis, customer intensity, resource leverage, and value generation are some of these qualities. The various constructions mentioned above are used to capture each dimension area. The performance of MSEs is the study's dependent variable, and its constructions include gross profit margin, net operating profit, return on investment, and customer satisfaction.

Entrepreneurs who are successful are frequently described as hard workers with a restless mindset. To put it another way, they are good at fully committing, deciding, dedicating, as well as taking initiative in fulfilling their obligations. This Corresponds to Chandler and Jansen's

(1992) definition of the entrepreneurial role of the desire to see a firm through to completion. The initiative or proactive approach is another part of this competency area that requires the entrepreneurs to take action before being requested to or compelled to do so by circumstances (McClelland, 1987). In conclusion, the entrepreneur's motivation to carry forward with their firm comes from their commitment competencies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter explains the methodology, data collection procedures, and data analysis strategies used to gather and analyze information about the impact of entrepreneurial dimensions on the performance of MSEs. The methods and techniques that are applied in the gathering, handling, and analysis of data are described in this chapter. As a result, this chapter provides detailed information on the research methodology, research design, data type and source, population, sample frame, sample size, sampling technique, data collection tools, measurements of variables, data analysis techniques, validity, reliability, and ethical considerations. The data analysis is done by using the SPSS program.

3.2. Research Philosophy

The researcher's choice of research philosophy helps to clarify the overall research approach that are used, evaluate different procedures, and be innovative and creative in either choosing or adapting existing methodologies. A research paradigm is also a point of view that can be identified among a group of prevalent beliefs, principles, ideas, and practices. The study therefore takes a positivist approach to research. Causes almost certainly determine effects or outcomes, according to positivism, which is based on the rationalistic, empiricist philosophy (Creswell, 1990).

The study will provide a logical justification for the relationship between key entrepreneurial competencies and MSE performance. Additionally, the study utilizes quantitative data in order to comprehend the situation and develop a list of suggestions. Positivist research is most commonly aligned with quantitative methods of data collection and analysis.

3.3. Research Approach

Deductive reasoning leads to a specific conclusion from a general one. The detective approach is changed for the purposes of this study as a result. Many theories have been developed around the topic of entrepreneurial dimensions and how they impact business performance. Deductive

reasoning is more effective in fields where there are a lot of competing hypotheses because it applies general principles to arrive at specific conclusions.

The deductive technique also provides researchers with a reasonably simple and organized way to test known theories on a variety of subjects, further expanding the pool of subjects to support the claims of already existing theories. In order to achieve the study objective, the research will use the quantitative research methodology. The data from the questionnaire will be primarily quantitative and descriptive. A quantitative technique is used for examining data and information that is descriptive in nature (Creswell J.W., 2003).

3.4. Research Design

The plan that guides the researcher through the process of collecting, examining, and interpreting observations is called the study design. Exploratory investigation aims to find out what is happening by asking questions and looking at events from a new perspective.

The explanatory investigation also aims to establish causal relationships between variables (Saunders et al., 2012). Therefore, the research will use a cross-sectional, explanatory survey method. As already mentioned, the explanatory investigation establishes causal relationships between variables. The aim of this study is to examine how the performance of MSEs is influenced by entrepreneurial qualities. To understand the occurrence of a phenomenon and the relationship between the variables, a cross-sectional study measuring the relationship between variables at a given point in time is added in addition descriptive research design is used.

3.5. Sources of Data

The research paper is prepared based on the primary and secondary data sources. The primary data is collected from MSEs owners/managers using a questionnaire. These MSEs are located in the Addis Ketema sub city administration.

3.6. Method of data collection

Primary data is collected using a closed ended questionnaire as the research is conducted using a quantitative methodology. The researcher used a self-completed questionnaire in this study to obtain data from the participants. The researcher administered and collected standardized questionnaires, which are used to collect primary data directly from subjects of interest.

To learn more about entrepreneurial suitability and MSE performance, the researcher collected data from MSE operators using a questionnaire.

Research Instrument

The data is collected using a closed ended questionnaire to obtain further information Primary data are observed.

3.7. Sampling Design

3.7.1. Population and Sampling Frame

Any person or object with the characteristics one wishes to study can be considered a population (Anol, 2012). Therefore, the study is carried out at the addis ketema sub city administration as well as at micro and small companies. The target group of the study are owners who are officially registered with the sub city administration.

The ranked list of MSEs was obtained from addis ketema Sub city administration. The whole sampling frame consists of all MSEs found in the ADDIS KETEMA sub city administration and up to 2015 E.C. were registered.

As shown in Table 3.1, the total number of registered MSEs in addis ketema Sub city administration is 5048. This number reflects the sampling frame as the list of target population from which representative samples are drawn.

3.7.1.1. Sampling Techniques

Due to the limited resources of time, money and population size, the sampling strategy is to identify different possibilities that allow researchers to reduce the amount of data to be collected by examining a sample instead of the whole group. Cooper and Schindler (2006) addis ketema sub-city administration provided information for each woreda in this study using a stratified random sampling technique. This method was chosen because it helps to reduce bias when interacting with the population. It is used by dividing the population into different strata and strategically stratifying them by manufacturing, urban agriculture, construction, trade and services. With this method, the sampling frame can be adjusted and divided into approximately homogeneous groups (layers) before the sample components are selected.

3.7.2. Sample Size

The amount of things or units taken from the population is called the sample size. According to Sekaran (2003), any social science research should have a sample size greater than 30 and less than 500. Sekaran and Bougie (2013) claim that it is very difficult to conduct a 100% accurate research. Errors therefore always happen, but it is the level of inaccuracy in data collection, often referred to as error rate, that needs to be reduced.

Most of the time, plus or minus 3–5% of the true value of the demographic trait will be used by researchers. Therefore, to obtain results for variables that differ significantly in this study, the researcher will use the 95 percent confidence level, which expands the range of possible data and provides a better picture for analysis.

Yamane (1967) provides a simplified formula for calculating sample sizes. This formula was used to determine the number of populations studied. Therefore, the Yamane formula was used in this study to determine the sample size:

$$n = \frac{N}{1+N(e)^2} \quad n = \frac{5048}{1+5048(0.05)^2} \quad n = 370$$

Where N = is the population size i.e. 5048 n = is the sample size to be calculated e = is the margin of error i.e. 5%.

TABLE 3. 1 SAMPLE SIZE OF THE STUDY

List of sub-cities	Sector/stratum/	Total MSEs population	Sample size is taken from each stratum	Percent (%)
Woreda 1	Manufacturing	50	4	0.99%
	Urban Agriculture	23	2	0.46%
	Construction	67	5	1.33%
	Trade	75	5	1.49%
	Service	42	3	0.83%
	Subtotal	257	19	5.09%
Woreda 2	Manufacturing	90	7	1.78%
	Urban Agriculture	39	3	0.77%
	Construction	173	13	3.43%
	Trade	151	11	2.99%
	Service	55	4	1.09%
	Subtotal	508	38	10.06%
Woreda 3	Manufacturing	37	3	0.73%

	Urban Agriculture	16	1	0.32%
	Construction	94	7	1.86%
	Trade	63	5	1.25%
	Service	32	2	0.63%
	Subtotal	242	18	4.79%
Woreda 4	Manufacturing	21	2	0.42%
	Urban Agriculture	1	0	0.02%
	Construction	55	4	1.09%
	Trade	52	4	1.03%
	Service	33	2	0.65%
	Subtotal	162	12	3.21%
Woreda 5	Manufacturing	25	2	0.50%
	Urban Agriculture	9	1	0.18%
	Construction	111	8	2.20%
	Trade	35	3	0.69%
	Service	47	3	0.93%
	Subtotal	227	17	4.50%
Woreda 6	Manufacturing	24	2	0.48%
	Urban Agriculture	6	0	0.12%
	Construction	97	7	1.92%
	Trade	43	3	0.85%
	Service	56	4	1.11%
	Subtotal	226	16	4.48%
Woreda 7	Manufacturing	44	3	0.87%
	Urban Agriculture	4	0	0.08%
	Construction	121	9	2.40%
	Trade	105	8	2.08%
	Service	116	8	2.30%
	Subtotal	390	28	7.73%
Woreda 8	Manufacturing	39	3	0.77%
	Urban Agriculture	7	1	0.14%
	Construction	169	12	3.35%
	Trade	175	13	3.47%
	Service	30	2	0.59%
	Subtotal	420	31	8.32%
Woreda 9	Manufacturing	281	21	5.57%
	Urban Agriculture	16	1	0.32%
	Construction	165	12	3.27%
	Trade	187	14	3.70%
	Service	53	4	1.05%
	Subtotal	702	52	13.91%
Woreda 10	Manufacturing	99	7	1.96%
	Urban Agriculture	11	1	0.22%
	Construction	169	12	3.35%
	Trade	48	3	0.95%

	Service	35	3	0.69%
	Subtotal	362	26	7.17%
Woreda 11	Manufacturing	118	9	2.34%
	Urban Agriculture	20	1	0.40%
	Construction	258	19	5.11%
	Trade	37	3	0.73%
	Service	55	4	1.09%
	Subtotal	488	36	9.67%
	Woreda 12	Manufacturing	98	7
Urban Agriculture		28	2	0.55%
Construction		149	11	2.95%
Trade		162	12	3.21%
Service		36	3	0.71%
Subtotal		473	35	9.37%
Woreda 13	Manufacturing	56	4	1.11%
	Urban Agriculture	12	1	0.24%
	Construction	138	10	2.73%
	Trade	77	5	1.53%
	Service	73	5	1.45%
	Subtotal	356	25	7.05%
Woreda 14	Manufacturing	106	8	2.10%
	Urban Agriculture	24	2	0.48%
	Construction	24	1	0.48%
	Trade	43	3	0.85%
	Service	38	3	0.75%
	Subtotal	235	17	4.66%
	Total	5048	370	100.00%

3.8. Measurement of Variables

The companies selected in this study received a closed ended questionnaire to measure variables (dimensions of entrepreneur marketing and performance of SMEs). The questionnaire consists of three sections. Part I collects personal and business information; Scales for assessing the study's independent variables (entrepreneur Marketing Dimensions) are included in Part II; and scales measuring study-dependent variables are included in Part III (MSE Performance).

The independent variables in this study encompass four entrepreneurial dimensions: Customer Intensity, Opportunity Focus, Proactiveness, Communication, and Value Creation.

According to the researcher, the tool used to assess these entrepreneurial skills will successfully capture most of the characteristics of MSEs owners and managers.

Ratings on a 5-point Likert scale range from 1 for “strongly disagree” to 5 for “strongly agree”. The performance of the dependent variable MSEs is measured using subjective measurements since objective measurements are not available. Measurement elements adopted from Khan et al. (2014), Chong (2008) and Julius (2011). The questions are on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

3.9. Data Collection Procedures

The main data sources used in this research. Key information is collected through a survey questionnaire from managers and owners of micro and small businesses. Introductory letter is sent to Respondents with one paragraph outlining the objectives and importance of the study to ensure their consent to the researcher continuing the study. By assuring them of the confidentiality of the information they provided, the researcher was careful to allay respondents' concerns about their privacy.

Before this questionnaire can be used to collect the required data on site, approximately 15 pre-tests of the questionnaire are conducted to ensure respondents understand the questions. This selection involves different respondents from the different groups in order to get a general overview and status of the respondents and to make them more representative

3.10. Data Analysis Method

The data collected will be analyzed to test the quality of the data and the hypothesis developed for the research by Sekaran and Bodger (2010). Research results are analyzed using the Social Science Statistics Packages (SPSS) for descriptive statistics, correlations, regressions and one-way ANOVA (F-test) are used to determine the impact of entrepreneurship on the performance of MSEs.

Pearson's correlation analysis is used to determine the direction and strength of the association between the variables. The data is analyzed using descriptive statistics using simple percentages and frequencies. The table is used to compile the answer for further examination. A multiple regression model was used to determine the influence of the entrepreneurial marketing dimension on the performance of MSEs. The following model was run:

We use both descriptive and inferential statistics. Statistical analysis includes both descriptive and inferential analysis.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \varepsilon$$

Y= the dependent variable (MSEs performance)

β_0 = the regression coefficient $\beta_1 \beta_2 \beta_3 \beta_4$ = slopes of the regression equation

X1= customer intensity

X2= opportunity focus

X3 = proactiveness

X4 = value creation

X5=resource leverage

X6=opportunity focus

X7=innovativeness

ε = error term which is distributed about a mean of 0

3.11. Ethical Consideration

A formal request letter was sent to each respondent to provide the necessary data to make clear the purpose of the study as it is not intended for any other purpose. The researcher attempts to provide clues to respondents if there is a misunderstanding in the questionnaire they have answered. All information and data of the respondents are subject to confidentiality. Personal identity-related information is not be included in the questionnaire. The answers to the questionnaire are not shared with third parties, but the researcher used them only for scientific purposes.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1. Introduction

This chapter presents the results of the study in the form of descriptive statistics and inferential statistics. The chapter is divided into two sections. The first section introduces the descriptive statistics that include frequencies, percentages, means, and standard deviations, along with tables and graphs that suit your needs. The second section describes inferential statistics such as correlations and regression tests.

4.2. Response Rate

The calculated sample size of this study is 370. The researcher distributed research questionnaires to the sample companies and a total of 297 well-completed questionnaires were returned. This corresponds to a response rate of 80.2 percent. Sekaran (2010) argues that any response rate above 75 percent is considered the best data that could be generalized to represent respondents' opinions about the study problem, and that according to Baruche (2002) 80.2 percent is also valid. Thus, this response rate indicates that sufficient data are available to generalize.

TABLE 4 1 RESPONSE RATE

Sectors	Sample Size	Response	Response Rate
Manufacturing	80	64	80%
Urban Agriculture	16	8	50%
Construction	131	93	71%
Trade	92	89	97%
Service	51	43	84%
Total	370	297	80.2%

Source: *field survey 2023*

4.3. Background Information

4.3.1 Demographic characteristics of MSEs Owners/Managers

Respondents were asked to indicate their age, gender, marital status and level of education. The answers were: 61.27% of the participants in this study are male and 38.73% are female owners/managers of the companies as shown in Table 4.2. This result shows that more men than women are involved in managing and directing MSE.

As shown in Table 4.2, 27.9% of respondents are aged 18-25, 37.7% of respondents in the 26-39 age category, 30.6% of respondents in the 41-49 age category and 3.7 % of respondents. Respondents are aged 50 and over. The majority of respondents are between the ages of 26 and 39. This indicates that there is a significantly younger workforce in MSE.

Regarding marital status of respondents, the majority of respondents (57.3%) are married, 39% of respondents are single and 3.7% are divorced.

According to Table 4.2, the educational level of the sample participants indicates that 1.1% of the respondents cannot read and write while in grades 1-8, grades 9-12, grades 1-4 and graduates and higher 22.5%, 40.8% are. , 21.8% and 13.8%, respectively.

TABLE 4. 2 RESPONDENTS DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

Demographic Characteristics		Frequency	Percent
Sex	Male	182	61.27
	Female	115	38.73
	Total	297	100.0
Age	18-25	83	27.9
	26-39	112	37.7
	40-49	91	30.6
	50 & Above	11	3.7
	Total	297	100.0
Marital Status	Married	170	57.3
	Unmarried	116	39.0
	Divorced	11	3.7
	Total	297	100.0
Education Level	Not Literate	3	1.1
	1-8	67	22.5
	9-12	121	40.8
	Level 1-4	65	21.8
	Degree & Above	41	13.8
	Total	297	100.0

Source: *field survey 2023*

4.3.2. Business Characteristics of Respondents

Respondents were asked to indicate their company characteristics and the answers were presented below.

The largest number of companies surveyed participated in the construction sector at 31%. Alongside construction, trade sector followed at 29%, with 22%, 14% and 3% of respondents working in manufacturing, services and urban agriculture respectively.

The majority, namely 54.5%, of the companies surveyed had already been active in the industry for one to five years. While 28.9% of the companies surveyed have a lifespan of 6 to 10 years, 11.8% of the companies surveyed have a lifespan of 11 to 15 years and 4.8% have been in the industry for more than 16 years.

As indicated in Table 4.3, 84.5% of the respondents have 1-5 employees, 8.7% of them have 6-10 employees, 4.7% of the respondents have 11-15 employees, 0.4% of the respondents have 16–20 employees and 1.7% have 21 and more employees.

TABLE 4. 3 RESPONDENTS BUSINESS CHARACTERISTICS

Enterprise Characteristics		Frequency	Percent
Sector	Manufacturing	64	22
	Urban Agriculture	8	3
	Construction	93	31
	Trade	89	30
	Service	43	14
	Total	297	100
Age of The Enterprise	1-5	162	54.5
	6-10	86	28.9
	11-15	35	11.8
	>16	14	4.8
	Total	297	100.0
No. of Employee	1-5	251	84.5
	6-10	26	8.7
	11-15	14	4.7
	16-20	1	0.4
	21 and above	5	1.7
	Total	297	100.0

Source: field survey 2023

4.4 Descriptive Statistics on Individual Variables

4.4.1. Descriptive Statistics on Performance Measurement

As shown in Appendix B, the responses of MSE owners/managers to MSE performance measurement items 1-18 have an average score of 4.40, all of which are on average (2.42-5.0). This indicates that the outcome is positive, which means the managers are taking action to increase the differential performance.

4.4.2. Descriptive Statistics on Opportunity focus

From the Descriptive Statistics on Opportunities, centered on Appendix B, the answer to questions #1, 2, 3, 4, and 5 has an average score of 4.52. This is also above average (2.75-5.0). This indicates that MSE owners and managers in addis ketema sub-city are generally able to identify unmet consumer demand. Turn challenges into opportunities, find goods and services that customers demand, and capitalize on high-value business opportunities.

4.4.3. Descriptive Statistics on proactiveness

A response to proactivity items number 1, 2, 3, 4, 5, and 6 has an average score of 4.49. This is all above average (2.75-5.0). This shows that MSEs owners and managers see new ideas that are beneficial to their organization and make judgments accordingly, take appropriate job-related risks in their company, monitor progress toward goals on risky actions, and place ideas into business contexts and appearances to tackle problems in new ways. Therefore, MSEs owners/managers in addis ketema sub-city have a good level of proactiveness.

4.4.4. Descriptive Statistics on value creation

As indicated in Appendix B, the average responses to Value Creation Questions number 1 ¹¹¹ to 5 are above average (2.50-5.00), which is a score of 4.36. This shows that the MSE owner: ³³ administrators in addis ketema Sub City ensure that the employees understand the company's goals, are dedicated to their work, use their working time efficiently and implement retention techniques. Owners also ensure that employees add value to the business effectively and efficiently.

4.4.5. Descriptive Statistics on customer intensity

Based on Appendix B, the average response to questions number 1 up to 7 measuring Strategic Competence is 4.54. This is all above average (2.53-5.0). This demonstrates that addis ketema Sub city MSE owners and managers have a high level of skill to plan ahead to solve anticipated problems, seize opportunities, calculate outcomes against their strategic goals, an approach of balancing Choose and prioritize costs and benefits Complete tasks in alignment with business objectives and be aware of the projected direction of the industry and the potential impact of changes on my business.

4.4.6. Descriptive Statistics on calculated risk taking

A response to calculated risk tolerance points number 1, 2, and 3 has an average score of 4.37. This is all above average (2.53-5.0). This shows that MSE owners/managers are seeing new thoughts that support their business, making decisions related to their business, taking appropriate professional risks in their business, tracking how well dangerous actions are working towards goals, and putting ideas into practice into business environments and approaches problems from new perspectives. In this way, addis keetemas MSE Sub City owners and managers are risk-taking to a good extent.

4.4.7. Descriptive Statistics on Resource leveraging

The descriptive resource utilization statistics in Appendix B show that the response to questions 1, 2, 3, 4, 5, and 6 has an average score of 4.38. This is also above average (2.75-5.0). According to this, MSE owners and managers in addis ketema sub-city are generally able to recognize unmet consumer demand. Find solutions to problems by finding the products and services customers want and take advantage of great business opportunities.

4.4.8. Descriptive Statistics on innovativeness

As indicated in Appendix B, the average responses to Commitment Competency Questions number 1 up to 4 are above average (2.50-5.00), resulting in a score of 4.45. This demonstrates that the MSE owners and administrators at addis ketema Sub City ensure that workers are committed to their jobs, aware of the company's goals and making efficient use of their work

hours and retention techniques. The owners also ensure that the employees are productive and efficient.

7.1. The Descriptive Statistics on EMD and MSEs Performance

To analyze the effect of entrepreneur marketing dimensions on MSE performance, business performance and seven dimensions of entrepreneur marketing were identified and assessments of business owner/manager responses to the practices of these variables in SPSS v 25 were analyzed.

TABLE 4.4 RESPONDENTS PERCEPTION

		Customer intensity	Proactiveness	Opportunity focus	Innovativeness	Calculated risk taking	Resource leverage	Value creation	Performance
N	Valid		297	297	297	297	297		297
	Missing		0	0	0	0	0		0
Mean		4.5469	4.4969	4.5333	4.2910	4.3098	4.3508	4.1200	4.4076
Std. Deviation		.33485	.738159 0	.40770	.44428	.44415	.44516	.62725	.30406

Source: *field survey 2023*

The table above shows that Customer Intensity has the highest mean of 4.54 with a standard deviation of 0.33, while Value Creation has the lowest mean 4.12 with a standard deviation of 0.62 and Opportunity Focus and Proactiveness has a mean of 4.49 with a standard deviation of 0.32 and 0.53, respectively. Alternatively, the ability to innovate has a mean of 4.29 and an SD of 0.44. All variables mean that the response is within the average (2.42-5.00). The calculated risk appetite has a mean of 4.30 and a standard deviation of 0.44, and the resource leverage also has a mean of 4.35 with a standard deviation of 0.44. This indicates that MSE owners/managers in an addis ketema sub-town have a good level of entrepreneurial marketing metrics

As shown in Table 4.4, the standard deviation of MSE Opportunity Focus, Customer Intensity, Value Creation, Proactiveness, Resource Utilization, Innovativeness, Calculated Risk Taking and MSR Performance is less than one; This implies that the differences in respondents' opinions on the dimensions and performance of entrepreneurial marketing are small.

7.2. Analysis of the Association between enterpreneurial marketing dimensions and MSEs Performance

Pearson's correlation coefficient is used to measure the degree of strength and direction of the relationship between two variables. According to Cohen (1992), the coefficient size can be interpreted. As: the correlation coefficient value found therein; -0.3 to +0.3 the association is weak; -0.5 to -0.3 or 0.3 to 0.5 the ratio is moderate; -0.9 to -0.5 or 0.5 to 0.9 the correlation is strong; -1.0 to -0.9 or 0.9 to 1.0, the correlation is very strong.

A correlation analysis between entrepreneurial marketing dimensions and the performance of MSEs was carried out. Table 4.5 below shows the correlation between the dimensions of entrepreneur marketing and business performance.

TABLE 4.5 CORRELATION BETWEEN ENTREPRENEURIAL COMPETENCY AND MSEs PERFORMANCE

Correlations									
		customer	calculated	innovativeness	Opportunity focus	Resource leverage	Value creation	performance	Proactiveness
customer	Pearson Correlation	1							
	Sig. (2-tailed)								
	N	297							
Calculated risktaking	Pearson Correlation	.396**	1						
	Sig. (2-tailed)	.000							
	N	297	297						
innovativeness	Pearson Correlation	.225**	.183**	1					
	Sig. (2-tailed)	.000	.002						
	N	297	297	297					
Opportunity focus	Pearson Correlation	.396**	.374**	.387**	1				
	Sig. (2-tailed)	.000	.000	.000					
	N	297	297	297	297				
Resource leverage	Pearson Correlation	.326**	.181**	.158**	.358**	1			
	Sig. (2-tailed)	.000	.002	.006	.000				
	N	297	297	297	297	297			
Value creation	Pearson Correlation	.205**	.108	.440**	.284**	.187**	1		
	Sig. (2-tailed)	.000	.063	.000	.000	.001			
	N	297	297	297	297	297	297		
performance	Pearson Correlation	.554**	.426**	.355**	.478**	.335**	.341**	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		
	N	297	297	297	297	297	297	297	
proactiveness	Pearson Correlation	.878**	.462**	.206**	.374**	.268**	.208**	.556**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	297	297	297	297	297	297	297	297

** . Correlation is significant at the 0.01 level (2-tailed). **Source: field survey2023**

TABLE 4.6 CORRELATION BETWEEN ENTREPRENEURIAL COMPETENCY AND MSE'S PERFORMANCE

According to Table 4.5 above, there is a strong and positive linear relationship between customer intensity and MSE performance, with the correlation between customer intensity and business performance factors showing the highest correlation compared to other factors with a ($r=0.554$, $P=.000$). This means that they are positively correlated. The correlation between proactiveness and business performance indicates ($r=.556$, $P=.001$) representing a strong and positive linear relationship between proactiveness and MSE performance. Therefore, the value creation and business performance variables indicate ($r=.341$, $P=.000$) representing a positive linear relationship between value creation and MSE performance. Therefore, the correlation between opportunity focus and business performance variables indicates ($r=.478$, $P=.001$) representing a strong and positive linear relationship between opportunity focus and MSE performance. The correlation of resource leverage, indicating ($r=.355$, $p=.001$), presented a strong and positive linear relationship between resource leverage and MSE performance. The correlation of innovativeness and MSE performance, indicating ($r=.355$, $P=.000$) showed a positive linear relationship between innovativeness and MSE performance. Therefore, the correlation of calculated risk taking indicates ($r=.426$, $P=.001$), representing a strong and positive linear relationship between calculated risk taking and MSE performance.

The results above indicate that components of the Entrepreneur Marketing dimension are positively associated with business performance and have a high Pearson correlation coefficient. This means that changes in one variable correlate with changes in the other variable. Therefore, it can be concluded that there is a significant relationship between the components of the entrepreneur marketing dimension and business performance, and that as the entrepreneur marketing dimension component increases, so does business performance and vice versa.

However, correlation analysis only shows the strength and direction of one independent and one dependent variable. The researcher does not need to analyze more than one independent and dependent variable and has a deficit in predicting the beta value of independent variables that explains the dependent variable and inferring the overall relationship between the identified variables. Therefore, to analyze the impact of entrepreneur marketing dimensions on the business

performance of MSEs, the researcher uses regression analysis, which overcomes the shortcomings of correlation analysis.

7.3. Assumptions in Multiple Regression Analysis

Before a regression analysis can be performed reliably, a number of assumptions must be met. The important assumptions to be tested in this section are: independent variables should not ³⁸ too strongly correlated with each other (multicollinearity), the residual values should be independent of each other, they should have a normal distribution, and there should be a linear relationship between the dependent and independent variables exist. The following tests were performed to determine if the data met the requirements for linear regression to conclude that the analysis results were accurate and reliable.

Multicollinearity Test

When there is a high degree of correlation between independent variables, there is a problem of multicollinearity (Kothari, 2004). Multicollinearity occurs when two or more predictors in the model are correlated and provide redundant information about the responses. It is the situation where the variables are highly correlated.

Source: *field survey 2023*

Bryman and Cramer (1999) stated that the independent variables showing association at or above 0.80 assume multicollinearity in the case of proactiveness and customer intensity.

Table 4 .6 Collinearity Statistics

Independent Variable		Collinearity Statistics	
		Tolerance	VIF
	Customer intensity	.216	4.634
	Proactiveness	.211	4.734
	Opportunity focus	.660	1.514
	Value creation	.777	1.288
	Resource leveraging	.823	1.216
	Innovativeness	.728	1.373
	Calculated risk taking	.734	1.363

Source: *field survey 2023*

As shown in Table 4.7, the tolerance scores are all above 0.1 and the VIF is below 10, so we can say that there is no multicollinearity problem for Customer Intensity, Proactivity, Opportunity Focus, Value Creation, Resource Utilization, Innovation Capability, and Calculated Risk-Taking, respectively Tolerance values of all variables are above 0.1 and also the value of their variance inflation factor is below 10, indicating that there is no problem of multicollinearity between the variables.

4.4.9. Autocorrelation Test

The values of the residuals are assumed to be independent of each other. To test this assumption, we need to look at the regression output of the model summary.

Table 4.7

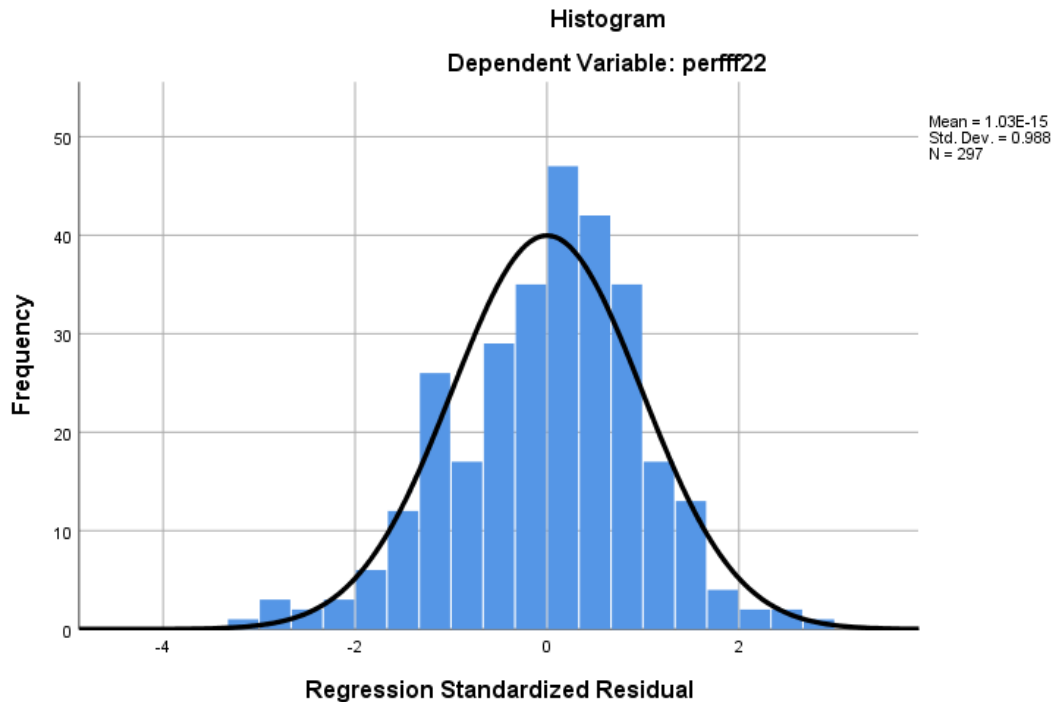
Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.683 ^a	.466	.453	.22488	1.497
a. Predictors: (Constant), pro, innovative, resource, value, calcul, opportunity, customer					
b. Dependent Variable: performance					

The Durbin-Watson statistic is used to test the assumption that our residuals are independent. This number can be between 0 and 4. The value of the Durbin-Watson statistic must be close to 2 for no autocorrelation to be assumed. A value of two shows no autocorrelation. A value close to zero indicates a positive autocorrelation. A value against four indicates negative autocorrelation (Saunders et al., 2012).

Based on Table 4.8 above, the Durbin-Watson value of this study is 1.497. This means that the requirement is satisfied and the assumption of independence of the error terms has not been violated. Therefore, multiple regression analysis is considered appropriate to test the research hypotheses.

Normality test

The regression analysis makes the crucial assumption that the dependent variable should be tested for normality. This assumption is used to determine whether the residuals are regularly distributed. Normality is used to describe a symmetrical, bell-shaped curve that has the greatest frequency of values in the middle, combined with smaller frequencies toward the extremes (Pallant & John, 2005). The bell shape of a normal distribution can be accessed in two dimensions; its degree of flatness or point (i.e., kurtosis) and its lack of balance (i.e., skewness).



Source: *field*

FIGURE 4. 1 HISTOGRAM FOR MSEs PERFORMANCE

This can be tested by looking at the histogram and P-P chart for the model. To say that the normality assumption of this study is met, the histogram should be symmetrical along the center 0 and the points on the P-P plot should be closer to the diagonal line; Normal P-P plot points should lie in a reasonably straight diagonal line from bottom left to top right. If we look at the histogram and p-p plot above, the histogram is symmetric and the p-p plot of the points is plotted closer to the diagonal line, indicating that the normality assumption is satisfied.

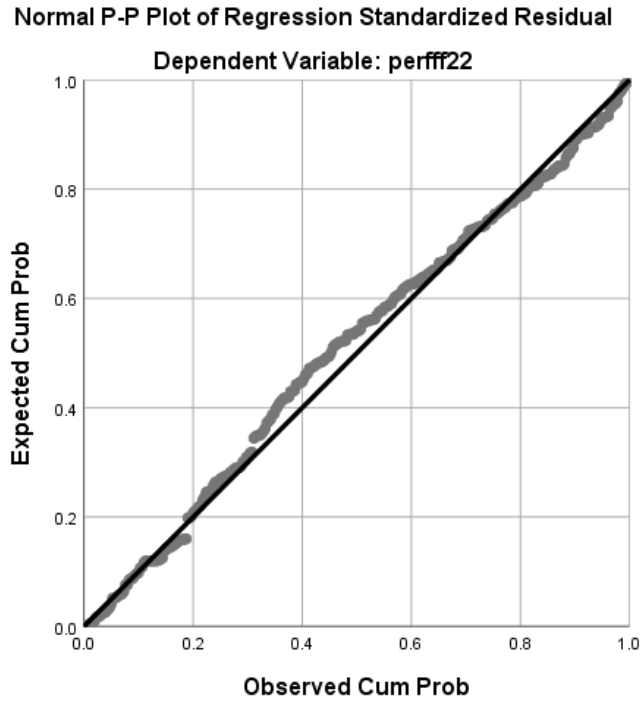


FIGURE 4. 2 P-P PLOT FOR BUSINESS PERFORMANCE

4.4.10. Linearity Test

The model relating the response Y to the predictors X1, X2, XN is assumed to be linear in the regression parameter (Anol, 2012). This means that standard multiple regression can accurately estimate the relationship between dependent and independent variables only when the relationships are linear. A residual scatter plot was used in this study to check linearity.

If the assumption is true, the residuals should be scattered around 0, or most scores should be centered along 0 points. The scatterplots between the constructs of entrepreneur marketing dimensions and MSE performance are presented in the scatterplot below.

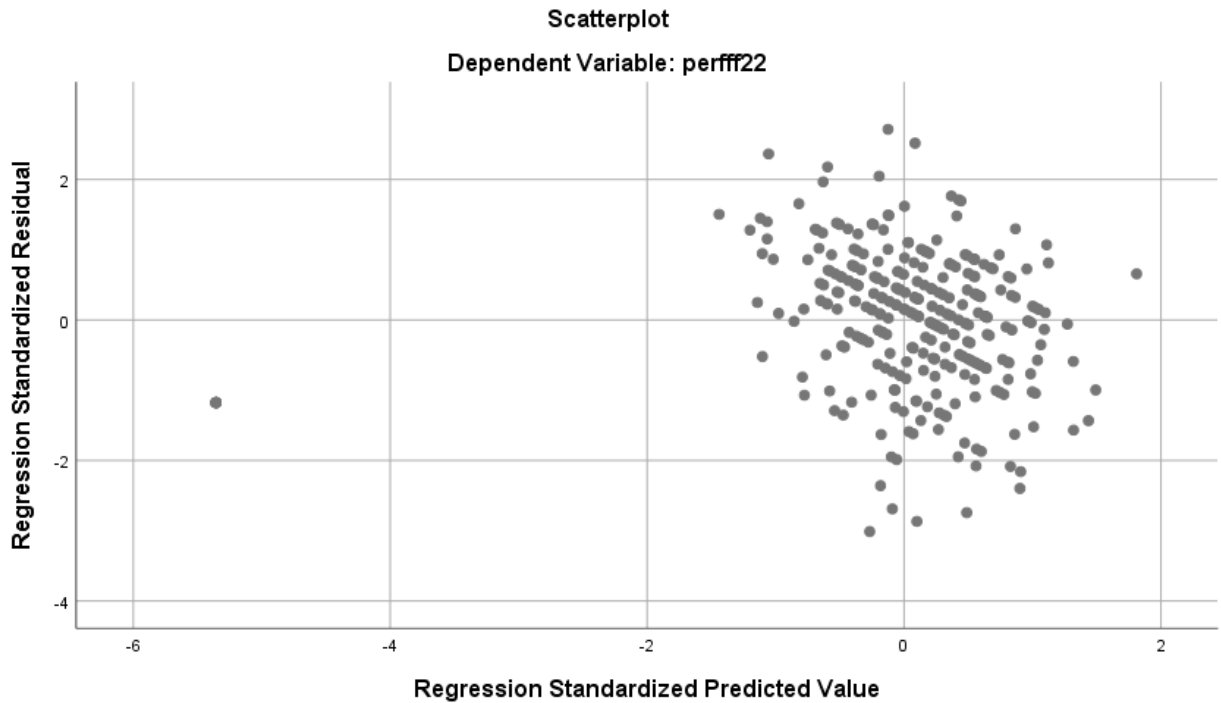


FIGURE 4. 3 SCATTER PLOT

4.4.11. The scatterplot image above shows that the residuals are concentrated in the center along with the zero points. This indicates that the assumption of linearity was not violated.

4.4.12. Validity and reliability test

Validity is the key criterion and indicates the degree to which an instrument measures what it is intended to measure (Kothari, 2004). One of the methods of testing validity is content validity. Content validity refers to whether the content of the manifest variable is correct to measure the latent concept that the researcher is trying to measure (Muijs, 2010). In this research, extensive research and a careful selection of literature are carried out to develop a construct with valid content. Every MSE performance variable, including entrepreneur marketing dimensions, comes from reliable sources. The consultant's comments were also used to validate the measures to ensure that the statements accurately reflected the full range of potential study variables. . A pre-test will be conducted by distributing 15 questionnaires to MSE owners/managers before all questionnaires are distributed to respondents to check the reliability of the measurement.

Validity is the key criterion and indicates the degree to which an instrument measures what it is intended to measure. The reliability of a measurement relates to its consistency. Internal reliability is one of the very important methods related to multiscale items, determining whether each scale measures a single idea and thus whether the items making up the scale are internally consistent (Bryman & Cramer, 1999). Internal consistency is measured by Cronbach's alpha, which must be greater than 0.7 (Muijs, 2010) to declare a test internally consistent. A pre-test will be conducted by distributing 15 questionnaires to MSE owners/managers before all questionnaires are distributed to respondents to check the reliability of the measurement.

Based on the reliability test shown in Table 4.8 below, all variables were found reliable in pre-test with Cronbach's alpha reliability ranging from 0.727 to 0.881. In the post-reliability test, the items have customer intensity (4 items; = .882), proactivity (6 items; = .771), opportunity focus (5 items; = .898), and value creation (6 items; = .817), the MSE Performance has (7 items; = .881) and the total variables have (28 items; = .927). Based on the test of the included scales and constructs, it can be seen that each scale represents a reliable construct.

TABLE 4. 8 VARIABLES PRE AND POST RELIABILITY TEST

Variables	No. Items	Pre-Test		Post-Test	
		No. of respondent	Cronbach's alpha	No of respondents	Cronbach's alpha
Customer intensity	4	15	.812	297	.882
Proactiveness	6	15	.762	297	.771
Opportunity focus	5	15	.727	297	.898
Value creation	6	15	.787	297	.817
Calculated risk taking	5	15	.752	297	.878
Resource leveraging	6	15	.813	297	.868
innovativeness	5	15	.762	297	.898
MSEs Performance	7	15	.837	297	.881
Total	28	15	.881	297	.927

Source: *-field survey 2023*

7.4. Analysis of the Effects of ECs on MSEs Performance

The association between two or more variables was measured using multiple regression analysis (Saunders et al., 2012). This method is used to examine complex relationships between variables. The process of determining which entrepreneurial competency (customer intensity, proactiveness, innovativeness, opportunity focus, resource utilization, calculated risk-taking, and value creation) best predicts MSE performance and the amount of variance in MSE performance that any entrepreneurial marketing dimension practice can accommodate. In general, this method allows the researcher to draw stronger causal inferences from observed interrelationships between variables and to predict a dependent variable based on the values of independent variables.

Table 4.9

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.752	7	1.822	36.023	.000 ^b
	Residual	14.614	289	.051		
	Total	27.366	296			

This method is used to investigate complex interrelationships between variables. the process of determining which entrepreneurial competency—customer intensity, proactivity, innovation, opportunity focus, resource leverage, calculated risk taking, value creation—best predicts MSE performance and the amount of variance in MSE performance that each entrepreneurial marketing dimension practice can account for:

- b. Predictors: (Constant), proactiveness, innovativeness, resource leverage, value creation, calculated risk taking, opportunity focus , customer intensity

Source: *field survey 2023*

F test is a statistical test used to examine whether the independent variable taken together have a significant effect on the dependent variable. As shown in the above ANOVA (F-test) was done to test the significance of the model. From the table 4.9 it can be perceived that the model as a whole is significant (F = 36.023, P=.000).

Source: *field survey 2023*

TABLE 4.10 MULTIPLE REGRESSION MODEL SUMMARY

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682 ^a	.465	.452	.22353
a. Predictors: (Constant), pro, innovative, resource, value, calculated risk taking, opportunity, customer				

As indicated in Table 4.10 above, R = .682 indicates that there is a very strong positive correlation between the dependent variable (MSE performance) and the entrepreneurial marketing dimensions of the independent variable. The R-squared value is an indicator of the extent to which the entrepreneurial marketing dimension factors proactiveness, innovation, resource utilization, value creation, calculated risk-taking, opportunity focus and customer intensity can explain a variation in the dependent variable (performance of MSEs). From the model summary, the R-squared from the above table is 0.46, which means that the dimensional factors of business marketing of the independent variable can explain 46% of the variation of the dependent variable (MSE performance). However, in this study, 54% of the variance remained unexplained.

TABLE 4.11 REGRESSION COEFFICIENT

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.983	.219		4.481	.000
	value	.065	.024	.215	2.753	.045
	customer	.168	.084	.032	2.015	.010
	proactiveness	.161	.086	.175	.184	.015
	calculated	.089	.034	.131	2.015	.007
	innovativeness	.084	.034	.123	2.446	.002
	opportunity	.107	.039	.144	2.446	.006
	resource	.100	.032	.147	3.105	.063

Source: *field survey2023*

The regression model is $Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + B_6X_6 + B_7X_7 + \varepsilon$ where (Y= MSE performance, X1= customer intensity, X2= proactiveness, X3 = calculated risk taking X4 = resource leverage X5 =opportunity focus X6 = innovativeness X7 =value creation). Based on the above table 4.10, the $B_0=0.983$, $B_1=0.168$, $B_2=.161$, $B_3=0.100$, and $B_4=0.107$ $B_5=.084$ $B_6=.065$ $B_7=.089$.

Therefore, $Y = 0.983 + 0.168X_1 + 0.161X_2 + 0.100X_3 + 0.107X_4 + 0.084X_5 + 0.065X_6 + 0.089X_7$.

The B values provide information about the impact between the performance of MSEs and each predictor. If the value is positive, we can understand that the predictor has a positive effect on the outcome, while a negative coefficient represents a negative effect.

For this data, all seven predictors have positive B values, indicating positive relationships. Customer Intensity (B-value 0.168, $p=0.001$) indicates that if a business owner/manager's customer intensity increases by one unit, MSE performance increases by 0.168; Proactiveness (B-score 0.161, $p=0.015$) indicates that if a business owner/manager's proactiveness increases by one unit, MSE performance increases by 0.015; Resource Leverage (B-value 0.100, $p=0.063$) indicates that if a business owner/manager's Resource Leverage increases by one unit, MSE performance increases by 0.063. And Opportunity Focus (B-value 0.107, $p=0.006$) indicates that MSE performance increases by 0.006 when a business owner/manager's Opportunity Focus increases by one unit. Ability to innovate (B-value 0.084, $p=0.002$) indicates when A business owner/manager's ability to innovate increases by one unit, the performance of an MSE increases by 0.002. Calculated risk taking (B-value 0.089, $p=0.007$) indicates that if a business owner/manager's calculated risk taking increases by 1 unit, MSE performance increases by 0.007. Value creation (B-value 0.065, $p=0.045$) indicates that when a business owner/manager's proactivity increases by one unit, MSE performance increases by 0.045, a significant contribution to the model. Therefore, all predictors were statistically significant since all of them had ($p < 0.05$) except resource leverage.

As shown in Table 4.12 above, customer intensity is the predictor variable that contributes most to the variation in NSAID performance because the standardized beta value for this predictor variable is highest (0.168). This makes the strongest contribution to explaining the variation in the dependent variable (MSE performance) when controlling for the variance explained by all

other predictor variables in the model. In addition to customer intensity, proactiveness, opportunity focus, use of resources, calculated willingness to take risks, innovative ability and value creation, the predictor variables with the standardized beta values .161, .107, .102, .089, .084 and .065 contribute to the variation in the performance of KSE.

7.5. Hypothesis Testing

To test the hypothesis formulated in this research, the above multiple regression was used to determine the multiple effects of customer intensity, opportunity focus, proactiveness, calculated risk-taking, innovation ability, resource utilization and value creation on the performance of MSEs in the sub-city ADDIS KETEMA administration .

H₁: customer intensity significantly and positively affects the performance of MSEs in addis ketema Sub city.

The regression coefficient table 4.12 shows that *customer intensity* can positively and significantly predict MSEs performance (Beta=0.168, p=0.010). Based on this, the alternative hypothesis one is accepted.

H₂: proactiveness significantly and positively affects the performance of MSEs in addis ketema Sub city.

proactiveness can positively and significantly predict MSEs performance (Beta=0.161, p=0.015). Therefore, the hypothesis is supported.

H₃: opportunity focus significantly and positively affects the performance of MSEs in addis ketema Sub city.

Based on the regression coefficient table 4.12, the *opportunity focus* positively and significantly affects the performance of MSEs (Beta=0.107, p=0.006). thus, the hypothesis is accepted.

H₄: resource leverage significantly and positively affects the performance of MSEs in addis ketema Sub city.

Based on the regression coefficient table the *resource leverage* doesn't affect significantly with $p > 0.05$ (Beta=0.100, p=0.063). Thus, the hypothesis is not accepted.

H₅: calculated risk taking significantly and positively affects the performance of MSEs in addis ketema Sub city.

Based on the regression coefficient table the *calculated risk taking* significantly affects the performance of MSEs (Beta=0.007, p=0.089). Thus, the hypothesis is accepted.

H₆: innovativeness significantly and positively affects the performance of MSEs in addis ketema Sub city.

Based on the regression coefficient table 4.10, the *innovativeness* positively and significantly affects the performance of MSEs (Beta=0.084, p=0.002). Thus, the hypothesis is accepted.

H₇: value creation significantly and positively affects the performance of MSEs in addis ketema Sub city.

Based on the regression coefficient table 4.10, the *value creation* positively and significantly affects the performance of MSEs (Beta=0.065, p=0.045). Thus, the hypothesis is accepted.

TABLE 4 .12 SUMMARY OF HYPOTHESIS TESTING

Hypothesis	Hypothesis statement	Decision
H₁	<i>Customer intensity</i> can positively and significantly predict MSEs performance in addis ketema Sub city.	Accepted
H₂	<i>proactiveness</i> can positively and significantly predict MSEs performance in addis ketema Sub city.	Accepted
H₃	<i>Opportunity focus</i> positively and significantly affects the performance of MSEs in addis ketema Sub city.	Accepted
H₄	<i>calculated risk taking</i> significantly affects the performance of MSEs in addis ketema sub city	Accepted
H₅	the <i>innovativeness</i> positively and significantly affects the performance of MSEs in addis ketema sub city	Accepted
H₆	<i>value creation</i> positively and significantly affects the performance of MSEs in addis ketema sub city	Accepted
H₇	The <i>resource leverage</i> doesn't affect significantly with $p \Rightarrow 0.05$ (Beta=0.100, p=0.063). Thus, the hypothesis is not accepted.	not accepted

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1. Introduction

This chapter summarizes the main research findings, presents conclusions on the main findings, makes recommendations based on the research findings, and mentions the limitations of the study. Finally, the research submitted suggestions for future researchers.

5.2. Major Findings of the study

The study examined the impact of entrepreneurial marketing dimensions (customer intensity, proactiveness, opportunity focus, value creation, resource leverage, calculated risk-taking and innovativeness) on the performance of MSEs in the sub-city addis ketema.

The result showed that customer intensity has a significant and positive impact on the performance of MSEs in addis ketema sub-city. Therefore, according to the study's findings, business owners and executives must learn to identify unmet consumer needs, localize the items or services customers want, and most importantly, identify, capture, and localize what their customers want in order to improve business performance.

Innovativeness also has a significant and positive impact on the performance of MSEs in addis ketema sub-city. Therefore, this study concluded that in order to achieve good business performance, business owners/leaders must acquire the ability to innovate, take risks, make decisions, and observe and understand complex information.

Being proactive also has a significant and positive impact on the performance of MSEs in addis ketema sub-city. Therefore, this study concluded that in order to achieve high business performance, business owners/leaders must acquire the ability to be fully engaged, be goal oriented and take proactive actions to fulfill their responsibilities and duties.

The result shows that focusing on opportunities includes the ability to plan ahead, monitor progress towards strategic goals, analyze results and set strategic actions, which also has a significant and positive impact on MSE performance. This means that the more an entrepreneur has the strategic competence, the higher the performance of an MSE. Therefore, this study concluded that business owners/managers need to seize opportunities to improve performance.

The calculated risk-taking also has a significant and positive impact on the performance of MSEs in the sub-city addis ketema. Therefore, this study concluded that business owners/leaders must acquire the ability to calculate risk, take risks, make decisions, observe and understand complex information in order to achieve good business performance.

Value creation also has a significant and positive impact on the performance of MSEs in addis ketema sub-city. Therefore, this study concluded that in order to achieve good business performance, business owners/leaders must acquire the ability to add value to the business and to observe and understand complex information.

According to the research results in the addis ketema sub-city, resource leverage does not have a significant and positive impact on the performance of MSEs. Therefore, this study concluded that in order to achieve good business performance, business owners/managers must acquire the ability to innovate, risk-taking, decision-making, observation and understanding of complex information and other ways, instead of dealing with resources due to the inflation rate and other factors: Companies should use their resources in a timely manner instead of keeping them. There may be other reasons that should be investigated for the future.

In this study, the effects of the seven dimensions of corporate marketing were analyzed and explained. These results demonstrate the significant relationship between the two previously supported in the literature. These results help determine the impact of marketing dimensions on business performance and other studies can go on to know or find out how to increase and use this relationship to improve the performance of these small businesses. Performance metrics are of great importance for effectively running an organization and for improving the process as only measurable things are controllable. Improving organizational performance requires some measurement to determine the impact of the level of organizational effectiveness on business performance. Miles & Darroch (2006) helps identify the most important key factors affecting company performance.

5.3. Conclusion

Entrepreneurial marketing dimensions have been found to be critical to MSE performance. Because entrepreneurial marketing dimensions help how organizational resources are organized and used to achieve the goals and objectives of the organization. The governmental and non-governmental organizations are involved in supporting the MSE sector in Ethiopia to improve their performance. However, according to several studies, poor performance is still noted due to the lack of entrepreneurial marketing dimensions. For this reason, this study was developed to find out the impact of entrepreneurial marketing dimensions on the performance of MSEs in the addis ketema municipality. Seven hypotheses were formulated to guide the research. For example, customer intensity, proactiveness, opportunity focus, value creation, resource leverage, calculated risk-taking, and innovativeness.

The sample of the study included 370 MSEs stratified in 14 weredas and five main sectors in addis ketema sub-city. The cross-sectional research design was used, with hand-distributed questionnaires to collect data. Of the 370 questionnaires distributed, 297 were usable, which corresponds to 80.2% of the total number of questionnaires distributed. The data were analyzed by descriptive and inferential statistics.

The descriptive result shows that the mean response of all variables about the resource leverage was above average. This means that MSE owners/managers in addis ketema sub city have high customer intensity, proactiveness, opportunity focus, value creation, calculated risk taking, innovativeness and somehow high performance.

Analysis of the relationship between entrepreneur marketing dimensions and the performance of MSE outcomes suggests that entrepreneur marketing dimensions are positively associated with business performance with a significant Pearson correlation coefficient. This means that changes in one variable correlate with changes in the other. Therefore, it is concluded that there is a strong and positive correlation between the dimensions of entrepreneur marketing and business performance.

At last, the result of the multiple regression analysis shows that the dimensions of entrepreneur marketing have a positive association with business performance with a positive beta value. This means that a one-unit increase in any of the dimensions of entrepreneur marketing results in an

increase in business performance. However, the increasing magnitude of business performance depends on the beta value of the independent variable. Therefore, it is concluded that there is a strong and positive correlation between the dimensions of entrepreneur marketing and business performance. All hypotheses are accepted except for resource leverage, as all seven dimensions of entrepreneur marketing have a significant and positive effect on MSE performance in addis ketema sub-city.

5.4. Recommendation

As highlighted in this study, customer intensity has a significant positive impact on MSE performance. Therefore, MSE owners/managers should be encouraged to acquire the ability to identify opportunities, seize opportunities, treat new problems as opportunities and identify unmet customer needs in order to improve the performance of their businesses.

The ability to innovate has a significant positive impact on the performance of MSE. Therefore, owners/managers of MSE should be encouraged to develop the ability to innovate, to take risks and to make decisions, as well as to observe and understand complex information.

The findings show that being proactive has a significant positive impact on the performance of MSE. Therefore, MSE owners/managers should develop the ability to fully engage, be single-minded and committed and take proactive measures in relation to their responsibilities and duties.

Calculated risk-taking also has a significant and positive impact on MSE performance. Therefore, MSE owners/managers should be required to develop the ability to plan ahead, know the likely direction of the industry and what impact changes might have on their business. Prioritize tasks in line with business objectives, evaluate Compare results against your strategic goals and define strategic actions by weighing costs and benefits.

Value creation has a significant and positive impact on MSE performance, therefore MSE owners/leaders must seize every opportunity to create value.

The focus on opportunity has a significant and positive correlation to a company's performance. Therefore, MSE must seize every opportunity and use them for the benefit of the company. Resource leverage doesn't have a weighty relationship between the performances of the MSEs so more of the enterprise need to give focus to other alternatives.

Findings showed that customer intensity, proactiveness, opportunity focus, value creation, calculated risk-taking and innovativeness have a significant and positive impact on MSE performance. Therefore, the governmental and non-governmental organizations should combine their efforts to introduce management training and development programs for the business owners/managers to give them the opportunity to improve and develop their skills. Non-governmental organizations such as private banks should provide support by granting loans.

APPENDIXES

Appendix A: Questionnaire ADDISABABA UNIVERISTY

INTRODUCTION LETTER

Dear Respondent

I am a student at Addis Ababa University

. I am undertaking research as a part of the requirements for a master's degree in marketing entitled the effect of entrepreneurial marketing dimensions on the performance of micro and small enterprises, in the case of Addis ketema Sub city. You have been selected to participate in this study to obtain your perceptions and views regarding various aspects of the MSE sector. I ask you to provide appropriate and relevant information. I affirm that your information will be used for the academic purpose only.

Thank you in advance for your time and cooperation.

Sincerely yours,

Meaza Nigussie

Part one: General Information

Instruction: Please write in a blank space or circle the appropriate number that best suit your situation.

1. Gender: 1. Male 2. female
2. Age of the respondent 1) 18-30 years 3) 40- 49 years
2) 31-39 years 4) 50 years and above
3. What is the highest level of education you have completed?
1) No 2) 1st -8th grade 3) 9th-12th grade 4) TVET level 1-4 - diploma 5) degree and above
4. Marital statuses 1) married 2) unmarried 3) Divorced
5. What is the sector of your enterprise?
1) Manufacturing 2) service 3) construction 4) trade 5) urban agriculture

6. How long has been since the establishment of your enterprise? -----

7. How many employees do you have? -----

Part two. Entrepreneurial marketing dimensions and business performance

Using the following scale, please indicate the extent, to which you either agree or disagree with the statements by a circle the appropriate number in each row,

1 = Strongly Agree 2 = Agree; 3 = Neutral; 4 = Disagree; 5 = Strongly Disagree.

No	Customer intensity As the owner/manager of this enterprise, I ...	Rating scale				
1	I frequently measure my company's customer satisfaction.					
2	I expect that all employees in our firm recognize the importance of					
3	My business objectives are driven by customer satisfaction.					
4	I pay close attention to after-sales service.					
5	I encourage my employees to strive for innovative approaches to creating relationships with customers					
6	Sometimes, my company does not pay attention to customers who <u>think they know more about our business than we do.</u>					
7	I make sure that my company's competitive advantage is based on understanding customer needs					
Proactiveness						
As the owner-manager of this enterprise, I ...						
1	I am constantly on the lookout for new ways to improve my company					
2	I am always looking for better ways to do things in my company					
3	I excel at identifying opportunities for my company.					
4	I am great at turning problems at my company into opportunities					
5	When it comes to my company, I am more action oriented than reaction oriented					
6	Nothing is more exciting in my company than seeing my ideas turn into reality					
Calculated risk taking						
As the owner-manager of this enterprise, I ...						
1	My business would rather accept a risk to pursue an opportunity than miss it altogether					

2	My business is willing to take risks when we think it will benefit the					
3	My company would not be considered gamblers, but we do take risks.					
Innovativeness						
1	My company tries to use innovative approaches if it will help them get the job done more					
2	Being innovative is a competitive advantage for my company.					
3	My company tends to be more innovative than most of my competitor					
4	I create an atmosphere that encourages creativity and innovativeness.					
Opportunity-focus						
1	My management approach looks beyond current customers and markets for more opportunities for our company.					
2	I am good at recognizing and pursuing opportunities for my company					
3	I would characterize my company as opportunity driven.					
4	My company is always looking for new opportunities					
5	My company is always looking for new opportunities					
Resource leveraging						
1	I have used networking and/or an exchange of favors to our advantage in my company.					
2	I have been able to leverage our resources by bartering or sharing.					
3	People who know me well would say that I am persistent, even tenacious, in overcoming obstacles.					
4	I use creative approaches to make things happen.					
5	My company prides itself on doing more with less					
6	In the past, we have always found a way to get the resources we need to get the job done.					

Value creation					
1	I make sure that my company creates value for consumers with excellent Customer service.				
2	I make sure that my company does an excellent job of creating value for Customers.				
3	I make sure my company's pricing structure is designed to reflect value created for customers.				
4	I make sure my managers understand how employees can contribute to value for customers.				
5	Providing value for our customers is the most important thing my company does				
OVERALL SME PERFORMANCE					
1. efficiency					
1	My firm is usually satisfied with return on investment				
2	My firm is usually satisfied with return on equity				
3	My firm is usually satisfied with return on assets				
2. GROWTH					
1	My firm is usually satisfied with sale growth				
2	My firm is usually satisfied with market share growth				
3	My firm is usually satisfied with employee growth				
3. PROFIT					
1	My firm is usually satisfied with return on sales				
2	My firm is usually satisfied with net profit margins				
3	My firm is usually satisfied with gross profit margins				
4. OWNERS PERSONAL GOAL					
1	I'm satisfied with my personal financial situation				
2	My status in society is improved				
3	My standard of living is improved				
4	I have achieved all my startup goals				

5. REPUTATION						
1	My company has high reputation					
2	My company treats its customer very seriously					
3	My company is followed by a large number of followers on social media					
4	My employees are proud to be the part of this company					
5	I consider my company philanthropi					

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