The Effects of Entrepreneurial Marketing Practices on the Growth of Hair Salons: A Case Study of Hair Salons in Kiambu Township

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Abstract

The purpose of the study was to assess the role of EM on the growth of the Hair Salons in Kiambu. Growth in any MSE is important, bearing in mind the high level of competition within the industry. Growth was the dependent variable while the independent variable relationship marketing .The general objective of this study was to assess the level of entrepreneurial marketing among the Hair Salons owners in Kiambu Township. The study sought to establish how the Hair Salons' owners were marketing their Hair Salons and the role the EM played in the growth of the Hair Salons within Kiambu Town.

The target population of the study was the Hair Salons owners and their clients. Simple random sampling method was used as a technique of collecting the data. The goal was to achieve the desired representation from the population. Those who were interviewed were the Hair Salons owners their client so as to get the desired report. A total of about 30 Hair Salons and client in every Hair Salons were taken as the sample population.

The research design adopted was descriptive research. It attempts to describe such things as possible behavior attitude values and characteristics. Data was collected using interview method so as to get detailed data which was not possible to get using questionnaire. Structured questions were also used because they were easier to analyzing since they were in an immediate usable form. A pilot study was done to test the validity and reliability of the interview questions.

Data collected was be both quantitative and qualitative and was analyzed. The results were interpreted and conclusion drawn in relation to the research variables which were entrepreneurial marketing promotion practices, relationship practices and entrepreneurial marketing orientation practices which were also related to the dependent variable which is organizational growth.
Summary, conclusion and recommendations were made, in relations to the research findings which showed the relationship between the entrepreneurial practices and the growth of hair Salons.

Abbreviations And Acronyms
EM - Entrepreneurial Marketing
MSEs - Micro and Small Enterprises
R-A - Resource Advantages

Background of the problem

The government of Kenya aim at sustaining economic growth of 10%p.a over the next 25 years (Kenya vision 2030) and the promotion of MSEs sector is seen as a primary means of strengthening Kenya’s economic development.(Sessional paper no2 of 2005). Despite the importance of MSEs to the Kenya economy, virtually no research has assessed the role of entrepreneurship and its linkage to marketing strategies tactics, and corporate performance in such firms. However in a developing world MSEs owners need to rethink the role of marketing for the sustainable growth of their enterprise so as to be able to overcome challenges posed by external forces such as global financial crisis, political and legal factors, economic factors, environmental factors among others. within the MSEs, the entrepreneurs need to change their marketing strategies from traditional way of marketing which is commonly emphasized, to a better strategy which is non-traditional and more customer oriented for a competitive advantage. According to Hill. G and Hultan c. (2006), entrepreneurial marketing has increasingly gained attention in research as well as a subject for new courses and new aspect of marketing. Due to need for economic growth there is a growing need for entrepreneurship which is associated with adaptation and change of economic systems often contributing to national economic growth (Bygrave, Reyholds and Autio 2004).

Nowadays, entrepreneurial development is considered as the best way to leave recession and if firms can provide the highest degree of value for their customers, they will both enjoy their own competitive advantages, position themselves in the market, and also among their target customers (Hill. G and Hultan c. 2006).

Entrepreneurial marketing is an interface of two research fields i.e. entrepreneurship and marketing. Due to increase of awareness about the impact of entrepreneurship and innovation on marketing, and role in the success of entrepreneurial activity, the two fields have been combined and the concept of “entrepreneurial marketing” has emerged (Hill. G and Hultan c. 2006). According to Stoke (2000), the aspect of interface between marketing and entrepreneurship involves how the marketing concept and principles can be made more relevant in entrepreneurial context. Marketing has much to offer to entrepreneurship and likewise entrepreneurship can look to marketing as the key function with the firm which can encompass innovation and creativity (Murray 1981; Hills 1987)
Morris et al (2002) defines entrepreneurial marketing as a proactive identification and exploitation of opportunities to obtain and maintain profitable customers through innovation, perspective on risk management, value creation and entrepreneurial resource navigation. It has been most frequently associated with marketing activities in firms which are small and resource constrained, and therefore must rely on creative and often unsophisticated marketing tactics that make heavy use of personal networks (Stoke 2000). The term has also been employed to describe the unplanned, non-linear, visionary marketing action of the entrepreneur.

On the other hand, entrepreneurship has been defined as the process of creating value by bringing together a unique package of resources to exploit an opportunity (Stevenson, Roberts, and Grousbeck 1989) which results not only in the creation of new, growth oriented firms, but in strategic renewal of existing firms (Pinchot 2000; Morris and Kuratko 2001). According to Ennew and Binks (1998), entrepreneurship is personality studies of individuals that seek to identify common psychological and social trait amongst entrepreneurs compared to non-entrepreneurs.

According to Schumpeter (1960), entrepreneurship process includes innovation in creating new products/services, processes, market and strategies (Crane, 2010). This will create sustainable advantage in market which allows identifying new needs and demands of customers and meet their satisfaction (Martin 2009). On the other hand, marketing is an organizational function and a set of process to create, communicate and deliver value to customer and manage relationship with them in order to achieve profitability and value for organization and its stakeholders (Fills 2000).

For any business to succeed, it requires establishing long term relationships with customers and also delivers value to them. This will create customer loyalty and will help in disseminating products to other customers (Crane 2010). Entrepreneurial marketing sees on-going entrepreneurship as a change agent of the marketing discipline. Its main role is of continuous value creation to marketing through pursuit of opportunities and innovation, risk taking and leveraging of resources as a way of ensuring incremental and improvement in performance. This is the kind of marketing that enables entrepreneurs to discover, create, motivate, satisfy and meet the demands and desire of customers.

The manifestation of the inadequate entrepreneurial marketing in Hair Salons within Kiambu is the low rate at which these Hair Salons are growing and the high rate of mortality. The problem is evident particularly in Kenya where the entrepreneurial marketing has not been sufficiently developed for growth and sustainability of MSEs. A deeper understanding of entrepreneurial marketing dimension i.e. (entrepreneurial orientation, marketing orientation and resource leveraging) is needed to assess the competence of Hair Salons’ growth and sustainability within Kiambu. The study therefore focuses on the extent to which entrepreneurial marketing dimension is practiced by Hair Salons owners in Kiambu.
Problem statement

A significant portion of the Kenya Economy is constituted by MSE to which saloons belong. According to 2003 Economic Survey the number of MSEs had increased from 4.2 million persons in 2000 to 5.1 million persons in 2002. Casual observations show that in Kenya competition within the Hair Saloon is stiffening especially with establishment of new saloons and also the increase of many women who are gifted in hair making who practice it at home. According to S. Rivastrava, Shervani, and Fehey (1999) marketing is the most critical element in the success of any MSEs and hair Salons cannot be an exception.

It is noted that many MSEs have major problems in the field of marketing such as having small range of customers, financial constrains in the field of marketing, little innovation among others (Stokes 2000).Many MSEs also operate in a very turbulent environment of increased risk and diminishing ability to forecast, traditional marketing among others. Forecasting may become difficult and sometimes even impossible. In such environment business owners have to unlearn traditional way of doing things and replace them with new thinking and new behaviors that not only incorporate change but also create the necessary changes in the marketplace.

Entrepreneurship may be a vehicle for this and entrepreneurial marketing behavior may be of the utmost importance for many MSEs (Hill and Hultman 2006)

Research also shows that many MSEs owners do not position themselves to be able to sport and utilize opportunities in the market place (Webster 1997). This can be interpreted to mean that many Hair Salons owners do not effectively embrace entrepreneurial marketing. Is this true of Hair Salons in Kiambu? This constitutes a research problem for this study. The study will therefore investigate the level of entrepreneurial marketing amongst Hair Salons owners in Kiambu.

According to Morris (2002) some scholars like (Mckenna 1991, Hamel and Parahelad 1991, Shetu, Sisodia and Sharma 2000) are some of the scholar’s one who criticized the contemporary marketing. They said that there is over-reliance on established rules and a lot of emphasis on the promotion element of the market mix lack of innovation etc. Webster (1981) says that marketers were not sufficiently innovative and entrepreneurial in their thinking and decision making due to the above criticism there have been development in marketing practice.

Theoretical framework

Entrepreneurial marketing is an interface between marketing and entrepreneurship. The two terms are treated as one discipline. The two subjects are change focused, opportunistic in nature and innovative in their approach to management (Collinson and Shaw 2001) according to Morris (2002), entrepreneurial marketing has been associated with marketing activities in firms which are small and resource constrained and therefore must rely on creativity and unsophisticated marketing tactics that make heavy use of personal networks. He continues to
say that the term has been employed to describe the unplanned, non-linear, visionary marketing action of the entrepreneur.

Maharani (2009) says that theoretical foundation of entrepreneurial marketing is consistent with resource- advantages (R-A) theory. R-A theory allows both conventional approaches to marketing and entrepreneurial marketing. Consistent with the dynamic of competition under R-A theory, marketing can facilitate the ability of firms to create new resources and enhance productivity of current resources through leveraging and championing innovation in the form of new combination of resources.

According to Hill and Hultman (2006), the entrepreneurial marketing is a union of marketing and entrepreneurship where the two disciplines share a common application and normative statements. The two disciplines share the same concepts, objectives and goal oriented behavior. Entrepreneurial marketing is characterized by informal information gathering through networks of personal contacts rather than the systematic market, intelligence gathering advocated in traditional marketing texts (Stokes, 2000). It should not be second rated, but it is marketing which is more appropriate in entrepreneurial context.

2.2.1 Conceptual framework

![Conceptual framework](image)

Relationship marketing practices  Organizational growth

variables  dependent variable

Figure 1.1 Conceptual framework

Relationship marketing

Relationship marketing is characterized by identifying, establishing, maintaining and enhancing relationship with customers. The factors that lead to it is due to Sophisticated customers who want individualized attention, new technologies and maturing markets.(Morris et al. 2002). It requires personal communication with customers relationship marketing is meant to build the customers commitment to a brand. According to (Roger 1993) the relationship marketing has taken some forms;

i) Creating customers satisfaction through delivering superior products and satisfaction

ii) Creating and maintaining relationship, this will result into growth of the firm as a result of high level of repeat purchases and improved responsiveness to marketing communication by customers.

Relationships marketing focus on one to one on “share of customers rather than mass marketer share of market. (Martha Roger 1993) One to one interaction with customer would lead to improve life time value which may result to business growth.(Reinicheld 1996) continues to say
that relationship marketing, loyal customers can generate word of mouth to the prospective customer hence increases which results in to growth.

According to (Morgan 1994) loyal customers are actually more profitable. Reinatz and Kumar (2002) tested that the claim that royal customers were less costly to serve were willing to pay more for brand choice than non loyal customers and. Morgan and Hunt (1994) define relationship marketing as all marketing activities directed towards establishing developing and maintaining successful relations exchange. RM seeks to create new value for customers and then share it with customers.

The goal of relationship marketing is to establish, maintain and enhance relationship with customers and other parties at a profit so that the objective of the parties involved met (Sorce 2002) he continues to say relationship marketing is an integrated effort to identify and maintain and build up a network with customers and continue strengthen the network for the mutual benefit of both the customer and the entrepreneur, though interactive individualized and value of time.

Research design

The research design will be a descriptive research. The descriptive research determines and reports the way things are. Descriptive research design attempt to describe such things as possible behavior, attitude, value and characteristic.(Mugenda and Mugenda 2003). In this method, objectives of the study were formulated, method of data collection designed, sample population was selected and date collected was analyzed. Qualitative and quantitative data was collected and results were analyzed.

Study population

The study focused on the Hair Salons owners and their clients in Kiambu town. All categories of Hair Salons were my focus and they are 61 in number.

Simple random sampling was used. In simple random sampling every member of the population has an equal chance of being selected. (Chandran 2004) According to Mugenda and Mugenda (2003) this method of sampling involves giving number to every subject or member of the accessible population, place the numbers in a container and then picking any number at random. The subjects corresponding to the numbers placed are included in the sample. In this case all the Hair Salons were listed and numbers were assigned from 001 to 061. The desired sample of 031 was randomly selected.

The instrument used was interview. The interview method can be structured or semi structured. (Chandran 2004)
An interview is an oral administration of a questionnaire or an interview schedule. They are therefore face to face encounters (Mugenda and Mugenda 2003). Interviews are advantageous because they provide in-depth data which is not possible to get using a questionnaire.

According to Chandran (2004) there are two types of interview, Personal and phone. Personal interview, the interviewer collects data directly and personally from respondent who is the subject of the study. It is an interactive method. He continues to describe phone interview as a method which is direct though not face to face. The personal interview was used because interaction was needed in this study. According to Mugenda and Mugenda (2003) interview can either be structured, unstructured or semi structured interviews. The kind of interview which is appropriate for this study was structured interview where the respondent interview questions were exact (Chandran 2004).

Statistical Package for Social Sciences (SPSS) was used to analyze and present quantitative data using tables. Descriptive statistics refers to methods employed in summarizing the obtained data into frequency, distribution, percentage distribution, and measure of the central tendency, measure of position, measure of dispersion and measure of skewness. Boslaugh (2008) defines descriptive statistic as the use of statistical and graphic techniques to present information about the data set being studied.

Research Findings And Discussions

Relationship marketing practices

Table 1

**EM practices for relationship enhancement**

<table>
<thead>
<tr>
<th>statement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I do follow up to my customers</td>
<td>15</td>
<td>48.4</td>
</tr>
<tr>
<td>2. I give them after sale services to encourage them come again</td>
<td>11</td>
<td>35.5</td>
</tr>
<tr>
<td>3. I give credit to my loyal customer</td>
<td>_</td>
<td>_</td>
</tr>
<tr>
<td>4. I give my customer personal attention</td>
<td>5</td>
<td>16.1</td>
</tr>
<tr>
<td></td>
<td>31</td>
<td>100</td>
</tr>
</tbody>
</table>

From the above analysis 48.4% of the respondent indicated that they always followed up their customers often after giving them services. No respondent who indicated that she gave credit to the royal customers for them to come again. 35.5% of the respondent gave the customers after sale services which encouraged them to come back for more services while 16.1% gave the customers personal attention.
The researcher observed that the salon owners were able to interact with their customers through personal selling and relationship building approaches. During the researchers' discussion with the hair salon owners, they stressed the importance of the personal relationship in the development of customer base.

Table 2

**Client retention**

<table>
<thead>
<tr>
<th>statement</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enticing them to come again</td>
<td>2</td>
<td>6.5</td>
</tr>
<tr>
<td>2. Listen to what they want and give them the best service</td>
<td>21</td>
<td>67.7</td>
</tr>
<tr>
<td>3. Use SMS to remind them of the next visit</td>
<td>2</td>
<td>6.5</td>
</tr>
<tr>
<td>4. Give them individual attention</td>
<td>6</td>
<td>19.4</td>
</tr>
<tr>
<td></td>
<td>31</td>
<td>100</td>
</tr>
</tbody>
</table>

From the table above on client retention 67.7% of the respondent indicated that they listened to the customers and gave them the best services for them to come back again, while only 6.5% of the respondent reminded the customer of their next visit through SMS.

Table 3

**Rating the interaction of the hair salon owners and their customers**

<table>
<thead>
<tr>
<th>Rate</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Very often</td>
<td>6</td>
<td>19.4</td>
</tr>
<tr>
<td>2. Often</td>
<td>13</td>
<td>41.9</td>
</tr>
<tr>
<td>3. Sometimes</td>
<td>11</td>
<td>35.9</td>
</tr>
<tr>
<td>4. Rarely</td>
<td>1</td>
<td>3.2</td>
</tr>
<tr>
<td>5. Not at all</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>31</td>
<td>100</td>
</tr>
</tbody>
</table>

Rating the interaction of the hair salon owners and their customers 19.4% interacted very often while 41.9% interacted often. The entire respondent interviewed had some interaction with their customers and only 3.2% of the respondent who rarely interacted with their customers.
According to the researcher is a major component of marketing and it has a impact on the growth of the hair salons. Most of the hair salons owners in Kiambu had some interaction with their customer. The personal contact networks play a crucial role in marketing and also have a strong entrepreneurial aspect.

| Table 4 | Relationship between the interaction and growth in percentage |
|-----------------------------------------------|
| Level of growth | Excellent | V. Good | Good | Satisfactory | Poor | Cumulative % |
| 1. Very often | 100% | 0 | 0 | 0 | 0 | 100% |
| 2. Often | 0 | 100 | 0 | 0 | 0 | 100% |
| 3. Sometimes | 0 | 3.2 | 96.8 | 0 | 0 | 100% |
| 4. Rarely | 0 | 0 | 0 | 0 | 0 | 100% |

The table above shows the relationship between the level of interaction and the level of growth for the hair salons. There was some relationship between the interaction of the hair salon owners with their customers and the growth of the hair salons. 100% of those who interacted very often indicated that the growth was excellent. While the 100% of those who interacted often indicated that the growth was very good.

According to the researcher personal networks and social networks play a very important role in marketing. The researcher observation indicated that such networks are very effective on the growth of the hair salons where interacting directly with the customers served as a unique selling proposition. Majority of the hair salon owners in Kiambu practices the entrepreneurial marketing which is characterized by informal gathering through net works of personal contact, rather than the systematic market intelligence gathering advocated in traditional marketing text (Stoke 2000).

Summary, Conclusion And Recommendation

Relationship Marketing

The outcome of the study on the relationship shows that whenever the hair salon owners create relationship with the client they, realize growth of their hair salons. Majority of the hair salon owners in Kiambu practices relationship marketing where they establish, maintain and
enhance relationship with customers through the word of mouth which many of hair salon owners uses there is personal communication with their customers which assist to create the customer commitment to the hair salon.

The owners of the hair salon have been able to create customers satisfactory in many of the hair salons through giving quality services. This has resulted into growth of many hair salons as a result of high level of repeat visit and improved responsiveness to marketing.

Many customers have become royal customers who are actually more profitable.

Conclusion

It is clear that there is relationship between the entrepreneurial marketing practices and the growth of the hair salons. Most of those who used the entrepreneurial marketing indicated some level of growth in their hair salon. Those who practices relationship marketing indicated that the growth was either excellent or very good.

Though there may little awareness entrepreneurial marketing and the effect on growth some of the hair salon owner practices it without knowledge that they are practicing it and they are some of those who experienced some level of growth in their business.

Recommendation

From the study carried out and analysis done, it is clear that there is relationship between entrepreneurial marketing and business growth.

The researcher thus recommends the following.

i) There is need for a comprehensive training for the SME owners on entrepreneurship traits among them. This will help them to compete effectively among themselves. Training will help them to acquire skills for personal entrepreneurial; development which will facilitate the growth of their enterprises

ii) The Government should develop the education system which will help those who will go into business to have entrepreneurial knowledge and skill which can help them to develop a positive entrepreneurial attitude hence facilitating business development and employment creation

Acknowledgement

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It is my prayer that God may bless all that have a stake in this undertaking.

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Kenya Vision 2030


Policy Paper NO 2 of 2005 on Development of MSEs, Wealth and employment Creation for poverty reduction
Sessional paper No 2 of 2005
