EFFECT OF ENTREPRENEURIAL MARKETING ON PERFORMANCE OF REAL ESTATE ENTERPRISES: A CASE OF OPTIVEN LIMITED IN NAIROBI, KENYA

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ABSTRACT

Entrepreneurial marketing is a marketing approach that is more appropriate in terms of resource constraints and problems that exist in small and medium enterprises (SMEs). The study focused on analyzing the effects of entrepreneurial marketing on performance of real estate enterprises in Nairobi, Kenya, using the case of Optiven Limited. The objectives of the study were to unveil how strategic orientation, innovation orientation, market orientation and resources leveraging affect the performance of Optiven as a real estate enterprise in Nairobi, Kenya. The beneficiaries of the study are future researchers, owners and top management of Optiven Limited and other companies. The research adopted a descriptive research design, the researcher used a questionnaire as the primary data collection instrument. The questionnaire was designed to give a brief introduction. This included analysis of data to summarize the essential features and relationships of data in order to generalize from the analysis to determine patterns and behavior of particular outcomes. The instrument was pilot tested on 10 clients to ensure validity and reliability. Descriptive statistics was used to analyses qualitative data, qualitative data was coded and classified into themes and perceptions and reported in the findings and the target population was obtained from Optiven Limited clients who are 522 in number. Inferential statistics using correlation, multiple linear regression models and ANOVA analysis were undertaken using SPSS version 21.The data was presented in tables, graphs and pie charts. The findings of the study revealed a strong relationship between strategic orientation, market orientation, innovation orientation and resource leveraging on performance of real enterprise a case of Optiven Limited. However, preference and usage of the strategies was attributed to unique products and leveraging of resources. SMEs should therefore utilize innovation and resource leveraging as a strategy for performance. The SMEs should also carefully plan their marketing strategies and allocate marketing resources to the more effective tool.

Key Words: *entrepreneurial marketing, strategic orientation, innovation orientation, market orientation, resource leveraging, real estate enterprises*

INTRODUCTION

Marketing and entrepreneurship have been examined to have a significant interrelationship, which means that they influence one another's effect on performance. For the last 25 years, entrepreneurship and marketing are two well-established scientific fields, which are central in business studies (Hills & Hultman, 2013). Historically, these two scientific fields had not any common and clear relationship. However, recent studies proved the opposite, since scientists found the relationship between marketing and entrepreneurship. These studies identified the theoretical and practical connection between recently independent subjects. There is a widespread thought that successful entrepreneurship needs marketing as successful marketing needs entrepreneurial approach (Hills & LaForge, 1992).

Entrepreneurial marketing describes the marketing enterprises of micro, small and medium sized entrepreneurs (Kraus, Rainer & Harms, 2010). Entrepreneurial marketing takes place in a firm of any sizes, but the meaning might be different for the small and big companies (Bjerke & Hultman, 2002). It provides the tool to compete on the market with limited resources and thus innovative marketing strategy might be a good weapon and particular value for the micro and small sized entrepreneurs. Some argue that SMEs pay less attention to marketing as a business function because marketing is often perceived as a large organization activity. Traditionally entrepreneurship has been connected to uncertainty and risk-taking as well as the efforts of the entrepreneur who ventures to transform vision into business activities. (Katsikis and Kyrgidou, 2008) Defining entrepreneurship is challenging since entrepreneurs are found in all professions such as education, medicine and law. Many researchers think today that entrepreneurs are the most significant causal factor of economic performance and development of societies.

The survival and success in today's global economy requires constant change and innovation. Even if entrepreneurship is examined from different perspectives the common factor is the change. It is all about recognizing opportunity, living in change or even providing a change. That is why entrepreneurship is so current and hot topic today (Bjerke and Hultman, 2007). According to Kotler, 2000) marketing concept holds the key to achieving organizational goals, consist of the company being better than competitors in creating, delivering and communicating customer value to its chosen market. Nowadays it is also claimed that marketing is more a wider management responsibility than a specific function. Companies' employees in different specialist functions contribute to firms marketing both directly and indirectly. The standard model of marketing planning within the managerial school includes the following steps; market analysis, marketing goals, strategic marketing planning, planning marketing programs and implementation (Bjerke & Hultman, 2007).

There has been criticism of the customer-centric focus in marketing which has resulted in a lack of innovation and therefore similar products and processes (Fillis, 2010). The term entrepreneurial marketing (EM) is often connected with marketing activities of small and resource-limited firms using creative marketing practices that rely heavily on the extensive exploitation of personal networks (Morris, Schindehutte *et al.* 2002). Morris, Schindehutte *et al.* (2002) have defined EM as "proactive identification, evaluation, and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creations." In addition, EM is typically highly intuitive with only limited formal planning (Hills, Hultman *et al*. 2008). In contrast, traditional marketing (TM) is more responsive, risk avoidant, and control-oriented.

Note, however, that there is a continuum between EM and TM, not a dichotomy, and a spectrum of marketing approaches exists depending on the degree and frequency that EM and its individual dimensions are applied in a firm. Within this marketing spectrum, the position of a firm is context-specific, reflecting the specific circumstances and environment of the industry and the firm at that point in time. The position of a firm within the marketing spectrum may be time-dependent; typically, entrepreneurial actions are more relevant in high-velocity markets than in stable environment (Morris, Schindehutte *et al.* 2002). In other words, the norms for EM have to be interpreted relative to the industry in question and in a certain point in time. Finally, the concept of EM is not limited to novel or small ventures, but entrepreneurial marketing behaviour and processes can also be applied by large firms (Miles, Darroch 2006, Morrish, Miles *et al.* 2010).

Today's business environment is changing and market conditions are shaped by chaos, fragmentation, unsureness, complexity and ambiguity. Instead of using a planned linear and rational response that is conventional marketing approach, also a new entrepreneurially creative alternative is introduced (Fillis, 2010). Traditional marketing emphasizes customer-orientation which is market driven and connected to product development. Entrepreneurial marketing on the other hand is more innovation-oriented which means that it is idea-driven and assessment of market needs is more likely intuitive (Stokes, 2000). Therefore, small and micro entrepreneurs, in an entrepreneurial perspective, need market in a way that suits a small and/or growing firm that does not have the resources or operational structure of a large company (Gilmore, 2011).

Optiven Limited was started in 1999 as Optiven Enterprises where it was running stationery business, until 2010 when it ventured into real estate. Currently, it is the market leader in the industry, having changed its vision to be pacesetters in social-economic transformation. Optiven Ltd is located at Barclays Plaza along Loita Street, with 3 more branches in Eldoret, Ruai and Kitengela, it has since expanded to have other Small Business Units, (Optiven Insurance, Optiven Foundation, Optiven Agency, Optiven Construction & Optiven Water and Optiven Hospitality). Optiven Limited has a mission 'to create an environment that positively transforms the staff, customers and other stakeholders through offering state of the art products and services.'

It is ran through a culture where the over 100 staff members are required to be values based, customer focused and target oriented while upholding professionalism, honesty, customer focus and innovation. Optiven Limited has 522 clients, including the clients who have already bought their properties and the ones who are in the process of acquiring some. Included in the 522 clients are Optiven staffs. Optiven Limited is a market leader in the industry and was crowned number one company in Kenya and the best in real estate under Top 100 midsized companies in Kenya, 2014/2015.In 2015, Optiven won in the COYA AWARDS as the best company in Kenya in customer orientation & marketing. Optiven Limited has an asset base of 150 million, and stock, that is the plots available for sale of around 800 million valued at cost. It made sales of 525 million in the year 2014, and 675 million in the year 2015. The performance rate and the net profit margin for year 2014 – 2015 was 29% and 15% respectively. Trade and other payables are estimated at 12 million, the long-term and short term loans are 250 million while the trade receivables of 350 million.

STATEMENT OF THE PROBLEM

Real estate prices in Kenya has doubled, even tripled in the past few years (Majtenyi, 2010) and the government wants to know the cause. Demand for housing units continues to outstrip the supply (Masika, 2010). Real Estate property market is booming in Kenya especially because of the growth in the mortgage financing in the country (Masika, 2010). 60% of the pension fund is going towards the property market (Mwithiga, 2010) and they are using it as mortgage security (Okumu, 2010). The Knight Frank's 2011 Prime International Residential Index (PIRI), which monitors price changes across the world's top-end property markets shows that Kenya's luxury real estate saw the greatest price increase globally. The value of Nairobi's prime real estate grew by 25% while at the Kenyan coast it went up by 20% outdoing other major cities like Miami (19.1%), London (12.1%), Moscow (9.8%), New York (3.1%), Shanghai (-3.4%) and Singapore (-4.7%).

Real estate investments and prices are good measures for reflecting expected real estate demand, and serve as good predictors of economic performance (Knight Frank, 2011). It is noted that many SMEs 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).Real estate firms also operate in a very turbulent environment of increased risk and diminishing ability to forecast, traditional marketing among others (Murigu 2005). 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. With stiff competition in the real estate market and a wide range of brokerage models working in real estate, competition has never been greater and consumers have never had wider choice with whom to work while buying and selling homes. It is therefore critical a real estate firm has a good marketing strategy to enhance its performance in the industry (Gottschalg & Zollo, 2007).

While marketing plays a significant role in successful organizations (Gilmore & Carson, 2007), it can be argued that marketing is becoming more critical for performance of real estate enterprises, for which the loss or gain of a single customer can often determine firm survival. The main concern is that real estate contribution to the economy of Kenya (as measured in relation to the economic growth) has faced a declining trend for the past years. This can be interpreted to mean that many real estate owners do not effectively embrace entrepreneurial marketing. What has contributed to the stiff competition? How can performance of real estate be stabilized? Could it be lack of entrepreneurial marketing strategies? This study therefore is aimed at filling the missing knowledge gap by establishing the influence of entrepreneurial marketing on performance of SMEs with specific reference real estate in Kenya, a case of Optiven Limited.

GENERAL OBJECTIVE

The general objective of the study was to analyze the effects of entrepreneurial marketing on performance of real estate enterprises in Nairobi, Kenya, using the case of Optiven Limited.

SPECIFIC OBJECTIVES

1. To establish how strategic orientation affects the performance of real estate in Nairobi, Kenya.
2. To examine how innovation orientation affect the performance of real estate in Nairobi, Kenya.
3. To determine how market orientation affect the performance of real estate in Nairobi, Kenya.
4. To analyze how resource leveraging affect the performance of real estate in Nairobi, Kenya.

THEORETICAL REVIEW

The study was guided by the Porter's Strategic Management Theory, Entrepreneurship Innovation Theory, Marketing Orientation Theory and Resource Based View (RBV).

Porter's Strategic Management Theory

The influence of strategy orientation involves a dialogue of how strategic management can catalyze a firm's performance. In reference to Porter (1980) there are three generic business level strategies that firms use to compete in an industry leading to performance: the low- cost strategy, the differentiation strategy and the focus strategy. The low-cost leadership occurs when a firm seeks to be the lowest cost provider to most customer segments so as to remain competitive in the market (Kumar *et al.*, 2011.) Low prices enable a firm in acquiring major part of market share. According to Porter, a firm can get cost leadership benefit by reducing the cost at each level of value chain (Graham 2008).

Differentiation strategy on the other hand is where a company seeks to develop products that offer unique attributes that are valued by customers. Normally this will allow the company to charge a premium price that will more than cover the extra costs incurred thereby increasing margins and profits. Differentiation can be achieved in a number of ways for example by offering superior quality or performance, unusual or unique features, more responsive customer service, and rapid product innovation (Porter, 2008).

A firm pursuing the focus strategy concentrates on a particular group of customers, geographical markets, or product line segments. The focuser selects a segment or a group of segments in the industry and tailors its strategy to serving them to the exclusion of others. Typically the target segment has buyers with unusual needs from that of other industry segments. By optimizing its strategy for the target segments, the focuser seeks to achieve a competitive advantage in its target segments. Porter's idea of a focus strategy is basically to reduce the scope of the intended audience for product or service. It is a niche strategy used to reach a market segment whose needs are different from those of the larger market (Namusonge, 2014). In his original work Porter argued that companies must choose between low costs or differentiation or they ran the risk of being "stuck in the middle". Companies with limited resources can also have a competitive advantage using this strategy by focusing on specific market rather than overall market (Besanko, et.al. 2009).

Besanko, *et.al.* (2009) argues that rather than choose between the two strategies companies should look to create greater value by using different sets of activities (Porter, 1996). Michael Porter's strategic management theory provides a suitable framework to construct the conceptual framework for the study. Its classical view of firm strategy approach can map into the Optiven Limited strategies exemplified by its products and services configurations. Customers may perceive these strategies differently so the instruments presented for data collection shall allow collection of data on how the customers perceive the SME in terms of their strategic orientation (Porter, 2008). This theory supports the extent to strategic orientation affect the performance of real estate in Nairobi, Kenya.

Entrepreneurship Innovation Theory

This theory is propounded by Schumpeter (1939) who viewed entrepreneurship as the fourth factor of production, as the catalyst of economic performance and revitalization. He also indicated that an entrepreneur is the one who is innovative, creative and has a foresight. Innovation and enterprise are concerned mainly with producing new combinations. It is the entrepreneur who breaks the cycle of routine activity, swimming against the stream to produce new products and techniques of production, discover new markets, explore new sources of raw material and rearrange markets (Davidsson, Delmar & Wiklund, 2006) and leading to an increasing rate of the survival of small and medium scale business in the social enterprise sector (Deakins & Freel, 2009).

Technological innovations are the most visible form of innovation. Innovations are not continuously distributed in time, but proceeds by leaps which upset the existing equilibrium and generate (irregular) economic performance. He saw the innovative transformation of routine behaviour as a relatively slow and conflict-ridden process and distinguished innovation as the function of entrepreneur that is separate from the administrative function of manager. This reinterpretation helped him outline his theory of economic business cycles as reflecting the wave-form process of economic evolution under capitalism. Schumpeter regards technological uncertainty as neither a sufficient nor a necessary determinant of fluctuations but postulates that fluctuations are caused by supply shifts based on uneven technological changes.

In Schumpeter's (1939) economic system, business cycles, especially Kondratieff, waves are the major catalyst of economic performance. Schumpeter proposed a three-cycle model of economic fluctuations or waves: Kitchin inventory cycle (3-5 years), Kuznets infrastructural investment cycle (15-25 years), and Kondratieff long cycle (45-60 years). Schumpeter (1939) argued that entrepreneurs create radical innovations in the face of competition. Looking at Schumpeter writings (1934, 1939, and 1942) as a whole it is possible to distinguish two different types of processes underlying innovation by firms: Creative destruction creates economic discontinuities, and in doing so, an entrepreneurial environment for the introduction of innovation, and earning monopoly profits (Lintunen, 2000).

Competition is a self-destructive mechanism that normalizes the profit level when the innovation effects, value added, have been utilized. An entrepreneurial discovery occurs when an entrepreneur makes the conjecture that a set of resources is not being optionally utilized. In order to introduce innovations and to earn monopoly profits, an entrepreneur needs to identify market opportunities early enough. Creative destruction is associated with innovation of entrepreneurs (or small firms) entering unexplored market where there are low entry barriers for new entrants utilizing the common pool of knowledge stock. Creative destruction is a microeconomic process by its nature but has considerable macroeconomic implication for economic performance (Aghion and Howitt, 1992, 1998).

Innovations are materialized in new innovative firms and jobs are highly personalized. Creative accumulation is associated with institutionalized innovation by large firms. When entrepreneurs under creative destruction draw from the public domain only to place their own innovations within the reach of imitators, large firms under creative accumulation appropriate and protect a major part of their intellectual property, and build on their proprietary knowledge stock through R&D departments.

Multinationals (1) use monopoly power in large extent, and build on proprietary knowledge stocks through big in-house R&D departments and networks of partners, including universities. Multinationals are useful partners for entrepreneurs since they can provide for their partners world-class technologies (Markusen and Venables, 1997; Loof, 2009) and the most efficient global marketing channels and logistics. Multinationals operate in all continents, and in all markets (goods, services, financing, IPRs etc). By utilising the scale economies and monopoly power large firms create high barriers to entry of new entrants (Scherer & Ross, 1990), and impact on industry life cycles (Klepper, 1996) and market structure (Agarwal, Sarkar and Echambadi, 2002).

Some writers have continued to deal with dynamic transformation process in economies driven by the introduction of innovations, for instance Freeman (1982) and Dosi (Dosi, 1982). Aghion and Howitt (1992) developed a process model of quality-improvements in sequential and stochastic R&D race. Cheng and Dinopoulos (1991) divided the quality improvement process into technological breakthroughs in terms of creative destruction, and improvements that follow breakthroughs in terms of creative accumulation. This theory is linked to the second research question, that is, how innovation orientation does influences the performance of real estate in Nairobi, Kenya?

Marketing Orientation (MO) Theory

Influence of MO in an organization performance has been a matter of research enquiry many years. It is an organization's response to the external environment – how the firm deals with customers and competitors (Kumar, Jones, Venkatesan & Leone, 1998). Hills, Hultman and Miles (2008) found that marketing processes in entrepreneurial marketing did not follow traditional marketing mix variables of price, place, promotion, and product. Instead entrepreneurial marketers "live" continuously with the market, their vision and customer preferences present in their minds, constantly thinking of how to improve customer value. We take cognizance of overlying concepts of marketing orientation as an important contributor to business and new venture performance (Jones & Rowley, 2011). Furthermore, we acknowledge the significance of the interaction between entrepreneurship, innovation and marketing as a means to venture performance and performance (O'Dwyer, Gilmore & Carson, 2009).

Distinct but complementary views of MO have emerged in the literature namely: MO as a corporate culture that puts customers' interests first (Deshpande & Farley, 1998), MO as a combination of customer orientation and competitor orientation (Day & Wensley, 1988; Narver & Slater, 1990) and MO as the generation and dissemination of, and responsiveness to, market intelligence/information (Kohli & Jaworski 1990; Jaworski & Kohli, 1993). Market orientation is seen as an organizational behavior that develops capabilities to acquiring market intelligence, disseminating them within the company, and responding by developing products that fulfill market needs, all of which can result in a firm's performance (Tajudin, Musa & Musa, 2012). An additional view is system-based perspective. It conceptualizes MO in terms of different organizational activities. The management system is divided into five subsystems: organization, information, planning, controlling, and human resource.

Unlike production orientation and sales orientation, MO balances customer intensity, product quality and aggressive promotion. A firm practicing MO will exhibit three behavioral components: a customer orientation, a competitor orientation, and inter-functional coordination along with two decision criteria a long-term focus and profitability (Narver & Slater, 1990). Customer orientation is the sufficient understanding of one's target buyers to be able to create superior value for them continuously. It requires that a seller understand a buyer's entire value chain (Day & Wensley, 1988). Competitor orientation on the other hand requires that the organization must consider not only how well its products suit customer needs but how well it performs relative to its competitors (Hsieh, Chiu & Hsu, 2008). Companies must gather intelligence on the short and long-term strengths, weaknesses, capabilities and strategies of both the key current and the key potential competitors (Hsieh *et al.*, 2008; Narver & Slater, 1990).

The analysis of competitors' long-term capabilities, strengths and weaknesses is a key factor in determining MO and culture. Finally, inter-functional coordination is the coordinated utilization of company resources in creating superior value for target customers. Organizational resources often have conflicting perspectives, priorities, and strategies (Nakata & Sivakumar, 2001). Academics and practitioners have long argued that synergy among organizational members is needed so value for customers is continuously created (Day, 1994; Jaworski & Kohli, 1993, Alhakimi & Baharun, 2009). A culture of integrating all functions toward creating customer value should lead to MO within the organization and successful implementation of the marketing concept (Harrison & Shaw, 2004). This theory supports the research question on the effect of marketing orientation on the performance of real estate enterprises.

Resource Based View (RBV)

Resource-based view has become one of the most influential and cited theories in the history of management theorizing. It was Penrose who established the foundations of the resourced-based view as a theory (Roos & Roos, 1997). Penrose first provides a logical explanation to the performance rate of the firm by clarifying the causal relationships among firm resources, production capability and performance. Her concern is mainly on efficient and innovative use of resources. She claimed that bundles of productive resources controlled by firms could vary significantly by firm, that firms in this sense are fundamentally heterogeneous even if they are in the same industry (Barney & Clark, 2007). Wernerfelt (1984) took on a resource perspective to analyze antecedents of products and ultimately organizational performance and believed that "resources and products are two sides of the same coin" and firms diversify based on available resources and continue to accumulate through acquisition behaviors. The knowledge based literature of the firm fosters and develops the resource based theory in that it considers knowledge to be the most complex of an organization's resources (Alavi & Leidner, 2001). The currently dominant view of business strategy – resource-based theory or resource based view (RBV) of firms is based on the concept of economic rent and the view of the company as a collection of capabilities. This view of strategy has a coherence and integrative role that places it well ahead of other mechanisms of strategic decision making.

Ganotakis & Love (2010) used the Resource Based Theory (RBT) to explain the importance of human capital to entrepreneurship. According to RBT, human capital is considered to be a source of performance for entrepreneurial firms. This leads to idiosyncratic endowments of proprietary resources (Peppard & Rylander, 2001). According to RBT, sustainable competitive advantage results from resources that are inimitable, not substitutable, tacit in nature, and synergistic (Barney, 1991). Therefore, managers need to be able to identify the key resources and drivers of performance and value in their organizations. The RBT also states that a company's performance is derived from the company's ability to assemble and exploit an appropriate combination of resources. Such resources can be tangible or intangible, and represent the inputs into a firm's production process; such as capital, equipment, the skills of individual employees, patents, financing, and talented managers. As a company's effectiveness and capabilities increase, the set of available resources tends to become larger. Through continued use, these "capabilities", defined as the capacity for a set of resources to interactively perform a stretch task or an activity, become stronger and more difficult for competitors to understand and imitate. (R&D expenditures) and can be used to augment future production possibilities. This theory supports the last research question on the effect of resource leveraging on the performance of real estate.

CONCEPTUAL FRAMEWORK

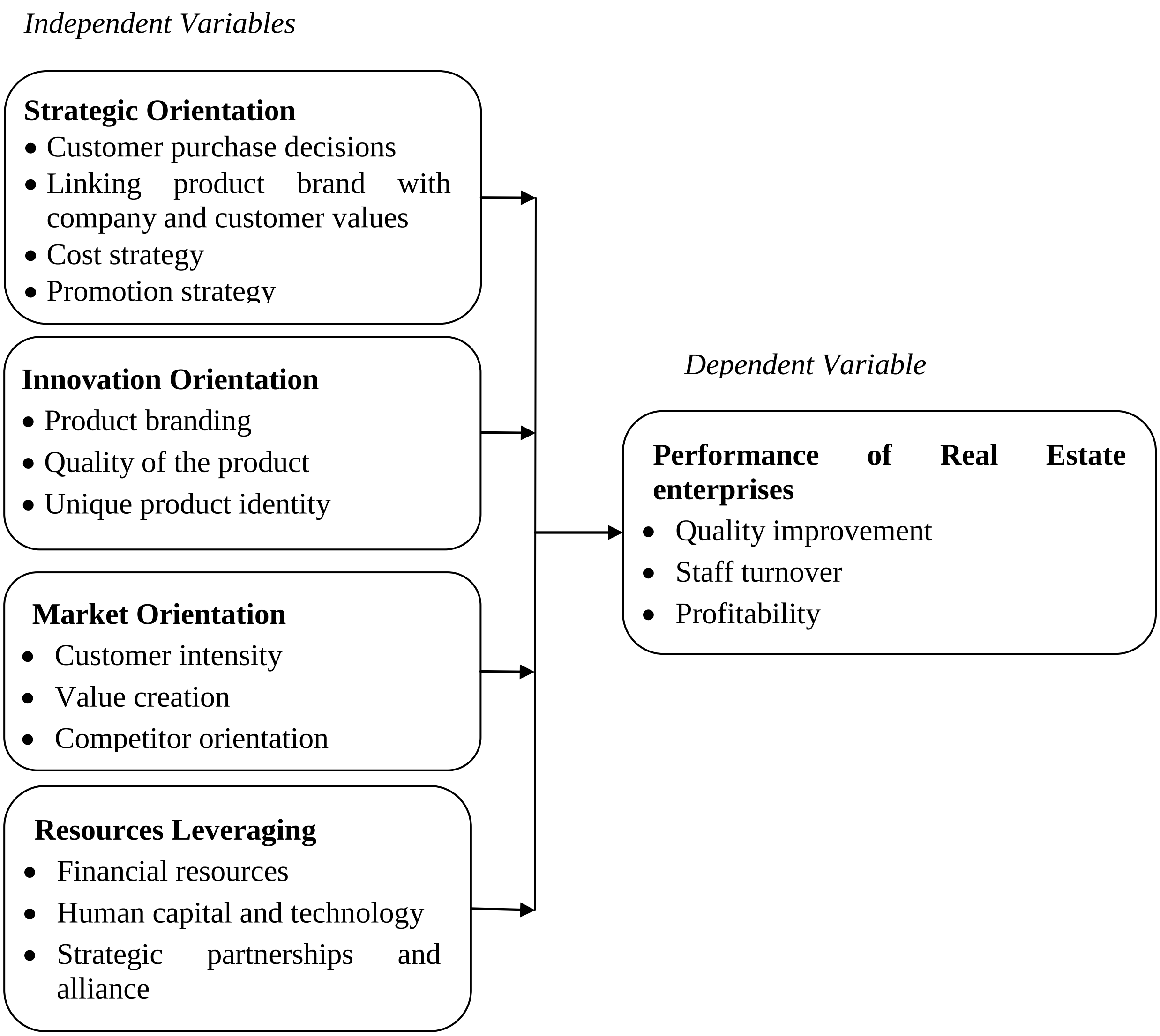

Figure 1: Conceptual Framework

EMPIRICAL REVIEW

SMEs performance is often closely associated with firms overall survival and success (Passanen, 2003). Performance has been used as a simple measure of business success and also been suggested as the most appropriate performance indicator foe the surviving small firms (Storey, 2003). In a research paper by Miles & Darroch (2006) the process of how large firms might leverage entrepreneurial marketing processes to gain and renew competitive advantage was explored. The paper applied past research on entrepreneurial marketing and entrepreneurship with examples from a long-term case study of firms in New Zealand, Sweden, the UK, and the USA to illustrate how entrepreneurial marketing processes can be strategically employed by large firms to create or discover, assess, and exploit entrepreneurial opportunities more effectively and efficiently. They adopted risk management, pro-activeness, opportunity driven, innovation, customer intensity, value creation, and resource leveraging as the explanatory variables that contributed to this competitive advantage. Their findings gave insights into how large firms leverage entrepreneurial marketing processes to grow.

The findings suggested that, in free and open markets, entrepreneurial marketing processes can be strategically employed to create superior value for the firm's customers and owners. While conducting a study on the emergence of Entrepreneurial Marketing: Nature and Meaning; Morris *et al.* (2002) critically examined the concept of entrepreneurial marketing. Morris *et al.* (2002) identified seven EM dimensions (opportunity focus, pro-activeness, innovation-focused, customer intensity, risk management, resource leveraging, and value creation) to measure EM. Whereas pro-activeness, risk management, innovation-focused and opportunity-driven arises from the entrepreneurial orientation literature (EO), customer intensity and value creation arise from the market orientation literature (MO). Morris *et al.* (2002) extend these dimensions by resource leveraging, without providing a measurement suggestion.

Hacioglu *et al.* (2012) developed hypotheses concerning the effects of dimensions of entrepreneurial marketing on SME's innovative performance and tested seven hypothesis on data collected from a sample of 560 manufacturing SMEs in Turkey using convenient sampling technique via a structured questionnaire derived from previous literature (Kreiser, Marino & Weaver, 2002). Real estate enterprises can only grow by either performing at a lower costs or performing in a way that leads to differentiation (Porter & Millar, 1985), which creates superior customer value (Huber, Herrmann & Morgan, 2001). Types of customer perceived value (PERVAL) include economic value, functional value, emotional value and symbolic (social) value to the customer (Sweeney & Soutar, 2001; Rintamaki *et al.*, 2007).

Firm performance involves the recurring activities to establish organizational goals, monitor progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently. Strategic planning is also critical in a firm's performance. It's a wide process to identify strategic direction, including vision, mission, values and overall goals. Direction is pursued by implementing associated action plans, including multi-level goals, objectives, time lines and responsibilities. Armstrong and Baron (1998) defined firm performance as a "strategic and integrated approach to increase the effectiveness of companies by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors". Managing employee performance and aligning their objectives facilitates the effective delivery of strategic and operational goals and hence improve a firm's competitiveness. Direct financial gains that may be associated with a firm's performance include; growth of sales, reduced costs in the organization and reduced project overruns among others.

Auka (2012) found that service quality (SERVQUAL) plays a critical part in shaping customers experiences and how the experiences effect on overall organizations performance. SERVQUAL model, views service quality as the gap between the expected level of service and customer perceptions of the level received Zeithaml (2008) are the creators of this instrument which is used for the measurement of customer perceptions of service quality. If what is perceived exceeds the expectations then customers think quality to be high and if what is perceived below the expectation then customers think quality to be low.

The researchers developed ten general dimensions namely: tangibles, reliability responsiveness, competence, courtesy, credibility, security, access, communications, and understanding which are evaluated in SERVQUAL. This model was revised later by Parasuraman (1997) based on the result of an empirical study on five service companies, including a telecommunication company too. They noticed that some of the ten dimensions were correlated and refined the model to five dimensions: reliability, responsiveness assurance, empathy, and tangibles. Many researches quoted these five elements to be the most important dimensions to the buyers and these are the parameters that shall be used by this study.

RESEARCH METHODOLOGY

The study employed the use of descriptive survey research design. This research design was preferred because of its ability to determine and report the way things are and also helps a researcher to describe a phenomenon in terms of attitude, values and characteristics (Mugenda, 2008). The target population was obtained from clients in Optiven Limited which has 522 clients. The sampling frame consisted of clients of Optiven Limited who have either purchased in cash, instalment or from diaspora. The clients who have done purchases in instalment represent a bigger percentage, followed by cash clients and diaspora has a lesser number. The ideal sample size of two hundred twenty seven (227) clients was generated using Yamane's Formula to be a true representation of the population. The research opted for a survey of the 20% of the population that is 104 clients. To determine the sample size of each category of clients in Optiven limited proportionate stratified sampling was used.

The study used both primary and secondary data. Primary data was gathered by use of questionnaires, while secondary data was obtained from published documents or materials such as journals and magazines. This supplemented the primary data received from questionnaires. The questionnaire was designed to include both structured and unstructured questions. The questionnaire was self-administered through drop and pick later method. A cover letter from JKUAT Nairobi CBD Campus was taken along to enable the administering of the questionnaire. The respondents were assured of confidentiality of their names and responses and that the responses were not to be handled by any other person but rather will be used purely for academic purposes. The research instrument was pre-tested using a sample size of 10 respondents which represented 10% of the target population.

Quantitative analysis method was applied to analyze quantitative data where data was scored by calculating the percentage and means. The Statistical Package for Social Sciences (SPSS) computer software version 21 was used specifically for the purpose of analyzing the quantitative data and presenting it in form of tables, pie charts and bar charts. SPSS software enabled the research work more scientific and reliable as a number of different statistical was applied on the dissertation. Qualitative data analysis method was employed to analyze qualitative data gathered using open-ended questionnaires. The study used correlation analysis to measure the degree of relationship between dependent variable and independent variables, regression analysis was used to determine the amount of variation on dependent variable explained by the independent variables , it helped to estimate the strength and direction of the relationship between dependent variable and independent variables, analysis of variance (ANOVA) to for comparing (testing) three or more means (dependent variable and independent variables) for statistical significance and coefficient analysis to show the extent of variability in relation to the mean.

RESEARCH RESULTS

The analysis of the results was based on Ninety Five (95) clients who responded and that represented a response rate of ninety one percent (91.3 %).

Strategic Orientation

Most clients at Optiven Company Limited (77.89%) believed that strategic orientation did influence their decision to purchase, while 22.11 % agreed that strategic orientation did not influence their decision to purchase. The customers purchase decision were mostly from the demand and value of the product, the company has been able to offer customized products to its clients, in reply to what is considered promotion strategy, the respondents responded that 20% considered the demand of the product, 20% considered competition, 17% considered cost, 15% considered their economic status, 11% considered the political environment, 9% considered the legal environment and 8% considered image issues. Product demand and competition were the main consideration taken into account by clients in making their purchase decision.

Innovation Orientation

From the findings, 36.84% agreed that the enterprise introduces new product frequently, 26.32% indicated that the new products are always introduced in the market, and 21.05% agreed that there is a continued improvement on the said product while 15.79% cited other factors. A strong brand image and brand recognition, a unique product identity are key factors in the performance of the enterprise. The correlations between innovation orientation and the performance of real estate enterprises revealed that (49.7%), (38.9%), (41.9%), and (41.9%) of the performance of real estate enterprises is influenced, new initiatives and adopting to changes in technology, product branding, quality of the product and unique product identity.

Market Orientation

From the study, 64.21% of clients at Optiven limited liked the market approach used to reach them, while 35.79% did not like it. The respondents agreed that markets, advertising methods, direct marketing, and maintenance of customer data influences performance of SMEs. The study indicates that direct marketing is key as opposed to the traditional marketing methods. From the findings, 40% of the clients indicated that they had been reached through direct marketing. This shows that direct marketing is designed to attract traffic in and around the office and should supplement mass advertising and promotions. In response to the marketing approach used, 75% of the respondents indicated that viral marketing was used to reach them. The firm mostly uses email and social media viral marketing as a marketing strategy to beat competitor and reach to customers, and promote corporate brand. The study revealed that viral marketing as a marketing strategy has a positive relationship with the performance of the firm.

Resources Leveraging

Majority (86.32%), of the respondents agreed that ability of an enterprise to take the resource leveraging when introducing new products, and leveraging when borrowing / financing and as well as some form of resource leveraging within their operations and management led to the growth of the enterprises 13.68% were of a different thought in regards to resource leveraging. The finding indicated that 52% of the clients were of the idea that the firm having external financiers to the clients attracted them to purchase due to the facility, while another 46% indicated the use of the interactive company website as time saving. Qualitatively most respondents acknowledged that it was important for an enterprise to take adopt resource leveraging but also put measures in place to be able to handle outcomes caused by the risk.

Performance of real estate SMEs

From the results, the performance of real estate SMEs is reflected by introduction of new products, growing customer base and market share and increasing number of employees in turn increasing the output. From the findings, respondents agreed that quality improvement and profitability and staff turnover were a major determinants of SMEs performance. The findings confirm the observations of Davidsson and Wiklund, (2010) and Hubbard & Bromiley (2005) that the most frequently used measure for performance has been change in the firm's processes, change in product and resource leveraging. The study echoed the findings by Miller (2009) that the growth of many SMEs is greatly determined by level of profitability and sales turnover. It can therefore be inferred that profitability and quality improvement are key determinants of performance of an SME.

Inferential Analysis

The four independent variables studies explain 79.7% of variance in entrepreneurial marketing on the performance of real estate enterprises a case of Optiven Limited as represented by the R. This therefore means that other factors not studied in this research contribute to 20.3% of variance in the dependent variable. The Analysis of variance (ANOVA) was used to determine whether there was a regression relationship between entrepreneurial marketing and performance of real estate. The ANOVA indicates that F=29.123, and is significantly different from 0, p=0.000 which is less than p value, p =0.05. The critical values for F-test (4, 81, at 0.05 alpha is 2.488) which is less than the computed F-value. This therefore shows that there is a linear relationship between entrepreneurial marketing and performance of real estate. The results indicate that the t-test found that the beta coefficient 0.163, 0.152, 0.197 and 0.519 for strategic orientation, innovation orientation, market orientation, and resource leveraging have p=0.009, p= 0.47, p= 023, and p= 0.000 respectively are less than p value 0.05 and are therefore significantly different from 0.

The corresponding t values, strategic orientation t= 2.650, p=0.009, innovation orientation t= 2.009, p=0.047, market orientation, t= 2.305, p=0.023 and resource leveraging, t= 6.339, p= 0.000 were found to be statistically significant, because t value, at 0.05 were less than p value, p= 0.05. We therefore conclude that entrepreneurial marketing has a significant effect on performance of real estate enterprise a case of Optiven Limited in Nairobi, Kenya.

The substitution of the equation becomes: $\mathbf{Y = 0.828 + 0.163X_1 + 0.152X_2 + 0.197X_3 + 0.519X_4}$

CONCLUSIONS

Strategic orientation is essential to effective operation. An enterprise requires strong leadership to be able to grow and change according to the market. It also needs new initiative to differentiate it and give it a competitive advantage. Firms also need to quickly adopt to changes in technology, outdated technology can render a firm redundant. It was also found out that real estate use highly targeted communication techniques which are low cost to reach its target customers which was very effective.

The study found out that it is important that marketing processes in entrepreneurial marketing do not follow traditional marketing mix variables of price, place, promotion, and product but instead entrepreneurial marketers need to relate continuously with the market, their vision and customer preferences present in their minds, constantly thinking of how to improve customer value. The firm had sufficient understanding of their target buyers and was thus able to create superior value for them continuously. This kept clients satisfied and warded off competition.

Firms need to take the leverage on resource to be able to grow their businesses. They also need to take the risk of introducing new products which need to go hand in hand with a market research. Again an enterprise needs to create strategic alliances with other industry players to leverage. The enterprise also needs to leverage its operations and management; though it also needs to come up with measures to ensure that the risks taken will not run down the enterprises.

RECOMMENDATIONS

Small and micro enterprises face a myriad of problem which hinders their performance. In order to realize performance and growth, real estate need to enhance their ability to grow and therefore contribute to sustainable development. Appropriate measures must be taken to address the challenges of this study. The recommendations and directions given herein are based on the research thematic areas namely; strategic orientation, innovation orientation, market orientation and resource leveraging;

The real enterprise should leverage on promotional strategy in order to grow their business, suggested entrepreneurial strategies like guerilla and buzz marketing strategies, this are vital for the firm to grow. There are also low cost promotional strategies which allow the small firm to compete against the large firms. Cost is a critical impediment to SMEs growth and needs to be managed. One of the implication of this study is that the firm can increase sales by meeting the clients' needs.

To further enhance product quality and expand market share, it is recommended that SMEs in real estate must create a culture that is conducive to and supportive to quality implementation, in that customers get what they actually see from the advertisement. The enterprise need to do more research and development before rolling out new products.

It was noted that the enterprises uses a variety of pricing strategy. The firms must decide where to position their product based on quality, price and market segmentation. It is recommended that the firm undertake market research and determine market segments and strategies to use on them as well as competitor analysis. It will also help in knowing the customer care approaches to adopt. The firm should therefore carefully plan their marketing strategies and allocate adequate marketing budget giving preference to their most effective tools.

There is need for real estate enterprises to develop and implement risk taking in business so as to be able to effectively cope with business changes as they are easily affected even by smallest changes in the marketplace such as changes in customers, new moves by competitors, or fluctuations in the overall business environment can impact their cash flow and how positive risk taking can result business growth. Managing the resources they have by partnering with other institutions will provide a ground for more customers, which leads to increased sales and hence profitability and quality improvement.

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