

The Mediating Role of New Product Development in the Relationship Between Entrepreneurial Marketing and Growth Intentions

Zeinab Gamal^{1*}, Hoda A.H Khayal² and Mohamed El-Saeed Abd-Elghafar³

¹Assistant Professor of Marketing, at High Institute of Commercial Science, El-Mahalla el-Kubra– Egypt, zeinabgamal388@gmail.com

²Doctor of Human Resource Management, alhouda3@yahoo.com

³Lecturer of Business Administration at (R.B.I.) Institute for Specific Studies and Computer - Damietta – Egypt, m-elsaeed@rbi.edu.eg

*Correspondence: Zeinab Gamal; zeinabgamal388@gmail.com

ABSTRACT- The purpose of this study is to discover how entrepreneurial marketing affects growth intentions through new product development and can help to create and facilitate access to entrepreneurial opportunities to develop new product, in turn help the firm to adapt the strategy of growth intention. The study adopted quantitative methods, and using structural equation modeling, data were collected utilized the questionnaire survey. The questionnaire was directed to SMEs managers, 248 questionnaires were collected.

Findings: The study presents a vision into how entrepreneurial marketing can gain advantage. The findings propose that entrepreneurial marketing can be used to create outstanding opportunities to develop new products and direct the strategy of SEMs to growth intentions.

Theoretical implications: This study significantly contributes to the literature through illustrating how entrepreneurial marketing contributes to growth intentions. First, the study introduced, a comprehensive conceptual framework of how entrepreneurial marketing through new product development can increase growth intentions in SEM's industries. From a broad literature review, we identify measures of entrepreneurial marketing, growth intentions and new product development. The study support entrepreneurial marketing research by discovering the effects of entrepreneurial marketing on growth intentions through new product development.

Moreover, the study examines the role of the enterprise's experience in the industry, the enterprise's experience in business, the number of enterprises with ownership rights, enterprise activity in these effects. Second and more importantly, the study revealed that NPD has an important role for companies to be able to competitiveness and enhance growth intentions. Finally, this study also offers valuable contributions for managers. Because it recommends ways to foster and identify main points in entrepreneurial marketing practices, which allow companies to act in flexible way and to be talented in developing new products.

Keywords: Entrepreneurial Marketing, Growth Intentions, New Product Development.

ARTICLE INFORMATION

Author(s): Zeinab Gamal, Hoda A.H Khayal and Mohamed El-Saeed Abd-Elghafar;

Received: 16/12/2022; **Accepted:** 19/01/2023; **Published:** 20/02/2023;

e-ISSN: 2347-4696;

Paper Id: IJBMR 1612-03;

Citation: doi.org/10.37391/IJBMR.110102

Webpage-link:

www.ijbmr.forexjournal.co.in/archive/volume-11/ijbmr-110102.html



Publisher's Note: FOREX Publication stays neutral with regard to Jurisdictional claims in Published maps and institutional affiliations.

1. INTRODUCTION

According to (Muller *et al.*, 2015; Beck *et al.*, 2005; Hosseininia and Ramezani, 2016; Beynon *et al.*, 2020). SEMs have a significant role in developing economics by providing many new job opportunities and often related with a high degree

of national economic growth. Wiklund & Shepherd (2003) defines growth intention as individual decision of the entrepreneur, which depends upon his or her perceived opportunities and skills and entrepreneur's willingness to do so.

Entrepreneurial marketing emerged because old-style marketing practices are unsuitable for small and medium enterprises, entrepreneurs must seek new innovative opinions and practices, such as entrepreneurial marketing patterns (Alqahtani *et al.*, 2022). Inegbenbor (2006) explains entrepreneurial marketing as the power to take the risk in order to begin strategies business and implement them.

Entrepreneurial marketing plays a vital role in the economic position of most countries. As mentioned by (Hills & Hultman, 2011; Ahadi& Kasraie, 2020) entrepreneurial marketing is the outcome of many components including decision-making, entrepreneurial analysis of information, and marketing action.

It is a process for catching opportunities, generating, and developing value for customers through increase's innovativeness, risk-taking, market proactiveness and competitive aggressiveness .

Additionally, growth intention is one of the simple characteristics of entrepreneurial behavior and is one of the features that distinguish entrepreneurs and small commercial enterprise owners (Carland *et al.*, 1984). According to Bird (1988) intention is a state of mind that leads a person's attention in the direction of an objective or path to achieve a certain thing. Finally, new product development (NPD) is crucial for firms to continue and improve innovation performance in the recent business environment that is changing in a fast way (Wu *et al.*, 2017; Gutierrez-Gutierrez, 2018). Lloréns, Ruiz and García-Morales (2005) indicates to NPD as the ability to frequently develop new products by identifying customer requirements and understanding new technologies and processes information management.

The study has had a look at indications that entrepreneurial marketing can lead to new product exploration that is activating growth intentions. Hence, this study fills the gap in the literature through investigating the relationship between Entrepreneurial marketing and Growth Intentions through new product development. More clearly, the study stated the following question:

RQ1. What is the direct effects of entrepreneurial marketing on growth intentions when new product development mediating this relationship?

RQ2. What is the indirect effects of entrepreneurial marketing on growth intentions when new product development mediating this relationship?

In the following section the researchers illustrate the relationship between study variables.

2. THEORETICAL BACKGROUND: THE RESEARCH MODEL AND HYPOTHESES DEVELOPMENT

Inegbenbor (2006) defines entrepreneurial marketing as the power to take the risk in order to initiate business, put strategies, and implement them with persistence and passion necessary to be the major.

According to Morris *et al.* (2002) Entrepreneurial marketing is a term often linked with marketing activities in a small business, which has inadequate resources and must rely on creative and elementary marketing procedures, using personal social networks.

Becherer *et al.* (2006) declared that Entrepreneurial marketing is the connection between entrepreneurship and marketing. They illustrate that it involves proactive of find out opportunities through creative, taking risk, unplanned, unsystematic, and fantastic marketing practices (Morris, Schindehutte, & LaForge, 2002). In addition to that, Kim (2018)

assured that the behavior of entrepreneurs is a basic element of finding new opportunities.

NPD means the ability to frequently develop new products by identifying customer requirements and understanding new technologies and processes information management (Lloréns, Ruiz and García-Morales, 2005). Schulte & Eggers (2009) has developed rapidly over the last three decades. Gundry and Welsch (2001) declared that the growth intention of the entrepreneur has generally been identified as it is the entrepreneur's aims or ambitions for growth pathway, he or she would like undertaking to keep an eye on.

2.1 Entrepreneurial Marketing and new product development

According to **Fink *et al.* (2020); Kowalik *et al.* (2022)** entrepreneurial marketing is a practice and area of study that has developed quickly over the last three decades. Entrepreneurial marketing can be assumed as marketing with an entrepreneurial mindset because it is the organizational function of marketing considering innovativeness, risk taking, pro-activeness, and the pursuit of opportunities without regard for the resources currently controlled.

Esmer & Şaylan (2020) pointed out that corporations use their different marketing capabilities to understand customer needs and market trends to increase their sales. Moreover, the new product development is an important result of company entrepreneurial efforts to discover market opportunities (Méndez *et al.*, 2022).

As mentioned by Iqbal& Suzianti (2021) new product discovery is very important for large, medium, and small enterprises for its growth and competitive advantage. The success of entrepreneurial activities in SMEs depends on the level of innovation, venturing, and development of new products in the industrial sector (Ahadi&Kasraie, 2020).

A small number of studies investigated the role of entrepreneurial marketing and EMPs within corporations. In the study conducted by (Stokes, 2000) he found that entrepreneurial advertising and marketing is obviously more centered on innovation, emergent strategy, and the establishment of long-term relationships than traditional marketing. Similarly, Carson & Gilmore (2000) advocate that entrepreneurial advertising has a higher component of experiential getting to know than traditional marketing and that it has a tendency to end result in higher stages of innovation for creating superior fee in the marketplace by using leveraging innovation to create products, processes, and strategies that higher satisfy customer needs (Covin and Miles, 1999).

Miles & Darroch (2006) point out that the ability to use effective entrepreneurship strategies to create superior value for customers determines which companies succeed in the marketplace. He adds that companies that seek a competitive advantage must create additional value for their customers through product and strategy development.

Covin et al. (2006) suggests that small enterprises exhibiting a strong entrepreneurial orientation are much more likely to engage in new product exploration. Hacıoglu *et al.* (2012) Pointed out that pro-activeness, innovation, customer intensity, and resource leveraging dimensions of entrepreneurial marketing is positively associated with innovative performance. Moreover, the study of Hamali *et al.* (2016) suggest that entrepreneurial marketing has a significant positive effect on innovation.

Thus, this study suggests the following hypotheses:

H1- Entrepreneurial Marketing positively affects new product development.

2.2 New product development and Growth Intentions

New product development (NPD) is necessary for firms' remain and the maintenance of competitive advantage (Ahlstrom, 2010; Christensen & Raynor, 2003). However, industrial enterprises need to develop new products according to customer demands and expectations in order to increase their competitiveness, sales, and profitability (Esmer & Şaylan, 2020).

As mentioned by Esmer & Şaylan (2020), as a consequence of continuous change in market conditions, contemporary management literature emphasized innovation and new product development. Factors that could add to the reason of firm increase encompass productivity increases, new product improvement and new market entry (Delmar and Wiklund 2008), productivity and demand (Pozzi and Schivardi 2016), and the availability of flexible resources (Nason and Wiklund 2018).

Firm productivity has also previously been found to be related to firm growth (Pozzi and Schivardi 2016). There was a strong link between micro-firm growth and turnover development (Hänninen *et al.*, 2017).

Thus, this study suggests the following hypotheses:

H2- New product development positively affects Growth Intentions

2.3 Entrepreneurial Marketing and Growth Intentions

According to Wiklund & Shepherd (2003) growth intention is an individual decision of the entrepreneur, which depends upon his or her perceived opportunities and skills and entrepreneur's willingness to do so. Bjerke and Hultman (2002) argue that a company with an entrepreneurial approach to advertising and marketing will proactively leverage innovation and manage dangers through advertising and marketing tactics for "creating, speaking, and delivering fees to customers.

Firm growth is a result of continued entrepreneurship. It is depending on a multi factor such as the entrepreneur's personality, motivation, aspirations, knowledge, and experience, sources available, from the entrepreneur in addition

to outside sources industry and geographical context the undertaking is in, organizational structure and processes adopted; and the project's strategy for achieving growth (Delmar, Davidsson and Gartner, 2003; Gilbert *et al.*, 2006).

Innovative creativity is the ability of entrepreneurs, according to Robles and Zárraga (2015) to develop new ideas and find new ways to solve problems, take advantage of opportunities and face competition. In this regard Naudé (2013) added that innovation creativity is an important source in creating growth (growth creation) in increasing business competitive advantage. Where the characteristics of entrepreneurial intention according to Berg (2014) show a dynamic, innovative, and adaptive ability to change the progress of science and technology and continuous improvement capabilities of business growth intention.

Intentions are signs of the degree to which individuals are inclined to put to perform a specific behavior (Ajzen 1991:181); extra specifically, entrepreneurial intentions have been found to mediate the behaviors of an entrepreneur to begin a commercial enterprise (Kautonen, Gelderen and Fink 2015:657). Thompson (2009) defines entrepreneurial aim because of the self-acknowledged belief that a person will begin a new commercial enterprise in the future.

Given the significance of growth goals in entrepreneurship and small businesses, the pursuit of growth is a deliberate personal selection of the entrepreneur, which depends upon his or her perceived opportunities and competencies and entrepreneur's willingness to do so (Wiklund and Shepherd, 2003). So, it is viable to describe prosperity goal as a combination of what the entrepreneur wishes and what is viable given the critical sources and talents of the entrepreneur and available possibilities (Terjesen and Szerb, 2008).

According to Kolvereid & Åmo (2019) there are correlations among the three dimensions of Entrepreneurial Orientation and increase intention.

Thus, this study suggests the following hypotheses:

H3- Entrepreneurial Marketing positively affects to Growth Intentions

2.4 The mediating role of new product development in the relationship between entrepreneurial marketing and growth intentions

Combining the debates of H1, H2, H3, this study suggests that new product development serves as an idyllic mediator of the relationship between entrepreneurial marketing and growth intentions.

Thus, the following hypothesis can be formulated:

H4: Entrepreneurial Marketing has a significant positive indirect effect on Growth Intentions through New product development.

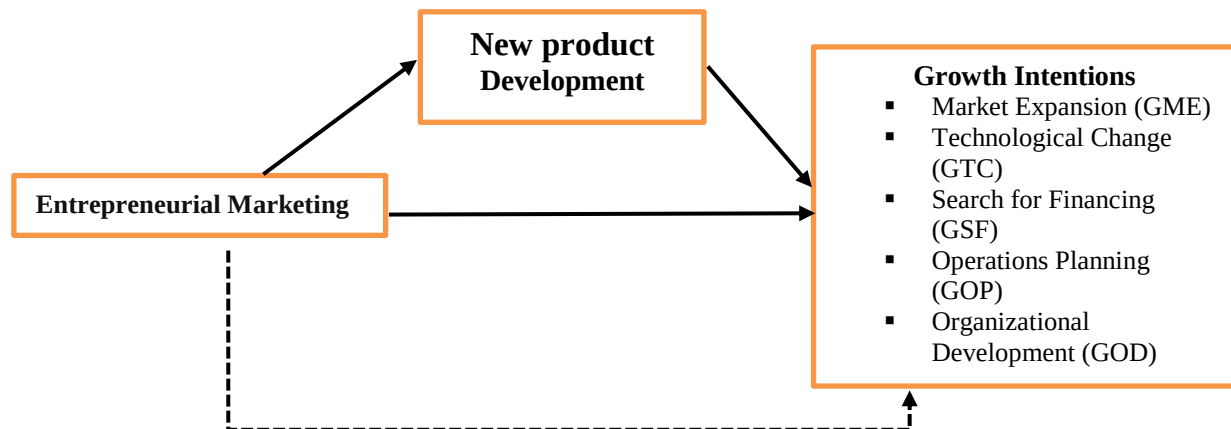


Figure 1: Theoretical framework and hypotheses

Direct relation 
Indirect relation 

3. METHODOLOGY

The data collection tool used in this study was the questionnaire survey. The study depended mainly on these two types of data. Firstly, primary data is collected using questionnaire directed to the managers of SMEs in the industrial areas in New Damietta. Secondly, the study also utilized secondary data through obtaining the data related to firm's numbers from the directory of businessmen association in the industrial areas in New Damietta.

3.1 Variables Measurement

The independent variable which is Entrepreneurial marketing is measured by Morris et al. (2002). Whilst the mediating variable is new product development was measured by Land et al. (2012). In addition, the dependent variable is Growth Intentions, the researchers depended on Gundry & Welsch (2001) scale to measure it.

The population of the current study is the small and medium manufacturing enterprises operating in the industrial areas in New Damietta. The sampling unit used in the current study is the top managers of SMEs in the industrial areas in New Damietta. The current study used a random sample to collect data from the targeted population.

4. THE STATISTICAL ANALYSIS

4.1 Sample description

Researchers can identify descriptive analysis of the study data through the following table:

Table 1: Research sample composition (N = 235)

Variables	Frequency (N = 235)	Percent (%)
<i>The company's experience in the industry</i>		
Less than 5 years	54	23
5 – 10 years	117	50
10 – 15 years	16	7
More than 15 years	48	20

More than 15 years		
<i>The company's experience in business</i>		
Less than 5 years	44	19
5 – 10 years	92	39
10 – 15 years	25	11
More than 15 years	74	31
<i>The number of companies with ownership rights</i>		
Less than 4 companies	107	46
4 – 7 companies	17	7
7-10 companies	12	5
More than 10 companies	99	42
<i>Company activity</i>		
Service company	22	9
Retail company	6	3
Financial - insurance - real estate	20	8
Transport company	13	5
Professional services	20	9
Distributor	28	12
Factories	10	4
Construction	13	6
Planting work	7	3
Other	96	41

The previous table shows that most of the companies in application have had experience in the industry ranging between 5 to 10 years (50%), as there were 117 companies located in this category, while companies with less than 5 years of experience were in the second rank, with a percentage (23%) By the response number of 54 companies, then the response of companies with more than 15 years of experience in the industry came in the third order, with a response number of 48 companies and 20%, and finally the companies that had experience in the industry came between 10 - 15 years, with a percentage of 7% and the number of companies 16 companies.

With regard to the company's experience in the business, the companies with its experience came between 5-10 years in the first order with a number of companies (92 companies) and a response rate (39%), while the companies with more than 15

years of experience in the second ranked with a response rate (31%) And the number of companies (74 companies), then the companies with less than 5 years of experience came with the number of companies (44) and the response rate (19%) and finally the companies that had experience between 10-15 years with a response rate of 11% and the number of companies 25 companies.

With regard to the ownership of companies by shares, the companies that have ownership rights less than 4 shares came 107 companies with a response to the survey (46%) and then came in the second order companies that have more than 10 shares 99 companies with a response rate (42%), and in the order The third was the number of companies that have equity solutions in shares between 4 - 7 shares of 17 companies (7%), and finally companies that have ownership rights between 7-10 shares of 12 companies with a response rate (5%).

With regard to the activity of the companies in application, it differed from one company to another, as the number of companies responding to the questionnaire and with a service activity was 22 companies with a response rate (10%), while the companies that have activity related to retailing were 6 companies with a percentage (3%), and companies that have Funding, insurance, or real estate activity of 20 companies with a rate of (8%), and the companies that have transportation-related activity are 13 companies (5%), while the companies that have professional services were 20 companies (8%), and the companies that specialize in distribution were 28 companies (12 The factories are 10 factories, at a rate of (4%). As for companies that specialize in construction work, 13 companies (6%), companies related to agricultural work, 7 companies have a response rate (3%), and other companies that perform activities other than the mentioned activities were 96 companies with a response (41%).

According to previous research, the variables were measured according to the Likert scale of five points, and the mean and standard deviation of the variables are shown, and the highest mean was for the variable New product development (NPD) with an mean (4.21), while the lowest was the mean for the variable Market Expansion (GME) and the variable Search for Financing (GSF) with a mean (4.09), and the following table shows the mean and the standard deviation for all variables

4.2 Descriptive Analysis

The following table shows the descriptive analysis of the data through the mean and standard deviation as follows:

Table 4.1 Confirmatory factor analysis (PLS approach - First order)

Items	Mean	S.D.	Skewness		Kurtosis		Loading	α	CR	AVE
			Stat.	S.E.	Stat.	S.E.				
Proactive orientation (EPO)								0,577	0,780	0,542
Epo1	4.08	1.020	-1.187-	.159	1.019	.316	0,751			
Epo2	4.22	0,832	-1.054-	.159	.999	.316	0,736			
Epo3	3.45	1.106	-.229-	.159	-.877-	.316	0,721			
Opportunity driven. (Eod)								0,607	0,792	0,560

Table 2: Mean and Standard Deviation of research variables

Research Variables	Code	Mean	Standard Deviation
Entrepreneurial marketing (EM)	X	4.11	0.379
New product development (NPD)	M	4.21	0.470
Market Expansion (GME)	Y1	4.09	0.484
Technological Change (GTC)	Y2	4.12	0.515
Search for Financing (GSF)	Y3	4.09	0.584
Operations Planning (GOP)	Y4	4.16	0.536
Organizational Development (GOD)	Y5	4.15	0.551

4.3 Reliability Test

The coefficient of **Cronbach's Alpha** was used to identify the reliability of the variables subject to the test, and according to a study (**Ghauri & Gronhaug, 2010**), the coefficient of stability must be greater than 70%, and according to the results shown in *table 3*, all variables of the coefficient of stability have greater than The aforementioned ratio, which means that all variables are reliable and statistically acceptable, as the lowest stability value (708) was for the variable Organizational Development (GOD).

Table 3: Reliability Test

Research Variables	Number of Items	Cronbach's Alpha
Entrepreneurial marketing (EM)	19	0,843
New product development (NPD)	6	0.792
Market Expansion (GME)	6	0.807
Technological Change (GTC)	4	0,798
Search for Financing (GSF)	3	0.796
Operations Planning (GOP)	4	0,803
Organizational Development (GOD)	2	0.708

4.4 Measurement Model

This stage aims to assess the quality of the scale by loading the expressions of each variable on its own factors, in addition to clarifying the internal consistency and discriminant validity. The loading factor is evidence of maintaining the phrase if its parameter is greater than 50% (*Hair et al., 2014*) as it shows *table 4.1 and table 4.2*, about convergent validity, Fornell and Larcker (1981) believes that the value of AVE must be greater than or equal to 50%, as in *table 5*.

Eod1	4.14	.670	-.520-	.159	.564	.316	0,755			
EOD2	4.32	.652	-.816-	.159	1.790	.316	0,714			
EOD3	4.12	.730	-.587-	.159	.276	.316	0,774			
Customer intensity (ECI)								0,570	0,823	0,699
ECI 1	4.17	.681	-.465-	.159	.131	.316	0,836			
ECI 2	4.06	.716	-.517-	.159	.315	.316	0,836			
innovation focused (EIF)								0,712	0,874	0,776
EIF 1	4.16	.640	-.255-	.159	-.195-	.316	0,881			
EIF 2	4.10	.738	-.550-	.159	.133	.316	0,881			
Value Creation (EVC)								0,718	0,843	0,642
EVC 1	4.22	.687	-.636-	.159	.488	.316	0,810			
EVC 2	4.11	.692	-.312	.159	-.334-	.316	0,871			
EVC 3	4.20	.711	-.966-	.159	2.043	.316	0,715			
Risk Management (ERM)								0,628	0,801	0,574
ERM 1	4.15	.649	-.349-	.159	.118	.316	0,715			
ERM 2	4.14	.666	-.248-	.159	-.410-	.316	0,782			
ERM 3	4.09	.664	-.248-	.159	-.410-	.316	0,774			
Resource leveraging (EREL)								0,747	0,856	0,665
EREL 1	4.08	.702	-.337-	.159	-.207-	.316	0,763			
EREL 2	4.11	.680	-.299-	.159	-.238-	.316	0,847			
EREL 3	4.19	.659	-.221-	.159	-.736-	.316	0,834			
New product development (NPD)								0,790	0,852	0,492
NPD 1	4.15	.626	-.224-	.159	-.067-	.316	0,545			
NPD 2	4.13	.688	-.653-	.159	1.361	.316	0,680			
NPD 3	4.34	.694	-.959-	.159	1.564	.316	0,733			
NPD 4	4.22	.704	-.703-	.159	1.018	.316	0,784			
NPD 5	4.18	.662	-.213-	.159	-.746-	.316	0,739			
NPD 6	4.23	.652	-.365-	.159	-.294-	.316	0,704			
Market Expansion (GME)								0,809	0,863	0,512
GME 1	4.14	.691	-.343-	.159	-.308-	.316	0,745			
GME 2	4.08	.736	-.446-	.159	-.102-	.316	0,691			
GME 3	4.10	.665	-.468-	.159	1.093	.316	0,670			
GME 4	4.08	.738	-.644-	.159	.499	.316	0,722			
GME 5	4.09	.606	-.277-	.159	.629	.316	0,746			
GME 6	4.11	.621	-.182-	.159	-.005-	.316	0,718			

Table 4.2 Confirmatory factor analysis (PLS approach - First order)

Items	Mean	S.D.	Skewness		Kurtosis		Loading	α	CR	AVE
			Stat.	S.E.	Stat.	S.E.				
Technological Change (GTC)								0,797	0,868	0,623
GTC 1	4.15	.626	-.224-	.159	-.067-	.316	0,704			
GTC 2	4.07	.644	-.257-	.159	.121	.316	0,809			
GTC 3	4.15	.649	-.538-	.159	1.488	.316	0,803			
GTC 4	4.12	.690	-.717-	.159	1.598	.316	0,835			
Search for Financing (GSF)								0,797	0,881	0,711
GSF 1	4.09	.689	-.592-	.159	1.233	.316	0,828			
GSF 2	4.04	.691	-.920-	.159	2.800	.316	0,880			
GSF 3	4.14	.699	-.881-	.159	2.479	.316	0,821			
Operations Planning (GOP)								0,803	0,871	0,629
GOP 1	4.14	.689	-.750-	.159	1.687	.316	0,767			
GOP 2	4.21	.700	-.764-	.159	1.361	.316	0,804			
GOP 3	4.15	.685	-.521-	.159	.853	.316	0,813			
GOP 4	4.13	.628	-.415	.159	.778	.316	0,787			
Organizational Development (GOD)								0,709	0,873	0,775
GOD 1	4.14	.644	-.530-	.159	.953	.316	0,880			
GOD 2	4.17	.608	-.099-	.159	-.411-	.316	0,880			

It is clear from the previous table that there is a Convergent Validity for all terms, as this is achieved through phrases that have a load coefficient greater than 50% (Hair et al, 2010). In addition, the value of the AVI is good because it is greater than 50% and the Compound Reliability coefficient (CR) is greater than 60%, which means that there is convergence validity for all statements related to the variables (Fornell, C., & Larcker, 1981).

The value of the Compound Reliability coefficient (CR) is greater than the square root of the extracted mean variance (AVE) (Henseler et al., 2009), which means the consistency of the internal consistency of the variables in *table 4.1* and *table 4.2*.

Table 5: Construct correlations and square root of average variance extracted

Construct	(EM)	(GME)	(GTC)	(GSF)	(GOP)	(GOD)	(NPD)
Entrepreneurial marketing (EM)	.567	.727	.645	.622	.580	.508	.644
Market Expansion (GME)	.727	.716	.662	.559	.547	.470	.584
Technological Change (GTC)	.645	.662	.790	.688	.647	.537	.619
Search for Financing (GSF)	.622	.559	.688	.843	.673	.426	.612
Operations Planning (GOP)	.580	.547	.647	.673	.793	.501	.616
Organizational Development (GOD)	.508	.470	.537	.426	.501	.880	.473
New product development (NPD)	.644	.584	.619	.612	.616	.473	.701

4.5 Structural Model and Hypothesis Testing

In this part, the structural model of the research is tested to test the hypotheses based on the relationships between the variables, as shown by the *figure 2*.

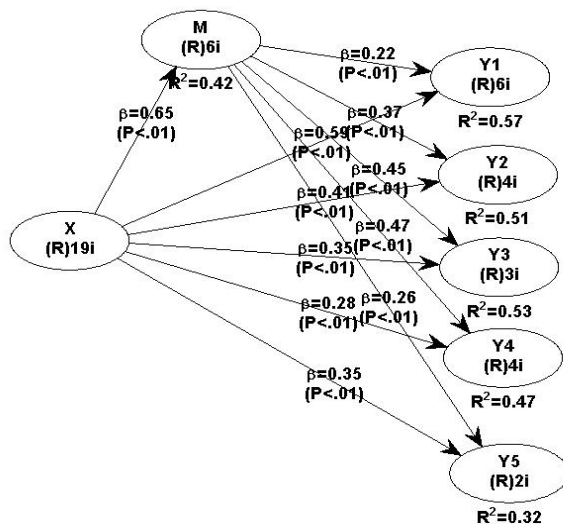


Figure 2: Structural Model

In order to test the relationship between the variables, the first step is to ensure the quality of the model of relations between the variables, as the results concluded that the value of (APC) is less than 0.001, and that the value of (ARS) was also less than the level of significance 0.001, which means that the relationship between the variables can be tested, as shown in *table 6.1* & *table 6.2*.

Table 6.1: Model quality of the relationship between variables

	value	P.value
Average path coefficient (APC)	.401	P<0.001
Average R-squared (ARS)	.469	P<0.001
Average adjusted R-squared (AARS)	.465	P<0.001
Average block VIF (AVIF)	1.734	acceptable if ≤ 5, ideally ≤ 3.3

From *table 6.1* & *table 6.2* the model between the variables is acceptable, which means the ability to test the relationship between the variables, as shown in *table 7*.

Table 6.2: Path coefficients for the different models; the direct effect for Entrepreneurial marketing

Entrepreneurial marketing (EM) and new product development (NPD)						
Ind. Variable		Dep.Variable	Path Coefficient	Effect size	P. Value	Results
H1	EM	NPD	.652***	.425	P<0.001	Supported
Entrepreneurial marketing (EM) and Market Expansion (GME)						
H2	EM	GME	.593***	.435	P<0.001	Supported

Entrepreneurial marketing (EM) and Technological Change (GTC)							
H3	EM	→	(GTC)	.411***	.270	P<0.001	Supported
Entrepreneurial marketing (EM) and Search for Financing (GSF)							
H4	EM	→	(GSF)	.353***	.227	P<0.001	Supported
Entrepreneurial marketing (EM) and Operations Planning (GOP)							
H5	EM	→	(GOP)	.284***	.165	P<0.001	Supported
Entrepreneurial marketing (EM) and Organizational Development (GOD)							
H6	EM	→	(GOD)	.351***	.184	P<0.001	Supported

Note: ***p ≤ 0.001.

Table 7: Path coefficients for the different models; The direct effect for new product development (NPD)

New product development (NPD) and Market Expansion (GME)							
Ind. Variable			Dep. Variable	Path coefficient	Effect size	P. Value	Results
H1	NPD		GME	.218***	.131	P<0.001	Supported
New product development (NPD) and Technological Change (GTC)							
H2	EM	→	(GTC)	.371***	.239	P<0.001	Supported
New product development (NPD) and Search for Financing (GSF)							
H3	EM	→	(GSF)	.451***	.306	P<0.001	Supported
New product development (NPD) and Operations Planning (GOP)							
H4	EM	→	(GOP)	.466***	.302	P<0.001	Supported
New product development (NPD) and Organizational Development (GOD)							
H5	EM	→	(GOD)	.265***	.131	P<0.001	Supported

Note: ***p ≤ 0.001.

Table 8.1: Path coefficients for the different models; the mediating role of new product development (NPD) between Entrepreneurial marketing (EM) and dimension Growth Intentions

Hyp.	Ind.	Mediator	Dep.	Path coefficient	Effect size	P. Value	Results
H1	EM	NPD	GME	.142***	.104	P<0.001	Supported
H2	EM	NPD	GTC	.242***	.159	P<0.001	Supported
H3	EM	NPD	GSF	.249***	.189	P<0.001	Supported

Table 8.2: Path coefficients for the different models; the mediating role of new product development (NPD) between Entrepreneurial marketing (EM) and dimension Growth Intentions

Hyp.	Ind.	Mediator	Dep.	Path coefficient	Effect size	P. Value	Results
H4	EM	NPD	GOP	.304***	.177	P<0.001	Supported
H5	EM	NPD	GOD	.173***	.091	P<0.001	Supported

Note: ***p ≤ 0.001.

5. DISCUSSION

This study aimed to investigate the impact of entrepreneurial marketing on growth intentions through the mediating role of new product development in the context of small and medium enterprises (SMEs) in the Egyptian industrial area, namely, New Damietta. Therefore, a research model containing these three constructs was developed based on extant literature reviews. The study adopted quantitative methods and, using structural equation modeling, data were collected and utilized in the questionnaire survey. The questionnaire was directed to the managers of SMEs where 248 usable questionnaires 324 lists were collected from the study sample, and the number of correct lists was 248, so the response rate became (76,5%).

Further, the study employed PLS5 to test the research hypotheses. The researchers tested the measurement model goodness of fit and validity and reliability where the measurement model showed an acceptable level of validity and reliability. Moreover, the structural model was developed, and research hypotheses were tested. The results presented. The research hypotheses were accepted.

The findings illustrate that there is a significant positive effect of entrepreneurial marketing on new product development where the path coefficient was (0.652), the effect size was (0.425) at the level of significance of (0.001), which means that the relationship between entrepreneurial marketing and new

product development is statistically significant at the level of significance of 0.001 and then first hypothesis was accepted. These results are confirmed by (Lee and Zhou, 2012; Iyer *et al.*) which revealed that new product development is the outcome of entrepreneurial marketing efforts and in line with (Covin *et al.*, 2006) study which confirmed that small businesses which exhibit a strong entrepreneurial orientation are more likely to find new product development.

The results also showed a significant positive effect between new product development and growth intentions at the level of significance of (0.001). The second hypothesis was accepted. This result is in line with (Pozzi and Schivardi, 2016) study which stated that firm productivity has also previously been found to be related to firm growth. The enterprise should increase its efforts to discover opportunities in the environment which it works in, and state customers need to be able to grow and survive. Because of these efforts to develop new products, the activities and processes of the enterprise increase.

The results of the study show that there is a significant positive effect between entrepreneurial marketing and growth intentions, and with a significant level of (0.001). So, the third hypothesis was accepted.

This finding is corresponded with (Kolvereid and Åmo, 2019) they assured there is a correlation among the three dimensions of Entrepreneurial Orientation and increase intention.

Finally, the results showed that there is a significant indirect effect of entrepreneurial marketing on growth intentions through new product development. So, the fourth hypothesis was accepted.

Based on the findings, it can be claimed the study offers a perspective on entrepreneurial marketing and new product development, and how it can lead to enhanced growth intentions of SMEs. It also highlights the role of new product development as a mediator in the relationship between entrepreneurial marketing and growth intentions. Also, the study's findings present interesting practical implications for managers of small and medium enterprise managers who are seeking to enhance growth intentions.

6. PRACTICAL IMPLICATIONS

This study provides significant practical implications for managers of small and medium enterprises. The study suggests to managers of SMEs the necessity of adopting the philosophy of Entrepreneurial Marketing and seeking innovation to explore new products. Therefore, SME managers identify untapped market opportunities and work to seize on them by introducing modifications, improvements, and development to existing products. Also, proactively seeking opportunities ahead of competitors, enabling the company to identify future needs and bring the required change in the external environment by introducing new products before competitors.

Interest in innovation by generating new ideas and developing new products and technology in the market before competitors, to enable them to achieve a competitive advantage for the

entrepreneurs of SMEs. This is achieved by providing the necessary resources to know and understand the needs and desires of their customers to create greater value for products and distinguish them from competitors continuously.

Managers whose firms adopt marketing efforts can reduce the level of risk by implementing its entrepreneurial marketing steps in successive stages and not at one time, to reduce potential risks. New product development helps entrepreneurial firms to compete, achieve competitive advantage, company growth rates and an ability to remain in the market. To achieve this, company managers provide all the resources needed to develop new products. Market-oriented firms seek to gather information on customer needs and develop new products according to their needs and desires. Entrepreneurial firms provide the technological capacity to develop innovative products and predict technological changes in the markets. This, in turn, raises the performance rates of entrepreneurial firms.

The study also provides important practical implications for managers of SMEs concerning growth intentions. Managers can enhance growth intentions by expanding the market and achieving this by adding a new product, entering new markets, or undertaking advertising and promotional campaigns. Also, entrepreneurial firms are making technological changes by purchasing new equipment and developing their computer systems.

In addition to searching for financing by applying for a loan or seeking additional financing through a partner, to enhance growth intentions.

SMEs can achieve growth intentions by developing their organizational structure. This requires managers to be growth-oriented, to have an entrepreneurial thought and interest in developing the entrepreneurial skills and capabilities of the company's employees, and to encourage them to innovate, entrepreneur and take risks. The current study suggested that SMEs managers must dispose of routine procedures to enhance the production capacity, which requires a high percentage of highly qualified employees to deal with production processes. Therefore, SMEs managers should invest in leadership and entrepreneurial skills.

7. LIMITATIONS AND FUTURE RESEARCH

The current study has several limitations that indicate future research directions, though the hypotheses were based on theory and the study's results supported the theoretical expectations. One limitation is time and cost constraints. The current study used a sample from industrial areas in New Damietta. So, this study suggests that future research can depend on another sample from other industrial areas in Egypt.

Second, the current study tested research hypotheses by questionnaire survey that provided cross-sectional data. Therefore, the study's results do not show any indications of observing changes in the research variables over time. Thus, future studies may benefit from longitudinal study to observe

the changes in growth intention because of the changes in entrepreneurial marketing and new product development.

Third, this study used a sample from the SMEs manufacturing in New Damietta. It is difficult to generalize these results to other services and countries. Therefore, this study suggests that future research will investigate the impact of entrepreneurial marketing on growth intentions through the mediating role of new product development, and by applying it to other productive or service fields.

Finally, the study uses a sample from SME firms in Egypt (developing country). Therefore, further research that focuses on developed countries and compares the results with the study results will make great contributions.

REFERENCES

- [1] Ahadi, S., & Kasraie, S. (2020). Contextual factors of entrepreneurship intention in manufacturing SMEs: the case study of Iran. *Journal of Small Business and Enterprise Development*.
- [2] Ajzen, I. (1991). The theory of planned behavior. *Organizational behavior and human decision processes*, 50(2), 179-211.
- [3] Alqahtani, N., Uslay, C., & Yenyurt, S. (2022). Entrepreneurial marketing and firm performance: scale development, validation, and empirical test. *Journal of Strategic Marketing*, 1-22.
- [4] Barrales Molina, V., Kaynak, H., & Gutiérrez, L. (2018). The Role of Human Resource-Related Quality Management Practices in New Product Development: A Dynamic Capability Perspective.
- [5] Becherer, R. C., Haynes, P. J., & Fletcher, L. P. (2006). Paths to profitability in owner-operated firms: The role of entrepreneurial marketing. *Journal of Business and Entrepreneurship*, 18(1), 17.
- [6] Becherer, R. C., Helms, M. M., & McDonald, J. P. (2012). The effect of entrepreneurial marketing on outcome goals in SMEs. *New England Journal of Entrepreneurship*, 15(1), 7-18.
- [7] Beck, T., Demirci-Kunt, A., & Levine, R. (2005). SMEs, growth, and poverty: cross-country evidence. *Journal of Economic Growth*, 10(3), 199-229.
- [8] Berg, N. (2014). Success from satisficing and imitation: Entrepreneurs' TM location choice and implications of heuristics for local economic development. *Journal of Business Research Success*, 67, 1700-1709.
- [9] Beynon, M. J., Jones, P., & Pickernell, D. (2020). SME development strategy and product/service innovation intention: A NCaRBS analysis of the role of uncertainty. *The International Journal of Entrepreneurship and Innovation*, 21(1), 3-16.
- [10] Bird, B. (1988). Implementing entrepreneurial ideas: The case for intention. *Academy of management Review*, 13(3), 442-453.
- [11] Bjerke, B., & Hultman, C. M. (2002). EM: The Growth of Small Firms in the New Economic Era, Edward Edgar, Cheltenham.
- [12] Carland, J. W., Hoy, F., Boulton, W. R., & Carland, J. A. C. (1984). Differentiating entrepreneurs from small business owners: A conceptualization. *Academy of management review*, 9(2), 354-359.
- [13] Christensen, C. M., & Raynor, M. E. (2003). *The Innovator's Solution: Creating and Sustaining Successful Growth* (Boston, MA: Harvard Business Review Press).
- [14] Covin, J. G., & Miles, M. P. (1999). Corporate entrepreneurship and the pursuit of competitive advantage. *Entrepreneurship theory and practice*, 23(3), 47-63.
- [15] Covin, J. G., Green, K. M., & Slevin, D. P. (2006). Strategic process effects on the entrepreneurial orientation-sales growth rate relationship. *Entrepreneurship theory and practice*, 30(1), 57-81.
- [16] Deku, W. A., Wang, J., & Das, N. (2022). Innovations in entrepreneurial marketing dimensions: evidence of Halal food SMES in Ghana. *Journal of Islamic Marketing*.
- [17] Delmar, F., & Wiklund, J. (2008). The effect of small business managers' growth motivation on firm growth: A longitudinal study. *Entrepreneurship theory and practice*, 32(3), 437-457.
- [18] Delmar, F., Davidsson, P., & Gartner, W. B. (2003). Arriving at the high-growth firm. *Journal of business venturing*, 18(2), 189-216.
- [19] Esmer, y., & şaylan, o. (2020). Role of customer involvement in new product development process of industrial enterprises: a conceptual research. *Verimlilik dergisi*, (2), 179-193.
- [20] Ferreras-Méndez, J. L., Llopis, O., & Alegre, J. (2022). Speeding up new product development through entrepreneurial orientation in SMEs: The moderating role of ambidexterity. *Industrial Marketing Management*, 102, 240-251.
- [21] Fink, M., Koller, M., Gartner, J., Floh, A., & Harms, R. (2020). Effective entrepreneurial marketing on Facebook—A longitudinal study. *Journal of business research*, 113, 149-157.
- [22] Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18, 39-50.
- [23] Ghauri, P. and Gronhaug, K. (2010) *Research Method in Business Studies*. 4th Edition, Pearson, London.
- [24] Gilbert, B. A., McDougall, P. P., & Audretsch, D. B. (2006). New venture growth: A review and extension. *Journal of management*, 32(6), 926-950.
- [25] Gundry, L. K., & Welsch, H. P. (2001). The ambitious entrepreneur: High growth strategies of women-owned enterprises. *Journal of business venturing*, 16(5), 453-470.
- [26] Hacıoglu, G., Eren, S. S., Eren, M. S., & Celikkan, H. (2012). The effect of entrepreneurial marketing on firms' innovative performance in Turkish SMEs. *Procedia-Social and Behavioral Sciences*, 58, 871-878.
- [27] Hair Jr, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European business review*.
- [28] Hamali, S., Suryana, Y., Effendi, N., & Azis, Y. (2016). Influence of entrepreneurial marketing toward innovation and its impact on business performance: A survey on small Industries of Wearing Apparel in West Java, Indonesia. <https://papers.ssrn.com>.
- [29] Hänninen, K., Muhos, M., & Isoherranen, V. (2017). Growth Intentions and Sales Growth in Sparsely Populated Area Micro-Firms. In *ICSB World Conference Proceedings* (pp. 1-5). International Council for Small Business (ICSB).
- [30] Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The use of partial least squares path modeling in international marketing. In *New challenges to international marketing*. Emerald Group Publishing Limited.
- [31] Hills, G. E., & Hultman, C. M. (2011). Academic Roots: The Past and Present of Entrepreneurial Marketing. *Journal of Small Business and Entrepreneurship*: Vol.24, No.1, 110-152.
- [32] Hosseininia, G. and Ramezani, A. (2016), "Factors influencing sustainable entrepreneurship in small and medium-sized enterprises in Iran: a case study of food industry", *Sustainability*, Vol. 8 No. 10, p. 1010
- [33] Prof. Dr. Joel Chagadama, Prof. Dr. Desire S. Luamba and Prof. Dr. Ir. Edouard M. Mutamba (2022), Reducing Voluntary Employee Turnover in Small Construction Companies for Long-term Productivity. *IJBM* 10(3), 53-70. DOI: 10.37391/IJBM.100301.
- [34] Dr. Josephine K. Nsubuga-Mugoa, Dr. Irene A. Williams and Dr. Jorge Gaytan (2021), Successful Strategies for Using Knowledge Management in Small and Medium-Sized Enterprises. *IJBM* 9(3), 347-361. DOI: 10.37391/IJBM.090313. <https://ijbmr.forexjournal.co.in/archive/volume-9/ijbmr-090313.html>
- [35] Iqbal, M., & Suzianti, A. (2021). New product development process design for small and medium enterprises: A systematic literature review from the perspective of open innovation. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(2), 153.
- [36] Kautonen, T., Van Gelderen, M., & Fink, M. (2015). Robustness of the theory of planned behavior in predicting entrepreneurial intentions and actions. *Entrepreneurship theory and practice*, 39(3), 655-674.

- [37] Kim, H. J. (2018). Reconciling entrepreneurial orientation and dynamic capabilities: a strategic entrepreneurship perspective. *The Journal of Entrepreneurship*, 27(2), 180-208.
- [38] Kolvareid, L., & Åmo, B. W. (2019). Growth Intention and Growth in Small Accounting Firms. *Administrative Sciences*, 9(2), 36.
- [39] Kowalik, I., Danik, L., & Pleśniak, A. (2022). Entrepreneurial marketing orientation of the Polish and Finnish SMEs and its environmental determinants. *Journal of Business & Industrial Marketing*, (ahead-of-print).
- [40] Land, S., Engelen, A., & Brettel, M. (2012). Top management's social capital and learning in new product development and its interaction with external uncertainties. *Industrial Marketing Management*, 41(3), 521-530.
- [41] Mike Troilo, Masato Abe and Nick Freeman (2022), Looking Beyond the Pandemic: Building Back Better for MSME Finance. *IJBMR* 10(4), 82-93. DOI: 10.37391/IJBMR.100401.
- [42] Miles, M. P., & Darroch, J. (2006). Large firms, entrepreneurial marketing processes, and the cycle of competitive advantage. *European journal of marketing*, 40(5/6), 485-501.
- [43] Morris, M. H., Schindehutte, M., & LaForge, R. W. (2002). Entrepreneurial marketing: a construct for integrating emerging entrepreneurship and marketing perspectives. *Journal of marketing theory and practice*, 10(4), 1-19
- [44] Muller, P., Caliandro, C., Peycheva, V., Gagliardi, D., Marzocchi, C., Ramlogan, R., & Cox, D. (2015). Annual report on european SMEs. European Commission.
- [45] Nason, R. S., & Wiklund, J. (2018). An assessment of resource-based theorizing on firm growth and suggestions for the future. *Journal of Management*, 44(1), 32-60.
- [46] Naudé, W. (2013). Entrepreneurship and economic development: Theory, evidence and policy. Evidence and Policy. IZA Discussion Paper, (7507).
- [47] Pozzi, A., & Schivardi, F. (2016). Demand or productivity: What determines firm growth?. *The RAND Journal of Economics*, 47(3), 608-630.
- [48] Robles, L., & Zárraga-Rodríguez, M. (2015). Key competencies for entrepreneurship. *Procedia Economics and Finance*, 23, 828-832.
- [49] sAhlstrom, D. (2010). Innovation and growth: How business contributes to society. *Academy of management perspectives*, 24(3), 11-24.
- [50] Terjesen, S., & Szerb, L. (2008). Dice thrown from the beginning? An empirical investigation of determinants of firm level growth expectations. *Estudios de economía*, 35(2), 153-178.
- [51] Wiklund, J., & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic management journal*, 24(13), 1307-1314.
- [52] Wu, L., Liu, H., Zhang, J., 2017. Bricolage effects on new-product development speed and creativity: the moderating role of technological turbulence. *J. Bus. Res.* 70, 127–135.



© 2023 by Zeinab Gamal, Hoda A.H Khayal and Mohamed El-Saeed Abd-Elghafar. Submitted for possible open

access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).