

ENTREPRENEURIAL BEHAVIOR AND ITS INFLUENCE ON CUSTOMER ORIENTATION OF MICRO, SMALL AND MEDIUM ENTERPRISE PUDUCHERRY.

¹A.Sudhanraj, ²A.Karthikeyan
¹Research Scholar, ²Assistant Professor
¹Dept. Business Administration
¹Annamalai University.

Abstract: The study examined the Entrepreneurial Behavior and Its influence on Customer Orientation of Micro, Small, Medium, Enterprise Puducherry. The target population was 6410 MSME were registered in Puducherry District Industrial Center only taken. A sample size is 50 entrepreneurs were selected. Stratified random sampling techniques used. The instruments used for data collection were questionnaire. A total of 50 copies of the questionnaire were retrieved and analyzed. Descriptive statistics, Analysis of Variance, Correlation, and Regression Statistical tool was used to test the hypotheses. The questions were closed ended on a five point Likert scale with the help of Scientific Packages for Social Scientists (SPSS). Based on these findings we concluded that entrepreneurial behavior variable (Innovativeness, Network development, Information seeking) significantly influence customer orientation within the MSME Puducherry.

Keywords: MSME, Entrepreneurial Behavior, Innovativeness, Network development, Information seeking, Customer orientation.

I. INTRODUCTION

In the present era, it is being understood that entrepreneurship contributes to advancement of a nation in a few different ways, vize. Assembling and harnessing the different inputs, bearing the risks, enhancing and imitating the procedures to reduce the cost, expense and increment its quality and amount, growing the horizons of the market, and planning and dealing with managing the service and manufacturing unit at different levels. In fact, the rapid economic improvement of a nation crucially depends upon the number of capacities of business people. In this specific circumstance, entrepreneur is one of the most vital roles to contributions for improvement of enterprise for undertaking which may prove phenomenal for economic advancement of enterprise community.

II. REVIEW OF LITERATURES

2.1 Entrepreneurial Behavior

Leonidas A. Zampetakis et al.,(2006). Entrepreneurial behavior in the Greek public sector based on questionnaire was administered to a random sample of 237 public servants working at prefecture level, which is the second level of government in Greece. As a results reported here reveal that a positive correlation exists between an employee's entrepreneurial behaviour and the supportive context as expressed by access to managerial information and encouragement of initiatives. Moreover, it is more likely that department heads possess higher levels of entrepreneurial behaviour than those who are not department heads while older employees do not score differently on the scale than the "newcomers" in public sector.

K. Gowrishankar (2008). Examine the Insights into Entrepreneurial Behavior in Indian Firms based on primary data collected through a structured questionnaire administered to both manufacturing and service sectors in India. The sampling frame chosen for this study are the firms listed under "A" and "B1" categories of the Bombay Stock Exchange (BSE). Online questionnaire was created and individual emails sent to the addresses obtained from the CMIE database under both the above categories. In the final count, responses from 85 firms (response rate of 42.5%) were received and used for the analysis. The survey was carried out between January 2007 and March 2007. It is verified that there is no statistical significant difference in responses between the manufacturing and service sectors. This study looks at the determinants of entrepreneurial behavior in Indian firms. It identifies six factors that indicate entrepreneurial orientation autonomy, risk taking propensity, competitive aggressiveness, proactive behavior, innovativeness, and societal concerns. Based on these factors, a conceptual model for entrepreneurial behavior is proposed. It is found that the financial performance of these Indian firms shows an increasing trend.

Theresa L.M. Lau et al.,(2011). The Entrepreneurial Behaviour Inventory instrument for measuring the entrepreneurial behaviors of corporate managers were interviewed and discussions with business owners and company managers, 40 incidents

were written to describe ten of the most commonly identified entrepreneurial attributes to examine the dimensionality of the EBI via principal component. The response options was developed using behaviourally anchored rating scales and were validated. Through an integrated series of studies, the authors identified a valid and reliable four-factor structure of the EBI. The dimensions are innovativeness, risk taking, and opportunism change orientation.

2.2 Customer Orientation

McIlroy and Barnett (2000), "In a business context the loyalty has come to describes a customer's commitment to do business with particular organisation, purchasing their goods and services repeatedly, and recommending the service and products to friends and associates".

Anderson and Jacobsen (2000) said customer loyalty is actually the result of an organisation creating benefit for a customer so they will maintain or increase their purchase from the organisation. They said that true customer loyalty is created when the customer becomes an advocate for organisation, without incentive.

Clarke (2001): "The notion of customer loyalty may appear at the first sight to be outmoded in era of the Internet, when customers are able to analysis and evaluate competing alternatives as well as checking reports from others – at the touch of button. Yet the evidences show that the old rule of successful and profitable management still hold good: customer retention is still a key to long-term profit, while on the other side of the coin there is high cost-penalty to low loyalty. Indeed, the very fact that customers can readily assess the competing services and products on offer and then so easily make the new purchase does in itself give added weight to the importance of building a strong ties of loyalty with customers".

Bowen and Chen (2001): "It commonly known that there is a positive relationship between customer loyalty and profitability. Today, marketers are seeking information on how to build a customer loyalty. The increase of profit comes from reduced marketing costs, increased sales and reduced operational costs. Finally, the loyal customers cost less to serve, in part because they know the product and require less information. They even serve as a part-time employee. Therefore loyal customers not only require less information themselves, they also serve as an information source for the other customers".

III. METHODOLOGY

The study was carried out in Micro Small Medium Enterprises operating at Puducherry, using descriptive survey research design. The target population was 6410 MSME were registered in puducherry district industrial center only selected. A sample size comprising 50 entrepreneurs were selected for the study. Stratified random sampling techniques used to select the respondents. Questionnaires were used to collect data which were validated through a pilot study. The questions were closed ended on a five point Likert scale. Descriptive statistics was used to analyze data with the help of Scientific Packages for Social Scientists (SPSS).

3.1. Research Questions

1. What is the effect of nature of business on entrepreneurial behavior variable in Micro Small Medium Enterprises operating at Puducherry?
2. What is the correlation between Entrepreneurial Behavior variables of entrepreneur in Micro Small Medium Enterprises operating at Puducherry?
3. What is the influence of Entrepreneurial Behavior variables on customer orientation in Micro Small Medium Enterprises operating at Puducherry?

3.2. Research Objectives

1. To study the Entrepreneurial Behavior of entrepreneur in Micro Small Medium Enterprises operating at Puducherry.
2. To analysis the effect of nature of business on entrepreneurial behavior variable in Micro Small Medium Enterprises operating at Puducherry.
3. To test the correlation between Entrepreneurial Behavior variables of entrepreneur in Micro Small Medium Enterprises operating at Puducherry.
4. To examine the influence of Entrepreneurial Behavior variables on customer orientation in Micro Small Medium Enterprises operating at Puducherry.

3.3. Research Hypotheses

The study aimed following research hypotheses:

1. There is no significant effect of nature of business on entrepreneurial behavior variable in Micro Small Medium Enterprises operating at Puducherry.
2. There is no significant interrelation between Entrepreneurial Behavior variables of entrepreneur in Micro Small Medium Enterprises operating at Puducherry.
3. There is no influence of Entrepreneurial Behavior variables on customer orientation in Micro Small Medium Enterprises operating at Puducherry.

IV. ANALYSIS AND RESULT

	Particulars	Percentage
Age Group	Less than 28	14.0
	28-37	28.0
	38-47	44.0
	Above 47	14.0
	Total	100.0
Type of Enterprise	Textile Based	24.0
	Auto Mobile Based	30.0
	Food Based	14.0
	Electrical/Electronics	20.0
	Others	12.0
	Total	100.0
Nature of Business	Micro	8.0
	Small	50.0
	Medium	42.0
	Total	100.0

Descriptive statistics

The descriptive statistics of the respondent is shown in **Table 1.**

Age Group It can be inferred from the table that 44% of respondents are in the age group of 38-47 years, 28% of 28-37 years, 14% are both Less than 28 and Above 47.

Type of Enterprise It can be inferred from the table that 30% of respondents are in the Auto Mobile Based, 24% of Textile Based, 20% of Electrical/ Electronics, 14% Food Based and 12% of them others.

Nature of Business It can be inferred from the table that 50% of respondents are in the Small, 42% of Medium, 8% of Micro.

Table: 2. Analysis of Variance

		Sum of Squares	df	Mean Square	F	Sig.
INNOV	Between Groups	.875	2	.437	1.843	.170
	Within Groups	11.151	47	.237		
	Total	12.026	49			
NETWK	Between Groups	.964	2	.482	1.717	.191
	Within Groups	13.192	47	.281		
	Total	14.156	49			

INFOS	Between Groups	.172	2	.086	.342	.712
	Within Groups	11.826	47	.252		
	Total	11.998	49			

Table: 2. shows that nature of business is not significantly enhances entrepreneurial behavior variable in MSME Puducherry. This statistical values revealed that the F-probability value is greater than 0.05 hence the null hypotheses was accepted.

Table: 3. Correlation

		INNOV	NETWK	INFOS
INNOV	Pearson Correlation	1	.964**	.623**
	Sig. (2-tailed)		.000	.000
	N	50	50	50
NETWK	Pearson Correlation	.964**	1	.561**
	Sig. (2-tailed)	.000		.000
	N	50	50	50
INFOS	Pearson Correlation	.623**	.561**	1
	Sig. (2-tailed)	.000	.000	
	N	50	50	50

** . Correlation is significant at the 0.01 level (2-tailed).

Table: 3. shows that value of correlation test demonstrates that there is positive interrelation between the entrepreneurial behavior variable among the entrepreneurs in MSME at Puducherry. Hence, the probability value is 0.01 (level of significance), the Null hypotheses is rejected.

Table: 4. Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.549 ^a	.302	.256	.3462712

a. Predictors: (Constant), INFOS, NETWK, INNOV

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.381	3	.794	6.619	.001 ^a
	Residual	5.516	46	.120		
	Total	7.896	49			

a. Predictors: (Constant), INFOS, NETWK, INNOV

b. Dependent Variable: CUSTMOR

Table: 4. shows that r value is greater than 0.5 hence the model is fit, and adjusted r square value is .549 which means that this model explained 54.9% of variance in customer orientation based on the Independent Variable (entrepreneurial behavior). Hence, the probability value is 0.01 (level of significance), the Null hypotheses is rejected. Therefore, entrepreneurial Behavior positively influences customer orientation.

V. DISCUSSIONS & CONCLUSION

The hypotheses sought to examine the Entrepreneurial Behavior and Its influence on Customer Orientation. The findings for this study are based on survey questionnaires from MSMEs the small enterprise represented the large portion of respondents. The main objective of this study is to determine the Entrepreneurial Behavior and Its influence on Customer Orientation which is represented by three variables. From the ANOVA the findings showed that nature of business is not significantly enhances entrepreneurial behavior variable, Correlation analysis the findings show that there is positive interrelation between the entrepreneurial behavior variable among the entrepreneurs and Regression analysis the findings show that entrepreneurial Behavior positively influences customer orientation in MSMEs at Puducherry. Based on the discussions above, we conclude that entrepreneurial behavior variable (Innovativeness, Network development, Information seeking) significantly influence customer orientation within the MSME Puducherry.

REFERENCE

1. Anderson, H. & Jacobsen P. N., (2000). Creating Loyalty: Its Strategic Importance in Your Customer Strategy. In S. A. Brown, ed., *Customer Relationship Management*, Ontario, John Wiley, 2000, pp. 55-67.
2. Bowen, J. T. & Chen, S. L., May (2001). The Relationship between Customer Loyalty and Customer Satisfaction, *International Journal of Contemporary Hospitality Management*, pp. 213-217.
3. Clarke, K., (2001). What Price on Loyalty When a Brand Switch is Just a Click Away?, *Qualitative Market Research: An International Journal*, 4 (3), 160-168.
4. K. Gowrishankar (2008). Insights into Entrepreneurial Behavior in Indian Firms. *Academy of Entrepreneurship Journal*, 14(2), 95-105.
5. Leonidas A. Zampetakis and Vassilis Moustakis (2006). Entrepreneurial Behavior in The Greek Public Sector. *International Journal of Entrepreneurial Behaviour & Research*, 13(1), 19-38.
6. McIlroy, A. and Barnett, S., (2000). Building Customer Relationships: Do Discount Cards Work?, *Managing Service Quality*, 10 (6), 347-355.
7. Theresa L.M. Lau., Margaret A. Shaffer., Kwong Fai Chan and Thomas Wing Yan Man(2011). The Entrepreneurial Behaviour Inventory. *International Journal of Entrepreneurial Behaviour & Research*, 18(6), 673-696.

THANK YOU