

## THE RELATIONSHIP OF MARKETING ORIENTATION AND MANAGEMENT CAPABILITIES WITH ENTREPRENEURIAL SUCCESS OF EVENT MANAGEMENT FIRMS IN SABAH, MALAYSIA

**Nora Lawrence Sakai**

Asia Graduate School of Business, UNITAR International University,  
Petaling Jaya, Selangor, Malaysia

\*Corresponding author's email:  
caroline@ums.edu.my

Received: 10 September 2020

Accepted: 28 October 2020

**Keywords:** *Event management, marketing orientation, management capabilities, entrepreneurial success*

### ABSTRACT

*Event management is a thriving and growing business in many countries, including Malaysia. There are many local entrepreneurs providing various services for events relating to the music and entertainment industry. Hence, these firms need to develop competitive advantages to ensure that their entrepreneurial endeavours are successful. Marketing orientation and management capabilities are two major contributors to business performance. Therefore, in this study, the aim is to determine the level of marketing orientation, management capabilities and entrepreneurial success, as well as to determine the relationship among these variables. This descriptive and quantitative study uses 200 respondents selected using snowball sampling method from among owners and managers of event management firms in Sabah. IBM SPSS 23.0 was used to analyse data gathered from a self-administered questionnaire. Findings showed that marketing orientation and management capabilities were perceived highly but entrepreneurial success was perceived moderately. There is also a direct, significant and moderate relationship between marketing orientation and management capabilities with entrepreneurial success. This study led to the implication that event management firms need to have strong marketing orientation and management capabilities so that their success in the entrepreneurial endeavours is achieved.*

## INTRODUCTION

### *Background of the Study*

The event industry is becoming one of the fastest growing and most lucrative entrepreneurial business globally. It is regarded as one of the world's largest employers and contributes to major positive economic impact (Theocharis, 2008). Getz (1991) explained that the increasing growth of events is due to the economic prosperity, a more leisure-oriented lifestyle and ever-improving global communication. Every year, there are millions of events happening worldwide. Events are special situations that are a unique moment in time to satisfy specific needs (Goldblatt, 1997) and they are set aside from everyday occurrences (Berridge, 2007).

Malaysia as a tourist destination has also notably experienced an increase in the event management sector in recent decades (Asliza, Fauzunnasirah, Nik Rozilaini, Zakimi & Adi Hakim, 2015). Malaysia was ranked in the top ten most visited destinations in the world in the past few years. It was ranked at 9<sup>th</sup> position (2009-2011) and 10<sup>th</sup> (2012) according to the United Nations World Tourism Organization (UNWTO) barometer (Firdaus, 2014). Therefore, event management has not only been focused on providing for leisure of the local community but related more to the tourism industry.

Due to its promising returns and sustainability, event management is considered as a venture for many small and micro enterprises, particularly in managing events in the local community. There is a rising number of new ventures by micro and small event management firms specialized in providing entertainment for events. These micro, small and medium-sized enterprises (micro SMEs) are important to the growth of economy in Malaysia (Abu Bakar, Rohani, Subarna & Azrai, 2011). Small businesses are regarded as a vehicle for entrepreneurship and contributing significantly to employment, social and political stability (Wennekers & Thurik,

1999). However, being small in size with limited resources, small event management firms in the entertainment and leisure industry need to build competitiveness in order to sustain their existence in this industry. Therefore, the focus of this study on entrepreneurial success of small event management firms in Sabah and its underlying success factors.

## PROBLEM STATEMENT

Goldblatt (2002) stated that event manager is responsible for researching, designing, planning, coordinating and evaluating events. Event management in the entertainment and leisure industry is mostly done by micro enterprises. A micro enterprise providing services is defined as an enterprise with full-time employees of less than five or with annual sales turnover of less than RM200,000. However, micro businesses give a significant contribution to jobs, accounting for 30.5 per cent of non-government employment, representing more than 6.5 million people (DTI, 1999). Therefore, the growth of micro enterprises in various entrepreneurial ventures including event management is crucial to the economic growth in Malaysia. However, the failure rates of micro business is high. Studies show that more than 90% of new start-up businesses have failed within five years in operations (Abu Bakar et al., 2011).

Past studies showed that internal factors such as marketing orientation and management capabilities are key determinants of small business success (Chaston, 1996). It is necessary for event managers to understand the success factors of entrepreneurial business like event management firm. Therefore, this study focuses on examining two most important aspects of entrepreneurial success: marketing orientation and management capabilities to see how these two factors are related to entrepreneurial success especially among micro event management firm providing entertainment services in Sabah, Malaysia.

## **RESEARCH OBJECTIVES**

The purpose of this study is to investigate two underlying success factors: marketing orientation and management capabilities in relation to entrepreneurial success of small event management firms that focuses on providing entertainment services to its clients in Sabah, Malaysia. The following are specific research objectives:

- (a) To determine the level of marketing orientation, management capabilities and entrepreneurial success of the event management firms;
- (b) To determine the relationship between marketing orientation and entrepreneurial success of the event management firms; and
- (c) To determine the relationship between management capabilities and entrepreneurial success of the event management firms.

## **RESEARCH QUESTIONS**

Based on the research objectives, the research questions are as follows:

- (a) What are the level of marketing orientation, management capabilities and entrepreneurial success of the event management firms?
- (b) Is there any significant relationship between marketing orientation and entrepreneurial success of the event management firms?
- (c) Is there any significant relationship between management capabilities and entrepreneurial success of the event management firms?

## **RESEARCH HYPOTHESES**

The research hypotheses are as follows:

H1: Marketing orientation has a positive and significant relationship with entrepreneurial success of the event management firms

H2: Management capabilities has a positive and significant relationship with entrepreneurial success of the event management firms

### *Definition of Terms*

Some terms are used extensively in this study, of which the following operational definitions are given to ensure common understanding of its meaning in the context of this study.

### *Entrepreneurial success*

Entrepreneurial success is defined through tangible elements such as the firm's growth, personal wealth creation, profitability, sustainability and turnover (Perren, 2000). It may also be measured in the form of intangible element such as customer satisfaction (Amit et al., 2000). Therefore, in this study, the entrepreneurial success is measured in terms of financial robustness, customer satisfaction and potentials for business expansion in the near future. Financial robustness refers to the aspect of capital availability, good cash flow and management of debts (Egger & Keushinigg, 2011). Customer satisfaction refers to the feeling of contentment of the customer regarding the products and services (Kotler & Keller, 2009). Potentials for business expansion refers to the capability of the firm to expand and grow in terms of product or service diversification, and firm expansion to include new market segments.

### *Marketing Orientation*

Marketing orientation is a firm's competitive strategy as defined by Kohli and Jaworski (1997) to describe three aspects of marketing: market intelligence, dissemination of information and responsiveness relating to current and future needs of customers. Two aspects critical to small and micro enterprises are the competitive advantage in addressing challenges to retain customers and becoming better than competitors. Therefore, marketing

orientation refers more specifically to customer orientation and competitor orientation. Customer orientation implied the need for small event management form to understand the whole value chain of a buyer not only in the present state but with the progress of time, depending on the internal and market dynamics. Competitor orientation refers to the short-term pro and cons as well as long-term strategies and capabilities of both crucial current and potential competitors (Day & Wensley, 1998).

#### *Management Capabilities*

One of the crucial success factor of small and micro enterprises is management capabilities (Habbershon, Willimans & MacMillan, 2004). Management capabilities are defined as the sum of skills (Subramanisam & Youndt, 2005) and knowledge (Van Den Bosh & Van Wik, 2000) of the event management firm operators. It includes the social capital which encompasses internal and social relationships and links (O'Regan, & Ghobadan, 2004; Makadok, 2001) an managerial cognitive capital relating to ability to foresee the future (Adner & Helfat, 2003).

#### *Event Management*

Event management refers to "temporary-based themed gatherings" (Bouchon, Hussain & Konar, 2015). For the purpose of this study, event management is the provision of entertainment to a local event in Sabah, Malaysia.

### **LITERATURE REVIEW**

#### *Event Management*

Event management and event marketing have flourished in the past decade as a vibrant sector of tourism and leisure industries. Events refer to people-people coming together to create, operate and participate in an experience (Silvers, 2004). It is an activity that gathers a specific target group in time and space where

a message is communicated and happenings are created (Eckerstein, 2002). Events can be activities relating to art, sports, tourism and social activities as well as activities organised by giant organizers in a more professional and formal manner (Argan, 2007).

Events can be categorized based on size or type. Mega events are the largest events and targeted mainly for international markets. Due to its size and scale, major events can attract a significant number of visitors and media coverage, thus contributing a considerable amount in terms of tourism revenue and economic benefits (Bowdin et al., 2006). Most events however, are smaller in size ranging from parties to celebrations including meetings, weddings, community events, social events, fundraising, charity events and so on.

In any event, normally there is an organization to manage it: managing activities, organizing funding, administering staff and voluntary staffs, undertaking marketing and public relations, organising security, printing leaflets and tickets, hiring performers, arranging decorations, sorting out parking and many other activities (Tassiopoulos, 2005). Thomas, Hermes and Loos (2008) defined event management as "the coordination of all tasks and activities necessary for the execution of an event regarding its strategy, planning, implementation, and control, based on the principles of event marketing and the methods of project management." Organizations that deal in any part of these activities are called event management firm. Regardless of the size of the event, it requires a high degree of planning, a range of skills and a lot of energy (Barratt, Choi & Li, 2010).

#### *Event Management in Malaysia*

The event industry in Malaysia is still relatively young and emerging but with an uprising trend. This is evident with the formulation of the Malaysia Convention & Exhibition Bureau (MyCEB) in 2009 under the Ministry of Tourism and Culture, Malaysia (MOTOUR,

2010). MyCEB was established to promote and position Malaysia in the international arena as the preferred destination for meeting, conventions, exhibition and other major events. Accordingly, under the Economic Transformation Program Road Map, it is acknowledged by the Malaysian Economic Planning Unit (EPU) as one of the main economic driver of the "Entry Point Project" (EPP) (EPU, 2010).

Malaysia as hosted large scale events such as sporting events in Commonwealth Games (1998) at Bukit Jalil, Monsson Cup, Le Tour de Langkawi and the Formula 1 (F1) in recent years. In fact, the Grand Prix at Sepang International Circuit was originated from the Grand Prix Formula (F1) (McCartney, 2010). These mega and large events in Malaysia bespoke of the exponential growth of the event industry in Malaysia.

Apart from these mega events, social and community events are also a trending lifestyle in Malaysia as people are more affluent to afford entertainment and leisure. Therefore, there are many sprouting event management firm at micro and small level that provided numerous specialized services to support these events.

### *Event Management as an Entrepreneurial Business*

Entrepreneurship is a common trend that is observed in many countries around the world including in Malaysia. One of the thriving industries where entrepreneurship is growing fast is the service industry which also includes the event industry. Event management is considered as a potential avenue for entrepreneurial venture as with most event management firm established as micro or small enterprises (Asliza et al., 2015). However, the success of micro and small event management enterprises is determined by many factors. There are internal and external factors that determines the success of an

enterprise (Markman & Baron, 2003). These are the major concerns explored in this study.

### *Underlying Theories of Entrepreneurial Success*

In discussing entrepreneurial success, one theory that is often referred to is the resource-based theory. However, some researchers argue that this theory is unable to explain how respire are developed and deployed to achieve competitive advantage and its failure to consider the impact of dynamic market environment (Morgan, Vorhies, & Mason, 2009). Therefore, another theory called the dynamic capabilities theory is used to address these limitations (Newbert, 2007).

### *Resource-Based Theory*

The Resource-Based theory stems from the early work of Penrose (1959) that focuses on firms as heterogenous entities comprising of resources and capabilities (Peterraf, 1993). The resources in the firm are either tangible or intangible which are tied semi-permanently to the firm. There are various types of resources such as financial resources, physical resources, technical resources, human resources, reputation resources and organizational resources which can be developed and strategically used to attain profitability (Lavie, 2006). However, not all resources are a source of competitive advantage.

Resources that have competitive advantage need to have four unique characteristics: value, rareness, imperfect imitability and sustainability (Barney, 1991). Value refers to the ability of exploiting opportunities and neutralising threats in a firm's environment. Rare describes the uniqueness from current and potential competitions. Imperfectly imitable means that it cannot be 100 per cent imitated by others. Sustainability refers to the absence of strategically equivalent substitute for this resource. Sustained competitive advantage may also be contributed by resources with four criteria: resource heterogeneity, ex-post



limit to competition, imperfect resource mobility and ex-ante limit to competition (Peteraf, 1993).

The resource-based theory works well for a firm with adequate resources but for small firm with limited resources, the focus on resources as a competitive advantage may not sustain the success of the firm. Therefore, different resources – internal and external – are combined and strategically used to attain competitive advantage. More importantly, small firm need to focus on capabilities which according to Day (1994) are “complex bundles of skills and accumulated knowledge, exercised through organizational processes, that enable firms to coordinate activities and make use of their assets”. Capabilities serves as the glue that binds together all the resources and makes them perform some advantageous task of activity. Baden-Fuller (1995) explained that resources are tangible and easily acquired but it is the firm’s capabilities that are unique and supplying to the competitive advantage of the firm.

### *Dynamic Capabilities Theory*

The Dynamic Capabilities theory is a complement to the Resource-Based theory that acknowledges the importance of capabilities which are instrumental in acquiring and deploying the firm’s resources to match the firm’s market environment and wins at competition (Makadok, 2001). The capabilities include complex coordinated patterns of skills and knowledge that become embedded as organizational routines, over time (Grant, 1996). These capabilities are unique and different from rival firms (Bingham, Eisenhardt, and Furr, 2007). Capabilities are dynamic as they are in tandem with the changing market conditions as the firm implement new strategies to combine and transform available resources in new and different ways to match demands from the market (Teece et al., 1997). The core of dynamic capabilities focuses on the ability of the firm to adapt, integrate, reconfigure and recreate internal and external

competences to ensure competitiveness in the changing environment (Eisenhardt & Martin, 2000). Two of the internal capabilities that determines entrepreneurial success are marketing orientation and management capabilities.

### *Marketing Orientation*

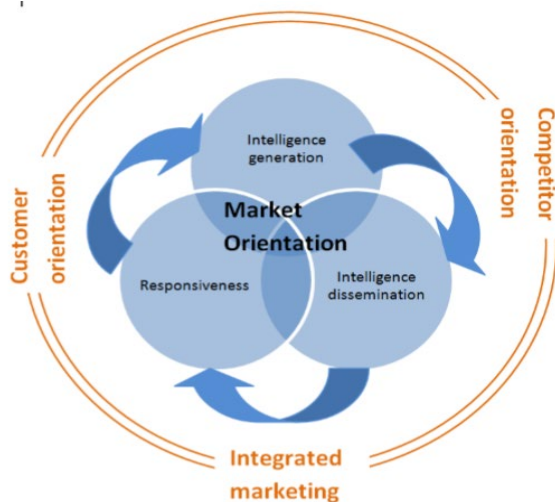
The success of a company depends on the strategic management process that are undertaken to develop and maintain competitive advantages (Newbert, 2007). Marketing orientation is a strategic term in marketing that can be related to firm’s performance. It is a strategic tool to ensure and maintain competitive advantages.

### *Conceptual Definition of Marketing Orientation*

Joanna (2015) explained that marketing orientation (MO) includes knowledge and understanding about customer and the competition. These becomes the basis to devise and implement strategies with the ultimate goal of ensuring customer satisfaction and maintaining competitive advantage. The term was originally introduced by Narver and Slater (1994) who defined it as “the corporate culture that characterize the organization’s inclination to provide its customers with superior value continuously. There are three main components in marketing orientation: customer orientation, competitor orientation and inter-functional coordination (Narver & Slater, 1990). According to Kohli and Jaworski (1994), marketing orientation refers to the organization-wide propagation of market intelligence about current and future needs of the customers, dissemination of information across the departments, as well as responsiveness of the whole organization to it (Becherer, Halstead, & Haynes, 2003).

As Narver and Slater (1994) have mentioned, MO has three main components: customer orientation, competitor orientation and inter-functional coordination. Drucker (1954) explains that the purpose of business

is to create customer and this can be done via two objectives: marketing and innovation. Therefore, marketing and innovation are closely related (Han et al., 1998; Atuahene-Gima, 1996; Zhang, Duan 2010; Lado & Maydeu-Olivares, 2001). Marketing orientation incorporates the aspect of innovation by looking at three components: customer orientation, competitor orientation and inter-functional coordination (Han et al., 1998; Grinstein, 2008). This is portrayed in Figure 2.1 below. In micro and small business enterprises running event management firms, two of the components are significant to entrepreneurial success: customer orientation and competitor orientation. The third component which is inter-functional coordination, is also important but in small size enterprises, coordination might not be a big issue to address compared to medium and large enterprises.



**Figure 2.1:** Components of Market Orientation

Source: Schalk, 2008

### *Relationship between Marketing Orientation and Entrepreneurial Success*

There is a mixed viewpoint about the effect of marketing orientation on firm performance. Voss and Voss (2002) showed negative effect but in Greenley (1995), there is no significant effect. In Pelham (2000), it was found that marketing orientation was able to determine performance in differentiation strategy but

not in low cost strategy. Other studies such as Appiah (1997) showed positive effect of marketing orientation on firm performance. Similar result was indicated in Amir Greinstein's (2008) meta-analysis study. Other studies found the positive effects of marketing orientation on organizational performance (Jaw et al. 2010; Baker, Sinkula 2007; Kohli, Jaworski 1994; Nazarko et al. 2013).

### *Management Capabilities*

Management capabilities refer to the internal strength of the company that encompasses the knowledge, skills, competencies and experiences of the firm operators and his management team to deal with various aspects of business.

### *Conceptual Definition of Management Capabilities*

Management capabilities are defined by Adner and Helfat (2003) as "the capabilities with which managers construct, integrate and reconfigure the organization's resources and competencies". This is to ensure that the organization is able to improve its performance and maintains competitive advantages (Carmeli and Tishler, 2004). Management capabilities are also associated with innovation (Prajogo & Sohal, 2006; Eisenhard & Martin, 2000). Innovation requires effective management capabilities that is able to assign and distribute the firm resources and activities appropriately (Hoskinsson et al., 1993; Kraus et al., 2008; Wolff & Pett, 2006). With good management capabilities, there are effective strategies that lead to new product development (Yadav et al., 2007) and established external relationships with customers and suppliers (Wu et al., 2007).

The management capabilities of a firm ensure attainment of congruence among its competences and the changing conditions of its environment (Kor & Mesko, 2013; Ruiz- Jiménez & Fuentes-Fuentes, 2015). The capabilities include technical, human and

conceptual abilities (Katz, 1974) which are used to construct, integrate and reconfigure the firm's resources and competences (Adner & Helfat, 2003). This ensures that the organization achieve greater profits (Castanias & Helfat, 2001) and competitive advantages (Carmeli & Tishler, 2004).

### *Relationship between Management Capabilities and Entrepreneurial Success*

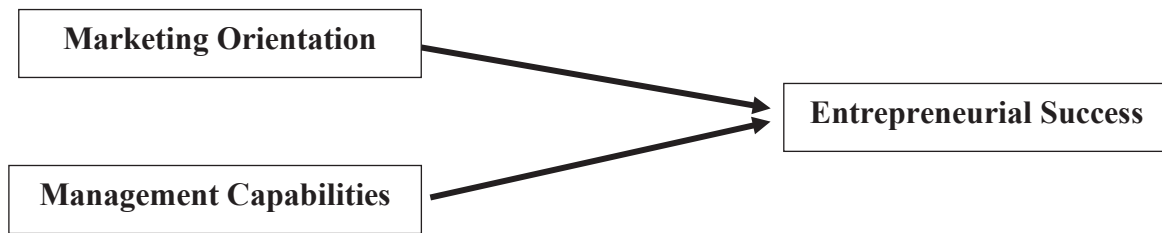
Management capabilities are part of the entrepreneurial competences which are skills needed to perform entrepreneurial role in the firm. The roles may include various tasks to performed such as developing a challenging but achievable vision, formulating strategies, recognizing unmet consumer needs, scanning the environment, spotting potential opportunities, and producing superior services (Wang & Ang, 2004). Managerial capabilities

or competences are sets of knowledge, skills, behaviours and attitudes that contribute to personal effectiveness (Hellriegel et al., 2008).

In small companies, managerial capabilities are important and related closely to performance. Various studies showed that managerial competences are essential factors of success in a firm (Mitchelmore & Rowley, 2010; Laguna, Wiechetek & Talik, 2012).

### *The Research Framework*

The research framework in this study identifies the relationships between two dependent variables: marketing orientation and management capabilities with one independent variable, entrepreneurial success. The inter-relationships between the variables are shown in Figure 2.2 below.



**Figure 2.2: The Research Framework**

## **RESEARCH METHODOLOGY**

### *Research Design*

This study undertakes a descriptive, quantitative and survey research design. A descriptive study identifies the characteristics of the research phenomena and in this study, the entrepreneurial success of small event management firms is the focus of the study. This study intends to describe the contribution of marketing orientation and management capabilities to entrepreneurial success. Survey method is used in this study by distributing questionnaires to event management firm operators particularly in the entertainment industry in Sabah, Malaysia.

### *Population and Sampling Method*

It is estimated that the number of small and micro event management firm that specializes in providing entertainment services in Sabah is about 500 to 1,000 and continue to grow rapidly in the near future. There is no available statistical data or record of the existence of these firms in Sabah and the estimates of between 500 to 1,000 is considered to be realistic. For the purpose of this study, a total of 200 respondents were selected to participate in the survey. The respondents were selected based on a snowball sampling method which is a non-probability sampling technique, also called referral sampling (Atkinson & Flint, 2004). This sampling is commonly used



in hidden populations which is difficult for researchers to access (Voicu, 2011). In this case, the snowball sampling method is appropriate because the researcher can reach out to small event management firm operators who can then introduce other operators via social network. The term 'snowball sampling' is based on the analogy of a snowball increasing in size as it rolls downhill (Morgan, 2008). To ensure that the right respondents are selected for this study, three criteria of inclusion are used to determine eligibility or suitability of the respondents which are:

- He or she must be a manager/operator of an event management firm in Sabah;
- The event management firm is dealing with entertainment services; and
- The event management firm has been in operation for at least two years

### Research Instruments

Questionnaire is the main instrument used in this study. There are four sections in the questionnaire: background of the respondents, marketing orientation, management capabilities, and entrepreneurial success of the event management firm.

### Background of the Respondent

This section gathers demographic information of the respondent which are gender, age and race.

### Marketing Orientation Scale

Marketing orientation scale comprises of two dimensions: customer orientation and competitor orientation. The scale uses a 5-point Likert scale with "1" as "strongly disagree" and "5" as "strongly agree". The scale was adapted from Ramaswami, Bhargava and Srivastava (2004) and shown in Table 3.1.

**Table 3.1: Dimensions in the Marketing Orientation Scale**

Dimensions	Items	Total Number of Item
Customer orientation	CU1, CU2, CU3, CU4, CU5	5
Competitor orientation	MO1, MO2, MO3, MO4	4
Total		9

### Management Capabilities

Management capabilities focuses on the operator's knowledge and skills about event management and use of technological skills in managing the business. The scale uses a five point Likert scale from "1" as "strongly disagree" and "5" as "strongly agree". Table 3.2 presents the summary of the scale.

**Table 3.2: Dimensions in the Management Capabilities Scale**

Dimensions	Items	Total Number of Item
Event Management Knowledge	HK1, HK2, HK3, HK4, HK5, HK6	6
Event Management Skills	HS1, HS2, HS3, HS4, HS5, HS6, HS7	7
Information Technology Application	IT1, IT2, IT3, IT4, IT5, IT6	6
Total		19

*Event Management Entrepreneurial Success Scale*

The scale comprises of three sub-sections: financial robustness, customer satisfaction and business expansion possibility. The scale uses a five point Likert scale from “1” as “strongly disagree” and “5” as “strongly agree”. Table 3.3 presents the summary of the scale.

**Table 3.3: Dimensions in the Entrepreneurial Success Scale**

Dimensions	Items	Total Number of Item
Financial Robustness	FR1, FR2, FR3, FR4, FR5	5
Customer Satisfaction	CS1, CS2, CS3, CS4, CS5	5
Business Expansion Possibility	BE1, BE2, BE3, BE4, BE5	5
Total		15

*Pilot Study*

A pilot study involving 30 respondents was carried out to test the reliability of the research instrument. This pilot study is necessary to ensure that the research instrument is able to gather appropriate information to answer the research questions, fulfill the research objectives and test the research hypotheses. The reliability of the questionnaire was determined based on internal consistency using Cronbach’s Alpha. The rules of thumb proposed by George and Mallery (2003) indicate the range of determining the quality of the result from the analysis, as follow:

Excellent ( $\alpha > 0.9$ ), good ( $0.7 < \alpha < 0.9$ ), acceptable ( $0.6 < \alpha < 0.7$ ), poor ( $0.5 < \alpha < 0.6$ ), and unacceptable ( $\alpha < 0.5$ ). The result is shown in Table 3.4.

**Table 3.4: Internal Consistency of the Research Instrument**

Scale	No. of Items	Cronbach’s Alpha	Decision
Marketing Orientation			
Customer Orientation	5	.817	Good
Competitor Orientation	4	.738	Good
Overall Scale	9	.880	Good
Management Capabilities			
Event Management Knowledge	6	.869	Good
Event Management Skills	7	.792	Good
IT Knowledge & Skills	6	.848	Good
Overall Scale	19	.914	Excellent
Entrepreneurial Success			
Financial Robustness	5	.748	Good
Customer Satisfaction	5	.617	Acceptable
Business Expansion Possibility	5	.640	Acceptable
Overall Scale	15	.845	Good

The result shows that all Cronbach’s Alpha values are good, acceptable or excellent. Therefore, it shows good reliability in terms of internal consistency.

*Data Collection Procedures*

Data was collected by distributing the questionnaires either through direct contact with the event management firm operators as well as indirect contact via respondents who have participated in this study and recommend others to fill in the questionnaire. Distribution and collection of the questionnaires was done via e-mail.

### Data Analysis Procedures

Data from the questionnaire was analysed with IBM SPSS 23.0. Both descriptive and inferential analyses were used to compute the empirical data. Descriptive analysis provides the total, percentage, mean and standard deviation measures of the research variables. The levels of marketing orientation, management capabilities and entrepreneurial success were determined using mean score with the following range for low, moderate and high in Table 3.5. The recategorization into three levels was based on the division of the 5-point Likert scale into the same width (4 units/3 categories = 1.33)

**Table 3.5: Determination of Level**

Mean Score Range	Level
1.000 – 1.333	Low
1.334 – 3.666	Moderate
3.667 – 5.000	High

Inferential statistics provides the means to test the research hypotheses. Pearson correlation analysis was used to determine the relationship between the independent and dependent variables. With Pearson correlation, the direction of relationship, the strength of relationship and the significance of the relationship can be determined. The direction is based on the value, whether positive or negative. A positive value means a direct relationship whereas a negative value means an inverse relationship. The strength of the relationship is based on the Pearson correlation coefficient,  $r$  (Mukaka, 2012) as indicated in Table 3.6 below. Significance of relationship is based on the  $p$  value, whereby if the value is less than 0.05, then the research hypothesis is supported.

**Table 3.6: Determination of Strength of Relationship in Pearson Correlation Analysis**

Correlation Coefficient, $r$	Interpretation
0.90 to 1.00 (-0.90 to -1.00)	Very high positive (negative) correlation
0.70 to 0.90 (-0.70 to -0.90)	High positive (negative) correlation
0.50 to 0.70 (-0.50 to -0.70)	Moderate positive (negative) correlation
0.30 to 0.50 (-0.30 to -0.50)	Low positive (negative) correlation
0.00 to 0.30 (-0.00 to -0.30)	Very weak correlation

## RESEARCH FINDINGS

### Demographic Background of the Respondents

The demographic profiles of the respondents are determined by gender, age range and ethnic groups. Table 4.1 presents the frequency and percentage table of these demographic characteristics.

**Table 4.1: Demographic Background of the Respondents**

Demographic Characteristics	Frequency (n)	Percentage (%)
Gender		
• Male	100	50.0
• Female	100	50.0
Age Range		
• Below 30 years old	51	25.5
• Between 30 and 45 years old	107	53.5
• Over 45 years old	42	21.0
Ethnic Groups		
• Malay	18	9.0
• Chinese/Sino	31	15.5
• Indian	21	10.5
• Kadazan/Dusun	36	18.0
• Bajau	21	10.5
• Brunei/Kedayan	15	7.5
• Rungus	13	6.5
• Murut	11	5.5
• Others	34	17.0

The result shows that there is an equal representation of male and female respondents with both totalling 100 each. As for age range, majority of the respondents are between the age of 30 and 45 with 107 respondents or 53.5% while 51 respondents or 25.5% were below 30 years old and 42 respondents or 21.0% were more than 45 years old. In terms of ethnic groups, majority are Kadazan/Dusun with 36 respondents or 18.0% while Malay makes up 9.0% or 18 respondents, Chinese/Sino with 31 respondents or 15.5% and Indian with 21 respondents or 10.5%. Other ethnic groups include Bajau with 21 respondents or 10.5%, Brunei/Kedayan with 15 respondents or 7.5%, Rungus with 13 respondents or 6.5% and Murut with 11 respondents or 5.5%. Other Bumiputera groups account for 34 respondents or 17.9%.

*Determination of Level of Perception*

The determination of the levels of respondents' perception on marketing orientation, management capabilities and entrepreneurial success are presented here. The level is identified as low, moderate and high based on the mean score.

*Level of Marketing Orientation*

Marketing orientation is determined by two sub-constructs: customer orientation and consumer orientation. Table 4.2 presents the frequency and percentage of respondents who disagreed, unsure and agreed with five items that describe the customer orientation of their event management firm.

**Table 4.2: Level of Customer Orientation**

Item	Disagree	Not Sure	Agree
1. Regular information collection of customer needs and requirements	14 (7.0%)	25 (12.5%)	161 (80.5%)
2. Corporate objectives and policies aimed directly to create satisfied customers	10 (5.0%)	20 (10.0%)	170 (85.0%)
3. Regular assessment of customer satisfaction levels and actions for improvement	10 (5.0%)	25 (12.5%)	165 (82.5%)
4. Major effort to build stronger relationship with key customers and customer groups	11 (5.5%)	41 (20.5%)	148 (74.0%)
5. Recognize the existence of distinct groups of segments in the market with differentiated needs requiring adaptation of offers	27 (13.5%)	60 (30.0%)	113 (56.5%)

The result shows that 161 respondents or 80.5% agreed that they make regular information collection of customer needs and requirements while only 14 respondents (7.0%) disagreed and 25 respondents (12.5%) stated that they were not sure. The percentage was also high in agreement with 170 respondents or 85.0% that their corporate objectives and policies are aimed directly to create satisfied customers. Only 10 respondents (5.0%) did not agree and 20 respondents (10.0%) were unsure. The result also showed that 165 respondents or 82.5% agreed that they conduct regular assessment of customer satisfaction level and do actions for improvement. Only 10 respondents (5.0%) disagree while 25 respondents (12.5%) were unsure. It was also noted that 148 respondents

or 74.0% agreed that they do major efforts to build stronger relationship with key customers and customer groups while 11 respondents (5.5%) disagreed and 41 respondents (20.5%) unsure. A smaller percentage of respondents, with 113 of them or 56.5% agreed that they recognize the existence of distinct groups of segments in the market with differentiated needs that require adaptations in their offerings. However, 27 respondents or 13.5% disagreed and 60 respondents (20.0%) were unsure.

Table 4.3 presents the frequency and percentage of respondents who disagreed, unsure and agreed with four items that describe the competitor orientation of their event management firm.

**Table 4.3: Level of Competitor Orientation**

Item	Disagree	Not Sure	Agree
1. Regular information collection of competitors' activities	29 (14.5%)	52 (26.0%)	119 (59.5%)
2. Regular benchmarking against major competitors' offerings	21 (10.5%)	61 (30.5%)	118 (59.0%)
3. Rapid response to major competitors' action	8 (4.0%)	55 (27.5%)	137 (68.5%)
4. Major emphasis on differentiating factors important to customers	15 (7.5%)	29 (14.5%)	156 (78.0%)

It was found that only 119 respondents or 59.5% agreed that they do regular collection of information about competitors' activities while 29 of the respondents or 14.5% did not agree and 52 respondents or 26.0% stated being unsure. In addition, only 118 respondents or 59.0% did regular benchmarking against major competitors' offerings whereas 21 respondents or 10.5% did not and 61 respondents or 30.5% were unsure. A total of 137 respondents or 68.5% agreed that they have rapid response to major competitors' action and only 8 respondents or 4.0% disagreed but 55 respondents or 27.5% were unsure. There were 156 respondents or 78.0% agreeing that they give major emphasis on differentiating factors important to customers but 15 respondents or 7.5% disagreed and 29 respondents or 14.5% were not sure.

**Table 4.4: Level of Marketing Orientation**

Dimension	Mean	Standard Deviation	Level
Customer Orientation	3.84	0.645	High
Competitor Orientation	3.63	0.573	Moderate
Overall	3.75	0.559	High

Table 4.4 presents the mean values of the two sub-constructs of marketing orientation: the customer orientation and competitor orientation. The perception on customer orientation was high with a mean value of 3.84 but moderate on competitor orientation with a mean value of 3.63. Overall, the level of perception is considered high with a mean value of 3.75.



*Level of Management Capabilities*

The level of management capabilities indicated by the frequency and percentage values of each item for three sub-constructs: event management knowledge, event management skills and IT application are shown below. Table 4.5 presents the level of event management knowledge based on six items.

**Table 4.5: Level of Event Management Knowledge**

Item	Disagree	Not Sure	Agree
1. Enough knowledge to manage and operate an event management firm	12 (6.0%)	32 (16.0%)	156 (78.0%)
2. Enough knowledge about the entertainment industry	7 (3.5%)	40 (20.0%)	153 (76.5%)
3. Enough knowledge about local entertainment products and attractions	8 (4.0%)	43 (21.5%)	149 (74.5%)
4. Enough knowledge about business and entrepreneurship	8 (4.0%)	49 (24.5%)	143 (71.5%)
5. Enough knowledge about customer services	11 (5.5%)	48 (24.0%)	141 (70.5%)
6. Know customers' expectations of the entertainment events	7 (3.5%)	30 (15.0%)	163 (81.5%)

The result showed that 156 respondents or 78.0% agreed that they have enough knowledge to manage and operate an event management firm. Only 12 respondents or 6.0% disagreed and 32 respondents or 16.0% were unsure. The respondents also stated that they have knowledge about the entertainment industry with 153 or 76.5% agreeing, 7 or 3.5% disagreeing and 40 or 20.0% of the respondents were unsure. A total of 149 respondents or 74.5% agreed that they have enough knowledge about local entertainment products and attraction. However, 8 respondents or 4.0% disagreed and 43 respondents or 21.5% were unsure. Only 143 or 71.5% agreed, 8 or 4.0% disagreed and 49 or 24.5% of the respondents were unsure that they have enough knowledge about business and entrepreneurship. There were 141 respondents or 70.5% agreeing that they have enough knowledge about customer services. A total of 11 respondents or 5.5% were not in agreement and 48 respondents or 24.0% stated being not sure. The number of respondents who know customers' expectations of the entertainment event was high with 163 respondents or 81.5% in agreement and 7 respondents or 3.5% in disagreement and 30 respondents or 15.0% unsure.

Table 4.6 presents the level of event management skills based on each item. The frequency and percentage values are provided.

**Table 4.6: Level of Event Management Skills**

Item	Disagree	Not Sure	Agree
1. Enough skills in customer services	8 (4.0%)	23 (11.5%)	169 (84.5%)
2. Enough skills in interpersonal communication	4 (2.0%)	28 (14.0%)	168 (84.0%)
3. Enough skills in interpreting local entertainment products relating to event management	9 (4.5%)	38 (19.0%)	153 (76.5%)
4. Enough skills in preparing entertainment packages for events	7 (3.5%)	33 (16.5%)	160 (80.0%)
5. Enough skills in financial and book keeping	17 (8.5%)	43 (21.5%)	140 (70.0%)
6. Enough skills in developing and maintaining relationships with others in society	4 (2.0%)	14 (7.0%)	182 (91.0%)
7. Enough skills in computer and internet	21 (10.5%)	55 (27.5%)	124 (62.0%)

The result above shows that 169 of the respondents or 84.5% agreed that they have enough skills in customer services but 8 respondents or 4.0% did not agree while 23 respondents or 11.5% were unsure. There were 168 respondents or 84.0% who agreed while only 4 or 2.0% disagreed and 28 or 14.0% unsure that they have enough skills in interpersonal communication. A total of 153 or 76.5% of the respondents had enough skills in interpreting local entertainment products relating to event management while 9 respondents or 4.5% and 38 respondents or 19.0% disagreed and unsure respectively. There were 160 respondents or 80.0% who had enough skills in preparing entertainment packages for events but 7 respondents or 3.5% disagreed and 33 respondents or 16.5% were unsure. As for skills in financial and book keeping, only 140 respondents or 70.0% agreed while 17 or 8.5% disagreed and 43 or 21.5% were unsure. However, 182 of the respondents or 91.0% have enough skills in developing and maintaining relationships with others in society. Only 4 respondents or 2.0% disagreed and 14 or 7.0% were unsure. Lastly, a total of 124 respondents or 62.0% had enough skills in computer and internet. There were 21 respondents or 10.5% disagreeing while 55 respondents or 27.5% unsure.

**Table 4.7: Level of Information Technology Application**

Item	Disagree	Not Sure	Agree
1. Uses computers mostly to do administrative and managerial works	14 (7.0%)	53 (26.5%)	133 (66.5%)
2. Have a website/blog to market services locally and internationally	16 (8.0%)	76 (38.0%)	108 (54.0%)
3. Use social media to market services locally and internationally	15 (7.5%)	51 (25.5%)	134 (67.0%)
4. Customers pay for services using foreign currency or e-money and credit card services	13 (6.5%)	18 (9.0%)	169 (84.5%)
5. Customers make online booking for services at real time	15 (7.5%)	25 (12.5%)	160 (80.0%)
6. Open to new technologies and willing to try them in business operation	16 (8.0%)	42 (21.0%)	142 (71.0%)

Table 4.7 shows the perception of respondents on the technology application in their event management firms. There are six items in this sub-construct. The first item stated that respondents use computer mostly to do administrative and managerial works and this statement was agreed upon by 133 or 66.5%, disagreed on by 14 or 7.0% and unsure about by 53 or 26.5% of the respondents. There were 108 respondents or 54.0% agreeing that they have a website/blog to market their services locally and internationally but 16 respondents or 8.0% disagreed and 76 respondents or 38.0% were unsure. Also, only 134 respondents or 67.0% use social media to market services locally and internationally while 15 respondents or 7.5% did not and 51 respondents or 25.5% were not sure. A total of 169 respondents or 84.5% however stated that their customers can pay for services using foreign currency or e-money and credit card services while only 13 or 6.5% did not agree and 18 or 9.0% of the respondents were not sure. There were 160 respondents or 80.0% who agreed while 15 or 7.5% disagreed and 25 or 12.5% unsure that their customers can make online booking for services at real time. The number of respondents who were open to new technologies and willing to try them in their business operation were 142 or 71.0%. However, 16 respondents or 8.0% were not in agreement and 42 respondents or 21.0% were unsure.

**Table 4.8:** Level of Management Capabilities

Dimension	Mean	Standard Deviation	Level
Event Management Knowledge	3.83	0.549	High
Event Management Skills	3.90	0.541	High
IT Application	3.75	0.607	High
Overall	3.83	0.505	High

Table 4.8 uses the mean values to determine the level of respondents’ perception about management capabilities. It is shown that the perception is high for each of the sub-constructs of event management knowledge (mean = 3.83), event management skills (mean = 3.90) and IT application (mean = 3.75). Overall, the mean value of 3.83 showed high level of respondents’ perception about management capabilities.

*Level of Entrepreneurial Success*

The level of entrepreneurial success is determined based on three sub-constructs: financial robustness, customer satisfaction, and business expansion possibility. The frequency and percentage of respondents who agreed, disagreed and are unsure are presented for each item in every sub-construct.

**Table 4.9:** Level of Financial Robustness

Item	Disagree	Not Sure	Agree
1. Ready access to capital to run the business	46 (23.0%)	89 (44.5%)	65 (32.5%)
2. Have strong cash flow monthly based on maintaining receivables and payable accounts	32 (16.0%)	70 (35.0%)	98 (49.0%)
3. Able to pay staffs’ salary on time	11 (5.5%)	68 (34.0%)	121 (60.5%)
4. Strong financial relationships with suppliers	9 (4.5%)	23 (11.5%)	168 (84.0%)
5. Able to collect due payment from clients/customers in a short time	26 (13.0%)	59 (29.5%)	115 (57.5%)

Based on the result presented above, it was noted that only 65 of the respondents or 32.5% had ready access to run the business while 46 or 23.0% did not and 89 or 44.5% were not sure. The result also showed that only 98 respondents or 49.0% have strong cash flow monthly based on maintaining receivables and payable accounts. However, 32 respondents or 16.0% disagreed and 70 respondents or 35.0% were not sure. Only 121 respondents or 60.5% agreed that they were able to pay staffs' salary on time while 11 respondents or 5.5% did not agree and 68 respondents or 34.0% were not sure. There were 168 respondents or 84.0% who agreed that they have strong financial relationships with their suppliers but 9 respondents or 4.5% disagreed and 23 respondents or 11.5% were not sure. Only 115 respondents or 57.5% agreed that they were able to collect due payment from clients/customers in a short period of time but 26 respondents or 13.0% did not agree and 59 respondents or 29.5% were unsure.

**Table 4.10:** Level of Customer Satisfaction

Item	Disagree	Not Sure	Agree
1. Received good customer responses about services	25 (12.5%)	66 (33.0%)	109 (54.5%)
2. Able to satisfy customer with complaints by providing effective solutions	28 (14.0%)	41 (20.5%)	131 (65.5%)
3. Have new customers coming to events due to positive word-of-mouth	21 (10.5%)	44 (22.0%)	135 (67.5%)
4. Have repeated customers requesting services on regular basis	29 (14.5%)	39 (19.5%)	132 (66.0%)
5. Had a significant increase in customers in the past few years	40 (20.0%)	45 (22.5%)	115 (57.5%)

In Table 4.10 above, the level of customer satisfaction was determined. The result indicated that 109 of the respondents or 54.5% received good customer responses about their services while 25 or 12.5% disagreed and 66 or 33.0% unsure. A total of 131 respondents or 65.5% were able to satisfy customer with complaints by providing them with effective solutions. However, 28 respondents or 14.0% disagreed while there were 41 or 20.5% of the respondents who were doubtful. There were 135 or 67.5% of the respondents who agreed, 21 or 10.5% who disagreed and 44 or 22.0% of the respondents who were unsure that they have new customers coming to events due to positive word-of-mouth. The result also showed that 132 of the respondents or 66.0% agreed that they have repeat customers requesting services on a regular basis while 29 respondents or 14.5% disagreed and 39 respondents or 19.5% who were unsure. A total of 115 respondents or 57.5% had a significant increase in customers in the past few years but 40 respondents or 20.0% disagreed and 45 respondents or 22.5% were unsure.

**Table 4.11:** Level of Business Expansion Possibilities

Item	Disagree	Not Sure	Agree
1. Made plans to expand event management firm in near future	7 (3.5%)	31 (15.5%)	162 (81.0%)
2. Added new products and services in recent time	18 (9.0%)	43 (21.5%)	139 (69.5%)
3. Have added more offer packages to customers in recent time	16 (8.0%)	48 (24.0%)	136 (68.0%)
4. Have open branch in another location in the last three years	36 (18.0%)	39 (19.5%)	125 (62.5%)
5. Had extended the current premises in terms of space area	19 (9.5%)	44 (22.0%)	137 (68.5%)

The result in Table 4.11 describes the level of business expansion possibilities, as perceived by the respondents. A total of 162 respondents or 81.0% agreed that they made plans to expand their event management firm in the future but 7 respondents or 3.5% disagreed and 31 respondents or 15.5% unsure. However, only 139 or 69.5% added new products and services in recent time. A total of 18 respondents or 9.0% and 43 respondents or 21.5% disagreed and unsure respectively added new products and services in recent time. There were 136 respondents or 68.0% who have added more offer packages to customers in recent time but 16 or 8.0% did not and 48 or 24.0% were not sure. A total of 125 or 62.5% claimed that they have open a branch in another location in the last three years but 36 respondents or 18.0% did not agree and 39 respondents or 19.5% unsure. A total of 137 respondents or 68.5% agreed that they have extended the current premises in terms of space area but 19 respondents or 9.5% disagreed and 44 respondents or 22.0% were not sure.

**Table 4.12:** Level of Entrepreneurial Success

Dimension	Mean	Standard Deviation	Level
Financial Robustness	3.54	0.615	Moderate
Customer Satisfaction	3.52	0.575	Moderate
Business Expansion Possibility	3.70	0.522	High
Overall	3.58	0.469	Moderate

In Table 4.12 above, the mean values were used to determine the level of respondents' perception about the level of entrepreneurial success of their event management firm. The result shows that the respondents perceived moderately on the financial robustness (mean = 3.54) and customer satisfaction (mean = 3.52) but highly on business expansion possibility (mean = 3.70). Overall, the perception on entrepreneurial success is moderate (mean = 3.58).

*Relationship between Marketing Orientation and Entrepreneurial Success*

The relationship between marketing orientation and entrepreneurial success was determined based on Pearson correlation analysis. The following research hypothesis was tested at 95% confidence level.

H1: Marketing orientation has a positive and significant relationship with entrepreneurial success of the event management firms



**Table 4.13:** Relationship between Marketing Orientation and Entrepreneurial Success

		Financial Robustness	Customer Satisfaction	Business Expansion Possibilities	Entrepreneurial Success
Customer Orientation		0.473** (0.000)	0.267** (0.000)	0.304** (0.000)	0.429** (0.000)
Competitor Orientation		0.509** (0.000)	0.334** (0.000)	0.381** (0.000)	0.501** (0.000)
Marketing Orientation		0.535** (0.000)	0.323** (0.000)	0.368** (0.000)	0.503** (0.000)

\*\* significant at 0.01

Values presented as: Pearson Correlation Coefficient, r (probability, p)

Table 4.13 show the result of the analysis. It shows that customer orientation is correlated positively and significantly with financial robustness ( $r = 0.473$ ,  $p = 0.000$ ), customer satisfaction ( $r = 0.267$ ,  $p = 0.000$ ), business expansion possibilities ( $r = 0.304$ ,  $p = 0.000$ ) and overall entrepreneurial success ( $r = 0.429$ ,  $p = 0.000$ ). The relationship of customer orientation with financial robustness and business expansion possibilities are low while the correlation with customer satisfaction is very weak.

The correlation between competitor orientation with financial robustness is positive, significant and moderate ( $r = 0.509$ ,  $p = 0.000$ ) while the correlation with customer satisfaction ( $r = 0.334$ ,  $p = 0.000$ ) and business expansion possibilities ( $r = 0.381$ ,  $p = 0.000$ ) were low. The correlation between competitor orientation with entrepreneurial success is positive, significant and moderate ( $r = 0.501$ ,  $p = 0.000$ ).

Marketing orientation correlates positively, significantly and moderately with financial robustness ( $r = 0.535$ ,  $p = 0.000$ ), but weak with customer satisfaction ( $r = 0.323$ ,  $p = 0.000$ ) and business expansion possibilities. On overall, marketing orientation is positively, significantly and moderately correlated with entrepreneurial success. Therefore, the first research hypothesis is supported. There is a significant relationship between marketing orientation and entrepreneurial success.

#### *Relationship between Management Capabilities and Entrepreneurial Success*

The relationship between management capabilities and entrepreneurial success is determined based on the following research hypothesis.

H2: Management capabilities has a positive and significant relationship with entrepreneurial success of the event management firms

**Table 4.14:** Relationship between Management Capabilities and Entrepreneurial Success

		Financial Robustness	Customer Satisfaction	Business Expansion Possibilities	Entrepreneurial Success
Event Management Knowledge		0.549** (0.000)	0.381** (0.000)	0.455** (0.000)	0.565** (0.000)
Event Management Skills		0.545** (0.000)	0.300** (0.000)	0.462** (0.000)	0.533** (0.000)
IT Application		0.726** (0.000)	0.383** (0.000)	0.475** (0.000)	0.651** (0.000)
Management Capabilities		0.679** (0.000)	0.394** (0.000)	0.518** (0.000)	0.651** (0.000)

\*\* significant at 0.01

Values presented as: Pearson Correlation Coefficient, r (probability, p)

Table 4.14 shows the output from the Pearson Correlation analysis. The relationship between event management knowledge is direct, significant and moderate for financial robustness ( $r = 0.549$ ,  $p = 0.000$ ) but low for customer satisfaction ( $r = 0.381$ ,  $p = 0.000$ ) and business expansion possibilities ( $r = 0.455$ ,  $p = 0.000$ ). The correlation between event management knowledge and entrepreneurial success ( $r = 0.565$ ,  $p = 0.000$ ) is direct, significant and moderate.

The relationship between event management skills and financial robustness ( $r = 0.545$ ,  $p = 0.000$ ) is direct, significant and moderate but the relationship of event management skills with customer satisfaction ( $r = 0.300$ ,  $p = 0.000$ ) and business expansion possibilities ( $r = 0.462$ ,  $p = 0.000$ ) is direct, significant but low. The relationship between event management skills and entrepreneurial success ( $r = 0.533$ ,  $p = 0.000$ ) is direct, significant and moderate.

The relationship between IT application and financial robustness ( $r = 0.533$ ,  $p = 0.000$ ) is direct, significant and high while the relationship with customer satisfaction ( $r = 0.383$ ,  $p = 0.000$ ) and business expansion possibilities ( $r = 0.475$ ,  $p = 0.000$ ) is direct, significant but low. Overall, IT application correlates directly, significantly and moderately with entrepreneurial success ( $r = 0.651$ ,  $p = 0.000$ ).

The relationship between management capabilities with financial robustness ( $r = 0.679$ ,  $p = 0.000$ ) is direct, significant and moderate while the relationship with customer satisfaction ( $r = 0.383$ ,  $p = 0.000$ ) and business expansion possibilities ( $r = 0.475$ ,  $p = 0.000$ ) is direct, significant and low. Overall, management capabilities correlate directly, significantly and moderately with entrepreneurial success ( $r = 0.651$ ,  $p = 0.000$ ). therefore, the second research hypothesis is supported. There is a significant relationship between management capabilities and entrepreneurial success.

## DISCUSSION, RECOMMENDATION AND CONCLUSION

### *Summary of the Research Findings*

This study was conducted with the following research questions, which have been answered with the empirical data analysed from 200 sets of questionnaires collected from among event management owners and managers. The research questions, which was initially stated in the first chapter, are as follow:

- (a) What are the level of marketing orientation, management capabilities and entrepreneurial success of the event management firms?
- (b) Is there any significant relationship between marketing orientation and entrepreneurial success of the event management firms?
- (c) Is there any significant relationship between management capabilities and entrepreneurial success of the event management firms?

### *Level of Marketing Orientation, Management Capabilities and Entrepreneurial Success of the Event Management Firms*

#### *Marketing Orientation Level*

The perception level of marketing orientation was high (mean = 3.75). For customer orientation, the perception level was higher (mean = 3.84) compared to competitor orientation that is at a moderate level (mean = 3.63). Customer orientation was perceived higher as indicated by each of the items measured. The result indicated that 80.5% of the respondents stating that they do regular information collection of customer needs and requirements, 85.0% of the respondents stating that their corporate objectives and policies are aimed directly towards customer satisfaction, and 82.5% agreeing that they do regular assessment of customer satisfaction level and have actions for improvement. Additionally, 74.0% of the respondents stated that their major effort is to build stronger relationships with key customers and

customer groups while only 56.5% recognize the existence of distinct groups of segments in the market with differentiated needs that require offering adaptation.

For competitor orientation, the perception is moderate as only 59.5% agreed that they have regular information collection of competitors' activities, 59.0% do regular benchmarking against major competitors' offerings, 68.5% have rapid response to major competitors' action, and 78.0% give major emphasis on differentiating factors that are important to customers.

#### *Management Capabilities Level*

As for management capabilities, event management knowledge (mean = 3.83), event management skills (mean = 3.90) and IT application (mean = 3.75) were perceived highly. Overall, the perception level on management capabilities was high (mean = 3.83). In comparison, event management skills have the highest level followed by event management knowledge and last, IT application.

For event management knowledge, result shows that 78.0% have enough knowledge to manage and operate an event management firm, 76.5% have enough knowledge about the entertainment industry, 74.5% have enough knowledge about local entertainment products and attractions, 71.5% have enough knowledge about business and entrepreneurship, 70.5% have enough knowledge about customer services, and 81.5% know customers' expectations of the entertainment events.

On event management skills, 84.5% have enough skills in customer services, 84.0% have enough skills in interpersonal communication, 76.5% have enough skills in interpreting local entertainment products relating to event management, 80.0% have enough skills in entertainment packages preparation for events, 70.0% have enough

skills in financial and book keeping, 91.0% have skills in developing and maintaining relationships with others in the society, and 62.0% have enough skills in computer and internet.

As for information technology application, 66.5% use computers mostly to do administrative and managerial works, 54.0% have a website/blog to market services locally and internationally, 67.0% use social media to market services locally and internationally, 84.5% have customers that can pay for services using foreign currency or e-money and credit card services. 80.0% have customers who can make online booking for services at real time, and 71.0% are open to new technologies and willing to try them in business operation.

#### *Entrepreneurial Success Level*

The result shows that entrepreneurial success is perceived moderately (mean = 3.58). However, business expansion possibilities are perceived highly (mean = 3.70) but financial robustness (mean = 3.54) and customer satisfaction (mean = 3.52) are perceived moderately.

Financial robustness was perceived moderately based on the scores for each of its items. Only 32.5% of the respondents have ready access to capital to run the business, 49.0% have strong cash flow monthly based on maintaining receivables and payable accounts, 60.5% were able to pay their staffs' salary on time, 84.0% have strong financial relationships with suppliers, and 57.5% were able to collect due payment from clients/customers in a short time.

As for customer satisfaction, 54.5% stated that they received good customer responses about services, 65.5% were able to satisfy customer with complaints by providing effective solutions, 67.5% have new customers coming to events due to positive word-of-mouth, 66.0% have repeat customers requesting services on regular basis and 57.5%

had a significant increase in customers in the past few years.

For business expansion possibilities, 81.0% had made plans to expand event management firm in the near future, 69.5% added new products and services in recent time, 68.0% have added more offer packages to customers in recent time, 62.5% have open branch in another location in the last three years, and 68.5% had extended the current premises in terms of space area.

#### *Relationship between Marketing Orientation and Entrepreneurial Success*

The relationship between marketing orientation and entrepreneurial success is direct, significant and moderate in correlation strength ( $r = 0.503$ ,  $p = 0.000$ ). The correlations among the sub-constructs of marketing orientation (customer orientation and competitor orientation) with entrepreneurial success were also direct, significant and moderate. The relationship between competitor orientation with entrepreneurial success is greater ( $r = 0.501$ ,  $p = 0.000$ ) compared to the relationship between customer orientation and entrepreneurial success ( $r = 0.429$ ,  $p = 0.000$ ). Both customer orientation ( $r = 0.473$ ,  $p = 0.000$ ) and competitor orientation ( $r = 0.509$ ,  $p = 0.000$ ) were significantly and moderately related to financial robustness. The correlations of customer orientation and competitor orientation with customer satisfaction and business expansion possibilities were direct, significant but weak.

#### *Relationship between Management Capabilities and Entrepreneurial Success*

The relationship between management capabilities and entrepreneurial success was direct, significant and moderate ( $r = 0.651$ ,  $p = 0.000$ ). Management capabilities has moderate relationship with financial robustness ( $r = 0.679$ ,  $p = 0.000$ ) and business expansion possibilities ( $r = 0.518$ ,  $p = 0.000$ ) but weak relationship with customer satisfaction ( $r = 0.394$ ,  $p = 0.000$ ). Sub-constructs of management capabilities,

event management knowledge ( $r = 0.549$ ,  $p = 0.000$ ) and event management skills ( $r = 0.545$ ,  $p = 0.000$ ) have direct, significant and moderate correlation with financial robustness but a strong correlation exist between IT application and financial robustness ( $r = 0.726$ ,  $p = 0.000$ ). The correlations of the sub-constructs and management capabilities are greater with financial robustness, followed with business expansion possibilities and least, with customer satisfaction.

#### *Discussion of the Research Findings*

The result showed that respondents perceived marketing orientation and management capabilities highly but only moderately on entrepreneurial success. For marketing orientation, customer orientation was perceived higher than competitor orientation. This suggests that the owners and managers of event management firm are more focused on customer and not so much on competitors. As shown from the result, the respondents were more concern with customers such as collecting information about their needs, assuring customer satisfaction, building relationships with key customers and knowing distinct segment markets needed differentiated marketing. However, there was a lesser concern on the competitors such as obtaining information about competitors' activities, benchmarking, and responding to competitors' actions. To ensure that the firms can be successful in their entrepreneurial venture, emphasis should be given to both customers and competitors. As stated by Gules, Zerenler, Caglayan, Sener & Karaboga (2015), being customer oriented and competitor oriented have meaningful effect on the enterprise performance. Therefore, the event management firm cannot depend on being customer oriented only without critical consideration of their competitors. The availability of information of the market which include both the customers and competitors so that they have the advantage to use it to create superior values for their customers (Zebal and Goodwin, 2011).

Management capabilities were perceived slightly higher than marketing orientation, thus showing that this aspect is regarded more important by the respondents. This is supported by empirical evidence from this study that the relationship between management capabilities and entrepreneurship success yielded a greater Pearson correlation coefficient compared to marketing orientation. As stated by Adner and Helfat (2003), capabilities such as technical, human and conceptual abilities are needed to construct, integrate and reconfigure resources in the firm to attain profit and competitive advantages (Castanias & Helfat, 2001; Carmeli & Tishler, 2004). Small event management firms need management capabilities more to ensure success in their endeavours (Mitchelmore & Rowley, 2010; Laguna, Wiechetek & Talik, 2012).

Event management skills were perceived higher compared to event management knowledge and IT application. The respondents felt that they are adequate in terms of customer service, interpersonal communication, interpretation of local entertainment products relating to event management, preparing entertainment packages, financial and book keeping, maintaining relationships with others in the society and computer and internet skills. The respondents were also confident that they have the knowledge to manage and operate their firm, knowledge about the entertainment industry, the local entertainment products and attractions, business and entrepreneurship, customer services and customers' expectations of the entertainment events. Nevertheless, their confidence on IT application was not too high in terms of using computers to do administrative and managerial works, having a website/blog and social media to market their services locally and internationally. Not all have facilities whereby customers can pay with foreign currency, e-money and credit card, or to make online booking at real time. However, they are quite open to new technologies and willing to try these in their business operation.

Therefore, there is a need to increase IT applications so that their services can be accessed more by customers either locally or internationally. Convenience is an important character of services demanded by customers of today (Farquhar & Rowley, 2009).

This study noted that entrepreneurial success is perceived moderately only. A higher perception was observed in business expansion possibilities but financial robustness and customer satisfaction were perceived moderately. This suggests that the owners and managers of event management firms were still not satisfied with their success in their endeavours. They were still facing issues in accessing capital for business operation, maintaining strong cashflow, paying salary on time and collecting due payments from customers. In terms of customer satisfaction, more can still be done as the respondents were not satisfied that they received good response from their customers, they provided effective solutions to customer complaints, positive word-of-mouth is bringing in new customers, maintaining regular customers and increasing customer numbers. However, they are confident to expand their business in the new future, adding new products and services, and offer packages to customers, opening new branch and extending their current premise space. This implies that they have some degree of confidence in the success of their venture in event management.

The relationships between marketing orientation and management capabilities with entrepreneurial success were direct, significant but moderate. Thus, this study showed that both marketing orientation and management capabilities to some extent is important to determine entrepreneurial success. This agrees with the dynamic capabilities theory which stated that it is not only resources that determine the success of a business but more so, the availability of skills and knowledge (Makadok, 20001; Grant, 1996; Bingham et al., 2007). Both marketing orientation and



management capabilities are correlated more strongly to financial robustness compared to customer satisfaction and business expansion possibilities. Therefore, these two constructs are crucial to ensure that the entrepreneurial activities of the event management firm will be successful financially.

#### *Implications of the Research Findings*

This study was able to show that marketing orientation and management capabilities are indeed significantly related to entrepreneurial success particularly to ensure financial robustness. Therefore, it brings implications for practice whereby event management firm owners and managers should ensure that their enterprises are customer-centric, that is to focus all efforts to ensure customers' needs are fulfilled. Yet, at the same time, competitive advantage is attained when one knows the competition in the market and the firm is equipped with management capabilities to ensure resources of the firm are effectively and efficiently used to generate profit.

Besides that, the research findings bring implications in terms of theory whereby it strengthens the use of dynamic capabilities theory to explain the reasons to support marketing orientation and management capabilities in determining entrepreneurial success. For event management firms, especially those small in size, drawing on its dynamic capabilities such as having a strong marketing orientation and management capabilities will provide the necessary competitive advantage to sustain performance in the industry.

#### *Recommendations*

This study was able to show the relevance of marketing orientation and management capabilities to small size event management firms to ensure entrepreneurial success. However, firm performance and success is the product of numerous other factors such as leadership qualities of the

owner or respondents, networking skills and knowledge and many others. Therefore, the subject of entrepreneurial success requires more studies in the future, particularly to include other factors in the picture. Further to that, more in-depth studies to understand the extent of marketing orientation to ensure entrepreneurial success is also needed particularly to explore factors that promote customer orientation and competitor orientation among operators of event management firms.

#### *Conclusion*

This study concludes that marketing orientation and management capabilities are significantly related to entrepreneurial success particularly, financial robustness of the event management firm. Although this study showed that the strength of relationship is moderate for both marketing orientation and management capabilities, this finding is still important to prompt event management operators to acquire these capabilities for competitive advantages.

#### **REFERENCES**

- Argan, M. (2007). *Eglençe Pazarlaması*. Detay Yayincılık, Ankara.
- Asliza Mohd Yusof, Fauzunnasira Fasil, Nik Rosiliani Wan Mohamed, Zakimi Ibrahim & Adi Hakim Talib (2015). Awareness of the emerging event industry among tourism students in Malaysia, *International Journal of Economics, Commerce and Management*, **3**(2), February, 1-11
- Atkinson, R. & Flint, J. (2004). *Encyclopaedia of Social Science Research Methods*. SAGE Publications, Inc.: 1044–1045.
- Barratt, M., Choi, T.Y., and Li, M. (2010). "Qualitative case studies in operations management: Trends, research outcomes, and future research implications", *Journal of Operations Management*, in press
- Becherer, Richard C.; Halstead, Diane; and Haynes, Paula J. (2003) "Marketing Orientation in SMEs: Effects of the Internal Environment," *New England Journal of Entrepreneurship*: **6**(1), Article 5.
- Berridge, G. (2007). *Events Design and Experience*,

- Events Management Series. First Edition, Elsevier.
- Bingham CB, Eisenhardt KM, Furr NR. 2007. What makes a process a capability? Heuristics, strategy, and effective capture of opportunities. *Strategic Entrepreneurship Journal* 1(1–2): 27–47.
- Bouchon, F., Hussain, K. & Konar, R. (2015). Event management education and event industry: a case of Malaysia, *Malaysian Online Journal of Educational Management*, 3(1): 1-17
- Chaston, I (1996), "Critical Event and Process Gap in the Danish Technological Institute Structured Networking Model" *International Small Business Journal*. 14(3):35-47
- DTI (1999), Small and Medium Enterprise (SME) Statistics for the United Kingdom, 1998, Statistical Press Release, 5 August.
- Eckerstein, A. (2002). Evaluation of Event Marketing, International Management Master Thesis: 25, Goteborg University
- Egger, P. & Keuschnigg, C. (2011). *Access to Credit and Comparative Advantage*, University of St. Gallen, January.
- Ethiraj SK, Kale P, Krishnan MS, Singh JV. 2005. Where do capabilities come from and how do they matter? A study in the software services industry. *Strategic Management Journal* 26(1): 25–45.
- Farquhar, J. & Rowley, J. (2009). Convenience: a services perspective, *Marketing Theory*, 9(4): 425-438
- Firdaus Ismail (2014). The critical success factors of event management: a focus on meetings, incentives, conventions & exhibitions (MICE) in Malaysia, Master Thesis, Universiti Tun Hussein Onn Malaysia
- George, D., & Mallery, P. (2003). *SPSS for Windows step by step: A simple guide and reference 11.0 update* (4th ed.). Boston: Allyn & Bacon
- Goldblatt, J. (2002). *Special Events*, Fourth Edition, John Wiley & Sons, Chichester. Guide to Traffic and Transport Management for Special Events (2006). Version 3.4.
- Grant RM. (1996). Prospering in dynamically-competitive environments: organizational capability as knowledge integration. *Organization Science* 7(4): 375–387.
- Gules, H. K., Zerenler, M., Cagliyan, V., Sener, T., & Karaboga, K. (2015). The effect of market orientation and innovation ability on enterprise performance: a practice of structural equation modelling analysis: a research on SMEs, *European Scientific Journal*, May, 1(1):31-42
- Hellriegel, D., Jackson, S. E., & Slocum, J. W. (2008). *Managing: A competency based approach* (11th ed.). Mason, OH: Thomson South-Western.
- Jaworski, B. J., and A. K. Kohli (1993), "Market-orientation: Antecedents and Consequences," *Journal of Marketing*, 57 (3):53-70
- Katz, R. L. (1974). *Skills of an effective administrator*. Havard Business Press
- Kohli, A. K., and B. J. Jaworski (1990)," Market-orientation: The Construct Research Propositions, and Managerial Implications", *Journal of Marketing*, 54 (2):01-18
- Kotler, P. and Keller, K. L. (2009) *Marketing management* (13th end). New Jersey: Pearson Education Inc, Upper Saddle River
- Laguna, M., Wiechetek, M. & Talik, W. (2012). The competencies of managers and their business success, *Central European Business Reviews*, 1(3), December: 7-13
- Makadok R. (2001). Toward a synthesis of the resourcebased and dynamic-capability views of rent creation. *Strategic Management Journal* 22(5): 387–401
- Mitchelmore, S. and Rowley, J. (2010). Entrepreneurial competencies: A literature review and development agenda. *International Journal of Entrepreneurial Behaviour & Research*, 16: 92-111
- Morgan, D. L. (2008). *The SAGE Encyclopaedia of Qualitative Research Methods*. SAGE Publications, Inc. : 816–817
- Morgan, N. A., Vorhies, D. W. & Mason, C. H. (2009). Market orientation, marketing capabilities and firm performance, *Strategic Management Journal*, 30: 909-920
- Mukaka, M. M. (2012). A guide to appropriate use of correlation coefficient in medical research, *Malawi Medical Journal*, September, 24(3): 69-71
- Narver, J. C., and S.F.Slater (1990), "The Effect of a Market-orientation on Business Profitability," *Journal of Marketing*, 57:20-35
- Newbert, S. L. (2007). Empirical research on the resource-based view of the firm: an assessment and suggestions for future research, *Strategic Management Journal*, 28(2): 121-146
- Schalk, A. P. (2008). Effects of market orientation on business performance: empirical evidence from Iceland, *Marketing and International Business*, October, University of Iceland
- Silvers, JR. (2004). *Professional Event Coordination*, John Wiley & Sons Inc. New Jersey.
- Slater, S.F., and J.C.Narver (1994), "Does Competitive Environment Moderates the Market-

- orientationperformance Relationship?"  
Journal of Marketing, **58**(1):46-55.
- Slater, S. F., and J.C. Narver (1995), "Market-orientation and the Learning Organisation, Journal of Marketing, **59** (July): 63-74.
- Slater, S.F., and J.C. Narver (1996), "Competitive Strategy in the Market-focused Business," in M. J. Baker (edi.) (2001), Marketing: Critical Perspectives on Business and Management, (London: Routledge),**3**: 538-557
- Tassiopoulos, D. (2005). Event Management: A Professional and Developmental Approach, 2nd Ed., Juta Academic, Lansdowne
- Teece DJ, Pisano G, Shuen A. (1997). Dynamic capabilities and strategic management. Strategic Management Journal **18**(7): 509–535.
- Voicu, M. C. (2011). Using the snowball method in marketing research on hidden populations, *Challenges of the Knowledge Society*. **1**: 1341–1351
- Wang, C. K., & Ang, B. L. (2004). Determinants of venture performance in Singapore. Journal of Small Business Management, **42** (2):347-363.
- Wennekers, S. and A.R. Thurik (1999), Linking entrepreneurship and economic growth, Small Business Economics **13**(1):27-55
- Zebal M.A., Goodwind D.R. (2011), "Market Orientation In Devolaping Nation-Antecedents, Consequences and The Modarating Effect of Enviromental Factors", Marketing Bulletin, **22**:1-23