



Volume 9, Issue 1, 092510 (80-85)

## Agricultural Marketing and Commercialization (AMC)



<https://doi.org/10.57647/j.amc.2025.090110>

# Entrepreneurial Marketing Model Design for Facilitating the Entry of Small and Medium Enterprises into Regional Markets

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### Original Research

Received:  
10 February 2025

Revised:  
28 March 2025

Accepted:  
20 April 2025

Published online:  
30 June 2025

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### Abstract:

Entering regional markets is often accompanied by numerous challenges for small and medium enterprises (SMEs). This study aimed to design an entrepreneurial marketing model to facilitate the entry of SMEs into regional markets. This research employed a descriptive-analytical approach using a mixed-methods design (qualitative and quantitative). In the qualitative phase, semi-structured interviews with managers and marketing experts were conducted to identify key influencing factors. In the quantitative phase, the proposed model was evaluated through surveys and statistical analysis. The results revealed that key factors, including innovation in marketing strategies, access to financial and human resources, development of business networks, and adaptability to market changes, play a significant role in the success of SMEs entering regional markets. The designed model integrates these factors into a practical framework that can assist managers in strategic decision-making during market expansion processes. This study demonstrates that entrepreneurial marketing, as a novel approach, can serve as a powerful tool to overcome barriers to entering regional markets. The findings provide valuable insights for policymakers and managers to enhance the competitiveness of SMEs and offer guidance for future research in this field.

**Keywords:** Entrepreneurial marketing, small and medium enterprises, regional markets, business development.

*Cite this article:* Nesari, T., Namamian, F., Hasani, S. R., & Baghfalaki, A. (2025). Entrepreneurial Marketing Model Design for Facilitating the Entry of Small and Medium Enterprises into Regional Markets. *Agricultural Marketing and Commercialization*, 9(1), 80–85.

### Introduction

Small and medium-sized enterprises (SMEs) are considered driving factors of economic growth and job creation in today's world. These companies contribute significantly to gross domestic product (GDP) and employment in many countries (Raes, 2021). However, their entry into new markets, especially regional markets, has always faced many challenges. One of the primary barriers is the inability to utilize marketing resources and

opportunities optimally, preventing their competitiveness in regional markets (Kaufmann & Tödting, 2018). As a new approach to marketing, entrepreneurial marketing allows companies to enter new markets effectively using innovative strategies and limited resources (Hills et al., 2020). This approach employs the combination of two elements of entrepreneurship and marketing to help SMEs overcome their resource constraints and compete effectively in regional markets (Ratten, 2019). This model

allows companies to strengthen their competitive advantage in the face of dynamic regional market environments with their characteristics (Morris et al., 2020).

In this regard, designing an entrepreneurial marketing model that is especially applicable to the entry of small and medium-sized enterprises into regional markets is of particular importance. The proposed model should be designed based on the specific characteristics of regional markets and the needs of small and medium-sized enterprises and identify the key factors affecting the success of these companies in new markets (Gilmore et al., 2018). The use of this model can also contribute to the sustainable development of regional economies in addition to increasing the competitiveness of companies (Jones & Rowley, 2011) and (Rauch et al., 2009). Regarding the study's importance, it can help small and medium-sized enterprises in countries to effectively apply entrepreneurial marketing strategies in the process of entering regional markets by providing a scientific and practical model (Möller & Halinen, 2000) and (Ayyagari et al., 2006). Since many SMEs are not capable of taking advantage of opportunities in new markets due to a lack of awareness of these strategies, this study can serve as a practical guide in this area (Daneshzad et al., 2024) and (Feizi et al., 2024). This study designs a model that considers the specific characteristics of SMEs and regional markets and identifies effective entrepreneurial strategies in this field. This study will help companies to effectively enter regional markets and take advantage of their competitive advantages by using an entrepreneurial marketing approach.

## Methodology

### Research Environment and Population

The study population in the qualitative section included all 215 articles related to the research topic. Then, they were filtered by considering the various indicators mentioned above, and 60 articles were finally selected. In the structural analysis section, 5 experts in the field of marketing, selected using the snowball method, were used to determine the relationships between the extracted structures placed in a matrix in a (Table 1).

### Study Population

The study population in this study included small and medium-sized enterprises (SMEs) trying to enter regional markets. In this regard, a sample of small and medium-sized enterprises from different industries operating for at least 3 years and are currently trying to expand their activities to regional markets were selected. In the quantitative section, the statistical population included all managers, supervisors, and marketing department officials of small and medium-sized companies in Ilam province. According to the Cochran formula, the sample size was determined to be 227 people. Finally, information on 205 people was analyzed.

To collect data, a non-random purposeful sampling method was used. In this method, companies with specific conditions (such as having experience or planning to enter regional markets) were selected.

### Data collection method

Questionnaires and semi-structured interviews were used to collect data. In this regard:

- Questionnaires were designed to collect quantitative data on the characteristics, strategies, and challenges of companies in the area of entrepreneurial marketing. The questionnaire of the present study was the result of a meta-synthesis approach in reviewing the materials and drafts related to this study. After interviewing several managers and senior experts regarding its composition and general outline, its design, the general framework of the research objectives, and questions were revised and adjusted, and it was developed using the Likert scale.
- Semi-structured interviews are conducted to obtain more in-depth qualitative information about the companies' experiences in entering regional markets and the specific problems they face.

### Statistical Analysis

In this study, descriptive and inferential statistical methods (exploratory factor analysis, structural equation modeling, t-test, multiple regression, and chi-square) will be used to analyze the data. Depending on the type

Table 1. Results of Cronbach's alpha of the questionnaire

Indicator	Number of components	Cronbach's alpha
Process improvement	5	0.896
Customer orientation	9	0.942
Leveraging resources	4	0.884
Innovation	8	0.948
Pioneering	3	0.895
Risk-taking	3	0.806
Opportunism	3	0.900
Flexibility	4	0.882
Market orientation	10	0.968
Differentiation and uniqueness	4	0.938

of data and research questions, SPSS-24 software will be used for statistical analysis. The validity of the designed entrepreneurial marketing model was evaluated using various model indices. Various measurement tools were also employed to calculate the reliability coefficient. To obtain reliability from the Cronbach's alpha method, model fit indices including the average variance extracted (AVE), construct reliability (CR), and factor loadings were used and a value above 0.5 was determined as a significance level. The Cronbach's alpha value is a value between zero and one. A questionnaire is reliable if the Cronbach's alpha value is higher than 0.7. The closer it is to one, the higher the reliability of the questionnaire. In the present study, Cronbach's alpha method was used to measure the reliability of the questionnaire questions. (Table 1) presents the results of Cronbach's alpha of the questionnaire.

### Ethical considerations

All ethical principles of the study were observed in conducting statistical analyses and collecting data. It was ensured that the collected data would be kept confidential and used only for scientific purposes. Moreover, the participants of the study were informed about the importance of the study and how the information would be used. An informed consent was obtained from them.

## Results

The mean age of the active companies was  $7.8 \pm 3.2$  years. The youngest company had 2 years and the oldest company had 15 years of experience. Additionally, the mean age of the participants of this study was 36.4 years, with a minimum age of 25 and a maximum of 65 years, and a

standard deviation of 8.01 years, indicating age diversity among the samples. Regarding the field of activity, 60% of the companies were active in manufacturing, 25% in services, and 15% in technology. Regarding the export experience, 48% of the companies have export experience and 52% do not have such an experience, indicating that these companies are more focused on the domestic market (Table 2). Results of the Exploratory Factor Analysis (EFA) Exploratory factor analysis has helped to identify the different dimensions of the entrepreneurial marketing model. The results show that five primary factors were identified.

The results of exploratory factor analysis (EFA) identified five primary factors in the entrepreneurial marketing model, which explain a total of 78.5% of the variance. Innovative marketing strategies are the most important factor with a factor loading of 0.72 and 16.5% of the variance. Access to financial and human resources with a factor loading of 0.68 and 15.2% of the variance and networking, and business relationships with a factor loading of 0.62 and 14.8% of the variance also play a key role. Target market identification and analysis with a factor loading of 0.58 and 14.1% of the variance and readiness for change and adaptation with a factor loading of 0.55 and 13.9% of the variance are complementary dimensions of this model, indicating the importance of flexibility and environmental analysis (Table 3).

Total variance explained: 78.5%

Results of Structural Equation Modeling (SEM)

Structural equation modeling was used to analyze more complex relationships between variables. (Table 4) presents the results obtained from the SEM model.

Table 2. Demographic characteristics of the study samples

Characteristics	Mean	SD	Min	Max
Age of companies	7.8 years	3.2 years	2 years	15 years
Age of samples	36.4 years	8.01 years	25	65
Percentage of companies operating in manufacturing	60%	-	-	-
Percentage of companies operating in services	25%	-	-	-
Percentage of companies operating in technology	15%	-	-	-
Export experience	48%	-	-	-
Lack of export experience	52%	-	-	-

Table 3. Exploratory factor analysis (EFA) results

Factor	Factor load coefficient	Percentage of variance explained
Innovative marketing strategies	0.72	16.5%
Access to financial and human resources	0.68	15.2%
Networking and business relationships	0.62	14.8%
Target market identification and analysis	0.58	14.1%
Readiness for change and adaptation	0.55	13.9%

**Table 4.** Results obtained from the SEM model

Variables	Path coefficient	sig
Success in entering regional markets → Innovative marketing strategies	0.42	p<0.05
Innovative marketing strategies → Access to financial resources	0.38	p<0.01
Access to financial resources → Networking and business relationships	0.45	p<0.05
Target market identification and analysis → Readiness for change	0.36	p<0.01

**Table 5.** T-test results for comparing the means of two groups of companies

Groups	Mean	Standard deviation	t	p-value
Companies with export experience	3.78	0.85	3.65	p<0.01
Companies without export experience	2.56	1.05	-	-

**Table 6.** Results of t-test to compare the means of two groups of companies

Industry type	successful in entering regional markets	Unsuccessful in entering regional markets	$\chi^2$	p-value
Manufacturing	70%	30%	14.87	p < 0.05
Services	40%	60%	-	-
Technology	50%	50%	-	-

**Table 7.** Multiple regression to examine the effects of different variables on success in entering regional markets

Variables	$\beta$	sig
Innovative Marketing Strategies	0.38	p < 0.01
Access to Financial and Human Resources	0.33	p < 0.05

Model fit indices:

· CFI = 0.91

· TLI = 0.89

· RMSEA = 0.05

T-test results

A t-test was used to compare the means of two groups of companies (with and without export experience). (Table 5) presents the results.

Companies with export experience use significantly more innovative marketing strategies than companies without export experience.

Results of Chi-Square Test

The Chi-Square test was used to examine the relationship between industry type and success in entering regional markets. (Table 6) presents the results.

Industry type significantly affects the success in entering regional markets. Companies operating in the manufacturing sector have had the highest success in entering regional markets.

Multiple regression was conducted to examine the effects of different variables on success in entering regional markets. (Table 7) presents the results.

Innovative marketing strategies and access to financial resources significantly affect the success of entering regional markets.

The results of various statistical analyses indicate the

importance of several factors for the success of SMEs in entering regional markets. Innovative marketing strategies, access to financial resources, networking and business relationships, and readiness to change and adapt to the target market are among the key factors in this regard. These results can help companies facilitate the process of entering regional markets and achieve higher success by using entrepreneurial marketing models.

## Discussion

This study designed an entrepreneurial marketing model to facilitate the entry of SMEs into regional markets. The results revealed that innovative marketing strategies significantly affect the success of SMEs in entering regional markets. This result is consistent with that of previous studies in the field of marketing innovation. For example, Möller & Halinen, showed that companies that use innovative marketing strategies can identify new opportunities in foreign and regional markets and adapt their products and services to market needs (Möller & Halinen, 2020). Innovation can create a sustainable competitive advantage for companies. This is more important in new and regional markets (Saunila, 2020).

This study revealed that SMEs can attract the attention of regional customers and differentiate their products by

implementing innovative marketing strategies. This result indicates the importance of paying attention to marketing initiatives, especially in new markets. Thus, companies must pay attention to it to succeed. Thus, companies must continuously consider innovation in their marketing strategies to compete in regional markets (Zacca, 2025). Access to financial and human resources was one of the most important factors identified in this study. The results showed that SMEs need appropriate financial and human resources to develop innovative marketing strategies and succeed in regional markets (Baker & Sinkula, 1999). This result is consistent with that of previous studies such as Morris, who showed that financial resources are one of the most important challenges for these companies. Adequate financial resources for advertising, market research, and product development are essential, especially in regional markets where companies may face more competition (Nguyen et al., 2021).

This study indicated that companies that had access to more financial resources could implement their innovative strategies well and operate more successfully in regional markets (Emamverdikhan et al., 2023). Additionally, skilled and specialized human resources allow companies to make better decisions regarding target market identification and offering appropriate products. These results emphasize that companies cannot achieve their goals in regional markets without financial and human support (Sofla et al., 2024). The results of the study showed that networking and business relationships significantly affect the success of entering regional markets. These results are consistent with those of previous studies such as the study of Kwon & Ryu, which emphasized the importance of business relationships and networks for the success of companies in new markets. Connections with other companies, suppliers, and business partners can help companies obtain financial resources, exchange knowledge, and improve business processes (Noei & Khoshshima, 2023).

This study revealed that companies with stronger business relationships were able to access financial and human resources better and thus performed more successfully in regional markets. Thus, networking is one of the key tools to facilitate entry into regional markets. Having strong networks can help companies overcome these barriers, especially in regional markets where there may be challenges due to cultural and economic differences (Nesari et al., 2023). The results suggest that readiness to change and adapt to new market conditions is one of the critical factors for success in regional markets (Saljoughi & Hassani, 2025). These results are consistent with those of previous studies such as Baker & Sinkula, highlighting the importance of companies' adaptability to environmental changes. Companies that can adapt to market changes and new consumer needs are more successful in competition (Hassani & Shokouh Saljoughi, 2024).

This study revealed that companies must be prepared to change and adapt to the culture, preferences, and specific needs of the target markets to successfully enter regional markets. These results are especially important in conditions of rapid change and uncertainty in global

and regional markets. The results of this study are consistent with those of many previous studies on the entry of companies into regional markets. The results of this study are consistent with those of Nguyen's research, emphasizing the importance of financial resources in the success of companies in new markets. Additionally, this study indicates that various factors such as innovative marketing strategies and business networking play a key role in success in regional markets.

## Conclusion

This study investigated the role of various factors in the success of SMEs in entering regional markets. Innovative marketing strategies, access to financial resources, networking, and business relationships, and readiness to change and adapt to new markets were identified as key factors that can facilitate the process of entering regional markets. These results can help companies design effective strategies to expand their activities in regional markets.

## Limitations and Recommendations for Future Studies

This study suffers some limitations that should be considered in future studies. The first limitation is related to the sampling, which only focused on SMEs in a specific region. These results may not be generalizable to other markets or industries. Thus, future studies should test this model in different markets to generalize the obtained results. Moreover, future studies should investigate the impact of organizational culture and legal barriers on the process of entering regional markets. For example, cultural differences and legal barriers can have a significant impact on how companies enter regional markets, and this could be a good topic for future studies.

### Author's contribution

Tahereh Nesari and Farshid Namamian developed the study concept and design. Seyed Reza Hasani and Afshin Baghfalaki acquired the data. Tahereh Nesari and Farshid Namamian analyzed and interpreted the data, and wrote the first draft of the manuscript. All authors contributed to the intellectual content, manuscript editing and read and approved the final manuscript.

### Availability of data and materials

The data that support the findings of this study are available from the corresponding author, upon reasonable request.

### Conflict of interest

The authors declare that they have no conflict of interests.

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