

OPPORTUNITY ORIENTATION AND MARKETING PERFORMANCE OF MICRO-FINANCE BANKS IN PORTHARCOURT

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Abstract

This study examined the association between opportunity orientation and marketing performance of Microfinance banks in Rivers state. The study adopted a cross sectional survey research design. The population of the study is made up of Eighteen (18) microfinance banks that are insured by the Nigerian Deposit Insurance company (NDIC), and operating in Rivers State, Nigeria.. Given this small population size, which is less than thirty (30), a census study was undertaken. The study utilized structured questionnaire in collecting primary data. A total of seventy two (72) copies of the questionnaire were distributed to the managers of microfinance banks under study. Out of the sixty six (66) copies of the questionnaire returned, only sixty four (64) of them were utilized in data analysis. The Spearman Rank-order correlation technique was employed as the test statistic. The bivariate correlation analysis was carried out on the Statistical Package for Social Sciences (SPSS). The study concluded that opportunity orientation significantly influences marketing performance of the studied microfinance banks, in terms of growth in sales and Customer Base. These findings suggest that microfinance institutions should foster an opportunity-oriented culture in order to increase their sales and customer base, as these can lead to increased profitability and long term sustainability.

KEYWORDS: Opportunity Orientation, Marketing Performance, Microfinance Banks.

Introduction

The microfinance sector has emerged as a critical component of financial inclusion strategies, particularly in developing economies where traditional banking services remain inaccessible to significant portions of the population (Ledgerwood, 2013). In Nigeria, microfinance banks (MFBs) have been positioned as vehicles for poverty alleviation and economic empowerment, serving the financial needs of low-income individuals and small-scale entrepreneurs who are typically excluded from conventional banking services (Central Bank of Nigeria, 2011). In this study, our focus is on the effect of opportunity orientation on their marketing performance.

The concept of opportunity orientation refers to an organization's propensity to identify, evaluate, and exploit market opportunities through innovative approaches and strategic initiatives (Shane & Venkataraman, 2000). In the context of financial services, opportunity orientation manifests through the development of new products and services, market expansion strategies, and the adoption of innovative delivery mechanisms that better serve target customer segments (Zahra et al., 2005).

Marketing performance in the microfinance sector is particularly crucial given the sector's dual mandate of financial sustainability and social impact. While traditional banks may focus primarily on profitability metrics, microfinance institutions must balance financial performance with their mission of financial inclusion and poverty reduction (Mersland & Strøm, 2010). Sales growth and customer base expansion serve as fundamental indicators of marketing effectiveness in this context, as they reflect both the institution's ability to generate revenue and its success in financial inclusion by enlarging its customer base.

The relationship between opportunity orientation and marketing performance has been extensively studied in various industries, with research consistently demonstrating positive correlations between opportunity-seeking behaviors and organizational performance outcomes (Tang et al., 2012). However, limited empirical research has specifically examined this relationship within the microfinance sector, particularly in the Nigerian context where unique regulatory, cultural, and economic factors may influence these dynamics. More recently, scholars have argued that opportunity orientation represents a more proactive and forward-looking strategic posture that enables organizations to create new markets and value propositions rather than merely responding to existing market conditions (McMullen & Shepherd, 2006).

This study therefore examines the extent to which opportunity orientation of these Microfinance banks influences their marketing performance. Understanding how opportunity orientation influences marketing performance in this context can provide valuable insights for microfinance practitioners, policymakers, and researchers interested in financial inclusion dynamics.

Conceptual Framework

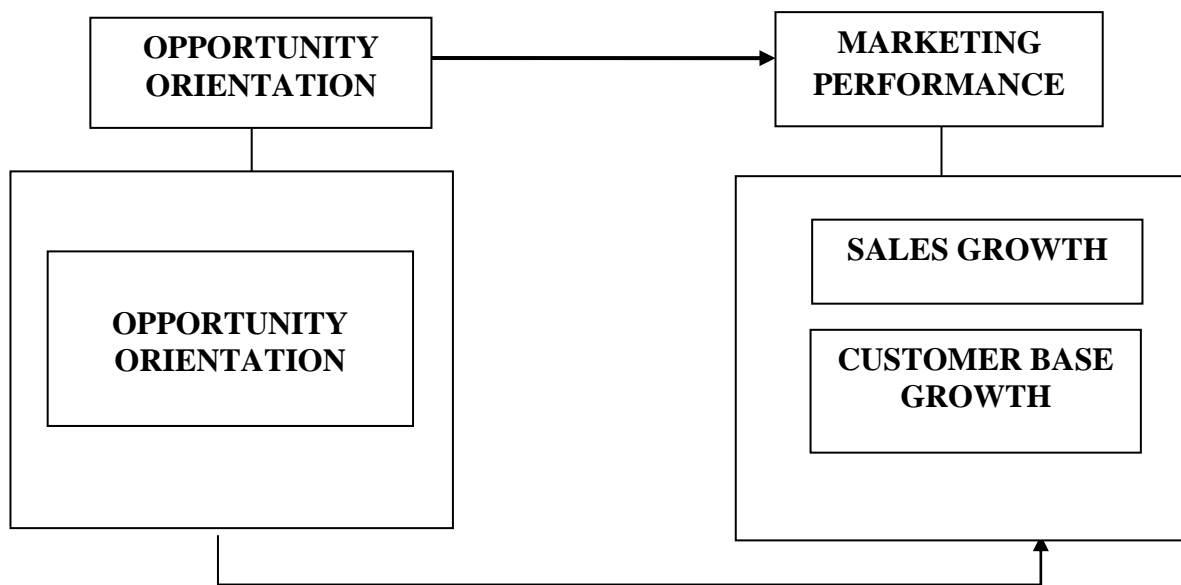


Fig 1.0 Conceptual Framework of Opportunity Orientation and Marketing Performance Source: Adapted from Nasser et al. (2022) & Anetohet.al (2020) for Opportunity Orientation and Heng & Afifah (2020) for the measures of marketing performance.

The concept of Opportunity Orientation

The concept of opportunity orientation has other names like "opportunity focus"; "opportunity recognition", etc. In all, it simply refers to the cognitive and behavioral disposition of individuals or organizations to recognize, pursue, and exploit potential opportunities within their environment. In this review we present the different views of scholars on the concept.

Lumpkin and Dess (1996) incorporated opportunity orientation as a component of entrepreneurial orientation, and defined it as having a propensity to pursue emerging possibilities and market openings. This view emphasizes that opportunity-oriented firms actively seek new business possibilities rather than waiting for them to emerge. Also, Stevenson and Jarillo (1990) conceptualized opportunity orientation as a key dimension of entrepreneurial management, defining it as "a management approach that involves pursuing opportunities without regard to the resources currently available". This perspective emphasizes the willingness to pursue opportunities even when lacking immediate access to necessary resources.

Morris et al. (2011) describe opportunity orientation as a critical component of the entrepreneurial mindset, which involves the identification of new markets, services, or innovations that can lead to competitive advantages. This view underline the importance of recognizing that opportunities can be created rather than simply discovered, thus encouraging a more active engagement with the business environment. To Dyer et al.(2009), opportunity orientation involves a set of behaviors and cognitive patterns that enable entrepreneurs to recognize and act upon prospects for innovation and growth. They argue that a strong opportunity orientation leads to better strategic decision-making and enhanced competitive advantage, as entrepreneurs engage in continuous opportunity recognition and exploitation.

Other scholars have defined the concept in different ways. To Baker and Nelson (2005), opportunity orientation represents a propensity to perceive and act on business opportunities in one's environment. They emphasize that opportunity orientation is characterized by the creation of value through the innovative recombination of resources, highlighting the importance of a proactive mindset in entrepreneurship. Sarasvathy (2008) discusses opportunity orientation within the framework of effectuation, asserting that it involves focusing on the means available to create new opportunities, rather than solely identifying pre-existing ones. The assertion here is that entrepreneurs with robust opportunity orientation tend to actively shape their environments, by using their resources creatively and developing innovative solutions that may not have been apparent to others.

These various definitions of opportunity orientation reflect the multifaceted nature of the concept, emphasizing proactive behavior, resource recombination, and the recognition and creation of new opportunities.

Marketing Performance

Marketing performance has been defined by Hertog (2000) as the effectiveness and efficiency of an organization's marketing activities with relevance to market-related goals, like revenues, growth, and growth in market share. Mostly, marketing performance uses financial and nonfinancial measures of output. Earlier measurement of marketing performance focused mainly on the financial measures of profit, sales and cash flow. But this practice of using only financial measures to assess marketing performance has been criticized for the lack of consideration they give to long-term factors (Kankam-Kwarteng, 2021). Presently, nonfinancial measures of output, such as customer satisfaction, customer loyalty, and brand equity have attracted considerable research interest (Chen, et.al 2009). Therefore in this

study both financial and non-financial measures were used. Sales Growth and Growth in Customer base were used as measures of marketing performance. These are further described below:

Sales Growth

Sales growth is a key measure of marketing performance, representing the increase in revenue over time, through the sale of products and services (Kotler & Keller, 2016). This view highlights the role of marketing efforts in driving customer acquisition and retention, in order to influence sales growth. Sales Growth is also viewed as an increase in sales in monetary value (Amoako-Gyampah & Acquah, 2008). Sales Growth is an important indicator of a firm's health and ability to sustain the business. To Papp (2017) Sales Growth represents an increase in an organization's market share in comparison with its competitors. This definition highlights the competitive value of Sales Growth. It has also been defined with a focus on its impact on firm's profitability and valuation (Hitt et al., 2017). Sales growth in the microfinance context reflects not only revenue generation but also the institution's ability to expand its loan portfolio and fee-based services, thereby contributing to financial inclusion.

Customer Base Growth

Customer Base Growth refers to the increase in the number of customers or clients that a company serves over time. This metric is indicative of a business's ability to attract and retain customers, which is essential for long-term sustainability. It is calculated using the Customer growth rate, a metric that quantifies the rate at which a business is gaining new customers within a specific period. It calculates the increase in the customer base compared to a previous period, usually monthly, quarterly, or annually. This highlights the effectiveness of the company's market strategies and customer acquisition tactics, and is particularly important for startups and businesses operating in highly competitive environments where customer acquisition is as crucial as product innovation.

An enlarged customer base typically results in increased sales volume and can lead to a more robust revenue stream (Reichheld & Schefer, 2000). A higher rate of customer growth generally signifies effective marketing strategies, superior product offerings, and strong customer service. Furthermore, nurturing existing customers for repeat business can enhance overall value and loyalty, thereby contributing to sustainable growth (Peppers & Rogers, 2016). Growth in customer base in the context of microfinance banks represents a marketing success indicator and a measure of the institution's social impact through increased access to financial services (Schreiner, 2002).

Dynamic Capability Theory

The theoretical foundation for this study is anchored on the Dynamic Capabilities Theory (DCT), which was first introduced by Teece et al. (1997). DCT explains how firms develop and maintain competitive advantage in rapidly changing environments by sensing and shaping opportunities/threats in the environment; seizing opportunities; and reconfiguring resources to maintain competitiveness. This approach explains how firms achieve and sustain competitiveness based on the processes that take place in the firm, to address the dynamism and volatility in the business environment. Thus DCT ensures congruence between business opportunities and user needs by having integrated learning processes that are difficult to imitate (Teece, 2014).

In the context of microfinance institutions, opportunity orientation represents a dynamic capability that enables these organizations to identify, evaluate, and exploit market opportunities within underserved financial markets. Eisenhardt and Martin (2000) argue that dynamic capabilities are strategic and operational routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve, and die. For microfinance banks operating in volatile and uncertain environments, the ability to orient toward opportunities becomes crucial for survival and growth. The resource-based view, which underpins dynamic capability theory, suggests that sustainable competitive advantage stems from valuable, rare, inimitable, and non-substitutable resources and capabilities (Barney, 1991). Opportunity-oriented microfinance banks continuously adapt their marketing strategies, service offerings, and operational processes to align with evolving market conditions and customer needs. This transformational capability ensures sustained marketing performance over time.

Empirical Review

In this section of the study, we present a review of related studies in this area. We observed that the link between opportunity orientation and firm outcomes have been a subject of many entrepreneurial studies. In most of the studies, opportunity orientation was used as one of the dimensions of Entrepreneurial Marketing (EM) orientations being studied. In this review, some of these studies are reviewed. We start with the study by Ighomereho & Odunewu (2022) which investigated the influence of entrepreneurial marketing and its dimensions on sustainable competitive advantage of SMEs. The study was based on a questionnaire survey conducted on 356 SME managers. Empirical findings reveal that opportunity orientation was one of the EM dimensions that significantly influenced sustainable competitive advantage.

In another related study by Anetoh (2020) on chemical manufacturing firms in Nigeria, the author examined the extent entrepreneurial marketing influences the performance of selected chemical manufacturing firms in Anambra State, Nigeria. Primary data was collected from a sample of 370 respondents. Structural equation modeling technique was used to test the four formulated hypotheses. The outcome of the analyses shows that Opportunity recognition was among the four dimensions of entrepreneurial marketing that had positive significant influence on the performance of the studied chemical manufacturing firms. Also, Anetoh, et al. (2022) investigated the influence of entrepreneurial marketing dimensions on sustainability of plastic manufacturing firms in Anambra State, Nigeria. A multiple regression analysis of data obtained from a questionnaire survey of 383 respondents, drawn from 15 plastic firms indicated that opportunity focus was one of the EM dimensions that had significant influence on business sustainability.

Ogunode et al. (2020) examined the influence of entrepreneurial marketing on the growth of SMEs in Nigeria. All the data used for the study were elicited from the sampled respondents through the use of questionnaire. The obtained data was analyzed using multiple regression analysis and established the seven dimensions of EM (including Opportunity orientation) to have significant influence on SMES growth. Also, Hacioglu, et al. (2012) conducted a related study that investigated the effect of entrepreneurial marketing on firm's innovative performance of Turkey SMEs. Questionnaire data collected from a sample of 560 manufacturing SMEs in Turkey was analyzed using regression analysis. The study found that

opportunity recognition was among the dimensions of EM that had insignificant effect on innovative performance.

Research Hypotheses

The study formulated and tested the following hypotheses:

H₀₁: There is no significant relationship between Opportunity Orientation and Sales Growth of microfinance banks in Rivers State.

H₀₂: There is no significant relationship between Opportunity Orientation and Customer base Growth of Microfinance banks in Rivers State.

Methodology

The study adopted a cross sectional survey research design. The population of the study consists of microfinance banks operating in Rivers state. Information obtained from the website of Nigeria deposit insurance company (NDIC) indicates that a total of 975 Microfinance banks are insured by the agency, with their addresses listed. From this list, 18 of these banks operate in Rivers state. Therefore, the population of this study is eighteen (18). Given the small size of this study population, which is less than thirty (30), the study adopted a census study. The respondents were the general managers, operations managers, marketing managers and customer relationship managers. Data collection was facilitated through a questionnaire, based on a five-point Likert scale, ranging from Strongly Agree to Strongly Disagree. The measurement scales were adapted from prior studies by Nasser et al. (2022) & Anetoh et al. (2020) for Opportunity Orientation and Heng & Afifah (2020) for the measures of marketing performance. The instrument's reliability was evaluated using the Cronbach's alpha method, with coefficients surpassing the recommended minimum threshold of 0.7, as suggested by Nunnally (1978). To generate data for the study, seventy two (72) copies of questionnaire were distributed to the 18 microfinance banks, on sample frame of four copies per bank. Sixty six (66) copies of the questionnaire were received. Only 64 were useful for data analysis. The data collected underwent descriptive and inferential statistical analyses. The Spearman rank-order correlation technique was employed to test the formulated hypotheses, using the statistical package for social sciences (SPSS) version 24.0. The results of the analyses are presented below.

Data Analysis and Results

Hypothesis One: Relationship between Opportunity Orientation and Sales Growth

Table 1: Test of relationship between Opportunity Orientation and Sales Growth

		OPP_ORIENT	SALS_GWT
OPP_ORIENT	Pearson Correlation	1	.627**
	Sig. (2-tailed)		.000
	N	64	64
SALS_GWT	Pearson Correlation	.627**	1
	Sig. (2-tailed)	.000	
	N	64	64

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

Source: SPSS output of data analyses on opportunity orientation and marketing performance (2025).

Table 1 above presents the result of correlation analysis between Opportunity Orientation and Sales Growth of microfinance banks in Rivers State Nigeria. The result indicates a positive correlation between Opportunity Orientation and Sales ($\rho = 0.627$). The results also indicates a probability value of 0.000; suggesting that the relationship between the variables is statistically significant. This outcome does not support the null hypothesis one (H_{01}), and the null hypothesis was rejected. The study concludes that Opportunity Orientation significantly influences Marketing performance of microfinance banks using Sales Growth as a measure.

Hypothesis Two (H_{02}): Relationship between Opportunity Orientation and Growth in Customer base

Table 2: Test of relationship between Opportunity Orientation and Growth in Customer base

Correlations		OPP_ORIEN	CUST_BAS
		T	E
OPP_ORIEN	Pearson Correlation	1	.760**
	Sig. (2-tailed)		.000
	N	64	64
CUST_BASE	Pearson Correlation	.760**	1
	Sig. (2-tailed)	.000	
	N	64	64

** . Correlation is significant at the 0.01 level (2-tailed).
 Source: SPSS output of data analyses on opportunity orientation and marketing performance (2025).

Table 2 above presents the result of the correlation analysis between opportunity orientation and growth in customer base of microfinance banks in Rivers state. The result indicates that a strong correlation exists between the variables with a rho coefficient of **0.760**. The results also indicate a probability value of 0.000 suggesting that the relationship between the variables is statistically significant. The study therefore concludes that opportunity orientation of microfinance banks positively y and significantly affects the growth of their customer base.

Discussion of Findings

The results of the analyses indicate that opportunity orientation significantly influences marketing performance using growth in sales and customer base as measures. This finding aligns with existing literature, which posits that organizations with a strong opportunity orientation are better equipped to identify and exploit market opportunities (Dyer et al., 2009; Baker & Nelson, 2005). The outcome of this study is in line with the conclusion reached by Anetoh (2020) that Opportunity recognition had positive significant influence on the performance of chemical manufacturing firms. Also, the conclusion reached in this study agrees with the findings made by Ogunode et al. (2020) that opportunity orientation has significant impact on firm performance. Overall, these findings suggest that microfinance institutions (MFIs) that foster an opportunity-oriented culture not only increase their customer base, but also Sales Growth, thereby enhancing their overall profitability and long-term sustainability.

Conclusion

This study confirms that opportunity orientation is a significant driver of marketing performance in microfinance banks, evidenced by its positive impact on both sales growth and customer base expansion. As microfinance banks navigate increasingly competitive and complex markets, the ability to recognize and act upon emerging opportunities is paramount. Microfinance banks that prioritize opportunity orientation stands better position to respond to client needs and better performance.

Recommendations

Based on the findings of this study, the following recommendations are put forth for microfinance banks seeking to enhance their opportunity orientation and ensure their business success:

1. Microfinance banks should promote a culture that encourages creativity and innovation among staff. Providing training and resources aimed at enhancing employees' ability to identify and pursue new market opportunities can improve overall organizational performance.
2. These banks should implement systematic market research initiatives that will enable them stay attuned to changing customer needs and market dynamics. Regular surveys and feedback mechanisms can provide valuable insights for adjusting services and strategies accordingly.
3. Microfinance banks should build strong community relationships in order to facilitate a deeper understanding of clients' challenges and needs, which is essential for identifying opportunities. Microfinance banks should engage with community leaders and organizations to enhance their outreach and tailor products that better serve local populations.

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