

# Marketing has major benefits for entrepreneurs in emerging markets, study shows

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Can marketers help improve the world?

Their field may not be top of mind among those that contribute to the greater good, yet new research from the University of Notre Dame shows marketers can help entrepreneurs in emerging markets grow their businesses, which in turn helps them to improve lives, sustain livelihoods, enhance overall living standards and strengthen societies.

"Do Marketers Matter for Entrepreneurs? Evidence from a Field Experiment in Uganda" is forthcoming in the *Journal of Marketing* from Frank Germann, an associate professor of marketing at Notre Dame's Mendoza College of Business who teaches core marketing courses in the Notre Dame MBA program.

Germann, along with Stephen Anderson from the University of Texas at Austin, Pradeep Chintagunta from the University of Chicago and Naufel Vilcassim from the London School of Economics, conducted a randomized, controlled [field experiment](#) with 930 Ugandan businesses that were aided by international [business](#) support volunteers including marketers from more than 60 countries.

"Volunteer marketers helped entrepreneurs grow sales, profits, assets and employees," Germann said. "Specifically, compared to control firms, the supported entrepreneurs grew monthly sales by 52 percent on average, while their monthly profits improved by 36 percent, total assets rose by 31 percent and the number of paid employees increased by 24 percent."

Entrepreneurs are ubiquitous in emerging markets. In 2010, more than 31 percent of the adult population in Uganda was either starting a business or running a business less than four years old. "However," Germann pointed out, "many emerging market entrepreneurs struggle to make ends meet, and their firms' growth rates are low, stifling the positive impact they could have on society."

Prior studies have shown the low growth rates appear to result from most businesses being too similar and failing to attract customer interest.

"Marketing helps firms to differentiate by focusing on the question, 'Why should the customer buy from the firm and not elsewhere?'" Germann said.

"A bake shop owner in our marketer treatment group began selling high-quality doughnuts to a local supermarket," he said. "She placed a display unit in the market, which helped differentiate her firm as a quality bake shop and attracted additional business opportunities. Also, a beauty salon owner in the sample trained herself to offer new and sought-after hairstyles. She now also sells and applies hair extensions in various colors and styles, allowing her to stand out from competitors offering only basic services."

An analysis of interactions between volunteers and entrepreneurs revealed that the marketers spent more time on product-related topics than other volunteers and helped put the focus on premium products to differentiate businesses in the marketplace. Firms with greater market knowledge or resource availability benefited significantly more than their peers when matched with volunteer marketers.

"Small-scale businesses form the commercial backbone of most emerging markets, so their performance and development are critically important," Germann added. "Research indicates entrepreneurship is one of the most effective means to alleviate poverty in developing countries."

The team hopes its study will motivate marketing practitioners to work with entrepreneurs and early-stage ventures in emerging markets and encourage business schools to incorporate versions of their "remote coaching" intervention into emerging [market](#) programs, with a focus on matching entrepreneurs with their marketing students.

Germann says organizations actively serving emerging markets should also benefit from their findings when designing and implementing future business support services delivered in emerging markets.

**More information:** Stephen J. Anderson et al. EXPRESS: Do Marketers Matter for Entrepreneurs? Evidence from a Field Experiment in Uganda, *Journal of Marketing* (2021). [DOI: 10.1177/0022242921993176](https://doi.org/10.1177/0022242921993176)

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