**The Role of Media Management and Entrepreneurship Growth in the Iranian SMEs**

**Meisam Marofi**

A Lecturer of [Payame Noor University](http://www.google.com/url?sa=t&rct=j&q=payame%20noor&source=web&cd=1&cad=rja&ved=0CCkQFjAA&url=http%3A%2F%2Fwww.pnu.ac.ir%2FPortal%2FHome%2FDefault.aspx%3FCategoryID%3D018b76d4-5bf1-47b2-88cc-d5a15da7cf68&ei=FpT_Uc_cGMSktAbUs4HYAw&usg=AFQjCNFmi3jQKYWEwnb3LgNxee2nqkGO0A&bvm=bv.50165853,d.Yms) of Aligodarz- Lorestan

E-mail: [Marofimeisam@yahoo.com](mailto:Marofimeisam@yahoo.com)

**Assistant Professor Dr. Rouhollah Mojtahedzadeh**

Corresponding author, A Lecturer of Allame Mohaddes Noori Institute of higher education- Noor -Iran).

E-mail: rll\_mojtahedzade@yahoo.

**Seyed Rashid Mousavi**

Master of Science student, Department of Management and Accounting, Rasht branch, Islamic Azad University, Rasht, Iran

E-mail:mousavi.rashid@yahoo.com

**Abstract:**

The phenomenon of media management and entrepreneurship are currently attracting increasing interest by scholars and practitioners alike. However, most of this attention is devoted to entrepreneurship within new media, while some of the traditional media industries are believed to be the living dead without much future promise. Furthermore, the study focused on establishing the impact of Media Management and Entrepreneurshipon the growth of SMEs in the Iranian SMEs. This was done by determining the effect of Media Management on the innovativeness and pricing of products, customer relationship management, and market access of SMEs in Iran. The research utilized descriptive research design. Questionnaires were administered on 246 SMEs in Tehran, with the respondents being either the owners or managers. Cluster sampling was used to divide the population of interest and then simple random probability sampling technique was used to further identify the specific businesses to be used for the study. Both quantitative and qualitative data was collected and then analyzed using SPSS and AMOS. The outcomes of the study have been presented in tables and figures for easy interpretation. The study established that media management offer greater market accessibility and CRM which in turn have a significant impact on the growth of SMEs. On the other hand, the pricing of products and innovativeness aspects offered by media management have had very little impact to cause any growth in the SMEs. It emerged that geographical barriers can be broken down by the use of media management. Further, media allows businesses to communicate speedily and cheaply with customers as well as allow them to construct a database that can be used to generate business leads that may translate to increased sales and thus grow the SMEs. The study recommends that policy makers such as the government should be keen on the current trends of technological adoption by SMEs to come up with policies that encourage best practices for the growth of the SME sector. Issues of copyright and privacy should also be addressed, and training of media management and provision of business solutions that would bridge the gap and encourage more SMEs to adopt the use of media management tools which would lead to their growth.

**Key words:** Entrepreneurship Growth, Small and Medium Enterprises (SMEs), Media management, Media, Iran

**1. Introduction**

Nowadays, media management has attracted increasing scholarly attention. Specialized teaching programs have been initiated at different academic institutions, often in response to the demand of established media companies to professionalize their management skills and to receive new input for rejuvenating their companies.

Research activities in media management are on the rise. Yet, most media management research to date focuses on larger, established firms. In comparison, very little is known about entrepreneurial activities of independent start-up companies in the different media industries. This is somewhat surprising, as both the need for media companies to be entrepreneurial (Ali Fallah, Rouhollah Mojtahedzadeh and Ali Asghar Haeri Mehrizi) and a supposedly high level of entrepreneurship among media firms have been claimed. Much scholarly work in the area of media economics and media management has been conducted with the aim to explain media industry performance, and largely disregarded entrepreneurial behavior of individuals as well as entrepreneurial activities and processes of individual start-up companies. In the few instances where such activities, behavior, and processes have been addressed, the vantage point has almost exclusively been in the new media (Hang & Van Weezel, 2007). Entrepreneurship in the traditional media has so far mainly been addressed regarding corporate entrepreneurship activities which aim at rejuvenating existing businesses and attempting turnarounds of companies in decline. (As explained by Fallah, Mojtahedzadeh and Mehrizi 2012).

**2. Problem statement of this study**

The main reason of this theoretical research is unsuitable implementations of Media management model on entrepreneurship growth among Iranian SMEs and the specific objectives of this research as follows:

***2.1.* Specific Objectives**

To determine the effect of Innovation on the Entrepreneurship Growth of SMEs in Tehran

To establish the effect of Pricing on the Entrepreneurship Growth of SMEs in Tehran

To establish the effect of Market access on the Entrepreneurship Growth of SMEs in Tehran

To determine the effect of Customer Relationship Management on the Entrepreneurship Growth of SMEs in Tehran

**3. Literature review**

According to Küng, (2007) media management attempts to build a bridge between the specificities of the media industry and the general management theory, the field is far from being clearly defined. Additionally it is underexplored and under theorized. In another study, Mierzejewska & Hollifield, (2006) explained that the subject of media management has been approached from media-related disciplines that are not necessarily anchored in the study of organizations such as political economy, communications, journalism, and media economics. This implies that the range of theories used in media management research is equally diverse. The remaining pages of this chapter will discuss main theoretical approaches used in the media management scholarship. (Mierzejewska, B. 2010)

As explained by Hang, M. & van Weezel, A. (2007) entrepreneurship in the traditional media has so far mainly been addressed regarding corporate entrepreneurship activities which aim at rejuvenating existing businesses and attempting turnarounds of companies in decline. Journalism, (2007) pointed out that In 2006, the Media Management and Transformation Centre at Jönköping International Business School in Sweden hosted an international research workshop on media entrepreneurship. And media entrepreneurship is not only of interest to academic scholars—the topic also is of highest relevance to practitioners. Furthermore, Interest in the phenomenon of media entrepreneurship is currently emerging in different academic institutions around the world. Some universities have initiated centers or research activities with a focus on media entrepreneurship—Arizona State University’s Walter Cronkite School of Journalism and Mass Communication have recently received a major grant to open the Knight Center for Digital Media Entrepreneurship.

According to Picard, (2005) and Davidsson, (2003) a definition of media entrepreneurship requires incorporating other significant aspects of media products, namely literary and artistic endeavors or more missionary attempts of ‘changing the world’. These aspects as well as the possibility of different existing degrees of consciousness in entrepreneurial aspiration, the entrepreneurship process as well as the entrepreneurial individual(s) are included in a broad definition of media entrepreneurship as how new ventures aimed at bringing into existence future media goods and services are initially conceived and subsequently developed.

Based on Timmons, 1990 Entrepreneurship research has long acknowledged a connection between emerging social trends and entrepreneurial opportunities, but entrepreneurship as a process to foster social and societal progress has only recently attracted the interest of researchers (Dees & Elias, 1998; Alvord, Brown & Letts, 2004). Further, relevant for the context of media entrepreneurship is the definition of social entrepreneurship as a “process involving the innovative use and combination of resources to pursue opportunities to catalyze social change or address social needs” (Mair & Martí, 2006). For many media entrepreneurs, just as for social entrepreneurs, the mission is explicit and central in founding and running a venture. This also affects how entrepreneurs perceive and assess opportunities. Mission-related impact often becomes the central criterion, not wealth creation. Wealth might just be a means to an end for media entrepreneurs. Another feature which media entrepreneurship share with social entrepreneurship is that the value created can be difficult to capture—in more concrete terms, a media company which has achieved an impact on society might not be able to gain much economic value from this impact. (As demonstrated by Mair & Martí, 2006)

Based on Jagongo, Ambrose and Kinyua,Catherine. (2013) and Evans and McKee, (2010) customer intelligence gathered from social media is important in driving the innovation in a business. The use of social technologies provides insights, thoughts and ideas on how to better serve customers and enables businesses to discover innovative ways to conduct business or new products and services to offer customers.

In the same manner, Kotler and Armstrong, (2011) proposed that products and services innovation translates into ideas becoming a reality. This eventually leads to the financial growth of businesses. The growth of social media network platforms on the World Wide Web has brought a remarkable impact on the facilitation of global social interconnections. Social media offers unparalleled constant connectivity for users, allowing them to share, collaborate and establish online communities. Both businesses and consumers are using the media to share information, exchange opinions and recommendations and display certain consumption behavior (Kotler and Armstrong, 2011). As such, social media gives marketers the power to promote their products and services by transforming the communication networks into influence networks.

**4. Research methodology**

**4.1 Hypothesis Development**

H1: to determine the effect of Innovation on the Entrepreneurship Growth of SMEs in Tehran

H2: to establish the effect of Pricing on the Entrepreneurship Growth of SMEs in Tehran

H3: to establish the effect of Market access on the Entrepreneurship Growth of SMEs in Tehran

H4: to determine the effect of Customer Relationship Management on the Entrepreneurship Growth of SMEs in Tehran.

The Figure 1 portrayed the theoretical model of the current study.

***Figure 1. The Theoretical Model***

**Independent Variable Dependent Variable**

Innovation

**H1**

Pricing

**H2**

**Entrepreneurship Growth**

Market access

**H3**

Customer Relationship Management

**H4**

**4.2 Results and Analysis**

**4.3 Descriptive Statistics**

The results of descriptive statistics indicated general agreement of the respondents to the different Media Management and Entrepreneurship Growth. The mean values ranged from highest 4.876 to lowest 4. 123. The results for Innovation indicated highest concurrence (*Mean* = 4.876, *Standard Deviation* = 0.715); Customer Relationship Management (*Mean* = 4.431, *Standard Deviation* = 0.829); Market access (*Mean* = 4.129, *Standard Deviation* = 0.924); Pricing (*Mean* = 4.123, *Standard Deviation* = 0.847); and Entrepreneurship Growth (*Mean* = 4.738, *Standard Deviation* = 0.571) respectively. The mean score and standard deviation reflected conformity of respondents’ perception about this Media Management and the agreement to the model.

**4.4 Reliability and Validity of Data**

The results indicated Cronbach’s alpha for questionnaire (35 items) was 0.924. The Cronbach’s alpha for individual variable of Innovation (.825); Pricing (.952); Market access (.947); Customer Relationship Management (.875); and Entrepreneurship Growth (.934) were found above acceptable level. Results are at Table 1.

***Table 1. Reliability Analysis***

**Variables**  **Cronbach’s Alpha**

Innovation .825

Pricing .952

Market access .947

Customer Relationship Management .875

Entrepreneurship Growth .934

**5. Conclusion**

This study evaluated the effects of Media Management on Entrepreneurship Growth in the Iranian SMEs of a developing economy. Review of literature provides strong evidence of effective Media Management and their relationship with Entrepreneurship Growth in physical and attitudinal dimensions. Our research empirically substantiated the results of earlier studies with regard to this linkage. The study highlights the importance of Media Management to achieve Entrepreneurship Growth in changing business environment and need for an integrated approach toward formulation and implementation of Media Management. The organizations need to proactively pursue a strategic approach to Media Management and invest in such practices to achieve sustainable competitive advantage in tangible and intangible dimensions.

**6. References**

Alvord, S.H., L.D. Brown, C.W. Letts, 2004. Social entrepreneurship and societal transformation, Journal of Applied Behavioral Science, 40(3): 260-282.

Davidsson, P., 2003. The domain of entrepreneurship research: some suggestions. In J.A. Katz & D. Shepherd (eds.). Advances in entrepreneurship, firm emergence, and growth. Cognitive approaches to entrepreneurship research, 6: 315-372.

Dees, J.G., J. Elias, 1998. The challenges of combining social and commercial enterprise, Business Ethics Quarterly, 8(1): 165-178.

Evans D. and McKee, J. (2010). *Social Media Marketing: The Next Generation of Business Engagement*. Wiley Publishing, Inc., Indiana

Fallah, A, Mojtahedzadeh, R and Mehrizi, A. (2012). Understanding Entrepreneurship and Media Management in Iran. Journal of Applied Sciences Research. 8(3), 1736-1738.

Hang, M., A. van Weezel, 2007. Media and Entrepreneurship: What do we know and where should we go? Journal of Media Business Studies, 4(1): 51-70.

Jagongo, Ambrose and Kinyua,Catherine. (2013). The Social Media and Entrepreneurship Growth. International Journal of Humanities and Social Science.3(10). 213-227.

Journalism Leaders Forum, (2007). Learning from digital media entrepreneurs, accessed June 28.

Kotler, P. and Armstrong, G. (14th ed.) (2011). *Principles of Marketing*. Pearson Prentice Hall.

Küng, L., 2007. Does media management matter? Establishing the scope, rationale, and future research agenda for the discipline. Journal of Media Business Studies, 4(1): 21-39.

Mair, J., I. Martí, 2006. Social entrepreneurship research: A source of explanation, prediction, and delight, Journal of World Business, 41: 36-44.

Mierzejewska, B., 2010. Media Management in Theory and Practice. Media Management in Theory and Practice, 13-30.

Mierzejewska, B., C.A. Hollifield, 2006. Theoretical approaches in media management research. In A. Albarran, S. Chan-Olmsted, & M. O. Wirth (Eds.), Handbook of media management and economics, 37-65.

Picard, R.G., 2005. Unique characteristics and business dynamics of media products, Journal of Media Business Studies, 2(2): 61-69.

Timmons, J., 1990. New Venture Creation. Entrepreneurship in the 1990s. Homewood, IL: Irwin.