Entrepreneurial Marketing Skills and Growth of Small and Medium Plastics Manufacturing Enterprises in Nigeria

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Abstract
Purpose: The purpose of this study was to determine the influence of entrepreneurial marketing skills on growth of small and medium plastic manufacturing enterprises in Nigeria.

Methodology: Descriptive research design was applied by the study. The study target population was 18,476 plastics manufacturing SMEs in LAGOS State, Nigeria. Based on Yamane Formula adopted the sample size for this study was 397 respondents. Random sampling was used to select the 392 plastics manufacturing SMEs. The study therefore randomly selected 392 plastics manufacturing SMEs from a list of total lists of these is 18476 plastics manufacturing SMEs in LAGOS State, Nigeria. The study used semi structured questionnaires to collect primary data. The study used SPSS version 27 software to analyse the data. Both descriptive and inferential analyses were carried out. Results from analysed data were presented in tables and figures.

Results: The inferential statistics results revealed a positive and significant relationship between entrepreneurial marketing skills on growth of small and medium plastic manufacturing enterprises in Nigeria at p<0.05. Entrepreneurial marketing skills for SMEs that growth of small and medium plastic manufacturing enterprises had a Pearson’s correlation of r=0.808 (p<0.000). The correlation results implied that entrepreneurial marketing skills had very strong positive correlation with growth of small and medium plastic manufacturing enterprises in Nigeria. The finding implied that improving the marketing skills for SMEs entrepreneurs would results to high growth of heir enterprises. The R² for the model was 0.653 indicating that 65.3% of growth of SMEs is explained by entrepreneurial marketing skills other factors held constant. This was a sign that the model was appropriate for establishing the relationship between entrepreneurial marketing skills on growth of small and medium plastic manufacturing enterprises in Nigeria.

Unique Contribution to Theory, Practice and Policy: Life Cycle Theory used in this study may be used to anchor future studies on describing the different stages of corporate life. The study recommends that SMEs owners should invest in capabilities that will enable gather market information in the industry they operate. This will ensure that marketing approach and their entire growth model is streamlined to optimize market segment that have the largest potential for growth. According to the study, policy makers should formulate policies that will ensure that SMEs are trained on entrepreneurial marketing skills and financial management to equip them with adequate skills need to grow their businesses.

Keywords: Marketing, Financial, Skills, Growth, SMEs, Nigeria

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INTRODUCTION

The world has over the years and especially in the 21st century evolved into an entrepreneurial economy, creating unique products and birthing businesses that are new for development (Ogar & Charles, 2014). Entrepreneurship has also been poised as the mainstay of most economies around the globe (Obaji, Olaolu & Jumbo, 2019). The entrepreneurial value chain universally remains a key driver of economic development and growth. The contribution of entrepreneurship through various outfit like Small and Medium Enterprises (SMEs) to the long-term development of any economy cannot be over-emphasized (Usman & Tahir, 2018). SMEs represent about 90% of businesses and more than 50% of employment worldwide. Scholars point to the critical role that SMEs play in developing countries’ economies through provision of employment opportunities, wealth creation and uplifting the standards of living (Edmore, 2017).

The contribution of SMEs in Nigeria is recognized as key to the development of the economy owing to its great potentials for employment generation, improvement of local technology, output diversification, development of indigenous entrepreneurship and forward integration with large scale industries (Amin, 2021). A growing number of SMEs in the country, a need to reconcile their policies, programs and activities became very important and this leading to formation of Small Medium Scale Enterprise Agency of Nigeria in 2014.

SMEs contributed to 48% of the national GDP in the last five years and account for about 50% of industrial jobs and nearly 90% of the manufacturing sector (Abdul, 2018). SMEs thus play a vital role in national development and are currently positioned as the main engine of economic growth and wealth creation. SMEs also improve forward and backward linkages between economically, socially and geographically diverse sectors of the Nigeria economy (Gbandi & Amissah, 2014). Nigeria is ranked 131 among 190 economies in the ease of doing business. This is partly because the Nigerian business environment has been coloured and polarized with lots of challenges spawning fear as a result of insecurity, uncertainty, political, environmental and cultural disparities, leading to collapse of various business outfits particularly Micro small and medium scale enterprise (MSME) and relocation of bigger industries to other countries, slow economic growth is of great concern to the development of Nigeria (Ogunode, Abereola & Oloyede, 2020).

The 2021 IMF forecast projected that the economy of Nigeria will grow by 2.7% in 2022 and is expected to grow between 2.6% and 2.7% in 2022-2026 period, just barely above population growth estimates and insufficient to create the scale of jobs required to reduced poverty (Ayiku & Grant, 2021). Too few jobs are being created for the 3.5 million young Nigerians coming of working age annually, adding to the pool of under or unemployed. There is no gain-saying that government does not create jobs but, small and medium scale businesses. One of the exclusive functions of government is to create the enabling environment for businesses to thrive. The SMEs having been recognized as one of the engines that drive job creation and development, have underperformed in Nigeria over the years due to numerous factors including poor policy implementation and other environmental factors (Makinde & Agu, 2018).

A joint study conducted by the Nigerian Bureau of Statistics (NBS) and SMEDAN (2010), the analysis shows SMEs contributed about 46% to the national Gross Domestic Product (GDP) hoping progressively by the year 2020, Nigeria would be among the top twenty economy of the world (Takata, 2016). Studies have shown that SMEs have grossly underperformed in Nigeria hence, urgent, deliberate and concerted efforts from all stakeholder is required to allow for the growth and sustainability of this sector. Ogar, Nkamare and Effiong (2014), clearly
captured the underperformance of SMEs in Nigeria in relation to their counterparts by revealing that although about 96% of Nigerian businesses and SMEs compared to 53% in the US and 65% in Europe, they contribute approximately 1% of GDP compared to 40% in Asian countries and 50% in both the US and Europe.

The government needs to provide the much-needed enabling environment, leadership, support and all that is required to stimulate SMEs and position them on the right footing. As a result of this unprecedented challenges in our business environment, the government in 2022 inaugurated (PEBEC) presidential enabling business environment council and the legislation of start-up bills 2022 to encourage and create a friendly environment for business development and economic growth in Nigeria (Bosire & Nzaramba, 2014).

Problem Statement
Lack of entrepreneurial marketing skills among SMEs owner and managers in Nigeria has resulted to lack of growth among SMEs. For Instance, government reports on SMEs sector in Nigeria point out that the growth is slow, unsatisfactory and inconsistent in contrast to other emerging economies peers like the BRICKS and Sub-Saharan Africa’s (SAA) (Zangpo, 2018). This growth is not also consistent with the country’s SMEs growth potential (Abdul, 2018). There cannot be a better proof of a declining growth of SMEs than the rising national unemployment statistics (Anderson, Chandy & Zia, 2018). The need to enhance SMEs growth and contribution to Nigerian Economy was captured in the nation’s vision 2020 where strategies in policy to spur credit access, develop infrastructure, develop competence and offer tax advantages were spelt out (Veer & Dobele, 2018). According to Bosire and Nzaramba (2014), Nigeria is a world leader in entrepreneurial spirit, and they believe they have necessary skills and knowledge. However, despite this report, the amount of failed SME has not reduced in recent years. The focus of research in entrepreneurship over the years is on building theory without the consideration or attention on what it takes for a venture to survive. The empirical studies of Abdul (2018), in their findings, concluded that development of entrepreneurial skills could serve as a measure for improving the self-reliant of start-ups and established entrepreneurs. The reviewed empirical Studies have generally concentrated on various situations and locations; it is still essential that a study be conducted to close the gaps. In light of this, this study aims to determine the influence of entrepreneurial marketing skills on growth of small and medium plastic manufacturing enterprises in Nigeria.

Objective of the Study
To determine the influence of entrepreneurial marketing skills on growth of small and medium plastic manufacturing enterprises in Nigeria.

Research Hypothesis
H0: There no significant influence of entrepreneurial marketing skills on growth of small and medium plastics manufacturing enterprises in Nigeria

LITERATURE REVIEW
Life Cycle Theory
The study was anchored on Life Cycle Theory. Lifecycle models describe the different stages of corporate life. Every company is grown and developed according to a natural lifecycle, facing predictable problems at each stage along their way (Masurel & Van Montfort, 2006). All organizations, like all living organisms, have a lifecycle and undergo predictable and repetitive behaviour patterns as they grow and develop. At each new stage of development, an organization is faced with different challenges. How well or poorly can the management
answer these challenges, it establishes their future, the success or failure of the organization (Loué & Baronet, 2012). The life of organizations shows a cyclic process, as Mustapha (2017), emphasized; the life of a company or organization is a set of new challenges, which may be solved successfully or unsuccessfully. These answers will determine the growth path of the companies. Life of the enterprises may be considered as a process, a cycle or set of cycles. According to Chandler and Jansen (1992), it is better to consider lifecycles, because the companies’ life is not a permanent developing process but rather a cycle, where the periods of stagnation, increase and decrease change periodically. In our opinion, this aspect is closer to the reality, so we used this theory in our research work.

These models may undisputedly help to define the exact place of the enterprises in the lifecycle phases; moreover, these lifecycle models show the different problems of the different stages, which may give practical help to the enterprises by presenting a so-called corporate medical record for the company executives. Masurel and Van Montfort (2006), developed one of the early life cycle models of companies. This early work on corporate lifecycles made a base for subsequent researches on linkages between the company’s lifecycle and their impacts on strategy, human resources management, operational practices etc. The core of most lifecycle models is that companies have to face different issues during the different stages of their lifecycle. Knowledge and skills are therefore required to steer the enterprise into various growth cycle (Yousefi & Dadvand, 2016). This theory is relevance to the current study since it proposes that entrepreneurial knowledge and skills is akin to identification of opportunities in the markets. This theory therefore informs the relationship between the need for entrepreneurial skills and continues growth of the enterprises.

**Conceptual Framework**

The purpose of using the conceptual framework was to provide a diagrammatic presentation of a theory and it is presented as a model when research variables and their relationship are translated into a visual picture to demonstrate the interconnectivity between the independent and the dependent variables (Mugenda & Mugenda, 2003). It illustrates how dependent and independent variables are related. Entrepreneurial marketing skills was the independent variable while growth of small and medium plastics manufacturing enterprises was the dependent variable.

![Conceptual Framework](image)

**Research Gaps**

Adendorff, Emuze and Vilakazi (2013), point to a number of challenges as responsible for dwindling growth of SMEs which include; financial challenges, poor entrepreneurial skills set, poor attitude and competition among others. Pieces of literature have identified lack of entrepreneurial marketing skills as one of the key stumbling blocks to increasing performance
of SMEs in Nigeria. Entrepreneurial marketing skills have been proposed as the lifeline of any business irrespective of size (Zangpo, 2018). Although there is existence of studies between entrepreneurial marketing skills and SME, most of these were case studies focused on the relationship of one or two skills and performance or growth (Abdul, 2018). Little research focused on the ‘acquired and trainable’ skills of entrepreneurial skills of marketing on growth of SMEs yet significant national (Vision, 2020) efforts have been directed towards developing these skills (Ayiku & Grant, 2021). Consequently, this study intends to examine the influence of entrepreneurial marketing skills on growth of SMEs in Nigeria.

METHODOLOGY

The study used mixed research design which include both quantitative and qualitative design heavily which according to Cooper and Schindler (2003), assumes that science seeks to establish facts with little regard for subjective status of individual. Further the key ideas in quantitative design include; the observer being independent from what is being observed and the choice of what to study is determined by objective criteria rather than human beliefs and uses numerals in its measurement. The target population for this study was all the registered SMEs in Lagos State, Nigeria. SMEs make up 73,081 entities in Nigeria with manufacturing accounting for 68.7 percent which translate to about 50206 SMEs in manufacturing industry. Therefore, the population of the study was 50206 SMEs in manufacturing industry in Lagos State, However, the study was limited to plastics manufacturing SMEs accounted for 36.8 percent an equivalent of 18476 SMEs.

The sampling frame of the current study consisted of all manufacturing SMEs in Lagos state in Nigeria. This is because Lagos State has the highest GDP contribution to the national economy and is home to over 90% of the total SMEs in the country. The manufacturing SME subsector also accounts for over 68.7 percent of the total national SMEs. The total list of these 18476 plastics manufacturing SMEs was obtained from the Ministry of Commerce and Industry report of 2019 of Lagos State, Nigeria. In the first stage, the study utilized purposive sampling to select SMEs in the manufacturing sector which account for 68.7 percent of all the SMEs in Nigeria. Additionally, the study purposively samples from SMMEs in Lagos State due to the large concentration of these in the state (over 90%) county governments from which county government officials were drawn.

Yamane’s (1967) formula was adopted to determine the sample size of 392 respondents. Random sampling was then used to select the 392 plastics manufacturing SMEs. The study therefore randomly selected 392 plastics manufacturing SMEs from a list of total lists of these is 18,476 plastics manufacturing SMEs. The managing director/CEO of these enterprises were main respondents therefore the study administered 392 questionnaires. The study used semi-structured questionnaires to collect primary data. This study used both closed-ended questions and open questions to collect the data. The questionnaire was administered to the managing director of SMMEs and or their equivalent. The researcher employed SPSS version 27 software to analyse the data. Both descriptive and inferential analyses were performed. Specifically, descriptive statistics included means and frequencies. Inferential statistics included regression and correlation analysis.

RESULTS AND DISCUSSIONS

Descriptive Analysis of Entrepreneurial Marketing Skills

A total of 304 questionnaires were dully filled and returned which reflected a response rate of 77.5%. The main entrepreneurial marketing skills that the study focused on include market identification skills, market positioning skills and branding skills. This section presents the
responses from the respondents based on statement used to entrepreneurial marketing skills and their influence on growth of small and medium plastic manufacturing enterprises in Nigeria.

Table 1: Descriptive Results for Entrepreneurial Marketing Skills

<table>
<thead>
<tr>
<th>Statements</th>
<th>SD</th>
<th>D</th>
<th>NAD</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market identification skills is essential for all entrepreneurs to enhance their enterprise growth</td>
<td>10.5%</td>
<td>21.1%</td>
<td>5.3%</td>
<td>21.1%</td>
<td>42.1%</td>
<td>3.63</td>
<td>1.46</td>
</tr>
<tr>
<td>We have the ability and knowledge to understand the market we operate in</td>
<td>21.1%</td>
<td>5.3%</td>
<td>5.3%</td>
<td>42.1%</td>
<td>26.3%</td>
<td>3.47</td>
<td>1.47</td>
</tr>
<tr>
<td>Our business adopt the modern marketing and branding strategies to enhance our business growth</td>
<td>10.5%</td>
<td>10.5%</td>
<td>5.3%</td>
<td>21.1%</td>
<td>52.6%</td>
<td>3.95</td>
<td>1.40</td>
</tr>
<tr>
<td>We have the technical ability to apply the latest technologies in our marketing strategy</td>
<td>10.5%</td>
<td>15.8%</td>
<td>10.5%</td>
<td>26.3%</td>
<td>36.8%</td>
<td>3.63</td>
<td>1.39</td>
</tr>
<tr>
<td>Our marketing team is properly trained on latest marketing approach to improve our market share</td>
<td>5.3%</td>
<td>31.6%</td>
<td>0.0%</td>
<td>31.6%</td>
<td>31.6%</td>
<td>3.53</td>
<td>1.35</td>
</tr>
<tr>
<td>Our firm has a market research team composed of skilled personnel</td>
<td>10.5%</td>
<td>5.3%</td>
<td>15.8%</td>
<td>36.8%</td>
<td>31.6%</td>
<td>3.74</td>
<td>1.25</td>
</tr>
<tr>
<td>Our market approach is the best in the industry that most our competitors are struggling to keep up</td>
<td>10.5%</td>
<td>0.0%</td>
<td>10.5%</td>
<td>31.6%</td>
<td>47.4%</td>
<td>4.05</td>
<td>1.24</td>
</tr>
<tr>
<td><strong>Average mean</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>3.71</strong></td>
<td></td>
</tr>
</tbody>
</table>

SD (1) - Strongly Disagree D (2)-Disagree, N (3)- NAD, A (4)-Agree SA (5)-Strongly Agree

First, the study sought to determine whether market identification skills are essential for all entrepreneurs to enhance their enterprise growth. The results presented in Table 1 show that 21.1% and 42.1% of the respondent agreed and strongly agreed respectively. Those who disagreed and strongly disagreed were 21.1% and 10.5% respectively. These findings implied that majority of the SMEs owner valued market identification skills while others considered market identification skills non-essential on the growth of enterprises. According to Mustapha (2017), analysis of the market and its environment, customer buying behaviour, competitive activities and the need and capabilities of marketing intermediaries are significant in business success. Hence, the differential understanding of the need for marketing skills could explain why some SMEs growth sustainably while others fail to reach their third year of operation.

The study further sought to find out from the respondent whether they had the ability and knowledge to understand the market we operate in. The results show that 42.1% and 26.3% agreed which implied that had ability to understand their market while 21.1% and 5.3% of the respondent disagreed strongly and disagreed respectively implying that they lacked ability to understand their market. In the modern business environment competitiveness of SMEs lies in their ability to scan and understand their market in order to exploit the available and stay ahead.
Lack of this ability is recipe for business failure in this competitive business environment. The findings support Nimusima and Karuhanga (2019), who argue that the aim of the development of an organization’s marketing strategy is to establish, build, defend and maintain its competitive advantage.

The respondents were further asked whether their business adopt the modern marketing and branding strategies to enhance our business growth. The statement had a mean of 3.95 which implied that majority of the respondent agreed that their SMEs adopted modern marketing and branding strategies to enhance our business growth. On whether they had technical ability to apply the latest technologies in their marketing strategy, the results show that 26.3% and 36.8% of the respondents agreed and strongly agreed. The findings implied that SMEs in plastics manufacturing in Nigeria were innovative in terms of using modern innovation in marketing to enhance their growth. These further indicate that majority of owners of plastics manufacturing SMEs in Nigeria had adequate entrepreneurial marketing skills. Takata (2016), also argues that marketing capabilities have a stronger effect on performance in cases of highly competitive rivalry compared with those of low competitive rivalry.

This study sought to find out whether plastics manufacturing SMS in Nigeria had market research team composed of skilled personnel and whether their marketing team is properly trained on latest marketing approach to improve our market share. These statements had mean score of 3.53 and 3.74 that confirmed that majority of plastics manufacturing SMS in Nigeria had well equipped and skilled marketing teams. The result finally showed that 31.6% and 47.4% agreed and strongly agreed that their market approach was the best in the industry that most their competitors are struggling to keep up.

The findings in this section on average implied that majority of plastics manufacturing SMS in Nigeria had adequate entrepreneurial marketing skills which enable them to survive despite stiff competition from multinational companies and other local SMEs. These findings also indicate the crucial role of entrepreneurial marketing skills in SMEs growth. The study finding concur with Anderson et al. (2018), who found that consistent with a growth focus, marketing/sales skills are significantly more beneficial to businesses run by entrepreneurs with ex ante less exposure to different market contexts. Similarly, the study finding supports those of Takata (2016), who found that marketing capabilities have a stronger effect on performance in cases of highly competitive rivalry compared with those of low competitive rivalry.

**Test of Hypothesis**

Both correlation and regression were used to test the influence of entrepreneurial marketing skills and growth of small and medium plastic manufacturing enterprises in Nigeria. According to the results in Table 2, the Pearson correlation value for entrepreneurial marketing skills and growth of small and medium plastic manufacturing enterprises in Nigeria was $r=0.808$, $p=0.000$. These findings further implied that entrepreneurial marketing skills had very strong positive correlation with growth of small and medium plastic manufacturing enterprises in Nigeria. The finding implied that improving the marketing skills for SMEs entrepreneurs would result to high growth of their enterprises. The study finding support the finding of Mustapha (2017), who revealed that analysis of the market and its environment, customer buying behaviour, competitive activities and the need and capabilities of marketing intermediaries are significant in business success.
Table 2: Correlation Matrix

<table>
<thead>
<tr>
<th>Variable</th>
<th>Entrepreneurial Marketing Skills</th>
<th>Growth of SMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth of SMEs</td>
<td>r</td>
<td>.808**</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>304</td>
</tr>
</tbody>
</table>

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

Regression Analysis Results

This section presents the results on test of hypotheses which was conducted using regression analysis. Regression was fitted to test whether entrepreneurial marketing skills, and significantly predicted growth of small and medium plastic manufacturing enterprises in Nigeria. The hypothesis of the study was H₀₂ that there no significant influence of entrepreneurial marketing skills on growth of small and medium plastic manufacturing enterprises in Nigeria. According to the results in Table 3, entrepreneurial marketing skills had β = 0.401, p-value = 0.000. Since p value was less than 0.05 the study rejected H₀ that there is no significant influence of entrepreneurial marketing skills on growth of small and medium plastic manufacturing enterprises in Nigeria. The findings revealed that entrepreneurial marketing skills had positive and significant effect on growth of small and medium plastic manufacturing enterprises in Nigeria. A unit increase in entrepreneurial marketing skills would produce an increase of 0.401 units in growth of small and medium plastic manufacturing enterprises in Nigeria. These study findings were consistent with those of Anderson et al. (2018), who found that marketing/sales skills are significantly more beneficial to businesses run by entrepreneurs with ex ante less exposure to different market contexts. The finding further concurs with Takata (2016), who indicated that the direct effect of marketing capabilities on performance is stable over the three years investigated. The results also suggest that marketing capabilities are the most important driver of performance, followed by industry forces, specifically, competitive rivalry and power of suppliers, and market orientation.

Table 3: Regression Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.04</td>
<td>0.131</td>
<td></td>
<td>7.971</td>
<td>0.000</td>
</tr>
<tr>
<td>Entrepreneurial Marketing Skills</td>
<td>0.401</td>
<td>0.044</td>
<td>0.377</td>
<td>9.062</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a Dependent Variable: Growth of SMEs

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The study establishes that marketing skills has a significant effect on growth plastic manufacturing SMEs in Nigeria. The concluded that SMEs that have a market research team composed of skilled personnel, that best market approach in the industry compared to most their competitors and finally adopt the modern marketing and branding strategies enhance the growth of SMEs. The study finally concludes that SMEs growth is highly dependent on the entrepreneurial marketing skills of the owners or key managers in the business.

Recommendations

The study showed that majority of SMEs lacked the ability and knowledge to understand the market we operate in and their marketing team was not properly trained on latest marketing approach to improve our market share. The study therefore recommends that SMEs owners should invest in capabilities that will enable gather market information in the industry they
operate. This will ensure that marketing approach and their entire growth model is streamlined to optimize market segment that have the largest potential for growth. The study also recommends that SMEs owners should ensure that their marketing teams are properly trained in latest marketing skills which will help them increase their market share. To ensure growth of plastic manufacturing SMEs in Nigeria the study recommends that, there is need for training on market identification skills, market positioning skills and branding skills.
REFERENCES


