

## EFFECTS OF MARKETING STRATEGIES, 4Ps OF MARKETING ELEMENTS AND FIRM RESOURCES ON THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN NIGERIA.

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### Abstract

The paper investigates the effect of marketing strategies, 4Ps of marketing and firm resources on the performance of small and medium enterprises in Nigeria. Nevertheless, the effect of marketing strategies on business performance of small and medium enterprises remains elusive, even despite an established research tradition. This may be due to the fact that the outcome of marketing strategies are subject to many internal and external influences, making the identification of cause and effect linkages very hard. The main objective of the study is to examine the effect of marketing strategies on the business performance of small and medium enterprises in Nigeria. A theoretical framework is developed to examine the effect of marketing strategies, 4Ps of marketing and firm resources on Small and Medium Enterprises (SMEs) performance in Nigeria. The study proposes a research model of small and medium enterprises (SMEs) performance based on marketing orientation. The proposed model suggests significant interaction among marketing strategies, 4Ps of marketing and firm resources on small and medium enterprises (SMEs) performance in Nigeria. The study adopted descriptive survey and exploration design methods for the collection of vital information from sample SMEs in Nigeria. Primary data were collected through the use of questionnaires administered to 100 Small and Medium Enterprises selected through a multistage probability technique and a reports of operations over ten years period (2004 – 2014), chi-square and ANOVA were applied to data collected. Results confirmed positive effect between the dependent and explanatory variable. The model contributes for better understanding of complex interaction between marketing strategies, 4Ps of marketing elements and firm resources on SMEs performance in Nigeria. This research would contribute to the existing academic theory and advance research on Small and Medium Enterprises (SMEs) in transitional Nigeria economy. Equally too this research has implications for practice. These research findings will help Small and Medium Enterprises (SMEs) managers in the effective use of marketing strategies, 4Ps of marketing elements and firm resources that could help them gain competitive advantage and achieve superior performance.

**Keywords: The 4Ps of Marketing and Firm Resources on Small and Medium Enterprises (SMEs) Performance in Nigeria.**

**Background to the study**

The importance of small businesses is recognized in numerous African countries such as Togo, Uganda, Ghana, Cote d'Ivoire, Nigeria, Kenya, Malawi, Burkina Faso, as well as others. In First World countries like the United States of America and the United Kingdom, small enterprises play an important role in the economy, accounting for an estimated one third of industrial employment than in third World countries (Rwigema and Karungu, 1999). The activities of SMEs enterprises in Africa (Rogerson, 2001a), is of vital importance for the promotion of economic growth. Research conducted on SMEs in Africa by Mead and Liedholm (1998) confirmed that on average there are more SME closure than expansions, with approximately only 1% of micro enterprises growing from five or less employees to ten or more. It has long been debated that SMEs are pivotal to employment creation and economic growth, particularly in countries such as Nigeria that has a high unemployment rate, estimated at up to 24% (Friedrich, 2004; Watson, 2004).

In Nigeria, it is estimated that 90% of all formal businesses are small, medium or micro enterprises (Rwigema and Karungu, 1999). The SMEs sector is one of the largest contributors to the Nigeria economy. The SMEs is not only seen as an employment creator, but this sector also acts as an absorbent of retrenched people coming from the private and public sector (Ntsika, 2001). Although the SMEs sector is responsible for 75% of new jobs, largely due to the emergence of new micro enterprise formations, it compares poorly to Asian countries where SME employment contribution is estimated at 80% (Friedrich, 2004; Watson and Godfrey, 1999). Even in countries less developed than Nigeria their SME sector contributes a much higher proportion to the GDP and employment (UNDP, 2003; OECD, 1999 cited by Watson and Godfrey, 1999).

The European SME definition was given by the European Commission in 2003.

**SME definition by European Commission**

SME Definition				
Enterprise category	Ceilings			
	Staff head count (number of persons expressed in annual work units)	Turnover	Or	Balance sheet total
Medium-sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

Source: European Commission, available on: [www.europa.eu/enterprise/policies/.../sme-definition/](http://www.europa.eu/enterprise/policies/.../sme-definition/)

### Objective of the Study

To establish the effects of marketing strategies on performance of small and medium enterprises in Nigeria

### Specific Objectives

1. To determine the effects of 4Ps of marketing elements on the performance of small and medium enterprises in Nigeria.
2. To examine the effect of leadership skills on the performance of small and medium enterprises in Nigeria.

### Hypothesis of the Study

Ho: there is no relationship between effect of marketing strategies, 4ps of marketing elements and firm resources on the performance of SMEs in Nigeria

Hi: effect of marketing strategies, 4ps of marketing elements and firm resources will not positively influence performance of SMEs in Nigeria

### Statement of the Problem

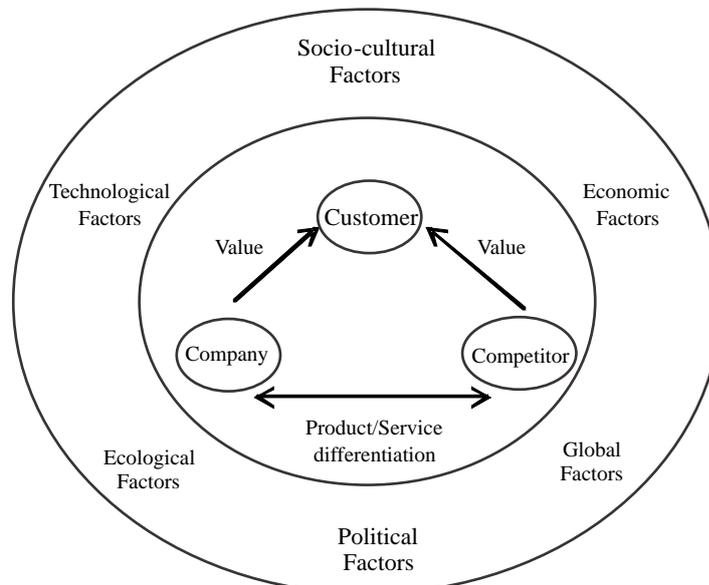
In spite of the relevance, the effect of marketing strategies, 4Ps of marketing elements and firm resources on performance of small and medium enterprises is hardly studied especially in particular business context (Akwaja C. 2005). In most of the developing countries, effect of marketing strategies on the performance of small and medium enterprises is one of the key issues since they are less productive and they face many constrains (Davison, 2004). More than 60% of the enterprises in Nigeria are small and medium and they account for about 65% of the Gross Domestic Product (GDP). (Inegbenebor 2006). But in many cases, they face the constraints of technological backwardness, lack of human resource skills, weak management system and entrepreneurial capabilities, unavailability of appropriate and timely information, insufficient use of information technology, poor product quality etc. As a result, there exists a low level of marketing strategies on the performance of small and medium enterprises (SMEs) in the country.

### Literature/Theoretical Review

The word strategy was originally used in a military context before being adopted by many other fields. A strategy is a long-term course of action designed to achieve a particular goal. It is differentiated from tactics in that a tactic refers to an immediate action using resources at hand. When applied in a business context, a strategy refers to a set of managerial decisions and actions that aims to differentiate the company from competitors and sustain its competitive advantage. A company's strategy must be appropriate for its mission, resources and environmental circumstances. Accordingly, a marketing strategy can be defined as a plan by a company to differentiate the company to differentiate itself positively from its competitors, using its relative strength to better satisfy customer needs in a given environment (Jain, 2004). Strategies have been

defined as the match an organization makes between its internal resources and skills and the opportunities and risks created by its external environment (Charles, 1978). Marketing strategies entails the set of actions designed to achieve competitive advantage and achieve better than average results by intelligent and fact-based selection among alternative leading to such advantage (Shane, 2000).

A marketing strategy process involves matching a company's internal resources and capabilities to external environmental opportunities for the company's long-term development. Three steps are needed to formulate a marketing strategy. First, the company should determine where it stands now by conducting a situation analysis that evaluates a variety of internal and external factors. Second, the company should know where it wants to be. Managers have to clearly and unequivocally identify the company's mission and long-term objectives. Third, the company should decide on how to get where it wants to be. Quality control, feedback and monitoring measures are needed during the implementation process of the marketing plan. Marketing strategies essentially deal with the interplay of three forces, known as the strategic Cs: the customer, the competition and the company (Jain, 2004). The relationships among these elements form the marketing strategy triangle (figure 2.1). To maintain its competitive advantage, a company needs to deliver customers values that can be clearly differentiated from those of its competitors. At the same time, by using available resources, the firm should match its actions and activities with the needs and preferences of customers. Furthermore, the firm must render a better match than its competitors between its needs and customers' needs. If a company fails to do so, it loses the competitive advantage and its long-term sustainability may be put at risk.

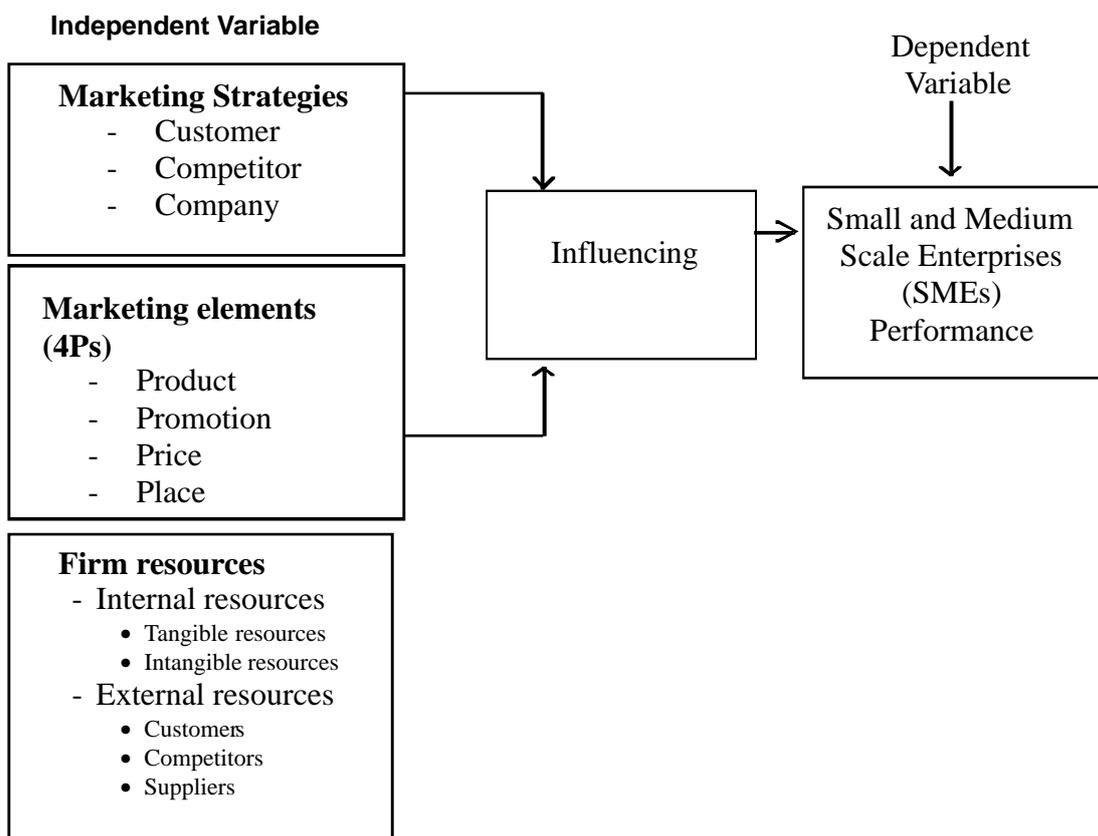


Source: Adapted from Hsu & Powers (2002)  
Figure 1 the marketing strategy triangle

### Conceptual Framework

A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Kombo and Tromp, 2009). A conceptual framework is a research tool intended to assist the researcher to develop awareness and understanding of the situation under scrutiny and to communicate it. When clearly articulated, a conceptual framework has potential usefulness as a tool to assist a researcher to make meaning of subsequent findings. It forms part of the agenda for negotiation to be scrutinized, tested, reviewed and reformed as result of investigation and it explains the possible connections between the variables (Smyth, 2004). A conceptual framework for the present study shows the effect of marketing management strategies 4Ps of marketing elements and firm resources on the performance of Small and Medium Enterprises (SMEs) in Nigeria and has been depicted in figure 2.2 below.

### Independent Variable



**Marketing Elements (4Ps)**  
**Figure 2.2 Conceptual Framework**

## Marketing Elements (4Ps)

### Figure 2.2 Conceptual Framework

#### Product

In marketing, the product is important component of the marketing mix. It determines whether the organization survives or dies. To develop the 'right' product is not an easy task because of the dynamic nature of consumer needs and attitudes. The goods and/or services people buy at any given time are determined by their immediate needs and other external stimuli. According to Busch and Houston (1985) product is anything capable of satisfying a consumer want or need. It can take a variety of forms, including a physical object, a service, a place, an organization, an idea or a personality. Kotler (1980) defined a product as anything that can be offered to a market for attention, acquisition or consumption; it includes physical objects, services, personality, places, organizations and ideas. Stonton (1981) defined a product as a complex of tangible and intangible attributes, including packaging, colour, price, manufacturer's prestige, retailers attitudes which the buyers may accept as offering satisfaction of wants and needs.

Schewe and Smith (1980) recognized the traditional and expanded approaches to defining a product. Under the traditional approach, a product is seen as the entire bundle of utility that is offered by a marketer to the market place. This bundle contains a potential for satisfaction that comes in part from a tangible, objective feature of the product. Satisfaction is also derived from the intangible, subjective features of a product. This accounts for why some people may prefer to buy higher priced goods than their cheaper counterparts. Functionally, the products may serve the same purpose but this is not enough for an ego-conscious consumer. Products can also be viewed from the angle of the benefits they offer, in fact, markets are divided into segments on the basis of benefits which reflect the needs and wants of each segment. A marketer must always try to identify the primary and secondary benefits his product is likely to offer to the consumers and convert them into unique selling proposition (USP).

#### Promotion

Promotion is the function of information, persuading and influencing the consumers' purchase decision. It may be defined as any communication activities whose purpose is to move forward products, idea or service in the marketing channel in order to reach the final consumer. Promotion affects the knowledge, attitudes and behavior of the recipient. Promotion usually provides target audiences with all the accurate information they need to help them take decision to visit a particular destination/site. The information should be accurate and timely and should not be misrepresented so as to satisfy the customers and create a positive image for a destination.

In order to effectively and efficient market SMEs product in Nigerian a number of promotional methods can be used. There include the use of such media as the television, radio, newspapers and

magazines. Such television programmed as “The African Pot”, Nigerian Television Authority News line and documentaries etc. are useful in this regard. As a result of the improvement in information technology, the internet resources can also be harnessed to provide information on Nigeria's abundant resources of facilities thereby helping to promote it globally. Several websites can be created on the internet for these resources and facilities which can be accessed. Such information can support forcefully and positively the appeal and image of Nigeria especially in the key source countries like Western Germany, United States of America, Japan, Great Britain and France. For consumers they are well informed of the availability of the products in the market, where and when to buy them, their benefits and uses and also quality. Without this information, buyers are handicapped in attempting to maximize result of their expenses.

### Price

Price is an important factor in building long-term relationships with customers, and haphazard pricing techniques can confuse and alienate customers and endanger a small company's profitability. Setting prices is not only one of the toughest decisions small business owners face, but it also is one of the most important. Research by the consulting firm McKinsey and Company shows that proper pricing strategies have far greater important on a company's profits than corresponding reductions in fixed or variable costs. For instance, when a company that earns a 10 percent net profit margin raises it prices by one percent, its profits increase by 10 percent (assuming its unit sales remain the same). Improper pricing has destroyed countless businesses whose owners mistakenly thought their prices were high enough to generate a profit when, in fact, they were not.

Pricing decisions cut across every aspect of a small company, influencing everything from its marketing and sales efforts to its operations and strategy. Pricing is the monetary value of a product or service in the marketplace; it is a measure of what the customer must give up to obtain various goods and services. Price also is a signal of a product's or service's value to an individual and different customers assign different values to the same goods and services. From an entrepreneur's viewpoint”, says one business writer. “It's a psychology test”. The psychology of pricing is an art much more than it is a science. It focuses on creating value in the customer's mind but recognizes that value is what the customer perceives it to be. Price can be described as the monetary valued placed on goods or services offered for sale. According to Stanton (1981) price can be defined as the amount of money (plus possibly some goods), which is needed to acquire in exchange some combined assortment of a product and its accompanying services. Price normally reflects the costs of goods (or services) sold, including administrative and selling expenses and, probably some profit. Pricing is therefore, the process of estimating the amount a given product will be sold or exchanged. Price is important because it regulates the economic system and influences the prices paid for all factors of production and the allocation of these factors. It influences the wages paid to workers, the rent a company pays and the profit a company makes. The demand of an item is dependent on the price of the product.

Most Entrepreneurs approach setting the price of a new product with a great deal of apprehension because they have no precedent on which to base their decisions. If the new product's price is excessively high, it is in danger of failing because of low sales volume. However, if its price is too low, the product's sales revenue might not cover costs. In addition, the company runs the risk of establishing the product's value at a low level. Management consulting firm McKinsey and Company claims that 80 to 90 percent of the pricing problems on new products are the result of companies setting prices that are too low. When pricing any new product, the owner should try to satisfy three objectives which are:- getting the product accepted; maintaining market share as competition grows and earning a profit.

### Place

The concept of place has always been somewhat ambiguous. Place does not adequately describe the role and functions distribution in the marketing mix. Distribution signifies where in the marketplace information about a particular product or service can be located so that consumers can be made aware of it, and then decide, if they are persuaded that what they see will satisfy their needs or wants, to make a purchase. Fyall and Garrod (2005) cited Godfrey and Clark's consolidation of this point in their definition of the place element as "routes of exchange". So place has come to be regarded as representing where, how, by whom and through what means such information is distributed and made available in the marketplace. Distribution then is a critical element in the marketing mix.

While not perhaps the most glamorous aspect of marketing as Morgan (1996) has suggested distribution is almost certainly the most important. Put simply, all other marketing efforts are likely to fall if in the end consumers are unable to locate information about the products or services available, particular product or service, and the opportunities for producers and suppliers to convert the motivation to purchase into a sale, depend primarily on consumers' knowing what is available to them, and how, if they so decide, a purchase might be made. As Reid and Bojanic (2006) put it, 'the main objective of the distribution function is to get products and services to consumers where, when, and how they prefer them'.

### Firm Resources

According to Daft (1983) firm resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to lead, conceive of and implement strategies that improve and lead its efficiency and effectiveness. Amit and Schoemaker (1993) define resources as stocks of available factors i.e. know how that can be treated, financial or physical assets, and human capital, and capabilities as firm's capacity to deploy resources.

Barney (1997) classifies firm resources into four categories, viz: financial capital (all different money resources that a firm can use to conceive of and implement strategies); physical capital (physical technology used in a firm, plant, equipment, geographic location, access to raw materials, distribution network, and technology); human capital (training experience, intelligence, relationship and insight of individual managers and workers); and organizational resources (planning coordinating systems, culture and reputation). According to Barney (2000) firm resource include, Human, financial, physical, and knowledge factors that provide a firm the means to perform its business processes. The resource-based theory generally throws more light on how Small and Medium Enterprises in the same industry perform better than the other. It lays emphasis on the internal resources of the Small and Medium Enterprises in developing its marketing strategies to achieve a sustainable competitive advantage in its markets and industry. The theory holds that all resources of the Small and Medium Enterprises are important to enable it generate a competitive advantage in order to have a sustainable competitive advantage by making above average profits, these resources must be valuable, inimitable and non-transferable. (Barney, 1991, 2001, Kraaijenbrink et al, 2010, Peteraf 1993, Eisenhardt and Martin 2000, Amit and Shoemaker 1993), this means that differences in the performance of Small and Medium Enterprises are the result of their distinct resources and capabilities. Again reaping above normal profits or having a competitive advantage in an industry or market can be said to be temporal.

Small and Medium Enterprises combines different sets of resources in order to achieve a competitive advantage. Black and Boal cited Shook et al (2009) contend that each Small and Medium Enterprises possesses differences and capabilities and the way the Small and Medium Enterprises acquires, develops, maintains, bundles and applies these resources leads to superior performance thereby having a competitive advantage over time. Thus, not only do Small and Medium Enterprises resources become strategic when they are valuable, difficult to be copied by competitors, non-transferable or have close substitutes. Hunt and Derozier (2004) have given a summary of the literature about what constitutes Small and Medium Enterprises resources. These are tangible assets and external assets. Tangible asset are physical resources which can be seen and evaluated (Wilk and Fensterseifer, 2003). These include plant, equipment, land, stocks, financial (debtor, creditor, cash in hand and bank). External resources also include plant, equipment, land, stocks, financial (debtor, creditors, cash in hand and bank). External resources also include relationships with and knowledge acquired through suppliers and customers, competitors and institutions like universities.

### Internal Resources

The resource-based theory is based on the premises that internal resources give them competitive advantage through superior performance. Thus, Small and Medium Enterprises tangible and intangible resources constitutes their strategic resources that proper them to outperform their competitors (Barney 2001, Kraaijenbrink et al, 2001, Peteraf 1993). According to Barney (1986),

internal resources of Small and Medium Enterprises are more likely to be sources of economic rents than the resource required from external resource. Many empirical studies have explored the link between internal resource of Small and Medium Enterprises and their performance.

### External Resources

The dynamic and complexity of the external environment are pushing Small and Medium Enterprises not to rely solely on their internal resources for competitive advantage. As noted by Alvarez and Barney (2007) and Dyer and Singh (1998), one of the key strategic challenges of Small and Medium Enterprises is that they hardly possess all the necessary resources to seize rapidly emerging market opportunities. Buttressing this point, Dyer and Singh (1998) opined that small and medium create value from the combination of both their internal and external resources. Recent studies on the marketing strategies literature suggest that Small and Medium Enterprises performance are influenced by external resources acquired through competitors, suppliers, customers, consultants, research institutions, alliances and acquisition.

### Methodology

The study made use of cross-sectional survey design. The survey method used a self-administered questionnaire. The questionnaire survey was conducted in Kaduna state one of major commercial centers in Nigeria. Using multi-stage probability sampling techniques, a sample of 100 small businesses were selected from a list of registered SMEs. Necessary data were collected to ascertain the effect of 4Ps of marketing element and firm resources on the performance of industry operations. The average annual growth rate in the SMEs has been over 10% since 2000. The contribution of the SMEs to the GDP of Nigeria increased from 6.50% in 1999 to 8.60% in 2010 (National Bureau of Nigeria Statistics 2009). Likert scale measurement used to indicate a degree of agreement or disagreement. For the purpose of this study, marketing strategies and 4Ps of marketing elements and firm resources are the independent variables while the performance of small business represented improved sales shall be the dependent variables. A special statistical package (SPSS) was used to obtain the result. A non-parametric statistics (Chi-square) was employed in testing the relationship set, equally, ANOVA was used to test whether there is a linear relationship and the level of Linearity between 4Ps of marketing elements and firm resources and improvement in small businesses performance in Nigeria.

The original questionnaire was first reviewed and revised by two professors (one in marketing and strategic management and another in Entrepreneurship education) with substantial research experience in the subject area in Nigeria and Kenya. The questionnaire survey was conducted in Kaduna towns in Nigeria. The questionnaire together with a cover letter explaining the methodology and objective of the study was distributed to 100 enterprises in the areas. A total of 121 effective responses were received, the response rate of this research is 12.1%. This responses rate compares reasonably well with the major of SMEs studies that explore 4Ps of marketing

elements and firm resources on SMEs performance (Chandler and Hanks, 1994; Luo, 1999; Aragon-Sanchez and Sanchez-Marin, 2005). Table and 2 summarize the respondents particulars and firm performance.

**Table 1: Respondent's particulars**

Location	No. of Respondents	Percentage
Kaduna	11	7.5
Kano	6	5
Abuja	20	18.5
Jos	5	5
Ibadan	5	5
Lagos	20	15
Calabar	5	5
Nasarawa	7	5
Benue	5	5
Port Harcourt	10	7
Kogi	7	5
Enugu	20	15
<b>Total</b>	<b>121</b>	<b>100%</b>
<b>Position</b>		
General Manager	25	20.66
Department Manager	32	26.45
Project Manager	33	27.27
Senior/Store Manager	<u>31</u>	<u>25.62</u>
	121	100%

### SME's Performance

SME's performance was the ultimate criterion in the theoretical model. The competitive performance was often measured by the business volume (including sales, profit) (Barth, 2003; Cheah et al., 2007; Olutunla and Obamuyi, 2008), efficiency (Brooksbank et al., 2001; Davies and Walters, 2004), business growth and sustainable growth (Chandler and Hanks, 1994; Fu et al., 2002). In this research, sales growth was used for measuring SME's competitiveness. The performance of the firm was measured through a subject approach. In this approach the performance of the firm is measured by the perception of the owner/managers providing responses to the Business Performance Questionnaire. The owner/managers were asked to state their firm's performance. This approach was chosen since there is no agreement among researchers on an appropriate measure of performance. Objective approach was not used in this study as collecting objective data is very difficult as the owner/managers are not willing to disclose the firm's information to outsiders.

## Results and Discussion

### Correlation analysis

The statistical software, SPSS 12.0, is used to conduct data analysis in the study. Correlation analysis is the statistical method that can be used to describe the degree to which one variable is linearly related to another. Correlation analysis in the study is used in conjunction with regression analysis to measure how well the least squares line fits the data. Table 3 presents the descriptive statistics and correlations among all variables used in the analysis. An indicated, the correlation analysis has shown that there was significant and substantial level of correlations among variables of the same construct. For example, a medium to high level of correlations from 0.19 to 0.54 was found among the competitive and relationship marketing strategy areas.

Table 1 reveals that majority of the respondents agreed that effect of marketing strategies; 4Ps of marketing and firm resources has positive influence on small business performance. At least, 50% have witnessed many cases where industry prefer marketing strategies and 4Ps of marketing element and firm resources. The implication is that entrepreneurs have high taste for marketing strategies, 4Ps of marketing element and firm resource to management in Nigeria. The regression table R = 484 indicated that there exist a positive relationship between high marketing strategies and improvement in the small business performance in Nigeria. Also R<sup>2</sup> of 157 implied that 15.8% improvement in services delivery of the selected small businesses was accounted for by high marketing strategies, 4Ps of marketing elements and firm resources of the entrepreneurs.

Table 2: Chi-square tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-square	7.5	2	.023
Likelihood Ratio	7.5	2	.024
Linear-by-linear association	3	1	.085
No of valid cases	98		

Source: Field survey 2014

Table 3: Chi-square tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-square	18.218	6	.006
Likelihood Ratio	21.703	6	.001
Linear-by-linear association	2.200	1	.138
No of valid cases	96		

Source: Field survey 2014

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.383	.147	.138	1.42423

Source: Field survey, 2014

### ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
1 Regression	140.474	7	20.068	16.502	.000
Residual	188.730	90	2.097		
Total	228.204	97			

Source: Field survey, 2014

### Conclusion

Marketing strategies, 4Ps of marketing element and firm resources are important for SMEs to survive. Although this research confirmed the role of marketing strategies, 4Ps of marketing element and firm resources as the important aspect of organizational strategy, additional research is needed to refine the understanding of this critical dimension. Future research is also needed to determine other measures of SMEs performance and integrate them in a research from other aspects of entrepreneurial skills such as financial management, communication, motivation of others, vision, and self-motivation. With these, firms can make more appropriate strategy in winning the competition with other firms. For further research, researchers can extend this study on other industries such as manufacturing, constructions, agricultures and telecommunications.

### Recommendations

1. Marketing managers in SMEs is that the effective use of marketing strategies, 4Ps of marketing elements and firm resources could help them gain competitive advantage and achieve superior performance.
2. Although Nigeria's economy is undergoing a transition from planning economy to market one, SMEs should direct their efforts at creating differential advantage, implementing innovation and building good relationship with banks, clients and government.
3. Increasingly, SMEs that have marketing resources and skills and effectively implement marketing resources and skills and effectively implement marketing strategies are more likely to achieve success in the market.

### Implications of the Research

The study has implications both for existing academic theory and advances research on SMEs in transitional economy. The study provides a more accurate and less biased picture of the determinants of SMEs' performance, than is possible when investigation within each field was

constrained by disciplinary boundaries. Such a flexible model may capture the dynamic nature of marketing strategy that evolves over time. The academics can find value in the identification of statistically reliable measures that will be used in further research designed to develop theoretical foundations that will explain the success of SMEs. The findings of this study also have implications for marketing management practice.

#### Limitations and Future Research

The study has several limitations, which merit some consideration when evaluating the empirical findings. The research has limitation in data collection. Although no significant non-response rate had resulted in the smaller than expected sample size, which was less desirable for the statistical precision and confidence of the study. A somewhat larger sample would obviously permit firmer conclusions to be drawn from the results of the statistical analysis. The research has limitations as an operationalization of variables. With the transition of Nigeria's economy from the highly centralized planning mode to a market orientation, process variables and organization structure variables also influence the operation of SMEs. Future research should address this issue in order to better interpret the relationship between organizational behaviour and SMEs' performance.

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