



**THE ROLE OF
MARKETING MIX ON
PERFORMANCE OF
SMALL SCALE
INDUSTRIES IN KEBBI STATE,
NIGERIA.**

ABBA AJI ABBA*¹, MUHAMMED UMAR DIKKO*²

¹Department of Marketing, WaziriUmaruFederal Polytechnic Birnin Kebbi, Kebbi State, Nigeria.

²Department of Banking and Finance, WaziriUmaru Federal Polytechnic Birnin Kebbi, Kebbi State, Nigeria.

Abstract

Marketing mix in small scales industries in northwestern Nigeria is paramount to success and sustainability in the region, small and medium enterprises are the source of economy growth and development globally, by their very nature, SMEs constitute the most viable and veritable vehicle in developing economy, Therefore, this study analyses the role of marketing mix on performance of small scale industries in kebbi state. A sample of three hundred and thirteen 313 registered responses was obtained which comprises of the product, place, price, and promotion. Data were collected

using questionnaire and was analyzed multiple regression. The study established all the variables have a positive and significant relationship to

KEYWORDS:

Marketing mix, price, product, promotion, place, performance and small scales industries.

performance. The study recommends that small scale industries in kebbi state are to be supported by nongovernmental and governmental organization so that it will enable sustainability and efficiency in this hard time of the economy in kebbi state.

INTRODUCTION

The current global marketing is sustainable through the effective and efficient performance of the marketing mix. Marketing mix in small scales industries in northwestern Nigeria is paramount to success

and sustainability in the region, small and medium enterprises are the source of economic growth and development globally, by their very nature, SMEs constitute the most viable and veritable vehicle for self sustain industrial development (oyebamiji, Kareem, and ayeni 2013), currently, most developing nations are working on creating employment opportunities for fast increasing unemployment in the nation. The small and medium enterprises sector in Nigeria is striving to achieve it production and marketing objectives to prove its significant role in the economic development of the region. The formulation of a marketing mix depends on the nature of activities enterprises and the nature of the target market. It must be put together in such a way as to enable the enterprises to meet its customers need and want (Sashi 2012). The marketing mix concept works as a tool used by an organization to survive in a competitive environment. This concept is controlled by the organization and comprises four elements which are product, price, place, and promotion. (owomoyela, oyeniya et al 2013). According to (Kotler 2011), the marketing mix is ‘ the set of controllable tactical marketing tools that the firm blend to produce the response it wants in the target market’ the main objective of this marketing mix is to meet the needs and want of the targeted market. It impacts the demand by tracing the need and wants of the current and potential customers howeverThe researcher observed that small-scale industries die as a result of their inability to conduct and utilize proper marketing mix to find changing needs of the various consumers and also the environmental needs. This has greatly affected the operation and survival of small-scale industries in Kebbi state Nigeria, Another pertinent problem observed by the researcher is the attitude of the priorities of small industries towards their customers. It was observed in the past that most of these firms do not recognize the needs and wants of their customers.

The study will further demonstrate the procedures of undertaking marketing mix in making the resourceful decision by small-scale industries in northwestern Nigeria. It will also indicate how marketing mix help in carrying out decisions and forecasting opportunities.

OBJECTIVE OF THE STUDY

The main objective of the study is to examine the role of marketing mix on the performance of small-scale industries in kebbi state, Nigeria. The specific objectives are to:

- i. Analyses the role of product on the performance of small scale industries in kebbi state, Nigeria
- ii. Assess the role of place on the performance of small scale industries in kebbi state, Nigeria
- iii. Examine the role of price on the performance of small scale industries in kebbi state, Nigeria
- iv. Analyze the role of promotion on the performance of small scall industries inkebbi state, Nigeria.

LITERATURE REVIEW: CONCEPT OF PERFORMANCE OF SMEs

Performance is a prominent achievement in one specific field, the idea of performance is how a person or group concludes to accomplish a goal. However, performance represents the totality of objectivity measurable achievement in a certain domain of activity area (Yucesso, B & Barabasi 2016). Nigeria has a leading economy in Africa, it is in the progress of transforming from industry base to knowledge base economy of the world come 2020 as speculated, the contribution performance of SMEs is very vital. Moreover, the potentials of SMEs is to serve as an engine for wealth creation, employment generation, entrepreneur skill development, and sustainable economic development..according to SMEDAN and NBS 2010 over the past year a total of 1500 to 23000 registered SMEs within various ministries. However there is a significant acknowledgment of the contributory performance functions of SMEs in manufacturing sectors, in Nigeria SMEs in manufacturing sectors are mainly engaged in food and beverages, iron, metal, paper printing, etc SMEDAN 2010. Therefore SMEs deal with familiar challenges within the reality of performance and acquire aggressive advantages. The record indicates that more than 50% of SMEs do not survive within the first five years of gestation period. (Dinh et al 2011, Kpleai 2009, Ou & Haynes 2006, Reiss, 2006, Ahmad & Seet 2009).

EFFECT OF PRICE ON SMEs

Price is the cost of producing, distributing the product that is paid by the company or small scale industry (Kotler 2007), one of the powerful marketing techniques is the penetration of pricing strategy, the pricing strategy involves setting a low entry price for a new product to achieve in a competitive market. However, every business entity is set up with the primary objective of making a profit, for an organization to compete favorably with its peers in the same SMEs it must be able to meet the demand of people as well as set the right price competitiveness (Beyene 2002). Some of the objectives set by SMEs directly affecting pricing are – increase sales, increase market, profit maximization, market penetration, etc. however some of the futures affecting pricing decisions negatively are demand, consumer behavior, cost of production nature of the market, and competition.

EFFECT OF PLACE ON SMEs

The most important factor of SMEs is the strategic location of the business which could include the nearness to raw material, accessibility to business premises. (kola et al 2010) define a location as the choice of where businesses are to be located which could be small medium or large. Location is an indispensable factor that shapes and determines the success or failure of entrepreneurial development and business activities and by playing a vital role in SME's performance. Therefore place in marketing is a continuity social process that allows to efficiently influence sustainable development (Owomoye et al 2013). however through building competitive advantage, creating consensus between supply, demand and exploiting the opportunity of the place with specific marketing methods and tools.

EFFECT OF PRODUCT ON SMEs

In marketing, a product is defined as something that can be put into attention and offered for purchase or consumption and satisfy a desire or a need (Gbolagade et al 2013). Therefore the product is the goods and services offered by the organization, by extension it is a bundle of benefit

which a marketer offer to the consumer for price. The product includes every characteristic of the product which the produces for sales both tangible and intangible. The tangible characteristics include quality, packaging,etc and the intangible characteristics involve consumers, perception of a client, product, and operation. These perceptions include taste, like and dislike,smell, images, etc. Moreover, treating consumersfavorably and friendly sustain consumers for consistent patronage.

EFFECT OF PROMOTION ON SMEs

If the product is manufactured keeping the consumer needs in mind, is rightly priced and made available at an outlet convenient to them but the consumer is not aware of the price, features, availability, etc. The marketing effort may not be successful. Therefore promotion is an important ingredient of the marketing mix as I refer to the process of informing, persuading, and influencing a consumer to choosethe product to be bought in order to improve and develop small and medium enterprises so as to prevent it from getting bankrupt. Promotion is done through means of personal selling, advertising, publicity, and sales promotion (Walker et al 2004). However,It arouses potential consumer interest in the product, compare it with competitors and choose the best among many depends on how much a consumer is convinced and satisfied with the product and the credibility of the SMEs or business venture is also serve as a promotional tool because it wins consumer through a mindset of belief and perception.

EMPIRICAL STUDY

Lawal (2005) focused on management practices of SMEs in Lagos State. Data analysis adopted by the researcher uses primary and secondary sources of data. The findings of the study indicate that Nigerian SMEs operators are mostly autocratic and participative. In the studies sketched out above, marketing functions in most of them are pulled together under economic factors that affect SMEs.

Ogundede (2005) study which examined several factors that affect the SMEs focused on the marketing function as reported in Ogundele and Gbadamosi (200) under the title; Empirical Study of marketing strategies of small scale businesses in Nigeria. He uses the survey method as a method of data analysis findings therefore show most of the studies on SMEs in Nigeria did not consider their marketing practice as a major focus of their studies.

Owualah (2004) notes that most small businesses sell their products direct to the final users without the use of intermediaries, data analysis he uses questionnaire the findings reveal that this is because they are small and can dispose their products to the people who pass their workshops.

Angold & Faulds (2009) argue that “social media combines characteristics of traditional IMC tools” Data analysis that was descriptive analysis the findings shows that (companies talking to customers) with a highly magnified form of word of mouth (customers talking to one another) whereby marketing managers cannot control the content and frequency of such information”. Companies are limited in the amount of control over the content and distribution of information. Faulds, (2009). Social media marketing enables companies to achieve a better understanding of customer needs to build effective relationships. He uses questionnaires as a method of data collection and the findings reveal that SMEs are generally regarded as the driving force of economic growth and development.

Comman (2009) says that social media is “content that has been created by its audience” to promote their websites, products, or services through online social channels and to communicate with and tap into a much larger community that may not have been available. In his research he uses Chy-squire as a method of data collection and the findings reveal that many nations have realized the value of small businesses.

Barefoot & Szabo (2010). An expanded definition is “a process that empowers individuals to promote their websites, products, or services through online social channels and to communicate with and tap into a much larger community that may not have been available via traditional advertising channels” He uses sample and sampling technique as a method

of data collection and the findings reveal that government established a Small Industries Development Program to provide technical and financial support for the SMEs.

(Adegbuyi, 2013), Nowadays, Social Media Marketing and more particularly Social Networks are becoming increasingly important in consumers' purchasing decisions, mainly because they amplify word-of-mouth. They may even become more important to stress the fact that, in social media marketing marketers have less control over messaging and positioning. He uses a population of 380 as a sample for data collection however only 270 responded to the questions and his findings reveal that numerous marketing opportunities exist for small businesses, namely networking and word of mouth marketing.

Beaver (2003) Small businesses are mostly managed by the owners with much flexibility and less boundaries. The data analysis that was used in survey findings revealed that is to say owners manage based on their personal and business objectives, together with their unique management styles, marketing, and operational practices. In his article, he uses mail surveys as sources of data collection the return result shows that not only do owner-managers of small businesses rely on their contact network, but they rely on the networks of their customers as well.

Wickham (2001) from the foregoing, it can be said that many small business owners manage their businesses as may suit them with little or no attention to careful management, effective planning, and strategizing. In his research findings, he said that Researchers widely agree that marketing practiced in small firms is different from that of large organizations.

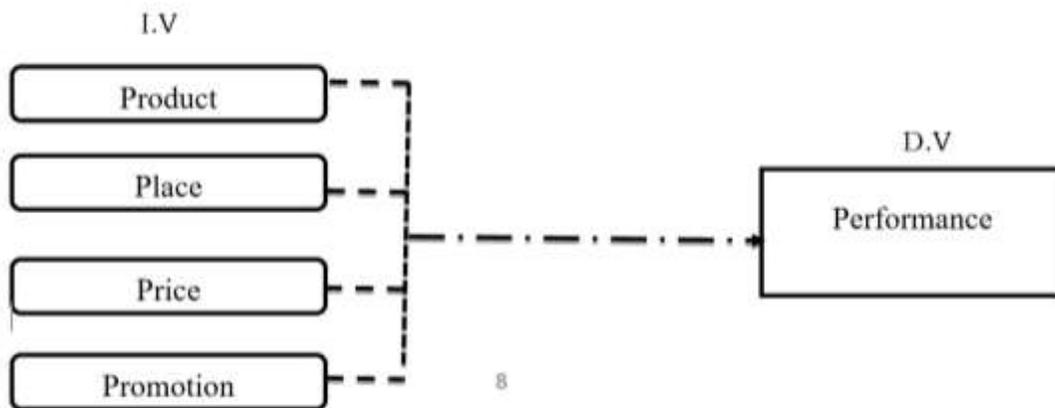
According to (Alochenu, 2012), SMEs constitute major avenues of income generation and participation in economic activities” the method of data analysis use sampling techniques the findings show that in the lower-income and rural brackets of developing societies especially in agriculture, trading, and services. In his research, he found out that small firm marketing has been described as informal, unstructured, spontaneous, and reactive. Eniola et al 2015 discuss small and medium scale business performance in Nigeria, challenges face from an intellectual capital

perspective, the paper is pair review and literature motivated, the paper concluded that it can be imprecise deduce that intellectual capital via human capital viewed has the unguent of any system to evolve into competitive in a knowledge-based economy.

Bintu Mustapha (2017) discuss the effect of marketing mix strategy on the performance of small scale business in Maiduguri metropolisBorno state, Nigeria. The objective of the study is to explore how marketing mix elements are managed and they impacted the performance of small-scale enterprises in Maiduguri. The method of data collection consists of both primary and secondary data that were analyzed using multiple regression. The study found that marketing strategies were significantly independent and joint predictors of businesses performance.

Research Framework

Several studies have explored the relationship between product, place, price, promotion and performance (Gbolagade et al 2013; Kotler 2007; kola et al 2010; Walker et al 2004). Moreover. Empirical evidence indicates a relationship between product, place, price, promotion and performance and performance in various organizational setting and in several countries. Based on the literature discussed earlier, a conceptual framework is suggested as presented below that show the relationship between product, place, price, promotion and performance.



Conceptual Framework

METHODOLOGY

The survey research design was adopted for this study. The population for the study is 1682 (SMEDAN, 2020). The sample size is 313 according to Krejcie and Morgan (1989) table of sample size determination. The sampling technique adopted for the study is the convenient sampling technique. Product, place, price, promotion, and performance of small industries are measured with 5 items each, and 7 items for performance of small scale industries respectively. Due to the composition of the independent variables into four components and one dependent variable, multiple regression was used to analyze the data.

Demographic characteristics

Variables	Frequency	percent (%)
Gender:		
Male		
Female		
Business Sector:		
Goods		
Services		
Years of Business Operation:		
1-5		
6-10		
11-15		
16 and above		

Regression Analysis

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.887 ^a	.786	.783	.213	2.008

a. Predictors: (Constant), Promotion, price, Product, place
b. Dependent Variable: Performance

Multiple regression analysis was conducted in determining the effect of Product, Price, Place, Promotion on SMEs. As per the results in table 4.1 the R^2 value of 0.786 meaning that, 78.6% of the variation in the dependent variable is explained by the independent variables while 21.4% is explained by other variables outside the model. This indicated that our model is a strong predictor. The R-value of 0.887 indicated 74% which is a strong positive correlation between the dependent variable and the set of independent variables.

Table 2:ANOVA^a

<i>Model</i>		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	51.340	4	12.835	283.005	.000 ^b
	Residual	13.969	308	.045		
	Total	65.309	312			

a. Dependent Variable: SMEsPerformance

b. Predictors: (Constant), Promotion, price, Product, place.

The above ANOVA shows that the overall model is significant. The level of significance is .000 which shows that the analysis of variance for the study has fallen within the acceptable standards. This shows that the model is good and fit for the study.

Table 2: Coefficient

<i>Model</i>		<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
		B	Std. Error	Beta		
1	(Constant)	1.114	.124		8.969	.000
	Product	.189	.027	.190	6.913	.000
	Price	.086	.017	.142	5.218	.000
	Place	-.025	.020	-.041	-1.272	.204
	Promotion	.476	.019	.817	25.224	.000

a. Dependent Variable: SMEsPerformance

$$Y = 1.114 + 0.189\text{Product} + 0.086\text{Price} + (-0.025)\text{Place} + 0.476\text{Promotion} + \epsilon_i$$

The regression equation above shows that the performance of Small Scale industries will depend on a constant factor of 1.114 regardless of the existence of other determinants. Every unit increase of product will increase performance by a factor of 0.189. On the other hand, every unit increase of Price will increase performance by a factor of 0.086. A unit increase in Place will decrease performance by a factor of 0.025. Also, an increase in a unit of promotion will increase performance by a factor of 0.476.

Above table 2 shows the contribution of independent variables (product, price, place, and promotion). The results show that product has a positive and significant effect on the performance of small scale industries with a p-value of 0.000. This indicates that there is a direct relationship between products and the performance of small industries. Similarly, the price also has a positive and significant effect on the performance of small industries with a coefficient of 0.086 which is statistically significant at .000 P-values. While the place is insignificant at 0.204 P-values. However, the promotion has a positive effect on the performance of small industries with a P-value of 0.000.

Conclusion and Recommendation

The result indicates that marketing mix strategies have a significant relationship with performance. It means that the study has proven justifiably that marketing mix is a veritable substance link with performance. The study recommends that Kebbi state SMEs should emphasize marketing mix strategies that exert maximum influence on performance.

References

- Ahmed M. H.&Seet, P,S, (2009) *Disserting behavior associated with business failure; a qualitative study of SMEs owners in Malaysia and australiaasia social science* 5(9),98-104
- Beri.G.C (2000) *marketing research* third edition tata McGraw
- Beyene (2002) *enhancing the competitiveness of SMEs in africa*. An analysis of deferential roles of national government through improve support services. Africa development vol xxvii No3
- Bintu M (2017) *effect of marketing mix strategy on performance of small scale businesses in Maiduguri metropolis, borno state Nigeria*. Journal of marketing and consumer research ISSN 2422-8451 an international peer reviewed journal Vol 31. 2017

- Eniola, A,A &Entebang, H, Sakariya,O B, (2015) *international journal of research, study in management small and medium scale business performance in Nigeria*. Challenges faced from an intellectual capital perspective.
- Gbolagade, Adesola&Oyewale 2013. *Impact of marketing strategy on business performance*. A study of selected small and medium enterprises in oluyole local government, Ibadan Nigeria. IOSR journal of business and management (iosr-jbm) e-issn 2278-487, p-issn 2319-7668 volume 11 issue 4 july- aug pp59-66
- Muhammed M A (2006) *marketing management theory practice*, first edition
- Muhammed M A (2011) *marketing management concept, principle and strategies* second edition.
- Ou,C, &Haynem G.W (2006) *Acquisition of additional equity capital by small firms- findings from natural survey of small business finance*. Small business economics 27(1) 157-168
- Owomoyela, S, K Oyeniya, K, O, &Ola O, S. (2013) *investigating the impact of marketing mix element on consumer loyalty*. An empirical study on Nigerian breweries plc. Interdisciplinary journal of contemporary research in business 4(11), 485-496
- Philip kotler. (12 edition) *principle of marketing*
- Reiss. F (2006) *why small business fail* retrieved from <http://www.publishgame.com/art>
- Smedan report (2010) *annual report*
- Victoria M,H. Christopher N (2012) *principle of marketing*. First edition
- Walker, rheet, slater, wad, Callaghan, bill & Johnson lester 2004, *measuring marketing performance against the back drop of intra- organizational changes*. Marketing intelligent and planning Vol 22 No 1 P – 59-65
- Yucesso, B, &Barabasi A,L (2016) *untangling performance from success* Epj data science 5(1),17

Appendix A

Questionnaire

TITLE: Impact of marketing mix of the performance of small scale industries in kebbi state, nigeria

INSTRUCTIONS: When answering questions in section **A** please tick the appropriate answer provided.

When answering all the remaining questions on sections **B** to **E**, kindly tick the appropriate response by rating how strongly agree or disagree with the statements regarding Product, place price and promotion.

SECTION A

Demographic Data

1. What is your gender?
 - a. Male []
 - b. Female []
2. What is your marital status?
 - a. Single []
 - b. Married []
3. What is your highest educational qualification?
 - a. SSCE []

- b. Certificate/OND/NCE []
- c. HND []
- d. Graduate []
- e. Postgraduate []
- 4. Are you an academic or non-academic staff?
 - a. Academic []
 - b. Non Academic []

SECTION B

Please rate to what extent you agree with each statement below by ticking (✓) one option only.

Impact of marketing mix on performance of small scale industries in northwestern Nigeria.

KEYS:- SA=Strongly Agree, A=Agree, ASW=Agree Somewhat, UD=Undecided, DSW=Disagree Somewhat, D=Disagree, SD=Strongly Disagree

S/No	STATEMENT	SA	A	UD	D	SD
1.	Qualitative product influence sales.					
2.	Quantity of product encourage patronage					
3.	Durable product influence purchase					
4.	Scarce product promote patronage					
5.	Product at our disposal encourage patronage					
6.	Low quality product yield more profit					
7.	High quality product yield more profit					

SECTION C

KEYS:- SA=Strongly Agree, A=Agree, ASW=Agree Somewhat, UD=Undecided, DSW=Disagree Somewhat, D=Disagree, SD=Strongly Disagree

S/No	STATEMENT	SA	A	UD	D	SD
1.	Place of business determine sales					
2.	Strategic location promote sales and patronage					
3.	Strategic location yield more profit					
4.	Location attract customers					
5.	Location boast small scale industries performance					
6.	Midtown location promote sales					
7.	Out town location promote sales					

SECTION D

KEYS:- SA=Strongly Agree, A=Agree, ASW=Agree Somewhat, UD=Undecided, DSW=Disagree Somewhat, D=Disagree, SD=Strongly Disagree

S/No	STATEMENT	SA	A	UD	D	SD
1.	Price is determinant of survival					
2.	Price maintain customers					
3.	Price destroy business					

4.	Price promote sustainability					
5.	Price attract customers					
6.	Price encourage sales and profit					
7.	Price is key to any business survival					

SECTION E

KEYS:- SA=Strongly Agree, A=Agree, ASW=Agree Somewhat, UD=Undecided, DSW=Disagree Somewhat, D=Disagree, SD=Strongly Disagree

S/No	STATEMENT	SA	A	UD	D	SD
1.	Promotion keeps business running					
2.	Promotion maintain customers					
3.	Promotion lead to survival of business					
4.	promotion attract customers					
5.	promotion boast small scale industries performance					
6.	Promotion create awareness and make sales					
7.	Promotion doesn't care about customers					

SECTION F

KEYS:- SA=Strongly Agree, A=Agree, ASW=Agree Somewhat, UD=Undecided, DSW=Disagree Somewhat, D=Disagree, SD=Strongly Disagree

S/No	STATEMENT	SA	A	UD	D	SD
1.	Performance is determine by product					
2.	Performance are encourage by sales					
3.	Performance are motivated by location					
4.	Performance are busted by promotion					
5.	Performance are realise by profit					
6.	Performance are realise by productivity					
7.	Performance are realise by quality					