



Marketing Skills for Sustainable Development of Small and Medium Scale Enterprises in Plateau State, North Central, Nigeria

Gontur, Silas^{a*}, Jindak Dauda Emmanuel^b, Davireng Makrop^b
^{a*,b}Department of Business Education Federal College of Education Pankshin,
Plateau State, Nigeria

Abstract: This paper examined the impact of marketing skills for sustainable development of small and medium scale enterprises Plateau State, North Central Nigeria. The study uses the descriptive survey research design approach with the Marketing Skills Assessment Questionnaire (MSAQ) developed by the researchers as the instrument for data collection. A total of 205 questionnaires were administered out to respondents and out of the number, one hundred and ninety-five were filled and returned by the randomly samples respondents in the study area. A four point rating scale of Strongly Agree (SA), Agree (A), Strongly Disagree (SD) and Disagree (D) was used for data collection. Mean rating of 2.50 and above forms the decision rule for either accepting and below 2.50 from the decision for rejecting an item. Data were analyzed using mean and standard deviation; the hypotheses were tested using t-test statistics. The findings of the study revealed that most of SMEs in the state do not have the requisite marketing skills required to enhance the economic states of their business. The paper therefore, concludes that the acquisition of marketing skills by owners of SMEs is non-negotiable, looking at the benefits associated with possessing these skills to the owners of the SMEs and the country at large. The paper recommends that owners of SMEs should avail themselves the opportunity to acquire marketing skills that would help to increase sales profitability of their products and services.

Keywords: Marketing Skills, Small and Medium Scales Enterprises, Sustainable Development.

1. Introduction

Marketing from a SMEs point of view is a way to inform the customer about the firm, its products and services, create and maintain customer relationships. The possession of marketing skills is central to the survival and growth of SMEs. Equally the environments in which the SMEs operate have tremendous impact on their survival and growth (Ogundele *et al.*, 2013). The small and medium scale enterprises make up an important part of our business systems today and employs more people than government and large companies (Ekwe and Abuka, 2014).

A strong and healthy SME sub sector is a sine qua non for inclusive and socially sustainable development (Ogboru, 2005) and one of the significant characteristics of a flourishing and growing economy is a booming small and medium enterprises SME sector. The performance and role of SMEs going forward are more pervasive with a demonstrating impact on the emerging world trading order. SMEs are the driving force and main stay of the nation's economic system. The evolution of this sector leads to poverty reduction, employment creation and multiplication of potential entrepreneurs. It offers linkage development of large industries (Abiodun, 2014). However, most small and medium scale enterprises lack the understanding and application of marketing concept. Most Nigerian small business owners equate marketing to selling and this is reflected in their various dysfunctional business behaviors against customer's satisfaction and good business marketing orientation (Ogechukwu *et al.*, 2013). They lack the knowledge and skills of basic marketing ingredients, marketing research, market segmentation and marketing planning and control. The outcome of this is poor quality products, unawareness of competition, poor promotion, poor distribution and poor pricing methods.

Plateau state has a reasonable number of SMEs in the country. It is situated in North central part of Nigeria with an estimated population of 3,178,712 million people (National Population Commission,

2006) with thousands of SMEs in existence. Therefore, anything that affects SMEs in the State definitely has an impact on the Nigeria economy and the world at large. Most of the jobs on the Plateau are provided by SMEs. However, SMEs in Plateau State are struggling to gain access to the fundamental business marketing skills required for increasing sales turnover, improved customer satisfaction, improve the relationship between small and medium sale enterprises and their customers.

It is against this background that this study is undertaken to investigate the role of marketing skills for sustainable development of small and medium scale enterprises. The remaining sections of this paper are organized as follows, first review of literature, methodology, presentation and discussion of findings, finally, the paper ends with a conclusion and recommendation.

1.1. Purpose of the Study

The main purpose of the study was to find out marketing skills for sustainable development of small and medium scale enterprise in Plateau State. Specifically, the study was designed to

1. Find out the requisite marketing skills needed by SMEs in Plateau State for sustainable development.
2. Determine the benefits accruable to enterprises that possess these skills.

1.2. Research Questions

1. What are the requisite marketing skills required by SMEs in Plateau State for sustainable development?
2. What are the benefits accruable to enterprises that possess these marketing skills?

1.3. Research Hypotheses

To attain the objectives of this paper, the following hypotheses were formulated:

H₀1: There is no significant difference between the mean scores of responses of owners of SMEs on the fundamental marketing skills needed by SMEs in Plateau State.

H₀2: There is no significant difference between the mean scores of the responses of owners of SMEs on the benefits of acquiring fundamental marketing skills.

2. Literature Review

2.1. Concept of Small Scale Enterprises

Business is the regular production or purchase and sales of goods undertaken with an objective of earning profit and acquiring wealth through the satisfaction of human wants. It can be classified into various ways using different criteria. Some of the known parameters used in classifying business include: capital, area of coverage, modes of operation, the asset base of the business and their sizes. These characteristics identified above have resulted in businesses being categorized as small, medium and large scale (Ekwe and Abuka, 2014).

The definition of small and medium scale business varies with the culture and peculiar circumstances of the person attempting the definition (Jimah, 2011). The small scale business act passed by the United States Congress in 1953 states that “a small business is one which is independently owned and operated and not dominant in its field of operations” (Baumbach, 1992). In Great Britain, the Standard definition of small business is a business with an annual turnover of two million Pounds Sterling or less than two hundred paid employees.

In Nigeria, the multiplicity of definitions is quite apparent. The Nigeria Bank for Commerce and Industry (1990) defines a small scale enterprise as one whose capital does not exceed ₦750, 000. Etuk *et al.* (2014), defined Small and Medium Scale Enterprises (SME) on certain criteria including turnover, number of employees, profit, and capital employed available finance, market share and relative small size within the industry. The definition can be based on either some quantitative and qualitative variables. Quantitative definition mainly express the size of the enterprises mainly in monetary terms such as turnover, asset values, profit as well as quantitative index like the number of employees. The Central Bank of Nigeria in its 2005 operational guidelines described SMEs as any enterprise with maximum asset base of 200 million Naira excluding land and working capital with no lower or upper limit of staff.

Furthermore, Alaye and Ogan (2012) defines a small scale business as companies with capital base between twenty thousand Naira and thirty million naira (equivalent of 55 dollars to 82,644 dollars).

It is clear that there is no universally accepted definition of what constitute small and medium scale enterprises. What is most important, therefore, is the SMEs annexation of resources and overall contribution to the economic wellbeing of developing nations across the globe. This paper adopts the Central Bank of Nigeria definition of small and medium scale enterprises.

Small and Medium Enterprises (SMEs) are generally regarded as the engine of economic growth and equitable development in developing economies [Agwu and Emeti \(2014\)](#). [Anigbogu et al. \(2014\)](#), they are labour intensive, capital saving and capable of helping to create most of the one billion new jobs the world will need by the end of the century [Lalkaka \(1997\)](#). They are also perceived as key to Nigeria's economic growth, poverty alleviation and employment generation [Ogechukwu et al. \(2013\)](#). Apart from SMEs' potential to boost employment, guarantee even distribution of industrial development and facilitates the growth of non-oil exports. [Fissaeha \(1991\)](#) states that SME employ 22% of the adult population in developing countries while [Kadiri \(2012\)](#) observed that small firms are major source of employment opportunities for a wide section of the workforce, the young, old, part time workers and cyclically unemployed.

Small and medium scale enterprises play an important role in Nigeria economic growth, as they constitute 97.2% of the companies in Nigeria [Anigbogu et al. \(2014\)](#). They also contribute to national development by positively influencing the distribution of income in both functional and nominal terms [Rejesh et al. \(2008\)](#); [Uzor \(2004\)](#) and [Agwu and Emeti \(2014\)](#). [Abiodun \(2014\)](#) summarizes the roles of small and medium scale enterprises to include greater utilization of raw materials, employment generation, encourage rural development, development of entrepreneurship, mobilization of local savings, linkage with bigger industries, provision of regional balance by spreading investments more evenly, provision of avenue for self-employment and provision of opportunity for training managers and semi-skilled workers. Thus, the role of SMEs in developing any economy cannot be over emphasized.

2.2. Concept of Marketing and Marketing Skills

Marketing as a functional discipline of business is seen as a dynamic process of society through which business enterprises are integrated productively with society's purposes and human values [Ifezue \(2005\)](#). [Drucker \(1999\)](#) states that purpose of business is to create and keep customers, it has only two central functions marketing and innovation. The basic function of marketing is to attract and retain customers at a profit. Marketing exists through exchange. Exchange is the act of processing or receiving something from someone by giving something in return, the something could be a physical good, service, idea or money.

According to [Osuala \(2009\)](#) the possession of fundamental business skills is important for sustainable business. The non-possession of these business skills by SMEs therefore constitute problems such that, the chances of survival of the business are slim and the probability of imminent failure/collapse becomes high ([Ekwe and Abuka, 2014](#)). It is important for small and medium scale owners to acquire and possess these fundamental marketing skills.

These marketing skills include social media skills, sales presentation skills, merchandising skills, purchasing skills, customer relationship skills, customer service skills, communication skills, competitive analysis skills, test marketing skills, sales support skills, sales tracking skills, contract negotiation skills, sales recording skills, order processing skills, credit administration skills and performance analysis skills. The acquisition of these marketing skills by SMEs will provide and promote good marketing management practices which is aimed at ensuring the set of managerial functions of planning implementing and controlling of marketing programs to achieve predetermined objectives.

2.3. Marketing Skills for Sustainable Development of SMEs

Marketing is an integral part of business that generates revenue for the business. It tells the owners/shareholders of the business that the company products or services are doing well in the market. Marketing provides information to a wide range of interest groups and in the end explains how an organization has managed its marketing activities for period of time. Marketing also provides information concerning the competitive position of the firm in the market place.

[Scheers \(2011\)](#) revealed that no business activity can be successfully operated without the assistance of the marketing skills. This is because identifying the needs and desire of the consumers and their buying behavior greatly depends on the income, social status and psychology of the consumer. Developing an appreciating marketing skill such as, skills to communicate, fast track sales, customers' relation, order processing and understanding the consumers are important to the success of SMEs. If

potential customers are not aware of SMEs' products and services, no one will buy from producers and marketing intermediaries.

Therefore, the acquisition of these important marketing skills will help the operators of SMEs to favorably position their enterprises to meet the needs of their clients in the most profitable manner. The trends are changing and the market place is so dynamic, marketing practices require something extra by ways of entrepreneurship skills to complement it. SMEs in Nigeria contribute significantly to the national economy and growth of the economy.

3. Methodology

3.1. Research Design

The study adopts a descriptive survey design in its organization. This is so because it deals with problems in its physical setting.

3.2. Population of the Study

The population of the study comprises of all registered small and medium scale enterprises in Plateau State.

3.3. Sample Size and Sampling Technique

The sample size of 195 respondents was used for the study. The sampling procedure adopted for the study was random sampling technique. The sample consists of registered small and medium scale enterprises operating in Plateau State.

3.4. Instrument for Data Collection

The main research instrument was a structural questionnaire, which consist of 36 item questions on a 4 point rating scale. The four point rating scale is as follows: Strongly Agree (SA) – 4, Agree (A) – 3, Disagree (D) – 2 and Strongly Disagree (SD) – 1 was used in research questions. To determine the mean score, we add the four rating scale and divide by 4, $4 + 3 + 2 + 1 = 10/4 = 2.50$

Mean responses of 2.50 and above was considered required while any mean responses below 2.50 was considered not required. The questionnaire was personally administered by the researchers to ensure timely filling and return. This led to majority of the questionnaire were being returned, 195 out of the questionnaire of 215 were correctly filled and returned, translating into 91% response rate.

3.5. Technique for Data Analysis

The mass of data collected from the research respondents was analyzed to know the respondents responses to the different research variables investigated. Descriptive statistics and t-test statistics were employed to analyze the data collected.

3.6. Analysis and Interpretation

Result of the data analyzed for this study were presented according to research questions and contained in tables 1 – 2.

Research Objective 1.

The fundamental marketing skills needed by SMEs in Plateau State.

Table 1. Mean responses of respondents on the marketing skills needed by SMEs in Plateau State

s/n	Marketing skills	SA	A	D	SD	\bar{X} Mean	Standard Deviation	Decision
1.	Skills to communicate effectively	18	102	45	30	2.62	0.82	Agreed
2.	Ability to use sales presentation skills	45	120	30	—	3.07	0.61	Agreed
3.	Sales presentation skills	72	111	12	—	3.30	0.58	Agreed
4.	Ability to track sales	114	66	15	—	3.51	0.64	Agreed
5.	Ability to provide sales support	36	102	33	24	2.78	0.87	Agreed
6.	Ability to relate with customers	15	99	60	21	2.54	0.81	Agreed
7.	Order processing skills	36	102	33	24	2.78	0.87	Agreed
8.	Skills in SWOT analysis	87	72	27	9	3.21	0.85	Agreed
9.	Inventory skills	15	45	105	30	2.23	0.80	Disagreed

10.	Social media skills	54	96	39	6	3.01	0.78	Agreed
11.	Delivery quoting skills	30	30	105	30	2.31	0.91	Disagreed
12.	Skills in marketing intelligence	63	108	15	9	3.17	0.72	Agreed
13.	Skills in planning sales	9	107	42	27	2.45	0.85	Disagreed
14.	Consumer behavior analyzing skills	36	138	15	6	3.05	0.62	Agreed
15.	Skills in test marketing	45	126	24	___	3.10	0.58	Agreed
16.	Skills to keep consistent sales record	60	112	21	2	3.18	0.65	Agreed
17.	Merchandising skills	105	90	___	___	3.53	0.50	Agreed
18.	Quality control skills	12	38	115	30	2.16	0.76	Disagreed
19.	Ability to know the market	21	105	39	30	2.59	0.87	Agreed
20.	Problem resolution skills	9	126	60	___	2.73	0.53	Agreed
	Grand Mean					2.87	0.73	

Source: Researchers' Computation, 2017

Table 1 shows the listed responses on the fundamental marketing skills needed by small and medium scale enterprises for sustainable development. The means scores ranges from 3.53 to 2.16 with standard deviation ranging from 0.91 to 0.50. The result indicates that 17 out of 20 items agreed that SMEs require fundamental marketing skills for sustainable development. These items are 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 14, 15, 16, 17, 19 and 20. Also, the items 9, 11 and 18 disagreed. A grand mean of 2.87 is also recorded for the 20 items indicating that the respondents generally agreed to the fact that SMEs require fundamental marketing skills for sustainable development.

Research Objective 2.

The benefits of possessing the fundamental marketing skills

Table 2. Mean scores of the respondents on benefits of acquiring fundamental marketing skills.

s/n	Marketing skills	SA	A	D	SD	\bar{X} Mean	Standard Deviation	Decision
21.	It helps to resolve customer complaints regarding sales of products and services	42	57	60	36	2.54	1.03	Agreed
22.	It enhances creativity and innovation.	15	75	105	___	2.54	0.64	Agreed
23.	It helps owner of SMEs to conduct competitive market analysis.	33	142	20	___	3.06	0.52	Agreed
24.	It helps in maintaining relationship between the SMEs and the consumers.	45	120	30	___	3.10	0.62	Agreed
25.	It boosts business activities of the SMEs	60	114	21	___	3.30	1.48	Agreed
26.	It aids internal planning and decision making	54	111	12	18	3.10	0.84	Agreed
27.	It enhances good marketing management	96	72	27	___	3.36	0.71	Agreed
28.	It helps in better understanding of the customers' needs in order to build effective relationship	33	132	30	___	3.02	0.57	Agreed
29.	It helps to increase effective researching and negotiating with suppliers	45	105	15	30	2.85	0.95	Agreed
30.	It helps in promoting events of SMEs	150	24	21	___	3.67	0.66	Agreed
31.	It enables owners of SMEs to maximize profit	30	90	60	15	2.69	0.82	Agreed
32.	It assist in product research and development	___	147	30	18	2.66	0.64	Agreed
33.	It enables owners of SMEs to keep proper and accurate records	105	60	15	15	3.30	0.91	Agreed
34.	It helps owners of SMEs to educate consumers about their	36	120	24	15	2.91	0.78	Agreed

	products and services							
35.	It enables owners of SMEs to market their goods and services globally	54	111	12	18	3.02	0.86	Agreed
36.	Monitored market sales tend to maximize sales for SMEs	39	120	24	12	2.89	0.85	Agreed
	Grand Mean					2.99	0.80	

Source: Researchers' Computations, 2017

Table 2 shows the mean responses of the respondents on the benefits of possessing marketing skills for sustainable development. The mean scores range from 3.38 to 2.54, with the standard deviation ranging from 1.03 to 0.52, as it is seen in table 2, all the listed items on benefits of acquiring marketing skills were accepted. The grand mean of 2.99 indicates absolute agreement by the respondents. This indicates that there are many benefits associated with acquiring marketing skills.

Hypotheses Testing

The hypotheses formulated were tested using the t-test statistical analysis at 0.05 level of significance.

There is no significant difference between mean score of responses of owners of SMEs on the fundamental marketing skills needed by SMEs in Plateau State.

Table 3. T-test analysis of fundamental marketing skills needed by SMEs in Plateau State.

Sample size	Mean	Standard Deviation	df	t-cal	t-table	Decision
195	2.87	0.73	193	2.43	1.96	Reject H_0

Source: Researchers' Computation, 2017

The data presented in table 3 shows a computed t-value of 2.50, which indicates that the respondents' or owners' of SMEs opinion is greater than the t-table of 1.96 at 0.05 level of significance. Therefore, the null hypothesis H_0 , of no significant difference was rejected. The decision implies that the operators of small and medium scale businesses were of different opinion regarding the fundamental marketing skills needed by SMEs in Plateau State for sustainable development.

Hypothesis Two

There is no significant difference between the mean scores of the responses of owners of SMEs on the benefits of acquiring fundamental marketing skills.

Table 4. T-test analysis on the benefits of acquiring fundamental marketing skills.

Sample Size	Mean	Standard Deviation	df	t-cal	t-crit	Decision
195	2.99	0.80	193	1.05	1.96	Do not reject H_0

Source: Researchers' Computation, 2017

The computed t-value of 1.05 is less than the table value of 1.96 at 0.05 level of significance. Therefore, the null hypothesis will not be rejected indicating that owners of SMEs were of the same opinion regarding the benefits of acquiring fundamental marketing skills.

4. Discussion of Findings

The findings from research question one revealed that marketing skills required by small and medium scale businesses will help the operators of SMEs to favourably position their enterprises to meet the needs of their clients in the most profitable manner. These skills include social media skills, sale presentation skills, merchandising skills, purchasing skills, customer relationship skills, customer service skills, test marketing skills, sales supporting skills, sales tracking skills, contract negotiating skills, sales recording skills. The degree of agreement by operators of SMEs showed that fundamental marketing skills are required by the SMEs for successful operation and profit maximization.

The finding is in agreement with [Scheers \(2011\)](#) who posited that the possession of these fundamental marketing skills will positively enhance the success of the business. Furthermore, [Onoh](#)

(2006) noted that self-employed persons cannot progress without these skills. He emphasized that the possession of these skills will consolidate and enhance their businesses as well as eliminate early failure.

The findings for research question two revealed the benefits of acquiring marketing skills. The result revealed the tremendous benefits associated with possessing marketing skill for sustainable development with a grand mean of 2.99. The result showed that there are many benefits of acquiring marketing skills.

This collaborates with the findings of Macdonald (2014) who revealed that marketing and finance skills each have a positive and significant effect on firm performance because it increased employment, sales and profits of SMEs.

5. Conclusion

Based on the findings of discussion in this study, it was concluded that the acquisition of marketing skills by small and medium scale enterprises is non-negotiable, looking as the benefits associated with possessing these skills to the operators of the SMEs and the country at large.

Possession of these skills will have a positive and significant effect on firm performance, because it increases employment, sales and profits of small and medium enterprises. There is great need for continuous training and professional development of owners of small and medium scale enterprises to acquire these fundamental marketing skills for successful operation.

6. Recommendations

Based on the findings of the study, the following recommendations were made:

- i. Owners of small and medium scale enterprises should endeavor to acquire marketing skills that will promote the quality of their products and upgrade their services.
- ii. The government agencies responsible for regulating and promoting small and medium scale enterprises in Nigeria should embark on sensitizing campaign to owners of small and medium scale enterprises on the benefits of acquiring marketing skills.
- iii. Refreshers courses, seminars and workshops on current marketing skills for owners of small and medium scale enterprises should be organized to update small business owners with the skills needed for successful operation.

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