OPTIMIZING NIGERIAN SMALL AND MEDIUM-SCALE ENTERPRISES PERFORMANCE IN A COVID-19 PANDEMIC ERA THROUGH ENTREPRENEURIAL MARKETING

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ABSTRACT

In recorded history in peace time, humanity perhaps has never witnessed a period so fluid, unpredictable and with such overwhelming disruptions of socio economic and political activities around the globe like year 2020 till now Indeed, COVID-19 pandemic holds the world by the jugular. It caused not only major policy transformations in all spheres of life, but also created a new normal in business development, articulation process and execution. Business Performance (BP) denoted by customers' patronage (CP) and profitability: (PF): now hinges on the ingenuities deployed by various organisations management to get them out of the woods. At this critical time, the application of various marketing strategies as tools of galvanising small and medium scale enterprises (SMEs) to escalate CP and PF appears incomplete without entrepreneurial marketing (EM) proxied by innovativeness (INN) and proactiveness (PRA). This study was therefore conducted to assess the impact of INN and PRA on CP and PF on SMEs in North-Central Nigeria. With a population of 2249 and sample size of 343 going by yaro yamani formula, copies of structured questionnaire were administered as tools of data collection. Standard multiple regression was deployed as a method of analysis. Findings on INN showed that (B-292, t= 5.107. R= .877, R^2 = .769, p<.000); and similarly. PRAC showed that (B=.334, t= 5.956. R=.891, R^2-.741, p<.000). These implied that both INN and PRAC have significant impact on CP and PF respectively. The study therefore concluded that INN and PRA are major escalators of SMEs' CP and PF. It recommended that in the turbulent times of today that is characterised with COVID-19 pandemic, SMEs should fully embrace innovativeness and proactiveness as the thrust of their marketing efforts to achieve significant notches on their customers' patronage and profitability.

KEYWORDS: COVID-19 Pandemic, Small and Medium-scale Enterprises, Business, Performance, Entrepreneurial Marketing

Introduction

Arguably, civilization as it were, started from Ancient Egypt before it spread to other parts of Africa. The emergence of Mali. Shonghai, Borno and Oyo empires to mention but a few, in the sub-Saharan African historical landscape give credence to the fact that Africans profoundly laboured hard to identify and fully explored the prevalent business opportunities then; hence the birth of Tran Saharan trade. This trade was so named because its routes transverse the length and breadth of the Sahara Desert, the sandy plain that linked Africa to the Arab world; Red Sea to the East; the Mediterranean Sea to the North; and the Atlantic Ocean to the West. Goods like Gold, Hides and Skin, mirror and slaves were freely exchanged among traders. Impliedly therefore, history showed Africans as a race noted for identification and exploitation of Business opportunities which aptly define entrepreneurship. On a larger scale however, small and medium scale enterprises SMEs are largely the vehicles used today by modern contemporary governments worldwide to promote growth and development of their various nations' economic activities.

With wealth creation, poverty reduction; and employment generations as primary objectives, most business activities are piloted by entrepreneurs who double as owners and managers of these small business outfits. With a more developed and organised economic setting worldwide, the needs arise for businesses to embark on massive production of goods and provision of services in various grades, shapes and dimensions with a view to meeting consumers' satisfactions without jeopardising their profit motives. Countries in Africa and their counterparts in the developed world soon come to terms with the reality that most SMEs graduated from cottage industries that employed strictly one or two employees to outfits that employ between one and fifty personnel. Consequently, conscious marketing strategies need to be deployed to give various goods and services maximum exposure to their real and potential consumers.

Aside from the known traditional marketing techniques that are associated with established businesses and new start-ups, Covid-19 pandemic came with destabilizing forces that completely disrupted all available economic concepts and precepts including agelong economic assumptions. COVID-19 Pandemic also known as coronavirus disease 2019 sneaked in, in December 2019 in Wuham China. It was initially declared a Public Health Emergency of International Concern by the World Health Organization (WHO) in January, 2020; and subsequently, a pandemic in March same year. Like the pre-medieval tale of the Big Bang that defined the world, Covid-19 caused major global business, social and economic disruptions as evidenced by the largest global recession since the Great Depression. Since its occurrence, there were noticeable postponements of cancellations of global events; widespread supply shortages or broken supply chains that were escalated by panic buying of goods and services aside from food shortages and more positively, a monumental decrease in emission, in pollution and greenhouse gases worldwide.

Africa experienced its first taste of the pandemic on 14th February, 2020 in Egypt; and first case in sub-Saharan Africa, Nigeria, by the end of February same year. Like a bushfire in the African Dry season, the virus spread throughout the continent within three months. With most of the identified imported cases coming from travelers from Europe and America rather than China, where the virus originated. With low testing capacity due to less developed healthcare delivery system; and large-scale communal transmission. It appears that Africa has a lot to contend with in Covid-19 pandemic. The uncertainties surrounding the efficacies of the various brands of newly manufactured COVID-19 vaccines in the

developed; and the adulterated ones said to be in circulation for the developing nations -Africans, Latin-Americans and other Asia countries become a major source of worry for researchers worldwide.

Interestingly, COVID-19 pandemic appears, so far, to be winning worldwide. This is reflected in the present state of 102,691,967 million global infections and 2,222,403 million deaths traceable to it (Johncox 2021). Also, the unpreparedness of the rich developed nations to factor in African and other developing nations in Asia and Latin America in their Covid-19 vaccines distribution further escalates the palpable fears among these nations. Researchers and policy designers of business enterprises in sub-Saharan Africa are particularly worried about how their businesses will weather the storms by showing some signs of performance. These call for the introduction of entrepreneurial marketing, a more ingenious way of marketing goods and services produced particularly by African SMEs.

However, entrepreneurial marketing (EM) began as a popular discipline in the academic world and amongst business owners as a homegrown marketing strategy package that emerged from the nexus between marketing and entrepreneurship. It is a set of activities concerning creation, communication and value delivery to customers with a view to managing customers' relationship to the benefits of all stakeholders in the business through innovativeness, risk-taking and proactiveness (Kraus, Filser, Eggers and Hills 2012). It is directed toward harnessing opportunities in unpredictable market circumstances to retain profitable customers. The competitiveness in a highly unpredictable environment ushers in the need to have a long-term organizational performance which hitherto has been a difficult task to most SMEs.

As the Scope of the study however, out of the six States that constitute the North-Central zone of Nigeria Benue, Kogi, Kwara, Niger, Nassarawa. Plateau and the Federal Capital Territory, Abuja, only Kogi, Kwara and Niger States were investigated based on some justifications. Firstly, the sizable geographical spread of the three States (Kogi- 29,833km2, Kwara - 36,825km2 and Niger 76,363 km2) is bigger than the entire South-West and South East zones of the country. Secondly, the closeness of the three States to the Federal Capital Territory, Abuja; Thirdly, the heterogeneity of the residents of the States more than 100 ethnic dialects spoken aside from their cosmopolitan nature; and fourthly, the convenience factor of the researcher and the activeness of SMEs in these States. It is also noteworthy that the study is restricted only to Manufacturing SMEs. Lastly, business performance is ramified in this study into two - marker performance proxied by customers' patronage; and financial performance which is anchored on profitability. The time frame for the study was 2019 when COVID-19 was declared pandemic till December 2020 when the second phase of lockdown started manifesting in Europe and the Americas.

In today's COVID-19 pandemic that is characterized with socio-economic disruptions and unpredictability of higher dimensions described as the 'new normal', researchers feel concerned about performance of SMEs that almost always play frontal roles in world economic expansion and development. Of particular interest to scholars in Nigeria is the expected impact of this new normal syndrome on Nigeria's economic landscape with regards to employment generation, poverty reduction and maintenance of profitable customers to stabilize the sub-sector. Since marketing plays a significant role in the success of organisations, one can argue that customers' intensity is more critical in stabilizing operations of SMEs on the one hand and growing their performances on the other hand. Using conventional marketing wisdom applicable to the 'old normal' may not yield expected results in the new dispensation of COVID-19 pandemic era, hence the resolve to establish the impact of entrepreneurial marketing strategies on these SMEs. The research questions generated from the foregoing are:

i) to what extent does innovativeness influence customers' patronage of SMEs in North-Central Nigeria in a COVID-19 Pandemic era? and ii) what is the effect of proactiveness on the profitability of SMEs in North-Central Nigeria in a COVID-19 Pandemic era?

While the main aim of this paper is to see how SMEs in North-Central Nigeria

can optimize the use of entrepreneurial marketing to influence their performance; in specific terms, the objectives are: i) to establish the effect of innovativeness on customers' patronage od

SMEs based in North-Central Nigeria; and

ii) to investigate the influence of proactiveness on the profitability of North-Central Nigeria based SMEs.

Two Hypotheses were formulated for testing: Hol: Innovativeness has no significant influence on customers' patronage

of SMEs based in North-Central Nigeria; and Ho2: Proactiveness has no significant influence on profitability of SMEs based in North-Central Nigeria.

COVID-19 Pandemic

COVID-19 is considered an elusive adversary confronting humanity (Nadeem 2020). It is the acronym for coronavirus disease discovered in the year 2019 by World Health Organization (WHO). The disease that metamorphosed to coronavirus was initially observed in China (Ebenso & Otu, 2020) and (Sun. He, Wang, Lai, Ji & Zhai 2020). WHO initially delayed proclamation of the disease as pandemic Anjorin (2020), because scientific consensus points to COVID-19 originating naturally probably from hats (Andersen, Rambaut. Lipkin, Holmes & Garry (2020); and Scripps Research Institute (2020), but when it spread to a one hundred and fourteen countries and still counting, then, WHO declared COVID-19 as pandemic hence, the Regulations rolled out by the world body. Ebenso, and Otu (2020) categorized COVID-19 as transmissible through human respiratory drops, sneezing, aerosols, and coughing. Furthermore, Anjorin (2020), confirms that, an Italian who flew into Lagos in February, 2020, was the pioneer carrier of COVID-19 to Nigeria and was documented in Lagos, on 27h February, 2020. Sequel to these, the government has been implementing lockdowns in phases across the country in its spirited efforts to limit the spread (Etukudoh et al. 2020).

In the same vein, Ozili (2020) agrees with other authors (Sun et al 2020) that COVID-19 had Wuhan, Hubei Province, China origin and equally concurs with studies which state that coronavirus was initially termed "SARS-CoV-2" and later renamed COVID-19. However, he pointedly gave the detailed explanation that a live animal at a large seafood market was the precise venue where the novel case was recorded. Transmission of the disease is mainly through the respiratory route after an infected person coughs, sneezes, sings, talks or breaths. Airborne transmission is however high in high risk locations such as restaurants, worship places- mosques and churches, gyms, nightclubs. With over 95 million people infected worldwide and over 2 million deaths as at 19 January, 2020. Statistics as at same period gave a totally bewildered world the following: North America- 28 million infected with 595,507 deaths - the United States (US) accounting for about 67 percent; Southern America - 14.8 million infected and 392,073 deaths; Europe - 27.9 million infected and 639,158 deaths; asia-22.2 million and 359,113 deaths; Africa - 3.3 million and 80,938 deaths; Oceania - 49.667 and 1,072 deaths. Nigeria however had

113,305 infected and 1,494 deaths (Wikipedia 2021). Shereen, Khan, Kazmi, Bashir, and Siddique (2020) see COVID-19 as a dreaded viral communicable infection which can only be conquered through therapeutic combinations and vaccines.

Small and Medium-Scale Enterprises (SMEs) Different definitions have been given to SMEs by various regularizing authorities in Nigeria-Central bank of Nigeria (CBN), National Council on Industry (NCI) and Small and Medium Scale development Agency of Nigeria (SMEDAN) among others. According to Abdullahi, Abubakar, Aliyu, Uttar Umar, Sabiu, Naisa, Khalid and Abubakar (2015). SMEs stand for private inventions that can be relied upon to play notable roles in economic growth and sustained development of Nigeria. SMEs function as the main employer of labour and constitute roughly 95% of private enterprises. The stated percentage indicates that the expected contribution of SMEs to improvement of the economy could not be ignored (Abdullahi et al. 2015). Said authors, suggest entrepreneurs piloting SMEs might overcome financial challenges by re-strategizing. Ikon and Chukwu (2018) agree with earlier writers, SMES signify an accelerator of economic growth. Mentioned authors, argue, inadequate workers training and infrastructural limitations in Nigeria affect proficient attainment of predetermined goals and objectives of small and medium scale enterprises consequently, industrial growth and development of Nigeria remain doubtful Said authors, advocate additional government involvement on access to concessional funds to SMEs, so as to activate SMEs sustainable growth and as well lubricate Nigeria's pathway toward much desired industrial growth.

Also in Edet and Okon (2018).s opinions, SMEs refer to indispensable constituents for provision of a reliable foundation for a nation's economic development. Quoted authors, argue, SMEs in Nigeria require repositioning in order to facilitate desirable performance (ability to generate employment; offer needs satisfying affordable products to intermediate and end users). Poor policy implementation, poor location, multiple taxation, insufficient training, poor management practice, financial misappropriation, and information gap constitute challenges that weigh down operations of SMEs in Nigeria (Edet & Okon, 2018). Cited authors recommend, government policies for promoting SMEs should be implemented religiously; financial institutions support for SMEs should be mandated by government; consumption of home made goods and services should be promoted; Nigeria's industrial policy should be targeted at making SMEs instrumental for aspired growth and development of Nigeria's economy.

Closely related to the foregoing is the contentions of Oyedokun and Micah (2019) that SMEs are privately run organizations, but, expected to contribute to economic growth and development of Nigeria; hence, worry sets in when reverse becomes the reality. Said writers contend, SMEs contributions to the Nigerian economy in terms of output, sales turnover and upswing in Gross Domestic Product (GDP) growth rate are insignificant. SMEs in Nigeria should increase their production capacity in order to have sizeable output; intensify staff development, implement market penetration strategies in order to witness increase in sales turnover and thereby re-write existing undesirable trend (Oyedokun & Micah, 2019) Oyelaran-Oyeyinka (2020) defines SMEs as private businesses recording

turnovers that fall below N100 million in a year or businesses whose workforce is not up to 300 personnel. If one goes by this opinion, "nearly 96% of Nigerian businesses are SMEs, juxtaposed with

65% in Europe and 53% in the United States of America." The author further contends that "Nigerian SMEs denote about 90% of the industrial sector in terms of number of enterprises, Nigerian SMEs contribute roughly 1% of GDP compared to 40% in Asian countries and 50% in the US or Europe." Difficulties confronting SMEs in Nigeria range from enormous gaps in infrastructure, poor financial sustenance, high levels of untrained personnel, and weak investment commitment to transform experimental plants to profitable business (Oyelaran-Oyeyinka, 2020).

For the purpose of this study, the researcher wholly aligns with NCI's description of SMEs as a business with total asset base of more than N1.5 million but not in excess of N50 million; and with less than 10 employees. In addition, it agrees with the submissions of Ebitu, Basil and Ufot (2015) that SMEs are characteristically small businesses that are actively managed by their owners; highly personalized and largely local in their area of operation. Its size is relatively small within the industry and relies largely on sources of capital like personal savings, friends and family to finance its growth.

Business Performance (BP)

It describes organizational ability to acquire and utilize its scarce resources and valuables as expeditiously as possible in the pursuits of its operational goals (Roberts and Dowling 2012). Operationally, this implies assessing the competence capacity and capability of a business organisation to deal, expand, maintain and sustain competitive advantage amongst its peers in a defined geographical or operational confine. This could mean that the value created by such establishments through its asset utilization is equal to, or greater than value expected by those contributing the assets (Lawal. Elizabeth and Oludayo 2012). It is expedient therefore to view expected values of a business both from market and financial angles. Market share which is defined as the share of revenues held by a business in a relevant market is here depicted as customers' patronage which is a function of the physical setting, location, identity and inclinational behaviors of customers. However, financial performance is proxied by profitability which is the state or condition by which a business's total revenue exceeds its total expenses. A business must achieve profitability to sustain its operations. Other variables considered in measuring BP include but are not limited to sales growth, number of employees, technological application, number of business branches and many others like business efficiency minimimising cost at a higher output level and effectiveness - product dominance in an operational area. All these indices of BP have to contend with the moderating factors internal within the organization and therefore controllable; and external environments like OCVID-19 Pandemic which can only be managed and not controllable.

Entrepreneurship Marketing (EM) While marketing was seen as profitably matching organizational capabilities

with requirements of chosen customers, Hooley, Greenly, Fathy & Amir (2015); others, Kotler, Armstrong. Agnihotri & Haque (2011) see it as the process by which business organisations create value for customers and build strong customer relationships in order to capture value for customer in returns. EM however is an integrative marketing concept to adapt to new environmental conditions in which an enterprise operates. Essentially, EM is better appreciated when marketing is geared towards the five key ingredients of entrepreneurship which are autonomy, innovativeness, risk-taking, proactiveness and

competitive aggressiveness. However, it is now a new discipline that has its own concept and principles. EM appears to be more relevant in COVID-19 pandemic period that businesses live in today especially when juxtaposed against Traditional marketing (TM). Firstly, while TM favours Top-down strategy, EM favours Bottom-up approach, targeting a limited base of customers. secondly, on market intelligence, TM goes for formalised research and intelligence system, EM goes for informal networking; thirdly, on risk perspective, TM values risk minimization in marketing actions, EM prefers calculated risk-taking with emphasis on ways to mitigate stage or shared risk: fourthly, on resource management, TM settles for efficient use of existing scarce resources while EM settles for leveraging and creative use of the resources of others in the industry and fifthly, amongst others, TM on new product and service development, EM sees marketing as the home of innovation and customers as co-active producers (adopted from Stokes 2000, Morris, Schindehunttle & Laforge 2002).

Theoretical Classifications

This study is based on the postulations of both Resource-Based View (RBV) and Entrepreneurial Orientation (EO). Resource-Based View (RBV) originally propounded by Penrose (1959) but expanded on by Gaya. Struwig & Smith (2013), sees the variances in business performances attributable to the ownership and control of distinct bundles of competitive resources. It was however, Werner (1984) that introduced the term 'resource-based view and argued that the difficulties facing a firm in owning resources is equivalent to the difficulties it faces when competing in the industry but Grant (2010) opines that the performance differences of firms are traceable to the firm's initial bundle of resources and subsequent resource configuration. In essence, competitive advantages preached under EM gets its root from this theory.

However, EO is seen as processes and styles or entrepreneurial practices that engage in product or market innovation which focus on proactiveness and beating 'competitors to the punch' Covin and Lumpkin (2011). Proactiveness has however been further stretched to be a forward-looking and opportunity seeking concern with introduction of new products and services ahead of other competitors, (Gathenya 2012).

Methodology, Findings, Conclusion and Recommendations

Population of 2249 of owners and managers of SMEs in Kogi, Kwara and Niger States of North-Central Nigeria who are registered manufacturing SMEs was the base of the study. Systematic sampling technique was used because of the heterogeneous representation of the population; and the desire to arrive at a more homogeneous grouping. Subsequently, a sample size of 343 was derived using Yaro Yamani formula. Structured questionnaire was used as an instrument of research study at 88% Cronbach Alpha Coefficient Test of Reliability. Standard Multiple Regression analysis was used to test the two Hypotheses.