

Entrepreneurial Orientation and Performance of Small and Medium Scale Enterprises (SMES) in South-Eastern Nigeria

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ABSTRACT

Ineffective and poor entrepreneurial orientation seems to adversely affect performance of small and medium scale enterprises (SMEs) in Nigeria. Thus, the study was designed to examine relationship that exists between entrepreneurial orientation and performance of SMEs in South-Eastern Nigeria. The study adopted a survey research design. The target population of the study comprised of 35,535 SMEs in South East Nigeria with a sample of 396 respondents, arrived at using Taro Yamane Formula. Data was collected using structured questionnaire and analyzed using, frequency, percentage and mean. Pearson Product Moment Correlation Coefficient was used to test the hypotheses at 5% level of significance. Results indicated that there exist a strong positive relationship between strategic orientation and market expansion of SMEs ($r=0.76$, $p\text{-value} < 0.05$) and that there exist a strong positive relationship between market orientation and market sustainability of SMEs business activities ($r=0.83$, $p\text{-value} < 0.05$) The study concluded that entrepreneurial orientation has positive impact on the performance of SMEs in South East Nigeria and recommended among others that SMEs need to embrace entrepreneurial orientation, strategic orientation and market orientation, to improve business performance.

KEYWORDS: *Entrepreneurial Orientation, Strategic Orientation, Market Orientation, Performance, Market Expansion, Market Sustainability and SMEs*

INTRODUCTION

Today SMEs worldwide play a significant role in the economy (Islam, Khan, Obaidullah & Alam, 2011). At present, the vibrant SME sector is identified as an engine of growth, playing a significant role in economic development, innovation, employment generation and poverty reduction (Mavondo, 2011).

However, SMEs are in Nigeria and presently facing an increasing pressure from the marketplace. Thus, entrepreneurial activities among SMEs have become even more crucial in achieving sustainable competitive advantage (Idar and Mahmood, 2011) and they are encouraged to implement an entrepreneurial strategic mindset in order to recognize the threats and capture the opportunities to ensure the firms sustainability overtime (Offor, 2012). Therefore, entrepreneurial Orientation (EO) has recently been recognized as one of the most important factors for a firm's growth and profitability.

In entrepreneurship and management literature, EO is considered an important concept for the firm's strategy formulation. The spread of globalization has created a competitive business environment, which has affected the way entrepreneurs create and sustain their business operations and strategies. EO has, therefore, been seen as a key driving force for a free market economy that enhances SMEs performance. Obumneke and Nimfa (2015) assert that EO is the process by which people or organizations discover and exploit new business opportunities that exist within a market, revitalize existing businesses, or introduce new products or processes.

Scholars have studied entrepreneurial activities and its impact on organizational performance but, the factors affecting these entrepreneurial activities are wide-ranging and, therefore, exploring gaps in EO research is an important task for researchers.

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Zimmerer and Scarborough (2008) state that EO is applying creativity and innovation to solve the problems and exploit opportunities that people face every day. It involves the application of creativity and innovation to solve the problem and attempt to exploit opportunities every day.

The SME sector has its own portion of problems in Nigeria, as identified by Sarapaivanich and Kotey (2006) which includes poor market orientation, low level of entrepreneurial skills, poor management policies, constrained access to money and capital markets, low equity participation from the promoters, because of insufficient personal savings due to their level of poverty and low return on investment. Others are inadequate equity capital, poor infrastructural facilities, high rate of enterprise mortality, shortage of skilled manpower, multiplicity of regulatory agencies, societal and attitudinal problems, bureaucracy, integrity and transparency problems, lack of access to information given that it is costly, time consuming and difficult at times. In the bid to mitigate the aforementioned challenges and, by so doing, empower the SMEs to effectively play their roles, the Federal Government (FG) introduced policies and programmes such as Small and Medium Equity Investment Scheme (2001), National Micro Finance Policy (2005, revised 2011), National Policy on MEMEs (2007), Small and Medium Credit Guarantee Scheme (2010), and National Enterprise Development Programme (2013) etc. The government also introduced several measures, especially in the agricultural sector where the State has comparative advantage. The programmes include financial grants/loans, entrepreneurship and vocational training, supply of seedlings and marketing arrangements, including granting SMEs easy loan from Bank of Industry etc.

In spite of many government interventions, poor performance and outright failure still persist among SMEs, though it could be argued that most government interventions have majorly focused on financial credit. Globalisation and the opening up of markets to global competition constitute a huge challenge to local SMEs. By virtue of their sizes and persistently high operational costs (which largely encapsulates other problems), many of these firms find it very challenging competing against big local firms and the influx of cheap imported products from China and other countries. Hence, financial interventions may amount to little, if the benefiting firms are unable to effectively compete or are ill-equipped to do so, which highlights an important weakness of government interventions in SMEs sector.

SMEs are faced by constant threat of failure and most do not graduate into large enterprises. Past studies indicate that the SMEs sector in Nigeria is characterized by high mortality rate; three out of five fail within the first few months of operation (Bowen, Morara & Mureithi, 2009); over 60% fail each year; and most do not survive to their third anniversary (Ngugi, 2013). In many countries, it is noted, are not making full use of their entrepreneurial potential (Bosma et al., 2008), and lack of ability among African countries to identify and seize business opportunities (Olawale, 2010). Many SMEs are generally low margin, 'me too' businesses, have very little differentiation and are survival or necessity driven (The Guardian, 2014). This implies that SMEs in Nigeria may be lacking EO. This study, therefore, attempts to provide empirical facts regarding EO in South-Eastern Nigeria and the role it could play in their performance.

Objectives of the Study

The broad objective of the study is to determine the extent of relationship that exists between entrepreneurial orientation (EO) and performance of SMEs in South-Eastern Nigeria. Specifically the study seeks to:

1. examine the extent to which strategic orientation relates to market expansion of SMEs in South East, Nigeria
2. Ascertain the extent to which market orientation relates to market sustainability of SMEs in South East, Nigeria

REVIEW OF RELATED LITERATURE

Entrepreneurial Orientation (EO)

Tang and Tang (2012) define entrepreneurial orientation (EO) as the process and decision making activities that lead to new business and development. Covin and Slevin (2006) state that it the construct representing organizational entrepreneurial abilities. Mutlu and Aksoy (2014) opine that it is the propensity of a company's top management to take calculated risks, be innovative, and be proactive. Numerous researchers have used this conceptualization and measure EO from innovativeness, risk-taking, and proactiveness in their works (Fatoki, 2012; Lechner & Gudmundsson, 2012).

Given the competitive nature of today's business environment, firms need to device means of survival. Being entrepreneurial-oriented simply means being alert to the challenges that the business environment poses, and to continually evolve strategies to surmount those challenges. It is paramount to firms' prosperity in competitive environment (Zainol &

Daud, 2011). Everything about EO is either aimed at attracting new customers or maintaining existing ones, ahead of competitors. It embodies all the strategies that define a firm's approach to the pursuit of its goals in a competitive environment.

The evolution of entrepreneurial orientation construct is credited to the works of Rauch, Wiklund, Lumpkin and Frese (2009) and Tang and Tang, (2012) has been used in many fields, including management, marketing and the health sector (Al-Swidi & Al-Hosam, 2012). Many scholars recognize EO as having three dimensions namely; innovativeness, proactiveness and risk-taking. But Lumpkin and Dess (1996) added two more dimensions namely; competitive aggressiveness and autonomy to the original three dimensions, bringing it to five. This five-dimensional approach apparently provides a comprehensive way of studying EO and has been empirically tested (e.g. Hughes and Morgan, 2007; Al-Swidi and Al-Hosam, 2012). We believe that the comprehensiveness of Lumpkin and Dess' (1996) five-dimensional model makes it more appropriate for exploratory studies such as this, hence its adoption.

Strategic Orientation

Strategic orientation is related to the decisions that businesses make to achieve superior performance. It is an organization's direction for reaching a suitable behavior in order to attain superior performance. Competitor and customer orientations are the most important for organizations to achieve long-term success (Yang et al, 2012; Al-Mohammad, 2010; Kumar et al, 2011; Nasution et al, 2011; Lau, 2011). On the other hand, some research indicates that strategic orientation does not automatically lead to better performance (Hao & Song, 2016). However, according to the most recent research that has been conducted in advanced countries, the role of market orientations and competitive advantages is still unclear especially in Nigeria. Strategic orientation has deep effects on different organization's dimensions, like effectiveness and competitive advantage and it indicates the value of organization's trend to discover, create and maintain a set of responds suitable to the environment. According to Hult and Ketchen (2001), the examination of market orientation is in the domain of strategy researchers as much as it is for marketing researchers. Strategic orientation involves the implementation of strategic trending that guides the activities of an organization to embedded behaviours that achieve permanence in optimal conditions for the business.

Due to increasingly short supply of financial capital, businesses in general need to utilize their organizational resource including strategic

orientations to improve their financial requirements. Aktan and Bulut (2008) found that strategic activities positively affect the firms' financial access in the future. Similarly, firms with better strategies firm will have more access to financing and ought to have the ability to enhance their performance (Achleitner, Braun, & Kohn, 2011). In other words, firms strategic activities improve firm's cash flows, sales volume and profit, which could increase the availability of financing (Ghimire & Abo, 2013; Pandula, 2011). They argue that extent of financing and the choice of capital sources are both driven by a multitude of firm strategic abilities. Thus, ability of SMEs to get required business capital, rely on various firm strategies. SMEs that create effective strategic orientation can make more returns and profits and attract more external finances (Cheng, Ioannou, & Serafeim, 2014). Subsequently, Ganbold (2008) point out that firm's failure to utilize principles that will direct and influence viable behaviours and activities are a significant reason impeding SMEsto get obliged financial resources. Specifically poor strategic actions in SMEs are one of the primary reasons that SMEs could not access finance.

Market Orientation

Marketing was positioned among top functions of an organization, which indicated that fact that all the marketing functions need to be integrated and coordinated in order to maximize profit on long term (Kirca, 2011). According to Zhou and Dev (2009), by adopting marketing orientation, the organization manages to satisfy its customers' needs over the long term (Chad, 2013; Kirca, 2011). Market orientation developed its origins from the marketing as the management philosophy meaning that the organizational goals are to determine the needs and preferences of customers and to deliver customer satisfaction.

Market orientation leads to better positioning on the market in the sense that it tends to maximize the approach on how to produce an offer that is designed based on the preferences of the target market (Kim et al, 2013). The majority of the recent studies integrate market orientation from either behavioral or a cultural perspective. The behavioral perspective is built on the information collected through various activities, as generate, disseminate and respond (Kohli and Jaworski, 1990). On the contrary, the cultural perspective focuses the organizational criteria on values that encourage behaviors that are consistent with market, such as customer orientation, competitor orientation and inter-functional coordination (Altuntaş et al., 2013; Kirca, 2011; Al-Mohammad, 2010; Tutar et al., 2015).

The study of Hult et al., 2005, illustrates that market orientation is an ideology that places emphasis on the creation and maintenance of superior customer value and that urges employees to develop and exploit market for maximization. When an organization follows market orientation to produce value for a customer, that is rare and difficult to imitate, it can be a sustainable source of competitive advantage which will allow organization to outperform their less market-oriented competitors (Altuntaş et al., 2013).

Researchers' efforts to provide a perfect understanding of the impact of marketing on organization performance is reflected in many studies which indicate a positive relationship between market orientation and performance (Kumar et al., 2011; Kirca, 2011; Idar et al., 2012; Hult & Ketchen, 2001). Other author identified a negative or non-significant relationship (e.g. Grewal & Tansuhaj, 2001). Any fierce competitive environment brings about changes in organizations and forces executives to search for the best strategies that will enable their organization to gain or sustain a competitive advantage in the marketplace (Avci, 2011).

Organizational Performance

Business performance is a broad concept that includes both financial, as well as operational performance indicators. Performance measurement depending only on financial indicators is not enough, so non-economic indicators (market share, product development or production efficiency) are used for measuring business performance (Dahan & Shoham, 2014). Moreover, achieving superior performance represents a central area in strategic management and marketing management (Tutar, Nart & Bingöl, 2015). Performance is an ongoing and flexible process that includes managers and those who they manage, acting as partners within the organization. A work environment that is set out on how they can best work together to achieve the required results will lead to performance. Performance is the end result of activities. It includes the actual outcomes of strategic management process (Agha, 2012).

Literature review on organizational performance clearly shows a general finding of all researchers that there is no single universal measure that can be utilized to assess overall organizational performance. Many performance measurements and models have been developed and supported by various authors, such as: profitability, productivity, efficiency, effectiveness, adoptability, growth, innovation (Harrim, 2010). Thus, organization performance is affected by many factors with different outputs. These outputs can be either economical such as profit margin, raise of new investments or some types of

different types or characteristics which cannot be measured. Business performance is a measurable result and the organizational decision includes the success and accomplishment. Costs are the basic parts of the performance, while performance includes competitive purpose, spiritual prevalence, reliability, flexibility, quality and rapidity (Amirkhani & Reza, 2015).

Performance could be estimated in both subjective and objective methods. For this purpose, there are three types of indicators that have been mostly adopted in organizational performance studies: growth, profitability and market share expressed by financial or non-financial indicator. Since financial indicators and performance indicators are even weakened, particularly in the changing competitive environment, non-financial performance should be represented in order to fill the gap of incomplete information (Zehir, Can & Karaboga, 2015). Therefore, performance measurement has been defined as the process of quantifying activities that lead to performance, from the perspective of strategy. Organizations achieve their goals by satisfying their customers with higher efficiency and effectiveness than their rivals (Maurya et al., 2015). Organizational performance can be seen as a multi-dimensional structure that includes more than simply financial performance. It is described as the scope to which the organization is capable to match the scope of its stakeholders and its own needs for survival. Although financial and operational results are inter-related, they nevertheless reflect different faces of organizational performance and their normal direction is complicated (Lau, 2011).

Market Expansion

Kotler and Singh (1981) suggest 'market expansion' as one of the strategic alternatives for market leaders. They define market expansion strategy as a strategy of attracting new customers or increasing usage of existing customers of a product category. A company can search new users among three groups: those who might use it but do not (market penetration strategy), those who have never used it (new-market segment strategy), or those who live elsewhere (geographical expansion strategy) (Kotler and Keller 2007).

Many scholars use the term 'market expansion strategy' in the context of geographic (domestic or foreign) business expansion of a company (e.g. Gatewood & Henry, 2010; Ndemo & Maina, 2007) which may or may not lead to increase in the total market size for a particular product category. Robinson and Lundstrom (2003) use the term market expansion to mean expansion by a domestic firm into a foreign country. They define market expansion

strategy as a fit between the organization and the external market.

Depending on the stage of product life cycle, Walker, Jr; Mullins, Boyd and Larreche (2006) use the term market expansion strategy in different ways. In growth stage they consider it to be an aggressive and proactive version of a market share maintenance strategy for a market leader. But at the maturity stage of the life cycle they consider market expansion strategy as one of the three alternatives for creating primary demand. Other two strategic alternatives are increased penetration strategy and extended use strategy. They define increased penetration as a strategy of converting current nonusers in one or more major segments while extended use strategy as a strategy of increasing frequency of use or developing new ways to use the product. At the maturity stage market expansion strategy is defined as 'a strategy of gaining new customers by targeting new or underdeveloped geographic markets or new customer or application segments.' The two versions of market expansion strategy seem to be different in terms of difference in the emphasis among elements of marketing mix. In Walker Jr. et al. (2006) version, market expansion strategy at growth stage seems to place more emphasis on product element of marketing mix, while at maturity stage the emphasis seems to be more on place element. Promotion appears to be more important element of marketing mix in the two alternatives to market expansion strategy. But conceptually these definitions appear to be overlapping.

Expansion' and other similar terms used in the business and corporate strategy literature do not always mean expansion of market for a particular product category. For example, Glueck and Jauch (1984) suggest concentration, integration, diversification, cooperation and internationalization as different routes to expansion. But these strategies do not necessarily lead to expansion of market for a particular product category, though it may lead to overall corporate level expansion of sales revenue and profitability. Similarly, Ellis (2005) in his product-market growth matrix talks about 'market extension strategy' and 'market penetration strategy'. But extension of market by reaching out to new market segments in present geographic markets is not the same as regional, national or international geographic expansion of a company's sales. Former option leads to increase in primary demand for the product category. But in the latter case, a company might grow its sales by gaining market share from existing competitors in new geographic markets. Similarly, if market penetration is sought by converting non-

customers into customers of the industry's products, it leads to increase in the primary demand. But if market penetration is brought about by attracting competitor's customers, it leads to increase in the selective demand for a specific brand.

Market Sustainability

The concept of sustainability has received growing recognition, but it is a new idea for many business executives (Beltz & Frank-Martin, 2009). For most, the concept remains abstract and theoretical. Protecting an organization's capital base is a well-accepted business principle. Yet, many have not considered the need for sustainability of their businesses. The International Institute for Sustainable Development in conjunction with Deloitte and Touche (2000) state that if sustainability is to achieve its potential, it must be integrated into the planning and measurement systems of business enterprises. They stress that sustainability means adopting business strategies and activities that meet the needs of the enterprise and its stakeholders. Sustainability.com in conjunction with Rochelle and Aiste (2016) believe that sustainability is simply the ability to sustain. They posit that it is about the future of any business from today's commercial success. They insist that as simple as their disposition is, it captured the expectation and meaning of sustainability vividly and in a nutshell.

Empirical Studies

Nwekpa, Onwe and Ezezue (2017) examined the relationship between EO and performance of the micro businesses within the context of a developing country. The study specifically examined whether EO significantly predicts increase in sales, assets and employees' satisfactions respectively of micro businesses. The approach adopted exploratory design, where by a survey was done on a total of 273 micro businesses from four different sectors; Retail; ICT Manufacturing and Artisans. The data gathered were analyzed using the Pearson's Product Moment Correlation analysis. This study confirmed the universal empirical evidence that EO has positive and significant relationships with business performance. The study also suggested that EO amongst micro businesses will lead to increase in sales, increase in assets and as well as increase in employees' satisfaction of micro businesses.

Aliyu (2015) investigated the direct relationship between EO and business performance of SMEs in Nigeria, with the moderating effect of business environment. A quantitative research design was employed, using a structured questionnaire survey, and a total of 511 valid responses were duly completed and returned, representing 79.8 percent

response rate. Based on theoretical consideration, a framework was developed to investigate these relationships. The result of regression analysis established a strong and positive relationship between EO and business performance. However, the hypothesized moderating effect of the business environment on the relationship between EO and business performance was not supported.

Ezie and Danjuma (2017) examined the impact of EO on SMEs performance in North Central, Nigeria. The study employed descriptive and OLS regression analysis to analyze the data. Findings from the study revealed that the more SMEs adopt an EO, the more likely they are to achieve competitive advantage and enhanced performance. It also revealed that proactive entrepreneurs were more likely to create employment opportunities, develop new products or services for overseas markets, than their conservative counterparts.

Abiodun and Mohammed (2016) re-examined the previous research conclusion regarding the appropriateness of adopting strategic entrepreneurial orientation and its potential impact on performance of small and medium enterprises. Having employed PLS-SEM on data collected from 201 SMEs in Nigeria, the result of the study showed that entrepreneurial orientation statistically significant and positively related to performance of SMEs. The result of this study clearly showed SMEs are likely to benefit from strategic orientation, particularly from pursuing entrepreneurial orientation, which demonstrates the relevance of entrepreneurial orientation in research.

Nasir, Mamun and John (2017) examined the effect of strategic orientation on the performance of small and medium enterprises (SMEs) in Malaysia. The study adopted a cross-sectional design and used the stratified random sampling method to select the potential respondents. Data were collected from 473 entrepreneurs who operate in the service sector in Malaysia. Findings showed that entrepreneurial and market orientations have a positive effect on superior firm performance. As entrepreneurial orientation is shown to be the construct sharing a positive relationship with all the other constructs in the model, it has been identified as the most significant strategic orientation.

Sukato (2014) explored the implementation of market orientation and innovation on business performance for SMEs hospitality industry in Thailand. The market orientation perspective of Kohli and Jaworski (1990), which consists of intelligence generation, intelligence dissemination, and organization-wide responsiveness, was employed in the study. The unit

of analysis of the study was SMEs hotels located in Thailand. A quantitative approach and a structural-direct questionnaire survey were adopted. Structural Equation Modeling (SEM) with AMOS version 17.0 was used for data analysis. The results concluded that intelligence generation; dissemination and responsiveness have a significant indirect effect on business performance through innovation.

Yu-Ming, Wan-Qin, Sang-Bing, Zhen, Yu and Quan (2018) surveyed 324 small and medium-sized enterprises (SMEs) of the Yangtze River Delta in China. The study discussed the relationship between EO, absorptive capacity, environmental dynamism, and corporate technological innovation performance. The results based on a moderated moderation model showed that the relationship between entrepreneurial orientation and innovation performance is significantly positive. The absorptive capacity can positively moderate this relationship. When the external environment is in high dynamism, the moderating effect of absorptive capacity will be stronger than when the environment is in low dynamism.

Talaja, Miočević and Alfirević (2017) explored indirect relationships between market orientation (MO), organizational strategic resources and business outcomes in Croatia. Previous studies have identified MO as a key strategic asset that contributes to competitive advantage and ultimately to business performance. The goal of the study was to extend the existing knowledge by showing that MO complements with other strategic management processes that are relevant for business success. To address the research question, a conceptual model with three hypotheses was developed. Data was obtained with a survey questionnaire on a sample of 265 medium and large-sized firms from Croatia. The findings indicated that MO influences competitive advantage stronger at higher levels of VRIN resources. Also, that competitive advantage mediates the relationship between MO and business performance.

METHODOLOGY

The study adopted survey research design because the design elicits relevant data from sampled respondents that will aid in analysis of data. The population of this study is small and medium entrepreneurs of firms in South East Nigeria. The population comprise of 35,535 SMEs registered with SMEDAN (2015) in the study area. Taro Yamane formula was used to determine sample size of 395 while stratified random sampling technique was employed to select respondents. Seventy nine 79 SMEs were, therefore, randomly selected from each of the Five States

(Strata) that make up South East, Nigeria. Primary source of data was mainly used for the study. The data was sourced through a five point Likert structured questionnaire. The instrument was subjected to content and construct validity. The study adopted Split-Halve technique in ascertaining the consistency level of the instrument. The reliability

coefficient obtained was 0.866. The copies of the questionnaire were administered personally to the respondents by trained research assistants and the researcher. Data gathered from the field was analyzed using mean, percentage, frequency. The hypotheses were tested using Pearson Product Moment Correlation Coefficient at 0.05 level of significance.

DATA PRESENTATION AND ANALYSIS

Research Question 1

To what extent does strategic orientation relates to market expansion of SMEs in South East Nigeria?

Table 1: Respondents' mean ratings on extent strategic orientation relates to market expansion of SMEs in South East Nigeria (N=340)

S/N	Statement items	Mean	Remark
	Strategic Orientation		
1	I am aware of the strong competition in the market	3.53	High Extent
2	I plan with my organizational resources to improve my business	4.79	Very High Extent
3	The effectiveness of my strategic plan increases my capital	4.83	Very High Extent
4	My firm's technological prevalence can enhance the capability to have more funds	3.08	Moderate Extent
5	I develop long term strategies that will help to grow my business in the future	3.68	High Extent
6	I plan and execute strategies that aim to deliver customer satisfaction	4.01	High Extent
7	I am capable of predicting the unpredictable changes in the market environment and adjust my business strategy to suit the situation	3.03	Moderate Extent
	Market Expansion		
8	I consider customers to innovate new products	3.58	High Extent
9	I make sure my product does not only circulate in the market but outside the market	4.88	Very High Extent
10	I penetrate market to convert non-customers to my customers	4.14	High Extent
11	I make sure that my products are advertised to improve awareness to consumers	3.56	High Extent
12	I teach marketing skills to my staff to improve the sales of my product	3.28	Moderate Extent
13	I adopt online marketing to create awareness of my products and services	2.92	Moderate Extent
	Grand Mean	3.79	High Extent

Source: Field Survey, 2021

Table 1 shows that the 13 items have mean ratings ranged from 2.92 to 4.8. Items 2, 3 and 9 had ratings of 4.79 to 4.88, which mean that SMEs had and displayed these potentials to a great extent. Item 1, 5, 6, 8, 10 and 11 had mean rating of 3.56 – 4.14, which means that the SMEs had the potentials at a great extent. Items 4, 7, 12 and 13 had mean rating of 2.92 – 3.28, which means that the SMEs had the potentials at a moderate extent. However, the grand of 3.79 shows that the SMEs to a great extent displayed strategic orientation, which was evident in, market expansion of their business.

Research Question 2

To what extent does market orientation relates to market sustainability of SMEs in South East, Nigeria?

Table 2: Respondents' mean ratings on extent market orientation relates to market sustainability of selected SMEs in South East, Nigeria (N=340)

S/N	Statement items	Mean	Remark
Market Orientation			
1	My organization ensures it satisfies its customers' needs over the long term	3.83	High Extent
2	Being responsive to customers' needs helps me to improve my firm's performance	4.09	High Extent
3	I have open communication with my customers	4.18	High Extent
4	I provide my customers with information of new services and products I'm developing	3.88	High Extent
5	I provide physical and online customer service	2.08	Low Extent
6	I identify of the problem that the business faces	4.01	High Extent
Market Sustainability			
7	I am equipped with marketing knowledge/skills	3.33	Moderate Extent
8	I thrive to be the sole proprietor in the supply chain of my product and services in the market	4.28	High Extent
9	I understand current happenings in SMEs' marketing environment	4.78	Very High Extent
10	I consider marketing of products and respond swiftly to competition in the markets	3.14	Moderate Extent
11	I ensure management of customers and suppliers relations	4.56	Very High Extent
Grand Mean		3.83	High Extent

Source: Field Survey, 2021

Table 2 shows that the 11 items have mean ratings ranged from 2.08 to 4.78. Items 9 and 11 had ratings of 4.56 to 4.78, which mean that SMEs had and displayed these potentials to a very high extent. Item 1, 2, 3, 4, 6 and 8 had mean rating of 3.83 – 4.28, which means that the SMEs had the potentials at a high extent. Items 7 and 10 had mean rating of 3.14 – 3.33 which means that the SMEs had the potentials at a moderate extent while item 10 had mean rating 2.08 while imply low extent. However, the grand mean of 3.83 shows that the SMEs to a great extent displayed market orientation, which was translated in market sustainability of their business.

Hypothesis 1

H_A: There is positive relationship between strategic orientation relates to market expansion of SMEs in South East, Nigeria

Table 3: Correlation Analysis for strategic orientation and market expansion

Correlations			
		SO	MKTEX
SO	Pearson Correlation	1	.761**
	Sig. (2-tailed)		.000
	N	340	340
MKTEX	Pearson Correlation	.761**	1
	Sig. (2-tailed)	.000	
	N	340	340

** . Correlation is significant at the 0.05 level (2-tailed).

Source: Field Survey, 2021

Keys:

SO: Strategic Orientation

MKTEX: Market Expansion

Table 3 shows Pearson's Product Moment Correlation Coefficient on the relationship between strategic orientation and market expansion of SMEs in South East, Nigeria. The result indicates that there exist a strong positive relationship between strategic orientation and market expansion of SMEs with $r = 0.761$ and p -value of $0.000 < 0.05$. This shows that strategic orientation of SMEs significantly influenced the market expansion of SMEs business in area of study

Hypothesis

H_A: There is positive relationship between market orientation and market sustainability of SMEs in South East, Nigeria

Table 4: Correlation Analysis for market orientation and market sustainability

Correlations			
		MO	MKTSUS
MO	Pearson Correlation	1	.830**
	Sig. (2-tailed)		.000
	N	340	340
MKTSUS	Pearson Correlation	.830**	1
	Sig. (2-tailed)	.000	
	N	340	340

** . Correlation is significant at the 0.05 level (2-tailed).

Source: Field Survey, 2021

Keys:

MO: Market Orientation

MKTSUS: Market Sustainability

Table 4 presents Pearson's Product Moment Correlation Coefficient on the relationship between market orientation and market sustainability of SMEs in South East, Nigeria. The result reveals that there exist a strong positive relationship between market orientation and market sustainability of SMEs business activities with $r = 0.830$ and p -value of $0.000 < 0.05$. This shows that SMEs' market orientation positively influenced the market sustainability of their firms in the area of study.

Conclusion

Based on the findings, the study concludes that EO has a positive impact on performance of SMEs in South East Nigeria. All the EM dimensions: strategic orientation and market orientation had positive significant effects on performance of SMEs in the region. Strategic orientation of SMEs improved the market expansion of their businesses. Market orientation of SMEs enhanced market sustainability as their ideas resonates intelligence on customers' needs and wants that give them utmost satisfaction, and would guarantee firms' customer retention, growth and profitability.

Recommendations

1. SMEs need to embrace the strategic orientation so as to improve the expansion of their businesses.
2. The owners of small businesses need to apply the dictates of market orientation to ensure the sustainability of their businesses.

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