

**SMALL AND MEDIUM SCALE ENTERPRISES MANAGERS' RATING OF
MARKETING SKILLS NEEDED FOR BUSINESS SUCCESS IN DELTA
STATE NIGERIA**

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Abstract

The main purpose of the study was to ascertain the small and medium scale enterprises managers' rating of marketing skills needed for business success. One research question guided the study and one null hypothesis was tested at 0.05 level of significance. Descriptive survey research design was adopted and a population of 609 SMEs managers was studied without sampling. A structured questionnaire containing 10 items was face validated by three experts in the field and was used for data collection. Test-retest method was used to establish the reliability of the instrument and data analysed with Pearson Product Moment Correlation yielded a coefficient of 0.83. Five hundred and ninety six duly completed copies of the instrument were retrieved and used for data analyses. Mean and standard deviation were used to analyze the research question while the z-test was used to test the null hypothesis at 0.05 level of significance. Findings revealed that the respondents needed marketing skills highly rating. Based on the findings of the study, the researchers concluded that all marketing skills listed were highly needed by SMEs managers for business success. It was therefore recommended that State governments should create avenues for imparting marketing skills to prospective small and medium enterprises managers before they embark on any enterprise and still empower and follow them up to see that they succeed in business. This will help to reduce the rate of business failure.

Keywords: Skills, Entrepreneurship, Entrepreneurial skill, Manager, Marketing skill

Introduction

One of the many pressing challenges facing Nigeria today is the means through which poverty will be eradicated. The concern of many educationists and the public in general is to encourage small and medium scale managers to take necessary courses on skills acquisition. Skill is thought of as a quality of performance which does not depend solely upon a person's fundamental or innate capabilities but could be developed through training, practice and experience. Although skill depends essentially on learning, it also includes efficiency and performance (Adeyemo, 2009). Skills represent particular ways of using capacities in relation to environmental demands, with human being and external situation together forming a functional system. Skills are also needed for successful entrepreneurship and for enhancing self reliance.

Ile and Okereke (2013) viewed entrepreneurship as the creative ability of an individual to identify business opportunities in the immediate environment and take advantage of bringing up new businesses. Entrepreneurship therefore refers to the attitude and actions of an individual or individuals starting a new business. Ile and Okereke further stated that entrepreneurship as an activity comprises the creation of value through the fusion of capital, technology, human talent and risk-taking. Odua and Benjamin (2009) described entrepreneurship as a creative process of organizing, managing enterprises and assuming the risks involved in the enterprise. This means that entrepreneurship is all about taking risks. Fundamentally, entrepreneurship or self-reliance is a concept related to being the boss of one's own business. It involves the application of enterprising skills and competencies in creating and establishing a new business entity.

Meanwhile entrepreneurial skill is the ability of individuals to exploit ideas and create an enterprise (small and medium scale) not only for personal gain but also for social and developmental gain (Olaunju, 2004). The acquisition of entrepreneurial skills means combining personal characteristics, financial resources within one's environment and taking advantage of them for rewarding outcome.

However, the desire of every small and medium scale enterprise manager is to ensure that his business survives. For this to be achieved, appropriate entrepreneurship skills must be utilized. A casual observation shows that most small and medium scale enterprise managers seemingly make use of marketing skills. Sulayman and Akaze (2014) held that the success of entrepreneurship depends on skills acquired by the small and medium scale enterprise managers. Ademiluyi (2007) opined that entrepreneurship skills are simply business skills which individuals acquire to enable them effectively function in the turbulent business environment as managers of SMEs. Akinola (2001) pointed out that it takes special skills to succeed as a small and medium scale enterprise manager. This implies that the success of a business depends on many factors, top of which is the level of marketing skills used by the small and medium scale enterprise managers. Lending support to this, Gana in Sulayman and Akaze (2014) stated that once a business ceases to be in operation, it is said to have failed. This implies that based on the appropriate entrepreneurship skills utilized, it has the potentials of helping small and medium scale enterprise managers to succeed in business.

Furthermore, for one to become a successful small and medium scale enterprise manager, one needs appropriate level of marketing skills to succeed in the

competitive market. Ademola (2005) identified skills needed by small and medium scale enterprise managers for successful business to include technical skills, human skills, conceptual skills, accounting and a range of interpersonal skills. Adeyemo (2009) listed the skills needed for successful enterprise to include: sales and marketing skills, self motivation skills, time management skills and administrative skills. Meanwhile, this research focuses on marketing skills.

Marketing skills are more than just selling and promoting one's business. It is about identifying one's customers and working out how to get the customers to purchase one's products or services. Marketing skills according to Jones (2015), is the ability to communicate with one's potential customers and inform them of one's products and / or services, and know how to define and target one's market. One needs to know what will work for one's business.

Niche (2015) opined that a small and medium scale manager is required to possess the following marketing skills; creating video that can help one's business, creating e-mail address for easy accessibility of the products, develop social media like whatsapp, facebook and so on to enable the product to excel. These skills according to the American Marketing Association (2013) enhance a marketer's ability to create, communicate, and deliver values to customer and for managing customers' relationships in ways that benefit the organization and its stakeholders. Marketing skills, according Johnston (2012), are changing with technology and innovation. Johnston further listed some marketing skills as: writing skills, systematic thinking, conversation rate skill, and idea testing. Ademiluyi (2007) opined that the acquisition of marketing skills offers the manager the unique strategy for succeeding in business.

However, managers of small and medium scale enterprise seem to be failing in the achievement of their business goals as a result of poor marketing skills. Poor management skills according to Schaefer (n.d) is the number one reason for business failure. Reardon (2010) added that managers of small and medium scale enterprise lack knowledge on how to run businesses. Over 90 percent of the SMEs dealt with during the study on entrepreneurial training needs analysis in SMEs confessed that their businesses were not performing well due to the above deficiencies (Nothando, Desderio, Jengeta, Tsitsi & Nhemachena, 2013). Managers are individuals responsible for planning and directing the work of group of people, monitoring their work, and taking corrective action when necessary (Collins, 2003). This implies that managers may direct workers directly or may direct several supervisors who direct the workers. In order to carry out these tasks efficiently, Managers must be organized, honest, be able to take good decisions and develop all the entrepreneurial skills needed for business success.

In addition, gender can be an influencing factor to the successful running of business by small and medium scale enterprise managers. This is because Abor and Biekpe (2005) had observed that female managers of SMEs are less likely to survive than their male counterparts due to unequal economic activities and inequalities of access to productive resources such as capital leading to differences in financial management skills marketing skills and self-motivation skills. Therefore, this study sought to determine the views of managers of small and medium scale enterprise regarding the level of marketing skills needed for business success.

Statement of the Problem

Evidence abound that the failure of small and medium enterprises is on the increase and the causes of the failure may not be that the small and medium enterprises managers do not have the necessary skills to keep the business afloat, but because the needed skills are not adequate to grow and thrive in business. Consequently, the researchers are interested in determining the SME managers' rating of marketing skills needed for business success.

Purpose of the Study

The main purpose of the study was to determine the small and medium scale enterprises managers' rating of skills needed for business success in Delta State. Specifically, the study determined the: Marketing skills needed by small and medium scale enterprises managers for successful business operation.

Significance of the Study

The findings of this study would be beneficial to SME managers, educationists and future researchers. SME managers in Delta State and other State of the federation would benefit from the findings of this study in that managers' effective use of adequate marketing skills in business would offer them the opportunities to excel in business. This would help in reduction of business failure and also help in development of the State and Country at large.

In addition, educationists would benefit from the findings of this study in that it would guide and direct the educationists on the necessary entrepreneurship skills they would impart in the students to help prepare them for desired success in enterprises management. This will make them better prepared to teach the students appropriately for the business world. Meanwhile, future researchers would benefit from the findings of this study as it would serve as a veritable source of information and reference materials in their research activities.

Scope of the Study

This study covered all the managers of registered small and medium scale enterprises in Delta State. This study is delimited to managers' ratings of marketing skills needed for successful business, and is restricted to gender as the influencing factors on the rating of the respondents. Skills such as self-motivation, human relations, creativity skills and other relevant entrepreneurial skills were not investigated in this study.

Research Questions

One research question guided the study:

What are the small and medium scale enterprises managers' ratings of marketing skills needed for successful operation of businesses in Delta State?

Hypothesis

One null hypothesis was tested at 0.05 level of significance:

Gender does not significantly influence the mean ratings of small and medium scale enterprise managers on marketing skills needed for business success in Delta State.

Method

A descriptive survey research design was adopted for this study. Osuji, Omoifo, Salawu and Okonkwo (2012) defined a survey design as the study of a group of people or items by collecting and analyzing data from only a few people or items used as samples of the entire group. The researchers considered survey design appropriate for this study since it collected data from managers of small and medium scale enterprises in order to explore their views regarding the marketing skills needed by small and medium scale enterprises for business success.

The population of the study consisted of all the 609 registered male and female managers of small and medium scale enterprises in Delta State of Nigeria. The instrument for data collection was a structured questionnaire tagged “Marketing Skills Needed for Business Success Questionnaire (MSNBSQ)” developed by the researchers based on the review of related literature and research question guiding the study and the questionnaire contained 10 items on rating of marketing skills needed by small and medium scale manager for business success. The instrument was structured on a five point rating scale of Very Highly Needed, Highly Needed, Moderately Needed, Lowly Needed and Very Lowly Needed.

The face validity of the instrument was established using two experts in business education and one expert in measurement and evaluation all from Nnamdi Azikiwe University, Awka. Test-retest method was used to determine the reliability of the instrument. The researchers administered copies of the instrument on 20 registered small and medium scale managers in Enugu State. Data from the two tests were analyzed using Pearson Product Moment Correlation Co-efficient and a reliability coefficient of 0.83 was obtained.

Copies of the questionnaire were administered on the respondents with the help of six research assistants selected from the three senatorial districts of Delta State. These research assistants were briefed on the procedures for administering and collecting the instrument. A total of six hundred and nine copies of the questionnaire were distributed to the respondents, and five hundred and ninety six (97.9%) were filled and returned by the respondents while thirteen (2.1%) copies were not returned.

Data collected in the study were analyzed using mean scores and standard deviation while z-test was used to test the null hypothesis. The acceptance of questionnaire items was based on the real limits of numbers as shown below:

| Response | Real Limit of Numbers |
|--------------------|------------------------------|
| Very Highly Needed | 4.50-5.00 |
| Highly Needed | 3.50-4.49 |
| Moderately Needed | 2.50-3.49 |
| Lowly Needed | 1.50-2.49 |
| Very Lowly Needed | 0.50-1.49 |

The z-test statistic was used to test the null hypothesis at 0.05 level of significance. A null hypothesis was rejected if the calculated z-value is equal to or greater than the critical z-value; otherwise the null hypothesis was not rejected.

Result

Research Question

What are the small and medium scale enterprises managers’ ratings of marketing skills needed for successful operation of businesses in Delta State?

Data relating to this research question were analyzed and presented in Table 1.

Table 1

Respondents’ mean rating on marketing skills needed for business success

N = 596

| S/N | Marketing skills | X | SD | Remarks |
|-----|--|-------------|------|----------------------|
| 1 | Ability to determine the extent to which products will sell | 4.78 | 0.65 | Very Highly Needed |
| 2 | Ability to determine current trends in sale of products | 4.37 | 0.79 | Highly Needed |
| 3 | Ability to determine customers needs | 4.82 | 0.42 | Very Highly Needed |
| 4 | Ability to use advertising and sales promotion to attract customers | 4.50 | 0.81 | Very Highly Needed |
| 5 | Ability to interpret factors which indicate strength of competition | 2.28 | 0.77 | Lowly Needed |
| 6 | Ability to manage credit sales | 2.83 | 0.85 | Moderately Needed |
| 7 | Ability to persuade customers for higher sales volume | 4.50 | 0.81 | Very Highly Needed |
| 8 | Ability to develop an effective product distribution network | 4.39 | 0.78 | Highly Needed |
| 9 | Acknowledge of several fluctuations of goods and familiarity with various aspects of salesmanship. | 3.95 | 0.69 | Highly Needed |
| 10 | Ability to budget and forecast business growth | 4.41 | 0.67 | Highly Needed |
| | Cluster mean | 4.08 | | Highly Needed |

Data in Table 1 show that four of the items are rated by SME managers as very highly needed. Similarly, another four were rated highly needed and the remaining two rated moderately needed and lowly needed respectively. The cluster mean of 4.08 shows that on the whole, small and medium scale managers in the area of the study rated marketing skills as highly needed. The standard deviations for all the

items are within the same range showing that the respondents are not wide apart in their ratings.

Hypothesis

Gender does not significantly influence the mean ratings of small and medium scale enterprise managers on marketing skills needed for business success. This null hypothesis was tested using z-test at 0.05 level of significance and the results are presented in Table 2.

Table 2
z-test analysis of male and female SME managers rating on marketing skills needed for business success N = 596

| Gender Remark | N | Mean | SD | α | df | z-cal | z-crit | |
|---------------|-----|------|------|----------|-----|-------|--------|-----------------|
| Male | 386 | 4.29 | 0.83 | 0.05 | 594 | 1.38 | 1.96 | Not significant |
| Female | 210 | 4.18 | 0.98 | | | | | |

Table 2 shows that the calculated z - value of 1.38 is less than the critical z - value of 1.96 ($1.38 < 1.96$) at 0.05 level of significance and 594 degree of freedom. This means that gender does not significantly influence the mean ratings on marketing skills needed for business success. Therefore, the null hypothesis was not rejected.

Discussion

Findings of the study showed that managers of small and medium scale enterprises in Delta State rated marketing skills to be highly needed for business success. The findings of the study are in line with the opinions of Ezeani, Ifeonyemetalu and Ezemoyih (2012) who stated that marketing skills are highly required for successful operation of a business enterprise. The author further stated that marketing skills are essential skills required for entrepreneurial success. Supporting this view, Sabo (2006) suggested that for small and medium enterprise managers to be successful, marketing skills are critical. This finding corroborates the findings of Akpotowoh (2005) who identified knowledge of seasonal fluctuation of goods, ability to determine the extent to which products will sell and knowledge of advertising the goods. Kotler and Keller (2010) also held that marketing skills are all about meeting consumers' needs profitably and satisfying them by communicating marketing ideas to the consumers.

Furthermore, the test of the null hypothesis showed that male and female SMEs managers did not significantly differ in their mean ratings on marketing skills needed for business success. This implies that male and female SME manager understood the importance of marketing skills for business success. In support of this, Stanton (2002) stated that the possession of marketing skills keeps the managers informed, knowledgeable, confident and also helps in the efficient distribution of goods and services for business success.

The need for marketing skills by managers' of small and medium scale enterprises shows that these skills are very important for successful business. This

means that small and medium scale enterprises managers including prospective ones should have in their finger tips the entrepreneurial skills especially marketing skills needed for business success before embarking on any business venture.

Meanwhile, the effective use of marketing skill would reduce the rate of business failure in the society. It will also help in the creation of employment which in turn will reduce unemployment among the youths and contribute immensely to the development of the country.

Conclusion

The finding of this study has revealed that the marketing skills identified were rated to be highly needed by small and medium enterprises managers for successful business operation. This means that SMEs managers or prospective SMEs managers should be equipped with marketing skills before setting up an enterprise. Furthermore, the study revealed that male and female managers of small and medium scale enterprises did not significantly differ in their mean ratings on the level of marketing skills needed for business success.

Recommendations

Based on the findings of this study, this recommendation was made:

State governments should create avenues by organizing a seminars through the help of elites for imparting marketing skills to prospect small and medium enterprises managers before they embark on any enterprise and still empower and follow them up to see that they succeed in business.

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