

**IMPACT OF MARKETING STRATEGIES ON SUSTAINABLE
COMPETITIVE ADVANTAGE OF MANUFACTURING FIRMS IN MINNA
METROPOLIS**

BY

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MINNA, NIGER STATE**

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**A THESIS SUBMITTED TO THE POSTGRADUATE SCHOOL FEDERAL
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ABSTRACT

Manufacturing firms are key initiators of innovation and economic growth but fail in attempt to gain sustainable competitive advantage. Achieving competitive advantage in any organization through various marketing strategies is pertinent to achieving organizational success. This study therefore examines the impact of marketing strategies on sustainable competitive advantage of manufacturing firms in Minna metropolis. Cost leadership, product differentiation and market segmentation were used as the variable of marketing strategies while sustained sales growth and sustained higher market share was used as a measure of sustainable competitive advantage. The study exclusively makes use of quantitative approach using the survey research method. Structured questionnaire was used to gather information from sample size of one hundred and eighteen (118) operating registered manufacturing firms using purposive sampling. In analyzing the data, descriptive statistics was used to examine general pattern and characteristics of the respondent demographic data while multiple linear regression was used to measure the impact of marketing strategies on sustainable competitive advantage by determining the relationship between both variables. The descriptive analysis showed that 75.9% of the survey respondents were male with a mean age of 40 years. Approximately 62% of the survey respondents were graduates and majority of the survey respondents (39.3%) have start a manufacturing business because of the interest and passion they have in it. Regression analysis summary model revealed a positive relationship between marketing strategies and sustainable competitive advantage with r value of, 0.473, r^2 value of 0.224, F value of 10.368 and significant at 0.000. The findings further revealed that product differentiation and market segmentation have positive significant relationship with sustainable competitive advantage. The study recommends that owners and managers of manufacturing firms should put in place effective marketing strategies in their business model and should particularly focus on product differentiation and market segmentation in order to help them gain sustainable competitive advantage over their competitors.

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ABBREVIATIONS

| | | |
|---------|---|--|
| 4Ps | - | Product, Price, Place and Promotion |
| GDP | - | Gross Domestic Product |
| ICON | - | Investment Company of Nigeria |
| MAN | - | Manufacturers Association of Nigeria |
| MSMEs | - | Micro, Small and Medium Enterprises |
| NBCI | - | Nigerian Bank for Commerce and Industry |
| NBS | - | National Bureau of Statistics |
| NEEDS | - | National Economic Empowerment and Development Strategy |
| NERFUND | - | National, Economic Reconstruction Fund |
| NIDB | - | Nigerian Industrial Development Bank |
| PLC | - | Public Liability Company |
| SAP | - | Structural Adjusted Programme |
| SCA | - | Sustainable Competitive Advantage |
| SMEDAN | - | Small and Medium Enterprises Development Agency of Nigeria |
| SMEs | - | Small and Medium Enterprises |
| UNDP | - | United Nations Development Programme |

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

In any organization, the ultimate goal is to achieve sustainable competitive advantage (SCA) and long term performance (Al-Alak and Tarabieh, 2011; Seth and Olori, 2017; Quaye and Mensah, 2019). The emerging competitive advantage and increased rate of competition across the globe have brought about the needs to incorporate good approach of marketing for the survival and improvement of entrepreneurial venture in the long-run (Gaya *et al.*, 2013; Anning-Dorson, 2018; Maury, 2018). Sustainable competitive advantage has turned into a worldwide concern due to rapid population increase, demand as well as increasing numbers of firms set up in the industry (Robert, 2012). Consequent to this, Quaye and Mensah report in 2018 projected that manufacturing industry will continue to attract more investments with regards to production and sales, therefore, different firms in the industry have to devise their own marketing strategies in order to have a competitive edge. Shokuhi and Nabavi (2019) explained competitive advantage as the advantage that an organization has over other firms in the industry. It is the advantage an organization has over others, which helps the organization to lead others in the race, retain market share and attract more customers through provision of greater values to customers either by providing good quality product or services that justifies higher prices or lowering prices of product to customers (Gaya *et al.*, 2013).

Globally, production is exceedingly competitive, firms must therefore operate in an effective way to reduce operation cost, add more value to its products, retain existing customers, attract new ones, and enhance profit level to gain sustainable competitive

advantage (Gaya *et al.*, 2013; Kuncoro and Suriani, 2018; Pratono, et al., 2019). Competition that exists among the manufacturing firms for survival has become more intensified as the numbers of firm increases in the industry (Atikiya *et al.*, 2015). Thus, the intensity of rivalry for survival among them becomes stronger. Firms are then engaging in different strategies to reduce operating cost and maximize their investment return. Hence, the competitiveness of firms is mirrored in their business strategy and the market leader has the biggest share of the market (Shokuhi and Nabavi, 2019).

In any economy, the manufacturing sector is opined to be the instrument of growth and the central pillar for a country sustainable growth and development (Cantore *et al.*, 2017; Okon and Osesie, 2017; Sanni, 2018). When the manufacturing sector of an economy is strong and a good competition exists between them, such an economy is seen to be productive with increased wealth creation and increased Gross National Product (Obioma *et al.*, 2015). On the contrary, a deficient in the manufacturing sector of an economy coupled with poor competitive forces may lead to a country's poor performance and retarded growth.

The catalyst for economy transformation to a dynamic, sustained and diverse economy is seen and eminent in manufacturing sector that are constantly using winning strategies to gain sustainable competitive advantage nationally and internationally (Gbadebo *et al.*, 2019). This is evident in developed countries such as United State of America and United Kingdom and some emerging countries such as India, China and Japan whose manufacturing sectors have played a significant function in the structural transformation of their economy from a subsistence, and low income state to one that is dynamic, sustained and diverse economy (Obioma *et al.*, 2015; Cantore *et al.*, 2017; Iyer, 2018).

The effectiveness of marketing for sustainable competitive advantage of today's contemporary environment is not to exploit buyers in their current individualizations.

On the contrary, the future of sustainable competitive advantage is in creating renewed feelings for customers in the community (Keong and Dastane, 2019). This made the interface between marketing and sustainable competitive advantage got a significant consideration in recent years (Seth and Olori, 2017; Kuncoro and Suriani, 2018; Keong and Dastane, 2019).

The Nigerian manufacturing MSMEs is characterized by deepened competition and producers in this industry have used a variety of strategies to gain a large market share. Many backyard SMEs are being set up as the industry yield quick return on capital investment. However, peoples' interests in setting up the SMEs are slowly being exterminated due to stiff competition that exists in it (Robert, 2012). Presently in the country, producers that are well conversant with marketing approaches knew that thriving firms must effectively operate in price-driven marketplace where all firms produce similar or identical product (Saeed, 2016; Sanni, 2018; Ansari *et al.*, 2019).

Today, markets have become extremely turbulent, competitive and are constantly changing, the conditions of market have move from being simple to complex, stable to dynamic, and tame to hostile (Gebauer *et al.*, 2011). In reaction to the changing market conditions, manufacturing SMEs have traditionally become more innovative and customer-centric such that producers gives to customers products that best fit their needs (Cantore *et al.*, 2017; Iyer, 2018; Sanni, 2018). In addition, to favourably compete in the market, manufacturing firms have inculcated provision of additional services offerings to customers as part of their marketing strategies (Gebauer *et al.*, 2011). Firms with greater reliance on distinctive business strategies reportedly achieve superior return on sales and improved value of their product (Cheruon *et al.*, 2015).

Business sustainable competitive advantage is becoming inevitable in today highly dynamic and uncertain environment (Arseculeratne and Yazdanifard, 2014).

Consequently, in order to stay ahead of competition, organizations must therefore pursue appropriate marketing strategies. Marketing strategies have been established to have direct influence on organizations' growth, performance and competitiveness (Atikiya, 2015; Karakaya *et al.*, 2011; Al-alak and Tarabieh, 2011; Aremu and Lawal 2012). Porter in 1985 have early posited three distinctive strategies for competitiveness: cost leadership strategy, differentiation and focus strategies that are essential for achieving competitive advantage and improving firms' performance (Bayraktar *et al.*, 2017; Anwar and Shah, 2020).

1.2 Statement of the Problem

Achieving competitive advantage in any organization through various marketing strategies is pertinent to achieving organizational success (Al-alak and Tarabieh, 2011; Atikiya, 2015; Saeed 2016). This fact plainly stresses the statement that merely production of goods is basically not enough for organizational success unless backed up with appropriate business and marketing strategies (Kim *et al.*, 2012; Arseculeratne and Yazdanifard, 2014; Kuncoro and Suriani, 2018). In the past decade, achieving competitive advantage through marketing efforts is not considered as a vital aspect of entrepreneurial endeavour because Entrepreneurial leaders believed that the supply of a product will ultimately create its demand (Hilletoft, 2011; Van, 2017). The attention of an organization in dominating the market is majorly focused on production while marketing is considered as a secondary target for success (Hilletoft, 2011)

Nevertheless, as manufacturing industry continue to attract more investors a fundamental change has occurred in the business industry, the standard of quality, cutting down cost of products and segmentation has constitute a great problem and concern for all firms in winning more customers and gaining long term competitive

edge (Baroto *et al.*, 2012; Dirisu *et al.*, 2013; Sanni, 2018) Several researchers have indeed indicated that a gap exist in this aspect as it is very hard to sustain competitive advantage in the long run in today's global competitive environment without marketing effort by the firm (Herath and De Silva, 2011; Kuncoro and Suriani, 2018; Pratono *et al.*, 2019).

Manufacturing firms in Nigeria like any other country of the globe are experiencing great challenges of coping with stiff business competition in today's dynamic business environment (Obioma *et al.*, 2015; Okon *et al.*, 2017; Gbadebo *el al.*, 2019). Contribution to gross domestic product (GDP) by the manufacturing sector in Nigeria has decreased and worsened in recent years (Obioma *et al.*, 2015). The nominal GDP growth of manufacturing sector in 2016 slowed by 2.98%, 4.23% points lower from the recorded growth in 2015, the real GDP growth across the manufacturing sector contracted on an average of 5.4% in 2015 relative to 5.6% yearly recorded in 2014 (**National Bureau of Statistics 2014-2019**). The sector recently has also contracted by 0.13% yearly (National Bureau of Statistic 2019). The manufacturing sector's contribution to real GDP in 2019 was 9.10%, which is lower than 9.29% recorded in 2018 (**National Bureau of Statistics 2015-2019**). This sector is however expected to propel the country's economy in shifting its attention from oil sector. In line with this, several policies have being implemented by the government to promote the development and competitiveness of manufacturing SMEs in Nigeria in recent years (Okon *et al.*, 2017). This measure is an indication that there exist a huge potential to improve the competitiveness of manufacturing firms in Nigeria with much regards to manufacturing firms in the study area.

Thus, to build and sustain competitive advantage, it can only be possibly done by creating an organization that is vigorous enough in discovering new competitive

advantage through appropriate marketing strategies when the old competitive strategy wears out (Herath and De Silva, 2011). While many researchers such as: Aremu and Lawal, (2012) have examined the direct relationship between marketing strategies and business performance in Nigerian telecommunication industry, Dirisu, *et al.* (2013) examined product differentiation as a tool for competitive advantage and optimal organizational performance in Unilever Nigerian PLC, Uchebulamet *et al.* (2015) examined the competitive strategies and performance of selected SMEs in Lagos State, Aremu and Bamiduro (2012) examined marketing mix practice as a determinant of entrepreneurial business performance in selected SMEs in Nigeria, and others have also examined the relationship between marketing strategies and firm performance in manufacturing industry in Kenya (Gaya *et al.*, 2013; Atikiya, 2015), the marketing strategies that propel sustainable competitive advantage particularly in manufacturing firms in the study area have received little attention as there are no researches done on the subject to the best of the researcher's knowledge.

Globally, little attention has been given to marketing strategies and sustainable competitive advantage of manufacturing firms within the past few years. Prior studies on marketing strategies have majorly focused on multi-industry study, banking, telecommunication, institutions, agriculture and insurance and their role in fostering firm performance in large organization with no representation from Nigeria context. Conversely, it is therefore important to investigate the marketing strategies that propel sustainable competitive advantage in manufacturing firms to achieve long-term strategic goals and sustain market share in the study area.

1.3 Aim and Objectives of the Study

The main purpose of the study is to investigate the impact of marketing strategies on sustainable competitive advantage of manufacturing firms in Minna metropolis.

Other specific objectives of the study are:

1. To investigate the effect of cost leadership on sustainable competitive advantage of manufacturing firms in the study area.
2. To identify the impact of product differentiation on sustainable competitive advantage of manufacturing firms in the study area.
3. To determine the impact of market segmentation on sustainable competitive advantages of manufacturing firms in study area.

1.4 Research Questions

This study addressed issues relating to the following important questions rising within the domain of research problems:

1. To what extent has cost leadership affected sustainable competitive advantage of manufacturing firms in Minna metropolis?
2. What is the effect of product differentiation on sustainable competitive advantage of manufacturing firms in Minna metropolis?
3. What impact does market segmentation has on sustainable competitive advantage of manufacturing firms in Minna metropolis?

1.5 Statement of Hypotheses

In order to solve the research problems, the following three null hypotheses are formulated:

1. H_0 : There is no significant relationship between cost leadership and sustainable competitive advantage of manufacturing firms in Minna metropolis
2. H_0 : There is no significant relationship between product differentiation and sustainable competitive advantage of manufacturing firms in Minna metropolis
3. H_0 : There is no significant relationship between market segmentation and sustainable competitive advantage of manufacturing firms in Minna metropolis

1.6 Significance of the Study

Marketing strategies and sustainable competitive advantage have been of great interest to business organization worldwide. The selection of appropriate marketing strategies for sustainable competitiveness is a vital decision in maximizing growth, profitability and GDP (Mumo, 2012). The study will be of benefit to some individuals and organizations. To the Manufacturers, this study will be of immense benefit as it suggests the appropriate marketing strategies for sustainable competitive advantage in today's competitive business environment. Through the findings of this study, Manufacturers will be able to improve their market position as well as improving their sales in local market and competing favourably with foreign products. With the research findings, the manufacturing industrialist will be able to avoid possible pitfall in manufacturing business and cut down unnecessary cost related to marketing of their products.

This study also adds significantly to the existing knowledge on the area of marketing strategies and sustainable competitive advantage. To the students, this study serves as a platform to create awareness for further studies into other aspects of marketing strategies and sustainable competitive advantage.

It is hoped that the findings of this study will also help the Government and its agencies and Manufacturer Association of Nigeria that are charged with the responsibility of

regulating manufacturing industry to redesign both legal and administrative framework for the industry in order to improve Manufacturers marketing capabilities in improving the sector GDP contribution to the economy.

1.7 Scope of the Study

This research work was solely undertaken to investigate the impact of marketing strategies used by manufacturing firms, focusing on the micro, small and medium enterprises (MSMEs) in Minna in achieving sustainable competitive advantage. The independent variable: marketing strategies was measured using cost leadership, market segmentation and product differentiation, the dependent variable: sustainable competitive advantage was measured using sales growth and higher market used among other variables. The time frame for this study covered the period from the year 2019-2021. In this period, manufacturing MSMEs in Nigeria and Minna specifically witness a set back and poor performance due to marketing crunches and inability to sustaining competitiveness. The research also employed quantitative approach using both descriptive and inferential statistics. Lastly, the study only covers manufacturing MSMEs that have been in operation for not less than 4 years.

1.8 Limitation of the Study

This study is posed with some undeniably limitation despite the forgoing arguments from previous sections. First, the study is limited to one geographical area in the North Central Zone of the country: Minna. Hence, high precaution needs to be taken in the generalization of the findings result to all other city, state or region of Nigeria or the entire country. Second, the study only explored operating registered manufacturing firms within the study area, other micro and small manufacturing firms that are not registered can equally play an important role in the manufacturing industry. Thus, the findings result cannot be used as yardstick for sustainable competitive advantage of all

business sectors. Lastly, the study is also limited to manufacturing firms who have at least survived in the business for some years (4years). Hence, some manufacturing firms may have entered newly into the industry with hope of having sustainable competitive advantage than the rest of their competitors.

1.9 Definition of Terms

The meaning associated with a word may have several meanings based on different specialization, hence for this study the following terms will mean:

Competitive advantage: This is the advantage a firm has in gaining more customers relative to other competing firms in the industry. It is what the firm offers to the customers that give it an edge over and above others in the industry.

Firm or organization: A firm or organization simply refers as a business enterprise or unit whose direction of resources is solely on the owner.

Industry: These are collection of firms offering the same or similar products that are nearly or perfectly substitutes for each other.

Market share: Market share is the proportion or percentage of the buyers of a product secured by a particular organization.

Marketing: Marketing is defined as a process or an action that deals with the mindful analysis of consumer's wants, needs, intermediary and target market perceptions as the cornerstone for effective product design and its pricing, communication and distribution

Marketing strategies: They involves all the marketing approaches an organization is using in wining more buyers, retaining existing customers, improving market position and withstanding pressure from the competitors.

Strategies: Strategies are clearly mapped out methodology and designs used for putting the different objectives of business plan into implementation.

Sustainable competitive advantage: The ability to maintain competitive advantage for a long period of time.

CHAPTER TWO

2.0

LITERATURE REVIEW

2.1 Conceptual Review

This section discusses the definitions and conceptualizations of marketing strategies and firms sustainable competitive advantage. The first subsection of the chapter focuses on defining marketing strategies, various types and models of marketing strategies for gaining competitive advantage by a firm over its competitors and outlining the various ways it has been conceptualized by earlier studies, and concludes by clearly describing how it will be conceptualized in this study. The second subsection defines sustainable competitive advantage, highlights how this variable has been conceptualized by extant studies, and concludes by clarifying how it will be conceptualized in this study.

2.1.1 Concept of marketing strategies

Marketing strategies refer to strategic competitive plan adopted by management for competing successfully in their chosen market (Wisena *et al.*, 2014). They often involves the analysis of the market, consumers' buying behaviour, competencies of market intermediaries, consumers' needs, competitive activities, and market environment (Kim *et al.*, 2011; Shokuhi and Nabavi, 2019). Organizations engaged in marketing strategies as tools for achieving superior performance, competitive advantage and customer's satisfaction in their chosen industry (Shokuhi and Nabavi, 2019). These are mostly done by an organization through advertisement, promotion, distribution and superior customer service (Leonidou *et al.*, 2013; Moravcikova *et al.* 2017; Mulinge, 2020).

Marketing strategies for effective performance involve various analysis of market, market environment, consumer buying pattern and behaviour and the strength of marketing intermediaries (Kotler and Armstrong, 2012; Adeyeye, 2018).

Taherdangkoo *et al.* (2019) opined that the concept of marketing strategy is based on the proposition that:

1. Customers are unlike
2. Dissimilarities among customers are related to the deference in market behaviour
3. Factors such as individual traits, characteristics, lifestyles, needs and geographical location can be used to isolate the segment of customers within the entire market.

According to Al-Alak and Tarabieh (2011), Aremu and Lawal (2012) and Taherdangkoo *et al.* (2019), marketing strategies play an essential role in gaining and retaining customers, securing business growth, developing sustainable competitive growth and advantages, and achieving financial performance through structured business processes.

The role of strategy in marketing strategy as an effective tool for increasing customer purchase includes mapping out strategic direction for the firm and guiding its investments to expound marketing assets that can be exploited within business processes to achieve sustainable competitive advantages (Karakaya *et al.*, 2011). Though the role of marketing strategies cannot be overemphasised, creating effective strategies and tactics in today's business environment is very complex, and it constitutes a big challenge for most organizations (Kumar *et al.*, 2012, Jarventie *et al.*, 2014; Kuncoro and Suriani 2018).

When implementing strategies in an organization, it requires some minimum level of resources and assessment of organizational strength, weakness, opportunity and threat (Wheelen *et al.*, 2017). Yearly, business firm allocates resources to capture its customers via various channels, ranging from direct mailing, sales personnel, and online communication. Most organization resources and effort are however channelled or

targeted at the wrong customers, often channel to the right customers with a wrong and poor offer, and at times focused at the right customers with the right offer (Cheruon *et al.*, 2015). In any organization, the major challenge is to channel resources to the right customer at the right time with the right offer, (Adamu, 2013)

2.1.1.1 Types of marketing strategies

Marketing strategy involves setting a roadmap for firms by creating marketing assets that can be coupled into business process to provide sustainable competitive advantages. Such assets include advertisement, customer service and differentiation (Cheruon *et al.*, 2015). Furthermore, marketing strategy as a competitive ground plan is majorly viewed as cost leadership, product differentiation and market segmentation (Valipour, *et al* 2012; Wisena *et al.*, 2014; Acquaah and Agyapong, 2015; Shokuhi and Nabavi 2019; Taherdangkoo, 2019).

i. Advertisement

Advertisement is the process of promoting goods, service and ideas by an identified sponsor in order to create awareness in the mind of potential buyers and customers (Aguirre *et al.*, 2015). Most marketers see advertisement as part of an organization promotional strategy (Chen *et al.*, 2020). Other promotional mix variables includes: public relations, personal selling and sales promotion (Bigat, 2012). Advertisement gives an opportunity for a company to inform potential customer the benefit of a product or service (Chen *et al.*, 2020). Advertising can be in form electronic media such as radio, television, and mailing, public display, billboard etc. (Aguirre *et al.*, 2015)

ii. Customer service

Marketing strategy is centred on customer service by creating superior customer value that often leads to customer satisfaction and customer retention (Jahanshahi *et al.*, 2011). The importance of superior service to the customer is often overlooking from the perspective of the firm. However, Lee and Lee (2020) indicates that factors such as: backup service availability to customers, business hours that meet the needs of buyers and timely fulfilment of promises play a very crucial role in customer decision marketing and could give a competitive advantage to a firm.

Lee and Lee (2020) also indicated that the following areas are important when a personal service is delivered to the customer: Care for customers' needs, convenience availability of the products to target market, effective listening to customers' comments on a product and selecting the right employees to serve customers. In this way, an advantage over competitor will be created.

iii. Price variation and price promotion:

This is a set of pricing and promotional strategy that is developed to communicate the price of a product or service to consumers in order to stimulate sales in the short run and the overall performance of the market (Empen *et al.*, 2015). Price variation policy depicts an organization's price position which ranges from stable pricing and frequent price discounts (Tapera and Gororo, 2013). A firm can also choose a well calculated volume of advertisement specialized to communicate price position to customers for superior customer value: this is referred to as Price promotion advertising volume (Cowling *et al.*, 2020). Its dimension is not dependent on price variation policy as retailers may choose to advertise daily prices at a discounted rate and other pricing policy that is advantageous to the buyers which will eventually stimulate purchases and profitability (Mumo, 2012).

iv. Product differentiation strategy

The modification of a product in order to make it more appealing to the target market is known as product differentiation. This entails differentiating a product from that of the competitors (Shafiwu and Muhammed, 2013). Differentiation often arise when a firm offers: superior/quality product, unique product and innovative product features, strong brand name, superior level of service and wide distribution coverage to customers (Baroto *et al.*, 2012).

Product differentiation can be a tool for competitive edge when incorporated by a firm in order to produce superior products that satisfies consumer's needs (Dirisu *et al.*, 2013) In satisfying individual customer's needs in order to gain competitive advantage, quality has being a major differentiating factor among products (Shammot, 2011). Because of this, buyers are more motivated to pay more for products that satisfy their needs, style, taste, expression and product that justify higher satisfaction at a fear price (Shafiwu and Muhammed, 2013).

The ability of a firm to recognize group of customers who possess similar needs and then develop an appropriate product offer has always been a crucial factor underlying a sustainable competitive advantage (Dirisu *et al.*, 2013). Thus, in understanding product differentiation, it should include a detailed knowledge of market structure, the spending pattern of different segments and the motivator which drive each group to buy (Shafiwu and Muhammed, 2013).

According to Dirisu *et al.*, (2013), product differentiation strategy is a marketing strategy that seeks to build sustainable competitive advantage with a service or product by having it "unique" from other products of competitors based on distinctive features, performance and other factors which are not directly interconnected to price and cost.

The distinctiveness that produced the sustainable advantage would be one that is not easy to copy or imitate and hard to create (Baroto *et al.*, 2012).

Differentiation strategy provides a good alternative to price competition that allows medium, small and micro sized businesses to differentiate its services and products from that of the competitors (Basheer and Saeed, 2011). Baroto *et al.* 2012 opined that the increase in professionalism and efficiency of operation in chain store leads to reduction in cost differentials advantage among the operating firm and the competitors which subsequently improve and reinforce the need for an enterprise to use non-price strategy to characterise and differentiate its enterprise. Particularly in manufacturing sector, the competition that consistently occurs in a firm which caused lack of focus and clear image for business enterprise is often centred, blamed and criticised on focusing exclusively on one-sided price leadership (Basheer and Saeed, 2011; Gebauer *et al.*, 2011; Cheruon *et al.*, 2015).

In today's competitive market, transition economies like that of the developing nations may have to be viable in product differentiation strategy to compete favourably in the market (Basheer and Saeed, 2011). Economic liberalization and globalization policies today have exposed customers to sophisticated products that are imported from other countries with higher product quality and superior variety. Thus, firm have to differentiate its' product with better-quality to favourably compete both in the local and international market (Baroto *et al.*, 2012).

Previous researches have also shown that many companies have been successfully using differentiation strategy across the globe to improve their market share.

v. Cost leadership strategy

Cost leadership is an integrated marketing strategy aimed at producing goods and services to customers at the lowest possible cost than that of the competitors with generally acceptable features (Kharub *et al.*, 2019). Organization that pursue cost leadership effectively emphasizes strongly on the pursuit of cost reduction, overhead cost control, research and development and advertisement among others to attain a lower cost position in the industry (Atikiya *et al.*, 2015).

Firms using a cost leadership strategy try to be the lowest-cost producers in the markets (Valipour *et al.*, 2012). Firm sources of cost advantage depend on structure of the industry in which it operates. Cost advantages are often achieved through economies of scale, economies of scope, preferential access to raw materials and propriety technology among other factors (Kharub *et al.*, 2019). Furthermore, the author explained that the ability of a firm to create superior cost leadership strategy to build a sustainable competitive edge is conditional upon a strategy that is rare, difficult and costly to imitate. Through cost advantage, firms are able to achieve return above average and command market price (Valipour *et al.*, 2012).

This position is further corroborated by Shokuhi and Nabavi (2019) who established that cost management is not a cost-cutting: but it means spending rightly and effectively, therefore, reducing it may cost more. Thus, focusing on business functions that have narrow scope, a fewer number of corporate staff, a staff structure that consist of small number of layers and less demanding reporting relationships are all organizational structure components that allow organizations to reap the full benefit of cost leadership strategies (Atikiya *et al.*, 2015). Nevertheless, it is very important to note that an organization might be the cost leader of an industry, but such organizations' product will not necessarily have a low price (Kharub *et al.*, 2019). For example, a firm may adopt an average pricing or charge customer averagely for the price of his product

and at the same time is the cost leader in the industry with his cost leadership strategy (Gorondutse and Gawuna, 2017). It is also worthy to note that there are consequential risks involved in adopting cost leadership strategy, the firm may be focusing on reducing costs even at the expense of other vital factors while losing company's vision of meeting the stakeholder's interest (Gorondutse and Gawuna, 2017).

vi. Market segmentation strategy

One of the basic components of modern marketing is market segmentation (Taherdangkoo, 2019). It is the method used in dividing the entire market into some groups or segment(s) according to factors such as geographic, demographic, psychographic and behavioural factor Wang and Fan, 2019). By dividing the market into various segments, firms can have a clear knowledge of their target market. This often makes marketing more efficient and effective (Aremu and Lawal, 2012)

Segmenting a market can be characterized in three basic ways: homogenous preference characterized customers based on the same preference, diffused preference characterized customers based on different preference and finally clustered preference which characterized market from the group of customers with shared preference (Keller and Kotler, 2012).

In segmenting a market, firms often develop a different kind of product offered to target and focus different segments (Lee and Chung, 2018). This involves offering a distinctive product or specified/additional service offering to different markets (Cross *et al.*, 2015). After successfully segmenting the market, a firm may have to select which segment to target in order to achieve organizational success, thus, in entering into a specific or target market, a firm may enter into such market with differentiated or undifferentiated marketing (Aremu and Lawal, 2012).

2.1.1.2 Marketing mix and strategy development

Marketing mix, usually known as the McCarthy's (1960) 4Ps of marketing is widely and often used by business organization in developing marketing strategy (Karakaya *et al.*, 2011). Organizations do spend efforts and time in finding the most effective and efficient marketing mix component to device a victorious marketing strategy. This involves careful examination of product, price, place and promotion and performing analysis and strategic constraints (Karakaya *et al.*, 2011). The 4Ps of marketing are basic elements of a marketing strategy.

Furthermore, Lahtinen *et al.* (2020) also opined that marketing strategy involves the breakdown of internal and external environmental factors that can affect an organizations success and competitiveness. Such internal environmental factors include the marketing mix, performance analysis and strategic constraints while the external environmental factors include the customer's analysis, competitor's analysis, target market, technology analysis, economic, cultural and political environment.

Adamu (2013) opined that marketing models spring from the indebt analysis of marketing mix. This marketing mix is otherwise known as the four Ps of marketing which are: product, price, place and promotion. To develop an effective marketing mix, business organizations have to meet the following conditions for the 4Ps:

i. Product

To gain competitive advantage, an organization's products must contain the right features with the right price. Quality product is concerned with what the product means to the customer with regards to customers' satisfaction. Marketing therefore plays a major role in determining quality and appearance of the product. Products must also address the needs of customers in different environments as identified through market

research. A product can also be repositioned to make it more attractive and acceptable for a new group of consumers (Adamu, 2013).

ii. Price

Price is the value of a product. It is the only marketing mix component that generate sales revenue to an organization, all others incurred cost to the producer. In theory, price is the real value of item on sale as perceived by customers. A relatively high price can justify quality product which attracts some buyers especially when it is linked to effective presentation and promotion. The determinants of prices includes: market demand level, nature of competition, market segmentation, consumer behaviour towards the product, customer type, impact of channel of distribution, cost of research and development and micro economic trends among others (Aremu and Lawal, 2012).

iii. Place

Place in marketing is concerned with various methods of distributing and warehousing goods, and then making them readily available for customers. Getting the right product to the right place at the right time involves effective distribution network. The distribution process includes selling directly to wholesalers and/retailers or customers (Adamu, 2013).

iv. Promotion

Promotion is a short term strategy designed to stimulate higher purchase of particular products or services by consumers. According to Aremu and Lawal (2012) sales promotion consists of a diverse collection of incentive tools. Sales promotion can be in form of coupon, premium, contests and consumer/customer price-offs, etc. Promotion is the business of communicating with customers which provide information that will assist them in making a decision to purchase a product (Leonidou *et al.*, 2013)

2.1.1.3 Conceptualization of marketing strategies

This section presents the various ways in which marketing strategies have being conceptualized by prior studies. Table 2.1 shows the various ways in which marketing strategies have been conceptualized by the reviewed studies.

Table 2.1. Conceptualization of marketing strategies

| S/N | Conceptualization of marketing strategies | No | Papers |
|------------|--|-----------|---------------|
|------------|--|-----------|---------------|

| | | | |
|-----|---|----|---|
| 1. | Cost leadership, differentiation, market segmentation | 11 | Acquaah and Agyapong, 2015; Atikiya <i>et al.</i> , 2015; Aremu and Lawal, 2012; Baroto <i>et al.</i> , 2012; Dirisu <i>et al.</i> , 2013; Gebauer <i>et al.</i> , 2011; Masai, 2011; Shokuhi and Nabavi 2019; Tanwar, 2013; Valipour, <i>et al.</i> , 2012; Wisena <i>et al.</i> , 2014. |
| 2. | Product/service, price, distribution, promotion, people, atmosphere, process, word of mouth (WOM) | 3 | Aremu and Bamiduro, 2012; Karakaya <i>et al.</i> , 2011; Leonidou <i>et al.</i> , 2013. |
| 3. | Segmentation, market niche, targeting, positioning, promotion and customer focus. | 2 | Taherdangkoo, 2019; Herath and De Silva, 2011 |
| 4. | Branding, brand image, corporate image, acquisition of foreign brand, development of local brand | 2 | Ille and Chailan, 2011; Kim <i>et al.</i> , 2011. |
| 5. | Market niche, technological competences, promotion, targeting | 1 | Lee and Chung, 2018. |
| 6. | Innovation, sustainable innovation, collaborative dual innovation, innovation ecosystem, service quality. | 3 | Oksanen and Hautamäki, 2015; Li, <i>et al.</i> , 2020; Syapsan, 2019. |
| 7. | Online price promotion, price discount, product recommendation | 1 | Jiang <i>et al.</i> , 2015. |
| 8. | Product performance, differential focus. | 2 | Hansen <i>et al.</i> , 2013; Cheruon and Richard, 2015. |
| 9. | Product innovation, Customer orientation, Innovation differentiation, market differentiation | 2 | Basheer and Saeed, 2011; Liu and Atuahene-Gima, 2018. |
| 10. | Price differentiation, promotional strategy differentiation, product differentiation, distribution strategy differentiation | 1 | Mumo, 2012. |
| 11 | Product (service) differentiation, low cost pricing, intensive distribution, personal selling | 2 | Tapera and Gororo, 2013; Arseculeratne and Yazdanifard, 2014. |

Source: Author, (2020)

From Table 2.1, it can be deduced that the concept of marketing strategies by studies reviewed comprises of four major components: cost leadership, differentiation, market

segmentation and promotion (Acquaah and Agyapong, 2015; Atikiya *et al.*, 2015; Aremu and Lawal, 2012; Baroto *et al.*, 2012; Dirisu *et al.*, 2013; Gebauer *et al.*, 2011; Herath and De Silva, 2011; Masai, 2011; Shokuhi and Nabavi 2019; Taherdangkoo, 2019; Tanwar, 2013; Valipour, *et al.*, 2012; Wisena *et al.*, 2014). Cost leadership is an integrated marketing strategy aimed at producing goods and services to customers at the lowest possible price than that of the competitors with generally acceptable features (Acquaah and Agyapong, 2015; Shokuhi and Nabavi 2019). The modification of a product in order to make it more appealing to the target market is known as differentiation (Wisena *et al.* 2014). This entails differentiating a product from that of the competitors (Basheer and Saeed, 2011). Differentiation often arises when a firm offers: superior/quality product, unique product and innovative product features, strong brand name, superior level of service and wide distribution coverage to customers (Acquaah and Agyapong, 2015). Promotion is a set of pricing strategy that is developed to communicate the price of a product or service to consumers in order to stimulate sales in the short run and the overall performance of the market (Leonidou *et al.* 2013.). Promotion variation policy depicts an organization's price position which ranges from stable pricing and frequent price discounts (Leonidou *et al.* 2013). Segmentation is the method used in dividing the entire market into some groups or segment(s) according to factors such as geographic, demographic, psychographic and behavioural factor (Taherdangkoo, 2019). By dividing the market into various segments, firms can have a clear knowledge of their target market and it often makes marketing more efficient and effective. (Lee and Chung, 2018).

Aremu and Bamiduro (2012), Karakaya *et al.* (2011), Leonidou *et al.* (2013) and Jiang *et al.* (2015) conceptualized marketing strategies as careful examination of product, price, place, people, process and promotion and performing analysis and strategic

constraints. Leonidou *et al.* (2013) opined that marketing models spring from the indebt analysis of marketing mix. This marketing mix is otherwise known as the 6 Ps of marketing which are: product, price, place, process, people and promotion.

Three studies (Herath and De Silva, 2011; Lee and Chung, 2018; Taherdangkoo, 2019) conceptualized marketing strategies as market niche, targeting and promotion. According to these studies, Instead of pursuing the whole market or even large segments, firms may target sub-segments (Lee and Chung, 2018; Taherdangkoo, 2019). Nichers are often smaller firms with limited resources, but smaller divisions of larger firms also may pursue niching strategies (Lee and Chung, 2018). Firms with low shares of the total market can be highly successful and profitable through smart niching (Herath and De Silva, 2011).

Hansen *et al.* (2013) and Cheruon and Richard (2015) conceptualized marketing strategies as product performance and differential focus. According to these researchers, a firms competitive strategy resides in the firm productivity to efficiently and effectively perform to customers beyond its expectation. Differential focus is an innovative market driven strategy adopted by firm in face of stiff competition as espoused by resource advantage theory. To be dynamic in such competitive market, an organization must often innovate either through its differentiated mode of operation or the creation of new market offerings in order to compete effectively (Hansen *et al.* 2013).

Two studies (Ille and Chailan, 2011; Kim *et al.*, 2011.) conceptualized marketing strategy as branding, brand image, corporate image, acquisition of foreign brand and development of local brand. Branding is a form of packaging an organization product in order to make it more appealing to customer (Ille and Chailan, 2011). Brand image is the representation of an organization's product positively in the mind of customers

(Kim *et al.*, 2011). Corporate image on the other hand is the development of strong organizational reputation in processes, operations, and relationship that foster good representation of an organization in the minds of customers.

Oksanen and Hautamäki (2015), Syapsan (2019) and Li, *et al.* (2020) conceptualized marketing strategies as new dimension of competitive strategy used in strengthening the competitiveness of a firm in a highly competitive business environment. Thus, marketing strategies was conceptualized as innovation, innovation ecosystem, sustainable innovation, collaborative dual innovation, and service quality. Innovation is the creation and implementation of novel idea either in process, product or service delivery while innovation ecosystem denotes a dynamic and interactive network of relationship that procreate innovation in an organization through which talent and information spread via sustained value co-creation (Oksanen and Hautamäki, 2015). Sustainable innovation on the other hand refers to a holistic approach in solving organization problems, introducing new services and product, broadening the organization global knowledge network and avoiding organization wicked problems (Oksanen and Hautamäki, 2015). Sustainable innovation offers an alternative competitive strategies to the traditional world known basic strategies of cost reduction, price reduction and offering superior products to those of the competitors. This strategy helps in creating organizational processes and products with desirable market features such as energy and material efficiency, locality and durability (Oksanen and Hautamäki, 2015). Dual innovation possess cooperation and coordination features that provide an organization opportunities to balance and complement between exploratory innovation and exploitative innovation which can promote the competitive performance of a firm and improve it long term performance. (Li, *et al.*, 2020). Li, *et al.* (2020) explained exploitative innovation as an improvement of a firm existing product and market in order to stay ahead of competitors while exploratory innovation on the other hand refers to responding to the latent business environmental trend by creating and developing new market and new products/services. Service

quality refers to the technical skills of personnel, integration between different levels of organization system, the ways in which services are made to customers and the magnitude to which product services meet customers' anticipation (Syapsan, 2019).

Lastly, Jiang *et al.* (2015) in their study conceptualized marketing strategy as online price promotion, price discount and product recommendation. In their study, sales through internet have changed the retail business in a dynamic way and nearly every product is now found and sold in the online marketplace, and online retailers continuously employ promotional activities to capture customers' attention (Jiang *et al.*, 2015). In their paper, they demonstrated that product recommendations and online price promotion should be mutually considered and optimally determined (Jiang *et al.*, 2015). Through price discounts that are attractive, e-tailers can stimulate customers to buy the promoted product, and through the system of online recommendation, retailers can motivate customers to buy product on non-discounted price (Jiang *et al.*, 2015).

However, for this study, marketing strategies was conceptualized as having three dimensions: cost leadership, differentiation and market segmentation. Although these three dimensions are most widely used and accepted conceptualization among many scholars, it suggests that they poses less difficulties in getting holistic view when used as variables for knowing the marketing strategies firms used in achieving business success. Hence, the rationale for this study's conceptualization of marketing strategies as cost leadership, product differentiation and market segmentation is that, it provides holistic view that is helpful in understanding how manufacturing firms gain sustainable competitive advantage in turbulent business environment (Baroto *et al.*, 2012; Valipour *et al.*, 2012; Dirisu *et al.*, 2013; Atikiya *et al.*, 2015; Quaye and Mensah, 2019)

2.1.2 Concept of manufacturing MSMEs sustainable competitive advantage

2.1.2.1 Definitions of Micro, Small and Medium Enterprises (MSMEs)

MSMEs have no universal or nationally accepted definition but can be defined based on size, sales volume, number of asset and employees. In many Nations, MSMEs are mostly determined by various quantitative parameters such as number of staff employed in the enterprise, the magnitude or size of the plant, the financial capacity, the sophistication of the equipment, profit margin, sales turnover and market share (Oluwaseun *et al.*, 2016). The Federal Ministry of Industries and Central Bank of Nigeria stress capital or financial outlay as the operational bases for small and medium scale enterprises definition in Nigeria.

National Policy on MSME (2010) in Nigeria has addressed the definition of micro, small and medium enterprises. The definition employed is based on two criteria: Assets and Employment (excluding buildings and land). This criteria and definition is also adopted by the National Bureau of Statistics (2019). According to their definition, any enterprise with total asset less than ₦5 million naira (excluding building and land) and less than 10 employees are micro enterprises, small enterprises are those with not less than 10 employees but not exceeding 49 employees and whose total assets (excluding building and land) are not less than ₦5million but not exceeding ₦50 million while medium enterprises are those enterprises with employees between 50 and 199 and total assets (excluding building and land) not less than ₦50 Million but not exceeding ₦500 million.

The Federal Ministry of Industries defines medium-scale enterprise as any organization with operating assets less than ₦200 million and employing less than 300 persons. It defines small-scale enterprise as the one having total assets less than ₦50 million and number of employees less than 100. Annual turnover is not considered in this definition,.

The World Bank Group defines MSMEs based on number of employees, total assets and turnover. The definition of MSMEs by the group is as follows:

- i. Micro Enterprises: they employ 10 people or less, with total assets of \$100,000 or less, and turnover of \$100,000 or less.
- ii. Small Enterprises: they employ between 11 – 50 people, with total assets of \$100,000.00 - \$3m, and turnover of \$100,000.00 - \$3m.
- iii. Medium Enterprises: they employ 51 – 300 people, with total assets of \$3m - \$15m, and turnover of \$3m - \$15m.

Also, the National Board for Small Scale Industries (NBSSI) describes Micro and Small Enterprises as those business having 29 or fewer workers. Micro enterprises are business that employ between 1-5 people with fixed assets not exceeding \$10,000 excluding building and land. Small enterprises employ between 6 and 29 or have fixed assets not exceeding \$100,000 excluding building and land. The NBSSI further classified MSMEs as follows:

Micro enterprise: employs less than 5 employees;

Small enterprise: employs between (6 – 29) employees;

Medium enterprise: employs between (30 – 99) employees; and

Large enterprise: employs (100 and more) employees.

A review of the literature on MSMEs shows that the definition of MSMEs significantly varies from country to country depending on factors such as the country's state of economic development, the size of MSMEs, the strength of the industrial and business sectors, and the peculiar problems faced by MSMEs.

However, the definition of MSMEs that is most popularly accepted in Nigeria is that of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) which states that less than 10 employees and ₦ 1.5million capital are micro firms, 10 – 99 employees and capital outflow of ₦ 5 – 50 million are small firms and 100 – 499 are medium firms. Table 2.1 shows the definition of MSMEs by SMEDAN.

Table 2.2 Definition of MSME by SMEDAN

| S/N | Size Category | Employment | Assets (₦ Million) (excluding land and buildings) |
|-----|--------------------|--------------|---|
| 1. | Micro enterprises | Less than 10 | Less than 5 |
| | Small enterprises | 10 – 49 | 5 to less than 50 |
| 2. | | | |
| 3. | Medium enterprises | 50 – 99 | 50 to less than 500 |

Source: SMEDAN (2012)

2.1.2.2 An overview of MSMEs in the Nigerian manufacturing sector

MSMEs play a critical and essential role in the economy of any nation. They play significant purpose in diverse ways that go beyond the creation of job. They don't contribute only to standard of living, but also account for driving creativity, innovation and competitiveness in both developed and developing countries (Robu, 2013).

In any economy, the manufacturing sector is assumed to be an agent of growth and the most crucial pillar for sustainable growth and development (Oluwaseun *et al.*, 2016). The success and fruition of such economy is greatly dependent on its productive strength and its ability to favourably compete with other economies of the world (Iyer, 2018). In an economy where the manufacturing sector is strong and well-built, such economy smoothen activeness of economic resources and creation of wealth, consequently ameliorating the country's Gross National Product. Conversely, an

economy with weak manufacturing sector results in low level of active economic resources which spells doom for a country (Gbadebo *et al.*, 2019)

The Nigeria manufacturing sector also has a considerable influence on the economy. It consists of thirteen (13) groups which are further subdivided into seventy-five (75) sub-sectors. The groups are: (i) Pulp Paper and Paper Products (ii) Basic Metal, Iron and Steel (iii) Cement Textiles, (iv) Wood and Wood Products (v) Food, Beverages and Tobacco (vi) Oil Refining (vii) Non-Metallic Products (viii) Apparel and Footwear (ix) Domestic/Industrial Plastic and Rubber products (x) Electrical and Electronics (xi) Chemical and Pharmaceutical products (xii) Motor Vehicles and Assembly (xiii) Other manufacturing (NBS, 2015).

In Nigeria, the manufacturing sector operation and activities is being overseen and controlled by an organization known as the Manufacturers Association of Nigeria (MAN). The organization was created in May 1971 by guarantee as a limited liability company. MAN is a national manufacturing association harmonizing and coordinating the affairs of firms in public and private sectors in manufacturing, service and construction sectors of the national economy. In the industrial sector, MAN has gain prominent and became an absolute force to reckon with as the supreme body that guides, control and coordinate the activities of manufacturers in Nigeria (Oluwaseun *et al.*, 2016).

The Nigeria's manufacturing sector is presumed as a potential driver of growth that have to be harmonized in order to achieve maximum production through speed-up value-added production thereby making manufacturing firms the most important drivers of exports and growth (Obiama 2015; Okon, and Osesie, 2017; Sanni, 2018).

Nevertheless, the manufacturing firms' condition in Nigeria has become a burdensome issue for two decades and both past and present government administration and agencies have prepared and implemented diverse policies to reduce the diverse problems the industry is facing (Simbo *et al.*, 2012). Previous researchers such as Simbo *et al.* (2012), Obiama *et al.* (2015) and Sanni (2018) have enumerated numerous development policies that the Nigerian government takes to facilitate the affairs of manufacturing sector. These policies and reform include the establishment of Investment Company of Nigeria (ICON) in 1959, Nigerian Industrial Development Bank (NIDB) in 1964, Nigerian Bank for Commerce and Industry (NBCI) in 1973, National, Economic Reconstruction Fund (NERFUND) in 1991, Small and Medium Enterprise Equity Investment Scheme (SMEEIS) and Bank of Industry (BOI) established in 2001. The aforementioned policies were all designed to assist various types of enterprise with principal aim of developing the large, medium, small and micro-scale manufacturing firms, the National Economic Empowerment and Development Strategy (NEEDS) introduced in 2004 to boost the industrial capacity utilization of manufacturing firms, and Restructuring of Structural Adjusted Programme (SAP) in 2008 to correct the imbalance of resource allocation in manufacturing sector.

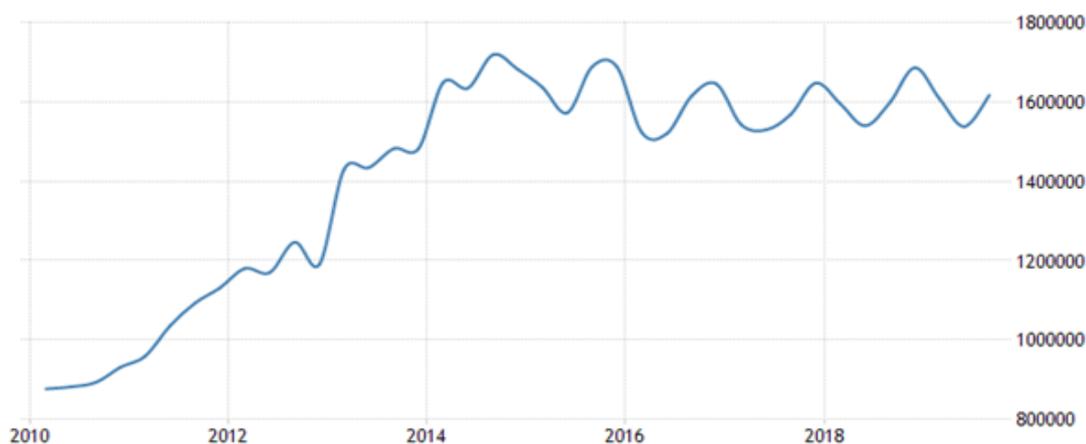
In any economy, the manufacturing sector, most especially the MSMEs is presumed as the catalyst for economy transformation to a dynamic, diverse and sustained economy (Oluwaseun *et al.*, 2016). This is obvious and proven from the experiences seen in diverse and sustained economic transformation of developed countries such as United Kingdom, United State of America, and a few emerging countries like Japan, China and India and other few whose manufacturing industry has performed a vital function in the structural transformation of their economy from a subsistence, low income and low production condition to a diverse, dynamic, and sustained economy (Iyer, 2018).

Furthermore, the National Economic and Empowerment Strategy (NEEDS): one of the laudable medium term strategy document in Nigeria confirmed that the Nigeria's manufacturing SMEs has huge potentials for generation of employment, creation of wealth and reduction of poverty (SMEDAN 2010). These indices are crucial tools in measuring the productivity, growth and performance of the manufacturing sector. However, the Nigeria's manufacturing sector which is predominantly dominated by the MSMEs is experiencing continuous drop in growth, productivity and performance (Oluwaseun *et al.*, 2016). Thus, a close review of these pointers revealed that the condition of Nigeria manufacturing SMEs is in a state of dilapidation as over the years it is unable to generate significant employment, reduce poverty, create wealth and contribute significantly to GDP (Okon, 2017).

According to Simbo (2012), wealth creation and employment generation by the sector in Nigeria in the last few years have reduced greatly from 2,841,083 employees in 2002 to 1,026,305 employees in 2008. The National Bureau of Statistic (2018) reports also showed that youth unemployment/underemployment is 55.4%. In any economy, the wealth creation can only be possible when the business environment is favourable, conducive and profitable for prospective investors. Conversely, the operating business environment in Nigeria is very harsh with unfriendly and unfavourable policy for procuring finance, unreliable power supply coupled with insecurity of lives and properties (Gbadebo *et al.*, 2019).

There has been a persistent increase in the poverty level in Nigeria in recent times due to declining nature of manufacturing sectors, quality of work life, high costs of living, bad living conditions and poor infrastructural facilities (Simbo, 2012). The United Nations Development Programme (UNDP) report on Nigeria in 2007 showed that the level of poverty increased from 46% in 1992 to 70.9% in 2006. Manufacturing sector

contribution to GDP after independence that was 8.1% in 1970 reduced to 4.13% in 2008. The nominal GDP growth of manufacturing sector in 2016 slowed by 2.98%, 4.23% points lower from the recorded growth in 2015, the real GDP growth across the manufacturing sector contracted on an average of 5.4% in 2015 relative to 5.6% yearly recorded in 2014. The sector has also contracted by 0.13% minimum on yearly basis. The manufacturing sector's contribution to real GDP in 2019 was 9.10%, which is lower than 9.29% recorded in 2018 (NBS 2015-2019). Oluwaseun *et al.* (2016) opined that this contraction in manufacturing activities in the last four decades was as a result of overdependence on oil contributions which amounted to about 80% of Nigerian foreign exchange.



Source: National Bureau of Statistics 2019

Figure 2.1. Contribution of Manufacturing Sector to Gross Domestic Product (2010 – 2019).

In comparison with other countries, the contribution of Nigeria manufacturing sector to GDP in 2019 has been dwindling around 4.45 billion USD compared to 1023.73 billion USD in Japan, 1056.22 billion USD in China, 16.71 billion USD in Singapore, 105.67 billion USD in the Republic of Korea, 25.678 billion USD in South Africa to mention but a few (NBS Statistics, 2019; Trading Economics Statistic, 2019).

Although the current status of the manufacturing firms in Nigerian cannot achieve a desirable economic growth and development, it still possesses great potentials as the economy possesses one of the most booming markets in Africa with its teeming population of about 160 million consumers and many more in the nearby countries (Gbadebo *et al.*, 2019). As this sector battled with many challenges ranging from poor infrastructural facilities, poor access to financial facilities, low research and development and double taxation, the role of marketing strategies cannot be undermined. *Ceteris paribus*, the potentials and opportunities for Nigeria manufacturing sectors to recover from current crunches and play the vital role of becoming an engine of growth and development, wealth creation, industrialisation, employment creation and poverty reduction is a function of effective business strategies that aids sustainable competitiveness both in local and international market (Oluwaseun *et al.*, 2016).

2.1.2.3 Conceptualization of sustainable competitive advantage

Herath and De Silva (2011) explained competitive advantage as the advantage that a firm has over other competing firms in the industry. It is the advantage a firm has over others, which helps the firm to lead others in the race, attract more customers and retain market share by providing greater values to customers either by lowering prices or by providing quality product or services that justifies higher prices (Dirisu *et al.*, 2013; Saeed, 2016; Kuncoro and Suriani, 2018). Competitive advantage springs from an organization's ability to influence its internal strengths to respond to external environmental opportunities while shunning the external threats and internal weakness of the organization (Wisena *et al.*, 2014; Shokuhi and Nabavi, 2019; Keong and Dastane, 2019).

Competitive advantage is a construct that has been analysed by two major perspectives: Porter's competitive model and generic strategies (Acquaah and Agyapong, 2015;

Shokuhi and Nabavi, 2019). Thus Porter (1985) says “competitive advantage is at the heart of a firm’s performance in competitive markets”. In view of this, it is obvious that in achieving competitive edge by a firm over its competitors, the firm has to provide a product/service to customer perceived to yield superior value and benefit than that of his rivals. In addition, competitive advantage will constantly leads to superior organizational performance that will result to higher profits (Dirisu *et al.*, 2013).

Hence, understanding competitive advantage is pertinent to sustaining it, thus constituting an ongoing challenge for organizations decision makers (Gaya *et al.*, 2013). From history, competitive advantage was considered as a matter of mere position, where firms filled a competitive position in order to develop a protected market share (Stalk, Evans and Shulman, 1992). In today’s business environment, the ability to develop a sustained competitive advantage is increasingly important but rare.

In view of the above, Pratono *et al.* (2019) examined that the primary purpose of pursuing sustainable competitive advantage is the creation of superior profitability in the study of a firm’s competitive strategy. Porter (2004) opined the term sustainable as encircling resources protection for a longer period of time into the future (Thompson *et al.* 2012; Leonidou *et al.*, 2013).

The term sustainable competitive advantage (SCA) was first used in 1985 when Porter (1985) explained the basic types of competitive strategies firm uses to achieve competitive advantage. Previous researches on the concept of sustainable competitive advantage can also be understood along the dimensions of durability and imitability (Gaya *et al.*, 2013; Moravcikova, *et al.*, 2017; Pratono *et al.*, 2019). Durability is considered in terms of the capability of competitors to duplicate or imitate a firm by gaining access to the firm’s distinctive competitive capabilities and competitive resources on which the competitive advantage is created. Thus, durability determines

how long and length of time the competitive advantage can be sustained (Gaya *et al.*, 2013). Moravcikova, *et al.*, (2017) opined that durability depicts the rate at which a firm's core competencies, competitive resources and basic competitive capabilities decrease in value or becomes obsolete or irrelevant owing to factors such as new technology and innovations. In reaction to imitation, Thompson *et al.*, (2012) and Gaya *et al.* (2013) further stated that for competitors to replicate or imitate a distinctive competencies, it takes longer period and the longer it takes the better the opportunity for the business to be successful and improves on its core competencies or build a new one in order to stay ahead of the competitors. Consequently, the organization's ability to hold-up imitations or duplication of its core competitive resource is fundamental to obtain maximum benefit from any competitive advantage (Gaya *et al.*, 2013)..

Table 2.3 shows the various ways in which extant studies have conceptualized sustainable competitive advantage.

Table 2.3 Conceptualization of sustainable competitive advantage.

| S/N | Conceptualization of sustainable competitive advantage | No | Papers |
|-----|---|----|---|
| 1. | Sustained sales growth and/or sustained higher market share | 9 | Arseculeratne and Yazdanifard, 2014; Barney, 2012; Dirisu <i>et al.</i> , 2013; Huang <i>et al.</i> , 2015; Kim <i>et al.</i> , 2011; Leonidou <i>et al.</i> , 2013; Masai, 2011; Mumo, 2012; |

| | | | |
|----|---|---|---|
| | | | Taherdangkoo, 2019. |
| 2. | Sustained value creation | 4 | Baroto et al., 2012; Gaya <i>et al.</i> , 2013; Liu, 2013; Srivastava <i>et al.</i> , 2013 |
| 3 | Long-term business performance; long term increased sales and long-term profitability | 3 | Al Shobaki and Abu Naser, 2017; Bharadwaj <i>et al.</i> , 1993; Kumar <i>et al.</i> , 2011. |

Source: Author, (2020)

Table 2.2 shows that majority of the reviewed extant studies conceptualized sustainable competitive advantage as sustained sales growth and/or sustained higher market share (Arseculeratne and Yazdanifard, 2014; Barney, 2012; Dirisu *et al.*, 2013; Huang *et al.*, 2012; Kim *et al.*, 2011; Leonidou *et al.*, 2013; Masai, 2011; Mumo, 2012; Taherdangkoo, 2019). The vast majority of contributions to competitive advantage, especially within the scope of the reviewed studies measured the sustained competitive advantage using the firm's distinctive resources and capabilities which was based on the perspectives of maintaining and increasing growth in sales and the numbers of market available for the firm's product (Arseculeratne and Yazdanifard, 2014).

Four reviewed studies conceptualized sustainable competitive advantage as sustained value creation (Baroto et al., 2012; Gaya *et al.*, 2013; Liu, 2013; Srivastava *et al.*, 2013). This was explained using capability and resource based view of the firm with respect to effective use and fusion of marketing mix components, quality assurance and careful analysis of the strength, weakness, opportunity and treat of the firm (SWOT Analysis) that can affect the firms' sustainable competitive advantage (Srivastava *et al.*, 2013).

On the other hand, Al Shobaki and Abu Naser, (2017) Bharadwaj *et al.* (1993) and Kumar *et al.* (2011) conceptualized sustainable competitive advantage as long-term

business performance. While responding to customer insights through the development of product or service innovations can provide firms with improved business performance (Kumar *et al.*, 2011). This can be in form of long term increased sales and long-term profitability

For the purpose of this study, sustainable competitive advantage was conceptualized as sustained sales growth and/or sustained higher market share that firms use in order to attain sustainable competitive advantage. Of course, this seems to be the most commonly used and accepted conceptualization among many scholars. In summary, sustainable competitive advantage in this study is viewed as the long-term and sustained advantage a firm have over others, which helps the firm to lead others in the race, attract more customers and retain market share by providing greater values to customers.

2.1.2.4 Porter three generic strategies

The three generic strategies of Porter are the fundamental basics that an organization needs in creating competitive advantage in order to achieve long term organizational success (Masai, 2011). These three generic strategies have a tactical target on its vertical axis that is sub-divided into two separate segments: Particular segment and industry wide multi-segment (Baroto *et al.*, 2012). The strategic advantage is depicted in the horizontal axis and is sub-divided into two parts: Low-Cost Position and Uniqueness perceived by customers. The illustration of Porter's generic strategies consisting of leadership strategy, differentiation, and market focus, is depicted in Figure 1 (Baroto *et al.*, 2012).

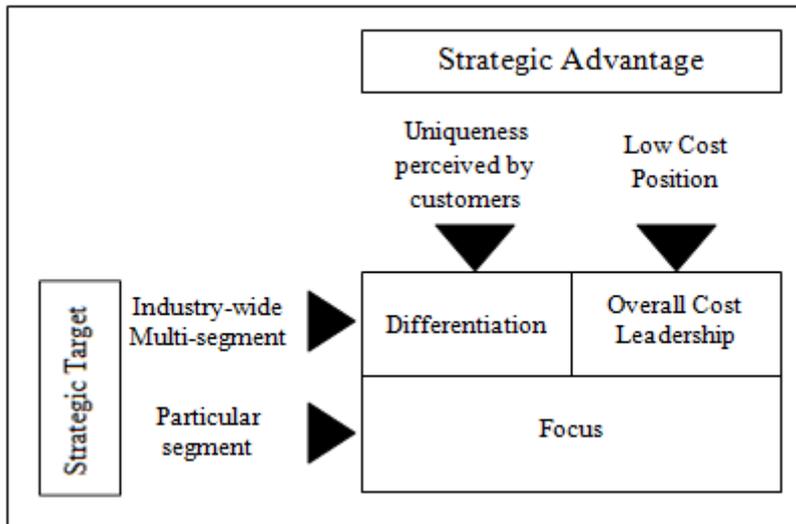


Figure 2.2: Three generic strategies of Porter

Source: Baroto *et al.*, 2012

The industry wide multi-segment within the strategic target and the perceived uniqueness by the customer within the strategic advantage denote the differentiation strategy. Hence, differentiation strategy is used in large organizations where services or products are perceived to be distinctive by the customers (Tanwar, 2013). The overall cost leadership strategy is situated in the Industry wide multi-segment within the strategic target – and the Low-cost position in the strategic advantage. Hence, the overall cost leadership strategy is used in large organization where customers perceived lower-cost of product by the producer. In strategic target and particular segment, market focus strategy is situated in the strategic advantage and the Low-cost position. Hence, the focus strategy is exclusively find in the particular segment, and is used where customers' perception about a firm's product is distinctive and or being low cost provider (Tanwar, 2013)

2.2 Theoretical Review

This section discusses the different theories used by earlier studies in showing the relationship between marketing strategies and sustainable competitive advantage. It further discusses the theory that was adopted for this study and the reason for the choice. The section then concludes with the theoretical framework for the study.

2.2.1 Discussion of theories

From the reviewed of prior studies that examined the relationship between marketing strategies and sustainable competitive advantage, this study discusses four different normative theories of strategies that are distinctively competitive and marketing oriented. These theories are; 1) Resource advantage theory (Kim *et al.*, 2011; Hansen *et al.*, 2013; D'Andrea, 2020), 2. Organizational capability theory (Srivastava, 2013; Acquah and Agyapong, 2015; Victor, 2020) 3. Industrial organization theory (Leonidou *et al.*, 2013), and 4. Theory of competitiveness. The study further singled out Resource Advantage Theory as the theory that best suits the content of the work.

2.2.1.1. Resource advantage theory

The resource advantage theory is an evolutionary theory of competition that articulates superior performance to the control and ownership of distinctive quantity of competitive resources which provide a mechanism for an organization's sustainable competitive edge (Barney and Arkan, 2001; Hoopes *et al.*, 2003; Hansen *et al.*, 2013; D'Andrea, 2020). According to Hansen *et al.* (2013), this theory was proposed by Barney (1991) for firms and argued that the source of sustainable competitiveness is to focus on superior resources of a firm.

The theory proposed that a firm has competitive advantage when it builds successful strategy based on an organization resources that cannot be replicated by the competitors or when the barriers to imitation are high or when it is not easy and cheap to imitate by competitors (Hansen *et al.*, 2013). Furthermore, the theory opined that for a firm

resource and capability to give competitive edge, it must be durable, distinctive, value oriented, not substitutable, and not transferable (Arnett *et al.*, 2021).

The resource advantage theory believes that a firm's resources are heterogeneous in nature and cannot be completely/freely movable which led to the differences among business organizations (Varadarajan, 2020). Since the resources are not completely movable, the heterogeneity among firms in an industry is bound to exist for a long period of time. If a firm with limited resources is able to create value out of it, and its resources cannot be easily imitated nor replaced by its competitors, then such a firm have monopoly power (Hansen *et al.*, 2013; D'Andrea, 2020; Sa and Chai, 2020). Thus, creating a prominent condition necessary for achieving sustainable competitive advantage.

Furthermore, according to Barney (2012), firms' resources include all assets, organizational processes and capabilities, firm conceive of and implemented strategies that improve its efficiency. These resources are generally classified into:

1. Physical capital resources such as tools and equipment
2. Human capital resources (labour)
3. Organizational capital resources.

In the researchers' opinion, resource advantage theory implies that valuable resources are scarce and should be utilized to create customer value.

2.2.1.2 Organizational capability theory

The first work on organizational capability theory was done by Stalk, Evans, and Schulman in 1992 (Acquaah and Agyapong, 2015). This theory opined that in an organization, a core capability is a collective learning, most importantly how to manage diverse production skills. Organizations operating with resources that are similar oftentimes have differences in the efficient use of resources due to capability differences, which is the rationale for an organization's deep-seated competitive advantage (Srivastava, 2013; Victor, 2020; Sánchez-Medina, 2020). Schilling (2013) defines core capability as a combination of coordinated multiple skills and resources that distinguish an organization from others in the industry". Core competitiveness is manifested in combining many factors ranging from technology, collective learning and governance mechanisms (Acquaah and Agyapong, 2015). In the researchers' opinion, core competitiveness depict a collection of sets of skills and technology which provides an organization a source of competitive advantage

Previous studies by researchers such as Bharadwaj *et al.* (1993), Al-alak and Tarabieh (2011), Srivastava (2013), Masai (2011) and Acquaah and Agyapong (2015) posited that the features of core capability can be mainly categorized into three:

1. The core capability provides customers values and reduce costs.
2. The core capability is distinctive and difficult to imitate by competitors.
3. The core capability provides an organization a prospective access to wider markets.

Furthermore, the basic imperative of organizational capability theory is to achieve competitive advantage, thereby leading to superior organizational financial performance (Montreuil, 2020). Thus, in gaining superior performance and long term competitiveness, organizations should identify, pursue, develop, maintain, reinforce and leverage unique capabilities (Acquaah and Agyapong, 2015).

2.2.1.3 Industrial organization theory

This theory was propounded by Bain in 1959 with the view that the firm's performance is being totally determined by external forces (Leonidou *et al.*, 2013). Industrial organization theory (Particularly the Structure-Conduct-Performance Paradigm) can throw light on the moderating role of external influences such as competitors on an organization's effective marketing behaviour (Leonidou *et al.*, 2013).

The basic imperative of industrial organization theory is that, to attain competitiveness, that will lead to superior performance, an organization should choose an industry and redefine its structure to fit the external environment. This includes selecting any of the three generic strategies, and effective management of the activities in its value chain (Adamu, 2013). Industrial based theory therefore adds to the understanding of broadening the firms' offerings to a new segment within the same industry or how a newly formed industry will achieve success.

2.2.1.4 Theory of competitiveness

Wisena *et al.* (2014) in their study stated that the theory of competitiveness that has been widely recognized in 21st century was firstly proposed by Ansoff in 1995, in which competitiveness is defined as: "a number of characteristics from different distinctive opportunities in the areas indicated by the scope of market-product and growth factors" is showed by a particular features of market-product that will offer a well-built competitive position for the firm ". Wisena *et al.* (2014) corroborated Orsato (2009) study that suggested two factors affecting competitiveness, namely: positioning and capabilities. In this context, Wisena *et al.* 2014 argued that the company should have competitive environmental strategies from the current market and sustainable value innovation to a new or developed market

Moreover, the applications of environmentally friendly programs have to comply with firms' certification where the alternative strategy priority is the laws and regulations aspects. Wisena *et al.*, 2014 further argued that it would increase the quality and productivity of a firm product which is expected to increase the firms' income. With the application of environmentally friendly programs personified in the firm's certification, the firm is expected to provide guidance and training or the application of environmentally friendly programs for other retail firms.

2.2.2 Theory selection process for the study

This section discusses the steps taken in choosing an appropriate theory to serve as a theoretical framework for the study. The four theories earlier discussed in the previous subsection helped serve as theoretical insights into investigating the impact of marketing strategies on sustainable competitive advantage from which a theory will be selected.

As discussed earlier in this chapter, marketing strategies in this study was conceptualized as cost leadership, product differentiation and market segmentation. Based on this conceptualization, the most suitable theory for this study would be the theory that best explains the impact of the three components of marketing strategies on sustainable competitive advantage. A thorough analysis of each of the four theories revealed that Resource Advantage Theory best meets this requirement.

Resource Advantage theory best suits the context of this study as it specifically looks in-depth for factors responsible for an organizations' sustainable competitive edge. These factors explained how a firm can achieve distinctiveness and lowest cost producer through economic of scale, access to equipment, cheap labour and raw material (Hansen *et al.*, 2013; D'Andrea, 2020; Arnett *et al.*, 2021)

In conclusion, to understand the impact of marketing strategies on sustainable competitive advantage, this study adopts Resource Advantage Theory as its theoretical background. The theoretical framework adopted in this study is provided in the next subsection.

2.2.3. Theoretical framework for the study

As discussed in the previous subsection, Resource Advantage Theory serves as the background for this study's theoretical framework. The resource advantage theory articulated superior performance to the control and ownership of distinctive quantities of competitive resources (that is internal and external resources) which provide a mechanism for an organizations' sustainable competitive edge (Hansen *et al.*, 2013).

Resource advantage theory is based on the premises that control and ownership of distinctive quantity of competitive resources result in sustainable competitive advantage (Hansen *et al.*, 2013). However, for this to happen, it involves the breakdown of internal and external environmental factors that can affect an organizations success and competitiveness (Hansen *et al.*, 2013; Wisena *et al.*, 2014; Acquaaah and Agyapong, 2015). Such internal factors include: performance analysis, marketing mix, and strategic constraints while the external factors include the analysis of customers, analysis of competitors, target market, technology analysis, cultural and economic environment as supported by Paula (Hansen *et al.*, 2013; Wisena *et al.*, 2014; Acquaaah and Agyapong, 2015).

Figure 2.3 provides the theoretical frame work of this study based on Resource Advantage Theory in attaining competitive advantage.

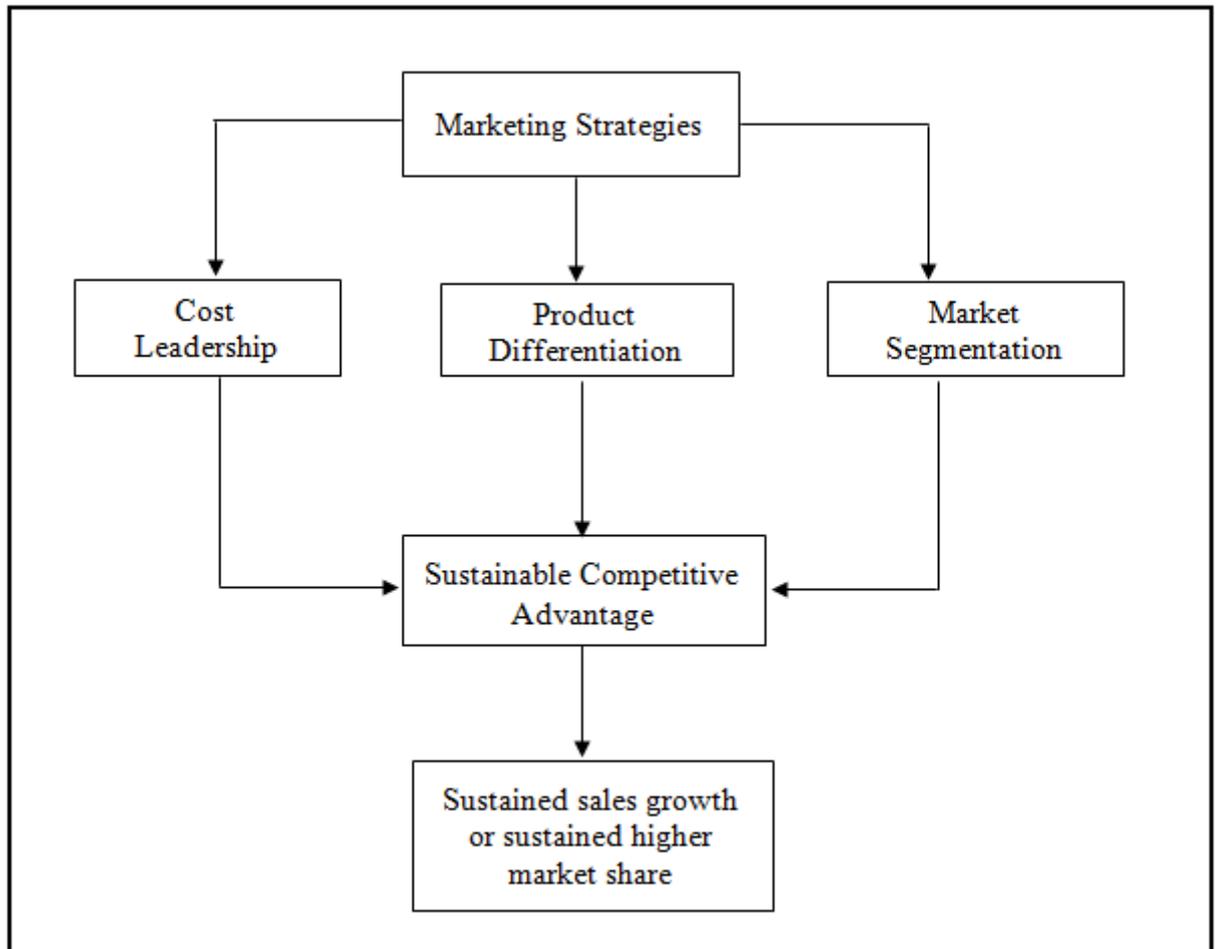


Fig. 2.3: Theoretical framework for this study

Source: Author, (2021)

Figure 2.3 present the study’s theoretical framework, marketing strategies was the independent variable and it has cost leadership, product differentiation and market segmentation as its typology (Porter, 1985; Aremu and Lawal, 2012; Kotler and Keller, 2011; Cheruon *et al*, 2015). The proxies that was used for measuring the aforementioned marketing strategies typology are product price, product quality market targeting respectively. On the other hand, the dependent variable for the study is sustainable competitive advantage. Firm sustainable competitive advantage was measured using sustained (i.e. long term) sales growth and sustained (long term) higher market share.

2.3 Empirical Review

This section provides a review of findings of extant studies which investigated the impact of marketing strategies on competitive advantage. As initially stated in the conceptual review section of this chapter, marketing strategy was conceptualized as having three major dimensions: cost leadership, differentiation and market segmentation. For this reason, the empirical review is also subdivided into three subsections dealing with the impact of each dimension on sustainable competitive advantage.

2.3.1 Cost leadership and sustainable competitive advantage.

Three studies in this category adopted both qualitative and quantitative approaches in determining the relationship between marketing strategies and sustainable competitive advantage (Atikiya *et al.*, 2015; Wisena *et al.*, 2014; Acquah and Agyapong, 2015). One study indicated that marketing strategies in the industry has the objective of profitable sales of product to satisfy customer's financial needs and gain competitive edge while the other study revealed negative relationship between marketing strategies and competitive advantage.

Wisena *et al.* (2014) carried out a focus group discussion of experts with in-depth interviews of 15 experts in Indonesia and pair wise questionnaire which consisted of stakeholders, business players, associations, academia, researchers, staffs of selected firms and government institutions. The data was analysed through Analytic Network Process (ANP). The finding showed that in general, organizations put more of their focus to the economic goal rather than environmental and social. However, the strategy recommended by this research shows that industry should put the focus on low cost

leadership and organizational process as a combination of environmental cost leadership in the downstream industry and eco–efficiency strategy in upstream industry.

Acquaah and Agyapong (2015) carried out a study on investigating the role of managerial and marketing capabilities in moderating the relationship between competitive strategy and firm performance using data from 581 micro and small businesses (MSBs) in Ghana. Using a hierarchical multiple regression analysis, the findings showed that cost leadership strategy does not influence competitiveness after controlling for several firm-specific factors. The findings further shows that both marketing capability and managerial capability moderate the relationship between marketing strategy (cost leadership and differentiation) and sustainable competitive advantage for MSBs in Ghana. However, managerial capability strengthens the influence of cost leadership strategy on sustainable competitive advantage.

Furthermore, Atikiya *et al.*, 2015 in a research conducted to investigate the effect of cost leadership strategy on performance of manufacturing firms in Kenya using survey questionnaire and interview to collect data from 131 firms drawn from 12 key industrial subsectors located within Nairobi and its environs, using Pearson’s correlation and regression analysis to explain the nature of relationship between the dependent and independent variable revealed that performance of manufacturing firms are significantly influenced by cost leadership strategy. Deducing from the result findings, the study concludes that the managers of manufacturing firms adopt cost leadership strategy to increase their competitiveness and performance. The finding recommends that manufacturing firms showed implement cost leadership strategy in improving their competitive performance.

2.3.2 Differentiation and sustainable competitive advantage

Five studies in this category adopted quantitative approaches to determine the relationship between marketing strategies and competitive advantage. (Dirisu *et al.*, 2013; Hansen *et al.*, 2013; Herath and De Silva, 2011; Shokuhi and Nabavi, 2019; Uchebulamet *et al.*, 2015).

Hansen *et al.* (2013) tested a model of specialization between competitiveness and firms' performance using primary and secondary data from 169 public firms in North Carolina. The relationship between differentiation and competitiveness was analyzed using Pearson's correlation and it was observed that devotion to learning can moderate resource lock-in problems with internal competence causal ambiguity. The study revealed that competence causal ambiguity amongst competitors appears more important in more competitive markets to competitive advantage. Competitiveness is positively related to shareholder's value and an improved differential focus on operations versus marketing in a firm strengthens the positive bridge between shareholder return and firm competitiveness.

Another survey of 337 bank managers working at BankMelli in Iran was carried out by Shokuhi and Nabavi (2019) through the distribution of questionnaires. The result of their study, which was obtained based on the fuzzy TOPSIS test method, shows that the differentiation strategy is the first priority in an organization and then is the focus on cost leadership strategy. In addition, prioritization of some parameters indicates that market development, personnel thinking, product presentation, personnel abilities and service provision are ultimately the first five priorities in determining the strategy of an organization.

Furthermore, Dirisu *et al* (2013) in a research conducted through research survey on product differentiation as a tool for sustainable competitive advantage and optimal organizational performance in Nigeria using 323 respondents from schools, banks

shopping malls and markets located within Ogun State, shows that firms using product differentiation strategy have a positive relationship on organizational performance while the concept of sustainable competitive advantage has taken the centrality of business strategy in an organization. The study recommended that executive management should provide adequate satisfaction to their customers and pay more attention to product differentiation strategy and organizational performance.

Herath and De Silva (2011) in a study conducted on strategies for competitive advantage in value added tea marketing using data gathered through interviews with the owners of nine organizations in Sri Lanka, the result revealed that in a rapidly growing with emergence customer needs, firms failing to tackle the competitive forces by creating appropriate marketing strategies will lose out to competitors. The result also revealed that product differentiation, customer focus, brand building, cost leadership and niche marketing were the most important strategies used by the firms in achieving competitive advantage.

Similarly, Uchegbulam *et al.* (2015) in a research carried out to examine the competitive strategies and performance of selected SMEs in Nigeria using as well-structured questionnaire that were distributed to 150 SMEs in Lagos State, the findings show that there is relationship between product customization and sales growth, product features and customer base, value added product and revenue growth. The research recommended that in order to achieve competitive advantage, organizational managers should be consciously aware of customers' needs and offer distinctive and quality product and services that satisfy customers' needs.

2.3.3 Market segmentation and sustainable competitive advantage

Two studies in this category both adopted quantitative approaches to determine the relationship between marketing strategies and competitive advantage. (Kim *et al.*, 2011 and Kumar *et al.*, 2011).

Kumar *et al.* 2011, in a survey conducted on assessment of market orientation as a source of sustainable competing advantage or simply the cost of competing, using panel data constructed from the responses of repeatedly surveyed top managers at 261 companies for a nine year period nationwide, from a total of 1000 publicly listed organizations in accordance with Standard Industrialization Classification (SIC) codes revealed that market orientation has a positive effect on the performance of a firm. The study showed that sustainable competitive advantage from implementing market orientation is larger for firms that develop market orientation early. The study concluded that competitive intensity and environmental turbulence moderate the main impact of market orientation on business performance and competitive advantage.

Furthermore, another survey of 14 firms through the distributed of questionnaires in China by Ille and Chailan (2011) conducted to compare how firms in emerging countries are using varieties of branding to improve their global competitiveness shows that there is positive relationship between branding and competitive advantage. Acquisitions of foreign brands, market focus, development of local brand, personality of the leaders and in some cases use of ideological messages are all strategies for achieving competitive advantage.

In conclusion, from the view of the available literatures reviewed in this study, one can presumably draw conclusion that marketing strategies play an essential role in gaining and retaining customers, securing business growth, developing competitive growth and sustainable competitive advantage.

2.3.5 Gaps Identified in the Literature

From the empirical review of the findings of prior studies on the impact of marketing strategies on sustainable competitive advantage, two gaps were identified which the study seeks to address. Each gap will be discussed in the following paragraphs.

From the prior studies reviewed, the first gap identified was that majority of the studies based their research on impact of marketing strategies on organizational performance and competitive advantage, particularly in large organization (Ille and Chailan, 2011; Hansen *et al.*, 2013; Leonidou *et al.*, 2013; Jiang *et al.*, 2015; Lee and Chung, 2018; Shokuhi and Nabavi, 2019). The few studies that investigated the marketing strategies used by SMEs were majorly on business performance (Acquaah and Agyapong, 2015; Taherdangkoo, 2019). This study seeks to address this gap by investigating the impact of marketing strategies on sustainable competitive advantage of manufacturing MSMEs.

This study further identified a geographical gap in the review of literature. Majority of the reviewed studies carried out their research in developed and emerging countries in other continents such as Asia, North America, South America and Europe (Ille and Chailan, 2011; Hansen *et al.*, 2013; Leonidou *et al.*, 2013; Jiang *et al.*, 2015; Lee and Chung, 2018; Shokuhi and Nabavi, 2019; Spillan *et al.*, 2018). Only one study was done in African country: Ghana. None of such in Minna: Nigeria, and this study seeks to contribute to bridging this literature gap by investigating the impact of marketing strategies on sustainable competitive advantage using Minna MSMEs as research sample.

CHAPTER THREE

3.0

RESEARCH METHODOLOGY

3.1 Description of Study Area

3.1.1 Geographical description

Minna is a city located in the Middle Belt of Nigeria amid latitude 60°33E and longitude 9°37N and with approximate population of 304, 113 by National Population Commission in 2007. The state capital of Niger State is Minna. Niger state is one of Nigeria's 36 federal states and Minna is the headquarter of Chanchaga Local Government Area.

3.1.2 Historical background and development

Evidence from Archaeology suggested that Minna as a settlement dated back to about 47,000-37,000 years ago. Minna city is build-up of many Islamic cultures that originated from ancient Saharan trade routes. As Islamic culture penetrated into Minna by way of the ancient Saharan trade routes, the city has been filled with many mosques and Islamic organizations.

Minna is the home of former Nigeria's Head of state Gen. Abdulsalami Abubakar and former military president Gen. Ibrahim B. Babangida. Alhaji Abubakar Sani Bello resides in Minna as the current governor of Niger state. He served a four years tenure from (2015-2019) and is currently serving another term of four years (2019-2023).

3.1.3 Administrative structure

Minna was made the first headquarter of Chanchaga Local Government Area since the creation of Niger state in 1976, and it still currently retain its position as the headquarter of Minna municipal council with every functional and administrative requirement of a full pledge local government. Nevertheless, when Kuta and Shiroro Local Government was defunct in July 1989, it then gained her sovereignty of Local Government. During

the administration of former president: Ibrahim Babangida, the creation of additional local government by the president caused the division of Chanchaga Local Government into two we have: Chanchaga and Bosso local Government Area in addition. According to the ministry of land and housing Minna (2013), Minna metropolis comprises of two local governments which are: Bosso and Chanchaga local government and other major areas within which are, Maitumbi, Dutsen Kura, Kpakungu and Shango.

3.1.4 Economic base

The main agricultural products of the city are Cotton, Guinea corn and Ginger. Yam is also an agricultural product cultivated extensively throughout the city. Minna economy also supports trading, cattle rearing, brewing, gold mining and Shea nut processing. Traditional industries in Minna include leather work and metal work.

3.1.5 Locational characteristics

Minna is a city that extends from North by its boundary with Bosso local government at 8km and from centre of Minna town (Roundabout of Obasanjo shopping complex). It is also bounded on the east by Bosso extending south and west. It lies on the acting longitude 9°37'N and latitude 6°33'E, on geographical base of undifferentiated basement complex rock of mainly magnesian and quartzite situated at the foot of high up hills in an undulating plain. Between these two hills and Minna Gwari hills run the valley of the Suka River which only flows during raining season. The whole of Minna is very rocky.

The middle belt zone typical climate in Nigeria is a good signal of Minna climate with raining season within April which does last till October with 1334mm annual rains, with September, recording the highest 300mm. The average monthly temperature is low in August at 22°C and high in March at 35.5°C.

3.2 Research Design

This study employed quantitative approach using the survey research method. This method facilitates the effective gathering of data through sampling of a part of the population and generalizing the findings on the entire population (Adamu, 2013). This method was used to gather information from manufacturing MSMEs regarding the marketing strategies a firm can use in gaining sustainable competitive advantage in a competitive business environment. This method is considered appropriate for this study because it helps the researcher to discover relative incidence and distribution on the population and it is an effective way of measuring any variables.

3.3 Population of the Study

The population for this research consists of the total number of registered manufacturing MSMEs in Minna metropolis. According to the Niger State Bureau of Statistics (2017) and Ministry of Commerce and Investment (2017) there are 118 operating registered manufacturing firms in Minna metropolis using the **National Bureau of Statistics (NBS)** (2015) categorization of manufacturing firms selection criteria. According to NBS (2015), the Nigeria manufacturing consists of thirteen (13) categories which are further subdivided into seventy-five (75) sub-sectors. These categories are: (i) Pulp Paper and Paper Products (ii) Basic Metal, Iron and Steel (iii) Cement (iv) Wood and Wood Products (v) Food, Beverages and Tobacco (vi) Oil Refining (vii) Non-Metallic Products (viii) Textile, apparel and Footwear (ix) Domestic/Industrial Plastic and Rubber products (x) Electrical and Electronics (xi) Chemical and Pharmaceutical products (xii) Motor Vehicles and Assembly (xiii) Other manufacturing. Thus a total number of one hundred and eighteen (118) responses from owners or managers of manufacturing MSMEs was used as the population of the study.

3.4 Sampling Techniques

This study adopted purposive sampling method due to the ability of techniques to elucidate specific theme and concept through observation and reflection. It was deemed appropriate to administer the questionnaire using this technique in order to achieve a robust and reliable result on the relationship between marketing strategies and sustainable competitive advantage during the data analysis.

3.5 Sampling Size

Sample size is determined by the proportion of subject elements or members gotten from a population through quantitative means (Davies and Hughes, 2014). However, for listing a firm in the sample, it must meet four criteria: First, it must be among the NBS (2015) categories of manufacturing firms. Second, it must be within Minna metropolis. Third, it must be registered with the corporate affairs commission. Fourth, it must belong to the SMEDAN (2012) categories of MSMEs and lastly, it must have been in operation for not less than 4 years. Consequently, all the 118 firms meet these criteria. Therefore, the sample size consists of 118 operating registered manufacturing MSMEs in Minna. Consequently, the study focuses on opinion of the owners or managers of the 118 manufacturing MSMEs in Minna metropolis. Table 3.1 shows the detailed information of the selected manufacturing MSMEs in Minna metropolis.

Table 3.1. Sample size of Manufacturing MSMEs in Minna metropolis

| S/N | Local government in Minna metropolis | Total number operating registered manufacturing MSMEs by 2016 (sample size) |
|-----|--------------------------------------|---|
| 1 | Bosso local government | 8 |
| 2 | Chanchaga local government | 110 |

Source: Ministry of Commerce and Investment (2017), Niger State Bureau of Statistics (2017) using NBS (2015) categorization of manufacturing firms.

3.6 Source of Data Collection

The main instrument for collecting data for the study is primary data. This was done through a well-structured questionnaire. The questionnaire adoption was helpful in gathering data on the different forms of marketing strategies used by firms in achieving sustainable competitive advantage. The questionnaire also facilitate easy coverage of manufacturing firms and is more appropriate in a survey study of this sort.

3.7 Method of Data Collection

The instrument for gathering data by the researcher was mainly questionnaires. The questionnaires consist of only structured questions on the concept of marketing strategies used by manufacturing MSMEs to gain sustainable competitiveness.

3.7.1 Development of the research instruments

The questionnaires for the study were centred on the focal areas of interest to capture the forms of marketing strategies for sustainable competitive advantage, thereby providing relevant data on the research objectives. To achieve the study objectives, the list of questions relating to the forms of marketing strategies in manufacturing firms was scrutinized by various academic experts from different institutions to ensure that the ways in which the questions are constructed depict the objectives of the study.

The questionnaires were grouped into two parts. Part I: Section A- contains the respondent's demographic profile. This section contains questions frame to elicit responses about the gender, age, academic qualification, area of specialization and

motivational factors for starting the business by the respondents. The second part, Part II contains questions relating to the objectives of the study.

In developing questionnaire for the second part of the questionnaire, it was a multiple-choice question of different tables and checkboxes which respondent are expected to choose from the answers provided.

The decision criteria for the questionnaire were asked using a five likert scale. This scale is consistent with scale used by Adamu (2013) and Aremu and Lawal (2012) in assessing the impact of marketing strategy and firm performance. The five likert scale decision criteria are:

- Strongly agreed - 5.0
- Agreed - 4.0
- Undecided - 3.0
- Disagreed - 2.0
- Strongly disagreed - 1.0

Furthermore, the second part (Part II) is sub-divided into four (4) sub-sections which are summarized below:

Part II: Question relating to the objectives of the study

- Section B: Cost leadership
- Section C: Product differentiation
- Section D: Market segmentation
- Section E: Sustainable competitive advantage

Measures for marketing strategies and sustainable competitive advantage were adapted from previous studies such as Adamu (2013), Al-Alak and Tarabieh (2011), Aremu and

Lawal (2012), Atikiya et al. (2015), Leonidou *et al.* (2013), Masai (2011), Tapera and Gororo (2013) and Uchegbulam *et al.* (2015)

3.8 Variables Specification and Measurement

This sub-section describes the variables used for the dependent, independent, and control variables and how they were measured. Therefore, to accomplish the objectives of this study, three variables were used.

3.8.1 Independent variable

Marketing strategies was the independent variable for this study and it has cost leadership, product differentiation and market segmentation as its typology (Porter, 1985; Aremu and Lawal, 2012; Kotler and Keller, 2011; Cheruon *et al.*, 2015). The proxy that was use for cost leadership strategy is product price, measured by the lower or cheaper price given to customers by the manufacturing firms. Previous studies such as Atikiya *et al.* (2015), Baroto *et al.* (2012), Herath and De Silva¹ (2011) and Wisena *et al.* (2014) among others established that lower price of product is an indication of gaining long term performance and competitive advantage by a firm.

To measure product differentiation strategy, the study used product quality provided by the firm on how customers purchase their product. This measure is in line with researches such as Dirisu *et al.* (2013), Uchegbulam *et al.* (2015), Shokuhi and Nabavi (2019), Ile and Chain (2011) that established that product quality is used to measure how a firm differentiate its product in order to improve their productivity. For this reason, this study measures product differentiation using the quality of product provides by the sampled manufacturing firms to customers.

Furthermore, the components of market segmentation in this study are market targeting and niching. Thus, market segmentation was measured by a firm focus on a particular segment of the market. This goes along with opinion of Lee and Chung (2018), Kim *et al.* (2011) and Kumar *et al.* (2011) and Taherdangkoo (2019) who perceived that sustainable competitive advantage from implementing market focus and targeting is larger for firms that develop market orientation and early market segmentation.

3.8.2 Dependent variable

The dependent variable for the study is sustainable competitive advantage. Firm sustainable competitive advantage was measured using sustained (i.e. long term) sales growth and sustained (long term) higher market share. Bharadwaj *et al.* (1993), Dirisu *et al.* (2013), Huang *et al.* (2015) and Balogun *et al.* (2019) also employed sustained sales growth and higher market share as an effective ways of measuring sustainable competitive advantage.

3.9 Data Analysis Techniques

The study adopted multiple linear regression analysis techniques to measure the impact of marketing strategies on sustainable competitive advantage by determining the relationship between both variables. Descriptive analysis on the other hand was used to examine general pattern and characteristics of the respondent demographic data.

3.10 Psychometric Properties of the Instrument Validity and Reliability

The validity and reliability of the research instrument that was used by study are discussed in the following subsections:

3.10.1 Validity of the research instruments

The face and content validity of the questionnaire was done by experts in Entrepreneurship and Business Studies Department of Federal University of Technology Minna and experts from other institutions in Nigeria. It was assessed by a cursory review of the questions to make sure that the questions are relevant and well understood.

3.10.2 Reliability of research instrument

The reliability analysis was carried out using test-retest to guarantee consistency of administered questionnaires upon several administrations to the owners or manager of manufacturing firms in the study area and the Cronbach's Alpha co-efficient of correlation was also determined and found to be 82.2%. This result consequently establishes excellent internal consistency of the instruments used for the survey. The test-retest reliability was equally conducted through pilot study.

3.10.2.1 Pilot study of questionnaires

The pilot study of questionnaire was conducted using the respondents from the manufacturing firms. This ensured that the drafted questionnaire is free from any form of ambiguity that may constitute problem in eliciting the appropriate responses from the respondents. Thus, 10% (12 respondents) of the sample size of owners or manager of manufacturing MSMEs in the study area was used as the pilot study.

3.11 Procedure for Administration

The procedure for administration is based on manual distribution of questionnaires to the sample manufacturing MSMEs in Minna, Niger State and stimulating them to respond to the questionnaires with no fear as there is no business identity information is

required. In administering the questionnaire, three (3) research assistances was used to elicit information from the manufacturing MSMEs.

3.12 Regression Model of the Study

Regression is the most widely statistical tool used for the analysis of quantitative data. Linear Regression Model by Chen and Jin, (2006) for the analysis of data was adopted. Correlation analysis has presented some evidences of individual effects of the independent variable. Thus, to test the multiple effects of marketing strategies on sustainable competitive advantage, a multiple regression analysis was used.

The regression model for the study is as follows:

$$SCA = \beta_0 + \beta_1 CL + \beta_2 PD + \beta_3 MS + E$$

Where: SCA = Dependent variable representing Sustainable Competitive Advantage

CL = Cost Leadership

PD = Product Differentiation

MS = Product Segmentation

E = Error term, (0, 1) normally distributed with mean 0 and variance 1.

β_1 = Co-efficient of cost leadership

β_2 = Co-efficient of product differentiation

β_3 = Co-efficient of market segmentation

β_0 = is the intercept on the Y- axis

Assumptions: The following assumptions are made in running the regression analysis:

1. Linearity: Linear relationship exists between the predictor and outcome. The relationship between the independent and dependent variables should be linear.
2. Normality: It assumes that error should be distributed normally among variables.

3. Homogeneity: Variance in error can be counted. It assumes that there is variance in all the predictor/explanatory variables.
4. Undependability: Errors associated with one objective are not correlated with the errors of any other observance
5. Model specification is appropriately specified.

3.13 *A Priori* Expectation

The *a priori* expectation of the correlation between each independent variable and the dependent variable is specified as follows: the intercept (β_0) is expected to be positive. This shows that the dependent variable value is positive if all the independent variables remain unaltered: cost leadership, product differentiation and market segmentation are expected to be a positive value. That is $\beta_0 > 0$; $\beta_1, \beta_2, \beta_3 > 0$.

CHAPTER FOUR

4.0 RESULTS AND DISCUSSION

4.1 Results

4.1.1 Descriptive statistics of Survey Respondents

This section presents the descriptive statistics showing the survey respondents demographic profile. 118 questionnaires were administered to owners or managers of manufacturing MSMEs in Minna metropolis, 116 were retrieved and 112 out of the questionnaires retrieved were valid. Thus, in coding and assessing the questionnaires, 4 of the questionnaires were invalid. Two of the invalid questionnaires were not properly filled by the survey respondents and other two out of the 4 invalid questionnaires were found to have multiple selections on the same statement. Hence, 4 questionnaires were excluded from the analysis. Thus, the demographic profile of the participants employed containing the respondents' gender, age, educational status, motivational factors for starting the business and area of specialization are first presented. Tables 4.1 present the demographic profile of 112 respondents surveyed for this study.

4.1.2 Distribution of respondents by Gender

Table 4.1: Gender distribution of survey respondents

| | Male | Female | Overall Total |
|---------------------|------|--------|-------------------|
| | N=85 | N=27 | N=112 |
| Demographics | | | |
| Gender Male | 85 | 0 | 85 (75.9%) |
| Female | 0 | 27 | 27 (24.1%) |

Source: Author's Field Survey (2021)

Table 4.1 presents the gender distribution of survey respondents. The analysis revealed that that 75.9% (85 out of 112) survey respondents were male, and 24.1% (27 out of 112) survey respondents were female. This finding shows that more males are involved in manufacturing MSMEs than their female counterparts. The reason may be from the indigenous culture of the Northern part of the country that men are the breadwinner of the family. This finding is consistent with earlier study by Adeyeye et al. (2019) who

reported that two third of registered micro and small enterprises in Minna metropolis are owned and managed by male.

4.1.3 Distribution of respondents by Age

Table 4.2: Age distribution of survey respondents

| | | Less than 30 | 30-39 | 40-49 | 50-59 | 60-above | Mean Age | Overall Total |
|---------------------|--------------|-----------------|-------|-------|-------|----------|----------|-------------------|
| | | N=16 | N=41 | N=38 | N=11 | N=6 | X=40 | N=112 |
| Demographics | | | | | | | | |
| Age | Less than 30 | 16 | 0 | 0 | 0 | 0 | 0 | 16 (14.3%) |
| | 30-39 | 0 | 41 | 0 | 0 | 0 | 0 | 41 (36.6%) |
| | 40-49 | 0 | 0 | 38 | 0 | 0 | 0 | 38 (33.9%) |
| | 50-59 | 0 | 0 | 0 | 11 | 0 | 0 | 11 (9.8%) |
| | 60-above | 0 | 0 | 0 | 0 | 6 | 0 | 6 (5.4%) |
| | Mean age | 0 | 0 | 0 | 0 | 0 | 40 | |

Source: Author's Field Survey (2021)

Table 4.2 presents the age distribution of the survey respondents according to their various age groups. It showed that 14.3% (16 out of 112) of the respondents were less than 30 years. Also, 41 out of 112 respondents (36.6%) were between the age range of 30 and 39 years. Moreover, 33.9% (38 out of 112) of the respondents were between the age range of 40 and 49 years. 9.8% (11 out of 112) of the respondents were between the age range of 50 and 59 years. Lastly, 5.4% which represents 6 respondents out of the 112 respondents were above 60 years. The findings revealed that the mean age of the survey respondents is 40 years. This suggests that most of the respondents are of the working age with dependants, thereby saddled with the responsibility of taking care of them.

4.1.4 Distribution of respondents by educational status

Table 4.3: Educational status of survey respondents

| | | No School Attended | Primary School Cert. | SSCE | NCE/ ND | HND/ BSc | PGD/ MSc/ PhD | Overall Total |
|---------------------|--------------------------|--------------------------|----------------------------|------|------------|-------------|---------------------|------------------|
| | | N=3 | N=5 | N=34 | N=22 | N=41 | N=7 | N=112 |
| Demographics | | | | | | | | |
| Edu. Status | No School Attended | 3 | 0 | 0 | 0 | 0 | 0 | 3 (2.7%) |
| | Primary Sch. Cert | 0 | 5 | 0 | 0 | 0 | 0 | 5 (4.5%) |
| | SSCE | 0 | 0 | 34 | 0 | 0 | 0 | 34 (30.4%) |
| | NCE/ ND | 0 | 0 | 0 | 22 | 0 | 0 | 22 (19.6%) |
| | HND/ BSc | 0 | 0 | 0 | 0 | 41 | 0 | 41 (36.6%) |
| | PGD/ MSc/ PhD | 0 | 0 | 0 | 0 | 0 | 7 | 7 (6.2%) |
| | Total | | | | | | | 112(100.0%) |

Source: Author's Field Survey (2019)

Table 4.3 presents the educational status of the survey respondents. It revealed that 2.7% (3 out of 112) of the respondents attended no formal education. 4.5% (5 out of 112) of the respondents had only primary education while 30.4% (34 out of 112) of the respondents had secondary education (Senior Secondary Certificate Examination (SSCE)). Moreover, 19.6% (22 out of 112) of the respondents had National Diploma (ND) and Nigeria Certificate in Education (NCE). 36.6% (41 out of 112) of the respondents had Higher National Diploma (HND) and Bachelor of Science (BSc) while 6.2% (7 out of 112) of the respondents either had their Post Graduate Diploma or Master Degree or Doctorate Degree. These findings further revealed that approximately

62% of the survey respondents were graduates. This suggests that a large percentage of the respondents became self-employed as a result of unemployment. Nevertheless, the respondents' higher level of education is a critical factor in creating and sustaining competitive advantage in the industry. This finding corroborate Chahal and Bakshi (2015) and Haseeb et al. (2019) who opined that formal educational programme is an important factor in creating organizational success and long term competitive advantage.

4.1.5 Distribution of respondents by area of specialization

Table 4.4: Area of specialization of survey respondents

| Area of Specification | Frequency | Percentage |
|--------------------------------------|------------|------------|
| Food, Beverages and Tobacco | 34 | 30.4 |
| Block Production | 21 | 18.8 |
| Wood and Wood Product | 12 | 10.7 |
| Plastic and Rubber Products | 3 | 2.7 |
| Chemical and Pharmaceutical Products | 9 | 8 |
| Textile, apparel and Footwear | 14 | 12.5 |
| Basic Metal, Iron and Steel | 13 | 11.6 |
| Other Manufacturing | 6 | 5.4 |
| <i>Total</i> | <i>112</i> | <i>100</i> |

Source: Author's Field Survey (2019)

Table 4.4 shows the area of specialization of survey respondents. The findings revealed that 30.4% (34 out of 112) of the respondent area of specialization fall in food, beverages and tobacco group. 18.8% (21 out of 112) of the survey respondents specialized in block production. 10.7% (12 out of 112) of the respondents specialized in wood and wood product. 2.7% (3 out of 112) of the survey respondents specialized in

plastic and plastic products. 8% (9 out of 112) of the respondent area of specialization fall in chemical and pharmaceutical products group. 11.6% (13 out of 112) of the respondents specialized in basic metal, iron and steel while 5.4% (6 out of 112) of the survey respondents specialized in other manufacturing such as bead production and stone quarry.

4.1.6 Distribution of respondents by motivational factor for starting the business

Table 4.5: Motivational factor for starting the business of survey respondents

| | | Unemploy- ment | Profit | Passion/ Interest | Family Business | Overall Total |
|---------------------|------------------|---------------------------|---------------|------------------------------|----------------------------|--------------------------|
| | | N=42 | N=16 | N=44 | N=10 | N=112 |
| Demographics | | | | | | |
| Motivation | Unemployment | 42 | 0 | 0 | 0 | 42 (37.5%) |
| | Profit | 0 | 16 | 0 | 0 | 16 (14.3%) |
| | Passion/Interest | 0 | 0 | 44 | 0 | 44 (39.3%) |
| | Family Business | 0 | 0 | 0 | 10 | 10 (8.9%) |

Source: Author's Field Survey (2019)

Table 4.5 presents the motivational factor for starting a manufacturing enterprise by the survey respondents. The findings revealed that 37.5% (42 out of 112) of the respondents engaged in manufacturing business due to unemployment. 14.3% (16 out of 112) of the respondents start manufacturing business due to the profitability of the business. 39.3% (44 out of 112) of the respondents start manufacturing business due to the interest and passion they developed in the business. Lastly, 8.9% (10 out of 112) of the respondents engaged in manufacturing business because it is their family business. Furthermore, the findings revealed that about two fifth of the respondents engaged in manufacturing business because of unemployment in order to earn a living. Moreover, majority of the

survey respondents (39.3%) have start a manufacturing business because of the interest and passion they have in it. This suggests that majority of the survey respondents went into manufacturing in order to exploit opportunities in the industry and to have autonomy in there endeavours. The findings is in consonance with Adeyeye (2019) who opined that about half of micro-small business owners in Minna went into self-employment in order to become independence and exploit opportunities found in their business environment.

4.1.7 Distribution of respondents by embracement of marketing strategies

Table 4.6: Does your organization embrace marketing strategies in its day to day activities distribution of survey respondents

| | | Yes | No | Not Sure | Overall Total |
|---------------------|----------|------|-----|----------|-------------------|
| | | N=89 | N=6 | N=17 | N=112 |
| Demographics | | | | | |
| Embrace | Yes | 89 | 0 | 0 | 89 (79.5%) |
| | No | 0 | 6 | 0 | 6 (5.4%) |
| | Not Sure | 0 | 0 | 17 | 17 (15.2%) |

Source: Author's Field Survey (2021)

Table 4.6 presents does your organization embrace marketing strategies in its day to day activities of the survey respondents. The findings revealed that 79.5% (89 out of 112) of the respondents was sure that they embrace marketing strategies in their day to day activities. 5.4% (6 out of 112) of the respondents does not use marketing strategies in conducting their business activities while 15.2% (17 out of 112) of the survey respondents were not sure if they embrace marketing strategies in their day to day activities. The findings suggest that nearly all the survey respondents (four-fifth) have involve marketing strategies in the activities of their businesses. This is an indication

that the respondents are using various marketing approach in gaining and sustaining customers. Although about one-fifth of the respondents were not sure if they have been using marketing strategies in their day to day business activities, analysis on the individual level revealed that those respondents have one way or the other been using different marketing strategies in sustaining their business over the years. This finding is in line with Peamchai (2017) and Bourletidis and Triantafyllopoulos (2014) assertion that small and medium enterprises do develop marketing strategies as an alternative means in order to survive over the years.

4.1.8 Linear Regression Analysis

Table 4.7: Regression analysis model summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | Change Statistics | |
|-------|-------------------|----------|-------------------|----------------------------|-----------------|-------------------|---------------|
| | | | | | | F Change | Sig. F Change |
| 1 | .473 ^a | .224 | .202 | 2.55083 | .224 | 10.368 | .000 |

a. Predictors: (Constant), Cost leadership, Product differentiation, Market segmentation

b. Dependent Variable: Sustainable competitive advantage

Source: Author's Field Survey (2021)

Table 4.7 reveals the regression analysis between marketing strategies variables and sustainable competitive advantage. The findings revealed that significant relationship exist between marketing strategies and sustainable competitive advantage ($r = 0.473$, $r^2 = 0.224$, F value of 10.368 and significant at 0.000). The finding from the whole model further shows that the variables are related at 47.3% and significant at $P < 0.05$. Moreover, this shows that the independent variables (cost leadership, product differentiation and market segmentation) contributes 22.4% of the variations in sustainable competitive advantage of manufacturing MSMEs in the study area.

Nevertheless, 77.6% of other variables that are outside the scope of this model contribute to manufacturing MSMEs sustainable competitive.

Table 4.8: Regression Analysis Result

| Model | | Unstandardized Coefficients | | Standardized | T | Sig. |
|-------|-------------------------|-----------------------------|------------|--------------|-------|------|
| | | B | Std. Error | Coefficients | | |
| 1 | (Constant) | 5.809 | 1.568 | | 3.704 | .000 |
| | Cost Leadership | .114 | .065 | .154 | 1.759 | .081 |
| | Product Differentiation | .241 | .076 | .273 | 3.171 | .002 |
| | Market Segmentation | .201 | .067 | .267 | 2.998 | .003 |

a. Dependent Variable: Sustainable competitive advantage

Source: Author's Field Survey (2021)

Table 4.8 revealed the regression coefficient that is used in testing the level of relationship between the independent variables and the dependent variable which are presented below:

1. H₀ : There is no significant relationship between cost leadership and sustainable competitive advantage of manufacturing firms in Minna metropolis

The findings revealed a regression coefficient of 0.154 with a p-value of 0.081 which is positively related but statistically insignificant at $p < 0.05$. This implies that there is no significant relationship between cost leadership and sustainable competitive advantage, although the two variables are positively related. Therefore, a unit increase in cost leadership can only yield 0.154 units increase in manufacturing firms' sustainable competitive advantage. In view of this statistical relationship between cost leadership and sustainable competitive advantage, the null hypothesis which states that: *There is no significant relationship between cost leadership and sustainable competitive advantage of manufacturing firms in Minna metropolis* is accepted at 0.05 significance level since

the p-value is greater than the 0.05 significance level, while the alternative hypothesis is rejected.

2. H₀ : There is no significant relationship between product differentiation and sustainable competitive advantage of manufacturing firms in Minna metropolis

The findings revealed a regression coefficient of 0.273 with a p-value of 0.002 which is statistically significant at $p < 0.05$. This implies that there is significant relationship between product differentiation and sustainable competitive advantage. Therefore, a unit increase in product differentiation will yield 0.273 units corresponding increase in manufacturing firms' sustainable competitive advantage. In view of this statistical relationship between product differentiation and sustainable competitive advantage, the null hypothesis is rejected while alternative hypothesis which states that: *There is significant relationship between product differentiation and sustainable competitive advantage of manufacturing firms in Minna metropolis* is accepted at 0.05 significance level since the p-value is less than the 0.05 significance level.

3. H₀ : There is no significant relationship between market segmentation and sustainable competitive advantage of manufacturing firms in Minna metropolis

The findings revealed a regression coefficient of 0.267 with a p-value of 0.003 which is statistically significant at $p < 0.05$. This implies that there is significant positive effect of market segmentation on sustainable competitive advantage. Therefore, a unit increase in market segmentation will yield an increase of 0.267 units in manufacturing firms' sustainable competitive advantage. In view of this statistical relationship between market segmentation and sustainable competitive advantage, the null hypothesis is rejected while alternative hypothesis which states that: *There is significant relationship*

between market segmentation and sustainable competitive advantage of manufacturing firms in Minna metropolis is accepted at 0.05 significance level since the p-value is less than the 0.05 significance level.

4.2 Discussion of Results

This section presents the discussion of the study's findings which answered the study's research question in relation to previous literature and theoretical assumptions. In answering the study's research question, the relationship between the three independent variables (cost leadership, product differentiation and market segmentation) and dependent variable (sustainable competitive advantage) were examined using multiple linear regression analysis result. The discussion of the result in answering the research questions is presented below:

4.2.1 Cost Leadership and sustainable competitive advantage

To what extent has cost leadership affected sustainable competitive advantage of manufacturing firms in Minna metropolis?

The findings from the regression coefficient revealed that cost leadership does not significantly affect sustainable competitive advantage although the two variables are related (regression coefficient = 0.154; p-value = 0.081 at $p < 0.05$). In line with these findings, the answer to the research question is "Cost leadership does not significantly affect sustainable competitive advantage of manufacturing firms in Minna metropolis". This finding's result is in contrary with the work of Wisena *et al.* (2014) and Atikiya *et al* (2015) who established that the performance and long term competitiveness of manufacturing firms are significantly influenced by cost leadership strategy. This may be from the reason that high risks and uncertainties are involved in buying cheap product from manufacturers in the study area and developing countries. Nevertheless, the result from this findings corroborate the findings of Acquah and Agyapong (2015)

who established that cost leadership strategy does not influence sustainable competitive advantage after controlling for several firm-specific factors. This implies that cost leadership should not be the central focus of manufacturing firms except it has been backed up with specific firm factors such as innovativeness, quality and distinctiveness of firms' product.

4.2.2 Product differentiation and sustainable competitive advantage

What is the effect of product differentiation on sustainable competitive advantage of manufacturing firms in Minna metropolis?

The findings from the regression coefficient revealed that product differentiation significantly affect sustainable competitive advantage with regression coefficient of 0.273 and p-value of 0.002 at $p < 0.05$ significance level. In line with these findings, the answer to the research question is "Product differentiation has a significantly effect on sustainable competitive advantage of manufacturing firms in Minna metropolis". This finding's result is in line with the work of Shokuhi and Nabavi (2019) and Uchegbulamet al (2015) who posited that the long term competitive advantage of manufacturing firms are significantly influenced by product differentiation strategy. This implies that manufacturing firms should focus on their distinctive resources in giving innovative, quality and distinctive products to customers in order to achieve sustainable competitive advantage. In addition, this finding is in consonance with resource advantage theory which serve as the theoretical insight for this study that firm's resources are heterogeneous in nature and cannot be completely/freely movable which led to the differences among business organizations, thereby creating a prominent condition necessary for achieving sustainable competitive advantage.

4.2.3 Market segmentation and sustainable competitive advantage

What impact does market segmentation has on sustainable competitive advantage of manufacturing firms in Minna metropolis?

The result from the regression coefficient revealed that market segmentation has significantly impact on sustainable competitive advantage with regression coefficient of 0.267 and p-value of 0.003 at $p < 0.05$ significance level. Based on these findings, the answer to the research question is “Market segmentation has significantly impact on sustainable competitive advantage of manufacturing firms in Minna metropolis”. The result of the findings is in line with Kumar *et al.* (2011), Ille and Chailan (2011) and Lucian *et al.* (2018) who opined that market segmentation is a good strategy that facilitate the competitiveness of firms in a turbulent business environment. The finding is also in line with theory of competitiveness proposition that firms should have competitive environmental strategies from the current market and sustainable value innovation to a new target or developed market. This implies that manufacturing firms should systematically target customers and un-served market where they have advantage with products that best meet their needs.

CHAPTER FIVE

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The study investigated the impact of marketing strategies on sustainable competitive advantage of manufacturing firms in Minna metropolis. The study adopted quantitative approach using the survey research method while structured questionnaires were used to measure the three variables of marketing strategies (cost leadership, product differentiation and market segmentation), as well as sustainable competitive advantage.

The empirical findings revealed that a positive and significant relationship exists between two variables of marketing strategies (product differentiation and market segmentation) and sustainable competitive advantage of manufacturing firms in Minna metropolis. Moreover, the finding showed that one variable of marketing strategies (cost leadership) is positively related with sustainable competitive advantage but statistically insignificant. Thus, marketing strategies is positively related and has significantly impact on sustainable competitive advantage, thereby fulfilling the main aim of the study, which is to investigate the impact of marketing strategies on sustainable competitive advantage of manufacturing firms in Minna metropolis.

Production globally is highly competitive in nature. Therefore, firms must operate effectively to lower cost, gain new customers, retain the existing ones, add values to its product and increase profit level in order to attain sustainable competitive advantage. Considering this in mind, it highly vital that managers and owners of manufacturing firms should constantly infuse appropriate marketing strategies into their model of operation. By doing so, manufacturing firms can better serve and satisfy their customers, increase their sales and market share, which in turn leads to sustainable competitive advantage.

Furthermore, manufacturing sector play a critical and essential role in the economy of any nation. They play significant purpose in diverse ways that go beyond the creation of job. They don't contribute only to standard of living, but also account for driving creativity, innovation and competitiveness in both developed and developing countries. To this end, the growth of the manufacturing sector is crucial for sustainable and meaningful national growth for an up- coming country like Nigeria. Hence, in this direction, appropriate marketing strategies for manufacturing firms' sustainable

competitive advantage are important instruments of growth and the central pillar for a country sustainable growth and development.

5.2 Recommendations

In view of the research findings and conclusion, the following recommendations were suggested:

1. Owners and managers of manufacturing firms should put in place effective marketing strategies in their business model and should particularly focus on product differentiation and market segmentation in order to help them gain sustainable competitive advantage over their competitors.
2. Manufacturing firms should specifically target customers and segment their market to areas where they have opportunity for sustainable competitive advantage than their competitors. Through market segmentation, firms can target un-served, unsatisfied and most profitable customers and focus on their needs in order to enhance sales and gain sustainable competitive advantage.
3. Management of manufacturing firms should put in place adequate resources and capabilities that will create an advantage in developing quality and unique products. Through quality and unique product, firm can gain sustainable competitive advantage over their competitors.
4. Owners and managers of manufacturing firms should constantly involve in research and development: Through research and development, manufacturing firms can acquire innovative knowledge and idea that can be used in creating new technologies and products, thereby providing an avenue for manufactures in creating distinctive/unique product that will differentiate their products from their competitors.

5. Makers of policies at different levels that affect the operation of manufacturing sector in Nigeria should provide favourable policies that will improve the effectiveness of manufacturing firms and drive them towards achieving long term competitive advantage.
6. Manufacturer Association of Nigeria (MAN) should create a market environment that is favourable for manufacturing firms operation, and also offer developmental training to manufacturers in order to increase the effectiveness of their marketing capabilities.
7. Government should create an avenue that will give manufacturing firms easy access to technology infrastructure. Access to technology infrastructure can help manufacturing firms learn about the latest technologies that can help them differentiate their products from their competitors.
8. Universities should also provide assistance in developing new technologies that will help manufacturing firms in improving their competitive stand amidst of competitors, both nationally and internationally.

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APPENDICES
APPENDIX 1
RESEARCH QUESTIONNAIRE

Dear Sir/ Ma

I am a postgraduate student of Federal University of Technology Minna, currently carrying out a study on **“Impact of Marketing Strategies on Sustainable Competitive Advantage: A study of Manufacturing Firms in Minna Metropolis”** as part of the requirement for the awards of Master of Technology (M.TECH) in Entrepreneurship and Business Studies. The study focuses on the marketing strategies adopted by manufacturing firms to develop sustainable competitive advantage in the sales and marketing of its products. I will highly appreciate if you give your opinion to answer the following questions outlined in the questionnaire. Your sincere and faithful responses to the question will assist me in arriving at an authentic findings and recommendation on the subject matter. Your anonymity is guaranteed and I assure you that any information given on the subject shall be kept confidential.

Thank you

Yours sincerely,

Aliu Mukhtar Mayowa

Part I

Instruction: Please indicate your considered response by placing a tick in the appropriate box in the spaces provided:

SECTIONA: Respondents Demographic Profile

1. **Gender:** Male Female
2. **Age:** Less than 30 30-49 40-49 50-59 60-above
3. **Educational status:** No school attended Primary School Certificate WAEC/NECO
NCE/ND HND/BSc. PGD/MSc/PhD
4. **Area of specialization:** Food and Bakery Block Production Wood and Wood
Products Plastic and Rubber products Chemical and Pharmaceutical products
Apparel and Footwear Textiles Other manufacturing (Please specify)
.....
5. **Motivational factor for starting the business:** Unemployment Profit Passion/Interest
Family Business
6. **Does your organization embrace marketing strategies in its day to day activities?**
Yes No Not sure

Part II

Instruction: Please kindly tick appropriately. Strongly Agree = (SA), Agree = (A), Undecided = (UD), Disagree = (D), Strongly Disagree = (SD)

SECTION B: COST LEADERSHIP

A firm that pursues cost leadership strategy focuses on gaining advantage by reducing its economic cost below the cost of all its competitors. The firm sells its products either at industry prices to earn a profit higher than that of its rivals or below the average industry prices to gain market shares. The sources of cost advantage include: the pursuit of economics of scale, proprietary technology, and preferential access to raw materials and other factors.

| S/N | Variables | SA | A | UD | D | SD |
|-----|--|----|---|----|---|----|
| 1 | We charge lower price than our competitors | | | | | |
| 2 | Lowering price of our products attract more customers | | | | | |
| 3 | We sell our products at a discount rate in order to increase sales and customers | | | | | |
| 4 | We offer promo to our customers in order to increase sales and attract more customers. | | | | | |
| 5 | We have access to low cost raw materials than our competitors | | | | | |
| 6 | Our competitors' products are sold at relatively affordable price | | | | | |
| 7 | We charge higher price than our competitors | | | | | |

SECTION C: PRODUCT DIFFERENTIATION

Product differentiation strategy calls for the development of a product that offer unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competitors. Product differentiation is always a matter of customer perception, but firms can take a variety of actions to influence this perception.

| S/N | Variables | SA | A | UD | D | SD |
|-----|---|----|---|----|---|----|
| 1 | We offer unique product that is different from that of our competitors | | | | | |
| 2 | Our customers are willing and ready to pay for quality products at a fair/normal price. | | | | | |
| 3 | Customers only buy our products because of its good quality | | | | | |
| 4 | Selling unique product that are not provided by other competitors attract more customers and increase sales | | | | | |
| 5 | Our product quality has exceeded that of our competitors | | | | | |
| 6 | It is difficult for our competitors to imitate us | | | | | |
| 7 | We charge higher price because our product are unique and are of high quality | | | | | |

SECTION D: MARKET SEGMENTATION

Market differentiation strategy focuses on the choice of a narrow competitive scope within an industry. The focuser selects a segment group or groups of segments in the industry and tailors its strategy to serving them to the exclusion of others. This often makes marketing more efficient and effective

| S/N | Variables | SA | A | UD | D | SD |
|-----|--|----|---|----|---|----|
| 1 | We focus and sell our products to specific market and customers | | | | | |
| 2 | We identify and sell our product to specific areas and customers in order to enhance sales | | | | | |
| 3 | We continuously identify un-served market and focus on their needs | | | | | |
| 4 | We and our competitors sell the same type of product in the market. | | | | | |
| 5 | We only target and sell our products to the most profitable customers. | | | | | |
| 6 | Our targeted customers still buy from us even when the price of our products are higher than that of our competitors | | | | | |
| 7 | We target customers where we have opportunity for competitive advantage | | | | | |

SECTION E: SUSTAINABLE COMPETITIVE ADVANTAGE

This is the advantage a firm has over others, which helps the firm to lead others in the race, attract more customers and retain market share by providing greater values to customers either by lowering prices, focusing on a particular market segment or by providing quality product or services that justifies higher prices.

| S/ N | Variables | SA | A | UD | D | SD |
|-----------------|--|-----------|----------|-----------|----------|-----------|
| 1 | Over the past four years, our access to low cost of raw materials, technology and labour gave us an edge over our competitors | | | | | |
| 2 | Over the past four years, our strategy for sustainable competitive advantage is based on cost leadership | | | | | |
| 3 | Selling good and quality products is the strategy we are using to sell more and gain advantage than other competitors over the years | | | | | |
| 4 | Selling to specific market and customers is our strategy for gaining sustainable competitive advantage over the years | | | | | |
| 5 | Our existing way of selling our products has helped us in retaining and gaining more customers over the years. | | | | | |
| 6 | Our strategies for selling has make it difficult for our competitors to imitate us | | | | | |
| 7 | Over the past four years, our market shear has exceeded that of our competitors | | | | | |

Thank you for your time in filling this questionnaire, I really appreciate. Once again, your anonymity is guaranteed and I assure you that any information given on the subject shall be kept confidential.

APPENDIX II

Statistics

| | | Gender | Age | Educational Status | Area of Specialization | Motivational Factor | Embrace Marketing Strategies |
|---|---------|--------|-----|--------------------|------------------------|---------------------|------------------------------|
| N | Valid | 112 | 112 | 112 | 112 | 112 | 112 |
| | Missing | 0 | 0 | 0 | 0 | 0 | 0 |

Age

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------|-----------|---------|---------------|--------------------|
| Valid | less than 30 | 16 | 14.3 | 14.3 | 14.3 |
| | 30-39 | 41 | 36.6 | 36.6 | 50.9 |
| | 40-49 | 38 | 33.9 | 33.9 | 84.8 |
| | 50-59 | 11 | 9.8 | 9.8 | 94.6 |
| | 60-above | 6 | 5.4 | 5.4 | 100.0 |
| | Total | 112 | 100.0 | 100.0 | |

Educational Status

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------------------|-----------|---------|---------------|--------------------|
| Valid | no school attended | 3 | 2.7 | 2.7 | 2.7 |
| | primary education | 5 | 4.5 | 4.5 | 7.1 |
| | SSCE | 34 | 30.4 | 30.4 | 37.5 |
| | NCE/ND | 22 | 19.6 | 19.6 | 57.1 |
| | HND/BSc | 41 | 36.6 | 36.6 | 93.8 |
| | PGD/MSc/PhD | 7 | 6.2 | 6.2 | 100.0 |
| | Total | 112 | 100.0 | 100.0 | |

Area of Specialization

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------------------|-----------|---------|---------------|--------------------|
| Valid Food, Beverages and Tobacco | 34 | 30.4 | 30.4 | 30.4 |
| Block Production | 21 | 18.8 | 18.8 | 49.1 |
| Wood and Wood Product | 12 | 10.7 | 10.7 | 59.8 |
| Plastic and Rubber Products | 3 | 2.7 | 2.7 | 62.5 |
| Chemical and Pharmaceutical Product | 9 | 8.0 | 8.0 | 70.5 |
| Textile, apparel and Footwear | 14 | 12.5 | 12.5 | 83.0 |
| Basic Metal, Iron and Steel | 13 | 11.6 | 11.6 | 94.6 |
| Other Manufacturing | 6 | 5.4 | 5.4 | 100.0 |
| Total | 112 | 100.0 | 100.0 | |

Motivational Factor for Starting the Business

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------|-----------|---------|---------------|--------------------|
| Valid unemployment | 42 | 37.5 | 37.5 | 37.5 |
| Profit | 16 | 14.3 | 14.3 | 51.8 |
| passion/interest | 44 | 39.3 | 39.3 | 91.1 |
| family business | 10 | 8.9 | 8.9 | 100.0 |
| Total | 112 | 100.0 | 100.0 | |

Embrace Marketing Strategies

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| Valid Yes | 90 | 80.4 | 80.4 | 80.4 |
| No | 6 | 5.4 | 5.4 | 85.7 |
| Not sure | 16 | 14.3 | 14.3 | 100.0 |
| Total | 112 | 100.0 | 100.0 | |

APPENDIX III

Variables Entered/Removed^b

| Model | Variables Entered | Variables Removed | Method |
|-------|---|-------------------|--------|
| 1 | Cost Leadership, Product Differentiation, Market Segmentation | | Enter |

a. All requested variables entered.

b. Dependent Variable: Sustainable Competitive Advantage

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|---------------|
| | | | | | R Square Change | F Change | Sig. F Change |
| 1 | .473 ^a | .224 | .202 | 2.55083 | .224 | 10.368 | .000 |

a. Predictors: (Constant), Cost Leadership, Product Differentiation, Market Segmentation

ANOVA^b

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 202.380 | 3 | 67.460 | 10.368 | .000 ^a |
| | Residual | 702.728 | 108 | 6.507 | | |
| | Total | 905.107 | 111 | | | |

a. Predictors: (Constant), Cost Leadership, Product Differentiation, Market Segmentation

b. Dependent Variable: Sustainable Competitive Advantage

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5.809 | 1.568 | | 3.704 | .000 |
| | Cost Leadership | .114 | .065 | .154 | 1.759 | .081 |
| | Product Differentiation | .241 | .076 | .273 | 3.171 | .002 |
| | Market Segmentation | .201 | .067 | .267 | 2.998 | .003 |

a. Dependent Variable:
Sustainable Competitive
Advantage

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .822 | 28 |

APPENDIX IV

MAP OF MINNA: THE STUDY AREA

