

**AN ASSESSMENT OF THE MARKETING STRATEGIES FOR
THE SURVIVAL OF SMALL-SCALE BUSINESSES IN
KONTAGORA LOCAL GOVERNMENT OF NIGER STATE**

**BY
MURTALA TUNJI IBRAHIM
11120903396**

**BEING A RESEARCH PROJECT SUBMITTED TO THE
DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF
MANAGEMENT SCIENCES, USMANU DANFODIYO
UNIVERSITY, SOKOTO, IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF POSTGRADUATE
DIPLOMA IN MANAGEMENT (PGDM)**

**DECEMBER, 2012
APPROVAL PAGE**

This thesis entitled *‘An Assesement of the Marketing Strategies for the survival of Small-Scale Businesses in Kontagora Local Government of Niger State* by Murtala Tunji Ibrahim meets the regulations governing the award of degree in Postgraduate Diploma in Management (PGDM), Usmanu Danfodio University , Sokoto.

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Mario Abdullah
Supervisor

Date

Maishanu

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Head of Department

Date

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.....
Dean, School of Postgraduates

Date

DEDICATION

I dedicated this Research to Almighty Allah, my wife and family.

ACKNOWLEDGMENT

I acknowledged the efforts of all the people who had one way or the other contributed towards the process, completion and success of this thesis. My sincere gratitude goes to my supervisor Mrs. Mario Abdullah who had

taken her time, efforts and patient to go through the entire project and effects corrections. Also my appreciations goes to the Head of Department () who has been seeing to the day-to day affairs of the department. I recognized the efforts of all lecturers that had one way or the other immensely contributed to success of the program. I also recognized the entire staff of the School of postgraduate.

I appreciated the efforts of my wife for her contribution towards the success of the program and likewise my children for their understanding.

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Abstract

This study was carried out to assess the strategies for survival of small-scale business in Kontagora Local Government Area of Niger State. Six research question and three hypotheses were postulated to guide the investigation. Structured questionnaire, dichotomous in nature was the main research instrument. The stratified sampling method was used to select 72 small-scale businesses from 10 business types. Data were analyzed using simple percentage and the three hypotheses were tested using chi-square test of statistics. The study revealed that; there is a significant relationship between market segmentation and the maximization of a firm's competitive advantage; price adjustment does not significantly influence the profitability of small-scale business, and that reactive strategy is negatively related to the success of small-scale business. The study recommendations should proactively be applied to marketing strategy.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Although specific statistical evidence may not yet be readily available, there is hardly any doubt that business enterprises employing less than fifty full-time employees dominate the Nigerian economy today, not only in terms of their sheer number but also in terms of volume of employment. They dot every nook and cranny of every city; even in the rural areas, they predominate. With every limited growth and employment in the large scale business sector and dwindling employment opportunities in government, the various levels of government in Nigeria have continued to encourage young school leavers *and the large number of young and not so-young people who have been retrenched in recent time to seek self employment.*

The kind of business described above is small-scale business which Osaze (1986) describes, as “(a business) which is owned, managed, controlled by one or two persons, his family influenced in decision making, has an undifferentiated organizational structure, has a relatively small share of the market and employs less than fifty people”. The history of industrial revolution in developed and developing countries have shown that Small-scale businesses are the driving force of industrial development.

The attentions of national government all over the world have therefore focused on funding and supporting them through the creation of enabling environment.

Expanding an understanding of small-scale business, Adamu (2005) explains that a major characteristic of Small-scale business worldwide is that they are generally managed by their owners either as sole proprietorship or partnership and are also largely local in their area of operation. They depend on internal source of capital and are relatively small size within the industry. The relative importance of the small-scale business differs considerably from one type of business to another. The major areas of business enterprise activities are in manufacturing, distribution of products and rendering of services some of which may involve the use of products.

Baumbacle (1983) shows in his publication on “Basic Small Business Management” that more than one third of all the manufacturing firms at all, and that close to two-thirds employ fewer than twenty workers. On the whole, his study revealed that 95 percent of the non-form business of all kind employs fewer than fifty workers each. The aforementioned characteristics of Small-scale businesses largely constitute the very basis of their problem and the need for effective strategies for their survival.

Today, businesses in Nigeria, as in any other country of the world, are facing faster pace of environmental changes and uncertainty than was

typically the case even a few years ago. This change and uncertainty has been manifested in a wide variety of ways and has led to a series of environmental pressures and challenges with which managers need to come to terms. Wilson and Gilligan (2003) mention these to include;

Market fragmentation, the increasingly global nature of many market, shorter product life cycle, product proliferation, increased energy and sales force costs and downward price pressure. Others include, greater customer sophistication and increased customer demands, an increased emphasis upon environmental and 'green' issue, the stagnation of many market, and the erosion of many of the traditional bases of competitive advantage.

This pressure poses serious challenges to businesses particularly the small-scale ones given their peculiar and fragile nature. To succeed and survive in the market they must formulate and execute marketing strategies that make sense to the environment. Marketing strategy, Armstrong (2004) points out is an essentially iterative process. It is iterative for a number of reasons, the most significant of which is that as the company's external environment changes, so opportunities and threats emerge and disappear only to re-emerge perhaps in a modified form at a later stage. Because of this, the marketing strategist need to recognize the fundamentals necessary both for an environmental monitoring process that is capable of identifying in advance any possible opportunities and threats, and for a planning

system and organizational structure that is capable of causing a radical change to reflect the environment so that effects of threats are minimized and that opportunities are sized.

In essence, therefore, the formulation of marketing strategy is concerned with matching the capabilities of the organization with the demands of the environment. In doing this, the strategist is faced with a difficult problem, since what is typically referred to as the environment encapsulates a wide variety of influences. The difficulty lies therefore in coming to terms with this diversity in such a way that it contribute to effective decision making, since it is this that has a direct influence upon business performance. This difficulty in coping with the environment was viewed by (Bliss, 1980) under two headings:

- i. Understanding the extent to which the environment effects strategy
- ii. Understanding the ways in which environmental pressures can be related to the capabilities of the organization.

The preceding paragraphs have tried to give full emphasis to the need for objectives and strategy to be realistic, obtainable, and based firmly on corporate capability. In practice, of course, this translates into an almost infinite number of strategies that are open even to small-scale businesses. Porter (1980) has, however, pulled them together and identified three general types of strategy — overall cost leadership, differentiation and focus; that provide a meaningful basis for strategic thinking. In doing

this, Porter emphasize the need for the strategist to identify a clear and meaningful selling proposition for the organization. In other words, what is the competitive stance of the organization, and what does it stand for in the eyes of its customers?

This study takes a psychological and marketing point of views to look at process characteristics of action and strategies of small scale business owners in Kontagora Local Government Area of Niger State. These strategy characteristics are then related to the firms` success and survival. I, therefore, intend to provide an answer to the question, how strategies are used and how strategy-relevant behavior by the owner/manager is related to success in the small-scale business. In the realm of psychology, the strategies that shall be deliberated and investigated vis-à-vis small scale business in our area of study are reactive strategy, opportunistic strategy, complete planning strategy and critical point strategy, and routine/habit strategy (Bhide,1994).These strategies can be differentiated according to orientation to the goal, situational responsiveness, pro-activeness, and the overlap between planning and action. Under the marketing perspective, pricing strategy and value added strategy shall be focused. It should, however, be noted that pricing and value-added as strategies can be applied differently under the psychological strategies depending on the psychology of the business owner/manager.

1.2 Statement of the Problem

Since the dawn of political independence in the early 1960s, small-scale business has attracted increasingly attention from researchers and policy makers concerned with economic growth and development. The pioneering studies on this sector, beginning with the 1963 study conducted by the World Bank, viewed the sector as essentially dysfunctional. Heightened interest in the activities of small-scale businesses can be attributed to a renewed awareness of potential benefits from the sector as an agent for employment creation, the promotion of indigenous technology, local resource utilization, income generation and as a catalyst for social change.

Official statistics on the small-scale industrial sector are virtually non-existent. Available information limited to survey carried out in various localities at various times, coupled with ocular and anecdotal evidence, indicates that the informal sector is one of the most dynamic areas in developing economies of which Nigeria is one.

Despite its many virtues, its dynamism and potential vehicle for endogenous growth, this sector has recorded high mortality rate, often within the first three years of operation. The increasingly high rate of failure of small-scale business is caused mostly by the ever-changing and challenging business environment which made adherence to yesterday's winning formulae a recipe for failure today. The same is true when one

business try to apply the success equation of another firm even in the industry.

Small-scale business owners/managers are confronted with the awesome challenge of crafting, evolving and implementing strategies that will ensure the survival and growth of their businesses. Pricing is often used as a strategic weapon for survival. But making any changes to prices, the strategist need to consider the impact on the triumvirate of customers, the trade, and competitors, which often prove counterproductive not only to the firm initiating the price change but also to all industry player. Value adding as a strategy to either maintain market share or increase market share or both is not without its cost which sometimes outweigh the benefits. The application of the psychological strategies of complete planning, critical point, opportunistic, reactive and routine/habit can lead to the success and survival of small-scale business as it can also lead to their failure.

1.3 Objectives of the Study

The study aimed at assessing the effectiveness of strategies for survival of small scale businesses in Kontagora Local Government Area of Niger State will result in attainment of the following benefits:

- i. Increase in sales
- ii. Increase in profit margin of businesses as a result of sales increase.
- iii. More branches of business will be established.

- iv. Increase in employment.
- v. Easy cash recovery.
- vi. Economic development.

To attain these, the study shall:

- i. Find out what constitute small-scale businesses, its characteristics and the peculiar problems confronting small-scale businesses in this part of the country.
- ii. Assess the impact of pricing strategy and value adding strategy on small-scale business success
- iii. Take a psychological point of view to look at process characteristics of action strategies of small-scale businesses owners and then relate it to the firm's success.
- iv. Examine governments effort at promoting the survival and growth of small-scale businesses; and
- v. Proffer a strategic plan for development of the small-scale business sector.

1.4 Research Questions

Based on the purpose of the study, the following research questions were raised:

- i. What are the causes of small business failure?
- ii. Does business failure has any effect on the economy?

- iii. What strategies for survival do small-scale businesses use?
- iv. Do small-scale business use marketing strategies in their businesses?
- v Could poor planning affect small-scale business survival?
- vi. What possible effect could the application of marketing strategies have on the performance of small-scale business?

1.5 Research Hypotheses

The following null hypotheses will be tested in this study:

Hypothesis I: There is no significant positive relationship between market segmentation and the maximization of a firm competitive advantage.

Hypothesis II: Price adjustment does not significantly influence the profitability of small-scale businesses.

Hypothesis III: Reactive strategy is negatively related to success of small-scale business

1.6 Significance of the Study

This study when completed is expected to be beneficial to the selected small-scale businesses under study as well as other small-scale business managers and entrepreneurs both within and outside Kontagora Local Government Area.

It is believed that this study will be valuable to government and policy makers in the formulation of programmes, policies and strategies aimed at promotion of small-scale business development. Practicing

marketers and academic will also find this research work to be of great value, as it will help them know what strategies are been used in practical term in local setting to help businesses, especially small-scale business survive, grow and develop.

1.7 Scope of the Study

For obvious reason of financial and time constraints, this study was restricted to Kontagora Local Government Area of Niger State. Kontagora is no doubt one of the most cosmopolitan town in the State. It is also one of the most commercialized town. These qualities make it a choice in the state. The study was restricted to 72 small-scale businesses.

Industries strategy is a very wide field. It is therefore virtually impossible or impractical to cover all aspects of strategy. The main area of success that impact on small-scale business success are marketing strategy, psychology action strategy and government strategy directed at small and medium scale enterprises. However, this study covers only market segmentation strategy; pricing strategy (in the realm of marketing) and five different action strategies: complete planning, critical point, opportunistic, reactive and routine/habit.

CHAPTER TWO

LITERATURE AND CONCEPTUAL FRAME WORK

2.1 Introduction

Small-scale industries, small-scale entrepreneurship and small-scale industry firm are used interchangeable to mean small-scale business. Smallness is relative, even in the world of business. Therefore, “there is no single universal accepted definition of a small business enterprises” as definitions tend to vary from one country to another and from one time period to another, even in the same country (Inegbeneber, 2006). This view is shared by Storey (1994) who stated that “There is no single, uniformly acceptable definition of a small firm”.

Firm differ in their level of capitalization, sales and employment. Hence, definition which employ measures of size (number of employees, turnover, profitability and net worth) when applied to one sector could lead to all firms being classified as small, while the same size definition when applied to a different sector could lead to a different result. The first attempt to overcome this definition problem was by the Bolton Committee (1971) when they formulate an “economic definition, a firm is regarded as small if it meets the following three criteria:

- (I). Has a relatively small share of their market,
- (ii). Is managed by owners or part owners in a personalized way
and not through the medium of a formalized management structure.

- (iii). Is independent in the sense of not forming part of a large enterprise.

The Committee also devised a “statistical” definition to be used in three main areas: quantifying the size of the small firm sector and its contribution to top, employment, exports, and others;

- (ii) comparing the extent to which the small firm sector’s economic contribution has changed over time;
- (iii) applying the statistical definition in a cross country comparison of the small firms’ economic contribution.

The Bolton Committee “economic and statistical” definitions have been criticized by a number of authors and need not be elaborated here (See Wgnerzkk et al, 1993; Storey 1994).

Commenting on the difficulty and variability of defining the concept, Adamu (2005; 98) notes:

The concept of small and medium enterprises (SME5) also vary from one country to another depending on the scope and range of activities covered by them and the amount of activities required of them to finance their operations in a particular market economy they are set up. Particularly, the level of a country’s development largely determines the scope and range of activities and the capital base requirement of the SMEs.

A sample operating within the popular definitions will clarify the point as well as reveal what constitutes a small business and what does not. In the 1991 credit Guideline (Monetary Policy Circular No. 25), the Central Bank of Nigeria (CBN) states that “small-scale enterprise, for commercial and merchant banks’ loans, is defined as one whose capital investment does not exceed N5 million (including land and working capital) or turnover is not more than N25 million annually. The National Economic Reconstruction Fund (NERFUND) defined small and medium scale enterprises (SMEs), with a criteria that projects to be financed by the firm should have a total fixed assets cost (excluding land) of not more than N10 million.

The third National Development Plan defined a small scale business as a manufacturing establishment employing less than ten people or whose investment in machinery and equipment does not exceed six hundred thousand Naira. The federal government small-scale industry Development Plan of 1980 defined a small-scale business in Nigeria as any manufacturing process or service industry, with a capital not exceeding in manufacturing and equipment alone. The small-scale industries association of Nigeria (1973) defined small-scale business as those having investment (that is capital, land, building and equipment of up to N60,000 00 pre-SAP value) and employing not more than fifty person. The centre for Management Development (CMD) definition of small-scale industry in the

policy proposal submitted to the federal government in 1982 defined small- scale industry as “a manufacturing, processing, or servicing industry involved in a factory of production type of operation employing up to 50 full-time workers.

According to Nwoke (1994; 7) a small-scale business is “any business with a capital investment of less than N2, 000,000; with the number of employees not more than 50”. The Companies and Allied Matters Decree (1990) regard, as small, any business with an annual turnover of not more than N2 million and net assets value not exceeding N1 million.

For the purpose of this work, the researcher’s operation definition of small-scale business is that given by Osaze (1986), which describes it as “one which is owned, managed, controlled in decision making, has an undifferentiated organization structure, has a relatively small share of the market and employs less than fifty people”.

Lastly, in the United States, the Small Business Administration defines a small business as one that is independently owned and operated, is not dominant in its field, and meets employment or sales standard develop by the agency.

In their work “the role of small scale industry in National Development in Nigeria Ayozie and Farayola (2006) specify the specific characteristics/criteria used in describing small-scale business as:

- i. The number of people/persons employed. It is usually a small business because a small number of people are employed.
- ii. Annual business turnover. Because initial capital is low, then annual turnover will also be low.
- iii. Local operations. For most small firms, the area of operation is local. The employees live in the community in which the business is located.
- iv. The managers are also the owners
- v. Sales volume is minimal
- vi. Financial strength is relatively minimal,
- vii. Managers are independent and they are responsible only to themselves
- viii. The owners of the business actually participate in all aspect of the management (that is the management of enterprise is personalized)
- ix. They have small market share when compared to their industries
- x. The number of employees are relatively small when compared to the biggest companies in a similar venture,
- xi. The capital is mainly supplied by an individual or small group of individual/persons or shareholders and
- xii. They usually have one, but many have several shop locations all in the same city or metropolitan areas.

2.2 Forms of small-scale businesses

Konfor (2006) categorized small-scale business into four. The four small-scale business enterprises categorization are:

1. **Small scale industrial undertaking:** A business enterprise will be called small-scale business if investment in fixed assets in plant and machinery, whether held on ownership basis or on lease or on hire purchase does not exceed 10 million Naira and is in one way owned, controlled or subsidiary of any other industrial undertaking. Ekpo (1991) shed more light on this by explaining that if two or more enterprises are set up by the same person as a sole proprietor, each such enterprise shall be considered to be controlled by other industrial undertaking. In such cases none of these business enterprises will be graded as small-scale industrial undertaking even if investment is below 10 million. Investment in plant and machinery, storey (1994) notes includes cost of tools, spare parts for maintenance, research and development (R&D) equipments, pollution control equipments, generator sets, cost of transportation of machinery, sales, tax shipping charges in case of imported machinery.

2. **Ancillary industrial undertakings:** Ancillary industrial undertaking is that business enterprise which is engaged in manufacturing and supplying not less than 50% of its total production or services and the total investment in fixed assets, basis or on hire purchase does not exceed 10 million naira.

3. **Tiny Enterprise-** Tiny enterprise is that business enterprise in which total investment in plant and machinery does not exceed 2.5 million naira.

4. **Enterprise by Women Entrepreneurs:** If a small business enterprise is operated by one or women entrepreneurs or if there is women proprietors or shareholders, then the business enterprise will be graded as enterprise by women entrepreneurs.

The Nigerian National Council on Industry (NNC) in 2001, revised categorization of industry as:

1. **Micro/Cottage Industry** as enterprise with a labour size of not more than 10 workers or total cost (including working capital but excluding cost of land) not more than N1.5 million.

2. **Small-Scale Industry** as one with a labour size of between 11-100 workers or a total cost (including working capital but excluding cost of land) not more than N50 million.

3. **Medium-Scale Industry Enterprise** as one with a labour size of over 101-300 workers or a total cost (including working capital but excluding cost of land) of over N50 million but not more than N200 million.

4. **Large-Scale Industry Enterprise** as one with cost (including working capital but excluding cost of land) of over N200 million.

Okongwu (1986), Onvoha (1994) and Nweke (2006) follow similar

categorization of industries but with little variation.

2.3 Causes and pointer to business failure

Many entrepreneurs are known to have entered into business ventures with the right attitude, determination, courage and perseverance required for success, but ended up folding up when the going proved ‘impossible’. Ayuba (1989), Ukere (2003) and Owuala (1999) have shown that the failure rate is highest in small enterprises than in medium or large scale enterprise. Most of the enterprises that fail do so within the first five years of their existence. The reasons for this include lack of experience, limited financial strength that characterizes small enterprises, insufficient information about the operation of the industry, the case of entry, and the lack of cohesion among the actors mainly due to the sheer size of the number of people involved in the type of business. Sometimes the entrepreneur with a small enterprise imitates the strategies of large or medium scale enterprises without adapting them to suit his goal. Adaptation and innovation argued Nwachukwu (1990) are the factors that will guarantee the success of small scale business and not blind imitation and “plaguing big”.

Business failure is not new in Nigeria. Although statistics on the business failure rate in Nigeria is not very reliable, the failure rate seems to be about 5 in every 10 in retail business (Ekpo, 1991). A study by Nwachukwu (1990) in four states Anambra, Imo, Rivers and Cross River

on business failure rate gives an alarming picture. In most of the industry studies, 5 in every 10 small businesses in manufacturing or processing had either permanently or temporarily gone out of business. Industries most hit by the economic recession are those in retailing, import/export, clearing and forwarding, construction of all types, electronic appliances (radio, television etc), camera and photographic materials, hotels and restaurants. In virtually all the industries, the utilization rate varied from 10 percent to a maximum of 30 percent.

Another observation is that the high rate of mortality is highest among new businesses as shown in the table below:

Table 2.1: Age and rate of business failure

Ages in years	Percentage of total failure
Less than 3 years	53.0
3 – 5 years	24.5
6 – 9 years	15.3
Over 10 years	7.2

Source: Nwachukwu (1990), research in four states.

Research work on the causes of business failure all over the world has pointed to poor management as the major factor. Many individuals are known to have gone into business because of their new invention, technical

competence, and love of business ownership or inability to work comfortably with others. Beside the aforementioned problems, personal issues have been shown to be responsible for the failure of small-scale business. These include the following:

- i. Inability to separate self from business; in which case the entrepreneur uses business money as he sees fit because he believes he is the owner of the business
- ii. Lack of financial understanding; inability to determine the availability of funds and how to use them to the best advantage.
- iii. Lack of training and adequate preparation
- iv. Frustration of changing competitive condition because of inability to evaluate these condition and learn how to cope with them, and
- v. Poor knowledge of marketing and lack of appreciation of the importance of strategy in dealing with competitive business environment.

Before a business fails, there are some facts that evidence themselves. A good business man should constantly be on the watch for these factors. Failure to identify and attempt to rectify them in time Ayuba (1989) warn may signal the end of a highly cherished dream and could be very disastrous.

Adegbite (1995) and Shokan (2000) rate declining sales as the major pointers to business failure. Lack of patronage means reduced revenue and, consequently profitability; and losses would record if not arrested in good

time. Lyles (1987) posited that an effective strategy to contain this problem, is reducing costs and increasing advertising and promotion to bring in new customers, to improve service and undertake market research to find out what competitors are doing.

Closely allied to declining sales, is declining profit. A decline in profit may be due to a decline in sales, higher taxation or a variety of other reasons. The entrepreneur should re-examine all cost centres, pay attention to operating expense ratio, and reassess his operating strategies.

Adamu (2005) identify declining working capital position as a signal to business failure. Baumbach (1983) defines working capital as the “excess of current assets over current liabilities, or the pool of resources readily available to maintain normal business operation”. Working capital include cash, receivable, and inventory. Many factors contribute to the decline in working capital. Nwachukwu (1990) identify these to include:

- i. Constant drawing by the business owner/manager
- ii. Operating losses
- iii. Investment in fixed assets from working capital
- iv. Loans and advances to employees, friends and relative etc

2.4 Marketing strategy: an overview

Strategy is simple a game plan by an organization to ensure its survival in a competitive environment. Strategy as a tool for survival is imperative when a firm finds that it has other rival firms providing

competing products or service(s). Firms formulate strategies to be more successful and be a competing firm in the market. Because all small scale business competes in the market for customers' attention, patronage and 'naira', marketing strategy is the principle and perhaps, the only known form of strategy employed by business. However, we shall look at psychological process strategies which are different ways in concluding section of this chapter, look at government strategies aimed at ensuring the survival and growth of the small-scale business sector of the economy.

Marketing as a strategy involves the process of segmentation, targeting, positioning, so that products and services are focused on appropriate buyer groups Adegbugi (2008). Most marketing textbook, such as Ibidunmi (2004) advocate a "top down" approach to the market in which the strategy process develops in the following order:

- i. The profiles of market segment are developed first using demographic, psychological and other buyer behaviour variables.
- ii. An evaluation of the attractiveness of each segment concludes with the selection of the target segment
- iii. Finally, the selection and communication of a market position differentiate the product or service from competitive offering.

This process-which is applied by very few small-scale businesses-usually involves both secondary and primary market research, with

valuation by specialist in each of the three stages. The other dimension is “bottom up” targeting process which is the common practice among small scale business owner/mangers — began by serving the need of a few customers and then expanding the base gradually as experience and resource improves. Achumba (2000) described the order this strategy follows;

- i. **Identification of market opportunities:** having identified a possible opportunity, it was tested through trial and error in the market place, based on the entrepreneurs intuitive expectations that were sometimes, but not often backed up by more formal research.
- ii. **Attraction of an initial customer base**
- iii. **Expansion through more of the same:** the entrepreneurs expanded the initial customer base by looking for more customers of the same profile. In many cases this was not a deliberate process as it was left to others through word of mouth. Eliot (2006) observes that ‘a target customer group emerged and grew but more through a process of elimination and self-selection and more encouragement from the entrepreneur, then through formal research and proactive marketing’.

2.4.1 Porters three generic competitive strategies

There are infinite number of strategies-most of which can be applied by small-scale business. But as stated in the introductory section (background of the study) of chapter one, Porter (1980) synthesized them

into three generic types of strategy.

i. Overall cost leadership: By pursuing a strategy of cost leadership, the organization concentrates upon achieving the lowest cost of production and distribution so that it has the capability of selling its prices at a lower level than its competitors. In tackling costs, Craven (2006) notes that the strategist need to recognize in advance the potential complexity of the task, since the evidence suggest true cost leaders generally achieve this by very tight and consistent control across all areas of the business. An important additional element of this course is the scale of operation and the scope that exist for economics of scale. However, Walden and Lawler (1993), argues these alone does not necessarily lead to lower costs; rather it provides management with an opportunity to learn how the triad of technology, management and labour can be used more effectively. Whether these opportunities are then sized depend on the management stance and determination to take advantage of the potential that exists for cutting costs.

Research has shown that small-scale business in Southern part of the country (Nigeria) are more adopted at gaining experience, doing so at a faster rate than those in the North due mostly to the low space of economic development.

ii. Differentiation: By pursuing a strategy of differentiation, the organization gives emphasis to a particular element of the marketing mix

that is seen by customers to be important and that as a result provides a meaningful basis for competitive advantage. Differentiation can be achieved by means of brand image and packaging. Wansley (2003), however warn that differentiation can prove costly if the basis for differentiation that is chosen subsequently proves to be inappropriate. Sony for example developed the batamax format, its video recorder, but ultimately found that the market preferred JVC's Vtts system (Lyles, 1987)

It should be apparent from this that if a strategy of differentiation is to success there is a need for a very different set of skills and attitudes than it is suited to cost leadership. Instead of a highly developed set of cost control skills, the small-business strategist needs to be far more innovative and flexible.

iii. Focus: The third of the generic strategies identified by Porter involves the organization in contributing its efforts upon one or more narrow market segments, rather than pursuing a broader based strategy. By doing this the firm is able to build a greater in-depth knowledge of each of the segment, as well as creating barriers to entry by virtue of its specialist reputation. Having established itself, the firm will typically then depending upon the specific demands of the market, develops either a cost-based or differentiated strategy. This strategy is one often employed by small-scale businesses in Kontagora Local Government and with positive result.

One of the biggest problems faced by companies adopting this

approach Wilson and Gilligon (2003:86) note:

...Stems from its potential for success, since as the organization increase in size, there is a tendency both to outgrow the market and to lose the immediacy of contact that is often needed. As a general rule, therefore, a focused strategy is often best suited to smaller firms since it is typically these which have the flexibility to respond to the specialized needs of small segments.

Although porter presents competitive strategies in this way, many small scale business even in Kontagora succeed and survive not by a blind adherence to any one approach, but rather by a combination of ideas. This view is shared by Sauders (2000:95), "It is apparent that leading companies have not succeeded by being exclusively cost leaders, differentiators. Many top companies are both cost leaders and differentiators".

2.5 Market segmentation as a strategy of small-scale businesses

In the first section of this research work (Background of the study), I discussed on environmental analysis and its importance in strategy formation and implementation. Here, I shall turn to the question of market segmentation and to the ways in which small-scale businesses need to position themselves in order to maximize their competitive advantage and serve their target markets in the most effective manner. It does need to be recognized, however, that for many small-scale organization, the strategic issues of segmentation and positioning often take on only a minimal role.

Saunders (1987), for example points to research which suggested that a substantial proportion of small-scale businesses still fail to segment their market. He quotes the marketing director of one consumer durable company as saying:

We have not broken the customer down, we have always held the opinion that the market is wide.. and the product has wide appeal, therefore why break the market down at all?

A similar comment emerged from a proprietor of one of the firms used for this study. He stated :

We do not see the market as being made up of specific segments. Our market is made up of the whole industry.

There are several possible reasons for views such as these. Although in the case of companies with a broadly reactive culture, it is often due largely to a degree of organization inertia which leads to the firm being consistent to stay in the same sector of the market for a considerable time. It is only when the effects of a changing environment became overwhelmingly evident that serious consideration is given to the need for repositioning in order to appeal to new sectors of the market. This has been observed to be a major strategy of small-scale businesses in Kontagora Local Government. They take a reactionary approach to strategy (as will be discussed in subsequent section in this chapter).

Not all writers are in favour of segmentation and before examining

segmentation as a strategy of small-scale businesses, it is worth looking at the views. Bliss (1980), for example, has suggested that while many marketing managers acknowledge the rationale of segmentation, many are dissatisfied with it as a concept, partly because it is inapplicable or difficult to apply in many markets, and also because emphasis is often given to the technique of segmentation at the expense of the market itself and the competitive situation that exists. Equally, Resnik, Turney and Mason (1979) have suggested that changing values, new lifestyles and the rising costs of products and services argue the case for what they call “counter segmentation” in other words, an aggregation of various parts of the market rather than their subdivision. The majority of writers, however, acknowledge the very real strategic importance of segmentation and in particular, the ways in which it enables the organization to use its resources more effectively and with less wastage.

In essence, market segmentation is the process of dividing a varied and differing group of buyers or potential buyers into smaller groups within which broadly similar patterns of buyers’ needs exist (Yankelovich, 1999). By doing this the small business planner is attempting to break the market into more strategically manageable parts which can then be targeted and satisfied far more, precisely by making a series of perhaps small changes to the marketing mix. The rationale is straightforward and can be expressed most readily in terms of the fact that only rarely does a

single product or marketing approach appeal to the needs and wants of all buyers. Because of this, the marketing strategist needs to categorize buyers on the basis of their characteristic and their specific product needs with a view to adapting either the product or the marketing programme or both to satisfy these different tastes and demands.

Small-scale businesses in Kontagora Local Government often follow this strategy, as it is technically and economically feasible for them to meet the needs and wants of consumers even in the same market. With this, we often see a firm dealing in children clothing, the other on second hand clothing, another on sport wears, yet another on expensive apparel either for the women or men. Even for a particular market segment, a business firm can serve the up market or down market depending on the attractiveness of the market segment and the firms capability in that segment.

Regarding the benefits of this strategy, Baverstam and Larsson (2009:115) note:

The potential benefits of a well-developed segmentation strategy can be considered since an organization should be able to establish and strengthen its position in the market, and in a way operate more effectively. Not only does it then become far more difficult for a competitor to attack, but it also allows the organization to build a greater degree of market sector knowledge and customer loyalty.

Although the arguments for segmentation appear strong, it is only one of three quite distinct approaches to market strategy which exist. The other two are

- i. Undifferentiated or mass marketing**, in which the firm deliberately ignores any differences that exist within its markets and decides instead to focus upon a feature that appears to be common or acceptable to a wide variety of buyers and
- ii. Target or concentrated marketing**; in which a firm focuses its efforts on a single target market with a single marketing mix.

Although a wide variety of variables have been used to segment markets, Kotter (2005) grouped them into four categories;

- i. Geographic and geo-demographic
- ii. Demographic;
- iii. Behavioral
- iv. Psychographic

Due to the relatively ease of measuring its impact, demographic segmentation is the most popular method of segmentation by small-scale businesses as the study reveals. Demographic variable includes; age, sex, education, occupation, religion, race, family size, family life-cycle etc. this we often find different small-scale business targeting different demographic sub-variables with different products and services. Only rarely, however can just one of these dimensions be used to segment a

market effectively, Wind (1998;201) comment on this:

In contrast to the theory of segmentation that implies that there is a single best way of segmenting a market, the range and variety of marketing decisions suggest that any attempt to use a single basis for segmentation for all marketing decisions may result in incorrect marketing decisions as well as waste of resource.

This in real life is evident in the small-scale business sampled for this study. A combination of variables in segmentation was employed. Segmentation is an important strategic tool which small-scale businesses in Kontagora Local Government employ to ensure competitiveness and success.

2.6 Pricing policy and strategies of small scale businesses

For many small-scale organization, price is potentially the most controllable and flexible element of the marketing mix. It is also in many cases one of the most important elements and, together, with the product, a key component of an organization marketing strategy (Anderson & Simester, 2003).

It is generally acknowledged that pricing decisions are among the potentially most difficult that small-scale business owners/managers are required to make. There are several reasons for this, the most significant according to Tischler (2003) is the nature and complexity of the interaction that commonly exists between these groups; consumers, the traders and

competitors and the need to take this interaction into account ,when either setting or changing a price. An added complexity is that pricing decisions often have to be made quickly and without testing, but almost invariably have a direct effect upon profit. Largely because of this, many small-scale business owners/managers work to reduce the relative importance of price by for example, giving greater emphasis to the products distinctive value and to its image. In other cases, the pricing decisions are taken out of the hands of the marketing strategist by a combination or market-related factors (Maylew & Winer, 1992).

Prominent among these is the presence of a large and aggressive competitor who in effect determines the price for the industry as a whole and who, with the exception of just one or two small niche players, all other organization are obliged to follow. The issue faced by small-scale business revolves not around the question of what price to set, but rather how to ensure that costs are contained in such a way that profit can still be made.

Price is undoubtedly a significant strategic variable and in many market, despite a growth in the importance of non-price factor, it is still the principal determinant of consumer choice. Its significance is further emphasized by the fact that it (price) is the only element of the mix that generates revenue, the others produce costs.

Even among small-scale business enterprises, prices are not just set

haphazardly but are set to achieve specific objectives. These pricing objectives are in turn determined by variables such as corporate objectives, the nature and structure of competition, legal consideration and the product life cycle (Koter & Armstrong, 2008). These specific pricing objectives shall be look at briefly here with a view to understand pricing strategies to achieve it. Wilson and Gilhgon (2008) listed them as follows:

- i. Survival:** Survival is arguably the most fundamental pricing objectives and comes into play when the conditions facing the organization are proving to be extremely difficult. These prices are often reduced to a level below the cost, simply to maintain a sufficient flow of cash for working capital. This objective is often pursued by small-scale business in Kontagora Local Government as in many other parts of the Country.
- ii. Return on investment:** Prices are set partly to satisfy the need of consumers, but more importantly to achieve a predetermined level of return on the capital investment involved. It is a common practice among small-scale businesses in our environment to want to recover money invested as soon as possible. They look more at the short term than long term.
- iii. Market stabilization:** Having identified the leader in each market, the firm determines its prices in such a way that the likelihood of the leader retaliating is minimized. In this way, the status quo is

maintained and market stability ensured.

- iv. The maintenance and improvement of market position:** recognizing that price is often an effective way of improving market share, the firm uses price partly as a means of defending its current position, and partly as a basis for gradually increasing its share in those parts of the market where gains are most likely to be made and least to result in competitive action.
- v. Meeting or following competition:** Having entered a market in which competitors are firmly entrenched, the firm may decide quite simply to take its lead in pricing from others until it has built up sufficient experience and established a firm reputation on which it can subsequently build.
- vi. Market penetration:** With a market penetration strategy a firm adopts an aggressive approach in which prices are set at a deliberately low level to ensure a high level of sales and to keep competitors at a distance. Most small scale businesses have successfully entered a market by employing this strategy. An alternative to market penetration is market stemming which is not often practiced by small-scale businesses, at least in this part of the country.
- vii. Early cash recovery:** Faced with product obsolescence or a belief that the life of a product or market is likely to be short, a small-scale

business may opt for a policy designed to generate a high cash flow and lead to an early recovery of cash. This can be achieved in a variety of ways, including a rigorous credit control policy, and by a series of special offers and discounts designed to increase immediate sales and achieve prompt payment.

- viii. Preventing new entry:** because of the potentially powerful role that price can play, a low price may have the effect of preventing others from entering the market as they recognize the low returns available and the dangers of becoming involved in a price war. In this way, the firm may be able to minimize the amount of competition, while recognizing that the returns may be relatively unattractive.

2.6.1 Methods of pricing

Against the background of the discussion so far, it should be apparent that there are four principal factors which influence the pricing decision according to Lyles (1987) are:

- i. The company's marketing objectives
- ii. The company's pricing objectives
- iii. The determinants of demand including costs, competitors and consumers.
- iv. The product itself and the extent to which it has any distinguishing factors.

The relative importance of these varies considerably from one

product and market sector to another.

In deciding how to price, the small-scale business strategist has a choice between a range of techniques which, for the purpose of this research work can be broadly grouped as either cost oriented or market oriented.

Cost Oriented Techniques: The two most commonly used cost oriented strategies by small-scale business in Kontagora Local Government are

- i. Markup pricing:** In many ways the most straightforward technique available. Mark up or cost plus pricing simply involves adding a standard mark up to the total fixed and variable costs of the product. Although a commonly used method of pricing, the technique has little to commend it other than its simplicity, since it links prices to the known variable of costs rather than to the uncertainties and realities of demands. It therefore lacks any real logic, and because it fails to take account of either competitors or the nature of demand, is unlikely to lead to an optimal price (Tishcher, 2003).
- ii. Early cash recovery pricing:** pricing in order to achieve a rapid recovery of the investment involved is often needed when fore costs suggest either that the life of the market is likely to be short (e.g. a fashion-related product), or when the organization anticipates that a larger company will shortly enter the market, and, by lowering

prices, force others out in this circumstance noted Tischer (2003). Emphasis needs to be placed upon pricing at a level which will as far as possible maximize short-term revenues and reduce the firms medium-term risk.

Market Oriented Techniques: Because of the shortcoming of the cost-oriented technique, many organization opt instead for method of pricing that take a far greater and more explicit account of market and market-related factors. Prices in these circumstances are to be determined by a combination of competitive forces and consumers perceptions of relative value (Kotler & Armstrong, 2008). In using this general approach, the justification for a price increase has to be that it will add to profit or help gain or increase competitive advantage. The central focus therefore is the question of what will happen in the short, medium and long term to the sales revenue trend. The most common manifestation of demand oriented approach are perceived value pricing and going rate price (Wilson & Gilligon, 2003)

- i. Perceived value pricing:** This is based on the idea that in setting a price, costs should be of secondary rather than primary importance. The more important factor is the question of how consumers perceive the value of the product. This perception can be influenced by several factors, the majority of which are under the control of the small-scale business entrepreneur. They include the positioning

strategy that is used, the image, the level of support services and how the lifetime operating costs of the product is compared with those of the competitor.

- ii. **Going rate pricing:** As with perceived value pricing, going rate pricing is based on the notion that costs are only of limited direct value when setting a price that consumer will respond to most meaningfully. The benchmark is the price set by a major competitor and the firm then sets its price at the same level or, depending upon the existence or absence of any additional distinguishing features, either just above (premium pricing) or just below (discount pricing) this level.

As a method of pricing, Mayhew and Winer (1992) comment that going rate pricing has proved popular not just because of its apparent simplicity and that it appears to reflect what is sometimes referred to as the collective wisdom of the industry, but also because it tend to reduce the likelihood of price wars emerging.

2.6.2 Taking account of competitors

Owing to the ease of entry into most market operated by small- scale business, competition is intense, and firms that need to survive and succeed must as a matter of strategic importance analyze rival firms. One of the recurring themes of this research report has been the need for competitive analysis and for the information that is generated through this to be taken

into account when developing strategy. In the case of pricing decisions the need to understand competitors' cost levels and their likely patterns of price behaviour is particularly important since in many industries a competitive attack can be launched most readily and effectively through the price mechanism.

Recognizing this, the small-scale business entrepreneur or strategist should monitor particularly closely each competitor's price and price movement for any evidence of a possible price offensive. By doing this it is possible to build a price profile for each competitor which includes a statement of the firm's likelihood and ability to engage in a price war. Wilson and Gilligan (2003) list the factors that should be taking into account here as:

- i. Each firm's general competitive posture- is it, for example offensive or defensive and, in Porter's terms a 'good' or a 'bad' competitor?
- ii. Their cost levels and hence the scope that exists for price cutting;
- iii. The level of resources that would be available in the event of a war breaking out;
- iv. Their relative dependence upon each product and market sector;
- v. The potential returns from cutting prices
- vi. The relative importance of each market sector to competitors and hence their probable depth of commitment
- vii. Their past price history (offensive and defensive)

- viii. The distinctiveness of each competitors major products and the apparent degree of brand loyalty that exist and
- ix. The probable response of distributors and any others in the distribution channel.

Although the information need under most of these headings is often difficult to obtain with any degree of precision (this is particularly so in the case of costs), the strategic and tactical need for this information should never be under-estimated by small-scale business entrepreneurs. They should therefore begin by focusing on the two or three most significant competitors and build the price profile for each firm. The framework can then gradually be developed for the next direct level of competition.

2.7 Small-scale business entrepreneur and psychological process of action strategies

Regardless of the degree of rationality and explicitness, founders of new ventures usually follow a strategy to reach their goals. Frequently, strategies have been differentiated into content and process characteristics (Austin and Vancouver, 1997, Dess, Lumpkin & Covin, 1997; Hort, 1992, Olson & Bokor, 1995; Rajapolan, Rasheed & Datta, 1993). The strategy content specifies which kind of strategy is used, for example low costs, differentiation, or niche/focus strategies (Porter, 1980). The strategy process on the other hand refers to how one formulates and implements the strategy content (Olson & Bokar, 1995). In this study I will focus on the

action strategy. In contrast to most strategy process literature which focuses on the firm level, I will do so by regarding the action strategy process as a characteristic of the founder and manager of the firm (Rajagopalan et al, 1993). We regard the strategy process on the individual level because of a particular feature of small start-up firms. The pervasive influence of founders on their firms, and their dominance in making decisions makes it possible to assume a high degree of equivalence between the individual and the organizational level of analysis.

Strategies have been researched in psychology under the topic of thinking and problem solving. Strategy is defined by a plan of action that is a sequence of means to achieve a goal (Miller, Galantar & Pribaram, 1960). Thus, the concept of strategy emphasizes how to reach a goal, while the goal development itself is outside the concept of strategy. The function of a strategy is to deal with uncertain situation because a strategy presents a template that can be applied in various situations. Thus, it helps to deal with the limited processing capacity of the human mind (Frese & Zapf, 1994, Hacker, 1989; Kahneman, 1973).

Cognitive and action theories have differentiated the following process characteristics of strategies (Hacker, 1989; Hayes-Roth 1979' Zempel, 1994): complete planning, critical point, opportunistic and reactive strategies. A person using a complete planning strategy plans ahead and actively structures the situation. Complete planning strategy

implies a more comprehensive representation of the work process, a longer time frame to plan ahead, and a larger inventory of signals, a better knowledge and anticipation of error situation, and a more proactive orientation (Frese & Zapf, 1994; Hackor, 1989). The critical point strategy (Zempel, 1994) starts out with the most difficult, most unclear and most important point and work on this one first. Only after solving the first critical point, further steps may be planned; it constitutes an iterative problem solving strategy. Thus, one has a clear goal in mind and one concentrates on it and on the main issues of one's tasks — it is a sort of main-issue-planning.

In contrast, an opportunistic strategy starts out with some form of rudimentary planning, but the person using an opportunistic strategy starts out with some form of rudimentary planning, but the person using an opportunistic strategy deviates from these plans easily when opportunities arise (Hayes-Roth & Hayes Roth, 1979). Thus, this strategy is not top-down and systematic. While there is a certain amount of local planning in the opportunistic strategy, one may lose sight of one's goal or let one's goals be determined by the opportunities. On the other hand, the opportunistic strategy is not completely driven by the situation as the reactive strategy; the opportunistic strategy is much more proactive. A reactive strategy implies that one reacts to the situation; one does not plan, one is not goal oriented, one is driven by the immediate situational

demands without influencing them because the reactive strategy is not proactive.

Frees and Zapf (1994), feel, based on their pilot interview and action theory that a fifth category be added. The reason for this is that, in contrast to the strategies discussed up to this point, people sometimes just use their routines without any explicit decision for a strategy. For this reason, they added routine/habit as a fifth variable.

The four strategies — reactive, opportunistic, complete planning and critical point and routine/habit can be differentiated according to orientation to the goal, how long term one plans, situational responsiveness, pro-activeness and the overlap between planning and action describes the strategy characteristics on these dimensions.

Planning takes resources primarily because it implies that one thinks about future stops. In the planning strategy, there is planning before one actually starts acting; therefore, long term planning is done to a high degree. In the critical point strategy, there is a certain amount of a prior planning. In the opportunistic strategy, there is no long term planning before hand but there is a small amount of planning, while one is acting. The reactive strategy is characterized by the absence of planning. Routine/habit is characterized by low degrees of conscious or prior planning because it is a routine application of a plan devised some time before.

Situational responsiveness is in many ways the opposite of goal orientation and long term planning. complete planning is lowest in situational responsiveness because developing a plan sometimes leads to certain rigidity towards environmental demands (Rauch & Frese, 1998). Since there are lower investments into planning in the critical point strategy, there should be a middle degree of situational responsiveness. One can be highly responsive to the situation by just reaching to the situation (Reactive strategy) or by having multidirectional plans with an emphasis on using environmental opportunities that are proactively searched for (opportunistic strategy). Routine/habit is characterized by a low responsiveness to the situation because the once developed plan of action just unfolds without thinking about the situation again. Routines are sometimes continued inappropriately if environment change (Frese & Zapf, 1994).

Pro-activeness implies that one actively structures the situation, thinks of the future problems and adjusts one's plan accordingly and searches for opportunities. Pro-activeness is high in complete planning and critical point planning because in both cases, one think of future problems and develops plans to change the situation. The opportunistic strategy is active precisely because it actively scans the environment for potential opportunities. In contrast, pro-activeness is absent in the reactive strategy and routine/habit.

Opportunistic strategy implies that one changes one's plan if opportunities arise; this necessitates a certain amount of planning while continuing with the action. This is in contrast to the reactive strategy which is characterized by no conscious planning; the same is true of routine/habit.

These strategies should be differentially related to success of small-scale business owners. Small-scale business owners are successful, if they achieve their goals. The reactive strategy should be counterproductive because not choosing a plan of action; not having clear cut plans allows the owner to be at the mercy of situational influences without anticipating them. Employees using this strategy have been shown to be less effective (Hacker, 1992).

All other strategies can be effective depending upon the situation. The situation for the start-up firms is usually fraught with a high degree of uncertainty and the necessity to make quick decisions (Bhide, 1994). The necessity to make quick decisions under a high degree of uncertainty suggests that a pure complete planning strategy is probably not very effective for start-up owners/manager because it takes too much time and efforts to plan for all sort of eventualities (Bhide, 1994). On the other hand, this strategy have been shown to be advantageous in various contexts (Hacker, 1989; Rauch & Frese, 1979). However, complete planning costs time, money and efforts and it may lead to certain rigidity because one tends to stick to a plan once one has developed it. Once one has planned a

strategy in details, one tends to adhere to the plan and therefore one develops a certain amount of rigidity. The complete planning strategy as used here is not the same as developing a formal business plan. Rather, it consists of a methodical top down approach to every day situations, such as telling the sales person or office clerk what to do or planning marketing efforts for this months (Matthews & Scotts, 1998).

If only one strategy is to be used, I think that the critical point strategy is probably the best one especially for starting firms. It makes it necessary to do some amount of planning because the business owner has to decide which issue are most important and should be tackled first. In contrast to the complete planning strategy, it does not lead to a rigid adherence to an overall plan, although critical point gives a clear structure of what is important and what is not. Moreover, business owners are constantly working at a highly uncertain situation. When focusing only on the main points, one needs less cognitive resources than when developing a full top down plan. Lumpkin & Dess (1995) argue similarly for the superiority of a simple strategy for young firms. Critical point allows people to be action oriented.

An opportunistic strategy may be advantageous in an uncertain environment. Its positive points are that one proactively searches for opportunities and acts on them, However, in contrast to the critical points, it may have too little structure one may loose sight of what is really

important.

Strategies can be combined. Any combination with a reactive strategy may be ineffective particularly when there is no further clear plans, as when opportunistic and reactive strategies are combined. The best combination should be to use both critical point and opportunistic strategies. The critical point strategy makes it possible, to establish what is important, and the opportunistic strategy orients the business owner to important information from the environment.

CHAPTER THREE

RESEARCH

3.1 Introduction

Descriptive and explanatory research methods were considered appropriate for this study. The descriptive method relies on secondary data obtained from textbooks, journals and the World Wide Web (Internet). Also by adopting the descriptive method, the situation was explained exhaustively using tables, frequencies and percentages. The survey method permitted the use of questionnaire for data relevant to the subject matter from respondents.

However, as a first strategy, a pre-research survey and exploratory study were undertaken by the researcher himself not only to familiarize him with the area of study but also in deciding on the conjectural statements.

3.2 Research Design

This study was carried out in Kontagora Local Government Area of Niger State. Kontagora Local Government is a commercial nerve center in Niger State. Besides, it accommodates a reasonable number of small-scale businesses in the state. As at 2006, there were 1,005 registered small scale businesses in the Local Government Area.

3.3 Population of the study

The population of the study is made up of small-scale business owners in Kontagora Local Government Area of Niger State.

3.4 Sample size and sampling technique

Owing to the size and diversity of small-scale business types in the study area, stratified sampling method was used to select a sample size of 72 small-scale businesses. First, small-scale businesses in the Local Government Area were grouped into 12 strata namely: Food and Beverages, Provisions, Drugs & Medicine, Clothing & Jewellery, Education, Information Technology & Computer Services, Telecommunication, Transportation, Photography, Motorcycle. Six (6) business owners in each stratum were selected for the study. This brings the total size seventy two (72). Table 3.1 shows the sample detail

Table 3.1 sampled small –scale business

BUSINESS TYPES	ORGANIZATION	NO
Food and Beverages	Safara Foods, along Sokoto Road, Independence Butter Bread Tundun wada, Modern Bread tundun wada, Shukura Bread, chandadaji, Z-Honey ventures, New Market, Al-fadlu Bread, Maidubu	6
Drugs & medicine	Elediko pharmacy, Opposite Chadandaji Road, Metraco pharmacy, New market,	

	Austin Chuks Medicine store, Tundun Wada, Osasco pharmacy Zango plaza, Wisdom patent medicine store,.	6
Clothing & Jewelry	Haziz Boutiques, Old NEPA, Great Selection Nig. Ltd, FCE Road, Unique Boutiques, Digital Plaza, FCE Road, Markus Boutiouques Nig. Ltd, Tundun Wada, Joe & Blessing Boutique, Tundun Wada, Mama aisha Stores, new market.	6
Info Tech & Computer service	God's Favour Computer Center, Tundun Wada, Unfani Cyber Café, Townfield, Easynet Café, Sabon gari, Skye Voyager, GRA, Oye Computer Traning Center, FCE Road.	6
Telecommunication	Hasmuly Interlink, Opp Old NTC, Kira Communication Center, Town Field, Zhiri 5 Communication Center, Zango Plaza, Markvel Communication Center, Old NEPA.	6
Photography	Bob-Shege Colour photo Lab, Desmond Colour photo Lab, M & J Colour photo Lab, Tundun Wada.	6
Transportation	TLS Transport, Opp. Post office, Hydro Transport, Opposite Total Filling	6

	Station, Nigerline transport, Beside Bob-Shege, Three-Star line, Beside Bob-Shege, Nagwamatse-Line.	
Motorcycle	Hamson Nig Ltd, Beside Stanbic-IBTC Bank Plc, Shizra commercial Enterprises, Mustapha Good Remark, Lgos Road, Levinco Int'l, Opp. Old NTC, Alh hakilu Enterprises Nig Ltd, BCGA.	6
Education	Central Bookshop Old NEPA, EME Bookshop, Old NEPA, IB Best Bookshop Old, NEPA, College Bookshop, FCE, Grace Ventures Bookshop FCE.	6
Provision	Cassey Supermarket, BBCGA, Jide Supermarket, Sharp Corner, Tundun Wada, New-Afe Super-store Tundun Wada, Alh Sani Aliyu & sons.	6

3.5 Sources of Data Collection

This work was accomplished by the use of both primary and secondary data. Primary data was gathered through the use of questionnaire designed for small business owners/managers on the issue of strategies for the survival of their businesses. Secondary data were sourced from libraries where textbooks and journal materials were available. The

Internet was another source of secondary data used.

3.6 Instrumentation

The questionnaire was the main research instrument used for this study. It was meant to elicit the views of respondents on questions relevant to the research problem. The questionnaire was a 17 items questionnaire, made up of two parts [A and B] and structured in nature. A total of 72 questionnaire forms were personally administered to the selected small-scale business owners/managers and also personally collected by the researcher, some on the spot and others after a three day.

3.7 Validation of Instrument

The instruments were validated by the researcher's supervisor and a senior lecturer in the department of mathematics. The validator was required to look at the appropriateness of the items in the instruments in providing correct responses by the subject of the study. All their corrections and comment were incorporated into the final form of instruments before they were used for the study.

3.8 Data Analysis Technique

Descriptive and inferential statistics were used. Data were analyzed descriptively using tabulation and percentages. The inferential statistics adopted was the chi-square (χ^2) which was used in testing the hypotheses.

The calculation of the chi-square (χ^2), is based on the difference between the observed frequencies in the sample collected and the expected

frequencies (which is a manipulation of data based on the observed data).

The chi-square test is two tailed test indicating whether or not a set of observed frequencies differ significantly from the corresponding set of expected frequencies and not possibly the direction in which they differ.

The value of chi-square (χ^2) is calculated thus:

$$\chi^2 = \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Where:

O_{ij} = Observed frequency of response

E_{ij} = Expected frequency of response

\sum = The summation sign

The expected frequency (E_{ij}) is calculated thus:

$$E_{ij} = \frac{RT \times CT}{GT}$$

Where: RT = Row Total

CT = Column Total

GT = Grand Total

To get the tabulated chi-square (χ^2) value, a decision is taken on the appropriate level of significance called (Alpha level) and the degree of freedom (DF) thereafter read the chi-square (χ^2) table. In this work, the researcher made use of 5% or 0.05 level of confidence (that is 95% or 0.95 confidence or significance level) in testing the hypotheses. Hence the

degree of freedom (DF) is calculated thus:

$$DF = (R - 1)X(C - 1)$$

Where; R = Number of row in a table

 C = Number of column in a table

 DF = the product

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

Out of the fifty (72) questionnaires distributed, 67 were returned while 5 were not returned back at the time of the compilation of this work. Of the 67 returned, 3 were not properly completed and therefore discarded. Thus, a total of 64 questionnaires were returned and correctly completed, giving a response rate of 88.9%. Data collected were analyzed in tabular form using percentages.

The first section of the questionnaire (Section A) contains 5 questions relating to respondents demographics. Section B of the questionnaire consists of 12 questions on the research area. The first 9 of these questions were analyzed through the descriptive statistic of table and percentage, while the last 3 question were analyzed inferentially using chi square (χ^2) test of statistics.

Table 4.1 Frequency Distribution/Percentage of Respondents'

Demographic Information

Demographic Information	Frequency	Percentage (%)
Sex:		
Male	46	71.9
Female	18	28.1
Total	64	100
Age Bracket (Years)		
21 – 30	5	7.8
31 – 40	20	31.3
41 – 50	22	34.4
51 – above	17	26.5
Total	64	100
Education:		
Primary school and below	6	9.4
Secondary school	21	32.8
OND/NCE/Equivalent	19	29.7
B.Sc/HND	15	23.4
M.Sc/M.A	3	4.7
Total	64	100
Years in Business		
Under 1	3	4.7
1 – 5	12	18.8
6 -10	18	28.1
11 -15	21	32.8
16 and above	10	15.6
Total	64	100
Types of Business		
Food & Beverages	5	7.8
Provision	6	7.4
Drugs & Medicine	6	9.4
Clothing & Jewelry	5	7.8
Education	6	9.4
Motorcycle	4	6.3
Infor-Teach. & Computer Service	6	9.4
Telecommunication	6	9.4
Building & construction	6	9.4
Photography	5	7.8
Transportation & Automobile	6	9.4
Interior Design & Painting	3	4.5
Total	64	100

Sources: Questionnaire administered.

Table 4.1 shows that out of 64 respondents, 46 representing 71.9% were male and 18 representing 28.1% were female.

The respondents were asked to indicate which age bracket they fall.

It was found that 5 (7.8%) were between 21-30 years of age, 20 (31.3%) 31-40 years of age, 22 (34.4%) 41-50 years of age, and 17(26.5%) were 51 years and above.

on the highest educational qualification attained, 6(9.4%) had their first school leaving certificate from primary school or primary school attempted or never had any formal education; 21 (32.8%) had completed their secondary school; 19(29.7%) were holders of OND / NCE/ Equivalent; 15 (23.4%) were holders of B.Sc./HND; 3 (4.7%) held M.Sc./MA.

On how long respondents have been in business, 3 (4.7%) had less than 1 year experience; 12 (18.8%) had been in business between 1 and 5 years; 18 (28.1%) 6-10 years, 21 (32.8%) 11-15 years and 10 (15.6%) had been in business for upward of 16 years.

Small-scale business in Kontagora Local Government were categorized into 12 groups and respondents were required to indicate which group their business belong, Food and Beverages, Clothing and Jewelry and Photography had 5 (7.8%) small business owners each.

Provision, Drugs & Medicine, Education, Information Technology and Computer Services, Telecommunication, Building & Construction and Transportation & Automobile sector had 6 (9.4%) small scale business each. Motorcycle had 4 (6.3%) small scale business owners and Interior Design & Painting had 3(4.5%) small – scale owners.

Are there much cases of business failure in your area of business?

Table 4.2 Responses on high rate of business failure

Option	Responses	Percentage
Yes	40	62.5
No	24	37.5
Total	64	100

Source : Questionnaire administered

From table 4.2 above 40 (62.5%) of the respondents agreed that there is much cases of business failure in their line of business while 24 (37.5%) did not agree.

Is there business environment in Kontagora Local Government Area conducive to small-scale enterprises?

Table 4.3 Responses on business environment in Kontagora Local Government Area being conducive to small –scale enterprise.

Option	Responses	Percentage
Yes	30	49.9
No	34	53.1
Total	64	100

From the table above 30 (49.9 %) of the respondents are of the view that the business environment in Kontagora Local Government is conducive to small business while 34 (53.1%) are of contrary opinion.

Do you consciously plan your business and develop strategy even when your business is not facing any apparent threats or problem?

Table 4.4. Responses on proactively planning business and developing strategy.

Option	Responses	Percentage
Yes	15	23.4
No	49	76.6
Total	64	100

Source: Questionnaire administered.

Table 4.4 above shows that 15 (23.4%) of the respondents proactively plan their business and develop strategies even in the absent of any apparent threat while 49 (76.6%) do not.

Adequate capital and good business location and more important than the need for business strategy.

Table 4.5 Responses on adequacy of capital and location being more important than business strategy.

Option	Responses	Percentage
Yes	16	25
No	48	75
Total	64	100

Source: Questionnaire administered

Table 4.5 above shows that 16(25%) agreed that adequate capital and good business location are more important than the need for business strategy, while 48(75%) did not agree.

Is the application of marketing/business strategy vital for the survival of small-scale business?

Table 4.6 Responses on marketing/business strategy vita to small-scale business survival

Option	Responses	Percentage
Yes	60	93.8
No	4	6.2
Total	64	100

Source: Questionnaire administered

The table above shows that 60(918%) of respondents agreed that the application of marketing/business strategy is vital to the survival of small-scale business while 4(6.2%) did not agree.

Maintaining price level in line with what is obtained in the industry while cutting costs is good survival strategy when competition is much?

Table 4.7 Responses on maintaining price level while cutting cost being a good survival strategy

Option	Responses	Percentage
Yes	25	39.1
No	39	60.9
Total	64	100

Source: Questionnaire administered

The table above shows that 25(39.8%) of the respondents agreed that maintaining price level and at the same time cutting costs is a good to this,

Is price reduction an effective strategy to deal with competition?

Table 4.8 Responses on price reduction being an effective strategy.

Option	Responses	Percentage
Yes	10	15.6
No	54	84.4
Total	64	100

Source: Questionnaire administered

Table 4.8 above shows that 1 of the respondents agreed that price cutting is an effective strategy to deal with competition, while 54(84.4%) did not agree.

When you invest in your business, is early cash-recovery a major strategic option?

Table 4.9 Responses on early cash-recovery being a major strategic option

Option	Responses	Percentage
Yes	34	53.1
No	30	46.9
Total	64	100

Source: Questionnaire administered

Table 4.9 above shows that 34(53.1%) of the respondents agreed that when they invest, early cash-recovery is a major strategic option, while 30(46.9%) did not agree.

Is focusing on a particular line of business or product line more profitable than being involved in two or more business/product lines?

Table 4.10. Responses on being involved in two or more business/product lines

Option	Responses	Percentage
Yes	46	71.9
No	18	28.1
Total	64	100

Source: Questionnaire administered

The table above shows that 46(71.9%) of the respondents agreed that price focusing on a particular line of business or product line is more profitable than being involved in two or more business/product line.

4.2 Test of hypotheses

The three hypotheses formulated were tested using the chi-square (X^2) the 12 business types were conveniently categorized into three major industry groups as show below. The grouping was to enhance computation of X^2

Table 4.11

Majority Industry Group	Business Types	No
Basic Needs	Food & Beverages	5
	Provision	6
	Drugs & Medicine	6
	Clothing & Jewelry	5
Total		22
Hi-Tech	Info-Tech & Comp Services	6
	Telecommunication	6
	Building & Construction	6
	Transportation & Automobile	6
	Total	
Services	Education	6
	Legal & Real Estates Services	4
	Photographer	5
	Interior Design & Painting	3
	Total	

Test of Hypothesis I

H₀: There is no significant relationship between market segmentation and the maximization of a firm's competitive advantage.

H₁: There is a significant relationship between market segmentation and the maximization of a firm's competitive advantage.

The test of this hypothesis is based on responses to question 10 of the questionnaire.

Table 4.12 Market segmentation maximized a firm's competitive advantage.

	Responses		
Industry Group	Yes	No	Total
Basic needs	18	4	22
Hi Tech	16	8	24
Services	6	12	18
Total	40	24	64

Source : Questionnaire administered

$$F_{11} = \frac{22 \times 40}{64} = 13.75$$

$$F_{12} = \frac{22 \times 24}{64} = 8.25$$

$$F_{21} = \frac{24 \times 40}{64} = 15.00$$

$$F_{22} = \frac{24 \times 24}{64} = 9.00$$

$$F31 = \frac{18 \times 40}{64} = 11.25$$

$$F32 = \frac{18 \times 24}{64} = 6.75$$

Table 4.13: Contingency table for computing 2x 2 (in hypothesis I)

F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(F_o - F_e)^2}{F_e}$
18	13.75	4.25	18.06	1.31
4	8.25	-4.25	18.06	2.19
16	15.00	1	1	0.07
8	9.00	-1	1	0.11
6	11.25	-5.25	27.56	2.45
12	6.75	5.25	27.56	4.08
				$\sum \frac{(F_o - F_e)^2}{F_e}$ $= 6.13$

Chi-sq. calculated = 6.13

Level of significance (i.e. α) = 0.05.

Critical region for chi-sq. at 5% level of significance with (3-1) x (2-1)

= 2 degree of freedom is 5.99

Decision rule: Reject Null hypothesis, H_0 if chi-sq. calculated is greater than chi-sq. table value (i.e. critical table value). Otherwise accept null hypothesis, H_0 .

Conclusion: Since chi-square calculated (6.13) is greater than chi-sq. table value (5.99), therefore we reject Null hypothesis, H_0 in favour of Alternative hypothesis, H_1 and conclude that there is a significant relationship between market segmentation and the maximization of a firm's competitive advantage.

Test of Hypothesis II

H_0 : Price adjustment does not scientifically influence the profitability of small – scale business.

H_1 : Price adjustment scientifically influences the profitability of small –scale business.

The test of this hypothesis is based on responses to question 11 of the questionnaire.

Table 4.14 : Responses on price adjustment influencing profitability

Industry Group	Responses		Total
	Yes	No	
Basic needs	10	12	22
Hi Tech	10	14	24
Services	8	10	18
Total	28	36	64

Source : Questionnaire administered

$$F11 = \frac{22 \times 28}{64} = 13.75$$

$$F12 = \frac{22 \times 36}{64} = 8.25$$

$$F21 = \frac{24 \times 28}{64} = 15.00$$

$$F22 = \frac{24 \times 36}{64} = 9.00$$

$$F31 = \frac{18 \times 28}{64} = 11.25$$

$$F32 = \frac{18 \times 36}{64} = 6.75$$

Table 4.15 : Contingency table for computing 2 X2 (in hypothesis II)

F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\sum \frac{(F_o - F_e)^2}{F_e}$
10	9.63	0.37	0.14	0.04
12	12.38	-0.38	0.14	0.06
10	10.5	-0.5	0.25	0.02
14	13.5	0.5	0.25	0.02
8	7.88	0.12	0.01	1.27
10	10.13	0.13	0.02	1.97
				$\sum \frac{(F_o - F_e)^2}{F_e}$ $= 3.8$

Chi-sq. calculated = 3.8

Level of significance (i.e α) = 0.05.

Critical region for chi-sq. at 5% level of significance with $(3-1) \times (2-1)$

= 2 degree of freedom is 5.99

Decision rule: Reject Null hypothesis, H_0 if chi-sq. calculated is greater than chi-sq. table value (ie critical table value). Otherwise accept null hypothesis, H_0 .

Conclusion: Since chi-square calculated (3.8) is less than chi-sq. table value (5.99), therefore the data does not provide enough evidence for the rejection of Null hypothesis, H_0 (i.e accept H_0) and conclude that Price adjustment does not significantly influence the profitability of small- scale business.

Test of Hypothesis III

H_0 : Reactive strategy is negatively related to the success of small- scale business.

H_1 : Reactive strategy is positively related to the success of small- scale business.

The test of this hypothesis is based on responses to question 12 of the questionnaire

Table 4.16

	Responses		
Industry Group	Yes	No	Total
Basic needs	9	13	22
Hi Tech	12	12	24
Services	8	9	18
Total	30	34	64

Source : Questionnaire administered

$$F11 = \frac{22 \times 30}{64} = 13.75$$

$$F12 = \frac{22 \times 34}{64} = 8.25$$

$$F21 = \frac{24 \times 30}{64} = 15.00$$

$$F22 = \frac{24 \times 34}{64} = 9.00$$

$$F31 = \frac{18 \times 30}{64} = 11.25$$

$$F32 = \frac{18 \times 34}{64} = 6.75$$

Table 4.17 expected frequency

F_o	F_e	$F_o - F_e$	$(F_o - F_e)^2$	$\frac{(F_o - F_e)^2}{F_e}$
9	10.31	1.31	1.72	0.17
13	11.69	1.31	1.72	0.15
12	11.25	0.75	0.25	0.02
12	12.75	-0.75	0.25	0.02
9	8.44	0.56	0.31	0.04
9	9.56	-0.56	0.31	0.03
				$\sum \frac{(F_o - F_e)^2}{F_e}$ $= 0.43$

Chi-sq. calculated = 0.43

Level of significance (i.e α) = 0.05.

Critical region for chi-sq. at 5% level of significance with (3-1) x (2-1)

= 2 degree of freedom is 5.99

Decision rule: Reject Null hypothesis, H_0 if chi-sq. calculated is greater than chi-sq. table value (i.e. critical table value). Otherwise accept null hypothesis, H_0 .

Conclusion: Since chi-square calculated (0.43) is less than chi-sq. table (5.99), therefore the data does not provide enough evidence for the rejection of Null hypothesis, H_0 (i.e. accept H_0) and conclude that Reactive strategy is negatively related to the success of small – scale business is accepted.

4.3 Research Findings

Data collected from primary source were collated, processed, presented, analyzed and interpreted to give meaning to the research work and the following findings were made: Analysis of question 1 shows that there is a high rate of failure in Kontagora Local Government Area among small-scale business. This could be due to many factors, one of which is an un conducive business environment in the area as attested by the response to question 2 of the questionnaire

Though strategy, as revealed in the review of literature is important for the survival and growth of all forms and sizes of businesses, Most small-scale business owners do not consciously plan for their business nor develop strategy on how to compete especially when such business is not facing any threat. This is the finding of responses to question 3.

Question 4 shows that even in the presence of adequate capital initial or working capital and good business location, most small business owners are of the view that having a good business strategy is more important than these two, and response to question 5 shows that these entrepreneurs had strongly believe that application of marketing/business strategy is vital to the survival of their businesses.

Analysis of question 6 and 7 debunk the popular claim that price adjustment is an effective strategic tool that can be manipulated to have an edge over competitors and to achieve profitability.

From the analysis of question 8, it is seen that early cash recovery is not a major strategic option of small business owners. This will bear on the pricing policy of such business owners who may likely aim for low margining when pricing.

Question 9 touched on segmentation. It is revealed that segmentation is profitable strategy.

Three hypotheses were tested. In hypothesis I, the Null hypothesis (H₀) was rejected and the alternative hypothesis (H₁) accepted. This revealed that a significant relationship exist between market segmentation and the maximization of a firm's competitive advantage. Market segmentation is a form of strategy that allows a firm to focus on a particular segment of the

total market. By so doing, the firm can better serve that market (consumers or users) better than if it had gone after the whole market.

Hypothesis II analysis shows that contrary to popular thinking, adjusted price especially price cutting to attract more customers does not lead to profitability as the margin for unit will be low with a corresponding low revenue.

In testing hypothesis III, it was revealed that reactive strategy is negatively to small-scale business success. Most small business owners do not proactively plan and strategized their business but only reacts when faced with threat or respond to market opportunities.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Small-scale business are faced with many problems and challenges ranging from strong competition, changing customer tastes and preference, infrastructural deficiencies and deteriorating business climate. They needed strategies to ensure survival amidst these problems.

The study tried to analyze some of the strategies employed by small business owners to ensure survival. The main objective of the study tried to bring into focus the assessment of some of these strategies and how effective it has been in the success of these enterprises.

Closely related to the objective are the hypothesis that were formulated by the researcher so as to ascertain the validity of the research work. The first hypothesis look at the relationship- if any-between market segmentation and the attainment of competitive advantage by firm and it was revealed that a significant relationship exist between these two variables. The second hypothesis looked at the effect of price adjustment and profitability of small-scale businesses and it revealed contrary to popular opinion, that price adjustment such as price cutting does not strongly influence profitability. The last hypothesis revealed that reactive strategy is negatively related to successes of small businesses.

Survey method and primary and secondary sources of information

were used. Questionnaires were administered to 50 respondents across different business types and simple percentage method was used to analyze the question. Also chi-square method was used to test the three hypotheses formulated.

Based on the statement of the problem, the objective of the study and the result of the findings, some recommendations were made, among which are that, the survival of small-scale business-irrespective of the business type or industry-require a conscious and proactive planning by the small business owner.

5.2 Conclusion

Having reviewed literatures as regard the strategies for survival of small-scale business, analysis of the data collected then allow us to make a valid and objective conclusion.

The survival of small business depend on many variable and in the course of this study, it has been found out that business have shown a lot of recovery and their managers have by application of different strategies been able to make success of these business as expressed by experts at the introductory part of this study.

Even though sound planning of business activities is an essential ingredient for the success and survival of businesses, it has been deduced from the study that small firm carried out little or no planning of their activities.

It is imperative to stress that the use of marketing strategies was made toward ensuring the continuous existence of these enterprises. One of the measures employed was advertisement, planning strategy and the use of cash management.

Failure of small-scale industries has an adverse effect on the economy and renders those already employed jobless thus affecting the economic development of the state in particular and the nation in general.

In the concluding analysis, small-scale business can survive if they can embark on sound planning function, marketing function, good cash management and adequate control of business activities.

5.3 Recommendations

From the research findings, the researcher wishes to put forward the following recommendations:

- i. Small-scale business owners operate in most cases like managers of big firms. It is therefore pertinent for owners of these enterprises to apply the planning strategy in order to continue to survive. This is because without planning, which is the lifeblood of an individual as well as business organization, that person or firms is bound to fail.
- ii. It is emphatically recommended for small-scale business studied to employ marketing strategies to ensure the survival of their businesses. The business should project and consider using advertisement as a constant reminder to the consumers. These firms

must consciously design and disseminate information about their existence.

- iii. Giving the significant of small-scale businesses to the economic development of our economy, there is need for our policy makers to identify areas of need of these enterprises and formulate concrete plans and efficient policies towards providing their needs particularly in the area of managerial skill development, market analysis and provisions of credit facilities to enhance financing their firms.
- iv. It has been observed that lack of good management and planning results often times to business failure. It is therefore; very important for owners of small business to consider how best they can effectively apply these strategies in their business to help their continuous existence.
- v. Since strategies for survival of small-scale industries is not limited to marketing and planning functions alone, other, strategies such as good cash management, pricing strategy and planning functions should be employed to ensure survival of small-scale firms.
- vi. The research findings show that business failure has an adverse effect on the economy and often resulted to joblessness of employees. The researcher therefore, wish to recommend that the government should think of how best they can create sound policies

and regulations to ensure the survival of small-scale enterprises in order to generate job opportunities for teaming lots of Nigerians that are unemployed, alleviate the standard of poverty in the country and thus lead to economic growth and development. In spite of the fact that most small and medium enterprises operators will cite finance as their major problem, it has been shown that finance alone would not solve the multifaceted problems facing the small enterprises unless the other essential components such as, the provision of physical infrastructure, extension services and market for the product of small firms are looked into. Already a number of items have been banned from importation. It is important that in spite of our trade liberalization posture, decisive steps should be taken to protect our small businesses through the placement of appropriate tariffs to discourage the consumption of imported goods, which could be produced by the small and medium enterprises in Nigeria. There is need for the Federal Ministry of Industry to promote a mass enlightenment programme to sensitize small-scale business owners and how they could benefit from it.

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Department of Business Administration,
Faculty of Management Sciences,
School of Post Graduate Studies,
Usmanu Danfodio University,
Sokoto.

Date:.....

Dear Respondent,

QUESTIONNAIRE

I am a postgraduate student undergoing a study in Business Administration in the Faculty of Management Sciences, Usman Danfodio University, Sokoto. I am conducting a research titled “Strategy for Survival of Small Scale Business in kontagora Local Government of Niger State”.

Your firm is one of the business enterprises under study. You are kindly required to assist the research work by filling in the appropriate boxes to the best of your knowledge. Your response will be solely used for the purpose of this research and will be treated with utmost confidentiality.

Thank you for your anticipated cooperation

Yours sincerely,

MURTALA T. IBRAHIM

11120903396

QUESTIONNAIRE

SECTION A: (PERSONAL DATA)

Instruction: - Please tick right (✓) against the option of your choice.

1. **Sex:**
 - Mate ()
 - Female ()
2. **Age bracket (years)**
 - 21-30 ()
 - 31—40 ()
 - 41—50 ()
 - 51 and above ()
3. **Education**
 - Primary ()
 - Secondary ()
 - OND/NCE/Equivalent ()
 - B.Sc/HND ()
 - M.Sc/MA ()
 - Ph.D ()
 - Professional qualification ()
4. **Years in Business**
 - Under 1 ()
 - 1—5 ()
 - 6—10 ()
 - 11—15 ()
 - 16 and above ()
5. **Types of business**
 - Food and Beverages ()

Provision	()
Drugs & Medicine	()
Clothing & Jewelry	()
Education	()
Info-Tech & Computer Services	()
Telecommunication	()
Photography	()
Transportation & Automobile	()
Interior Design & Painting	()

SECTION B

Instruction: - The following are questions relating to the area of study. Kindly tick as appropriate (✓) the box that reflect your view on the question concerned.

1. Is there much cases of business failure in your area of business?
 - a. Yes ()
 - b. No ()

2. Is the business environment in Kontagora Local Government Area conducive to small-scale enterprises?
 - a. Yes ()
 - b. No ()

3. Do you consciously plan your business and develop strategy even when your business is not facing any apparent problem?
 - a. Yes ()
 - b. No ()

4. Adequate capital and good business location are more important than the need for business strategy?

- a. Yes ()
 - b. No ()
5. Is the application of marketing/business strategy vital for the survival of small-scale businesses?
- a. Yes ()
 - b. No ()
6. Maintaining price level in line with what is obtained in the industry while cutting costs is a good survival strategy when competition is much?
- a. Yes ()
 - b. No ()
7. Is price reduction an effective strategy to deal with competition?
- a. Yes ()
 - b. No ()
8. When you invest in your business, is early cash recovery a major strategic option?
- a. Yes ()
 - b. No ()
9. Is focusing on a particular line of business or product line more profitable than being involved in two or more business or dealing in many product lines?
- a. Yes ()
 - b. No ()

10. Do you make effective use of resources when you focus your business on serving a particular segment of the market?
- a. Yes ()
 - b. No ()
11. Is changing prices to reflect changes in market condition an effective strategy to achieving profitability?
- a. Yes ()
 - b. No ()
12. Is adjusting your strategy in accordance to the presence of opportunities or threats in the market an effective survival strategy?
- a. Yes ()
 - b. No ()