INFLUENCE OF MARKETING RESEARCH APPLICATION: EVIDENCE FROM SMALL AND MEDIUM SCALE ENTERPRISES IN BORNO STATE, NIGERIA

BY
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Abstract
The research study examined the influence of marketing research application in small and medium scale enterprises in Borno State, Nigeria. The descriptive Survey design was used. The population of the study consisted owners and managers of registered SMEs in Borno State, Nigeria. The total population is 1,458. A sample of 314 was drawn. The main instrument for data collection was a four-point rating scale questionnaire with 21 items. The data collected were analysed using mean and standard deviation to answer the research questions while the independent t-test was used to test the hypotheses. The findings revealed that Marketing research were applied to a moderate extent in Small and Medium scale Enterprises in Borno State. The study further revealed a significant difference in the mean responses of experienced and less-experienced owners and managers of small and medium enterprises on the extent of marketing research application in small and medium scale enterprises. It was concluded that SME in Borno state apply marketing research only to a moderate extent; and the application of marketing research has had moderate positive influence on customers. Based on the findings and conclusion of the study it is recommended among others that since SMEs in Borno state apply marketing research to a moderate extent there is need for owners and managers of SMEs to employ marketing research extensively. This is achievable by organizing seminars, workshops and conferences among themselves.

Keywords: Marketing, Research application, SMEs

Introduction
Reliable data collection and information processing form the bedrock of management decisions in contemporary firms. They also form the basis for all the diagnostic and prognostic efforts of managers. From a marketing stand point, problems can only be anticipated, identified, analyzed and resolved or prevented, if accurate, reliable and relevant information are obtained promptly from both internal and external sources (Ewah & Ekeng, 2009). To actually arrive at useful information, marketing research is important. Busari and Oduwole (2014) opined that marketing research is not a substitute for management decisions; rather it’s simply one of many elements that can be used to make management decisions. When conducted in a systematic, analytical, and objective manner, marketing research can reduce uncertainty in decision making and increase the probability and magnitude of success the firm hopes to attain. Thus, the goal of marketing research is to provide the facts and direction which managers of corporate organizations need to take in making important marketing decisions.

Marketing research comprises one of the most important and fascinating facets of marketing. The development of effective marketing strategies is based on the need for an understanding of the
consumer and his or her behaviour. However, understanding the consumer can only be achieved through marketing research. According to Ogbadu (2012) marketers who fail to conduct thorough and comprehensive marketing research, run the risk of not achieving their marketing objectives. It is in view of this that Moiseenko (2013) affirms that, in the first stages of business, the entrepreneur expectedly has done the research necessary to plan the business, to lay out the intricate details necessary to set the sails, as it were, for successful launch of the business. He further stated that, it is necessary to have a well-conceived business plan; this is crucial to have customers to buy its wares. A good business plan will help identify where and how the sales will be generated to support the business. After the plan has been initiated, however, a more comprehensive marketing analysis will have to be conducted to help solidify the future of the company. Thus, marketing research acts as the link between the consumer and the marketer.

Marketing plays an important role in company's strategy. Unfortunately, many SMEs tend to overlook the importance of Marketing Research. SMEs in Nigeria have not been able to add expected value to the economy due to many factors including marketers’ little engagement in marketing research. Ogbadu (2012) observes that when we talk of marketing research in Nigeria, fingers are always pointed at big organisations and multi-national establishments. Small and Medium Enterprises in Nigeria fail to understand that marketing research is all-embracing and organization-wide. Often times, SMEs make decisions with limited information and with inadequate facts. Small and Medium Scale Enterprise owners/managers often have a carefree attitude towards marketing research which in most cases affects their capacity to attract and satisfy their customers. This is based on the erroneous assumption that many Small and Medium Enterprises do not conduct marketing research, and even the few SMEs that conduct marketing research hardly apply findings of the research. This could be attributed to the capital intensity of marketing research. Unfortunately, many Small and Medium Enterprises cannot compete favorably in today’s market because of their inability to commit to the application of marketing research (Ebitu, 2016). Therefore, one is inclined to ask, to what extent are SMEs conducting marketing research in the bid to attract customers. Are the owners of SMEs properly equipped with the skills needed for marketing research application? How do Small and Medium Scale Enterprises seek to attract and satisfy customers? These and other questions prompted the researcher to conduct a study on the influence of marketing research application on customer attraction in Small and Medium Scale Enterprises in Borno State.

Marketing research has evolved in decade since Arthur Nielsen established it as a viable industry, one that would grow hand-in-hand with the B2B and B2C economies. Marketing naturally evolve, and since the birth of A.C. Nielsen, when research was mainly conducted by in-person focus group and pen and paper surveys, the rise of the internet and the proliferation of corporate websites have changed the means by which research is executed McDonald, (2007). Marketing is a restless, changing, and dynamic business activity. The role of marketing itself has changed dramatically due to various crises—material and energy shortages, inflation, economic recessions, high unemployment, dying industries, dying companies, terrorism and war, and effects due to rapid technological changes in certain industries. Such changes, including the Internet, have forced today’s marketing executive to becoming more market driven in their strategic decision-making, requiring a formalized means of acquiring accurate and timely information about customers, products and the marketplace and the overall environment. The
means to help them do this is marketing research (Zabore, 2015). He further stated that, marketing research assists in the overall management of the marketing function.

The principal task of marketing is to fulfil the aspirations of the consumers. It is thus imperative to understand what the consumers want; how they make the various choice decisions; or what are their sources of information and influence process etc. As such, marketing research is the function which provides the necessary information about the consumer to the marketer. In the process, an organisation can identify new opportunities in the market; evaluate and monitor marketing actions; and in general, evolve better marketing programme to serve the interests of the consumer (Onwubiko, 2015). Thus, marketing research acts as the link between the consumer and the marketer. Similarly, American Marketing Association (AMA) in Zaborek, (2015) posits that, marketing research is the process or set of processes that links the producers, consumer, customer, and end users to the marketer through information - information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications.

According to Bulut (2013), marketing research is the objective and formal process of collecting information; analysing the results and communicating the findings and their implications in terms of marketing actions. Marketing research is a systematic collection and analysis of information that is ultimately used in evolving some marketing decisions. It applies scientific methods in data collection and analysis for the test of prior notions or hypotheses. It aims at providing accurate information that reflects the true state of affairs of organizations. The most widely accepted definition of marketing research is given by Crisp in Starbucks, (2008) which states that:"Marketing research is the systematic, objective and exhaustive search for and study of the facts relevant to any problem in the field of marketing." Kotler, (2005) defined Marketing research as systematic problem analysis, model building and fact-finding for the purpose of improved decision-making and control in the marketing of goods and services. Similarly, Abugu, (2014) posits that, there are two dimensions to marketing research, namely; problem identification research and problem-solving research. Furthermore, a problem identification research is undertaken to identify problems which are not apparent on the surface and yet exists or likely to arise in future, e.g. market potential, market share, sales analysis, forecasting and business trends. A problem- solving research refers to any research undertaken to solve specific marketing problems like product pricing, promotion and distribution.

Application of marketing research can be divided into two broad areas: strategic and tactical. Among the strategic areas, marketing research applications would be demand forecasting, sales forecasting, segmentation studies, identification of target markets for a given product, and positioning strategies identification. Tactical application, include applications such as product testing, pricing research, advertising research, promotional research, distribution and logistics related research. In other words, it would include research related to all the P’s of marketing: how much to price the product, how to distribute it, whether to package it in one way or another, what time to offer a service, consumer satisfaction with respect to the different element of the marketing mix (product, price, promotion, distribution), and so on. In general, we would find more tactical application than strategic applications because these areas can be fine-tuned more
easily based on the marketing research findings. Obviously, strategic changes are likely to be fewer than tactical changes. Therefore, the need for information would be in proportion to the frequency of changes.

Methodology
The study adopted descriptive survey research design. A total sample of 314 respondents was selected from a total population of 1,458 respondents; multi-stage sampling techniques were used to select 314 owners and managers of SMEs as respondents in the study. The sample was drawn proportionately from the three senatorial zones: Borno north, central and south respectively. Stratified random sampling technique was employed to divide the sample into strata (urban-189 and rural-125); these towns were selected based on accessibility, size and the level of commercial activities. Simple random sampling was employed to select respondents from each zone. This was done by ‘hat drawn’ method where pieces of paper containing “Yes” and “No” were wrapped. The instrument used was the Analysis of Marketing Research Application on Small and Medium Scale Enterprises Questionnaire (AMRASMEQ). The questionnaire consisted of 11 items based on the purposes of the study and the research questions. The instrument was face-validated by three experts from the Department of Business and Entrepreneurship Education, Kwara State University, Malete. Cronbach Alpha was used to determine the reliability of the instrument which yielded a reliability coefficient of 0.76. Each of the items was assigned four response options of High Extent (HE-4 points), Moderate Extent (ME-3 points), Low Extent (LE-2 points) and No Extent (NE-1 point). The data collected were analysed using the mean and standard deviation. The mean was used to answer the research questions while the standard deviation was used to determine the closeness or otherwise of the responses from the mean.

Table 1: Mean and standard deviation of responses on the extent to which Marketing Research is applied in Small and Medium Scale Enterprises

<table>
<thead>
<tr>
<th>S/N</th>
<th>Item Statements</th>
<th>( \bar{X} )</th>
<th>SD</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Small and Medium Scale Enterprises utilize Marketing Research to gain competitive advantage.</td>
<td>3.34</td>
<td>0.82</td>
<td>Moderate Extent</td>
</tr>
<tr>
<td>2.</td>
<td>I apply Marketing Research to identifying potential customers.</td>
<td>2.72</td>
<td>0.74</td>
<td>Moderate Extent</td>
</tr>
<tr>
<td>3.</td>
<td>Small and Medium Scale Enterprises use Marketing Research to get ideas for development of new product.</td>
<td>3.06</td>
<td>0.95</td>
<td>Moderate Extent</td>
</tr>
<tr>
<td>4.</td>
<td>Owners/managers of SMEs apply Marketing Research in identifying customers’ preference of firm’s products/services.</td>
<td>2.73</td>
<td>1.15</td>
<td>Moderate Extent</td>
</tr>
<tr>
<td>5.</td>
<td>Owners/managers utilize Marketing Research in maximizing customers’ lifetime value.</td>
<td>2.91</td>
<td>0.88</td>
<td>Moderate Extent</td>
</tr>
<tr>
<td>6.</td>
<td>Small and Medium Scale Enterprises apply Marketing Research to get good information about customers, thereby lead to customers’ satisfaction.</td>
<td>3.03</td>
<td>0.97</td>
<td>Moderate Extent</td>
</tr>
<tr>
<td>7.</td>
<td>Owners/managers of SMEs use Marketing Research to bring about the growth of market share.</td>
<td>2.85</td>
<td>0.69</td>
<td>Moderate Extent</td>
</tr>
<tr>
<td>8.</td>
<td>I apply Marketing Research to enhance the understanding of factors that influences consumers buying behavior.</td>
<td>3.39</td>
<td>0.85</td>
<td>Moderate Extent</td>
</tr>
</tbody>
</table>
9. Small and Medium Scale Enterprises utilize Marketing Research to establish and maintain long-term customer relationships. 3.24 0.84 Moderate Extent
10. Owners of SMEs use Marketing Research to identify unsatisfied customers and conversely get them satisfied. 3.20 0.94 Moderate Extent
11. My firm applies Marketing Research to enhance the ability to change brand name in order to attract customers. 2.18 1.12 Low Extent

Weighted average 2.97 0.90 Moderate Extent

Source: Field Survey, 2018

Analysis of data in Table 1 reveals that Small and Medium Scale Enterprises utilize marketing research to gain competitive advantage to moderate extent (mean = 3.34), the same way the respondents indicated that they apply marketing research to moderate extent to identify potential customers (mean = 2.72). In addition, the respondents indicated that Small and Medium Scale Enterprises use marketing research to get ideas for development of new product to moderate extent (mean = 3.06), also Owners/managers of SMEs apply marketing research to moderate extent in identifying customers’ preference of firm’s products/services based on the responses of the respondents (mean = 2.73). The respondents indicated that owners/managers utilize marketing research in maximizing customers’ lifetime value in moderate extent (mean = 2.91), same way Small and Medium Scale Enterprises apply marketing research to moderate extent to get good information about customers, thereby lead to customers’ satisfaction (mean = 3.03). In addition, the respondents indicated that owners/managers of SMEs use marketing research to bring about the growth of market share to moderate extent (mean = 2.85). The respondents indicated that they apply marketing research to enhance the understanding of factors that influences consumers buying behavior to moderate extent (mean = 3.39), and to establish and maintain long-term customer relationships to moderate extent (mean = 3.24). In addition, respondents indicated that owners of SMEs use marketing research to moderate extent to identify unsatisfied customers and conversely get them satisfied (mean = 3.20). The respondents also stated that their firms applied marketing research to low extent to enhance the ability to change brand name in order to attract customers (mean = 2.18). All the 11 items have low standard deviation values which signifies variability of response are below the fixed value of 1.96. Similarly, the respondents unanimously indicated moderate extent for all the constructs except for item 11 where they indicated low extent. This means that all the constructs are applied in Small and Medium scale Enterprises. This implied that marketing research are applied to a moderate extent in Small and Medium scale Enterprises in Borno State (mean = 2.97, SD = 0.90).

Test of Hypothesis
The null hypothesis of the study was tested using independent t-test. The null hypothesis was tested at 0.05 level of significance. The summary of the test of hypothesis was presented in Tables 3:

\[ H_{01}: \text{There is no significant difference in the mean responses of experienced and less-experienced owners and managers of Small and Medium Enterprises on the extent of Marketing Research Application in Small and Medium Scale Enterprises in Borno State.} \]
Table 2: Summary of t-test of the difference between the mean responses of experienced and less-experienced respondents on the extent of marketing research application in small and medium scale enterprises

<table>
<thead>
<tr>
<th>Group</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>t-cal</th>
<th>Df</th>
<th>p-value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experienced</td>
<td>168</td>
<td>2.70</td>
<td>0.41</td>
<td>17.070</td>
<td>299</td>
<td>0.000</td>
<td>Rejected</td>
</tr>
<tr>
<td>Less Experienced</td>
<td>133</td>
<td>3.31</td>
<td>0.08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2018

The data in Table 10 reveals that there are 168 experienced and 133 less experienced respondents. This shows that there was moderate extent of marketing research application in small and medium scale enterprises ($\bar{x} = 2.70; \text{SD} = 0.41$) and ($\bar{x} = 3.31; \text{SD} = 0.08$). The Table reveals that there was significant difference in the mean responses of experienced and less-experienced owners/managers of small and medium enterprises on the extent of marketing research application in small and medium scale enterprises ($t_{299} = 17.070, P<0.05$). Therefore, the null hypothesis, one was rejected. This implies that experienced and less experienced owners/managers of small and medium scale enterprises differ significantly in their responses regarding the extent of marketing research application in Small and Medium Scale Enterprises.

Discussion of Findings

Research question one sought to determine the extent of marketing research application in small and medium scale enterprises in Borno state by the underlying factors. The null hypothesis one ($H_{01}$) states that there is no significant difference in the mean responses of experienced and less-experienced owners/managers of small and medium scale enterprises on the extent of marketing research application in small and medium scale enterprises in Borno state. The finding reveals that small and medium scale Enterprises moderately apply marketing research (mean = 2.97, SD = 0.90). The finding further reveals that there was significant difference in the mean responses of experienced and less-experienced owners/managers of small and medium enterprises on the extent of marketing research application in small and medium scale enterprises ($t_{299} = 17.070, P<0.05$). The null hypothesis was rejected.

This implies that experienced and less experienced owners/managers differ in their responses regarding the extent of marketing research application in small and medium scale enterprises. Their responses show that experienced owners/managers rated the extent of marketing research application higher than that of less experience SMEs did. This finding was found to be in agreement with the opinion of Nduka, Okocha and Chris-Nnamdi (2017) who claim that successful companies fulfill marketing research better than less successful companies. In a similar vein, Osongo (2011) asserts that the use of marketing research is not only related with company success by satisfying and retaining customers, but also issue of marketing such as innovation and product design, success of new products, export performance, product decisions among others.

Conclusion

After statistical analysis of the data, the researcher arrived at the following conclusions: SMEs in Borno State apply marketing research only to a moderate extent; and that application of marketing research has had moderate positive influence on customer attraction. This implies that
marketing research application has had the potential to play a significant role in the success of Small and Medium Scale Enterprises. This indicates that the success of small and medium scale enterprises depends on the proper implementation of marketing research by their owners/managers which in most cases positively affects their capacity to satisfy and retain customers. This further has implications on improved citizens’ standard of living and the nation’s general growth and development.

**Recommendations**

Based on the findings obtained in the study and conclusion drawn, the researcher made the following recommendations:

1. Since SMEs in Borno state apply marketing research to a moderate extent there is need for owners/managers to employ marketing research extensively. This is achievable by organizing seminars, workshops and conferences among themselves.

2. SMEs in Borno state should learn to use marketing research to attract customers. A study of demographic characteristics of potential customers will enable SMEs owners and managers to identify instrument of attracting customer to their products; through different form of advertising.

3. Small and medium scale enterprises owners/managers should explore ways by which they can gain easy access to loans which can enable them adequately finance marketing research activities as, this the only way that they can be able to survive and expand their market share in competitive market.

**References**


