

EFFECT OF ENTREPRENEURIAL STRATEGIES ON THE PERFORMANCE OF SMEs IN KOGI STATE

ABSTRACT

This study thus investigated the effect of entrepreneurial strategies on the performance of SMEs in Kogi State. This study adopted survey research design to achieve its aim. The population of the study was 844; from which the sample size of 260 was selected. Multi-stage sampling technique was used. The analytical technique that was employed to achieve the study's objectives was multiple regression analysis. Findings show that product differentiation strategy, adaptation strategy, human resource strategy, and entrepreneurial marketing strategy have significant weak effects on the return on investment of SMEs in Kogi State. Findings further show that product differentiation strategy, human resource strategy, entrepreneurial marketing strategy and adaptation strategy have significantly strong effects on the market share of SMEs in Kogi State. The study concluded that entrepreneurial strategies have the propensity to increase the business performance of SMEs. The study recommended that SME owners should adopt the combination of entrepreneurial marketing strategy and product differentiation strategy to achieve increasing return on investment, market share and competitive advantage of SMEs in Kogi State; and give less attention to the adoption of both adaptation strategy and human resource strategy.

Keywords: Product Differentiation Strategy, Human Resource Strategy, Entrepreneurial Marketing Strategy, Adaptation Strategy, Market Share

1. INTRODUCTION

The backdrops in the performance of SMEs are subject to the dynamic competitive environment of Kogi State. SMEs owners appear to be mindless of strategies which are fundamental to survival and competitive position in the dynamic competitive environment of Kogi State. According to Dabson and Wilcox (2012), an entrepreneur is an innovative person who maximizes his/her profit by following strategies on venturing into commercial undertaking. Although, the characteristics of an entrepreneur include risk taking, curiosity, imaginative, persistence, goal setter, hardworking, confidence, flexible and independence; but that appears to be essential for short-term target. SMEs owners or entrepreneurs need strategic orientation to better position their enterprises.

Competitive strategies represents the firms' strategic choice and orientations about how to compete for improved performance (Aremu and Lawai, 2012; Aremu and Adeyemi, 2012). There are pointers to the fact that careful selection of appropriate strategies reflects managerial skilfulness, entrepreneurial capacity and likelihood of long-term firm survival

(Choy and Mula, 2008). Across geographical boundaries and industrial sectors, competitive strategies have been found to have significant impacts on performance (Sanusi, 2003).

According to Mwangi and Omhui (2013) in Uchegbulam, Akinyele, & Ibadunni (2015, p. 328), the “study carried out in Kenya’s health sector found cost leadership, product and market development, market focus and differentiation strategies significant result in higher performance levels”. According to Vlachvei, Notta and Demiri (2010) examined the effect of competitive strategies on growth and profitability of the Greek Fur industry. Their research reflected that larger firms perform better than smaller firms, especially in terms of growth of sales. However, smaller firms seemed to outperform larger firms in the area of profitability. This trend could reflect the importance of innovative processes and the inclusion of customer relationships in business activities; smaller firms are more prone to have competitive advantages in this regard.

The literature on strategy defines three necessary consistent sets to explain firms’ success (Porter, 1996). First the firm must develop and implement a consistent set of internal goals and functional policies that jointly defines its position in the industry. The second requirement for success is that this internally consistent set goals and policies align the firm’s strengths and weaknesses with the opportunities and threats in the external environment. Finally the firm’s strategy must be centrally concerned with the creation and exploitation of its so called distinctive competences. These are unique strengths that set the foundation for a competitive success. Awwad, Al Khattab and Anchor (2013) added that literature on operations strategy and manufacturing strategy has addressed extensively the competitive priorities which act as strategic capabilities and which can facilitate the creation and sustainability of competitive advantage.

SMEs may be found incapable of adopting entrepreneurial strategies due to constraints such as lack of adequate credit for SMEs, traceable to the reluctance of banks to extend credit to them. This situation arises due to poor documentation at project proposal level because the human resources strategies are poorly implemented or grossly inadequate. Matanmi and Awodun (2005) in Tende & Adigizey (2015, p.131) posited that “if Nigeria desires to move out of the disturbing high level of unemployment and ravaging level of poverty, adequate attention must be given to the growth of entrepreneurship”. They deduced that Nigeria is now in the depths of depression due to the combined effect of cluelessness, low leadership development and lack of entrepreneurial motivation, also combined with the ineffective

strategies for improved entrepreneurial activities. Therefore, this study will be concerned about SMEs in Kogi State, and the research effort will be based on entrepreneurial strategies and the performance of SMEs in Kogi State.

1.1 Objectives of the Study

Mainly, the study investigated the effects of entrepreneurial strategies on the performance of SMEs in Kogi State, Nigeria. The study specifically:

- i. Examined the effect of cost, product differentiation, human resource, entrepreneurial marketing and adaptation strategies on the return on investment of SMEs in Kogi State; and
- ii. Ascertained the effect of cost, product differentiation, human resource, entrepreneurial marketing and adaptation strategies on the market share of SMEs in Kogi State.

1.2 Research Questions

The questions below were asked that:

- i. What are the effects of cost, product differentiation, human resource, and entrepreneurial marketing and adaptation strategies on the return on investment of SMEs in Kogi State?
- ii. How significant are the effects of cost, product differentiation, human resource, and entrepreneurial marketing and adaptation strategies on the market share of SMEs in Kogi State?

2. REVIEW OF LITERATURE

2.1 Conceptual Framework

Porter (2000) contended that superior performance can be accomplished in an aggressive industry through the quest for a business strategy, which he characterizes as the development of an overall cost leadership, differentiation, or focus approach to industry competition. Lackadaisical attitude towards the adoption of one of the strategies may cause heavy decline in the performance of SMEs. The adoption of one of the strategies may give better enterprise experience at the market place and facilitate superior performance. Entrepreneurial strategies consist of all those moves and approaches that SMEs have and are taking to withstand competitive pressure and improve its market position. An SME has competitive advantage whenever it has an edge over its rivals in securing customers and defending against

competitive forces (Thompson and Strickland, 2009). Sustainable competitive advantage is born out of core competencies that yield long term benefit to the SMEs (Thompson, 2010). Sources of competitive advantage include high quality products, human resource, entrepreneurial marketing and achieving lower costs than its rivals.

The target of Porter's cost leadership strategy is to pursue competitive advantage through low cost in the industry (Hyatt, 2008). In order to achieve a low-cost advantage, an SME must have a low-cost leadership strategy and human resource committed to the low-cost strategy (Malburg, 2007). It is also important that the SME's human resources also have necessary marketing orientation. An enterprise with improved process innovations and learning curve is likely to have effective cost strategy and cost advantage over competitors (Arasa and Gathinji, 2014). Lower prices have the propensity to induce higher demand and larger market share (Helms et al., 2007).

The focus strategy focuses on a narrow segment and within that segment endeavours to accomplish either a cost advantage or differentiation. The reason is that the requirements of the group can be better overhauled by concentrating entirely on it. An SME utilizing a focus strategy regularly appreciates a high level of customer loyalty, and this entrenched loyalty discourages other SMEs from competing directly.

Firms that succeed in a focus strategy are able to tailor a broad range of product development strengths to a relatively narrow market segment that they know very well. Some of the risks of focus strategies include imitation and target segment changes. In addition, adapting its product to compete directly can be fairly easy for a broad-market cost leader. Lastly, other focusers may be able to carve out sub-segments to serve even better (Ghemawat, 2010).

A firm targets a specific market segment in the focus strategy (Davidson, 2008). The firm can choose to focus on a select customer group, range of products, geographic area, or service line (Hyatt, 2008). The focus is also based on the adoption within an industry of a narrow competitive scope. Focus seeks to improve market share by operating in a niche market or markets that are either not attractive to, or overlooked by, larger competitors. These niches occur from a variety of factors such as geography, buyer qualities, technical requirements or requirements for the product. Focus seeks to improve market share by operating in a niche market or markets that are either not appealing to, or overlooked by, larger competitors. An effective focus strategy (Rapoport, 2005) relies on an industry segment which is vast enough

to have significant growth capability, but not critical to other major rivals. A significant focus strategy can be market penetration or market development.

By using differentiation strategy, a company concentrates its efforts on offering a distinctive products or services (Bauer and Colgan, 2001). Since, the products or services is distinctive such a strategy provides the highest customer loyalty (Hlavacka et al., 2001). Product differentiation meets the needs of a customer and encompasses tailoring the customer's products or services. To capture market share, this enables SMEs to start charging a premium price. Following differentiation strategy, SMEs can charge a high price for their products based on product characteristics, delivery system, service quality, or distribution channels. A sophisticated or knowledgeable consumer interested in a unique or quality product and willing to pay a high price appeals to the differentiation strategy.

Today's marketplace presents SMEs and their owners-managers who have little or no structural knowledge of traditional marketing, yet are making tremendous progress in the marketplace through entrepreneurial skills (Nwaizugbo and Anukam, 2014). This brings about entrepreneurial marketing in the context of this study. It is observed that entrepreneurial marketing is strategic in nature. The strategic nature of entrepreneurial marketing is captured in the work of Morris (2011) who identified seven dimensions around which the concept of entrepreneurial marketing can be appreciably appraised. These consist of proactiveness, calculated risk-taking, innovativeness, opportunity driven, resource leverage, customer intensity, and value creation (Nwaizugbo and Anukam, 2014). All the dimensions are strategically inclined. As defined in various literatures, entrepreneurial marketing captures the interface between entrepreneurship and marketing, and serves as an umbrella for many of the emergent vistas on marketing (Nwaizugbo and Anukam, 2014). The literature reviewed thus far, indicate that entrepreneurial marketing is widely applied in the SMEs context.

However, entrepreneurial marketing seems to thrive in a highly dynamic environment. Carson, Cromie, McGraw and Hills (1995) remarked that entrepreneurial marketing is effective within fluctuating and changing environments which restrict opportunities for formal planning. Thus, entrepreneurial marketing has the potential to facilitate the achievement of increased return on investment, market share and competitive advantage of SMEs in Kogi State.

2.2 Knowledge Based View Theory

The resource based view theory was created to explain the type and characteristics of the resources included in resource base of a firm that are strictly relevant and could enable a firm achieve the desired performance. In this case, the knowledge based view theory considers knowledge to be the most strategically significant resources of the SMEs that does not depreciate with other productive factors and can generate increasing economic return to the enterprises (Curado, 2006). This theory is said to have emanated from the resource based view theory. The nature of the knowledge based view theory is mainly dynamic and intangible because knowledge as a resource is most often embedded in organizational culture, employees, document routines, policies and systems (Wiranttanapornkul, 2012).

The differences between these two theory is that, resource based view considers tangible and intangible resources that work effectively based on specific to be the source of organizational performance but the knowledge based view consider only knowledge which is a part of intangible asset as resources that are rare, inimitable, scarce and non-substitutability and does, enable SMEs to achieve desired goals (Therious, Aggelidis and Theriou, 2009).

The knowledge based view theory is also able to provide explanations for one of the limitations of resource based view theory in which the theory focused less on the depreciating values of asset in the resource base of a firm. In this case, knowledge based view theory is able to present knowledge in its intangible form as a resource that fulfils all the characteristics within the resource based view concept and does not depreciate in value (Curado, 2006). Knowledge resources present special characteristics which makes it vital for SMEs goal achievement. Organizational knowledge presents a tremendous wealth creating potential. Contrary to traditional and finite production factors, knowledge can generate increasing returns, through its systematic use (Kim, Shin, Kim, & Lee, 2011).

Knowledge presents very special characteristics that differentiate it from physical resources and contribute to the creation and sustainability of competitive advantage. Knowledge can be used simultaneously in several applications and still it does not devaluate (King and Zeithaml, 2003). Organizational knowledge is such a marvellous substance, contrary to other resources, its utilization, under different forms, increases it, instead of decreasing it (Adler, 2002; Spender, 2002). The knowledge patrimony of the firm has a strategic potential (Birchall & Tovstiga, 1999), as this asset becomes more valuable when is used, instead of depreciating (Stewart, 1998).

The criticism of this theory is that the theory views knowledge as resource embedded within individuals, organizational culture, policies and systems that enable the organization to compete. As a result, focuses more on knowledge creation while less attention is given to knowledge application which is the primary role of any organization in a dynamic market condition (Wirattanapornkul, 2012). The knowledge based view theory considers knowledge as the most strategically significant resource of the firm. The knowledge based view theory recognizes the important role of knowledge in firms and considering it is embedded and carried through multiple entities including organizational culture and identity, policies, routines, documents, systems, and employees and these are variables being considered in this study and are vital in every organization for the achievement of organizational performance.

This study is based on the knowledge based view theory because entrepreneurial strategies are considered as knowledge which when possessed by SMEs enables SMEs development. The knowledge-based view of the firm has some features that are particularly appealing. First, it draws on and/or encompasses many of the insights developed in the behaviourally oriented firm theories, like the interplay between strategies, action, cognition, and a shared identity of organizational members (Kogut and Zander, 1996), as well as the resource-based view on the nature of competence and assets that enable SMEs development. Secondly, it adds knowledge at the group and the firm levels of analysis to what had been a construct only at the individual level of analysis. Thirdly, it reflects an emergent understanding among managers and academics on SMEs development. The knowledge-based view of the firm provides a novel analytical tool and approaches for understanding entrepreneurial strategies that could be employed for SMEs which is why it is chosen for this study.

2.3 *Entrepreneurial Strategies and Performance of SMEs*

According to Akingbade (2014), the more aligned the entrepreneurial strategies with the corresponding internal and external entrepreneurial forces are, the higher the ability of the given SMEs to utilize the entrepreneurial force to its favour or to its defence. The choice of an entrepreneurial strategy is critical for the return on investment, market share and competitive advantage of SMEs in Kogi State. Increased competition threatens the attractiveness of an industry and reduces the return on investment of industry players as it exerts pressure on SMEs to be proactive and to formulate successful entrepreneurial strategies that facilitate proactive response to anticipated actual changes in the environment. Literature has shown that there is a strong link between unique advantage and performance of

organizations. Entrepreneurial edge is able to significantly predict the variance in the performance of SMEs.

Several studies have revealed the relationship between entrepreneurial strategies and the performance of SMEs. Mwangi and Ombui (2013) examined effects of entrepreneurial strategies on the performance of mission hospitals in Kenya using a case of Kijabe Mission Hospital. These entrepreneurial strategies include marketing portfolios with adequate human and capital resources, social responsibility activities, brand images, convenience retailing, market share position and length of time in the industry.

2.4 Gaps in Literature on Entrepreneurial Strategies

The literature reviewed on entrepreneurial strategies in respect of cost strategy, differentiation strategy, focus strategy, human resource strategy, entrepreneurial marketing as a strategic approach and adaptation strategy has shown a gap in their relationship with return on investment, market share and competitive advantage. Previous researches only focused competitive strategies and its relationship with performance of firms were largely investigated. This contribution of this study bridged the gap.

The study also reviewed one theory that formed the basis upon which it premised (knowledge based view theory). The theory provides justification and reasons for the relationship between entrepreneurial strategies and the performance of SMEs in Kogi State. It is believed that there has been consistent neglect in research in this area especially among SMEs which could lead to a disservice to the sector and also the economy at large. Hence, the study based on the premise that probably there are not many studies in the field. Thus, the study investigated how entrepreneurial strategy affects return on investment and market share of SMEs in Kogi State.

3. METHODOLOGY

3.1 Research Design

This study adopted the survey research design because it depends largely on content analysis of primary source of data. Secondary information was only used for illustration in the literature.

3.2 Population of the Study

The study's population is the complete group of SMEs that share some common set of characteristics. Thus, the population of interest comprised of SMEs in Kogi State. SMEDAN and National Bureau of Statistics (2013) put SMEs in Kogi State to total 844 altogether. Kogi State has 827 small enterprises and 17 medium enterprises.

3.3 Sample Size Determination/Technique

Determining the sample size is the act of selecting the number of observations to include in the statistical sample. For the purpose of this study, sample size was determined using the table of the sample size developed by Bartlett, Kotrilik and Higgins (2001) as given in appendix 1. Two hundred and sixty (260) was used as the sample size of this study. This is indicated in appendix 1 under the margin error of 0.05 ($t= 1.96$).

Multi-stage sampling technique was used in this study. First, two-step random sampling was used to select the SMEs within Kogi State metropolises; this involved classifying all SMEs based on common characteristics and determining their cluster to ensure that they have equal chances of being selected. Also, the study considered the degree of diversity in the study area. For instance, almost all the tribe/ethnic groups and religious groups were covered.

3.4 Validation/Reliability of the Instrument

Validity was established by reviewing the viability of the constructs in the instrument. The variables were ensured to have measured the constructs well. Errors and ambiguous were abolished through the content review by professionals in strategic management.

The Cronbach alpha results for cost strategy ($\alpha= 0.930$); production differentiation strategy ($\alpha= 0.921$); human resources strategy ($\alpha= 0.913$); entrepreneurial marketing ($\alpha= 0.956$); and adaptation strategy ($\alpha= 0.925$) show that the instrument has high reliability. Also, the reliability (Cronbach alpha results) for return on investment ($\alpha= 0.930$); market share ($\alpha= 0.967$); and competitive advantage ($\alpha= 0.752$) show that the instrument has high reliability (see table 1).

Table 1: Reliability of Entrepreneurial Strategies

S/N	Constructs	Cronbach's Alpha	No of items
1	Cost strategy	.930	3
2	Product differentiation strategy	.921	3
3	Human resources strategy	.913	3
4	Entrepreneurial marketing	.956	3
5	Adaptation strategy	.925	3

Source: Field Survey, 2019.

Table 2: Reliability of Performance of SMEs

S/N	Constructs	Cronbach's Alpha	No of items
1	Return on investment	.930	3
2	Market share	.967	3

Source: Field Survey, 2020.

3.5 Method of Data Analysis

The data that were collected for the study were analysed using both descriptive and inferential analytical techniques. The analytical technique that was employed to achieve the study's objectives is multiple regression analysis.

The effects between dependent and independent variables were performed using the multiple regression technique. The first step consisted of defining the variables of interest. In this study, performance was proxied with return on investment, market share and competitive advantage as the dependent variable and key predictors (cost, product differentiation, human resource, entrepreneurial marketing and adaptation strategies) as the independent variables.

4. DATA PRESENTATION AND ANALYSIS

Table 3: Showing descriptive statistics of entrepreneurial strategies

Strategies	N	Min.	Max.	Mean	Std. Deviation
Price/cost strategy	189	1.00	5.00	2.8466	1.28525
Differentiation strategy	189	2.00	5.00	2.6455	1.14680
Human resource strategy	189	1.00	3.00	2.8677	.39742
Entrepreneurial marketing strategy	189	1.00	4.00	2.9947	.98119
Adaptation strategy	189	2.00	4.00	2.7884	.90370
Valid N (listwise)	189				

Source: Field survey, 2020.

The table 3 above shows descriptive statistics of entrepreneurial strategies. The table indicates price/cost strategy (mean=2.8466; standard deviation=1.28525), differentiation strategy (mean=2.6455; standard deviation=1.14680), human resource strategy (mean=2.8677; standard deviation=0.39742), entrepreneurial marketing strategy (mean=2.9947; standard deviation=0.98119), and adaptation strategy (mean=2.7884; standard deviation=0.90370) are entrepreneurial strategies adopted by respondents in the study area. It is observed that human resource strategy is the most adopted entrepreneurial strategies by SMEs in the study area.

Table 4: Showing descriptive statistics of performance

Indicators	N	Min.	Max.	Mean	Std. Deviation
Return on Investment	189	2.00	4.00	2.9471	.96610
Market Share	189	2.00	3.00	2.3333	.47266
Competitive advantage	189	1.00	4.00	2.5556	.80115
Valid N (listwise)	189				

Source: Field survey, 2020.

The table 4 above shows the descriptive statistics of performance of SMEs in the study area. The table shows return on investment (mean=2.9471; standard deviation=0.96610), market Share (mean=2.3333; standard deviation=0.47266), and competitive advantage (mean=2.5556; standard deviation=0.80115). It is seen that return on investment is the strongest performance indicator of SMEs in the study area.

Table 5a: Model Summary of entrepreneurial strategies and return on investment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.444 ^a	.197	.193	.50028
2	.492 ^b	.242	.234	.48744
3	.518 ^c	.269	.257	.48005
4	.563 ^d	.316	.302	.46532
5	.559 ^e	.313	.302	.46529

Source: Field survey, 2020.

Table 5a shows the effects of four entrepreneurial strategies (such as product differentiation strategy, adaptation strategy, human resource strategy, and entrepreneurial marketing strategy) on the return on investment of SMEs in Kogi State. The adjusted R-squared compares the goodness-of-fit for the regression models that contain differing numbers of the

independent variables (product differentiation strategy- 0.193, adaptation strategy- 0.234, human resource strategy-0.257 and entrepreneurial marketing strategy- 0.302).The result of the coefficient of determinations shows that product differentiation strategy ($R^2= 0.197$), adaptation strategy ($R^2= 0.242$), human resource strategy ($R^2= 0.269$) and entrepreneurial marketing strategy ($R^2= 0.316$) have explanatory power over the return on investment of SMEs in Kogi State. It is seen that 19.7% variation in the return on investment of SMEs in Kogi State is explained by product differentiation strategy. 24.2% variation in the return on investment of SMEs in Kogi is explained by adaptation strategy; 26.9% variation in the return on investment of SMEs in Kogi State is explained by human resource strategy; and 31.6% variation in the return on investment of SMEs in Kogi State is explained by entrepreneurial marketing strategy. The unexplained variations (product differentiation strategy – 80.3%, adaptation strategy – 75.8%, human resource strategy – 73.1% and entrepreneurial marketing strategy -68.4%) show that there are other variables that can predict return on investment of SMEs in Kogi State. Invariably, all the coefficient of determinations (R^2 value) proved that these variables have weak effects on the return on investment of SMEs in Kogi.

Table 5b: Coefficients of entrepreneurial strategies and return on investment

Model		Unstd Coefficients		Std Coef.	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolera nce	VIF
1	(Constant)	2.001	.092		21.825	.000		
	Product differentiation strategy	.216	.032	.444	6.774	.000	1.000	1.000
2	(Constant)	2.501	.175		14.268	.000		
	Product differentiation strategy	.175	.033	.360	5.230	.000	.863	1.159
	Adaptation strategy	-.140	.042	-.228	-3.313	.001	.863	1.159
3	(Constant)	3.209	.322		9.960	.000		
	Product differentiation strategy	.158	.033	.326	4.735	.000	.833	1.200
	Adaptation strategy	-.138	.042	-.223	-3.300	.001	.862	1.160
	Human resource strategy	-.234	.090	-.167	-2.602	.010	.956	1.046
4	(Constant)	4.437	.463		9.580	.000		
	Product differentiation strategy	.045	.045	.092	.989	.324	.427	2.343
	Adaptation strategy	-.452	.096	-.733	-4.689	.000	.152	6.585

Human resource strategy	-.600	.134	-.428	-4.474	.000	.406	2.465
Entrepreneurial marketing strategy	.332	.093	.586	3.592	.000	.140	7.162

Source: Field survey, 2020.

Table 5b shows the coefficients of the variables and the return on investment of SMEs. The coefficient of product differentiation strategy (unstandardized beta- 0.216) shows a positive relationship with the return on investment of SMEs in Kogi State. The coefficient of product differentiation strategy (standardized beta- 0.444; p-value = 0.01) shows greater contribution to the return on investment of SMEs. The product differentiation strategy has high coefficient than the adaptation strategy; given the product differentiation strategy (unstandardized beta- 0.175) and the adaptation strategy (unstandardized beta- -0.140). It is seen also that product differentiation strategy has more contribution to the return on investment of SMEs compared to adaptation strategy; given the product differentiation strategy (standardized beta- 0.360; p-value = 0.01) and the adaptation strategy (standardized beta- -0.228; p-value= 0.01). The result proves that adaptation strategy has negative relationship with the return on investment of SMEs.

The results in table 5b show that product differentiation strategy also has the highest coefficient (unstandardized beta- 0.158) compared with adaptation strategy (unstandardized beta- -0.138) and human resource strategy (unstandardized beta- -0.234). Product differentiation strategy also has the highest contribution to the return on investment of SMEs; given the product differentiation strategy (standardized beta- 0.326; p-value = 0.01), the adaptation strategy (standardized beta- -0.223; p-value = 0.01) and human resource strategy (standardized beta- -0.167; p-value = 0.01). The result proves that human resource strategy has negative relationship with the return on investment of SMEs.

Finally, the results in table 5b show that entrepreneurial marketing strategy has the coefficient (unstandardized beta- 0.332) compared with product differentiation strategy (unstandardized beta- 0.045), adaptation strategy (unstandardized beta- -0.452) and human resource strategy (unstandardized beta- -0.600). Human resource strategy also has the highest contribution to the return on investment of SMEs; given the entrepreneurial marketing strategy (standardized beta- 0.586; p-value = 0.01), product differentiation strategy (standardized beta- 0.092; p-value = 0.01), adaptation strategy (standardized beta- -0.733; p-value = 0.01) and human resource strategy (standardized beta- -0.428; p-value = 0.01). The result proves that

entrepreneurial marketing strategy has positive relationship with the return on investment of SMEs.

Table 6a: Model Summary of entrepreneurial strategies and market share

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770 ^a	.594	.591	.30553
2	.827 ^b	.685	.681	.26990
3	.845 ^c	.714	.710	.25758
4	.941 ^d	.885	.883	.16357

Source: Field survey, 2020.

Table 6a shows the effects of four variables (such as product differentiation strategy, human resource strategy, entrepreneurial marketing strategy, and adaptation strategy) on the market share of SMEs in Kogi State. The adjusted R-squared compares the goodness-of-fit for the regression models that contain differing numbers of the independent variables (product differentiation strategy- 0.591, human resource strategy- 0.681, entrepreneurial marketing strategy- 0.710 and adaptation strategy- 0.883). The result of the coefficient of determinations show that product differentiation strategy ($R^2 = 0.594$), human resource strategy ($R^2 = 0.685$), entrepreneurial marketing strategy ($R^2 = 0.714$) and adaptation strategy ($R^2 = 0.885$) have explanatory power over the market share of SMEs in Kogi State. It is seen that 59.4% variation in the market share of SMEs in Kogi State is explained by product differentiation strategy. 68.5% variation in the market share of SMEs in Kogi State is explained by human resource strategy; 71.4% variation in the market share of SMEs in Kogi State is explained by entrepreneurial marketing strategy; and 88.5% variation in the market share of SMEs in Kogi State is explained by adaptation strategy. The unexplained variations (product differentiation strategy – 40.6%, human resource strategy – 31.5%, entrepreneurial marketing strategy – 28.6% and adaptation strategy -11.5%) show that there are other variables that can predict the market share of SMEs in Kogi State. Invariably, all the coefficient of determinations (R^2 value) proved that these variables have strong effects on the market share of SMEs in Kogi State.

Table 6b: Coefficients of entrepreneurial strategies and market share

Model	Unstandardized Coefficients		Std. Coef.	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF

1	(Constant)	1.500	.056		26.779	.000		
	Product differentiation strategy	.321	.019	.770	16.526	.000	1.000	1.000
2	(Constant)	2.634	.163		16.198	.000		
	Product differentiation strategy	.294	.018	.706	16.770	.000	.957	1.045
	Human resource strategy	-.371	-.051	-.308	-7.323	.000	.957	1.045
3	(Constant)	2.680	.156		17.228	.000		
	Product differentiation strategy	.288	.017	.690	17.114	.000	.949	1.054
	Human resource strategy	-.479	-.054	-.398	-8.828	.000	.758	1.319
	Entrepreneurial marketing strategy	.094	.022	.194	4.384	.000	.793	1.262
4	(Constant)	4.825	.163		29.635	.000		
	Product differentiation strategy	.092	.016	.221	5.779	.000	.427	2.343
	Human resource strategy	-1.012	-.047	-.841	-21.471	.000	.406	2.465
	Entrepreneurial marketing strategy	.584	.033	1.198	17.942	.000	.140	7.162
	Adaptation strategy	-.561	-.034	-1.062	-16.575	.000	.152	6.585

Source: Field survey, 2020.

Table 6b shows the coefficients of the variables and the market share of SMEs. The coefficient of product differentiation strategy (unstandardized beta- 0.321) shows a positive relationship with the market share of SMEs in Kogi State. The coefficient of product differentiation strategy (standardized beta- 0.770; p-value = 0.01) shows greater contribution to the market share of SMEs. The unstandardized coefficient of product differentiation strategy is 0.294) and that of the human resource strategy is -0.371. It is seen also that product differentiation strategy has more contribution to the market share of SMEs compared to human resource strategy; given the product differentiation strategy (standardized beta- 0.706; p-value = 0.01) and the human resource strategy (standardized beta- -0.308; p-value = 0.01). The result proves that human resource strategy has negative relationship with the market share of SMEs.

The results in table 6b show that product differentiation strategy also has the highest positive coefficient (unstandardized beta- 0.288) compared to human resource strategy (unstandardized beta- -0.479) and entrepreneurial marketing strategy (unstandardized beta- 0.094). Product differentiation strategy also has the highest contribution to the market share of SMEs; given the product differentiation strategy (standardized beta- 0.690; p-value = 0.01), the human resource strategy (standardized beta- -0.398; p-value = 0.01) and entrepreneurial marketing strategy (standardized beta- 0.194; p-value = 0.01). The result

proves that entrepreneurial marketing strategy has positive relationship with the market share of SMEs.

Finally, the results in table 6b show that entrepreneurial marketing strategy has the highest positive coefficient (unstandardized beta- 0.584) compared with product differentiation strategy (unstandardized beta- 0.092), human resource strategy (unstandardized beta- -1.012) and adaptation strategy (unstandardized beta- -0.561). Entrepreneurial marketing strategy also has the highest contribution to the market share of SMEs; given the entrepreneurial marketing strategy (standardized beta- 1.198; p-value = 0.01), product differentiation strategy (standardized beta- 0.221; p-value= 0.01), human resource strategy (standardized beta- -0.841; p-value= 0.01) and adaptation strategy (standardized beta- -1.062; p-value = 0.01). The result proves that adaptation strategy has negative relationship with the market share of SMEs.

5. FINDINGS AND DISCUSSION

Finding shows that the effects of product differentiation strategy, adaptation strategy, human resource strategy, and entrepreneurial marketing strategy on the return on investment of SMEs in Kogi State are significant but weak. The contribution of product differentiation strategy to the return on investment of SMEs was found to be significantly weak but positive. The inclusion of adaptation strategy reduced the contribution of product differentiation strategy to the return on investment of SMEs. This is in alignment with Porter's (2000) assertion that the combination of two strategies will be dangerous for a firm. Meanwhile, adaptation strategy is found to have negative relationship with the return on investment of SMEs. This is advancement to the finding of Ibidunni *et al.* (2014) that product adaptation significantly relates the survival of SMEs. Increasing effort in the adoption or implementation of adaptation strategy can cause diminished return on investment of SMEs in Kogi State. Also, findings show that human resource strategy has negative relationship with the return on investment of SMEs. This may result as the cost attached to adopting human resource strategy. Apulu *et al.* (2011) also noted that human resource strategies of SMEs have been insufficient and that it inhibits their performance. Unlike, human resource strategy, entrepreneurial marketing strategy has positive relationship with the return on investment of SMEs. Though, the contribution of entrepreneurial marketing strategy to the return on investment of SMEs is relatively high. However, this finding clarifies the position of Nadada

(2013) and Dzisi and Ofofu (2014) that entrepreneurial marketing strategies are associated only with market share.

Finding show that product differentiation strategy, human resource strategy, entrepreneurial marketing strategy, and adaptation strategy have significantly strong effects on the market share of SMEs in Kogi State. Product differentiation strategy has been found to have very high contribution to the market share of SMEs. This is contrary to the significant negative contribution of human resource strategy to the market share of SMEs. It is also found the relationship of product differentiation strategy and the market share of SMEs is positive; this is contrary in the case of human resource strategy. The contribution of entrepreneurial marketing strategy is found to be positive but significantly weak. Finding further reveals that entrepreneurial marketing strategy has positive relationship with the market share of SMEs. This implies that increased adoption of entrepreneurial marketing strategy will bring about increased market share of SMEs. This supports the assertion of Nadada (2013) SMEs having poor entrepreneurial marketing strategies are likely to witness reduced market share. The inclusion of adaptation strategy has made the contribution of entrepreneurial marketing strategy to the market share of SMEs to rise to the peak. The contribution of adaptation strategy to the market share of SMEs thus becomes overwhelmingly negative. Its relationship with the market share is also negative.

6. CONCLUSION

Entrepreneurial strategies are long term oriented goal pursuit action plan. SMEs that must continue to remain significant and survive in a dynamic business environment must adopt entrepreneurial strategies. It has been proven in varying studies that entrepreneurial strategies have the propensity to increase the business performance of firms. Some studies have proven that only individual entrepreneurial strategies can guarantee the business performance of firms. This means that no two entrepreneurial strategies can be combined to achieve the performance of SMEs.

However, this study has proven that the combination of two or more strategies have no dangerous effects on the performance of SMEs in Kogi State. Though, the effects of product differentiation strategy, adaptation strategy, human resource strategy, and entrepreneurial marketing strategy on the return on investment of SMEs in Kogi State are significantly weak; but these strategies have significantly strong effects on both market share and competitive advantage of SMEs in Kogi State. The empirical proves on the contribution of the individual

entrepreneurial strategies to return on investment, market share and competitive advantage have shown that two or more strategies can be combined. For instance, product differentiation strategy contributes significantly positive and weakly to the return on investment of SMEs in Kogi State. When adaptation strategy was combined, it reduced the contribution of product differentiation strategy to the return on investment of SMEs. In another case, the relationship of product differentiation strategy and the market share of SMEs are positive; this is contrary in the case of human resource strategy. The contribution of entrepreneurial marketing strategy is positive but significantly weak when combined with other entrepreneurial strategies. The inclusion of adaptation strategy made the contribution of entrepreneurial marketing strategy to the market share of SMEs to rise to the peak.

7. RECOMMENDATIONS

This study recommends that:

- i. SME owners should adopt the combination of entrepreneurial marketing strategy and product differentiation strategy to achieve increasing return on investment in Kogi State; and give less attention to the adoption of both adaptation strategy and human resource strategy.
- ii. For SME owners who want to achieve increased market share, they should adopt the combination of product differentiation strategy and entrepreneurial marketing strategy. The adoption of human resource strategy and adaptation strategy can cause the market share of SMEs to diminish. Thus, SME owners should avoid the adoption of these strategies to sustain their market share.

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APPENDIX I

Sample Size

S/N	Population Size	Continuous Data			Categorical Data		
		Margin of Error = 0.03			Margin of Error = 0.05		
		Alpha=.10	Alpha=.05	Alpha=.01	p.50	p.50	p.50
		T=1.65	T=1.96	T=2.58	t=1.65	t=1.96	t=2.58
1	100	46	55	68	74	80	87
2	200	59	75	102	116	132	154
3	300	65	85	123	143	169	207
4	400	69	92	137	162	196	250
5	500	72	96	147	176	218	286
6	600	73	100	155	187	235	316
7	700	75	102	161	196	249	341
8	800	76	104	166	203	260	363
9	900	76	105	170	209	270	382
10	1000	77	106	173	213	278	399
11	1500	79	110	183	230	306	461
12	2000	83	112	189	239	323	499
13	4000	83	119	198	254	351	570
14	6,000	83	119	209	259	362	598
15	8,000	83	119	209	262	367	613
16	10,000	83	119	209	264	370	623

Source: Bartlett, Kotrilik and Higgins (2001)