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## The Importance of Marketing in Entrepreneurial Development and Poverty Alleviation in Nigeria

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### Abstract

*Various governments all over the world have acknowledged that entrepreneurship and the formation of micro, small and medium enterprises is the key to economic growth, employment generation and poverty alleviation. However, for entrepreneurship to play this role effectively and efficiently, it must be a vital and an integral component of productivity and growth. Most SMEs in Nigeria experience abysmally low performance, and some even fold up within five years of start-up despite governmental efforts in encouraging entrepreneurial development in the country, This work on the importance of marketing in entrepreneurial development and poverty alleviation in Nigeria aims at identifying the sources and causes of problems in the orientation and practice of entrepreneurship and marketing in SMEs. The paper is a conceptual study and as such relied more on the review of the views of different scholars and researchers in marketing, entrepreneurship and SMEs in Nigeria and elsewhere. The study revealed that most SMES in Nigeria needed more exposure to the principles and practice of marketing and entrepreneurship so as to contribute maximally to economic development, employment and poverty alleviation in the country in spite of the ever-increasing competition both locally and internationally. To achieve this, the study recommended, among others, that the entrepreneurial and marketing skills of budding entrepreneurs and chief executive and directors of SMEs. Should be enhanced through education and training. This can be achieved through either formal regular education for those who can afford it, or by some part-time arrangements with professional marketers, and university lecturers as consultants.*

**Keywords:** Entrepreneurship, Poverty alleviation, Entrepreneurial Marketing, Material Poverty, Mental Poverty. SMEs, Marketing, Entrepreneur, Nigeria

### Introduction

Nigeria is rated as the sixth largest oil exporting country in the world. It is also blessed with other non-oil export minerals like iron ore, gemstone, coal, etc. and lots of agricultural produce such as cocoa, rubber, kola, hides and skin, etc. These supposed upbeat economic indices are complemented by abundant human resource that she is endowed with. But here lies the irony of Nigeria's situation.

Despite these abundant resources and oil wealth, poverty is widespread in the country to the extent that Nigeria is now considered the twentieth poorest nation in the whole world. No wonder the World Bank (1996) described Nigeria as a paradox where the level of poverty contradicts the immeasurable wealth of the country. The UNDP Human Development Report of 2007 - 2008 revealed that Nigeria was ranked number 158 out of 188 countries of the world based on quality of life. The report further indicated that poverty has become endemic in Nigeria and as such the country has been categorized as one of the poorest countries with about 70.80% and 92.4% of Nigerians living below \$1 and \$2 a day respectively. It is unfortunate, indeed, that despite the huge sums earned over the past four decades from a single source - petroleum - the country has not made any remarkable progress in its socio-economic and political development. Alex-duru (2008) avers that over seventy percent (70%) of Nigerians is classified as poor with thirty five percent (35%) living in abject poverty.

According to Obi (2009) forty percent (40%) of the country's population is unemployed. Before now, the country has upper, middle and lower social classes among the citizens. But today, the middle class has been completely obliterated giving room for only the upper and the lower classes (Alex-duru).

Poverty offers a major challenge to human kind in general but more devastating in Nigeria where the majority suffers pronounced deprivation while the few or insignificant minority enjoys increase in prosperity. The federal government has designed various programmes in its attempt to alleviate poverty in Nigeria with little success due to insincerity and poor implementation.

#### Effects of Poverty

The devastating effects of poverty can be seen in such areas as health, education and social violence.

*Health:* Poverty leads to lack of access to health services and proper medical treatment, suffering from hunger and starvation which can lead to mental and physical health problems and eventual lower life expectancy. Poverty can also be associated with drug abuse among the poor who are more likely to indulge in rampant abuse of doctor's prescriptions. Poverty is a disease and as such it reflects the dynamic relationship between poverty and poor health. The detrimental health effects of poverty have a lot of implications among which are perpetual impoverishment of national and personal health and financial resources, and threats to economic, social and political structures of the entire society.

*Education:* Education from pre-school to high school is identifiably meaningful in a life and is also the surest weapon against poverty. Children who live at or below poverty level generally perform more poorly educationally than those who live above poverty line. Poor children have a great deal less access to health care and consequently are more prone to playing truancy from school many times in the academic year. Additionally, poor children, to a large extent, are much more likely to suffer from hunger, fatigue, irritability, headaches, etc. which adversely affect their focus and concentration and academic performance.

*Violence:* Areas strongly affected by abject poverty tend to be more prone to violence. In Nigeria for example, cases of violence abound in areas associated with the downtrodden like in the Niger Delta

areas (where militants are agitating for better life from oil resources), in parts of the Northern States (where religious disturbances are perpetrated by the poor masses), and 'Alaye' clashes in the West (where poverty stricken miscreants indulge in unleashing violence). The militancy in the Niger Delta has snowballed into profitable business of kidnapping for ransom by unemployed youths in the South-South and South-East geopolitical zones of Nigeria. During these acts of violence, properties worth billions of naira are destroyed, thereby further impoverishing the country.

The effects of poverty as presented above, no doubt, reveal that poverty is a dangerous social and economic evil that can destroy the fabrics of a nation's sovereign existence. It is therefore, alarming and disheartening to realize that over seventy percent (70%) of Nigeria's population is under the devastating grip of poverty. This, indeed, calls for mutual concern on how it can be eliminated before it devours the whole nation.

Reflecting on the causes of poverty in Nigeria, it can easily be observed that the culture and long history of inefficiency and corruption in governance, plus the sole dependence of the country on crude oil exports for its earnings are the bane of wide spread of poverty in Nigeria. Petroleum plays a major role in the economy of Nigeria, accounting for eighty percent (80%) of the country's GDP. One wonders why a country in which sixty percent (60%) of its working population is engaged in agriculture with vast areas of underutilized arable land could not boast of any export in agricultural produce, talk more of industrial exports. This is in spite of various bogus anti-poverty programmes of the government.

Various countries have realized that entrepreneurship is the key to economic growth and development as it plays significant role in employment generation and poverty alleviation. The Nigerian government has not lost sight of this fact and as such it has formulated various economic programmes and policies targeted at the growth and development of organized private sector investments. The government has acknowledged the fact that entrepreneurship development and private sector growth are the catalysts that fast-track economic development in any free market economy.

In spite of all the efforts of government, most entrepreneurs have experienced failure in their various ventures while few could boast of minimal success. It is the contention of this paper that the unhealthy situation begs for involvement of effective marketing, since marketing is the life blood of every business. The business of marketing is the identification of customers, anticipation of their needs, and designing of adequate strategies to satisfy those needs. Empirical evidence suggests that a significant relationship exists between enterprise marketing and entrepreneurial orientations, both widely responsible for corporate success (Inderscience, 2007).

The objective of this paper, therefore, can be summarized as follows: to x-ray the state of poverty in Nigeria, and establish the importance of entrepreneurial marketing in enterprise success and poverty alleviation.

## REVIEW OF RELATED LITERATURE

### Situation Analysis of Poverty in Nigeria

Nigeria holds the unenviable record of having over seventy percent (70%) of its population living below the globally acceptable survival level of one dollar per day (Adepelumi, 2007). Poverty in Nigeria can be explained from two perspectives: material perspective and mental perspectives.

#### Material Poverty

This is the most obvious, and is defined as severe deprivation resulting from a lack of access to economic empowerment to acquire the fundamental necessities of life including food, clothing, shelter, healthcare and basic education Alex-duru (2007). This definition of poverty graphically captures the humiliating situation of many citizens of Nigeria. Studies indicate that over 53.6 million (nearly 45%) of Nigerians go to bed hungry every night, over 5 million Nigerian youths are estimated to be unemployed, and over 7 million primary school age children are out of school (Alex-duru, 2007). More pathetic is the disclosure that 20 out of every 1000 Nigerian children stand the risk of dying before the age of 5. Equally devastating is the fact that an estimated 800 women out of every 100,000 lose their lives during childbirth due to excruciating pangs of poverty. Equally disturbing and shocking is that an estimated 44 million Nigerians are living with HIV/AIDS. Lamenting on the ravaging disease of poverty, Adeniran (2009) asserts that most of the people in the country are victims of inadequate food and nutrition, inequality of opportunities, uncontrollable income disparity whereby the poorest forty percent (40%) of families earn just about the income of the top one percent (1%) of the upper class while the middle class has been completely eliminated.

Abject poverty in our rural areas has forced a great number of rural dwellers to migrate en mass to the urban areas in search of greener pastures and comfort. Consequently, many Nigerian urban towns and cities are overcrowded with armies of the unemployed, unemployable and the working poor. This last group of poor people works in low-wage industries, and cannot support their immediate families nor save for future contingencies. There are still the rural poor whose quality of life is abysmally below that of the urban poor based on relative access to essentials of life such as healthcare services, housing, education, etc, Olugbodi (2009) avers that at present, forty percent (40%) of Nigerians are unemployed, but the most disturbing is that a large percentage of these unemployed are within the productive age bracket which is the pivot of economic growth and development.

#### Mental Poverty

Adeniran (2009) conceives mental poverty as poverty of ideas which limits our horizon and delimits the Choices before us by values which deprived and actions which are dehumanizing. This makes us accept as inevitable what ought not be. Commenting on the gravity of mental poverty Adeniran (2009) asserts that Nigeria suffers more from mental poverty than from material poverty. Examples of sufferers from mental poverty abound in our society: the child who does not believe in school or who is kept out of the school system is suffering from it; parents who buy certificates for their children or who engage the services of examination mercenaries to write examinations for their children are suffering from it; leaders and institutions who import or produce substandard products are suffering

from it. The list of sufferers from mental poverty is unending: manufacturers and traders who deceive and cheat their customers, those who engage in system distortions and manipulations at different levels, those politicians and political office-holders who initiate, encourage, promote and perpetuate corruption in the society, the lawless and rascals who ride on the crest of savagery and greed, etc.

The unsavory consequence of these two forms of poverty is that the two converge to undermine individual and national growth and development due to low productivity, unemployment, increase in foreign debts, weak currency, etc. The end result is that today Nigeria has been categorized as one of the world's least developed countries (UNDP, 2007).

Indeed, the high degree of poverty in Nigeria has been attributed to certain factors among which are these major ones : the civil war, bad governance, corruption, debt burden, low productivity, unemployment, religious and ethnic conflicts, macroeconomic distortions, effects of globalization, high population growth rate and poor human resource development (Alex-duru, (2008). The menace of poverty has attracted the attention of governments in Nigeria since the days of oil boom to the current administration. However, despite the various poverty alleviation programs by various governments, the canker worm continues to eat deep into the fabrics of the lives of most innocent and downtrodden Nigerians. This may mean that the formulation of the programs and policies was faulty or that the implementation was wrong.

#### Poverty Alleviation Programmes in Nigeria

Adepelumi (2007) asserts that past attempts to alleviate poverty in Nigeria can be grouped into two distinct time frames: Pre-Structural Adjustment Programme (SAP) and Post-SAP Programme. Pre-SAP programmes were mostly designed to take care of objectives such as employment generation, enhancing high agricultural output and income and stemming the rural-urban migration tide, which is generally responsible for rapid rise in poverty levels. Pre-SAP programmes include: Operation Feed the Nation (OFN), Universal Primary Education (UPE), Green Revolution, Low Cost Housing, River Basin Development Authorities (RBDA), National Agricultural, Land Development Authority (NALDA), Agricultural Credit Guarantee Scheme (ACGS), Strategic Grains Reserve Programme (SGRP), Rural Electrification Scheme (RES), and Rural Banking Programme (RBP). The Post-SAP Programmes which were indeed aimed at poverty alleviation and entrepreneurial development include the following: Directorate for Food, Roads and Rural Infrastructure (DIFRI), National Directorate of Employment (NDE), Better Life Programme (BLP), People's Bank of Nigeria (PBN), Community Banks Programme (CBP), Family Support Programme (FSP), Federal Economic Advancement Programme (FEAP), and the much celebrated National Poverty Eradication Programme (NAPEP) grafted by President Olusegun Obasanjo in ' 2001 with a take-off grant of six billion naira.

It is disheartening to observe that these programmes though very plausible, recorded minimal, if not zero, success due to poor implementation and corruption. The National Directorate of Employment was initiated by the federal government to ensure that youths are trained and educated on how to start and manage their own business which is the crux of entrepreneurial development. By NDE programme, youths are offered relevant training and skill acquisition on different areas of endeavour,

and on graduation they are assisted financially to start and manage their own business. Towards entrepreneurial development, the Nigerian government has also initiated and embarked on series of policies and programmes to encourage development of entrepreneurship in the country. Such programmes include: \*creation of industrial banks, \*creation of agricultural banks, and \*establishment of the small and medium equity investment schemes by Nigerian banks (Micro finance banks), etc. It is most unfortunate that despite all these efforts towards entrepreneurial development in the country by the government, many entrepreneurial ventures die at infancy. A lot of SMEs do not grow beyond survival threshold, and many fold up within five years of starting up. Agbonifoh, Oseyomon and Asein (2007) assert that though many factors are responsible for the failure of SMEs in Nigeria, the inability of these start-ups to withstand the intense competition from both local and foreign firms seems to be the bedrock of their failures. This is the result of poor knowledge and practice of marketing by SMEs.

It is the view of this paper that lack of effective marketing strategies is the missing link in entrepreneurial development in this country, because marketing which is the lifeblood of every business has not been well understood and practiced by most SMEs in Nigeria. Marketing involves identification and anticipation of customers and their needs, and providing such needs satisfactorily at the right time, the right price, the right place, the right quality and quantity at a profit (Onah and Allison, 2007). Entrepreneurship on its own is the ability of an individual to identify investment opportunities (unmet needs) in an environment, and being able to establish and run a business venture successfully to provide such needs at a profit. Empirical evidence indicates that there is a significant relationship between enterprise marketing and entrepreneurial orientations, both strongly responsible for corporate success (Inderscience, 2007). Entrepreneurship creates wealth and employment, and as such has tremendous impact on the quality of livelihood of a nation.

#### An Overview of Entrepreneurship

Entrepreneurship according to Fasua (2007) is the willingness and ability of an individual to seek out investment opportunities in an environment, and be able to establish and run an enterprise successfully based on the identifiable opportunities. Entrepreneurial activities constitute the bedrock of a nation's industrialization. Since the days of Alfred Marshal economists, especially Joseph Schumpeter, entrepreneurship has been regarded as the most critical contributor to economic growth and development due to its ability to generate added value to the economy through innovation and new business creation in the economy. The primary purpose of entrepreneurship is to create and add value to the economy and in turn impact positively on standard of living of the society. Successful small businesses are critical to maintaining a robust and virile economy. They broaden the base of participation in the society, create jobs, decentralize economic power, and give the citizens a stake in the future. Barreto (2006) concludes that entrepreneurship spurs the kind of innovation that enhances increase in productivity, thereby facilitating local and national prosperity.

Who are entrepreneurs? Attempts to describe who an entrepreneur is, has been and will continue to be a favourable pursuit of researchers and business journalists (Coulter, 2006). An entrepreneur, according to Cunningham and Lischeron (1991) is someone who initiates and actively operates an

entrepreneurial venture. Entrepreneurs are those who operate small businesses in most market economies. The term 'entrepreneur' which was French in origin was first applied to business by Richard Cantillon, an Irish man who lived in France in 1755, and since then the word, entrepreneur, has been used to describe one who bears the risk of starting a new organization or introducing a new idea, product or service to society (Ndubisi, 2004). They are the drivers or catalysts in any economy founded on individual property right, and are responsible for taking such economic decisions as: \*what to produce, \*how to produce, \*quantity and quality to produce, "method of production, \*where to sell, \*the price to sell, \*whom to sell, etc. In a nutshell, an entrepreneur can be described simply as someone who combines resources in the right proportions to create new technologies, goods and services. He is the person who undertakes and manages the risks involved in business, overcomes mistakes rather than avoiding them, sees himself as responsible for his own actions, and creates source of livelihood for so many people as well as markets for his ideas not just responding to existing market demands (Onah and Allison, 2007). Of critical importance is to note that entrepreneurship is much more than just establishing small businesses. If a small business is not about new value, creation, then it cannot be a product of entrepreneurship process.

#### The Role of Marketing in Entrepreneurial Development

Onah (2007) defines marketing as the anticipation and identification of needs and wants and providing such needs and wants at the time they are needed, where they are needed, how they are needed and at the price they are needed at optimum profit. An entrepreneur, on the other hand is someone who takes the risk of promoting a new business or introducing a new idea, product, or service to the society with a view of making profit. Matching these two ideas/definitions, it becomes obvious that marketing has a big role to play in entrepreneurial development. Whatever they provide, be it products or services, successful entrepreneurs need valued customers. Marketing is the function that ensures attraction and retention of loyal customers which entrepreneurs need for greater profitable performance and survival. Entrepreneurship aims at creating new products and services to satisfy unmet needs of the society, and marketing generates the needed strategies which entrepreneurs require to attract and hold satisfied customers. It is a marketing parlance that marketing precedes production, and as such it is the function of marketing to assist the entrepreneur to provide goods and services that are acceptable and satisfying to customers at good profit. Marketing enables entrepreneurs to identify the goods and services the customers need before they go into production. To this end, Ejeze and Onwuchekwa (1998) observe that the relevance of strategic management to a firm is that it provides the organization with analytical tools to select and develop a long-term marketing programme for particular segments which may appeal to a marketing organization.

Consciously or unconsciously, business organizations and entrepreneurs respond to their respective environments, and to understand the strategic behaviour of an organization, Onah and Allison (2007) suggest that one must ask the following strategic marketing management questions: \* Who are the firm's customers? \* What is the purpose of this organization? \* What is its real business? \* What are its present objectives? \* How is this organization accomplishing its objectives? These seemingly simple but difficult questions have serious implications for understanding the strategic marketing



management of an organization. Implicitly, marketing provides the entrepreneurs with the information about the market opportunities as well as problems in the market. The entrepreneur's ability to effectively interpret and evaluate the market is a prerequisite for survival and continued sustenance of business ventures.

The importance of marketing to the entrepreneur is further elucidated by the fact that marketing is the tool that aids the entrepreneur in determining the size of his market, and it also helps him to segment and target the market for effective positioning of his products in the chosen target market/s. An entrepreneur may acquire a good degree in business management, but may be ineffective in marketing his goods and services if his marketing knowledge and ability are insufficient to help him in designing and implementing winning marketing strategies and programmes. Successful implementation of the essential tasks of the marketing mix assists a producer to reach his target markets. Indeed, one can assert without fear of contradiction that marketing is the most essential factor that can determine the success or failure of any new business venture. This is the main contention of this paper which believes that marketing plays very critical role in entrepreneurial development, but is not well understood and practiced by many Nigerian entrepreneurs and small scale enterprises (SMEs).

### **Marketing In SMEs in Nigeria**

Agbonifoh (2006:132) observes that 'irrespective of the industry in which the company operates, its age, size, image, location and the goods and services which it offers, the role of marketing is essentially the same, namely: to identify customer needs and to satisfy them at a profit to the business.' In the same light, it is important to observe that marketing is the crucial function that brings in revenue to the organization no matter what is its size and other circumstances. Unfortunately, marketing in most of the Nigerian SMEs, has not gained the essential status it deserves. This assertion is in line, with the findings of Agbonifoh, Oseyomon and Asein (2007) which indicate that most of the SMEs investigated in their study had no specific structural provision for the performance of the marketing function. Indeed, the study revealed that even among the few that accorded marketing specific unit or officer in charge, less than one third had a university graduate or someone with some equivalent qualification as the head of the marketing unit. The study also indicates that generally, marketing research is evidently not popular among these SMEs. That is, marketing research and electronic and print advertising are not popular elements of promotional mixes of small scale businesses in Nigeria.

Adeniyi (2007) carried out a research on the marketing practices of selected entrepreneurs. The study which is qualitative in nature investigated twenty successful small and medium sized businesses in Ado-Odo, Ota Local Government Area, Ogun State, Nigeria. The main objective of the study was to provide a conceptualization of how marketing concepts differ in entrepreneurial context. Traditional marketing concepts can be divided into four distinct elements (Achumba, 2000): \* Marketing as an organizational philosophy or culture requires that an understanding of customer needs should precede and inform the development and marketing of products and services - the concept of market orientation (Kotler, 1992). \* Marketing as a strategy defines how an organization is to conceptualize

and survive in the marketplace. Most marketing textbooks review marketing strategy through the stages of market segmentation, targeting and positioning. \* The marketing mix refers to the specific activities and techniques, such as product development, pricing, advertising and selection of distribution channels, which implement the strategy (commonly referred to as 4ps or 7ps in services marketing). \* Marketing intelligence underpins each of these marketing principles. The members of marketing oriented organizations undertake information related activities defined by Kohli and Jaworski (1990) as organization-wide generation, dissemination and responsiveness to market intelligence.

Thus taken together, marketing can be defined in terms of organizational Philosophy of market orientation, guided by segmentation, targeting and Positioning strategies, operationalized through the marketing mix, and underpinned throughout by market intelligence. The study which was designed to investigate entrepreneurial activities in each of these categories concluded that successful entrepreneurs undertake marketing in ways that often seem to contradict known conventional models. They tend first to focus on innovations and products and services, and only second on customer needs. They identify customers through a bottom-up approach of elimination, rather than a more deliberate segmentation, targeting and positioning strategies. Further it was discovered that the SMEs rely on interactive marketing methods communicated largely through word-of-mouth rather than a more controllable and integrated marketing mix. They monitor the marketplace by gathering ad-hoc information through informal networks rather than formalized marketing research strategies. This type of entrepreneurial marketing is significantly different from the known concepts presented in most textbooks and business courses, however, the entrepreneurs involved in the study have successfully grown their businesses in this way.

The obvious conclusion that can be drawn from extant literature on marketing in SMEs consulted is that small business owners and operators appreciate the importance of and the need for marketing. However, largely due to the limitations imposed on most SMEs by their smallness, their marketing strategies and practices seem to fall short, and leave a lot of vacuum for greater efforts for improvement in their marketing management. This means that there is an urgent need for increase in knowledge, skills and understanding of marketing by entrepreneurs in Nigeria.

#### Marketing Problems of Small Businesses

Extant literature reviewed, suggests that there are special marketing problems which small businesses face and which are, to some extent, peculiar to them. Agbonifoh (2006) avers that though marketing theories, policies, principles and tools are applicable in every business irrespective of its size, there are certain characteristics of smallness which have practical marketing implications for the small business. Marketing is a management function which is interrelated with various functions and units of an organization and it is central and strategic to the survival and success of the organization. However, many small businesses do not properly harness marketing as a strategic tool for high performance due to some unique marketing problems associated to their small nature. Ram (1971) identified these problems to include: poor product design, poor product quality, lack of product standardization, and lack of marketing knowledge.

In the case of developing countries such as Nigeria, Oworen (1980) observes that reconnaissance marketing activities, that is, those activities concerned with identifying who the real or potential customers are, where they are located, what products they need or want, which can be sold to them profitably are the most neglected areas of marketing, particularly amongst small businesses. Corroborating Oworen's views, it has been posited that one of the marketing deficiencies faced by small business owners is lack of marketing research. Furthermore, it is believed that many of the entrepreneurs are ignorant of the importance of marketing research, and some of them even consider it a wasteful venture. In the same vein, Kotler and Armstrong (1999) believe that managers of small businesses often think that marketing research can be done only by experts in large companies with big research budgets. SMEs are indeed the backbone of economic development and poverty alleviation in many economies, and marketing has been identified as one of the most important tools for survival of SMEs. However SMEs are beset with various marketing problems which stunt their growth and performance especially in developing countries like Nigeria.

Highlighting the issue of marketing in SME's in Nigeria, Ude (2006) points out that 'the marketing problems of small industries have not been as a result of price.' She asserts that small scale industries prefer direct channel of distribution, shy away from advertising, and they offer neither credit facilities nor delivery services to their customers. Udeh (2006) contends that the bulk of the poor marketing performance of small scale industries is traceable to the nonexistence of marketing departments in most small scale enterprises, and stiff competition from numerous well established local and foreign competitors.

The importance of marketing in SMEs and the contributions of entrepreneurial marketing in poverty alleviation cannot be overemphasized. However, in Nigeria the limitations in marketing knowledge and the various problems militating against effective marketing in SMEs leave much to be desired, and as such the situation calls for urgent action to fill the yawning gap in entrepreneurial marketing as a means to achieving greater performance by SMEs and poverty alleviation.

#### The Importance of Entrepreneurial Marketing in Poverty Alleviation

Entrepreneurial marketing which essentially encompasses two very distinct areas of management: marketing and entrepreneurship is fast gaining currency in the marketing literature. A growing awareness of the importance of entrepreneurship and innovation to marketing, and of marketing to successful entrepreneurship, has recently led to attempts to combine the two disciplines as 'entrepreneurial marketing'. The main thrust of entrepreneurial marketing is an emphasis on adapting marketing to forms that are appropriate to small and medium-scale enterprises (SMEs), acknowledging the likely role of entrepreneurs in marketing activities (Adeniyi, 2007).

Based on the reviewed literature, three issues need to be addressed to improve the prospects of high-impact SMEs in Nigeria. These issues include: the role of entrepreneurship, firm growth and upgrading, and technological capabilities.

The role of entrepreneurship in SMEs in Nigeria shows that 'necessity entrepreneurship' prevails over 'opportunity entrepreneurship' which tends to be led by higher skilled and better capitalized

entrepreneurs. Most Nigerian entrepreneurs lack adequate and relevant information about the business they are going into, and most SMEs are started by entrepreneurs after apprenticeship from vocational centres where they are primarily trained on skill acquisition and not on business management. Studies have shown that SMEs in this country need institutional support in terms of human resource development to enhance their competitiveness in domestic and even international markets. The studies<sup>x</sup> further revealed that with training, micro businesses could prepare business plans that could place them above similar organizations (Obi, 2009). A good business plan clarifies what has to be done, communicates credibility to prospective investors, generates enthusiasm, and attracts the caliber of employees, investors and suppliers needed to achieve the set goals.

Due to mainly lack of specific management and/or marketing skills, only a small proportion of SMEs grow beyond survival threshold. Generally, effective delegation and raising of capital either through loans or dilution of ownership are necessary ingredients for growth of SMEs, but lack of trust in the society limits many SMEs to what the families and immediate communities can control or supervise. Sourcing of loans in Nigeria is fraught with a series of problems ranging from stringent credit conditions by banks and credit providers to high interest or lending rates when credit facilities are granted. Highly disturbing is the fact that interest on bank deposits are about 5% or even less, while bank lending rates are now above 20% per annum making it extremely difficult for SMEs to source start-up capital and operating funds.

Among the serious difficulties facing SMEs in Nigeria is their deficiency in application of high technology in their operations. The technological capabilities of Nigerian SMEs are as such that they use low-tech routine operations which only result in poor- product quality, lack of product standardization and poor product design. All these coupled with lack of general marketing skills constitute the major marketing problems of most SMEs in Nigeria. Indeed, poor performance of SMEs can be due to such problems emanating from marketing and entrepreneurship as their incapability of creating new knowledge, not being able to embrace and apply new technology, and not engaging in research and development.

Entrepreneurial marketing is the interface between marketing and entrepreneurship. While entrepreneurship is seen as an effective strategy for alleviating poverty because it creates wealth and employment, and has profound impact on the quality of livelihood of a country's population, marketing provides the strategy for locating and serving customers satisfactorily and profitably. The entrepreneur must display enough marketing and entrepreneurial knowledge and skills in order to succeed in the turbulent and highly competitive business environment. By becoming a vital component of growth and productivity, entrepreneurial marketing plays a critical role in effective and efficient creation of wealth and employment which impact positively on the standard of living of the society. With increase in wealth and employment resulting from effective entrepreneurship and marketing, poverty is reduced to a minimal level in any society.

Lack of knowledge and skills in entrepreneurship and marketing has resulted in stillbirth for many SMEs and stunted growth for others in Nigeria. However, energizing and increasing entrepreneurship

performance involves increasing the entrepreneur's human capital through knowledge, education and training in entrepreneurship and marketing.

#### Recommendations and Conclusion

Effective utilization of entrepreneurial marketing by SMEs in Nigeria is an important panacea for poverty alleviation and economic development through creation of wealth and employment. Knowledge and understanding of entrepreneurship and marketing are very important for survival and profitable performance of small and medium-sized businesses. This is because such knowledge sharpens the skills of entrepreneurs in identifying environmental opportunities, exploiting such opportunities creatively and innovatively, and in offering total quality products to their customers effectively and satisfactorily at a profit.

No matter the position one takes, the inevitable conclusion is that small-scale businesses in Nigeria are confronted with excruciating marketing problems which limit their ability in contributing effectively to economic growth and development, and poverty alleviation. The smallness of most of these SMEs and their lack of marketing knowledge make it difficult for them to either have marketing departments or units, or practice any conventional marketing in their businesses. It is therefore evident that SMEs in Nigeria need urgent help from professional marketers, and based on this, the paper recommends as follows:

- ❖ That the federal government should intensify its policy on entrepreneurship education which makes it compulsory for Nigerian universities to include courses on entrepreneurship in their curricula making entrepreneurial marketing a key course in the programme.
- ❖ On the part of SMEs, some part-time arrangements can be considered by which university lecturers and other reputable marketing experts can be retained as consultants by the companies. Such consultants can visit the organization from time to time as deemed necessary, and to support such training, CEOs/Directors of such SMEs should attend regular seminars and workshops with their staff on marketing and entrepreneurship.

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