



## **RELEVANCE OF MARKETING STRATEGIES AND RECORD KEEPING FOR EFFECTIVE OPERATION OF SMALL SCALE BUSINESSES IN KADUNA STATE, NIGERIA**

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### **Abstract**

*The study examined the relevance of marketing strategies and record keeping for effective operation of small scale businesses in Kaduna state, Nigeria. The study was motivated by the fact that most of small scale businesses in Kaduna State find it difficult to increase their sales volume and to survive in a competitive environment. Therefore, two (2) objectives, two (2) research questions and two (2) hypotheses were formulated in order to guide the researcher. The study adopted a survey research design in which questionnaire was used as the instrument for data collection. 144 small scale businesses were sampled from a total of 2,712 small scale businesses in the three senatorial districts of the State. The data obtained were analyzed using frequency count, mean score and standard deviation and the null hypotheses were tested using chi-square at 0.05 level of significance. The study revealed that marketing strategies and record keeping have relevance to effective operation of small scale businesses in Kaduna state. It was concluded that any small scale business lacking sound marketing strategies and proper record keeping is prone to untimely failure and weaken in chance of business survival. The study recommends that Small scale businesses should create and improve sound marketing strategy of their products so as to perk up the marketing effectiveness and efficiency in the competitive environment. Also, Small scale businesses should keep proper and adequate records of financial activities of the business so that profit and loss of business can be ascertained and the same time reduce the possibilities of early failure and increase chance of business survival.*

### **Introduction**

For many years, small scale businesses have been labeled as the major contributor to the development of many countries' economy. This is because small scale business serves as backbone to national development. For a country to reach its full potential in terms of economic and social development, it cannot afford to snub the chief role of its home-grown small scale enterprises and the input they contributed to the country's economy. This can be seen in a greater utilization of local raw materials, employment generation, encouragement of rural development, development of entrepreneurship among others. By and large small scale businesses critically played important role in economic development. Erdem and Erdem (2011) and Alaye-Ogan (2012) stated that Small businesses irrefutably remain critical to the development of any nation's economy as they are an excellent, source of employment generation, help in development of local technology, and develop indigenous entrepreneurs.

The concern of a rational small scale business owner or manager is to make high sales, remain in the market and also to expand the business. Therefore the role of clear marketing strategy and good record keeping cannot be underestimated in small



scale businesses. Marketing strategy and financial record keeping has become an important tool worldwide for any business enterprise to remain in competitive market environment and get expand. According to Owomoyela, Oyeniya, and Ola, (2013) marketing strategy is way of providing quality product that satisfies customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy. Marketing strategy is the basic goal for small scale businesses to increasing sales and achieving a sustainable competitive advantage.

Also, a good financial record keeping enables business organizations to plan properly and also check for misappropriations of resources of the organization. Small scale businesses contain transactions which generate information for better analysis of business performance. Ademola, Olaleye, Olusuyi, and Edun, (2013) explained that keeping proper books of accounts is essential to the growth and survival of a business. In order to ensure efficiency, effectiveness and the continuing survival of any business organization, management must seek for reliable, relevant, accurate and timely financial information for planning and decision making.

Marketing strategies and record keeping are required in a business to serve as evidence of policies and activities of the business. Many small scale businesses seek success but myriad of factors contribute to making a small scale business successful - strategy, dedicated employees, good information systems, excellent implementation and proper record keeping. Efficient management of small scale businesses involves adequate marketing strategies and reliance on good record keeping of the business transactions. It is quite obvious that small scale enterprises have to rely on their ability to attract more customers and maintain financial record in order to meet their asset financing requirements and other ancillary services.

### **Statement of the Problem**

Small scale businesses in Kaduna state have attracted a lot of sympathy regarding business failure. Research has shown that sixty percent (60%) of small scale businesses fail within few months of their operation (Bowen, 2009). Additionally, several studies have also indicated that thousands of small scale businesses start up every year but significant numbers of them fail before or by the first year of their operation while majority shut down before their second year (Almus, 2004 & Persson, 2004). This failure could be as a result of lack of sound knowledge in marketing and book keeping practices by owners or respective managers. Also, majority of small-scale business owners cannot apply both marketing strategy and record keeping effectively and efficiently in building strong customer relationships and sustaining the growth of their businesses.

The level of marketing strategies and financial record keeping is done haphazardly in most businesses which created many problems against the effective operation and accountability of small scale businesses. Ebitu (2015) exposed that marketing problems such as difficulty in managing firm's advertising, lack of adequate marketing research, unawareness of competition, poor branding and packaging, low level of knowledge on business market analysis, poor promotion, poor segmentation strategy, poor pricing technique and unplanned distribution contribute negatively in affecting SMEs' profit margin and their sales volume.



Furthermore, research has also confirmed that poor or lack of recordkeeping in a business and especially the small enterprises lead to their collapsing (Germain 2010). It therefore the thrust of this study to examine the relevance of marketing strategies and record keeping for effective operation of small scale business in Kaduna state, Nigeria.

### **Objectives of the Study**

The major objective of this study was to determine the relevance of relevance of marketing strategies and record keeping for effective operation of small scale business in Kaduna state, Nigeria. The specific objectives are:

1. To determine the relevance of marketing strategies for effective operation of small scale business in Kaduna state.
2. To determine the relevance of record keeping for effective operation of small scale business in Kaduna state.

### **Research Questions**

*The study is guided by the following research questions:*

1. What is the relevance of marketing strategies for effective operation of small scale business in Kaduna state?
2. What is the relevance of record keeping for effective operation of small scale business in Kaduna state?

### **Research Hypothesis**

The following hypotheses were formulated in line with the objectives of the study.

- H01:** Marketing strategies have no significant relevance for effective operation of small scale business in Kaduna state.
- H02:** Record keeping has no significant relevance for effective operation of small scale business in Kaduna state.

### **Method**

The study adopted a survey research design. This is because the study involved collection of data from respondents scattered at various locations. The study was carried out in Kaduna State. It is one of major commercial centers in Nigeria. Kaduna State is located in the North-western geo-political zone of Nigeria. It comprises 23 local government areas. The state is made up of three senatorial districts. According to National Micro, Small and Medium Enterprises Collaborative Survey (2013) there are 2,712 small scale enterprises in Kaduna State. One hundred and forty four (144) small scale businesses were sampled using simple random sampling techniques. As such Forty eight (48) small scale businesses were chosen from three local governments in each senatorial district. The survey was carried out in major urban centres which include Sabongari, Makarfi, Zaria, Birningwari, Kaduna North, Kaduna South, Jama'a, Kachia and Zango-Kataf. These areas were selected because the pace of economic activities being carried out by small scale businesses to meet the demands of the consumers is very high.



Data were collected through self-structured questionnaires of 10 items derived from research questions. It was designed on a four point modified scale of strongly agree, agree, disagree and strongly disagreed with nominal value of 4, 3, 2 and 1 respectively. The questionnaire was content validated by specialist in the field of research study. In line with the suggestion given, amendment was made to improve the clarity and relevance of the instrument. Twenty (20) copies of questionnaire were used as a trial in Two Local Government area outside the selected local government area for the study to test the reliability of the instrument. A reliability coefficient value of 0.82 was obtained using the Pearson Moment Correlation Coefficient. The data were finally collected by the researcher with the aid of three trained research assistants from the three senatorial districts in Kaduna state. The research questions were analyzed using frequency counts, mean score, standard deviation. The cut-off point was fixed at 2.5 and concluded that any value below 2.5 mean score was regarded as disagreed. Finally, null hypotheses were tested at 0.05 level of significant using chi-square.

## Results

**Table 1: Responses on the relevance of marketing strategies for effective operation of smallscale businesses in Kaduna state**

S/N	ITEMS	X	SD	Decision
1	Marketing strategy provides small scale business the opportunity for utilizing the resources in order to achieve its set goals and objectives	2.7	1.2	Agreed
2	Marketing strategy enables the proper allocation of resources to support small scale businesses to win competitive environment	2.9	1.1	Agreed
3	Marketing strategy serve as marketing tools used by small scale businesses to pursue their marketing objectives in the target market	2.8	0.9	Agreed
4	Marketing strategy serves as way of providing quality product that satisfies customer needs by small scale businesses	2.9	1.0	Agreed
5	Small scale businesses that wish not only to survive but also to improve their marketing effectiveness and efficiency must learn how to create and improve sound marketing strategy	2.9	0.8	Agreed
<b>Grand mean</b>		<b>2.8</b>	<b>1.0</b>	<b>Agreed</b>

Source: Field survey, 2017

The analysis of items 1-5 used to answer research question one in Table I indicates that, the mean score of all the five items were found to be greater than the fixed score of 2.5 for agree. This can also be ascertained in the grand mean value found to be greater than the fixed score for agree ( $2.8 > 2.5$ ) with standard deviation of 1.0. The analysis therefore revealed that marketing strategies are relevance for



effective operation of small scale businesses in Kaduna State.

**Table 2: Responses on the relevance of record keeping for effective operation of small scale businesses in Kaduna State**

S/N	ITEMS	X	SD	Decision
6	Small scale businesses keep proper and adequate records not only for the orderly conduct of the business but to reduce the possibilities of early failure and increase chance of business survival.	2.7	1.0	Agreed
7	Record keeping by small scale business reduces operating expenses, enhance efficiency and productivity.	2.8	1.2	Agreed
8	Record keeping is indispensable for small scale business when seeking fund from bank for expansion	2.9	1.1	Agreed
9	Small scale business keeps records in order to access the profitability of the business	2.8	1.2	Agreed
10	Records keeping help to keep small scale business in a sound and healthy state to face competition	2.8	0.9	Agreed
<b>Grand mean</b>		<b>2.8</b>	<b>1.1</b>	<b>Agreed</b>

*Source: Field survey, 2017*

Table 2 revealed the responses of respondents used to answer research question two in which the mean score of all the questionnaire items were greater than the 2.5 index score for agree. This can also be seen in the grand mean score of 2.8 which was found to be greater than the fixed index score of 2.5 for agree with standard deviation value of 1.1. Based on the analysis it was found that record keeping is relevance for effective operation of small scale businesses in Kaduna state.

**Test of Hypothesis**

The null hypotheses were tested using chi-square at 0.05 level of significance.

**Hypothesis one:** Marketing strategies have no significant relevance for effective operation of small scale business in Kaduna state.

**Table 3: chi-square on the relevance of marketing strategies for effective operation of small scale business in Kaduna state**

S/N	ITEMS	SA(4)	A(3)	D(2)	SD(1)	Total
1	Marketing strategy provides small scale business the opportunity for utilizing the resources in order to achieve its set goals and objectives	200	90	50	30	370
		180.7	132.7	34.7	21.9	
2	Marketing strategy enables the proper allocation of resources to support small scale businesses to win competitive environment	220	120	30	25	395
		192.2	141.6	37.0	23.4	
3	Marketing strategy serve as marketing tools used by small scale businesses to pursue their marketing objectives in the	192	111	40	30	373
		182.2	133.7	35	22.1	



	target market					
4	Marketing strategy serves as way of providing quality product that satisfies customer needs by small scale businesses	196	168	20	20	404
		197.3	144.9	37.9	23.9	
5	Small scale businesses that wish not only to survive but also to improve their marketing effectiveness and efficiency must learn how to create and improve sound marketing strategy	140	207	42	10	399
		194.9	143.1	37.4	23.6	
	Total	948	696	182	115	1941

*Chi-Square = 106.68, Df = 12*

*Critical value of chi-square at 12 Df and at 0.05 level of sig = 21.03*

Table 3 reveals that marketing strategies have significant relevance for effective operation of small scale business. This is because the chi-square calculated in the test is 106.68 which is higher than the critical value of 21.03 measured at 0.05 level of significance as shown in the bottom of the table. Therefore the null hypothesis is rejected. For this reason, alternate hypothesis is upheld that marketing strategies have significant relevance for effective operation of small scale business in Kaduna state.

**Hypothesis Two:** Record keeping has no significant relevance for effective operation of smallscale business in Kaduna state.

**Table 3: chi-square on the relevance of marketing strategies for effective operation of small scale business in Kaduna state**

S/N	ITEMS	SA(4)	A(3)	D(2)	SD(1)	Total
6	Small scale businesses keep proper and adequate records not only for the orderly conduct of the business but to reduce the possibilities of early failure and increase chance of business survival.	144	156	40	27	367
		177.6	125.7	39.4	24.3	
7	Record keeping by small scale business reduces operating expenses, enhance efficiency and productivity.	196	120	30	31	377
		182.5	129.1	40.5	25.0	
8	Record keeping is indispensable for small scale business when seeking fund from bank for expansion	212	114	48	20	394
		190.7	134.9	42.3	46.0	
9	Small scale business keeps records in order to access the profitability of the business	228	84	44	28	384
		185.8	131.5	41.2	25.5	
10	Small scale businesses that wish not only to survive but also to improve their marketing effectiveness and efficiency must learn how to create and improve sound marketing strategy	140	177	42	20	379
		183.4	129.8	40.7	25.1	
		920	651	204	126	



Total 1901  
Chi-Square = 96.48, Df = 12

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***Critical value of chi-square at 12 Df and at 0.05 level of sig = 21.03***

Table 4 also reveals that record keeping has significant relevance for effective operation of small scale business. The chi-square value obtained in the test is 96.48 which is greater than the critical value of 21.03 as indicated at the bottom of the table. With this observation, there is enough proof to reject the null hypothesis. Therefore, the hypothesis that record keeping has no significant relevance for effective operation of small scale business in Kaduna state is rejected and the alternate hypothesis is maintained.

### **Discussion of findings**

The findings of this study revealed that marketing strategies have significance relevance for effective operation of small scale business in Kaduna state. This finding consented with Adewale, Adesola and Oyewale (2013) that marketing strategy is a vital prerequisite of Industry's ability to strengthen its market share and minimize the impact of the competition. The finding is also supported by Owomoyela, Oyeniyi, and Ola, (2013) that marketing strategy is way of providing quality product that satisfies customer needs, offering affordable price and engaging in wider distribution and back it up with effective promotion strategy.

The findings of this study also revealed record keeping has significant relevance for effective operation of small scale business in Kaduna state. This finding is line with the view of Damant (2003) that financial record keeping conveys substantial information about the financial strength and current performance of an enterprise. Similarly, the findings of Shahwan and Al-Ain (2008) indicated that financial record keeping is a tool for financial control and enables managers to know the financial position of their businesses and to take certain control measures to improve corporate performance.

### **Conclusion**

Based on the major findings of the study, which revealed that marketing strategies and record keeping is relevance for effective operation of small scale business, it was concluded that any small scale business is lacking sound marketing strategies and proper record keeping is prone to untimely failure and weaken in chance of business survival. Therefore, marketing strategies and record keeping cannot be neglected for effective operation of small scale businesses in Kaduna state.

### **Recommendations**

In view of the vital role of marketing strategies and record keeping to small scale business, the researcher made the following recommendations:

- I. Small scale businesses should create and improve sound marketing strategy of their products so as to perk up the marketing effectiveness and efficiency in the competitive environment.
2. Small scale businesses should keep proper and adequate records of financial activities of the business so that profit and loss of business can be ascertained and the same time reduce the possibilities of early failure and increase chance of business survival.



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