

## **Innovative Marketing Skills and Business Performance of Small and Medium Scale Enterprises (SMEs) in Akwa Ibom State, Nigeria**

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**ABSTRACT:** *This study was carried out to examine the effect of innovative marketing skills and business performance of small and medium scale enterprises (SMEs) in Akwa Ibom State, Nigeria. Anchored on the disruptive innovation theory, the study adopted the survey research design as its approach. The population for the study was 576 SMEs in Akwa Ibom State as obtained from the Ministry of Industry and the Association of Entrepreneurs and Artisan in Akwa Ibom State. The Taro Yamene's formula was used in determining the sample size of 236. Data were obtained from both primary and secondary sources. Four hypotheses were raised, analyzed and tested statistically using the simple regression analytical tool. The results of the analysis showed statistically significant and positive effects of the independent variables (improved product quality, attractive pricing patterns, creative promotional strategy, and distribution network) on business performance of SMEs in Akwa Ibom State. Based on the findings, it was recommended that owners of small and medium scale enterprises in Akwa Ibom State should offer products whose quality satisfies various needs of the consumer, engage a strong market orientation through the adoption of attractive pricing strategies (such as, conducting market research, and understanding their unique selling proposition) and adopt integrated marketing communication in the promotion of their products. SMEs owners should clearly define their target customer service level and how to reach them. Finally, they should analyze what competitors are doing in order to improve upon those activities.*

**KEY WORDS:** Innovative marketing skills, business performance, attractive pricing patterns, improved product quality, creative promotional strategy, distribution network, small and medium scale enterprises (SMEs)

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## INTRODUCTION

Innovation is commonly considered a precondition for small businesses to thrive as well as prosper in the market environment (Rhee, Park & Hyung, 2010). Innovation is one of the basic elements used by enterprises as a strategy to improve productive manufacturing processes so as to compete in the market, establish good reputation and gain positive status in customer's perception. Following the process of globalization in today's business environment, enterprises have to engage in important innovative activities in order to be sustainable and provide profitable growth (Akpan, Mfon & Ibok, 2022 and Aksoy & Cengiz, 2010, cited in Bouhelal & Adouka, 2022).

Marketing innovation is a recent development in marketing which involves product design, packaging, product positioning and promotion and significant price changes of a product. According to Ismail, Zaidi, Omar, Soehod, Seninand and Akhtar (2010), innovation has been recognized as the most critical component in the globalized and competitive setting of today. Aksoy (2017), asserted that marketing innovation approach is a prerequisite if market/business performance is to be improved. The advancements in the application of marketing following technological developments have enabled firms to reach consumers more effectively. Innovative marketing as defined by Hill and Jones (2010), is the ability to deliver as many products as possible faster than competitors to increase market share. Osei, Yunfei, Appienti, and Forkuoh (2016), confirmed that by adjusting innovative products methods with a high concentration of free products, companies can enhance their efficiency.

Being that small and medium scale enterprises (SMEs) have been recognized as a major force in respect to their numerous contributions to the economy in the aspect of technology, export promotion and employment generation, this research was aimed at investigating the effect of innovative marketing skills on business performance of small and medium scale enterprises in Akwa Ibom State.

### Statement of the Problem

The application of innovative marketing skills in small and medium scale enterprises (SMEs) is a recent development. In the light of the emerging realities which was created by technological development and economic globalization, enterprises have to make important innovative activities to meet changes in customer demands and needs. Available studies are in agreement that innovative marketing skills (strategies) are related to business performance of SMEs despite the recognition that SMEs are hindered by constraints such as poor cash flow, lack of marketing expertise, business size, tactical customer-related problems and strategic customer-related problem (Doole, Grimes, & Demack, 2006 and Chaston, 1998). This paper therefore sought to achieve the following objectives;

- i. to determine the effect of improved product quality on business performance of SMEs in Akwa Ibom State.
- ii. to examine the effect of attractive pricing patterns on business performance of SMEs in Akwa Ibom State.
- iii. to determine the effect of creative promotional strategy on business performance of SMEs in Akwa Ibom State.
- iv. to examine the effect of effective distribution network on business performance of SMEs in Akwa Ibom State.

### **Research Hypotheses**

The study was guided by the following null hypotheses.

HO<sub>1</sub>: Improved product quality does not significantly affect business performance of SMEs in Akwa Ibom State.

HO<sub>2</sub>: There is no significant effect of attractive pricing patterns on business performance of SMEs in Akwa Ibom State.

HO<sub>3</sub>: Creative promotional strategy does not significantly affect business performance of SMEs in Akwa Ibom State.

HO<sub>4</sub>: There is no significant effect of effective distribution network and business performance of SMEs in Akwa Ibom State.

### **REVIEW OF RELATED LITERATURE**

#### **Innovative Marketing**

Innovative marketing, according to Buraq and Lahrash (2016), is developing new or unconventional ideas and may focus on the product element whether it is a tangible product or service, a price element, a promotion element, a distribution element or all of these elements at the same time. Lambin (2009) and Curado, Munoz-Pascual and Galende (2018), described innovative marketing as affecting all activities related to directing the product from producer to end-user as deduced from his definition “developing new or unconventional ideas in marketing practices”. Al-Dowa and Al-Muhtadi (2015), defined it as providing the necessary capabilities to produce new products by building intellectual groups to achieve a competitive advantage, or the ability of the organization to create value and increase its financial and technical capabilities through the creation of new products or production lines that contribute to reducing costs and improving the existing products or finding new ways to promote and market them.

Innovative marketing has several characteristics. Freihat, Homsy and Hashem (2020) explained some to include; to create new ideas, study them, demonstrate their usefulness and work to apply them; to work to exploit new ideas efficiently and effectively to maximize the expected benefit; and that innovative marketing includes one or more of the marketing mix components.

#### **Improved Product Quality**

Extensive evidence from past research has shown that innovation in the product influences firm’s efficiency. Companies with competitive advantage over their rivals based on product strategies such as innovation, quality, new design and new product packaging achieve better performance. Adamu, Hussin and Ismail (2020), explain that companies in a vibrant company setting generally strive on an ongoing basis to come up with a new product concept that can satisfy their target customers’ needs in order to attain their goals and maintain themselves over time.

Shukla and Singh (2015), have categorized product innovation to include; new product introduced for the first time to customers’ market and organization, adding new product lines, expanding existing product lines, improving existing products, products re-substitution (relocating products in specific sectors) and finally new low-cost products. Product improvement skill is one of the major factors that

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give a business a competitive edge. Performance in SMEs is connected with SMEs capability to invent an innovative product that can meet customers' wants and specification.

### **Attractive Pricing Patterns**

Innovating pricing patterns that are capable of enhancing the company's market performance should be attractive (Nimer & Smith, 2012). According to Hinterhuber and Liozu (2017), pricing innovation introduces new methods to pricing policies, pricing tactics and pricing organization with a goal of enhancing customer satisfaction and business revenue to the sector. New and unique market trends, typically vary with the number, breadth and variety of price ideas or solution to tackle price problems. In a study conducted by Sije and Oloke (2013), there was found a significant relationship between innovative pricing strategy and SMEs efficiency.

Innovative pricing skills positively affect a company's result when its product quality is enhanced; the company can improve its profit markup by raising the cost of the product (Chenavaz, 2012). Most important methods of innovation in pricing include; pricing based on unit price, package pricing method, peak pricing and out of peak pricing, retail or wholesale price, psychological pricing, refund of part of cash price to consumer through mails or other means and consumer setting the price of a product himself.

### **Creative Promotional Strategy**

Promotion innovation plays an essential role of informing the consumer about the latest product in the market as well as creating high levels of brand awareness and screening. A well-designed promotion strategy is key to achieving the success of the business and also, retention of customers (Stahl, 2018). Innovation in the field of promotion is defined as the ability of an organization to use new and intended promotional messages to the target customer to inform them about the product specifications and benefits, while also stimulating their demand for the products. Innovation in promotion according to Owsu (2010) can be achieved through the innovative promise, confirmation of the credibility support and innovative approach (strategy must include a cheerful, dramatic or professional tone since movement, rhythm and distinctive colour are necessary additions).

### **Effective Distribution Network**

Attih, Ikpe and Mfon (2017), have emphasized the importance of the place in making products available to consumers. Owsu (2010), asserted that innovation can be applied in many distribution activities; in new and familiar ways, in the distribution of the product, in the design of the distribution channel itself, in the conditions surrounding the distribution process which affect customers and in other activities and fields. A distribution network has to be set for commodities that are to be sold in a market place (Horsfall, Okon & Ekong, 2021). Karabulut (2015), affirmed that innovation in distribution network improves firm's performance.

### **Small and Medium Scale Enterprises (SMEs)**

Audretsch, Thurik, Verheul and Wennekers (2002) explained that SMEs are a major provider of new jobs. Therefore, increasing the understanding of the key determinants of their success is vital. SMEs are identified in Europe as enterprises capable of having in their employment not more than 250 individuals and with an overall asset of not more than fifty million Euros (Moeuf, Petterin, Lamouri, Tamayo-Giraldo & Barbaray, 2018). In Ethiopia, SMEs are described on the basis of their paid-up

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Publication of the European Centre for Research Training and Development-UK assets ranging from Birr 20,000 to Birr 500,000 (Auzzir, Haigh, & Amaratunga, 2018 and Carter & Tzokas,1999). Singapore recognize SMEs as enterprises possessing yearly sales turnover less than \$100 million or employing staff no more than 200 (Gupta, Guha & Krishnaswami, 2013).

In Nigeria, according to the Federal Republic of Nigeria National Policy on MSMEs report (2010), SMEs are described as those able to employ ten to forty-nine people with an asset equal to N49 million with the exception of land and construction. A clear definition, therefore of SMEs is difficult owing to advancements in technology, changes in price or other improvements factors. The definition of SMEs changes from time to time. From observation by researchers, different institutions may use definitions depending on their policy focus even in the same country.

### **Performance of Small and Medium Scale Enterprises**

Sani, Abubakar, Lami, Bala, and Mohammed (2015), defined performance in relation to the efficiency of SMEs as how companies value their stakeholders like customer, society and even government. Inseng and Uford (2019), also saw performance as the potential to which the suggested targets are achieved using resources in an economical manner in the internal/external setting. Haghghinasab, Sattari, Ebranhinmi and Roghanian (2015), asserted that a firm's performance is linked to a company's opportunity to generate income and overall growth goals. Akpan et al (2022), opine that performance as related to marketing, helps marketers to determine how well their marketing activities are doing towards achieving the goals in their marketing plan.

SMEs are being seen as the pillar of many nations and continents. More than 90 percent of all Sub-Saharan African businesses are represented by SMEs (Osei et al, 2016). In Europe, they account for more than 99% of European firms, contribute closely to 60% of GDP and nearly 70% of the overall workers (Nowotarski & Paslawski, 2017). SMEs contribution to the Gross Domestic Product of Nigeria (GDP) reveals that SMEs provide 20% of the total GDP in Nigeria (Nigerian Gross Domestic Product Report, 2017, cited by Adamu, Hussin and Ismail (2020).

### **Theoretical Framework**

This study was anchored on the disruptive innovation theory propounded by Clayton Christensen in 1995. By definition, disruptive innovation refers to a concept, product that creates a new value network either by disrupting an existing market or creating a completely new market. Disruptive innovation theory describes a process whereby a small company with fewer resources is able to successfully challenge established existing businesses. Disruptive innovation strategy empowers a team or business to make reality of innovation.

### **METHODOLOGY**

The survey research design was adopted since it aided the researchers to collect data directly from the respondents. The population for the study was made up of all the entrepreneurs in Akwa Ibom State. This was given as 576 as obtained from the Ministry of Industry and the Association of Entrepreneur and Artisan Development in Uyo, Akwa Ibom State. Sample size of 236 was determined using Taro Yamene's formulae for sample size determination (Appendix 1).

**Data Source / Collection Method**

Data was obtained from both primary and secondary sources. Secondary sourced data were from the Ministry of Industry and the Association of Entrepreneurs and Artisan in Akwa Ibom State, while primary sourced data were from the copies of the administered questionnaire. The questionnaire instrument was divided into sections A and B. Section A solicited the biometrics of respondents and section B focused on the variables of innovative marketing skills namely, improved product quality, attractive pricing patterns, creative promotional strategy and good distribution network as the constructs of the independent variable and business performance as the dependent variable to which respondents were asked to indicate their level of agreement in a 5-point Likert scale as follows: 5-strongly agree, 4-agree, 3-neutral, 2-disagree, 1-strongly disagree. Convenience sampling technique was employed in administering the copies of questionnaire to the respondents in their monthly meetings. Simple regression was used in analyzing the data collected.

**Validity and Reliability of the Instrument**

The face validity and content validity of the research instrument were determined after thorough evaluation by some senior colleagues and experts. Their suggestions and recommendations for improvement were used to review and improve on the research instrument, by doing so the validity of the instrument was assured. The internal consistency of the items in the research instrument was tested by using Cronbach's Alpha statistical tool and the result was 0.81, which was above the recommended threshold of 0.70. (Uford, 2017). The reliability estimates obtained are shown in Appendix 2.

**Data Presentation, Analysis and Discussion of Findings**

This section of the study presents the descriptive analysis, result of test of hypotheses and summary of result.

**Table Number of Questionnaire Administered and Returned to the Researcher**

SMEs	Frequency	Percentage (%)
Number of questionnaire administered	236	100%
Number of questionnaire returned	192	81%
Number of questionnaire not returned	44	19%

**Source: Field Survey, 2022.**

Table 1 above shows the number of copies of questionnaire administered, correctly filled and returned in usable form.

**Table 2: Personal Data of the Respondents**

Variables	No. of Respondents	Percentage (%)
<b><u>Age</u></b>		
25-34 Years	11	5.7
35-44 Years	61	31.8
45-54 Years	95	49.4
55 Years and above	25	13.1
Total	192	100.0
<b><u>Gender</u></b>		
Male	67	34.9
Female	125	65.1
Total	192	100.0
<b><u>Marital Status</u></b>		
Single	72	37.5
Married	105	54.6
Divorced	1	0.5
Widowed	14	7.3
Total	192	100.0
<b><u>Educational Qualification</u></b>		
SSCE or Below	64	33.3
Diploma	59	30.7
Bachelor's degree and equivalent	69	35.9
Total	192	100.0
<b><u>Years as an entrepreneur</u></b>		
1-5 years	36	18.9
6-10 years	37	19.2
11-15 years	48	25.0
16 years above	71	36.9
Total	192	100
<b><u>Type of Business</u></b>		
Retail business	136	70.8
Services business	56	29.2
Total	192	100.0

**Source:** (Field Survey, 2022).

Table 2 shows the distribution of respondents in terms of age, gender, marital status, educational qualification, years as an entrepreneur and type of business. The implication of the spread is that the respondents are old, mature and experienced enough to understand the requirements of the study and as such, could provide the necessary information required for an authentic analysis.

**Test of Hypotheses****Hypothesis 1**

H<sub>01</sub>: Improved product quality does not have a significant effect on business performance

**Table 3: Model summary of regression analysis result of improved product quality against business performance of SMEs in Akwa Ibom State**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825 <sup>a</sup>	.681	.679	.28363

a. Predictors: (Constant), Improved product Quality

**Table 4: Analysis of variance of the effect of improved product quality on business performance of SMEs in AkwaIbom State**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	30.542	1	30.542	379.666	.000 <sup>b</sup>
	Residual	14.319	191	.080		
	Total	44.862	192			

a. Dependent Variable: Business Performance

b. Predictors: (Constant), Improved product Quality

**Table 5: Coefficients<sup>a</sup>of the effect of improved product quality on business performance of SMEs in Akwa Ibom State**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.210	.152		1.382	.169
	Improved product Quality	.962	.049	.825	19.485	.000

a. Dependent Variable: Business Performance

The model summary in Table 3 shows an R-value of 0.825. This suggests a strong relationship of improved product quality and business performance. The R square-value of 0.681 shows that 68.1% variation in business performance was accounted for by variations in improved product quality. The ANOVA table indicates that the regression model significantly predicts the dependent variable given the F-value of 3.79 and its corresponding P-value of 0.000. This implies that there is a significant effect of product quality on business performance. Also, the B-coefficient of 0.825 implies that holding every other factor constant, the model predicts 0.825 units increase in business performance given a unit increase in product quality.



**Hypothesis 2**

H<sub>02</sub>: Attractive Pricing Patterns do not significantly affect business performance

**Table 6: Model summary of regression analysis result of attractive pricing patterns against business performance of SMEs in Akwa Ibom State**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.742 <sup>a</sup>	.550	.547	.33678

a. Predictors: (Constant), Attractive Pricing Pattern

**Table 7: Analysis of variance of the effect of attractive pricing patterns on business performance of SMEs in Akwa Ibom State**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	24.673	1	24.673	217.528	.000 <sup>b</sup>
	Residual	20.189	191	.113		
	Total	44.862	192			

a. Dependent Variable: Business Performance

b. Predictors: (Constant), Attractive Pricing Patterns

**Table 8: Coefficients of the effect of attractive pricing patterns on business performance of SMEs in Akwa Ibom State**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.234	.154		1.521	.130
	Attractive Pricing Pattern	.952	.050	.820	19.106	.000

a. Dependent Variable: Business Performance

The model summary in Table 6 shows an R-value of 0.742. This suggests a strong influence of attractive pricing patterns on business performance of SMEs. The R square-value of 0.550 shows that 55.0% variation in business performance was accounted for by variations in attractive pricing patterns. The ANOVA table indicates that the regression model significantly predicts the dependent variable given the F-value of 2.17 and its corresponding P-value of 0.000. This implies that there is a significant effect of attractive pricing patterns on business performance. Also, the B-coefficient of 0.820 implies that holding every other factor constant, the model predicts 0.820 units increase in business performance of SMEs given a unit increase in attractive pricing patterns.

**Hypothesis 3**

H<sub>03</sub>: There is no significant effect of creative promotional strategy on business performance of SMEs.

**Table 9: Model summary of regression analysis result of creative promotional strategy against business performance of SMEs in Akwa Ibom State**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725 <sup>a</sup>	.526	.523	.34567

a. Predictors: (Constant), Creative Promotional Strategy

**Table 10: Analysis of variance of the effect of creative promotional strategy and business performance of SMEs in Akwa Ibom State**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.593	1	23.593	197.456	.000 <sup>b</sup>
	Residual	21.269	191	.119		
	Total	44.862	192			

a. Dependent Variable: BusinessPerformance

b. Predictors: (Constant), Creative Promotional Strategy

**Table 11: Coefficients<sup>a</sup> of the effect of creative promotional strategy of business performance of SMEs in Akwa Ibom State**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.009	.225		.039	.969
	Creative Promotional Strategy	1.015	.072	.725	14.052	.000

a. Dependent Variable: BusinessPerformance

The model summary in Table 9 shows an R-value of 0.725. This suggests a strong relationship of creative promotional strategy and business performance. The R square-value of 0.526 shows that 52.6% variation in business performance was accounted for by variations in creative promotional strategy. The ANOVA table indicates that the regression model significantly predicts the dependent variable given the F-value of 1.97 and its corresponding P-value of 0.000. This implies that there is a significant effect of creative promotional strategy on business performance. Also, the B-coefficient of 0.725 implies that holding every other factor constant, the model predicts 0.725 units increase in business performance of SMEs given a unit increase in creative promotional strategy.

**Hypothesis 4**

Ho4: Effective distribution network has no significant effect on business performance

**Table 12: Model summary of regression analysis result of distribution network against business performance of SMEs in Akwa Ibom State**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.820 <sup>a</sup>	.672	.670		.28743

a. Predictors: (Constant), Distribution Network

**Table 13: Analysis of variance of the effect of distribution network on business performance of SMEs in Akwa Ibom State**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	30.156	1	30.156	365.024	.000 <sup>b</sup>
	Residual	14.705	191	.083		
	Total	44.862	192			

a. Dependent Variable: Business Performance

b. Predictors: (Constant), Distribution Network

**Table 14: Coefficients<sup>a</sup> of the effect of distribution networks of business performance of SMEs in Akwa Ibom State**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.234	.154		1.521	.130
	Distribution Network	.952	.050	.820	19.106	.000

The model summary in Table 12 shows an R-value of 0.820. This suggests a strong influence of effective distribution network on business performance of SMEs in Akwa Ibom State. The R square-value of 0.672 shows that 67.2% variation in distribution network was accounted for by variations in business performance. The ANOVA table indicates that the regression model significantly predicts the dependent variable given the F-value of 3.65 and its corresponding P-value of 0.000. This implies that there is a significant effect of distribution network on business performance of SMEs. Also, the B-coefficient of 0.820 implies that holding every other factor constant, the model predicts 0.820 units increase in distribution network given a unit increase in business performance of SMEs in Akwa Ibom State.

## DISCUSSION OF FINDINGS

The R-value of 0.825 in Table 3 suggests a strong relationship of improved product quality and business performance. The R square-value of 0.681 shows that 68.1% variation in business

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performance was accounted for by variations in improved product quality. The ANOVA table indicates that the regression model significantly predicts the dependent variable given the F-value of 3.79 and its corresponding P-value of 0.000. This implies that there is a significant effect of product quality on business performance. Also, the B-coefficient of 0.825 implies that holding every other thing constant, the model predicts 0.825 units increase in product quality given a unit increase in business performance. This finding is supported by the work of Kacha, Plath, Ferreira and Forcellini (2012), in which quality management in SMEs is seen to have significant effect on market performance. Likewise, Anifowose, Ghasemi and Olaleye (2022) in their work, total quality management and SME-sized enterprises performance: mediating role of innovation speed agrees that operating performance is achieved as a result of effective total quality management.

The model summary in Table 6 shows an R-value of 0.742. This suggests a strong influence of attractive pricing pattern on business performance of SMEs. The R square-value of 0.550 shows that 55.0% variation in attractive pricing pattern was accounted for by variations in business performance. The ANOVA table indicates that the regression model significantly predicts the dependent variable given the F-value of 2.17 and its corresponding P-value of 0.000. This implies that there is significant effect on attractive pricing pattern and business performance. Also, the B-coefficient of 0.820 implies that holding every other thing constant, the model predicts 0.820 units increase in attractive pricing pattern given a unit increase business performance of SMEs. This finding agrees with the work of Adamu et.al (2020) on the effect of marketing innovation of performance of SMEs in Nigeria. It showed that pricing strategy positively impact SMEs efficiency. Furthermore, in a study conducted by Khairuddin, Kamarulzaman, Hashim and Hussin (2021) in Malaysia, the result revealed that there were positive relationships between the performance of muslim agro food SMEs and innovative market strategies. However, this result is not supported by Haghhighinasab et.al (2015), as their work on identification of innovative marketing strategies to increase the performance of SMEs in Iran rejects the influence of pricing on performance.

The model summary in Table 9 shows an R-value of 0.725. This suggests a strong relationship of creative promotional strategy and business performance. The R square-value of 0.526 shows that 52.6% variation in business performance was accounted for by variations in creative promotional strategy. The ANOVA table indicates that the regression model significantly predicts the dependent variable given the F-value of 1.97 and its corresponding P-value of 0.000. This implies that there is significant effect of creative promotional strategy on business performance. Also, the B-coefficient of 0.725 implies that holding every other thing constant, the model predicts 0.725 units increase in business performance of SMEs given a unit increase in creative promotional strategy. This finding is supported by the work of Haghhighinasab et.al (2015), which revealed a positive relationship between promotion and performance of SMEs.

The model summary in Table 12 shows an R-value of 0.820. This suggests a strong influence of effective distribution network on business performance. The R square-value of 0.672 shows that 67.2% variation in business performance was accounted for by variations in effective distribution network. The ANOVA table indicates that the regression model significantly predicts the dependent variable given the F-value of 3.65 and its corresponding P-value of 0.000. This implies that there is a significant effect of effective distribution network on business performance of SMEs. Also, the B-coefficient of 0.820 implies that holding every other thing constant, the model predicts 0.820 units increase in

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business performance of SMEs. given a unit increase in distribution network. Kuswanto, Rosli, Abdul, and Ghorbani (2012) in their work, impact of distribution channel innovation on the performance of small and medium enterprises discovered that distribution channel effectiveness mediated the relationship between innovation and firm performance. There is a significant relationship between distribution and performance. In another study by Kubeyinje and Bariweni (2020), distribution is seen to have an insignificant relationship with SMEs performance in Nigeria.

## **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **Summary of Findings**

The findings of the study showed significant effects of improved product quality, attractive pricing patterns, creative promotional strategy and effective distribution network on business performance of SMEs in Akwa Ibom State.

### **Conclusion**

The purpose of this study was to determine the effect of innovative marketing skills on business performance of SMEs in Akwa Ibom State. The following conclusions were drawn from the results of the study;

1. The dimension of innovative marketing skills of improved product quality significantly affects business performance of SMEs in Akwa Ibom State.
2. The dimension of innovative marketing skills of attractive pricing patterns significantly affects business performance of SMEs in Akwa Ibom State
3. The dimension of innovative marketing skills of creative promotional strategy significantly affects business performance of SMEs in Akwa Ibom State
4. The dimension of innovative marketing skills of effective distribution network significantly affects business performance of SMEs in Akwa Ibom State.

### **Recommendations**

Based on the findings and conclusion of this study, the following recommendations were proffered to better improve business performance of SMEs in Akwa Ibom State.

i SMEs owners in Akwa Ibom State should ensure the sustenance of improved product quality, whether a good or service. There should be something unique about the quality compared to those of competitors such that it satisfies consumers various needs and wants. Attention should be given to producing a good product whose quality meets consumers' individual needs.

ii To achieve a sustainable competitive advantage, SME owners should engage a strong market orientation through the adoption of attractive pricing patterns. This can be achieved through conducting market research and understanding their unique selling proposition. It also requires fixing prices that are attractive and affordable.

iii For SMEs in Akwa Ibom State to be on top of their game, it was recommended that they adopt creative promotional strategy taking into cognizance the advancements in promotional tools available to businesses today. The use of integrated marketing communication tool will help position the SMEs when efficiently utilized. The application of modern integrated marketing communications tools in the promotion of products will ensure the product receives much exposure and patronage.

iv. It was also recommended that SMEs owners/managers should ensure products are available when clients request them using the shortest possible time. SMEs need to clearly define their target customer service level and how to reach it, analyze what the competitors are doing to detect weaknesses and spot opportunities for improvement. Finally, shipping the product(s) to consumers should be done at the shortest possible time.

### **Contribution to Knowledge**

The following are the contributions that this study has made to knowledge;

- i) It has established that improved product quality relates with business performance in SMEs.
- ii) It has shown that there is a relationship between creative promotional strategy and business performance in SMEs.
- iii) It has established that effective distribution network relates with business performance in SMEs.

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#### APPENDIX 1: SAMPLE SIZE DETERMINATION

$$n = \frac{N}{1 + N(e)^2}$$

Where;

n = sample size

N = population

e = error term

As such, sample size was given thus;



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$$n = \frac{576}{1 + 576 (0.05)^2} = \frac{576}{1 + 576 (0.0025)}$$

$$= \frac{576}{1 + 1.44} = \frac{576}{2.44} = 236$$

From the calculation, the sample size was 236.

#### APPENDIX: TEST FOR THE RELIABILITY OF THE INSTRUMENT

##### Cronbach's Alpha Pre-test Result

S/No.	Variables	No. of Items	Cronbach's Alpha Coefficient
1	Improved product Quality	4	0.707
2	Creative Promotional Strategy	4	0.553
3	Attractive Pricing Pattern	4	0.933
4	Distribution Network	4	0.851
<b>Total</b>		<b>16</b>	<b>0.806</b>

**Source:** Field Survey, (2022).