



*Pat Allison*  
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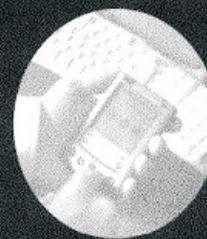
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## MARKETING AND ENTREPRENEURIAL DEVELOPMENT

By

**Prof. Julius O. Onah**

&

**Patricia U. Allison**

**African Marketing Development Foundation (AMDEF)**

**Enugu.**

### **Abstract:**

Most of the Nigerian recent economic policies are targeted towards the growth and development of organized private sector investment. The government has seen private sector as the engine that will fasten economic development.

In spite of all these efforts, most entrepreneurs have experienced failure in their various investments while a good number could talk of success. The question becomes, are they not operating in the same economic environment.

Therefore, this paper will provide an insight into the factors that may account for the success of Entrepreneurial development in the country. It will also throw some light on the relationship between marketing concepts and entrepreneurial development by making use of some relevant marketing theories and principles.

Also effort will be made to describe who an Entrepreneur is.

### **Introduction:**

The oil boom witnessed by Nigeria made the government to ignore other avenue for revenue generation. During this period the proceeds from the oil sector were able to cater for the need of the masses. Prior to the oil price collapse, the huge windfall revenue accruing from oil export prompted the government to assume a greater role in the economic life of the nation. By so doing, they embraced the concept of an entrepreneurial state as an engine of growth and development. This made her to own and maintain several industries spread over Agriculture, Mining, Manufacturing, Extraction, Transportation, Services, Construction, etc. Because government assumed a role it could not play to the fullest, mismanagement of these industries created by the government was rife. Many

of them folded up and the resultant effects became low productivity, unemployment, increased foreign debt, poor exchange rate and the host of others.

Therefore, the need to increase our export base arose since it would assist to improve our exchange rate, create employment and raise standard of living.

So, purely on the ground of pragmatism, it becomes necessary that government should take a bold step to ensure that production is encouraged and employment problems addressed.

On this note, government instituted the National Directorate of Employment to ensure that youths are trained and educated on how to start and run their own business which is the hallmark of entrepreneurial development. Based on the NDE Programme, successful youths after the relevant training and skill acquisition were assisted financially towards starting developing their own business. Nigerian government has also enacted and embarked on series of policies and programmes to encourage entrepreneurial development in the country. Some of these programmes include:

- NAPED
- Creation of industrial banks
- Creation of agriculture banks
- Establishment of the small and medium equity investment scheme by Nigerian banks.

Despite these efforts, in Entrepreneurial development in the country, many entrepreneurial efforts had failed.

This problem calls for marketing involvement in entrepreneurial development since marketing is the life blood of every business. This is because, marketing identifies and anticipates customers need and builds up strategies to satisfy those needs and wants. Entrepreneurial development which is the ability to set up and manage a business outfit is all about anticipation and identification of human needs and crafting strategies to satisfy these needs at a profit.

The above premise therefore calls for the aim of this paper "*The Relevance of Marketing in Entrepreneurial Development.*"

### **Concept of Marketing:**

The word marketing has been defined in various ways by various student and practitioners of marketing. Some people have also looked at marketing as



selling. Olan (2004) indicates that in Nigeria people look at marketing as market, as soon as you mention the word marketing, their mind goes to the word market. According to him, Marketing is much more than selling.

The American Marketing Association (AMA) defines marketing as consisting of the performance of business activities that directs the flow of good and services from producers to users. This definition sees marketing as a process, which starts after production has been completed.

The Institute of marketing, London defines marketing as "the management of processes responsible for identifying anticipating and satisfying customers requirement profitably." (Institute of Marketing). This concept is concerned with identifying the marketing and supplying the specific needs of the customers at profit.

This management aspect of this process is to ensure that marketing is responsive to customers and their different needs. This concept therefore is of the view that to do business well, a firm has to identify profitable venture to invest the company's available resources.

Several definitions have been attached to marketing but for the purpose of this paper we will define marketing as the anticipation, identification of needs and wants, providing such needs and wants at the time they are wanted (when), where they are wanted, how they are wanted, at the price they are wanted, at an optimal profit. At this point it becomes necessary that we know who an entrepreneur is for us to properly relate their marketing ability to their success.

#### **Who is an Entrepreneur:**

The word entrepreneur is derived from the French verb *entreprendre*, which means to undertake. In early sixteenth century, the French man who organized and led military expeditions were referred to as an entrepreneur. Also the term entrepreneur was applied to business in the eighteenth century by French economist, Richard Cantillon. Since that time, the word entrepreneur has been used to describe one who takes the risk of starting a new organization or introducing a new idea, product or services to society (Ndubuisi 2004)

Such group of persons are the drivers of the economies of the nation because they are responsible for such economic decisions as:

- What to produce
- How to produce
- Quantity to produce

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- Method of production to adopt
- Where to sell the goods and services produced.
- How much to sell them
- Who to sell them to
- How much should be paid for them.

Oxford English Dictionary on its own part defines the word entrepreneur as one who owns and manages a business, a person who sets up his own business or industrial undertaking with a view of making profit.

Based on the above definitions, Entrepreneur can be simply put as one who combines all the other factors of production land, labour, and capital. They are those who undertake and manage the risk involved in business, overcome mistakes rather than avoid it, see themselves as responsible for their own destiny and creates a source of livelihood for so many people and also creates markets for their ideas not just responding to existing market demands.

#### **Entrepreneurial Development Process:**

Onodugo (2004), observed that most entrepreneurs fail as soon as they set up their own businesses because, they do not properly appraise themselves and their business idea before embarking on a business venture.

In this section we will harness the expected processes a would be entrepreneur should undergo before venturing into a business outfit. They are as follows:

- Self analysis
- Identification of Business opportunity
- Proper feasibility study
- Assembling required resources
- Strategic business planning.

#### **Self Analysis:**

Those who break the frontiers of business to start new venture even at the risk of failure are called entrepreneurs. It is pertinent to note that not all prospective Small and Medium Scale Enterprises owners have the requisite personality trait and skill to succeed as entrepreneur (Onodugo 2004)

Therefore, one must objectively appraise himself, ascertain whether he has all it takes to set up Small or Medium Scale Enterprise. Such traits are as:

- Hardworking

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- Sets own standard
- Risk taking
- Copes with failure
- Goal oriented
- Persistence
- Responds to feedback
- Willingness to listen
- Committed
- Reliability and integrity
- Builds for the future.

In self assessment, recourse should be taken on aptitudes, things done in the past, opinion of close and yet objective friends and confidants, spouses and professional business consultants.

a. **Identification of Business Opportunities:**

Udeh (1999), defines business opportunity as any venture that can make a good return on investment within a reasonable period of time. In order to identify opportunity in any alert and to go out of his way to find out how his or her business is doing and how it could be improved. To determine a good business opportunity, past business success and failure is analysed. This is to find out the factors responsible for the success or failure.

b. **Feasibility Studies:**

Next to the identification of business opportunity is a careful and yet systematic examination of the opportunity identified. This study will help to discover whether the business opportunity is practicable and/or needed by any body. It answers the following questions:

- Who needs the product?
- Can the product be manufactured?
- Is the business financially worthwhile?

c. **Assembling Required Resources:**

It is one thing to identify the business opportunity and it is another thing to bring

once the above preliminary considerations are done with, the next most important activity in entrepreneurship development is planning. It is said that when one fails to plan, one therefore planned to fail. In planning new business, we determine what to do in future and how it is going to be done. It takes discipline and mental hardwork to plan. At the end of every planning, the following outcome would be arrived at:

Objectives are set

Strategies to achieve the objective set are adopted. Therefore, an entrepreneur should set objective and craft the strategies to achieve the objective set.

**The Role of Marketing in Entrepreneurial Development:**

As stated in this paper, in the concept of marketing, Marketing is defined 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 the price they are needed at an optimal profit.

On the other hand, an entrepreneur is one who takes the risk of starting a new organization or introducing a new idea, product or service to the society with a view of making profit.

Matching this two definition, it becomes pertinent that marketing has a big role to play in development of an entrepreneur (those who own and run micro organisation). Whether they provide physical products or services, they cannot do so unless they get customers. This act of getting customers to purchase the products or services of an entrepreneur is the function of Marketing. However, production and marketing are very relevant for the satisfaction of customers need and also enable entrepreneur to make profit.

Marketing also enables the entrepreneur to identify the goods and services the customer needs before he goes into production. It helps them to take care of the risk of producing goods that are not needed. This made Ejeue (1998) to say that the relevance of strategic marketing to an organization is that it provides an organization with the analytical tools to select and develop a long run marketing programme for particular segments which may appeal to a marketing organization. According to him, all organizations either consciously or unconsciously respond to their respective environment. So in order to



understand or become a cognisant of the strategic behaviour of an organization one must ask the following strategic management questions listed below.

- Who are its 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?

The last question here has implication for understanding the strategic marketing behaviour of an organization. Therefore, marketing provides the entrepreneur with the information about the market opportunities as well as related problems in the market. The entrepreneur's effective evaluation of the market is a prerequisite for successful sustenance of business activities.

Furthermore, marketing helps the entrepreneur to determine the size of the market and classify them into segments and then choose the segments to satisfy, and adopt strategies to satisfy the segments chosen. Nnabuko (2004) said that successful marketing activities (satisfying customers, increasing sales and marketing project) involves:

- Finding out what products or services people needed and providing the products and services to meet their needs.
- Selling the products and services in places or locations where people can get them to buy.
- Setting price that people are willing to pay.
- Informing and attracting customers through promotional activities to buy the products or services. According to her, these are collectively called four Ps' of marketing product, price, promotion and place (distribution).

These are the essential tasks that help a producer reach his target market. She also stated that an entrepreneur may engage in classic marketing procedure and pass a degree in business or commerce, but that is meaningless unless the marketing activities help to sell the product or services. Therefore, to an entrepreneur, the market is the sum total of all potential customer and it is a determinant for achieving corporate objective of a firm.

The theory of product life-cycle assist an entrepreneur to develop and adopt strategies to utilize in every stage in the product development. An entrepreneur should imbibe the concepts, principles and theories of marketing because it is an engine that propels any business outfit to growth development and success.

### Conclusion:

Entrepreneurship is the factor that is responsible for identifying investment opportunities and equitable combination of inputs to produce the designed results. In both small and large business units, the management function of an entrepreneur are invariably the same and the success of an enterprise largely depends on his entrepreneurial ability and skill.

Therefore Entrepreneurs should adopt principles of marketing because it will help them to understand business in terms of target market offerings and product development and better opportunities for environmental survival. Hence, it is an integrated plan, including technological innovation through which an organization accomplishes its marketing objectives in order to remain in the economic and business environment on the long run.

It is pertinent to inform you at this point that University of Nigeria is now offering Postgraduate diploma and certificate courses in Entrepreneurial Studies. This was introduced by the current Vice-Chancellor, Venerable Prof. Chinedu Nebo. Other Institutions of higher learning are advised to toe this line of action, in order to help both potential entrepreneurs and the Nigerian economy.

In conclusion, unless people with entrepreneurial ability in the society are able to imbibe and utilize the principles and theories of marketing to manage their respective business outfits, the society will not likely develop its economy rapidly. Also the chance of such entrepreneurial organizations for survival are almost non-existent.

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## SMALL BUSINESS ENTERPRISES AND THE MARKETING FUNCTIONS

By

Dr Barnabas. A. Agbonifoh

Mr Patrick Oseyomon

Miss Esther I. Asein

Department of Business  
Administration, University of Benin

### INTRODUCTION

Although specific statistical evidence may not yet be readily available, there is hardly any doubt that business enterprises employing less than fifty full-time employees dominate the Nigerian economy today, not only in terms of their sheer number but also in terms of volume of employment. They dot every nook and cranny of every city; even in the rural areas, they predominate. With very limited growth and employment in the large scale business sector and dwindling employment opportunities in government, the various levels of government in Nigeria have continued to encourage young school leavers and the large number of young and not-so-young people who have been retrenched in recent time to seek self-employment. The expectation is that they will establish their own small scale enterprises. In view of these emerging trends, there is need more than ever before to be concerned about the management and performance of these micro and small-scale businesses.

A major problem facing all types and scales of business enterprises in Nigeria today is that of competition from both local and foreign companies. The problem is accentuated, not only by the perceived low quality of made in Nigeria goods and services and the high prices which these goods command, but also by the well-known preference of many Nigerians for foreign products. It has been suggested that one way for Nigerian products to become more competitive is through improvement in the marketing of such goods and services especially since some of the negative attitudes towards made-in-Nigeria products are not due to any objective inferiority of local products but due to subjective biases against them (Agbonifoh, 1986). In view of these concerns, there is a need for small-scale business owners in particular to pay particular attention to the marketing of their goods and services. This study, therefore, is an attempt to ascertain, not only the attitudes of Nigerian small-