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## Article

# Market orientation and survival of small and medium enterprises in Nigeria

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## MARKET ORIENTATION AND SURVIVAL OF SMALL AND MEDIUM ENTERPRISES IN NIGERIA

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**Abstract:** The adoption of a market orientation (MO) model for effective management of small and medium enterprises (SMEs) in Nigeria and beyond has drawn diverse views. Extant studies conducted in Nigeria in the past decades have leveraged on the existing entrepreneurial marketing model that has not significantly contributed to the survival of SMEs in Nigeria. The objective of this quantitative study is to investigate the effects of MO on the survival of manufacturing SMEs in Nigeria. The study adopted a positivistic ontology and descriptive survey design. The study randomly selected 387 owner-managers of manufacturing SMEs in Nigeria. The results show that MO significantly contributed to the survival of SMEs in Nigeria. Based on the results, the study recommends that integrative Entrepreneurial Marketing (EM) should be adopted by both the owners and managers of SMEs as this would help reduce the rate of business failure in Nigeria.

**Keywords:** market orientation, customer intensity, value creation, survival of SMEs, effects of market orientation.

**JEL:** M31.

### 1 Introduction

The current state of Nigeria's sociopolitical environment has adversely affected the manner and way businesses are carried out in the country. Owner-managers of businesses, especially small and medium enterprises (SMEs), have devised several marketing strategies and models that could help to ensure their survival in Nigeria (Nwankwo and Kanyangale, 2019). With the growing number of SMEs in Nigeria, it is expected that the economy would grow astronomically (Boachie-Mensah and Issau, 2015; Nwankwo and Kanyangale, 2019; Octavia and Ali, 2017).

Instead, the Nigerian economy continues to decline as businesses experience a tremendous failure as reported by Gwadabe and Amirah (2017). Similarly, the performance and survival of SMEs in Nigeria remain less satisfactory as many folds up as soon as they open for business Small and Medium Enterprises (SMEDAN in Aminu, 2016; Gwadabe and Amirah, 2017). To be concise, a study by Aminu, et al. (2015) revealed that about 80% of SMEs in Nigeria collapsed before their fifth-year anniversary.

As access to funds alone does not guarantee effective performance and survival of SMEs in Nigeria, it is important to encourage SMEs to adopt market orientation (MO) to enhance their performance, sales growth, profit growth, market share growth, and others (Aminu, 2016; Asikhia, 2010). Concisely, MO is the antecedent of survival in the highly volatile, uncertain, complex, and ambiguous (VUCA) business environment.

Market orientation (MO) is salient as it relates to the degree to which businesses are compelled to carry out the marketing concept (Bamfo and Kraa, 2019). This takes cognizance that the marketing concept focuses on the needs and wants of customers in the marketplace.

Businesses that adopt MO adequately meet the customer needs and wants in a better way (Grainer and Padanyi, 2005). Therefore, owner-managers are being counseled to pursue two critical issues.

First, the owner-managers need to have good information about customers' needs and wants, and to critically examine exogenous features that persuade customers' needs and preferences.

Second, owner-managers need to coordinate and react appropriately to clients' preference based on the intelligence gathered (Bamfo and Kraa, 2019).

Comparatively, Kumar et al. (2011) submit that firms with positive MO achieve higher business performance than businesses with a lower level of MO. It posits that businesses that embrace MO concepts develop customer loyalty and satisfaction with the organization's products and create superior customer value, resulting in superior organizational performance (Dadfar, et al., 2013).

Although MO and its effects on performance have been widely studied, two issues are interesting to future researchers.

First, it is important to emphasize that several studies on MO have been conducted in large organizations to the neglect of small organizations (Avlonitis and Gounaris, 1997; Kanagasabai, 2008; Maydeu-Olivares and Lado, 2003). It is only recently that the study of MO has gradually begun to gain popularity in SMEs (e.g., Aminu, 2016; Bamfo and Kraa, 2019; Keskin, 2006; Shehu and Mahmood, 2014).

Second, most of the existing studies have focused on SME performance and not survival. The objective of this study is to investigate the effect of MO on the survival of manufacturing SMEs in Nigeria.

This study is valuable in two key ways. It provides insight to owner-managers of SMEs on how customer intensity and value creation are core if MO is to enhance the survival of manufacturing SMEs in Nigeria. It also underscores the significance of meaningful integration of the outward-focused views of MO with the internal interdependencies and operations to create value for customers in the external environment.

The article starts by discussing the concept of MO and its two dimensions: customer intensity and value creation. Thereafter, the article's focus is on the methodology, presentation of results, discussion, and conclusion. Finally, the article discusses the recommendations, limitations, and areas for future research.

## 2 Unpacking the concept of market orientation (MO)

Market orientation is a fundamental phenomenon in the measurement of marketing operations for the past two decades (Ladipo, et al., 2016; Sombultawee and Boon-itt, 2018). It is considered as one of the indispensable elements of business survival. The significance of MO in SMEs cannot be overlooked regardless of culture and market due to its strong correlation with business performance (Kwak, et al., 2013; Maurya, et al., 2015; Na, et al., 2019). MO widens the activities of marketing concept, by acknowledging that focusing on customer alone is not enough (Arifin, 2016; Sombultawee and Boon-itt, 2018).

Instead, firms need to understand the important elements within the external environment, as these affect the market operations. MO has strengthened the definition of marketing to integrate long-term planning, growth, competition, and survival. A number of researchers have discovered the relationship between MO and a firm's performance (e.g., Bueno, et al., 2016; Chen and Hsu, 2013; Jangl, 2015; Laukkanen, et al., 2016; Lin, et al., 2015; Mutlu and Surer, 2015; Moghaddam, et al., 2013).

Two streams of research on MO are notable in the existing literature. Theodosiou, et al. (2012) are explicit that the majority of the researchers have examined MO either from a cultural or from a behavioral approach.

First, MO from the cultural approach hinges on the organization culture that effectively creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business (Narver and Slater, 1990, p.21). The cultural approach stressed the values and norms of an organization, which are related to MO and consist of three elements, namely customer orientation, competitor orientation, and the inter-functional coordination (Narver and Slater, 1990, pp.21). In this regard, customer orientation is the identification of customers' needs, creating and delivering them with offerings that satisfy them. Kumar, et al. (2011) define competitor orientation as understanding the strengths and weaknesses of the competitors, delivering the superior value to custom-

ers that will outperform the competitors. Inter-functional coordination is the coordination among the departments and the functional areas to utilize the resources of the firm in order to create superior value for customers. This internal interdependence or cross-functional coordination has a direct relationship with several dimensions of business performance (Grinstein, 2008; Kwak, et al., 2013).

Second, MO from the behavioral approach focuses on the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of intelligence across departments, and organization-wide responsiveness to it (Kohli and Jaworski, 1990; Jaworski and Kohli, 2017). Varadarajan (2017, pp.31-32) concurs that the three core issues in defining MO include the organization's extent of involvement in organization-wide generation of market intelligence, the dissemination of the intelligence across departments, and organization-wide responsiveness. According to Ghorbani, Dalvi, and Hirmanpour (2014), MO has five main characteristics, which include the philosophy of consumer marketing organizations, information marketing, integration, strategic orientation, and operational efficiency.

It is insightful to note that Kohli, et al. as cited by Varadarajan (2017) designed an MO measurement, which was called MARKOR, covering intelligence generation, intelligence dissemination, and responsiveness. The higher the MO of a firm, the higher the performance to be achieved (Felgueira and Ricardo, 2012; Na, et al., 2019).

For the purposes of this study, customer intensity and customer value creation form the MO. This brings together the internal interdependencies that create value, and the customer-centric behaviors to unpack MO. In this way, this study integrates specific aspects of the cultural and behavioral views of MO. The next section focuses on customer intensity and value creation.

## 2.1 Customer intensity

Successful firms are those that place customers at the forefront of the organizational objective. Customer intensity is a business operator's tendency to build marketing relationships that address individual customer needs, desires, or preferences and relate

to customers on a more personal level (Fiore, et al., 2013, p.70).

The concept of customer intensity or customer centrality has been debated widely in marketing literature. For instance, Deshpandé, et al. (1993, p.27) describe it as the set of philosophies that puts the customer's interests first, while not excluding those of all other stakeholders such as owners, managers, and employees to develop a long-term profitable enterprise.

Customer intensity is the way firms do business with their customers to provide a positive customer experience before and after the sale, to drive repeat business, customer loyalty, and profits. It is an approach that is based on putting your customer first, and at the core of the organizational objectives. Additionally, Shah, et al. (2006, p.115) proposed that the true benefits of the customer intensity paradigm lie not only on how to sell a company's products, but also on creating value for the customer and, in the process, creating value for the organization.

In Nigeria, customer intensity in SMEs is the ability of owner-managers to build marketing relationships that deal with individual customer needs, preferences, or desires, which is further related to customers on a more personal level (Nwaizugbo and Anukam, 2014). In another vein, Spence and Essoussi (2010) maintained that firms, particularly SMEs, to maintain their position in the marketplace, must be aware that their image in the public reflects the way and manner the consumers perceive them.

In this study, customer intensity dimension is based on what is frequently seen as the key compelling force of marketing in the SME's "customer-centric" orientation, using innovative methods to create, grow, and sustain customer relationships. The second element of MO is value creation, which is discussed below.

## 2.2 Value creation

Value creation is the central part of a firm's entrepreneurial and marketing orientation (Rezvani and Khazaei, 2014). While value creation is an elemental condition for exchange to occur, successful business owners underscore the entrepreneurial way of value creation to achieve competitive advantage (Özdemir,

2013). Traditional marketing has placed more emphasis on the customer and transaction relationship. In entrepreneurial marketing, the central idea is innovative and continuous value creation, on the belief that value creation is a precondition for transactions and relationships.

The creation of value is an important construct to a firm's survival (Kotler and Keller, 2016). Despite the recognition of creating value as an important construct in an enterprise by practitioners and academics, it is still not easy to pin down the concept of *value* in business (Anderson and Narus, 1998). The stiff competition experienced in recent times and the ongoing changes in customer preferences require that a firm must continuously ensure value in its goods and services (Lindgreen, et al., 2012; Sousa-e-silva, et al., 2015). This needs to be done mindful of the different kinds of value that exist.

Value can be created when the attributes of a product (e.g., service, design, price, or packages) match with the specific needs of customers (Lindic and Silva, 2011). Notably, value can also be generated by reducing monetary cost, as well as be reinforced by delivering benefits at the stakeholder or consumer level (Lindic and Silva, 2011). It is critical to underline that the notion of creating customer value is not a new concept at all.

There are two ways of customer value creation.

First, the notion of creating customer value refers to a series of activities performed by the customer to achieve a particular goal (Payne, et al., 2008, p.86). Grönroos in Trinh, Liem and Kachitvichyanukul (2014) concurs that customers in their daily undertakings create value through processes when products are needed to perform certain activity. It is widely advocated that customers are exposed to firm's activities at different points in time, provided the customer's and firm's processes, or activities, match, for mutual value generation to take place (Trinh, et al., 2014).

In a different vein, customer value creation is understood in terms of routinized actions, which are orchestrated by tools, physical space, know-how, images, and a subject who is carrying out the practice (Korkman, 2006, p.27).

Two divergent schools of thought related to value creation are decipherable in the recent marketing literature. These are the "value of, augmented goods and services" and the "value of relationship" (Lindgreen, et al., 2012).

From a *goods and services viewpoint*, value is seen as the cost of the product (i.e., total price paid) and a subjective marginal value, which hangs on the buyer's own value structure (Xie and Zhang, 2015). Aminu (2016) argued that value and price are individualistically existent, which means "value" always exceeds the price to motivate customers to buy. This means that value is the monetary worth of benefits a customer receives (Lindgreen, et al., 2012). Consequently, the customer always tries to get the most out of the perceived benefits and play down the perceived sacrifice, costs (Mencarelli and Riviere, 2015; Terblanche and Taljaard, 2018).

Customer's perceived value consists of two complementary aspects, which are perceived benefits and perceived costs (Lindic and Silva, 2011). Delivering value to customer can be appraised by different dimensions, but customers do not often select the product with the highest delivered value (Kotler and Keller, 2016). For instance, a customer might be willing to purchase at the lowest price, or intend to maximize only individual benefits; the other customer may implant a dependable relationship with a firm and thus purchase from it regardless of the delivered value (Lindgreen, et al., 2012, pp.210).

From a *relationship viewpoint*, value creation occurs not in isolation but rather by managing long-term relationship, networks, and interaction through concentrating on employees, customers, suppliers, and other market players (Lindgreen, et al., 2012). This brings to the fore the distinction between relational and transactional exchange to achieve value (Lindgreen, et al., 2012).

Relationship has value when learning and adaptation amount to a new solution, and exchanges become certain and reassuring as the partners learn to organize their business activities. Notably, the focal point of MO is innovation and continuous value creation, on the assumption that value creation is a prerequisite for transactions and changing relationships. In this study, value creation means the ability to discover untapped sources of customer value and to

create unique combinations of resources to produce innovative value. The hypotheses in this quantitative study are:

H<sub>01</sub>: Customer's intensity has no significant effect on the survival of manufacturing SMEs in Nigeria.

H<sub>02</sub>: Value creation has no significant effect on the survival of manufacturing SMEs in Nigeria.

Mindful of the core dimensions and hypotheses of MO in this study, it is important to subsequently discuss the method used in this particular study.

### 3 Methodology

The quantitative study adopted positivism as the research paradigm and descriptive survey design. Concisely, MO is objective and exists independent of the researcher and the researched. The study population constitutes of all the registered owner-managers of manufacturing SMEs in the southeast geopolitical zone of Nigeria. It is salient to be clear that the focus is primarily on small manufacturing businesses that have lived for five years and above; hence the measurement of this study is on the survivability of SMEs. The total population size of 11,573 registered owner-managers of SMEs in five states was utilized.

To estimate the sample size, the researcher employs the Taro Yamane sampling determination formula. The sample size of 387 owner-managers was used for the study. Furthermore, proportionate stratified sampling procedure was employed to determine the sample size for each state under investigation. This gives the sample size for Anambra state, Abia state, Enugu state, Ebonyi state, and Imo state as 120, 96, 70, 23, and 78, respectively. For the selection process to be scientific and objective (i.e., giving every participant a fair chance of being selected), the study selected the fifth out of every ten respondents in the sample frame.

Notably, the reliability test for the set of scale items on the research instrument for this study was done using the Cronbach's coefficient alpha after a pilot test. The internal consistency was 0.792. This study took cognizance of two types of internal validity: content and construct validity. Content validity was achieved by evaluating the face validity of the in-

strument through expert opinions and the academic knowledge from two professionals in the field of marketing. The second type of content validity was attained by aligning all the study's constructs and objectives with the research instrument. Construct validity was guaranteed in this study by adapting instruments developed by experts in the field of study.

The data collected through questionnaire was statistically analyzed using IBM Statistical Package for Social Sciences (SPSS) and Analysis of Moment Structures (AMOS), version 25. The statistical tool used in this study was structural equation modeling (SEM). Furthermore, a preliminary test of multivariate variables was also carried out to avoid violation of the assumptions of homoscedasticity, linearity, multicollinearity, normality, as well as tolerance and variance inflation factor (VIF) test.

### 4 Rules

The following measures were employed for the determination of model fit in this study. The chi-square value forms part of the measures for evaluating the general fitness of the model, as well as the extent of inconsistency between the covariance matrixes and sample (Bagozzi and Yi, 2012). In this regard, the researcher reports the chi-square value, corresponding p value, and the degree of freedom. In the case of large chi-square values and degrees of freedom, the normed chi-square test was employed, which is the chi-square value divided by the degree of freedom. The accepted rule is that the normed chi-square value (CMIN/DF) must not be greater than 5.

The goodness of fit index (GFI) propounded by Joreskog and Sorbom is an alternative measure for assessing the degree of variance that originates from the estimated population covariance (Hooper, et al., 2008). The adjusted goodness of fit index (AGFI) is another measure for assessing the fitness of a measurement or structural model.

The value for GFI and AGFI ranges between 0 and 1, in which the value of an acceptable indicator of good fit starts from 0.8 to above 0.9 (Baumgartner and Hombur, 1996; Hooper, et al., 2008). These were used in this study to assess the fitness of a measurement or structural model.

The root mean square error of approximation (RMSEA) is another prominent measure for assessing the fitness of a model used in this study. It depicts how well a model is suitable to the population covariance/correlation matrix. The value ranges from 0.05 to 0.1 in which values less than 0.08 suggest a fit approximation (Katou and Budhwar, 2010). The normed fit index (NFI) is the incremental fit index utilized in this study to inspect the fitness of the model. This measures the fitness of the model by comparing the chi-square values of the model and the null model (Hooper, et al., 2008). The values also range from 0 to 1 and Hooper, et al. (2008) suggested that the values must be greater than 0.9 before models can be regarded as good fit.

Bentler developed the comparative fit index (CFI) as a revised form of NFI in the 1990s with reasonable consideration of the appropriateness of the sample size in use (Hooper, et al., 2008). The values expected of incremental indexes also range from 0 to

1. Nevertheless, a CFI value greater than or equal to 0.9 is an acceptable indicator of good fit, while a CFI value greater than or equal to 0.95 is regarded as an indicator of perfect fit (Hu and Bentler, 1999).

Other incremental fit indexes utilized to measure the fitness of models in this study were the incremental fit index (IFI) (Bollen, 1989) and Tucker–Lewis index (TLI) (Tucker and Lewis, 1973).

## 5 Presentation of results

The factors for MO in this study include customer intensity and value creation. These were used as a yardstick for measuring the effects of MO on survival of SMEs in southeast Nigeria. Table 1 illustrates the correlation coefficients between MO and the survival of SMEs in Nigeria: the mean score, standard deviation, and exploratory factor analysis (EFA) loading.

Table 1. Exploratory factor analysis of the measurement of market orientation  
(Source: Authors' own research)

Item	Mean	SD	Factor loading	Item total correlation
Market Orientation Factor 1, customer intensity				
5. Owner-managers of SMEs continuously monitor client's complaints about products or services that their business offers.	2.48	1.355	.648	.389
4. Owner-managers of SMEs are more customer-focused than their competitors.	3.69	1.189	.596	.333
1. Customers' demands and needs are of crucial importance for SMEs.	4.50	.517	.525	.263
2. Owner-managers of SMEs constantly monitor their level of commitment and orientation to serving customer needs.	4.35	.661	.522	.263
3. Strategy of owner-managers of SMEs for competitive advantage is based on their understanding of customer's needs.	4.39	.618	.520	.268

Table 1. Exploratory factor analysis of the measurement of market orientation (cont.)  
(Source: Authors' own research)

Factor 2, value creation				
9. Many customers would always like to rebuy the products because of the services rendered by owner-managers of SMEs.	4.10	.868	.686	.424
6. Customer satisfaction is systematically and frequently measured.	4.21	.821	.685	.446
7. The main objective of SMEs who are entrepreneurial is to satisfy their customers.	4.45	.590	.645	.380
10. SMEs with entrepreneurial mind-set change customer's preferences by offering them products or services that have not been fully known.	3.74	1.206	.545	.280
8. Customers service is routinely and regularly measured.	3.48	1.333	.642	.390
KMO = .896; X2 = 1083.600; DF = 55; variance explained = 58.585% p < .000; Cronbach's α = .828;				

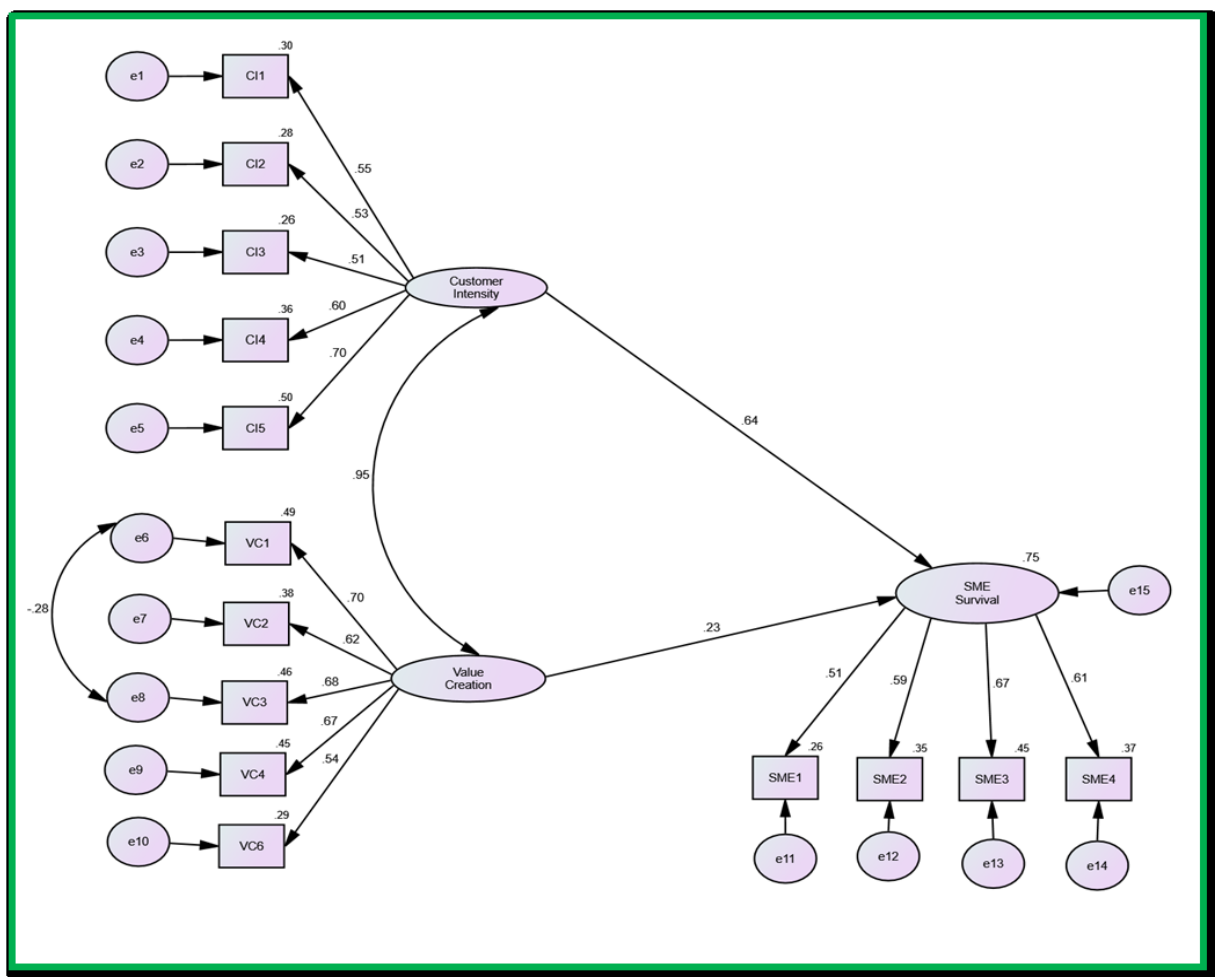


Figure 1. Structural model showing the confirmatory factor analysis and the effects of market orientation (MO) on the survival of manufacturing SMEs in Nigeria (Source: Authors' own research)  
Chi-square = 147.536, DF = 74, p = 0.000, CMIN/DF = 1.994, GFI = 0.944, AGFI = 0.920, NFI = 0.906, IFI = 0.951, TLI = 0.939, CFI = 0.950, RMSEA = 0.052



The internal consistency of components or factors and their respective items that emanated from the EFA was analyzed differently using Cronbach's alpha coefficient via IBM SPSS version 25.

The Cronbach's alpha coefficients were as follows; customer intensity (0.659) and value creation (0.733). However, having confirmed the items in the constructs using EFA and the Cronbach's alpha coefficients, the study goes to present the structural model in Fig. 1.

The underlying goodness of fit indexes propose a perfect fit of the model to the data. Moreover, all the structural model paths were significant at  $p < 0.001$ .

This shows that all effects (direct, indirect, and total effect) on the relationship between the variables in the structural model are significant. This implies that there is partial mediation in the structural model illustrated above.

Hence, the two dimensions of MO partially mediate with each other and, which in the long run, cause a positive effect on the survival of SME. Considering the preceding result on the effects of MO on survival of manufacturing SMEs in Nigeria, Table 2 demonstrates the results of each of the MO dimensions, namely customer intensity and value creation

Table 2. Selected text output from AMOS on standardized regression weights  
(Source: Authors' own research)

			Estimate
SME_Survival	←	Customer_Intensity	.645
SME_Survival	←	Value_Creation	.227

The next section presents results specifically on the effects of customer intensity and value creation on the survival of manufacturing SMEs.

### 5.1 Effect of customer's intensity on survival of manufacturing SMEs

The results of  $H_{01}$  from the structural model are clear that customer's intensity has significant, direct, moderate, and positive effects on SMEs ( $ESC = 0.645$ ,  $p < 0.001$ ). On this point, the null hypothesis ( $H_{01}$ ) that states that customer's intensity has no significant effect on the survival of SMEs (manufacturing) in Nigeria is rejected. This is based on the level of significance in the path relationship existing between customer intensity and value creation. Thus, customer needs are given attention in the manufacturing SMEs in Nigeria, which affects the survival of SMEs.

### 5.2 Effect of value creation on survival of manufacturing SMEs

The results of  $H_{02}$  from the structural model reveal that the path from value creation to the survival of

SMEs ( $ESC = 0.227$ ,  $p < 0.001$ ) is significant. This implies that value creation has direct and positive effects on the survival of SMEs. The null hypothesis ( $H_{02}$ ) that states that value creation has no significant effect on the survival of manufacturing SMEs in Nigeria is rejected. This contributory effect was because of the significant level of mediation of customer intensity dimension.

Going by the results of MO on survival of manufacturing SMEs in Nigeria, it is important to acknowledge that customer intensity dimension made the largest contribution to the survival of manufacturing SMEs in Nigeria (0.645) in this orientation. This was followed by value creation as shown in the structural model and judging from the standardized regression estimates or weights.

## 6 Discussion and conclusion

Findings in this study reveal that MO has a significant, direct, and positive effect on the survival of manufacturing SMEs in Nigeria.

This study used two constructs, customer intensity and value creation, to measure the effects of MO

on survival of manufacturing SMEs in Nigeria. It is insightful that customer intensity has significant, strong, direct, and positive effects on survival of manufacturing SMEs in Nigeria compared to value creation, which has significant, weak, direct, and positive effects. Value creation as used in this study focused on customer's satisfaction, customer's services, customer's loyalty, and customer's preferences, which shows to have weak, though positive, effects on the survival of SMEs.

This implies that when customer's satisfaction is not met through the services rendered or products offered, the customers are not likely to be loyal to the SMEs, and the resultant effect would cause a great loss to the SMEs, which eventually leads to failure of the business. To be specific, customer intensity, which demonstrates a significant, strong, and positive effect on survival, reveals that owner-managers of manufacturing SMEs in Nigeria understand that customers are the reason for every business existence (Nwaizugbo and Anukam, 2014; Selfridge in Hicks, 2014; Kotler and Keller, 2016; Kotler and Armstrong, 2018).

Customer intensity requires understanding of the customer's needs, establishing mutual customer relationship, maintaining, and retaining customer. Therefore, judging by the findings of this study, owner-managers are committed to understanding their customers' need through complaint monitoring, mindfulness of the products offered, and understanding customer importance, but pay less attention to customer satisfaction, preferences, and brand loyalty.

From the viewpoint of MO, these findings resonate with the studies by Oluwatoyin, et al. (2018) and Hussain et al. (2015) who found a significant effect of MO on SME survival. It is interesting that few studies have actually related MO with SME survival. In fact, the majority of extant studies measured MO in relation with performance and growth.

In this context, this study is unique as it shifts away from the predominant focus on MO-performance nexus to shed light on the measurement of MO with SME survival. Oluwatoyin, et al. (2018) were preoccupied with the examination of the impact of MO practices on performance, who focused on select hotels in Ondo State of Nigeria.

In the study by Oluwatoyin, et al. (2018), the findings indicate that there is a significant relationship between MO practices and the performance of hotels especially with respect to customer satisfaction, retention of old customer, and enhanced patronage. Studies by Hussain, et al. (2015) and Oluwatoyin, et al. (2018) also concur that MO is significant to influence SME performance.

It is interesting to draw some commonality in the conception of MO, characterized by an external orientation, which embraces a focus on competitors and customers. Despite this, there is a variety of differences in the conception of MO as some scholars also add performance, inter-functional coordination, and marketing capabilities.

The study by Hussain, et al. (2015) examined MO using three dimensions, competitor orientation, customer orientation, and inter-functional coordination, and how these dimensions influence the performance of SMEs in Pakistan. The study by Hussain, et al. (2015) uncovered that all the three dimensions of MO have significant influence on the performance of SMEs in Pakistan.

In another study by Murray, et al. (2011), the focus was on the internal process through which MO influences performance in export markets. The study developed three constructs of MO, which encompassed marketing capabilities, competitive advantages, and performance relationships. From the study by Murray, et al. (2011), it was found that marketing capabilities mediate the MO and performance relationship, while competitive advantages partially mediate the marketing capabilities and performance relationship.

In terms of context, the effect of MO has been evident not only in the manufacturing sector but also in other sectors (e.g., hotel and tourism, financial services, exports, and hi-tech).

Research indicates that the relationship between MO and performance has been investigated extensively (e.g., in the hotel industry, manufacturing sector, and financial and nonfinancial services), and that there is a general agreement that MO influences SME performance (Ekaterina and Utz, 2014; Jawad, et al., 2016; Hussain, et al., 2015; Oluwatoyin, et al., 2018). This study is interesting as it has shed light on

how MO in terms of customer intensity and value creation does not affect not performance but rather the survival of SMEs.

### 6.1 Recommendations

To maintain a sustainable business enterprise in Nigeria, manufacturing SMEs in Nigeria need to adopt and implement MO that will enhance the continuous growth and survival of enterprises.

This is profound as customers are the key to business survival, and it is imperative that owner-managers of manufacturing SMEs reinforce marketing especially because dissatisfied customers result in great loss, which would eventually lead to the failure of that business.

### 6.2 Limitations and suggestions for future study

There are two key limitations regarding this study. First, research context is limited to a specific geographic area of Nigeria. The empirical data was generated within a single geographical context of southeast geopolitical zone of Nigeria. In this way, the results cannot be generalized to the other geopolitical zones of Nigeria or other countries. Second, the study is limited to the SMEs in manufacturing sector only. A heterogeneous sample of SMEs from different sectors in Nigeria may enhance the explanatory power of the model developed in this study.

Future research needs to focus on the effects of MO on the survival of SMEs in nonmanufacturing sector (e.g., agri-based SMEs, technology SMEs). Another fruitful line of inquiry are cross-national studies to compare the strength and applicability of the new MO model not only across different countries but also organizational forms (e.g., large corporations) industries, and business systems. This type of research may be a key step to demonstrate if there are any national or industry changes key to refine the MO model developed in this study.

## 7 References

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