

**Yahaya M Dokochi, Lecturer 11, Department of Entrepreneurship and Business Studies
Federal University of Technology , Minna Niger State.**

Strategic Innovative Marketing as a Catalyst for Growth of SMEs in Nigeria

Abstract

Small and medium scale enterprise is a sector that is often driven by individual literal thinking, creativity, brainstorming and innovation. In Nigeria today, SMEs lack sufficient modern knowledge of marketing their products which resulted to the sector been stagnant and refused to record significant progress in terms of sales and patronage. They constantly stick to old ways of marketing. SMES must be encouraged to apply innovative marketing strategy in Nigerians. The major aim of this paper is to create awareness in Nigerian SME sector on how to plan and implement innovative marketing strategy to boost sales and sustainability. This research postulates that strategic innovative marketing has a significant effect on sales and patronage. The research adopted qualitative approach, the paper provide adequate information on importance of innovative marketing in an organization, strategic planning of innovation in marketing and modern ways of marketing: E-marketing, Database marketing, Viral marketing and Service innovation. The existing marketing strategy is no longer serving its purpose as required. Change in strategy as applying current strategy will go a long way in keeping small and medium enterprises in business without fear of being outshined by the large scale industries.

Keywords: small and medium scale, innovation, strategic marketing, sustainability. Database marketing, service innovation.

1. introduction

innovation is the key to success, we are living in a world that always experience dramatic change. Companies ability to stay in business not only woo customers but also to have an edge over competitors is to accept change and be able to work with time. The very fact that small and medium enterprises provide jobs for Nigerian teeming population as government cannot provide job for everybody, quite a number of Nigerians have some individual business or family business, because they are beginning to realize that government can not provide everybody with a job. In Nigeria today small scale enterprises are struggling to stay in business, apart from some of the challenges facing them like being over shadowed by large scale industries and poor financing, they also face the challenge of innovation in marketing their product. Agarwal and Ashwani (2008) argue that globalization has affected not just the competitiveness of SMEs, but has also threatened the very survival of some of the weaker ones and forced them to modify their manufacturing and marketing strategies. (Subrahmanya et al, 2010) says Innovative marketing is key to the growth of SMEs as it provides firms with a competitive edge over other firms in the industry. SMEs can successfully use marketing to generate sales ([36] Guersen, 2007; [67] Romano and Ratnatunga, 2005). This highlights the value of seeking to understand innovative marketing as practised by SMEs. *The Country Manager, Google Nigeria, Ms. Juliet Ehimuan,*

says 90 percent of Nigerian SMEs lack online presence. Nigerian SMEs sector are refusing to tap from the profound opportunity that online applications has provided for the boost of sales and patronage. Quite a number of Nigerian populace use internet either through personal digital assistance or any form of computer networking. According to Africa Internet Usage and Population Statistics, internet penetration in Nigeria is now 28.9% at estimated 43,982,200m users.

There is sufficient evidence that small business failure can result from either lack of marketing, or poor marketing practice (Bruno and Leidecker,2004), and that they may be more vulnerable to competitive threat (Carson and McCartan-Quinn, 2006).Innovative marketing enables the entrepreneurs to improve the quality of their goods and services. Hence, the strong skills of marketing become inevitable for SME sector. The marketing function in SMEs is hindered by constraints such as limited access to resources, and a lack of marketing expertise on the part of the owner/manager. It is of the believe that small scale industries hardly survive where there are so many competition most especially where large scale industries exist. This is where our efforts to bridge this gap comes into picture.

2. Literature survey

My research is linked with the literature on innovative marketing strategies required in small and medium enterprises (SMEs). It is widely accepted that micro and SMEs are the major providers of new jobs (Audretsch et al., 2002) . Despite the significance of marketing and innovation to SMEs, (simmond 2007,) Hills and laforge 2006 Kleindi etd 2006 note that there is a lack of formal acknowledgement of innovation in marketing theory, and in turn, a lack of innovative marketing theory relevant for SMEs, SMEs need to understand in practice, much marketing in SMEs is driven by innovation. the greatest thing that has ever happen to mankind is the build of computer but my greatest concern is how this things will get to the hand of everybody. In essence, so that the discoveries would be made available to everyone to make a choice Job steven of apple. in Nigeria today SMEs don't effectively utilize innovative marketing that the computer has offered them. Small firms cannot compete most especially where large firms exist using economic of scale, therefore their competitive advantage lies in the development of strategic innovative processes which is relevant on accurate market and customer information. Forrest, 1999 low and macmillan. Innovative marketing may flourish even under financial resources constraints.

Planning of strategic innovative marketing

These are patently obvious questions that can be applied to any communications campaign, but, as bird (2000) says, surprisingly few people do ask these questions:

1. Who are you trying to influence?
2. What are u selling?

3. Why should your prospect buy it?
4. Where will u find your prospect?
5. When should you speak to them?

Any individual that want to start up a small and medium scale business in Nigeria needs to ask himself the above questions, if he has sufficient and convincing answers to them, it will help in the growth of the business because he is going to get a clue on what to do, when to do, how to do and to whom it should be done.

Steps involve in planning strategic innovative marketing development

Business strategy Development

One of the first steps in planning of strategic innovative marketing development is to review the organizations mission and vision. The innovative marketing strategy and specific innovative ideas must fit within the larger strategic mission and vision of the organization. Small scale enterprises must make sure their marketing strategy goes with the image they want to portray and what the company stand for, deviating from that will cost them a lot.

Idea generation

The next step in the process is the generation of new ideas that can be passed through the innovative marketing strategy. Formal brainstorming, solicitation of ideas from employee and customers, lead user research and learning about competitors are some of the most common approaches. Some companies can even collaborating with outsiders or developing licensing agreements and joint ventures in an effort to exploit all possible source of new ideas. D. Rigby and C. Zook (October 2002)

Marketing concept development and evaluation

Once an idea surfaces that is regarded as a good fit with both the business and the innovative marketing strategies, it is ready for initial development. It is important that agreement be reached at this stage on exactly what the concept is and what customers need it is filling. Through the initial concept development phase it became clear that not everyone in the organization has the same idea about how this description would translate into actual marketing and there were a variety of ways the concept could be developed. After clear definition of the concept, it is important to produce a description of the service that represents its specific characteristics and then determine initial customer and employee responses to the concept. Gl Shostack. (Chicago American market organization, 1984)

Business Analysis

Assuming that the innovative marketing concept is favorably evaluated by customers and employees at the concept development stage, the next step is to estimate its economic feasibility and potential profit implications.

Implementation

Once the innovative marketing concept has passed all the front-end planning hurdles, it is ready for the implementation stages of the process.

Prototype Development and testing

In the development of new tangible products, the development and testing stage involves the construction of product prototypes and testing for consumer acceptance.

Market testing

At the market stage of development process, a tangible product might be test marketed in a limited number of trading areas to determine market place acceptance of the product as well as other marketing mix variables such as promotion, pricing and distribution system. Because innovative marketing for example new service offerings are often intertwined with the delivery system for existing services, it is difficult to test new service in isolation.

Commercialization

During the commercialization stage, the product or service goes life and is introduced to the market place. This stage has two objectives. The first is to build and maintain acceptance of the innovative product or new service among larger numbers of the marketing delivery personnel who will be responsible for day to day service or marketing quality. The second objectives is to monitor all aspects of the marketing or service during introduction or through the complete product or service cycle.

Post introduction evaluation.

At this point, the information gathered during commercialization can be reviewed and changes made to the delivery process, staffing, or marketing mix variables on the basis of actual market response to the offering. No marketing strategy will ever be the same. Whether deliberate or unplanned, changes will always occur. Therefore, formalizing the review process to make those changes from the customer point of view is critical.

Mordern ways of marketing

E- marketing

In 21st century, small and medium scale industries must embrace continual change and the online opportunities and challenges that constantly come with it. The digital impact affects every element of both the overall marketing mix and the communication mix.

e-marketing can help small and medium scale enterprises in Nigeria to achieve many objectives, from increasing sales and enquires to getting closer to customers and listening to them, to adding extra service and added value; to gaining efficiencies and saving money; to strengthening the brand as it moves from visual orientation to an interactive and experiential orientation. These five objectives or benefits can be summarized as the 5S: sell, service(added value), save, speak (listening to customers, and sizzle(exciting brand))

1. Sell. Just about anything can be sold online, Small scale enterprises are yet to make sufficient use of the online opportunities , most especially products that are consumed by young Nigerians, quite a number of them are using social media today.
2. Serve. Question of how can a company help his customers, how can they be best served is answered with online sales. Having a website adequately, enhanced relationships between producer and buyers with the provision of feedback on what the customer think of the product, satisfaction as well as where the company need to improve.
3. Save. Website can save vast overhead of physical presence. Fully integrated websites save a lot more, when the ‘sell side’ (customers-facing Website) seamlessly linked to both the ‘inside’ production, order processing and finance) and the ‘buy side’ (raw material procurement and supply chain management), huge efficiency gains are enjoyed as an incoming order updates sales records, production records, supply records, and supplier simultaneously. This way, customers are giving accurate delivery schedules.
4. Speak. Small scale enterprises with e-marketing can speak, listen and watch customers in a new way. In addition to engaging in a dynamic(database-driven) one to one dialogue with customers, marketers can watch discussion rooms, chat rooms and bulleting boards’ customers swap tips, ideas, suggestions and criticism of the brand. It’s a marketer’s dream. MTV refers to it as ‘a year-long focus groups’. Some marketers excel here and they build communities of common interest around brand. ‘marketers are conversations; (Seth Godin, 2010).
5. Sizzle. Website provide a wonderful opportunity to re-evaluate and sometimes reinvigorate the brand. The ‘sizzle’ is the web site magic that add to the brand. It’s the overall impression delivered by the website- the scintillating experience, dynamic engagement or plain old warm feeling left after a visit.

Database marketing

A customer database is a list carrying customers information and can be organizations valuable asset. Database can be bought, borrowed or built. Guarantee slips, subscription lists and sales promotions all trap names and addresses. Often the best source lies dormant, tucked in the bottom of a file somewhere in an organization. Every customer

and his purchasing pattern, every enquiry and every complaint, comment or feedback can be logged into a database. The database then builds up a detailed picture of the customer's profile, which lets the company get to know its customers better. The database can identify which customers/ prospects are in which stage of the buying cycle. This facilitates sequence selling, where attitudes are moulded and interest aroused by series of communications rather than going for an immediate straight sale. Nigerian business men can introduce Database marketing to maintain and increase their customer base.

Viral marketing

Viral marketing spread the word of mouth on line. Some call it 'word of mouse'. It is not 'accidental' spreading but, rather carefully planned spreading of message online. Consider first the creative idea or 'viral agent' . this can be a video clip, graphic animation, a photograph or just some text. The creative idea does not have to be attached to an e-mail, it can simply be an e-mail with a link to a website. Either way for it to work, the creative Idea should have a 'wow' factor. The viral agent should be so good such that many people will want to pass it to a friend or colleague. This 'wow, factor can be humour, shock, enlightenment(information), engagement or(interactive game or quiz) or a special offer.

The second factor SMEs in Nigeria need to consider is the seeding, which means identifying some key people or groups of people and getting their agreement to send them the viral in the hope that they will spread it on word, either by hosting it on their website, blogs or discussion groups, or simply by passing it on via e-mail to other friends and colleagues. A viral can spread exponentially once it moves beyond the basic seeding.

One word of caution with virals, They must not be used like spam. They should not be sent as an unsolicited e-mail. This would be a breach of the new privacy and electronic communications regulations act.

Service innovation

Services are produced, consumed, and cocreated in real time and often involve interaction between and among employees and customers, small scale enterprises in Nigeria must know that it is critical that innovation and new service development processes involve both employees and customers. A. ordanini and A. Parasuraman, 'journal of service research 14(February 2011), pp.22-23 Employees frequently are the service, or at least they perform or deliver the service, and thus their involvement in choosing which new services to develop and how these services should be designed and implemented can be very beneficial.

"Service design aims to ensure service interfaces, usable, and desirable from the clients point of view and efficient and distinctive from the suppliers point of view". Bright mager, professor of service design university of cologne, germany. "Service design is focused on bringing service

strategy and innovative service ideas to life by aligning various internal and external stakeholders around the creation of holistic service experiences for customers, clients employees , business partners, and/or citizens”. Center for services leadership, Arizona State University.

Given the interdisciplinary and interactional nature of service design and its focus on customer experiences, a set of five principles has been proposed as central to service design thinking M. Stickdorn and J. Schneimar (Amsterdam; 2010):

User-centered: services should be experienced and designed through the customers eyes.

Cocreative: All stakeholders should be included in the service design process

Sequencing: A service should be visualized as a sequence of interrelated actions

Evidencing: intangible services should be visualized in terms of physical artifacts.

Holistics: the entire environment of a service should be considered.

Small scale enterprises in Nigeria who adhere to this principles of service design are engaged in visualizing, formulating, and choreographing, solutions that are not yet available. They watch and interpret needs and behaviors and transform them into potential future services. Designing, innovating and improving services experiences based on this principles has resulted in a number of new terms, technique and methods being developed and applied, specifically for service innovation. For examples, terms such as customer journey, touchpoints, personas, cocreation, and service prototypes are common among service designers

Not all service innovations are new to the same degree. New services run the gamut from major or radical introductions to minor style changes, described below.

Major or radical innovations are new services for markets as yet undefined. Many innovations now and in the future will evolve from information, computer and internet based technologies. Often this major innovations create brand-new markets.

Start up businesses consist of new services for a market already served by existing products that meet the same generic needs. Service example includes online banking for financial transactions online advertisement and online sales that will definitely compete and would have an edge over the traditional ways. Many new mobile applications fit in this category.

New services for currently served market represent attempts to offer existing customers of the organization a service not previously available from the company(although it may be available from other companies). Examples includes retailers adding a coffee bar or children play area. Sometimes they present only modest enhancement services as in this examples. Other times the offering may represent a radically new stand-alone services.

Service-line extensions represent augmentations of the existing service line, such as a restaurant adding new menu items.

It is important for small scale enterprises to realize that customers are not looking for one stand alone product or service but, rather, innovative solutions to their problems. Traditional thinking has viewed solutions as “bundles of goods and services” that companies offer to customers . however, research by Kapil Tuli, Ajay Kohli, Sundar Bharadwaj shows that solutions, as defined by customers, are not bundles of products and services at all, but rather a set of customers facing processes. This relational processes comprise

1. Customer requirements definitions
2. Customization and integration of goods and services
3. Deployment of these integrated solutions
4. Post deployment customer support

Another researcher, lance Bettencourt, suggests that service innovation is the result of understanding customers problems and the job they are trying to get done, then developing solutions to help them reach those goals. In Bettencourt experience, the keys are to figure out what customers are trying to do and to develop services and solutions around that understanding. Yet Another researchers focus on “customer activity chains” and the development of service and solution to these activities.

When small scale enterprises begin to think in terms of solutions for customers, they start to spend more time with them, listening and observing their problems and identifying opportunities to enhance productivity, winning customers loyalty and creating more enthusiastic customer base.

Conclusion

It is of great benefit if SMEs in Nigeria adhere to new ways of marketing, business environment would be favourable and would encourage young and old to start up their small scale and medium businesses.

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