Effect of Marketing Innovation on Performance of Small and Medium Enterprises in Nigeria

Umar Garba Adamu, Siti Rahayu Hussin, Noor Azlin Ismail, aPotiskum Yobe State Nigeria, b,cDepartments of Marketing and Management Universiti Putra Malaysia, Faculty of Economics and Management, Email: aagarbaumar2005@gmail.com, brahayuhussin@gmail.com, cazlin_is@upm.edu.my

One of the most common issues faced by small-medium enterprises is a poor marketing strategy. Absences of an effective marketing plan, resources and strategies have been reported to be among the weakness for small and medium businesses worldwide. This study was carried out to determine the effect of marketing innovation on the performance of SMEs. Specifically, the study investigated the relationship between innovative products, pricing, promotion and distribution strategies with efficiency of small businesses. 203 small and medium enterprises from the furniture business were designated as a sample for the research. 198 usable questionnaires were analysed. Multiple regressions were employed as tools of analysis in determining the link between the innovative marketing strategies and firm efficiency. Outcomes indicate that Marketing innovation strategies positively impact on small medium enterprises efficiency. The paper concluded that based on the positive effect of marketing innovation on many firms, SMEs should strive toward adopting it in their lines of business operations. At the same time, more work should investigate other aspect of innovative marketing in order to provide in depth knowledge of innovative marketing strategies and tactics that could lead to better performance of the small medium enterprise.

Key words: Marketing strategy, small medium enterprises, product, pricing, promotion.

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 has been
recognised as the most critical components in the globalised and competitive setting of today Ismail et al. (2010). By adjusting innovative product methods with a high concentration of fresh products, companies can enhance their efficiency (Osei, Yunfei, Appienti, & Forkuoh, 2016). Marketing innovation approach is a prerequisite if market performance is to be improved Aksoy, (2017). Marketing innovation is based on redesigning the existing industry model to generate new value for consumers to effectively (promote) consumer information, weaken competitors and generate new benefits for all stakeholders Musso, (2012). He also believes that marketing innovation is a benefit over competitive gains by offering greater value to customers by lowering prices and offering advantages and services that warrant a higher price.

In this light, the purpose of this study is to ascertain the interrelationship with regards to marketing innovation strategies (product, pricing, promotion and distribution) and SMEs efficiency in the wood furniture industry to fill in the existing gap for the impact of innovative marketing strategies and firm efficiency. The Resource-Based View (RBV) model was also screened. Unlike numerous prior research illustrating how marketing innovation increases the efficiency of companies, this research provides a clearer perspective on the impact of each innovative marketing strategy (product, pricing, promotion and distribution) on the performance of SMEs (annual revenue). SMEs’ efficiency can be calculated by many factors such as customer satisfaction, fixed asset etc. (Gerba & Viswanadham, 2016). In this study, SMEs performance was measured based on owners’ perception of their annual revenue that is (subjective) Not through the data obtained straight from earnings statement (objective).

The study's specific goal highlights the effect of the strategy for product innovation on SME results. Product innovation is positively correlated to companies’ efficiencies (Karabulut, 2015). Osei et al. (2016), Maldanado et al. (2018) introducing fresh products positively affect performance of SMEs. Extensive evidence from past research has shown how innovation in product helps SMEs achieve their overall profit goal and develop competitive advantage over their rivals. Therefore, this study shows the connection in innovative product strategy towards performance of small, medium enterprises (annual revenue).

As a result, companies in a vibrant environment generally strive on an ongoing basis to come up with a new product concept that can meet the needs of their target customers to meet their objectives and maintain themselves over time. Small and medium-sized enterprises will not survive without quality and improvement. Product innovation is one of the key tools for developing strategies for entering new markets, entering the current profit-enhancing market and giving SMEs a competitive edge (Osei et al., 2016). Given the effect on company performance of product innovation, previous research has not explicitly shown the impact of product novelty strategy on the SMEs efficiency (annual revenue). Most studies only focused on big companies instead of SMEs.
The study also examined the link between innovative pricing policy for SMEs performance (annual revenue). As one of the components of the marketing mix element, a pricing innovative strategy has also been identified as having a positive impact on the firm’s performance. Pricing Patterns capable of enhancing the company's market performance should be attractive (Nimer & Smith, 2012a). Pricing innovation is the strongest source of competitive advantage for a company (Hinterhuber & Liozu, 2017). Introducing new approaches to pricing policies such as pricing schemes, and pricing method to enhance customer satisfaction and business revenues to the sector. The emphasis of this analysis was on the influence of innovative marketing strategies (product, pricing, promotion and distribution) on SMEs efficiency (annual revenue). The work contributes in the area of innovation for the company performance.

Theoretically, the study follows the circumstance that Resource-Based View (RBV) gives a significant part in responding to research queries involved in the study. Such questions are: Is there any significant relationship between product innovation strategy and SMEs performance in Yobe State? Is there a significant linkage between innovative pricing strategy and SMEs efficiency in Yobe State? Is there a significant linkage between innovative promotion strategy and SMEs efficiency in Yobe State? Is there a significant linkage between innovative distribution strategy and SMEs efficiency in Yobe State, Nigeria? In this view, Variance Analysis (ANOVA) was further utilised to test the propositions.

Firstly, the study begins by discussing the relevant literature related to the study and context theoretical of the study then shadowed by describing the method used in conducting the study as well as examining the measures for the study. The final session presents the findings and critical review as well as the avenue for future study.

**Review Literature**

**Small Medium Enterprises**

In Europe, SMEs are identified as those enterprises capable of employing not more than 250 individuals and that has an overall asset that is not more than fifty million Euros (Moeuf, Pellerin, Lamouri, Tamayo-Giraldo, & Barbaray, 2018)). In Singapore, SMEs are recognised as enterprises having yearly sales turnover less than $100 million or employing staff no more than 200 (Gupta, Seetharaman, & Raj, 2013).

However, SMEs in Malaysia are delineated. On the basis of SME Corp Malaysia, full-time manufacturing employees must not exceed 200 with a maximum sales turnover of RM50 million, while full-time service workers must not surpass 75 with sales income of RM20 million. SMEs are described in Ethiopia on the basis of their paid-up assets ranging from Birr
20,000 to Birr 500,000 (Auzzir et al., 2018). In Nigeria, 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. (National Policy on MSMEs report 2010).

Therefore, a clear definition of SMEs is hard to achieve due to price changes, technological advances or other improvements factors; it changes over a period of time. Even in the same country, different institutions may use definitions depending on their policy focus.

**Small Medium Enterprises Performance**

Owen defines performance as a result, accomplished by a company in meeting its objectives. Wu (2009) also define performance as the potential to which the suggested targets are achieved using resources in an economical manner in the internal /external setting (stockholders, competitors, society). In the same vein Sani A. et al (2015) defined performance as the efficiency of SMEs as to how companies value their stakeholders like customer, society and even government. Firm performance is linked to the company's opportunity to generate income and growth overall goals(Haghighinasab, Sattari, Ebrahimi, & Roghanian, 2015). Neely, Gregory and Plattis, (1995) assert that company performance is a method for quantifying corporate actions as to how they meet their objectives. A strong goal can only be achieved if firms succeed more than rivals in fulfilling the requirements of the customer.

Small-medium enterprises are the pillar of many nations and continents. In Europe, they account for more than 99% of EU firms, contribute closely to 60% of GDP and nearly 70% of the overall workers(Nowotarski & Paslawski, 2017). Similarly, SMEs are around 99.3% in Singapore, add about 46% to Singapore's GDP and account for nearly 63% of the workers.(Curado, Muñoz-Pascual, & Galende, 2018). SMEs represent more than 90 per cent of all Sub-Saharan African businesses (Osei, 2016). SMEs ' contribution to the Gross Domestic Product of Nigeria (GDP) reveals that SMEs provide 20 per cent of the total GDP in Nigeria.(Nigerian Gross Domestic Product Report, 2017).

Despite the facts that research has been done on innovation and performance of SMEs. Only a few discussed on product and pricing innovation strategies. Many have emphasised big companies instead of SMEs. Therefore, this current study investigated the relationship between specific marketing innovation strategies in terms of (product, pricing, promotion and distribution innovative strategies) being practised among SMEs with particular emphasis to wood furniture business SMEs in Yobe State, Nigeria why wood furniture is because previous researches have shown that their performances have been affected by import substitution.
Christy Twaliwi & Michael Isaac, (2017) process of innovation is seen as generating thoughts, evolving intervention, and eventually introducing a fresh product, method or service to the market. The innovation here relates to the process of conceptualising, accepting and adopting a product, services and method that are innovative to the organisation. Drunker, (1993) Considers that innovation as a particular instrument employed by entrepreneurs to exploit change as an opportunity for the various businesses and services. Larenwaju Nassar & Olaleye Faloye, (2015) Agrees that innovation is a method in which possibilities are exploited and transformed into fresh ideas and put into practice. Olughor (2015) the goal of marketing innovation is to bring about significant changes in product design, packaging, positioning and promotion. Afriyie, Du, & Musah,(2019) asserts that innovation positively impacts on firm performance.

Marketing innovation from the theoretical perspective offers massive benefits and opportunities for all enterprises adopted it, including SMEs. Some of the past studies that confirmed this are discussed below.

Aksoy (2017) undertakes the research to find out how innovation in culture, affects firm performance. Data was gathered by using the online survey sent to all members of the Chamber of Commerce and the Chamber of Industry by email. The sample comprises of SME executives, owners, marketing and R&D executives, all of whom had responsibility for the company's execution policies. Findings from the study discovered that improvement constructs support SMEs market performance.

Similarly, Maldonado et al, (2018) undertake a study in order to examine the consequence of technology capabilities on the quality of small businesses (SMEs) in Mexico's regional development and emerging economy. The methodology used was quantitative and hypotheses were tested by Modeling of formal equations (SEM). Data were collected and collected by surveying questionnaires answered through 308 firms situated across the Mexican State of Aguascalientes. The outcomes from the study stated that product, marketing development and leadership innovation affect a favourable and substantial impact on Mexican SMEs' company return. In an attempt to assess the effect of marketing innovation on the efficiency of hotel firms by Mohammed & Abimiku (2015) data was gathered from a survey conducted in companies that operates hotel establishments and was examined using structural equation modelling (SEM). Conclusions from the analyses revealed that, marketing innovation favoured the financial efficiency of hotel firms.

Furthermore, Geldes & Felzensztein, (2013) In order to predict the types and causes of promotion innovation in businesses using the agric industry sector study owing to its financial and social significance in America, a research was performed on marketing technologies in the Agaric business sector. Researchers relate the determinants of marketing
origination, among the agric industry and other economic industries, and then compare their
determinants with other kinds of innovation in the agribusiness industry using logistic
regression. Finding disclosed that there are differences between agribusiness and other
financial industries in the determinants of creativity in marketing.

In the same light, Ndesaulwa & Kikula, (2016) determine the link between innovative
marketing strategies and business efficiency, observed indication from the metal sector in
Turkey. The investigation was carried out on high ranking officers. Data from the
questionnaire were analysed with the SPSS. The hypotheses were verified through regression
analyses. Outcomes indicated that technological innovation (such as product and process
innovation) improve their efficiency. This implies means, the technological improvement
impact on the efficiency of Turkish automotive supplier industry.

Likewise, Karabulut, (2015b) determine the linkage between innovation and small business
efficiency in Malaysia. Results demonstrated the creativity of the brand substantially
influences company performance.

However, Sije & Oloko, (2013) found that there was a reassuring linkage with pricing
innovation strategy and firm efficiency.

From the literature presented above, we can say that innovation in marketing affect firm
performance as viewed across the studies by most big companies. Hence, majority of the
studies employed the Resource-Based View framework. This may probably be the claim by
most authors that it is the most applicable framework for gaining competitive advantage and
improve performance because of its ability to conceptualised firm’s resources to gain
competitive advantage and improve performance. Some studies also combine theories to get
in-depthh knowledge of the subject matter. This could have a better explanatory influence
than using only one theory. This view is supported by Taherdoost (2018) ) that more than one
theoretical approach is essential for a thorough understanding of the issues involved and for
clarity.

Product Innovation Strategy and SMEs Performance

Extensive proof from past research has shown that innovation in the product influenced firm
efficiency. Companies with a competitive advantage over their rivals based on products for
example, in terms of innovation, quality of the product, new product packaging, new product
design have been demonstrated to achieve better performance Gimenez Cristy & Ventura,(2002) and Kaleka & Morgan,(2019) Thus, 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. SMEs will
not survive without quality and enhanced product. Product improvement approach is one of the key elements that help firms to take a competitive edge. Performance of SMEs is connected with SMEs capability to invent an innovative product that can meet customers’ specification and wants.

Osei et al., (2016) Asserted that innovation is the key mechanisms of development strategies for entering fresh markets, entering the current profit-enhancing market and giving SMEs a competitive advantage. Innovative companies can have greater rates of yields since their new goods generate fresh markets or offer such specific advantages over current products in established markets that they can command a price premium, producing higher-margin sales development.

One consequence of this recent focus on innovation is that it is believed marketing innovation leads to positive tangible business outcomes. One of the price reductions in the manufacturing system is the vital impact of the innovation process. That is why firms are continually seeking to get rid of their traditional method of developing fresh processes to decrease costs, enhance production quality, decrease lead times or boost client value (Tonț & Tonț, 2016).

In these same light,(Foroudi, Jin, Gupta, Melewar, & Foroudi, 2016) reported that, innovation significantly add value to firm performance.

Similarly, Ayob & Dana, (2017) undertake research on product strategies on export ventures in developing nations. Researchers sampled about 141 firms in Malaysia. Hierarchical ordinal least square was employed as a tool of analyses. Findings revealed a product that has a differential, Specialisation is intended for export or both. Results further disclosed that some SMEs remained reluctant to export in the international market.

AlBatainey Mohammed,(2018) determine the influence of innovation on SMEs efficiency where 142 firms were selected as a case study in Hassan industrial city. Results confirmed that product innovation positively impacts on firm’ performance.

Furthermore, in a recent study by(Kaleka & Morgan, 2019) outcomes demonstrated that marketing capabilities play a significant role in future strategic targets in the export market. Hence, product innovation capability found to have direct relationship with firms’ efficiency.

Extensive prove from past studies have shown that product modernisation approach has a substantial effect on firm efficiency and that helped most of the firms who have adopted in gaining a competitive advantage over their rivals. Thus, most of the previous studies focused on big companies in communication, agribusiness, automobile and finance sector etc.
therefore this current study focused on marketing innovation specifically product, pricing, promotion and distribution innovation strategy on wood furniture SMEs’ performance in Yobe State, Nigeria.

**Pricing Innovation Strategy and SMEs Performance**

Innovative pricing Patterns capable of enhancing the company's market performance should be attractive Nimer and Smith, (2012b). New and unique market trends typically vary with the number, breadth and variety of price ideas or solutions to tackle price problems Curado, Muñoz-Pascual, & Galende,(2018). According to Hinterhuber & Stephan (2017), Pricing innovation is the strongest source of competitive advantage for a company. Pricing innovation introduces new methods to pricing policies, pricing tactics, and pricing organisation with a goal of enhancing customer satisfaction and business revenues to the sector. They also said companies implementing innovation to their pricing operations outperform their rivals considerably. In a study conducted by Sije and Oloko, (2013) found a significant relationship between innovative pricing strategy on SMEs efficiency. Pricing innovation approach is one of the most strong innovation marketing strategies that enhance the efficiency of SMEs. Oliver et al.(2001). It turns out to be the most helpful approach for all SMEs. Thus, profitability shows how effectively companies can make a profit from using their available resources by defining innovative pricing strategies, and an efficient way to do so can assist SMEs to attract, maintain present market share and potential clients, which can lead to a rise in sales volume, thus making them perform better and remain productive in order to safeguard their market position in the sector.

It is not possible to overemphasise the result of price modernisation on the performance of SMEs. Chenvaz (2012) Innovative pricing positively affect a company’s results when its product quality is enhanced; the company can improve its profit markup by raising the cost of the product. Under normal circumstances, when firms improve their product quality, innovation in pricing shows a significant effect on their efficiency in profit generation. Pricing is an essential element for businesses because it needs no substantial investment and is indeed the utmost reachable in managing success.(Kohli & Suri, 2011).They further stressed that inadequate of proper design in pricing strategy is a squandered opportunity and perhaps a major drawbacks in revenue generation.

Innovative pricing strategy is an essential element of firm decision because it affects the whole company effectiveness and competitiveness(De Toni, Milan, Saciloto, & Larentis, 2017). They further stressed that pricing innovation strategy represents only 2 per cent of the papers in the literature. Being one of the most important elements that determine whether the firm is to sell its product or not, it happens that it has not given much attention by many academics and industry players. Therefore, this study tested the hypotheses in the theoretical
model to govern the significance effect of pricing innovation strategy on the efficiency of wood furniture SMEs in Yobe State, Nigeria.

Promotion Innovation Strategy and SMEs Performance

In a study conducted by Bloch & Bhattacharya (2016) report that promotion innovation strategy shows a major role in improving the efficiency and job creation within companies. Until releasing it on the market, it is essential to inform the target group about the potential characteristics of a new product. Promotion innovation strategy plays a role in establishing a brand image on the market; the creative promotion innovation strategy will influence the placement of an invention in the customer mind space (Sikdar & Vel, 2010).

Therefore, promotion innovation played an important role in informing the consumer about the latest product on the market as well as creating high levels of brand awareness and screening. In anticipation of future profits, a company produces products and tries to convince customers to buy them to raise their sales volume. Revenue generation is the main focus of sales. Revenue is achieved by sales volume, which allows firms to improve their performance to achieve greater profit potential. Every contemporary and successful business should take care of promotion activities as it is the only way to achieve the desired goal of the company. This view was supported by Ståhl,(2018) that A well-designed promotion is a centre of achieving the success of the business and the retention of customers. Ample evidence had been reported by many academics that innovative promotion activities positively impact on firm efficiency.

Distribution Innovation Strategy and SMEs Performance

A good distribution network has to be set for commodities that are to be sold in a market place. Susanto (2017) confirmed that a strong relationship and firm performance exist. Similarly, Karabulut (2015a) affirmed that innovation in distribution network improves firm performance significantly. Distribution is essential if a fresh product is to be accepted and sold on the market since it governs the accessibility of the fresh product to clients(Sikdar & Vel, 2010).

Stefansson (2009) confirmed that innovation in transportation (distribution) brings an encouraging effect on business efficiency. Failure to allocate the logistics system would result in higher costs, longer shipping times, heavy losses and damage to the transportation process, which could lead to customer unhappiness. (Lee, Whang & Padmanabhan, 1997). The more strongly a service can be delivered in a concise time and in good condition, the more consumers display their level of loyalty towards that particular company. Getting enough loyal customers ensures that a company is in an excellent position to receive higher
revenue, increasing its revenues and is prepared to face any competition in the industry as its available resources are significantly improving.

Osei et al., (2016) asserts that technology is among the main drivers of growth policies for entering different markets, entering existing markets to raise revenue, and giving SMEs a competitive advantage over others. Innovative companies can have higher levels of productivity as their new products, pricing, marketing and distribution (place) create new markets and offer such clear advantages over existing products in established markets that these products can demand a price premium, resulting in higher-margin sales growth. Based on this, we can see that SMEs engaged in the development strategy for distribution will be a leader of their rivals and will significantly improve their distribution quality, which will result in a positive impact on their results (revenue).

**Material and Method Used**

**Data Collection and Sample**

The study adopted a quantitative approach. The survey instrument was a self-administered questionnaire. While the population of the study comprised 412 registered wood furniture SMEs, and sample size of 203 respondents was chosen using Yamane (1965) formula. Similarly, a simple random sampling method was adopted. The questionnaire was adopted and was pre-tested. Correlation analysis was conducted on the data set.

To check accuracy and quality of this research, the questionnaires were pilot-tested with twenty (24) participants on wood furniture SMEs in Yobe State, Nigeria to validate the instrument before conducting the primary survey. They have also been updated, balanced and eliminated to boost the reliability of the study. The pilot test also helps verify the reliability of the research instrument and to achieve the research aim. In the study, the estimated value of alpha is between (≥ 0.70) as shown in Table 3.2, which indicated consistency between the variable items and the model is suitable for the study.

**Measures and Measurement Model Test**

scales were assessed from Kuo, Aroso, Jayeola, Naftaly (2016, 2016, 2015, 2016). Similarly, most of these measurement scale constructs were designed in the form of a five-point Likert scale ranging from 1= Strongly Disagree to 5= Strongly Agree to elicit information from the respondents.

Exploratory Factor Analysis (EFA) was conducted to determine the dimensionality of items for each construct, i.e. to decide whether all items fall into one dimension or fall into different dimensions. The EFA was performed in this study and found items dropping in one dimension, only two items showing negative and being excluded from the original items and maintaining twenty-nine (29) items after EFA. The consequences of the factor analysis show that the minimum load factor is 0.520, which is higher than the requirement, as shown in table 1.

**Table 1: Pattern Matrix**

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product1</td>
<td>814</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product2</td>
<td>863</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product3</td>
<td>907</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product4</td>
<td>906</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product5</td>
<td>.890</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product6</td>
<td>824</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product7</td>
<td>892</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing1</td>
<td>879</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing2</td>
<td>917</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing3</td>
<td>900</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing4</td>
<td>829</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing5</td>
<td>898</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing6</td>
<td>921</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing7</td>
<td>925</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing8</td>
<td>520</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion1</td>
<td></td>
<td>.748</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion3</td>
<td></td>
<td>.767</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion6</td>
<td></td>
<td>.645</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion7</td>
<td></td>
<td>.853</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution1</td>
<td></td>
<td>.731</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution2</td>
<td></td>
<td>.715</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution3</td>
<td></td>
<td>.894</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution4</td>
<td></td>
<td>.743</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Summary of the Findings

#### Demographic Characteristics of Respondents

For this study, descriptive analysis shows the distribution of the respondent’s gender. The male respondents from the study constitutes; 181 (91.4%), and the female respondents were 17 (8.6%). The age range of the respondents was classified as from 18 - 25 years, 26 - 35 years, 36 - 45 and above 45 years. The results revealed that 26 (i.e. 13.1%) fell age group 18 - 25 years, 91 (i.e. 46.0%) the age group fell between (26-35 years), 64 (i.e. 32.3%) fell in the Class for age 36 – 45, and respondents represented the age group above 45 years representing 8.6%. In terms of marital status, the analysis revealed that out of the 198 respondents, 134 (67.7%) were married, and 61 (30.8%) were single, and 1(0.5%) were divorced, while 2 (1.0%) were widowed.

In addition, the analysis further indicates the level of education of the respondents 2 (1.0%) were respondents with Ph.D.; also 2 (1.0%) were respondents with Master’s degree, and 50 (25.3%) were those respondents with B.Sc./HND, the analysis further revealed that those having NCE/Diploma comprised 96 (48.5%), while the remaining which is 48 (24.2%) are those respondents having other qualifications. The study also showed that 187 (94.4%) of the respondents were operating sole proprietorship type of business, while 5(2.5%) were operating partnership type of business, while those that operate other types of business were 6 (3.0%). Finally, the analysis indicates that 1(0.5%) were in the business for about 3 years, and 37 (18.7) were in business for 4 – 6 years, 75 (37.9%) were in the business for 7 – 9 years, 40 (20.2%) were in the business for 10 -12 years, while 45 (22.7%) were in the business for more than 12 years.

#### Reliability Analysis

Cronbach’s alpha employed in determining the reliability coefficient. The coefficient shows how well the items are positively correlated to one another. The result presented in Table 2

| Distribution5 | 0.892 |
| SMEs Performance1 | 0.822 |
| SMEs Performance2 | 0.844 |
| SMEs Performance3 | 0.646 |
| SMEs Performance4 | 0.725 |
| SMEs Performance5 | 0.805 |

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.
a. Rotation converged in 5 iterations.
shows that Cronbach’s Alpha value for Product innovation, Pricing innovation, Promotion innovation and Distribution innovation are greater than 0.6; hence they are considered as reliable.

**Table 2: Summary of Reliability Analysis**

<table>
<thead>
<tr>
<th>Items</th>
<th>No of sub items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product inn</td>
<td>7</td>
<td>.968</td>
</tr>
<tr>
<td>Pricing inn</td>
<td>8</td>
<td>.977</td>
</tr>
<tr>
<td>Promotion inn</td>
<td>7</td>
<td>.982</td>
</tr>
<tr>
<td>Distribution inn</td>
<td>5</td>
<td>.965</td>
</tr>
<tr>
<td>SMEs Performance</td>
<td>5</td>
<td>.982</td>
</tr>
</tbody>
</table>

The correlations are in the right direction as predicted. Product innovation strategy indicates a optimistic and significant relationship with SMEs performance (r = 0.541, p < 0.01). Pricing innovation strategy also, correlated with SMEs performance with (r = 0.762, p < 0.01). Both promotion and distribution innovation policies showed a significant connection on SMEs performance (r = 0.641, p < 0.01 and r = 0.578, p < 0.01). This is summarized in table 3.3. All the variables of product, pricing, promotion and distribution innovation strategies show a strong relationship with SMEs performance as described in Table 3 below.

**Table 3: Pearson Correlation between variables Product, Pricing, Promotion, Distribution innovation strategy, and SMEs Performance**

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>1</td>
<td>.466**</td>
<td>.506**</td>
<td>.573**</td>
<td>.541**</td>
</tr>
<tr>
<td>Pricing</td>
<td>1</td>
<td>.688**</td>
<td>.515**</td>
<td>.762**</td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>1</td>
<td>.503**</td>
<td>.641**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>1</td>
<td>.578**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMEs Performance</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**

**Discussion of the Result and Conclusion**

The aim of the research was to determining the linkages between innovative marketing approaches and efficiency of small business I the furniture industry. The SMEs reported that the adoption of innovative marketing strategies in terms of (product, pricing, promotion and
distribution) led to perceived higher performance. The findings exhibited that there is a significant correlation with marketing innovation strategy and wood furniture SMEs performance in Yobe state, Nigeria. Innovative product strategies such as technological newness, use of modern tools, and developing new product features were among the most commonly adopted by the wood furniture SMEs in Yobe State Nigeria. Pricing innovation strategies that are innovative such as attractive credit policy, setting pricing below cost of production in certain seasons and adding percentage markup to remain profitable were found to be significant to wood furniture SMEs performance. Similarly, innovative promotion strategies like reaching customers through a social network such as (Instagram, facebook, Wastup etc.) were also found to be significant towards SMEs performance (annual revenue). Innovative distribution strategies such as short time delivery, modern mechanised handling services, and free distribution system offered, found to have a significant influence on wood furniture SMEs performance in Yobe State, Nigeria.
REFERENCES


