

THE ROLE OF MARKETING RESEARCH IN ACHIEVING SUSTAINABLE PRACTICES: A CASE STUDY OF SMES IN NIGERIA

Associate Professor Udegbe Scholastica Ebarefimia, PhD., Olufemi Aina AJOSE. PhD. and Tijani Usman Moyosore

Lagos State University, Faculty of Management Sciences, Department of Marketing, Nigeria.

Lagos State University, Faculty of Management Sciences, Department of Marketing. olufemi.ajose@lasu.edu.ng

Lagos State University, Faculty of Management Sciences, Department of Marketing, Nigeria.

ABSTRACT: The study investigates the role of marketing research in achieving sustainable practices in Nigerian SMEs. It found that sustainable marketing techniques significantly impact the functioning of these enterprises. The research used a literature-based instrument and collected data from 250 selected SMEs. The findings suggest that marketing research significantly assists Nigerian SMEs in making informed decisions, achieving sustainable practices in strategic planning and decision-making. The findings will help fill knowledge gaps and serve as a guide for researchers and practitioners in Nigeria.

Keywords: marketing research, sustainable practices, SMEs, Nigeria.

Introduction

This study aims to explore the potential of marketing research in encouraging Nigeria's small and medium-sized enterprises (SMEs) to adopt sustainable practices in their daily operations. Marketing research helps businesses understand consumer attitudes towards sustainability and integrate sustainable practices into marketing plans. It helps businesses identify support and impedes for sustainable consumption, assess consumer trust in eco-labels, and divide the market based on sustainability preferences. Using tools like sentiment analysis and brand perception surveys, businesses can assess the effectiveness of their sustainability communication, improve strategies, and ensure a positive brand image. The study uses a case study of SMEs in Nigeria to bridge the knowledge gap on how marketing research contributes to the adoption of sustainable practices.

Objectives of the study:

This study's main objective is to provide information on the ways that marketing research affects sustainable business practices in Nigerian SMEs.

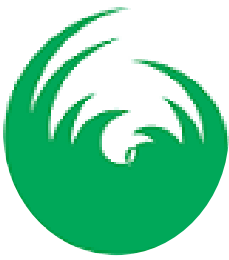
Specifically, the objectives are:

1. To evaluate how much marketing research affects Nigerian SMEs' adoption of sustainable practices.
2. To find out how Nigerian SMEs perceive marketing research's role in helping them become more knowledgeable about sustainable business practices
3. To determine the impact of marketing research inclusion in decision-making processes on the overall sustainability performance of small and medium-sized enterprises (SMEs) in Nigeria.
4. To find out how marketing research affects the overall sustainability performance of Nigerian SMEs.

Research questions

The following research questions were created in order to meet the study's objectives:

1. How much does marketing research affect Nigerian SMEs' adoption of sustainable practices?



2. How much do small and medium-sized enterprises in Nigeria think marketing research has helped them learn more about sustainable business practices?

3. How much of an impact does the use of marketing research in decision-making have on the overall sustainability performance of SMEs in Nigeria?

4. How much of an influence does marketing research have on the overall sustainability performance of Nigerian SMEs?

Research hypotheses

Hypothesis I

Ho: Marketing research does not significantly affect Nigerian SMEs' adoption of sustainable practices.

H₁: Marketing research significantly affects Nigerian SMEs' adoption of sustainable practices.

Hypothesis II

Ho: Small and medium-sized enterprises in Nigeria think marketing research has not significantly helped them learn more about sustainable business practices.

H₁: Small and medium-sized enterprises in Nigeria think marketing research have significantly helped them learn more about sustainable business practices?

Hypothesis III

Ho: The use of marketing research in decision-making does not have a significant impact on the overall sustainability performance of SMEs in Nigeria.

H₁: The use of marketing research in decision-making has a significant impact on the overall sustainability performance of SMEs in Nigeria.

Hypothesis IV

Ho: Marketing research does not have a significant influence on the overall sustainability performance of Nigerian SMEs.

H₁: Marketing research has a significant influence on the overall sustainability performance of Nigerian SMEs.

LITERATURE REVIEW

Marketing Research and Firm Activity

This study focuses on the importance of marketing research in supporting decision-making in global

markets as firms grow and compete. Access to relevant information is crucial for business operations and decision-making. Marketing research is a vital means of collecting verifiable, timely, and trustworthy market information (Grubor, 2010).

The practical skills and expertise of engaged personnel are required to interpret and pass on the collected information to decision-makers effectively. The appropriate and desired information may be based on knowledge, skills, experience, and evaluations made by appropriate executives and professionals, as well as on market research carried out (Keegan and Green, 2013).

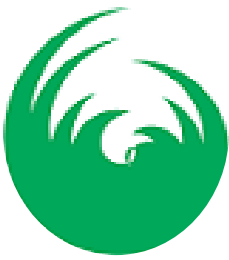
Therefore, market information remains a key ingredient for creating an effective global marketing strategy as well as an important part of the organisational decision-making process in operating both domestically and internationally (Douglas & Craig, 1983).

Concepts of SMEs' Innovation and Marketing Research

SMEs need innovation and marketing research for growth and success. Innovation involves creating new ideas, processes, products, or services to improve efficiency and competitiveness. Challenges include limited resources, risk aversion, and a lack of awareness. Marketing research involves gathering and analysing market information to understand customer needs and make strategic decisions. Strategies include focusing on key objectives, using online tools, and monitoring industry trends.

One of the fundamental purposes of marketing research is the ability to identify, analyse, and meet identified needs and/or wants efficiently and innovatively, which results in innovation as a way of adding value to the existing product(s). Observing carefully, the exposition by Schumpeter suggests a broader view of innovation, like product innovation, process innovation, management innovation, organisational innovation, and marketing innovation (Talegeta, 2014).

Additional research has revealed that SMEs that innovate in their operations, processes, or products are more likely to innovate in marketing as well (Medrano



and Olarte-Pascual, 2016; Soltani, S., Azadi, H., Hosseini, S.J.F., Witlox, F. and Passel, S.V., 2015.). According to Rosenbusch et al., SMEs do well when their strategic objectives and goals are founded on their degree of innovation.

SMEs and sustainability

SMEs are increasingly recognising the importance of integrating sustainability into their operations for long-term success. These businesses are defined by factors like the number of employees, annual revenue, or a combination of both. Sustainability in SMEs involves the integration of environmental, social, and economic considerations into their business operations. SMEs can contribute to environmental sustainability by implementing practices like resource efficiency, waste reduction, and renewable energy sources. Social sustainability focuses on the well-being of employees, communities, and stakeholders. Economic sustainability involves the long-term financial health of SMEs, including their finances (Gandhi et al., 2018; Shields & Shelleman, 2015).

Barriers to sustainability for SMEs include limited financial resources, a lack of awareness, and perceived complexities in implementation. Governments can play a crucial role in promoting sustainability through incentives, subsidies, and regulatory frameworks. Technological advancements and innovation can aid SMEs in adopting sustainable practices. Consumer preferences are driving SMEs to adopt sustainability as a key differentiator. Capacity building and training are essential for enhancing awareness and understanding of sustainable practices. Networking and collaboration within sustainability-focused business communities, as well as marketing research, can also contribute to collective efforts towards sustainability. SMEs are considered small and medium enterprises, but their collective contribution in this world is very high, and they are the vertebrae of economic growth worldwide.

Research Methods.

This study was conducted in Lagos State, Nigeria, using questionnaires distributed to 250 SMEs from five

administrative divisions, namely: Ikorodu, Ikeja, Epe, Badagry, and Lagos Island. The data was sourced through convenience sampling, on the basis of a multiple-case study design, and a pilot test on 10 respondents from Ikeja, the state capital. The questionnaires contained relevant items and were rated using a 5-point Likert scale. The study aimed to measure the role of marketing research in achieving sustainable practices and the demographic profiles of respondents. The Cronbach alpha reliability coefficient was 0.93, indicating good validity and reliability (Cronbach, 1947). The content's validity was validated by management and marketing researchers, and its predictive validity was proven by the pilot study's outcomes. The study's conclusions are presented in the following sections.

Findings and Discussion.

The purpose of this study is to determine the contribution of marketing research to the adoption of sustainable practices by utilising a case study of SMEs in Nigeria.

Key research variables used

A1: Marketing research practices are widely adopted by small and medium-sized firms (SMEs) in Nigeria. Are you in agreement?

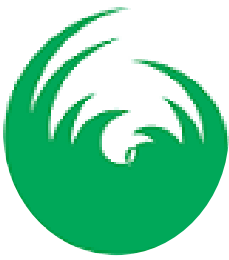
A2: In Nigeria, SMEs, or small and medium-sized businesses, adopt and implement sustainable practices. Are you in agreement?

A3: The degree to which marketing research is used has a major impact on the overall sustainability performance of SMEs in the Nigerian business environment. Are you in agreement?

A4: Marketing research significantly affects Nigerian SMEs' adoption of sustainable practices. Are you in agreement?

A5: Decision-making processes and strategic planning are greatly impacted by marketing research. Are you in agreement?

A6: A major factor influencing Nigerian SMEs' adoption of sustainable practices is marketing research. Are you in agreement?



A7: Marketing research, according to Nigerian small and medium-sized businesses, has greatly aided their understanding of sustainable business practices. Are you in agreement?

A8: A major factor influencing the overall sustainability performance of SMEs in Nigeria is the use of marketing research in decision-making. Are you in agreement?

A9: The total sustainability performance of Nigerian SMEs is significantly impacted by marketing research. Are you in agreement?

Demographic information of the respondents

62% of respondents were women, and 38% were men, according to the demographic data gathered. The participants are workers in SMEs. Without bias, the sample was selected at random. Based on the age group characteristics of the participants, 56% of the responses fell between 20 and 40 years old, 34% between 41 and 50 years old, and 10% over the age of 51. The poll indicates that some of the respondents are contract or part-time workers, even though they work for different SMEs. 92% of the respondents are full-time workers for their company, compared to 8% who work on a contract or part-time basis.

Table 1: Descriptive Statistics of the role of marketing research in achieving sustainable practices: A case study of SMEs in Nigeria measures (n = 250)

Source: Fieldwork 2023

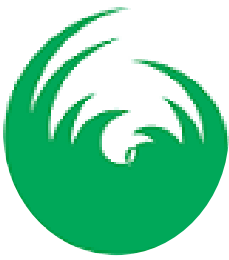
From the mean values in Table 1, all of the variables (A1–A9) showed some degree of support for the

statement posed. **However, A8 (A8: The use of marketing research in decision-making is a major factor influencing the overall sustainability performance of SMEs in Nigeria) had the highest mean value of 4.918, indicating the most significant level of support. The data collected shows that 99% of the respondents strongly agreed with the question. Likewise, with the generation from the mean value, A7 followed, respectively, with a mean value of 4.844 (A7: Marketing research, according to Nigerian small and medium-sized businesses, has greatly aided their understanding of sustainable business practices. Are you in agreement?), indicating the next major support.**

Similarly. Variable A1: Marketing research practices are widely adopted by small and medium-sized firms (SMEs) in Nigeria. (Are you in agreement?) with a mean value of 4.340, offers some justifiable backing for the posed question. On the other hand, among all the statements surveyed, it also garnered the least attention. This is the case because, according to the in-person interview, some SMEs are still tied to their traditional marketing strategies, despite

The fact that using marketing research to gather information about the past to be able to plan for the future is crucial in today's fast-paced business world to address social responsibility and environmental issues. And traditional marketing is no longer effective because customers are seeking out companies that align with their values. Businesses must utilise marketing research to

Variable	Mean	STD DEV	Skewness	Kurtosis
A1	4.340	0.4117	-0.030	2.223
A2	4.520	0.4617	-0.056	2.420
A3	4.421	0.4221	-0.048	2.316
A4	4.442	0.4361	-0.049	2.370
A5	4.640	0.5218	-0.063	2.533
A6	4.610	0.5172	-0.061	2.510
A7	4.844	0.8621	-0.092	2.781
A8	4.918	0.9876	-0.169	2.890
A9	4.538	0.4713	-0.052	2.342



achieve sustainable marketing strategies if they wish to safeguard the environment and its inhabitants.

THE TEST OF RESEARCH HYPOTHESES

Hypothesis 1

Ho: Marketing research does not significantly affect Nigerian SMEs' adoption of sustainable practices.

H₁: Marketing research significantly affects Nigerian SMEs' adoption of sustainable practices.

From the mean column in Table I, it can be seen that A4: Marketing research significantly affects Nigerian SMEs' adoption of sustainable practices. (Are you in agreement?) saw a reasonable level of degree of mean value of 4.442, in this way, experiencing encouraging support for the research question. Also, according to the data collected, 91.60% of the respondents agree that marketing research significantly affects Nigerian SMEs' adoption of sustainable practices, while 8.40% of the respondents are not fully in support of the question asked. Therefore, the null hypothesis is hereby rejected, and the alternative hypothesis that "H₁: Marketing research significantly affects Nigerian SMEs' adoption of sustainable practices 'is hereby accepted. Likewise, in the t-test analysis (not recorded here), when tested at a 5-percent level of significance, the t score values were 2.14. Since the t score value is greater than the t-table value of 1.96, the null hypothesis is rejected, and the alternative hypothesis is hereby accepted.

Hypothesis II

Ho: Small and medium-sized enterprises in Nigeria think marketing research has not significantly helped them learn more about sustainable business practices.

H₁: Small and medium-sized enterprises in Nigeria think marketing research has significantly helped them learn more about sustainable business practices.

From the mean column in Table I, it can be seen that A7: Marketing research, according to Nigerian small and medium-sized businesses, has greatly aided their understanding of sustainable business practices. Are you in agreement? saw a mean value of 4.844, experiencing good support for the research questions asked. Similarly, the data collected showed that 95.10% of respondents

supported the question and only 4.90% did not fully support the question asked. Likewise, in the t-test analysis (not recorded here), when tested at a 5 percent level of significance, the t-score values for A7 = 3.76. Since the t score value surpasses the t table value of 1.96, the null hypothesis is hereby rejected, and the alternative hypothesis that "H₁: Small and medium-sized enterprises in Nigeria think marketing research has significantly helped them learn more about sustainable business practices is hereby accepted.

Hypothesis 111

Ho: The use of marketing research in decision-making does not have a significant impact on the overall sustainability performance of SMEs in Nigeria.

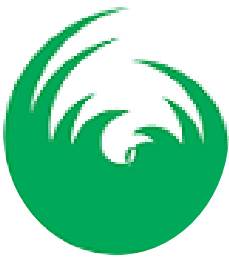
H₁: The use of marketing research in decision-making has a significant impact on the overall sustainability performance of SMEs in Nigeria.

From the mean column in table I, it can be seen that A8 (A major factor influencing the overall sustainability performance of SMEs in Nigeria is the use of marketing research in decision-making). Are you in agreement?), witnessed a good degree of mean value 4.918, thus experiencing the greatest and most encouraging support for the research question. Likewise, the data collected indicated that 98% of the respondents supported the question, and only 2% did not fully support it. Likewise, in the t-test analysis (not recorded here), when tested at a 5 percent level of significance, the t score values were 3.86. Since the t score value is higher than the T table value of 1.96, the null hypothesis is rejected, and the alternative hypothesis that "H₁: The use of marketing research in decision-making has a significant impact on the overall sustainability performance of SMEs in Nigeria." is hereby accepted.

Hypothesis IV

Ho: Marketing research does not have a significant influence on the overall sustainability performance of Nigerian SMEs.

H₁: Marketing research has a significant influence on the overall sustainability performance of Nigerian SMEs.



From the mean column in table I, it can be seen that A9 (the total sustainability performance of Nigerian SMEs) is significantly impacted by marketing research. (Are you in agreement?) observed an encouraging degree of mean value of 4.538, indicating positive support for the research question. Likewise, the data collected indicated that 89.50% of the respondents supported the question and only 10.50% did not fully support it. Likewise, in the t-test analysis (not recorded here), when tested at a 5 percent level of significance, the t score values were 2.36. Since the t score value is higher than the T-table value of 1.96, the null hypothesis is rejected, and the alternative hypothesis that "H1: Marketing research has a significant influence on the overall sustainability performance of Nigerian SMEs" is hereby accepted.

Conclusion and Suggestions for Further Research

This study has investigated the role of marketing research in achieving sustainable practices, using a case study of SMEs in Nigeria. According to the findings, Nigerian SMEs' performance is significantly impacted by the adoption of marketing research in strategic planning and decision-making procedures. According to the study, most SMEs in Nigeria are beginning to recognise the benefits of the usage of marketing research in achieving sustainable marketing practices, such as portraying themselves as ethical companies and preserving the environment (Jackson et al., 2019; Adeyemi and Okafor, 2018). As a result, it is evident that marketing research adoption by Nigerian SMEs improves sustainable marketing strategies, which, in turn, helps in achieving sustainable practices among SMEs in Nigeria today. Similar to this, the majority of SMEs are starting to recognise the numerous advantages of marketing research, which extend beyond better financial performance metrics. These advantages include being able to define the sustainability scope, choose the sustainability methods, design the sustainability tools, conduct sustainability research, report findings, and evaluate the impact.

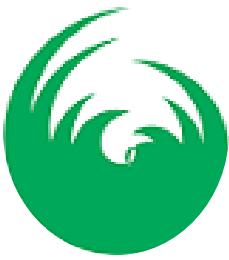
Future Research Scope

This investigation was exclusive to Nigeria's Lagos State. Other states in Nigeria can be included in this theme. Big-scale research with a big sample size can also be carried out in the future, taking into account additional pertinent aspects.

In contrast to the 11,643 registered SMEs in Lagos as reported by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAM) and the National Bureau of Statistics Collaborative Survey (2019), the study limited itself to 250 usable respondent questionnaires from the five administrative divisions: Ikorodu, Ikeja, Epe, Badagry, and Lagos Island.

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