Effects of Market Orientation Strategies on the Performance of Small and Medium Scale Enterprises (SMES) in Nasarawa State, Nigeria

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ABSTRACT

The objective of this study is to evaluate the effect of market orientation strategies on the performance of SMEs in Nasarawa State, Nigeria. Data were collected using adapted instrument (questionnaire) on past research related to market orientation strategies on the performance of SMES. Furthermore, sample size for this study was 386 owner/manager with the population of 10,728 registered SMEs in Nasarawa State, Nigeria. Hypotheses formulated in null form were tested using Partial Least Square-Structural Equation Model (PLS-SEM). Similarly, Smart PLS 3.0 was used for the analysis of data for this study. The tested hypotheses for customer focus and cross-functional coordination showed positive and significant effect on the performance of SMEs in Nasarawa State, Nigeria. While tested hypothesis for competitor orientation revealed a positive and insignificant effect on the SMEs performance in Nasarawa State, Nigeria. This study would help the owners' managers to identify their areas of weaknesses, strength, threat and opportunities so as to improve on them and enable them to take advantage of any slightest opportunities. This study concluded that if owners' managers would apply market orientation strategies, they would be able to compete favorably and survive in the troubled economy. Finally, it was recommended that owners' managers should supply quality products or services based on the interest of their customers and not in the interest of the firms.

Key Words: Market orientation, Performance, Small and medium scale, Enterprises, Competitor orientation, Customer focus and Cross-functional coordination

INTRODUCTION

The position of Small and Medium Scale Enterprises (SMEs) to the economic growth and development of a country cannot be over-stressed. Certainly, SMEs have been termed as a substance for economic growth and development in numerous countries, including developing countries (Asikhia, 2010a; 2010b; Oke, Burke, & Myers, 2007; Small and Medium Enterprises Development Agency of Nigeria, SMEDAN, 2010). Yakubu (2023) opined that small and medium enterprises (SMEs) are found in a wide array of business activities and varies from countries to countries and defined based on employment, capital

investment, sales turnover, accessibility and output. Yakubu (2023) postulated that in Nigeria, a business is considered microenterprise if it has fewer than 10 employees and Small-Scale Enterprise has between 10-49 employees; Medium Scale Enterprise has between 50-199 people whereas Large Scale enterprise has 200+ employees. This criterion is adopted for this study. Owing to the significant role of SMEs in Nigeria, successive Nigerian governments have employed different policies to inspire formation of new SMEs and safeguard the accomplishment and long-term performance of prevailing SMEs. Most of these policies are financial in nature designed at improving the access of SMEs to low-cost capital (Asikhia, 2010a; Sanusi, 2003).

For instance, a survey of Micro, Small and Medium Enterprises (MSMEs) in Nigeria in 2015 by SMEDAN in association with National Bureau of Statistics (NBS) projected the population of MSMEs to be about 37 million in Nigeria (SME Online, 2016). There are 10,728 SMEs spread across Nasarawa State (SMEDAN, 2021). The review showed that the MSMEs account for 48% of Nigeria's GDP and 60% of employment generation (SME Online, 2016). These MSMEs extent across all the sectors of Nigeria economy- industrial, commercial, agricultural and services.

Aminu (2016) and Asikhia (2010) postulated that, access to funds alone does not guarantee effective performance of SMEs in Nigeria. It is vital to encourage SMEs to adopt market orientation (MO) to augment their performance, sales growth, profit growth, market share growth and others in the exceedingly competitive market, involving numerous large and aggressive firms. The performance of SMEs in Nigeria persists to be less satisfactory as countless folds up within five years of operations (Small and Medium Enterprises (SMEDAN) in Aminu, 2016; Gwadabe and Amirah, 2017). Aminu, et al. (2015) reported that the mortality rate representing 80% of SMEs in Nigeria collapsed before their fifth-year anniversary.

Market orientation (MO) is related to the degree to which businesses are required to carry out the marketing concept (Bamfo & Kraa, 2019). This takes perception that the marketing concept focuses on the needs and wants of customers in the marketplace. Businesses that embrace MO sufficiently meet the customer needs and wants in a better way (Grainer & Padanyi, 2005). Thus, owner-managers are being encouraged to pursue some critical issues in market orientation. Firstly, the owner-managers need to have adequate information about customers' needs and wants and to evaluate product features that persuade customers' needs and preferences. Secondly, owner-managers need to react appropriately to clients' preference based on the intelligence gathered (Bamfo et al, 2019).

Organizations with positive MO records higher business performance than businesses with lower propensity of MO (Kumar et al, 2011). Narver and Slater (1990) acknowledged five key sub-constructs of MO such as: customer orientation, competitor orientation, inter-functional coordination, long-term focus and profitability. Regrettably, the marketing activities of many SMEs in Nigeria are empty of all or most of these

strategic sub-constructs of MO. For instance, many SMEs in the country find it difficult to compete with their large colleagues in the target markets due to the economies of scale advantage enjoy by the large organizations. As a result, many SMEs quit to fate and display little or no interest in gathering competitive intelligence (Wilson & Gilligan, 1997).

Against this backdrop, it became pertinent to investigate the extent to which the market orientation strategies affect the performance of SMEs in Nasarawa State, Nigeria. Other objectives of the study are: to evaluate the extent to which cross-functional coordination affect the performance of SMEs in Nasarawa State, Nigeria as well as to determine the extent to which competitor orientation affect the performance of SMEs in Nasarawa State, Nigeria. Thus, the following research hypotheses in null form were formulated for this study. $H0_1$: Customer focus has no significant effect on the performance of SMEs in Nasarawa State, Nigeria. The second hypothesis for this study is as $H0_2$: Cross-functional coordination has no significant effect on the performance of SMEs in Nasarawa State, Nigeria and the third hypothesis for this study is thus, $H0_3$: Competitor orientation has no significant effect on the performance of SMEs in Nasarawa State, Nigeria.

The paper reviews the effect of market orientation strategies on the performance of SMEs in Nasarawa State, Nigeria. While there are considerable researches on MO within the context of large-scale enterprises in underdeveloped economies, there are few studies on MO in the context of SMEs in developing economies. This is the gap for this study. The paper is divided into four sections: the introduction, literature review, empirical review and theoretical frame work. Others are methodology; results and discussion; conclusion and recommendations and suggestion for further study.

Literature Review
Concept of Market Orientation

Zebal and Godwin (2021) stated that market orientation is a business approach that prioritizes understanding and meeting the needs and wants of customers in order to achieve organizational goals. It involves focusing on gathering and analyzing market information, such as customer preferences, competitors' activities, and overall industry trends, and then using this information to tailor products, services, and marketing strategies accordingly to the target market.

Polat and Mutlu (2020) defined market orientation as firm's ability that is extremely valuable, rare, and that cannot easily imitate, with emphasis of placing the customer in the center of a firm's strategy and operations. A market-oriented company places a strong emphasis on customer satisfaction and aims to deliver superior value to its target market by continuously adapting and responding to changes in customer preferences and market conditions. This approach contrasts with a product-oriented

approach, where the emphasis is primarily on the features and qualities of the product itself rather than on customer needs and desires.

Suliyanto and Rahab (2019) defined market orientation as a business philosophy and strategy that focuses on identifying and meeting the needs and desires of customers through the creation of superior value. This approach emphasizes understanding customer preferences, gathering market intelligence, and continuously adapting products, services, and marketing efforts to effectively address customer demands. In essence, market orientation prioritizes customer satisfaction and responsiveness to market dynamics, leading to enhanced competitiveness and long-term success in the marketplace.

Concept of Customer Focus

Tang (2022) opined that customer focus is a strategic approach adopted by businesses that prioritizes the needs, preferences, and satisfaction of customers in all aspects of their operations. It involves aligning the organization's goals, processes, products, and services with the expectations and requirements of its target customers. Customer-focused approach is crucial for businesses to foster customer loyalty, drive repeat business, and ultimately achieve sustainable growth and success in the marketplace.

Tajeddini (2021) refers to customer focus as the organizational mindset and strategy that prioritizes understanding, meeting, and exceeding the needs and expectations of customers. It involves aligning all aspects of the business – including product development, marketing, sales, and customer service – with the goal of delivering superior value to customers. A customer-focused approach emphasizes building strong relationships with customers, actively listening to their feedback, and consistently delivering high-quality products or services that address their specific requirements. By placing the customer at the center of decision-making processes and continually striving to enhance their experience, organizations can foster loyalty, satisfaction, and long-term success in the marketplace.

Concept of Cross-functional coordination

Noor and Muhammad (2020) refer to cross-functional coordination as the process of aligning and integrating activities, goals, and resources across different departments, teams, or functional areas within an organization to achieve common objectives or deliver results. It involves collaboration and communication among individuals or groups from various disciplines or specialties, such as marketing, sales, finance, operations, and human resources.

Mahmood and Abdul-Wahid (2019) defined as the coordinated use of company resources in creating superior value for target customers. The level to which every employee is fully committed to build and introduce marketing philosophy and integration of marketing activities in the company that will create value for consumers can be

considered as inter – functional coordination. By fostering cross-functional coordination, organizations can leverage the strengths and capabilities of various departments or teams to drive innovation, adaptability, and competitiveness in today's dynamic business environment.

Concept of Competitor Orientation

Zhou et al. (2020) refers to competitor orientation as business strategy that places a strong emphasis on understanding and responding to the actions, strengths, and weaknesses of competitors in the marketplace. It involves systematically analyzing competitors' products, strategies, capabilities, and market positioning to identify opportunities and threats. A competitor-oriented approach aims to anticipate competitor moves, exploit competitive advantages, and defend against competitive threats. By closely monitoring and assessing the competitive landscape, organizations can make more informed decisions about product development, marketing strategies, pricing, and positioning to enhance their competitiveness and achieve sustainable success in the market.

Concept of SMEs

Conceptually, business is any purposeful legal activity that individuals and groups engage in through the production of goods and services to satisfy human needs profitably. It involves the use of human and non-human resources towards the achievement of set goals and objectives (Yakubu, 2024). There are differences between small-scale enterprises and small-scale industries. Small-scale enterprises are viewed as consisting of all economic activities that individuals engage in to earn a living, including trading, while small-scale industry is restricted to direct production activities, particularly manufacturing ventures.

Tambari et al. (2018) postulated that, small and medium-sized businesses in Nigeria are one of the major victims of the changes in the operational environment. This may not be unrelated to their inability to compete with large companies and imported goods from other countries where the cost of production is lower, particularly those from African countries; they enjoy less protection from the government; and they are exposed to a lack of social capital, all of which may be related to their inability to compete with large firms and become perpetual importers of goods. The management of small business enterprises deals with the efficient and effective use of human and non-human resources to achieve set goals and objectives in organisations that meet the criteria of small business.

SMEs constitute a large part of many economies around the world, including those of developed and advanced nations, and account for up to half to two-thirds of all business all over the world (Tuteja, 2001). A small-scale industry is an establishment with a total capital of over 1.5 million but not more than 50 million, excluding the cost of land, and a

labour size of between 11 and 100 workers. According to Tende et al. (2011), an establishment with a number of employees of up to 19 may be referred to as "very small', up to 99 as "small", between 100 and 499 as "medium, and over 500 as "large".

The Central Bank of Nigeria (CBN) defines a SME in the context of Nigeria as a commercial entity whose asset value, excluding the value of its land and working capital, cannot exceed N200 million. Additionally, it employs between 10 and 300 individuals (Ayodeji, 2015). Small businesses are defined as having ten to forty-nine employees and assets (excluding land and buildings) totaling between five million naira and fifty million naira, whereas medium businesses have fifty to one hundred and ninety-nine employees and assets (excluding land and buildings) totaling between fifty million and less than five hundred million naira (SMEDAN, 2022).

Concept of SMEs Performance

According to Obiwuru et al. (2011), an organization's performance may be evaluated in terms of its level of customer loyalty, investment, profit, revenue, growth, expansion, and staff happiness, among other factors. Performance is simply the ability and willingness to be dedicated to certain goals and objectives, to pursue these goals and objectives actively and sincerely, and to see them through to completion. As opposed to merely knowing knowledge, performance can be described as the act of doing something successfully and using that knowledge. From the organization's contextual point of view, performances are contextually viewed, measured in a variety of ways, and continuously monitored. Performance, however, is probably understood, assessed, and operationalized differently, making comparison a challenging process.

Also, Richard et al. (2009) defined organizational performance as the actual output or results of an organization as compared to its expected outputs. The anticipated outcomes are typically outlined in precise, quantifiable goals and objectives. Organizational performance is described as an organization's capacity to carry out its objectives through effective management, solid corporate governance, and a steadfast commitment to attaining results. Mission-driven, flexible, customer-focused, entrepreneurial, results-oriented, and sustainable are all characteristics of effective businesses. The performance and effectiveness of small and medium-scale enterprises as an instrument of economic growth and development in Nigeria have long been under scrutiny. This intense scrutiny has been against the backdrop of the low performance and inefficiency that have characterized small and medium-scale enterprises, particularly in assessing their role in economic growth and development.

Empirical Review
Customer Focus and SMEs Performance

Shpresim, et al. (2020) examined the effect of customer focus on small and medium-sized enterprise (SME) performance in Albanian. Survey research design was

used with the sample size of 211 Albanian SMEs. Primary data was used for the study and data collected were analyzed using SPSS. The results revealed a direct positive effect of customer focus on SMEs performance. The sample size used for this study is not sufficient enough to justify the magnitude of this study. Therefore, it would affect the findings and the recommendations of this study. The study thus recommended that that more studies are needed to better understand the nature of the association between customer orientation and firm performance in different settings.

Adelabu (2018) examined the effect of customer focus on performance of SMEs in Lagos state. Survey research design was used. The study sample size 321 registered SMEs Lagos state. Primary data was used for the study and data collected was analyzed using smart PLS. The results revealed a positive and insignificant effect of customer focus on SMEs performance in Lagos state. The study did not use the right questionnaire for data collection. This might affect the results, conclusion and the recommendations of this study. The study thus recommended that SMEs should prioritize customers as they serve as mechanism to enhancing growth and profitability of the business.

Competitor Orientation and SMEs Performance

Mubarak (2021) examined the effect of competitor orientation on improving the performance of SMEs in Sri Lanka. The study adopted a survey research design. The study population consisted of 150 SMEs in the areas of manufacturing and services within the Eastern province of Sri Lanka selected based on the convenient sampling method. The convenience sampling procedure used by this study is not scientific. Thus, there must be biasness in the selection of the respondents. This may likely affect the opinions of the respondents of this study. Data were analyzed using SPSS. The finding revealed a positive and significant effect of competitor orientation on SMEs performance. The study recommended that the competitors should compete outrightly in a manner that will give an edge over its rival.

Ali Reza et al., (2019) examined the impact of competitor orientation on performance of small and medium industries of province using correlative survey. Population of the study consists of small and medium industries in province of Ilam with 141 samples using relative stratified random sampling method. The questionnaire was applied for data gathering. A Cronbach's alpha coefficient of 0.8636 was obtained for the questionnaire. Research data was analyzed using LIZREL and at the level of descriptive statistic, frequency percentage, and column chart and at the level of inferential statistic, structural equations were used. The findings of the study revealed that competitor orientation of SMEs have a positive significant relationship with increasing performance of customer. The study did not employ the use of face validity which may have adverse effects on the data collected and the findings as well as the recommendations of the study.

Cross-functional coordination and SMEs Performance

Akram et al (2021) examined the effect of cross-functional coordination on the organizational performance of SMEs in Yemen. The quantitative approach is applied in this study with causal and descriptive research. The single-sector method is adopted, in the food and beverage sector, by using random sample sampling, the sample size was 640 managers/owners. Only 459 samples were valid to conduct the analysis by using the Structural Equation Model (SEM) and Smart PLS Software version 3.0. The findings reveal that there is positive a significant effect of cross-functional coordination on the SMEs organizational performance. The study further recommended that organization should always align its activities in an effective manner that will yield a positive result. The sample size methodology used was not justifiable for this study. This might affect the data collected.

Chebet, et al. (2019) investigated the relationship between inter-functional coordination on performance of universities in Kenya. Descriptive and correlation design was adopted for the study. The target population for this study was 63 Universities in Kenya. Both stratified sampling and purposive sampling were used in selecting respondents from the population. A structured questionnaire, administered through drop and pick was used in collecting data. Descriptive and inferential statistics were used in analyzing data through the multiple linear regressions by using the Stata software, SAS System and Statistical Package for Social Sciences. The relationship between market orientation and university performance were analyzed using correlation analysis. The results show that there was a significant positive relationship between inter-functional coordination and university performance level of significance. The study failed to indicate the sample size drawn from each of the University for this Study.

Theoretical Framework
Market Based View Theory

This study was guided by the Market-Based View (MBV) as propounded by Bain (1968) who argues that industry factors and external market orientation are the primary determinants of firm's growth. The market-based view (MBV) of the firm focuses on the link between organizations" strategies and their external environments. According to Grant (1991) its first basic assumption is that strategically relevant resources are distributed homogeneously among the firms within an industry. The second assumption refers to the mobility of these resources, which in the MBV are highly mobile (Barney, 1991). Accordingly, for a firm to grow it must depend on its ability to take advantage of imperfectness on the market in which it sells its goods or services. This is to say, an organization has to identify a position in the industry where the company can best defend itself against and the competitive forces or can influence them in its favor. In the MBV, a competitive advantage can be achieved by performing strategically relevant activities at lower costs than competitors or in a unique way that is valuable to customers (Porter,

2008). Therefore, the MBV shows that the market expansion strategies under study (pricing strategy, distribution strategy, diversification strategy and differentiation strategy) can be pursued separately or in combination and have the long-term objectives to create a defendable position within the industry and to outperform competing actors within that industry.

Methodology

A survey design is used for the study and referred to as the broad plan of how the researcher intends to go about answering research questions of a study (Saunders et al, 2012). It is a right method through which data could be collected and analyzed, ethical issues and any likely constraints the researcher may meet. This work utilizes cross-sectional survey design in line with the study of Thomas and Teru (2020) as the approach for the study. The method is capable of showing the characteristics of a large population using a small sample, which can be generalized. This study used cluster probability sampling technique in consonant with (Isiaka, Uloko & Yusuf, 2020). The choice of this method is made because it provided every individual respondent an equal chance of being selected as the sample object (Sekaran, 2003). With a simple random sampling technique applied to select the participating respondents for this study in line with (Sahnun & Raji, 2018). Data was collected using 5-point Likert scale and self-administered questionnaire. This study used a five point likert-scale in line with the argument of Neuman and Robson (2008), who pointed out that a five-point scale is the most appropriate and provides better results.

The population of the study consists of 10,730 registered SMEs in Nasarawa state, Nigeria using Isreal formula (2009) to determine a sample size of 386 owner/Managers. The sample from which random selection were made are made up of clusters. Consequently, the use of cluster sampling technique ensured that all the categories of owner/manager are selected to avoid irregularity. The clusters from which the samples were drawn are from diverse Local Government Areas of Nasarawa State, which include Karu 135; Keffi 37; Akwanga 87 and Lafia 127. The selection of these Local Government Areas was made because of the population density and the concentration of SMEs in the areas. The total number of SMEs selected from each Local Government Areas was based on proportion of the sample size in each of the Local Government Areas are as shown in (Table 1). The sample size in the table is determined using proportionate method by $\frac{unit\ population}{total\ population}$ multiply by the sample size.

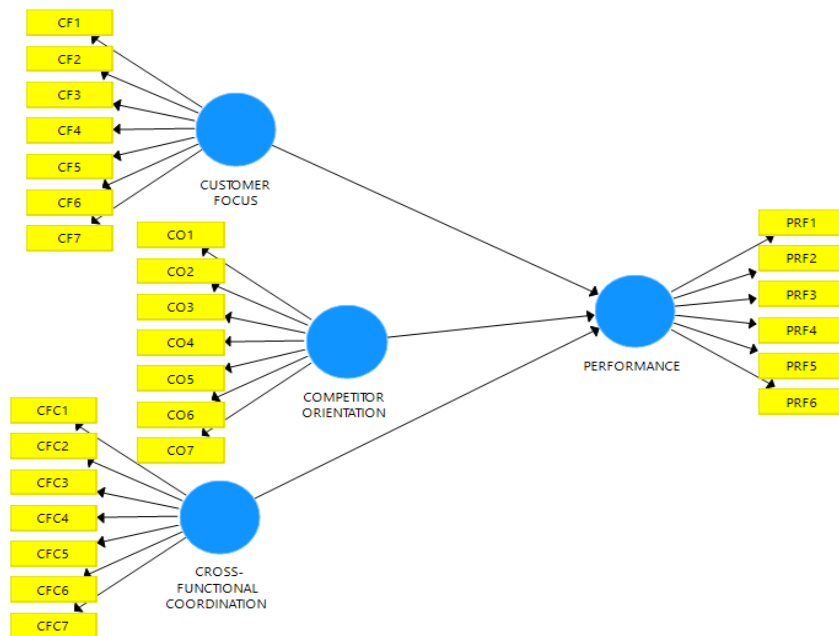**Table 1: Proportionate Sample Size**

Clinics/Units	Population	Sample size
Karu	3, 775	135
Keffi	1, 025	37

Akwanga	2, 410	87
Lafia	3. 520	127
Total	10,730	386

Source: Field Study, 2024

The questionnaire was returned and analyzed using Partial least Square Structural Equation Modeling (PLS-SEM) using smartPLS version 3.0 to study the postulated hypotheses in this study. The (PLS-SEM) used in this study is parallel with the study of such scholars as (Samarasinghe, 2018). Thus, the use of PLS-SEM in this study became very important because of the fact that predictive accuracy is paramount as compared to other approaches of SEM, such as: Covariance Based-SEM (CB-SEM), Generalized Structural Component Analysis (GSCA) and others. Accordingly, this method is usually viewed as an option to Jerokog's (1973) CB-SEM which has numerous limiting assumptions. For instance, CB-SEM is used for data analysis when the sample size is large; the data is normally distributed and significantly when the model is correctly specified (Hair, Ringle & Sarstedt, 2011; Hwang et al, 2010).

Figure 1: Study Model

Figure 1 indicated the model for this study with independent variables: customer focus; cross-functional coordination and competitor orientation. While performance serves as the dependent variable for this study.

Table 1.1: Reliability of study scale

S/N	Variables		Factor Loadings	Cronbach Alpha	Composite Reliability	Rho A	Average Variance Extracted (AVE)	No of Items
	Customer Focus (CF)	CF1 CF2 CF3 CF4 CF5 CF6 CF7	**0.782** **0.814** **0.819** **0.742** **0.774** **0.844** 0.813	**0.905**	**0.907**	**0.925**	**0.638**	7
	Cross-Functional Coordination (CFC)	CFC1 CFC2 CFC3 CFC5 CFC6 CFC7	**0.784** 0.816 0.901 0.876 0.881 0.879	**0.927**	**0.933**	**0.943**	**0.735**	6
	Competitor Orientation (CO)	CO1 CO2 CO3 CO4 CO7	0.782 0.857 0.866 0.837 0.773	**0.881**	**0.913**	**0.882**	**0.697**	5
	Performance (PRF)	PRF1 PRF2 PRF3 PRF4 PRF5 PRF6	0.855 0.855 0.891 0.898 0.898 0.867	**0.940**	**0.953**	**0.941**	**0.770**	6

Source: Smart PLS Output, 2024

From Table 1.1, all the items in each variable in the instrument have reliability of 0.9 and above. Accordingly, Bryman (2008) posited that a coefficient of 0.6 and above is considered satisfactory for internal consistency reliability. Therefore, customer focus, 0.907; cross-functional coordination, 0.933; competitor orientation, 0.913 and performance, 0.953 are recorded. Looking at the values of composite reliability in Table 1.1, internal consistency has been established. The study of Muhammad *et al.* (2020) used cronbach's alpha for the analysis of reliability, whereas this study applied composite reliability because of its robustness for assessing internal consistency reliability. Specifically, crobach's alpha is a less accurate measure of reliability as the items are

unweighted. The composite reliability is considered in this study because the outer loadings are weighted based on individual loadings (Hair *et al.* 2018).

To test for the convergent validity, the average variance extracted (AVE) was used. All the latent variables showed values greater than 0.50 which indicates that the constructs explain at least 50 percent of the variance of its items. According to Henseler et al., (2015) the Fornell-Larcker criterion does not perform well when explaining discriminant validity, particularly when the indicator loadings on a construct differ only slightly. As a replacement, they proposed the Heterotrait-Monotrait (HTMT) ratio of the correlations which is the mean value of the item correlations across constructs relative to the (geometric) mean of the average correlations for the items measuring the same construct (Voorhees et al., 2016). Discriminant validity problems are present when HTMT values are higher than 0.90 for structural models (Henseler, et al., 2015).

Table 2 Heterotrait-Monotrait Ratio (HTMT)

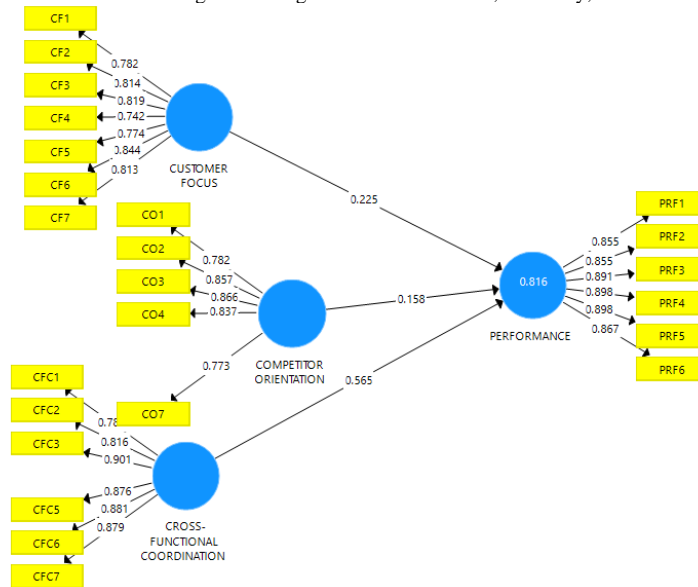| COMPETITOR ORIENTATION	CO	CFC	CF	PRF
CROSS-FUNCTIONAL COORDINATOR	**0.932**			
CUSTOMER FOCUS	**0.904**	**0.910**		
PERFORMANCE	0.895	**0.844**	0.832	

Source: Smart PLS Output, 2024

Model Goodness of Fit (GoF)

Sequel to the need to validate the PLS model, there is a need to assess the goodness of fit of the model as Hair, et al. (2017) suggested. This study used the standardised root mean square residual's (SRMR). The choice of this index was based on the fact that the SRMR provides the absolute fit measure where a value of zero indicates a perfect fit. The study adopted Hu & Bentler (1998) suggestion that a value of less than 0.08 represents a good fit while applying SRMR for model goodness of fit. The study result indicates an SRMR value of 0.01. This indicates the model is fit.

Assessing the Structural Model

Having satisfied the measurement model assessment, the next step in evaluating PLS-SEM results to assess the structural model. Standard assessment criteria, which was considered include the path coefficient, t-values, p-values and coefficient of determination (R^2). The bootstrapping procedure was conducted using a resample of 5000.
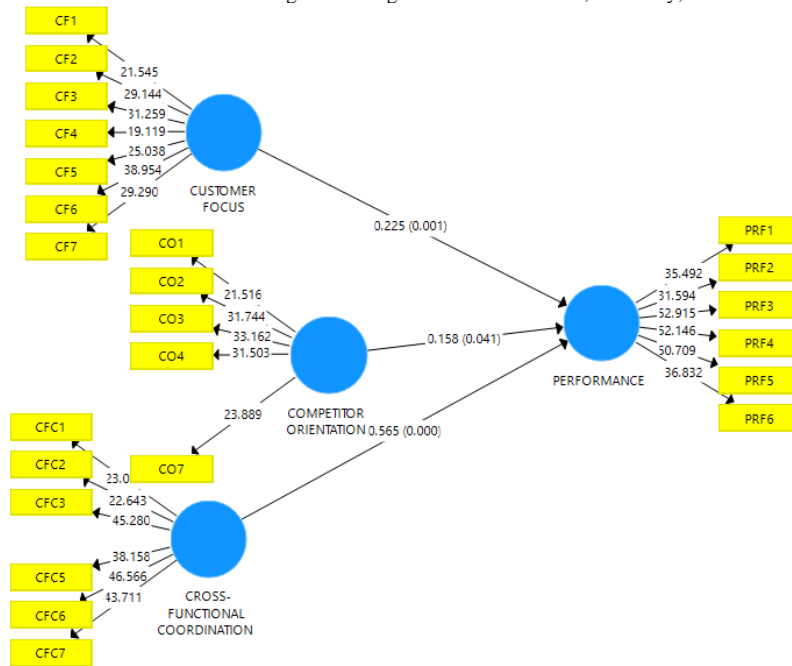
Source: SmartPLS 3.0 Output, 2024
Figure 2: Path Model showing Path Coefficient of this study

Fig. 2.1 Path Coefficients of the Regression Model

The path model in figure 2 explained the PLS-SEM form this study. It explained the strength of the associations between market orientation and the SMEs performance for this study by using values showed in the model. The path coefficients represent the hypothesized relationship between the sub constructs understudy. Thus, the path coefficients have values of between -1 and +1, which reflected a very strong relationship.

The R-square value stood at 816% indicating that market orientation represented by customer focus, competitor orientation and cross-functional coordination are accounted up to 81% variation in SMEs performance. The remaining 19% variation could be explained by other factors not captured in the model of this study. Based on Hair, et al., (2019), the r-square is considered suitable and lends credence to the findings of the study. The result of the path analysis is presented in the figure 2 and table 3.1.

Source: SmartPLS 3.0 Output, 2024
Figure 3 Structural Model

Table 3.1: Path Coefficients

Hypothesis	Variable	Path Coefficient ***(Beta)	t-value	p-value	Findings
Ho$_1$	Customer Focus	0.225	3.255	0.001	Rejected
Ho$_2$	Competitor Orientation	0.158	2.249	0.041	Rejected
Ho$_3$	Cross-functional Coordination	0.565	8.626	0.000	Rejected

Source: Smart PLS Output, 2024

Results and Discussion

Result from the first hypothesis in Figure 3 and table 3.1 above showed that customer focus has significant positive effect on the performance of SMEs in Nasarawa State, Nigeria. With a beta coefficient of 0.225 and a p-value of 0.001, hence, it is significant at 0.05% level of significance. Therefore, statistically, this result thus, rejected the hypothesis (H0$_1$).

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Similarly, the second result from the hypothesis showed from Figure 3 and table 3.1 showed that competitor orientation has significant positive effect on the performance of SMEs in Nasarawa State, Nigeria. With a beta coefficient of 0.158 and a p-value of 0.041, therefore, it is significant at 0.05% level of significance. Thus, statistically, this result therefore, rejected the hypothesis ($H0_2$).

Finally, result from the third hypothesis in Figure 3 and table 3.1 equally indicated that cross-functional coordination has significant positive effect on the performance of SMEs in Nasarawa State, Nigeria. With a beta coefficient of 0.565 and a p-value of 0.000, hence, it is significant at 0.05% level of significance. For this reason, statistically, this result thus, rejected the hypothesis ($H0_3$).

Conclusion and Recommendation

Based on the findings above, the study concluded that customer focus, competitor orientation and cross-functional coordination are key motivators for the performance of SMEs in Nasarawa state, Nigeria. While the results for customer focus and cross-sectional coordination were significant positive on the performance of SMEs in Nasarawa state, Nigeria. The variable of competitor orientation was also significant positive on the performance of SMEs in Nasarawa state, Nigeria.

First, this study recommended that owners' managers of SMEs should ensure that the products or services supplied meet or exceed customers' expectations in terms of quality, reliability, and value. Consistently delivering high-quality offerings can foster trust and loyalty among customers' base.

Second, owners' managers of SMEs should conduct thorough research to identify and analyze their competitors. This could be done through understanding their strengths, weaknesses, market positioning, pricing strategies, product/service offerings, and target customer segments among others. This analysis would help identify areas where they could differentiate their products and capitalize on opportunities.

Third, owners' managers were encouraged to create cross-functional teams or task forces to tackle specific projects, initiatives, or challenges that require input and expertise from specialists to stimulate marketing programs geared toward achieving organization's objectives.

Suggestion for Further Study

The following suggestion for further study was made based on this research.
Cross-sectional survey was adopted for this study in which data was collected within the period of only three years. The problem of using the cross-sectional survey is that the studied dimensions (i.e., customer focus, competitor orientation and cross-functional coordination) might alter over time. A change in customer taste, customer attitude or economic situation could have effects on the research dimensions. Given that the study is not longitudinal, it has a precise expected period of completion of three years; a longer

period for data collection is not possible. In view of this procedural short coming, future research may use a longitudinal study to explore the associations between market orientation strategies and SMEs performance. Particularly, future research may use experimental or qualitative interview designs to evaluate causality. Schwab (2005) argued that researchers should be using longitudinal data to study causal relationships to reduce the common method variance (CMV) bias.

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