MARKETING INNOVATION AND THE DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISE IN AGO-IWOYE, OGUN STATE

Ogunkoya, Olufemi A. and Onasanya Ademola Opeyemi

Department of Business Administration, Olabisi Onabanjo University, Ago-Iwoye, Ogun State

Corresponding Author's email: ogunkoya.olufemi@oouagoiwoye.edu.ng

Abstract

This study examined the effect of marketing innovation on development on SMEs in Nigeria. The study was conducted among owners of SMEs in five areas in Ago-Iwoye, Ogun State, Nigeria. It adopted survey design which paid attention to population and sample of the study. The study population included 190 micro enterprises under the study area using random and proportional sampling techniques. Primary data was employed for this study. One hundred and ninety (190) copies of questionnaire were distributed to obtain data under the study. Descriptive statistics and Ordinary Least Square (OLS) multiple regression analysis method was employed to verify the hypotheses formulated for this study. The test was conducted at 5% level of significance representing maximum probability attached to the test of risking type I error. The results revealed that marketing insight had significant positive effect on SMEs development, marketing imagination had significant positive effect on SMEs development and marketing insight and marketing imagination had significant combined effect on SMEs development. The paper concluded that marketing innovation had significant effect on the performance of small and medium enterprises. Based on the findings of the study, it was recommended that SMEs in Ago-Iwoye should ensure that they are proactive in their marketing approach as this will boost their performance also there is need for SMEs to ensure that they develop their products or services in line with customers wants.

Keywords: *Marketing Innovation; Marketing Insight; Marketing Imagination; SMEs Development; Customer Responsibility*

Introduction

Marketing innovation entails turning an idea into a product or service for the purpose of selling them at a profit. It is also a new or an improved process of production or distribution, or a new method of social servicing. Marketing innovation involves the implementation of a new marketing strategy that are totally different from the previously utilized marketing methods in a given venture. According to Stefan, Nuno, Sofie and Isabel (2018), marketing innovation deals with marketing activities such as: market research, price-setting strategy, market segmentation, advertising promotions, retailing channels, and marketing information systems.

Marketing imagination, according to Gupta, Malhotra, Czinlota and Faroudi (2016), refers to the ability of the businesses to neglect their current processes, methods and activities so as to develop something entirely new in form of product offerings and services. Marketing imagination has been recognized in the literature as a component of marketing innovation. It is very important for

robust idea generation to occur and this ideation is the most difficult and important part of innovation.

According to Joanna et al (2017), there are four consequences of marketing innovations and they include new product imitation, market fulfillment, competitor interception and customers. These four consequences, to a large extent, have effect on the business performance which has not been verified in literature. Based on this assertion, this study is conducted to investigate the effect of marketing innovation, its elements and consequences on business performance in Nigeria.

Most small and medium enterprises in Nigeria try everything within their power to establish segments/customer, internal and external market and linkages/market focus ideas. They also ensure that they develop the knowledge sources to ensure satisfaction of the needs of their customers in order to outperform their rival. Dynamism in technology and environment has made innovation a common theme for planning, designing and developing production processes and services which are launched into the market in order to meet customers' needs effectively. Through Innovation, businesses show that they are financial stability and that they have better performance and survival ability to compete favourably in their environment (Young & Seong, 2016; Stefan, Nuno, Sofie & Isabel 2018).

All over the world, small and medium enterprises are innovative by developing innovative strategies to establish their competitive advantage over their rivals in the same industry. The process involved in creating something new of value requires many activities which include acquisition, dissemination and new knowledge usage (Joanna, Agnieszka, Aglaya & Marek, 2017). The major key for businesses especially the ones in the small and medium scale sector to favourably compete with its rivals and record success in the long run is innovation.

Many studies exist on marketing innovation and development both in advanced countries and developing countries but few studies exist on the subject matter in Nigeria. Lack of sufficient studies on marketing innovation and SMEs development informed this study. There for this study was designed to increase the number of literature on marketing innovation and performance in Nigeria. There are misconceptions on the relationship between marketing innovation and SMEs development. Some studies suggested significant relationship between marketing innovation and development while others suggested insignificant relationship. Hence, this study is conducted to determine the actual relationship between marketing innovation and development in Nigeria in a bid to clear the misconceptions.

The broad objective of this study is to determine the effect of marketing innovation on development of SMEs in Nigeria. Specifically, it is to investigate the effect of marketing insight on SMEs development; and also to appraise the effect of marketing imagination on SMEs development. Thus, the research questions were what is the effect of marketing insight on SMEs development? And also, what is the effect of marketing imagination on SMEs development?

This study is important in that it filled the gap noticed in the body of literature. It is noticed from the literature reviewed that there is lack of study on marketing innovation and firm performance in Nigeria which this study filled. This study is important to SMEs, other firms both in the manufacturing sector and financial sector and the general public. To SMEs, the study identified different elements of marketing innovation. This is to enable the SMEs to determine which of the elements needed adequate attention so as to enhance their development. To other manufacturing firms, this study discussed the rationale for marketing innovation. This is to enable firms engage in marketing innovation in order to improve their development in the turbulent environment where they operate.

In this paper, section one focuses on general background to the study, statement of the problem, aims and objectives of the study including the plan of the Study. Section two focuses on literature review. Section three focuses on methodology. Section four focuses on data presentation, interpretation and analysis, conclusion and recommendations.

Literature Review

Concept of Innovation

There are different definitions of innovation as there are diverse innovation scholars. Zhang and Calantone (2018) considers innovation as the adoption, assimilation and exploitation of value added novelty in economic social spheres; renewal and enlargement of products, services, and markets; development of new methods of production, and establishment of new management systems. It is both a process and an outcome, or a new structure pertaining to organization members. Various opposing definitions can be identified depending on the typology or dimension on which innovation is analyzed. Innovation can be technical (product and service) or administrative (process) innovation radical versus incremental innovation is the main dichotomy in organizational innovation typology emerged early in literature also product and process innovation.

According to Guitart, Gonzalez and Stremersch (2018), innovation is an aspect of firm's culture and openness to-ward new ideas. They incorporate the capacity to innovate in their model and define innovation as the ability of the business to implement new ideas, processes, or products in a successful manner. In relation to firm's ability to innovate, Bayurco, Tascol and Apalk (2014) are of the view that innovation originates from accumulated knowledge and experience which can be in form of incremental technical change or an upsurge in technical opportunities. Generally, innovativeness is the total of all innovation activities implemented or put in practice, including radical and incremental from all typologies.

Five manifestations of innovation were proposed in his definition (Vyas, 2009): creation of new products or qualitative improvements in existing products, use of a new industrial process, new market opening, development of new raw-material sources or other new inputs and new forms of industrial organizations. Organizations are facing continuous pressure from competition; therefore, they have to optimize their decision-making capabilities on such forces. To survive and thrive in hyper connected and competitive markets, organizations find innovation as the most feasible solution (Foucart, Wan & Wang, 2018). If in developed economies the dilemma is whether knowledge or advanced knowledge, or marketing innovation or tech innovation; in countries with limited investing capabilities that dilemma turns into knowledge creation or innovation.

The review of literature indicated that firms need innovation to succeed, survive and gain sustainable competitive advantage. The fact remains that there are a large number of definitions of innovation in the literature, however, exact definition of the term was described globally (Jelonek (2015). In its broadest sense, the term comes from the Latin – *innovare* – meaning 'to make something new'. UK Department of Trade and Industry (2007) assumes that innovation is a process of turning opportunity into new ideas and of putting these into widely used practice. Furthermore, innovation was firstly described by the German economist and political scientist – Schumpeter (1934) defined it as the driving force for development".

Concept of Marketing Innovation

Marketing innovation is a new marketing technique in the context of strategic organizational behavior and patterns. According to Joanna et al. (2017) and Gupta et al. (2016), marketing innovation refers to the ability and capability of business to re-conceive the existing industry model in such a way to create new value for customers, undermine competitors, and produce new wealth for all stakeholders, according to the organizational knowledge literature. Further, the authors find that marketing knowledge is a powerful strategic asset and a prerequisite for marketing innovation. The concept of marketing innovation deals with generating and implementing of business ideas to creating, communicate, deliver value to customers and manage customer relationship. Hence, firms must develop their marketing innovation should be developed concurrently with product innovation.

Meanwhile, to Jelonek (2015), marketing innovation is the development of new marketing tools and methods. Specifically, two forms of marketing innovation are referenced: (a) the ability to acquire consumer information effectively, and (b) the ability to reduce consumer transaction costs are discussed The author focuses on how the incentives and effects of marketing innovation are distinct from that of product and process innovation Marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion, or pricing.

Gupta et al. (2016) maintain that marketing innovation involves implementing new marketing method which involves significant changes in product design or packaging, product placement, product promotion or pricing. Marketing innovations target at addressing customer needs better, opening up new markets, or newly positioning a firm's product on the market with the intention of increasing firm's sales. Marketing innovations are strongly related to pricing strategies, product package design properties, product placement and promotion activities along the lines of four P's of marketing.

According to Gumus and Gumus (2015), this newly defined marketing innovation construct has several important features that are worthy of attention as they help move the literature on innovation and marketing strategy forward. First, this new definition of marketing innovation includes existing and new products and services. The intention here is to separate the construct from product innovation, which focuses on new or improved market offerings. New product development, and thus product innovation, is a critical component of marketing, it is only one of the many activities associated with the marketing innovation construct; these activities are later defined in the marketing-product space of marketing innovation. Next, a marketing-process space of marketing innovation is defined in order to capture as well as separately identify the organizational and customer value associated with improved efficiency in the order-fulfillment process.

Types of Marketing Innovation

Marketing Insight

Marketing insight refers to the capability and ability of firm to have a good and continuous understanding of its market and industry trends, patterns, and trajectories using based experience, intuition and other relevant data and use this to generate additional resources organizational resources (Joanna et al., 2017). More clearly, for definition purposes, marketing in sight is the act of seeing into a situation and apprehending the true inner nature and underpinnings of a market phenomenon that affect the creation, development, communication, and delivery of products or services.

Stefan et al. (2018) opines that marketing insight enables organizations to anticipate market trajectories and configure resources to meet future market needs and wants before other market players, and this is argued to be critical to the development of marketing innovation The organization's ability to intuitively recognize opportunities in current and future markets provides a powerful basis for the development and fostering of marketing innovation. Through the use of active scanning, market experimentation, and other insight-gaining activities, the organization builds a base of wisdom that should positively influence the ability to complete core business activities in new and better ways. A critical capability involving sensing, detecting, and responding to future market events with optimal timing, marketing insight plays a powerful role in developing and fostering marketing innovation.

Organizations that have good and sound marketing insight into their operation, have good understanding what is occurring in current and future markets, they are effective at recognizing the root because that drives the market phenomenon in question. This is a highly coveted capability for marketing innovation as it identifies the deeper event or trend currently being experienced or observed in the organization's focal industry and surrounding industries. Instead of responding to occurrences in the market, organizations with marketing insight think deeper and more accurately on a consistent basis, comprehending true causation and inner workings of the activities in the market. For example, while some mobile phone manufacturers produced devices with greater screen sizes in order to satisfy consumers' desire to view web pages or detailed maps on the go, those with marketing insight thought beyond and see the true nature of the phenomenon.

Marketing Imagination

Marketing imagination is the ability of the organization to disassociate with the current processes, methods, and activities in order to construct and visualize mental pictures of what is or is not actually present and what has never been actually experienced. Gumus and Gumus (2015) are of the opinion that marketing imagination has been previously recognized in the literature as a component of marketing innovation. It is essential for robust idea generation to occur and this ideation has been indicated as the most difficult and important part of innovation among others.

Marketing imagination encompasses creativity and other activities. Creativity involves developing newer and more radical alternatives and identifying and describing new ideas that are unique and useful, marketing imagination takes these alternatives and ideas to another level through visualization and creation of mental pictures (Nguyen, Zhang & Calantone, 2018). Central to understanding marketing imagination is the recognition that businesses and end consumers buy solutions, not things, and more importantly, that the superior organization executes meaningful, not obvious. There are several critical components of marketing imagination that are of paramount importance to creation and development of marketing innovation in an organization.

Routine customer relationship management activities cannot be converted to substantially new and better events without marketing imagination. There is a series of tasks that are required in rider for customers to feel deeply connected with the market offering provider, including acknowledgement, interactivity, importance, customization, etc. Doing this in the same manner as other organizations will not create sufficient distinction or competitive advantage and will fail to invoke the innovation–firm performance link; new or substantially better methods are required for innovation to occur.

Guitart, Gonzalez and Stremersch (2018) are of the view that the construction of abstract mental pictures to develop unique methods of meeting customer needs and wants is a primary force in all areas of marketing innovation. First, successful marketing innovation requires a detachment from what is and an ability to focus on what never has been and what could be. Without such imaginative focus, radical introductions would not occur and the organization would have a portfolio of me-too products.

Lastly, Jelonek (2015) maintains that the ability to be unique and imaginative in fulfilling customer orders and on-going customer support can create a relative benefit through marketing innovation as it assists in the advancement of the supply chain management process. From a customer and other stakeholder perspective, ingenious or imaginative contractual negotiation, alliance specifics, selection procedures, specific asset investments, order-fulfillment optimization strategies, and quality-control methods can separate an organization from other industry players.

In summary, marketing imagination is argued to be a potent predictor of an organization‘s level of marketing innovation for reasons previously documented in the construct‘s introduction and because of its ability to fundamentally alter the behavior and perspective of the firm in a manner that encourages the flexible and radical execution of core business activities

Innovation and SMEs Development

Stefan et al (2018) claim that SMEs development is a multidimensional concept, and three indicators can be production, finance or marketing or consequences such as growth and profit. It can be measured with objective or subjective indicators. Performance involves 4 indicators: production, market, and financial performance. Innovative performance of SMEs is the combination of overall organizational achievements as a result of renewal and improvement efforts done considering various aspects of firm innovativeness, for instance, processes, products, marketing, organizational structure, etc. Therefore, innovative performance is a composite construct based on various performance indicators pertaining, such as, to the new patents, new product announcements, new projects, new processes, and new organizational arrangement (Foucart, Wan & Wang, 2018).

Innovations can actually enhance the firm performance in several aspects. Particularly, four different performance dimensions are employed in the literature to represent firm performance. These dimensions are innovative performance, production performance, market performance and financial performance. Innovation has a considerable impact on corporate performance by producing an improved market position that conveys competitive advantage and superior performance (Walker, 2004). A large number of studies focusing on the innovation-performance relationship provides a positive appraisal of higher innovativeness resulting in increased corporate performance. But these researches are generally conceptual in nature and/or focus only on a single type of innovation rather than considering all four innovation types already defined, and then explore its impact on performance. Process and product innovations are the most common innovation types examined.

Marketing Innovation and SMEs Development

The core business process activities and the quality of their execution as defined through marketing innovation are argued to positively impact performance (Gumus & Gumus, 2015). This relationship between marketing innovation and firm performance is complex; there are several different activities associated with the innovative implementation of the core business processes, some of which require greater commitment of organizational resources and risk than others.

Depending on the primary industry in which the organization operates, there is certain high-gain activities that have a clear and logical association between implementation and performance and these processes are ordinary executed first. These activities face limited challenges to the organization to implement and thus a basic level of marketing innovation can be introduced; firm performance is positively impacted. However, as organizations perform at higher and higher levels of marketing innovation, the performance returns from the execution of these activities declines (Nguyen, Zhang & Calantone, 2018). The activities of marketing innovation begin to improve firm performance at an increasing rate in the beginning; this is the behavior of the rational organization that implements those activities with greatest marginal return upfront as discussed.

SMEs development has been operationalized as sales growth, profit, cash flow and owner value as frequently measured in marketing strategy research. While certain spaces of marketing innovational have effects on new product success, time to sales takeoff, and return on marketing investment, the four primary measures of sales growth, profit, cash flow, and shareholder value are more comprehensive long-term measures recognized in the literature for persistent changes in firm performance and are better choices for empirical measurement. These firm performance measures offer the greatest potential for building a powerful research foundation on marketing innovation and explain the most important aspects of firm consequences (Clarice & Renato, 2017).

Theoretical Review

Innovation Theory

The innovation theory was propounded by Schumpeter in 1934. Innovation theory highlights the role of innovation in the entrepreneurial process. It describes a process of "creative destruction" where wealth creation occurs through disruption of existing market structures due to introduction of new goods and/or services that cause resources to move away from existing firms to new ones thus allowing the growth of the new firms.

Accordingly, Schumpeter calls innovation the specific tool of entrepreneurs, the means by which entrepreneurs exploit change as an opportunity for a different business or a different service. The theory stresses the role of entrepreneurs as primary agents effecting creative destruction, and emphasized to the entrepreneurs the need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation; as well as their need to know and to apply the principles of successful innovation.

This Schumpeterian vein of thinking has been carried forward by successive scholars and researchers. Entrepreneur always searches for change, responding to it, and exploiting it as an opportunity, and engaging by this means in purposeful innovation. The process of creative destruction is initiated by an entrepreneur, which makes innovation an important success factor within entrepreneurial orientation. Furthermore, the link between entrepreneurship and innovativeness is supported by the results of Misyer and Normaziah (2012) who found that innovation is among the key motives to start a business.

Entrepreneurial Orientation Theory at Individual Level

This theory was developed by Callaghan in 2009. The theory relates to the individual or the enterprise. At the individual level of entrepreneurship, the origins of definitions of entrepreneurship go back to Cantillon's definition of an entrepreneur as a rational decision maker

who assumes the risk and provides management for the firm. The entrepreneur is also seen as an economic actor having a driving force for economic development.

Entrepreneurs are viewed as revolutionaries of the economy whose economic function is the realization of new combinations in the course of which they are the active element. The theory relates to entrepreneurs as having a higher need for achievement. It adds to the Schumpeterian spectrum of entrepreneurial orientation, two dimensions; Learning and Achievement orientations.

The individual level theoretical basis of entrepreneurship has not been without criticism. For instance, the theory criticizes individual centered perspectives of entrepreneurship and argues against the need-for-achievement theory on the deficiency of the theoretical process resulting in what they call "an oversimplification of the subject". As well, Anne and Karanja (2014) argue that the "trait" approach, whereby an individual's distinguishing characteristics, including personality characteristics, are related to entrepreneurial variables, is often studied according to a flawed approach. However, A number of research studies have argued the need for small firm entrepreneurs to develop entrepreneurial and managerial competencies as proper allocation of these two roles crucially underpin small firm survival.

Methodology

The study was conducted among the SMEs in Ago-Iwoye. Respondents were sought for among the owners of SMEs in five areas in Ago-Iwoye. These areas are Ago-Garage, Isamuro, Imososi, Igan road and Idode..The population of the study comprised of all SMEs in Ago-Iwoye. According to the Ago-Iwoye Local Development Council (2018), there are three hundred and seventy-five (375) registered SMEs in the five study areas. Hence, the population of the study comprises of 375. The population of this study has the characteristics of heterogeneity and finite. The population is heterogeneous because it comprises of different micro enterprise owners from five different areas. It is finite because it comprises of definite number of micro enterprise owners. The total population of 375 is distributed among five areas in Ago-Iwoye. The sample size of one hundred and ninety (190) for this study was determined using sample size determination formula cited in Ali (2013).

Simple random and proportional sampling techniques were employed for this study. The items in the study population were subjected to balloting. Every SMES owner in each study area was pre-numbered. These numbers were subjected to balloting and a total of 190 micro enterprise owners were selected for the study. Also, the selection of SMEs owners in each area was proportional to the number of SMEs owners in the area.

Survey design was employed for this study. This study employed cross sectional data obtained from the administration of structure questionnaire on research respondents. These data was used to verify the formulated hypotheses specified for the study. Structured questionnaire was employed as research instrument. The questionnaire items were designed by the researcher. Closed-ended type of questionnaire was used for the study. The questionnaire was structured to contain three sections. Section one contained items on demographic variables of respondents. Section two contains items on marketing innovation and its dimensions, that is, marketing insight and marketing imagination. Section three contains items on SMEs development. The responses to the statements in the questionnaire were on four point scales, which range from "strongly agree" to "strongly disagree". The four points Rensis Likert scale was used to code the questionnaire' responses and the codes used are stated as follows: SA = Strongly Agree; A = Agree; D = Disagree and SD = Strongly Disagree

Content validity method was adopted for this study. The questionnaire was designed by the researcher but it was subjected to a critical review by the supervisor and research expert. The review led to the elimination of some items and restructuring of others. This was done to ensure the content validity of the instrument. Split-half reliability method was employed for this study. This enabled the researcher to administer the instrument to the audience at a particular period of time. The researcher conducted a pilot study on 20 SMEs owners in Ijebu-Igbo. The test was conducted using Cronbach alpha coefficient for reliability. The result obtained is shown in table 3.3. The Cronbach factor of 0.731 (73.1%), shows that the instrument is reliable.

Results and Discussion

This study formulated two hypotheses. The hypotheses were analyzed using multiple regressions at 5% level of significance. The results of the hypotheses were presented on tables I to tables II.

Table I: Multiple regression result on the effect of marketing insight and marketing imagination on SMEs development

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.642	.284	.437	2.261	.033
	Marketing Insight	.084	.323	.053	.261	.015
	Marketing Imagination	.113	.138	.169	.817	.022

a. Dependent Variable: SMEs Development

Table II: ANOVA Result on the combined effect of marketing insight and marketing imagination on SMEs Development

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.694	2	6.847	4.549	.001[b]
	Residual	212.172	141	1.505		
	Total	225.866	143			

a. Dependent Variable: SMEs Development

b. Predictors: (Constant), Marketing Insight and Marketing Imagination

Hypothesis One and Hypothesis Two

HO_1: There is no significant effect of marketing insight on SMEs development.

Result on table I indicated that marketing insight had significant positive effect on SMEs development ($t = 0.261$; $p = 0.015 < 0.05$). This led to the acceptance of the alternative hypothesis. As a result, this study concluded that marketing insight had significant positive effect on SMEs development.

HO_2: There is no significant effect of marketing imagination on SMEs development.

Result on table I indicated that marketing imagination had significant positive effect on SMEs development ($t = 0.817$; $p = 0.022 < 0.05$). This led to the acceptance of the alternative hypothesis.

As a result, this study concluded that marketing imagination had significant positive effect on SMEs development.

Result on table II indicated that marketing insight and marketing imagination had significant combined effect on SMEs development ($f_{(2,143)} = 4.549$; $p = 0.015 < 0.001$). This led to the acceptance of the alternative hypothesis. As a result, this study concluded that marketing insight and marketing imagination had significant combined effect on SMEs development.

Discussion of Findings

This study was designed to appraise marketing innovation on SMEs development in Nigeria. This study was guided by two objectives which included that investigating the effect of marketing insight on SMEs development and also appraising the effect marketing imagination on SMEs development. Two hypotheses were formulated to guide the study and tested using multiple regression and analysis of variance at 5% significant level.

Analysis of the first hypothesis revealed that there was significant (positive) effect of marketing insight on SMEs development. This result supported the views of Bayarcelik, Tasel and Apak (2014) and Jelonek (2015) who concluded that marketing insight had positive effect on SMEs performance. However, the result disagreed with the findings of Foucart, Wan and Wang (2018) and Stefan et al (2018) who reported insignificant effec6 of marketing insight on SMEs performance.

Analysis of the second hypothesis revealed that there was significant (positive) effect of marketing imagination on SMEs development. This study agreed with the submission of Gumus and Gumus (2015); Gupta et al (2016) who found significant relationship between marketing imagination and SMEs performance.

Result also confirmed the findings of Nguyen, Zhang and Calantone (2018) who reported that marketing insight and marketing imagination combined significantly to affect SMEs achievements.

Conclusion and Implication for Management

The empirical analysis carried out in this study showed that certain marketing innovation practices affected SMEs development. After controlling for endogeneity, marketing insight and marketing imagination appeared to affect SMEs development in Ago-Iwoye positively. This study through its result concluded that marketing insight had positive effect on business performance of micro enterprises. This implied that the SMEs development increased by a margin whenever the marketing insight activities of the micro enterprises improve. Conversely, whenever there is a decrease in marketing insight, there will be a corresponding decrease in SMEs development in Nigeria.

Also, this study concluded that marketing imagination had significant positive effect on SMEs development in Ago-Iwoye. This implied that increase in the marketing imagination activities of SMEs would lead to increase in the development of SMEs of these businesses. Likewise, a decrease in marketing imagination activities would lead to corresponding decrease in the SMEs development in Nigeria. Conclusively, this study found that marketing innovation had significant effect on SMEs in Nigeria.

Based on the findings of this study, it was recommended that SMEs in Ago-Iwoye should ensure that they are proactive in their marketing approach as this will boost their performance. Also,

there is need for SMEs to ensure that develop their products or services in line with customers wants.

Furthermore, SMEs in Ago-Iwoye should always conduct marketing survey to determine the needs of customers as this will improve customer's patronage which invariably would increase their performance. In addition, there is need for SMEs to adopt new methods and procedure for their operations in order to ensure that they serve their customers better with the view of making more profits.

Lastly, this study was conducted in Ago-Iwoye. Hence, it result could not hold for other areas. Future studies on the same subject matter should focus on more areas in Ogun State.

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