PERFORMANCE OF SMALL AND MEDIUM-SCALE AGRIBUSINESSES IN RIVERS STATE: THE EFFICACY OF CHANNEL-BONDING CAPABILITY

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ABSTRACT

Economic advancement of nations is interlaced with growth and prosperity of businesses. Hence, policy-makers devote resources to orchestrating enabling environment for businesses, especially SMEs, to thrive. Governments have over the years made deliberate efforts to promote SMEs, in lieu of their contributions to economic development. However, SMEs do not rely solely on government support to thrive. They also require capabilities that provides sufficient fillip to operational success. This study examined the relevance of channel-bonding capability to performance of SMEs in agribusiness. The study took a one-dimensional view of channel-bonding capability; and used customer-base enlargement, profitability and portfolio expansion as proxies of SMEs' performance. The study adopted an explanatory research design, and collected primary data through cross-sectional survey, using a structured questionnaire whose validity and reliability was confirmed through exploratory factor analysis and Cronbach's Alpha test respectively. The population of the study comprised SMEs in agribusiness in Rivers State. 90 SMEs in agribusinesses in Rivers State were surveyed. After data cleaning, data collected from 77 SMEs were found usable for analyses. Pearson Product Moment Correlation served as test statistic, relying on Statistical Package for Social Science (SPSS) version 24.0. The study found that channel-bonding capability has strong, positive and statistically significant relationship with performance of SMEs in terms of customer-base enlargement portfolio expansion and profitability. The study therefore concluded that channel-bonding capability informs improved performance of SMEs in agribusiness; and recommends that SMEs in agribusinesses in Rivers State that seek improved performance in terms of customer-base enlargement, portfolio expansion, profitability should develop and deploy the capability to develop, nurture and manage relationship with channel partners.

Keywords: Channel-bonding capability, customer-base enlargement, portfolio expansion, profitability, SME performance

INTRODUCTION

The success of firms results from the market presence in terms of visibility, availability and accessibility of their products. Dalrymple et al. (2004, as cited in Ateke & Nwokah, 2022) provides that visibility, availability and accessibility of products is however mostly achieved through marketing channel institutions that play various important roles in the movement of products in a channel system. Firms therefore, cultivate strong bonds with channel members. Ateke and Nwokah (2022) opined that firms' promotion efforts could amount to nothing if they do not have the required channel structure and membership to make their products available to consumers. Promotion creates demand, but it takes distribution to fulfill that demand. Also, a firm cannot hold a strong customer base if it does not have a corresponding strong distribution system. A robust distribution system affords the firm, a strong reputation and also have its marketing initiatives executed locally. The ability to develop robust channel systems, and to cultivate, manage and grow profitable relationship with channel members is a dynamic marketing capability (DMC), the possession of which enable firms, especially SMEs, improve their performance.

Ateke and Nwulu (2021) submits that DMCs possessed by one firm, and which others may lack, account for performance differential among firms. DMCs describe strategic foresight to sense market intelligence, propensity to react appropriately to such intelligence; as well as capability to bond with customers and channel partners. These capabilities develop through firms' repeated application of collective knowledge and skills to the conversion of marketing inputs, mostly by combining intangible resources (knowledge and skills) with tangible assets. DMCs are the product of integrative processes that facilitate the application of a firm's collective knowledge, skills and resources to market-related needs; and which enable the firm to improve its value offerings, adapt to shifting conditions, seize opportunities, and bond with customers and channel participants in a bid to outperform rivals (Lindblom et al., as cited in Ateke & Nwulu, 2021).

However, there is a short supply of studies on the link between channel-bonding capability and performance of SMEs in agribusiness. Prior studies have mostly examined the nexus between DMCs and various facets of marketing performance (see Ateke & Nwulu, 2021; Kwon, 2021; Reimann et al., 2021; Hoque et al., 2020; among others). Also, some studies have focused on individual dimensions of DMCs to determine their connection to marketing performance, or aspects thereof. For instance, Ateke and Harcourt (2022) examined market-sensing capability and innovativeness of hospitality firms. Min and Kim (2021) examined the effects of opportunity seizing capability on new market development and SMEs' performance; Alshanty and Emeagwali (2019) probed the impact of market-sensing capability, knowledge creation, strategic entrepreneurial-orientation and innovation on SMEs' performance; while Ahmed et al. (2017) probed market-sensing capability and market performance.

These studies did not consider the effect of channel-bonding capability on marketing performance or its measures. Also, these studies were not conducted among SMEs in agribusiness; hence, do not provide adequate explanatory power on the link between channel-bonding capability and performance of SMEs in agribusiness in Rivers State. Thus, the current examen joins the discourse on DMCs and business performance by probing the interplay between the variables among SMEs in agribusiness in Rivers State.

LITERATURE REVIEW AND FORMULATION OF HYPOTHESES

Channel-bonding Capability

Channel decisions are important because they enhance marketers' understanding and ability to deliver relive-able experiences to customers by providing consistent value across various touchpoints (Inan & Kop, 2018). Marketers require competent distribution channels that are flexible to adapt to changing customers' needs; resilient enough to deliver on channel objectives; and help them stay connected to, and engaged with customers on different platforms (Ateke & Nwokah, 2022).

Often, manufacturers assume that their responsibilities end once their products are sold to channel intermediaries. However, channel participants only assume part of manufacturers' responsibilities. Market-oriented manufacturers extend their jobs to managing, albeit indirectly, all the processes involved in the channel, until the product get to end-users. This is where channel-bonding capability assumes significance in firms' operations. Such capabilities enable the firm gain competitive advantage in the market through successful incorporation and management of channels and channel participants (Ateke & Nwokah, 2022; Inan & Kop, 2018). Channel-bonding capability describes firms' proficiency in the processes and activities involved in developing, supporting, and maintaining strong relationships with channel intermediaries.

Channel-bonding capability enables firms to sway channel intermediaries to stock, and give maximum exposure to their products. They are thus strategic enablers of company success in lieu of their link to business performance. Today's customers have access to a wide array of choices (in products and channels); hence, they expect more than just products from firms. Indeed, today's customers choose products that satisfy their needs, not only with their features, but also with the whole process of acquiring products, including accessibility, availability and after-sale services (Inan & Kop, 2018).

This shift in customers' expectation has intensified competition; and has tasked firms to seek increased collaboration with channel intermediaries who are relied upon as partners in customer value delivery. Also, as shareholders become more critical of business performance, the contributions of various marketing operations have come under scrutiny to determine their contribution to increased sales, profits, and market share (Udayana et al., 2021). To this end, channel linking capability easily becomes indispensable to firms, as it promotes strong channel relationships that promote visibility, accessibility and availability of products.

In order to serve them better, firms must understand their customers. But as a firm's operations expand, and its customer-base widens, it loses direct touch with customers; and rely on channel intermediaries to provide much needed market intelligence (Ateke & Nwokah, 2022). However, a firm cannot get as must market intelligence as is desired from channel intermediaries, if it does not have corresponding strong ties with them. Helping firms to build and maintain this strong bond with channel intermediaries is what channel-bonding capability address.

Superior channel-bonding capability bestows multiple benefits on firms (Inan & Kop, 2018). It leads to better market coverage and sales increase; improved customer satisfaction and profits; avid market knowledge and suggestions for product improvement; as well as broadened customer-base, product-line extension, and even development of new markets. The ability to link strongly with channel members is thus a driver of company success. A company's ability to bond with channel intermediaries is essential to marketing performance improvement; and is increasingly seen as a "must have" capability (Udayana et al., 2021).

Small and Medium-Scale Enterprise Performance

Small and medium-scale enterprises' (SMEs) performance refers to results of business activities of SMEs, including sales growth, employee satisfaction, profitability, and growth in assets and equity (Kiyabo & Isaga, 2020). Performance is an important construct in determining the success of business activities. It is viewed from financial and non-financial perspectives (Bontis et al., 2000), and measured in terms of productivity, return on investment, profits and sales turnover. It also explain a firm's success in terms of customer, market and financial achievement over a period of time in a given market operation. In business, performance is used to mean the achievement of companies' financial and operational goals (Didia & Nwokah, 2015).

Performance is a multidimensional construct. It is also multidisciplinary and cross functional. The essence of measuring performance is to gauge the results of business programmes and activities undertaken. However, to determine the performance of a business, core performance measures or benchmarks must be set, from financial and non-financial perspectives (Terblanche et al., 2013). Though obtaining a balance between the two perspectives is key to greater appreciation of how a firm fared in a given accounting period.

In this study, we adopt customer-base enlargement, profitability growth and portfolio expansion as a mix of non-financial and financial measures of performance. The reason for adopting non-financial and financial metrics of performance is to gain a balanced view of performance, and also in recognition of the fact that the results of most business activities and efforts are non-quantitative and non-financial in nature, but facilitate the attainment of quantitative and financial indices of performance.

Customer-base enlargement

Customers are the foundation and sustainers of a business. They are the lifeblood of a business and are essential to business growth (Manirakiza, 2020). Thus, customer acquisition, retention and expansion are considered the surest guarantee for firms' survival and sustainability (Ateke & Amangala, 2020). Acquiring and retaining customers, as well as expanding the scope of business the firm has with current customers through cross-selling and upselling is the premise for creating and maintaining customer relationships (Ateke & Amangala, 2020). The level of success a firm achieves cannot be divorced from its customer-base, the larger, the better.

Customer-base enlargement is thus a core objective and salient metric of performance in business. Olek and Sarvary (2001) aver that a firm has only one way to grow its business: to enlarge its customer-base by acquiring new customers. A firm that is not acquiring new customers is threading a perilous path. This is because customers form the foundation of a business; and also guarantee the continued existence of the business (Ateke & Amangala, 2020; McFarlane, 2013).

Firms employ several techniques to win and retain customers in mature markets. They implement programmes aimed at preventing switching and offer special customer care initiatives that raise customer satisfaction (Ateke & Nwulu, 2021). The possession of a strong customer-base is a prerequisite to robust company operation, and achievement of improved business performance (Manirakiza, 2020). Research shows that having a large loyal customer-base provides a number of significant short-term and long-term advantages (Manirakiza, 2020; Ateke & Amangala, 2020; McFarlane, 2013).

Profitability

Profit is the monetary earning a firm achieves after all costs associated with operations, including salaries, cost of materials and other operating supplies have been deducted (Nickels et al., 2011). The concept of profit is important, and is given increased attention due to its nexus with company growth. Mukhopadhyay and AmirKhalkhali (2010) argue that the facilitating role of profit in generating growth is more important for SMEs, because they have less access to capital markets.

Profitability is thus, the ability of a business to make profit or the degree to which a business generates revenue in excess of cost of operations. It is a quantitative metric of performance used to assess a firm's success in given market operations or the return on a given investment during a specific accounting period.

Profitability has been a central concept in business since the dawn of commerce, and a fundamental goal of firms because of its links to long-term survival (Ejoh & Iwara, 2014). Morgan et al. (2009) affirm that profitability is fundamental to investors and managers because it indicates expected cash flows, even though it is not a frequently used metric of business performance, and knowledge about the association between business efforts and profitability is limited (Bahadir et al., 2008). Nevertheless, Profitability is often used to determine the attractiveness of an investment; or to compare the promise of different investment portfolios and opportunities (Bahadir et al., 2008). Higher profitability often means that expected gains from an investment compare favorably to cost of the investment.

Portfolio expansion

A business portfolio represents business interests developed from a firm's resource allocation and investment in areas with future potentials; and which are governed by one corporate management (Raggio et al., 2011). It is also creation and introduction of a brand that is new to a firm or the market (Didia & Ateke, 2017). Portfolio expansion offer several benefits. It helps firms choose a positioning approach that best complements existing portfolios while avoiding cannibalization, and adequately serving the needs of current and prospective customers.

Business portfolio expansion may be achieved through internal brand creation or external brand acquisition (Raggio et al., 2011) that enable firms expand business interests within and across industries. The choice of mode of expansion is a critical element in portfolio management; and several models that provide assistance to managers on how to analyze and manage investment portfolios exist (Didia & Ateke, 2017).

Portfolio expansion manifests when a firm engages in different ways of creating or capturing value; each of which is associated with a distinct monetization mechanism (Puranam & Vanneste, 2016; Grant, 2016). The achievement of corporate objectives rest on strategic thrust; and a firm may pursue different objectives in order to increase shareholders' wealth (Didia & Ateke, 2017). Kotler (2003, as cited in Didia & Ateke, 2017) argue that strategic planning that facilitate goal attainment requires managing a company's business as investment portfolios. Managing a firm's business as investment portfolios means expanding business operations in terms of serving newer customer groups and needs, product line extension and creation of newer business units.

Firms develop business interest within and across customer groups and product lines, and across geographies, so that business risks is spread, sources of revenue and profits is diversified; and shareholders' wealth is improved (Didia & Ateke, 2017). Portfolio expansion is especially attractive when a firm can leverage existing resources and capabilities. Akewushola (2015) states that portfolio expansion fundamentally indicates business success and shows performance differential among firms. Portfolio expansion leads to improved profitability, market value and shareholder wealth (Oladimeji & Udosen, 2019).

Channel-bonding Capability and Performance of SMEs

A company's success as expressed in the attainment of nominated objectives is often the outcome of different marketing activities undertaken. One such activity is making products available to end-users. Firms frequently rely on marketing channel intermediaries to make products available to end-users. A firm's products can achieve market visibility, and be available and accessible to consumers, only if channel participants carry and promote them effectively (Dalrymple et al., 2004, as cited in Ateke & Nwokah, 2022). These channel participants thus bring the firm closer to users; and play other important roles like supplying market(ing) intelligence; and offering marketing management advice that help in shaping the firm's marketing efforts (Ateke & Nwokah, 2022).

It is thus important for firms to develop and maintain strong ties with channel intermediaries in order to gain their commitment and support in delivering unforgettable experiences to today's highly informed, empowered and demanding customership; by providing consistent value across various touch-points (Inan & Kop, 2018). Marketers require competent distribution channels and strategies that are flexible to adapt to changing customers' needs; resilient enough to enable the attainment of channel objectives; and help them to stay connected to, and engage with customers on different platforms. This however, requires the firm to possess sophisticated channel-bonding capabilities. Udayana et al. (2021) contend that channel-bonding capability is essential for firms because it creates strong channel relationships that drive visibility, accessibility and availability of products.

A marketing channel is essentially, a conduit through which products flow, as they move from manufacturer the end-users. A typical channel has the producer and end-user at opposite ends. However, between producers and end-users, there are agents or brokers, wholesalers, and retailers who mediate the flow of product (Ntale, 2016). These channel actors perform crucial marketing tasks in the flow of products and on company profitability, hence, require careful administration, since superior channel-bonding policies, capabilities and strategies enhance a firm's attainment of competitive advantage and performance differential (Mehta et al., 2002).

Superiors channel-bonding capability hold the potential to enhance effective efficiency in the analysis, planning, organizing, and control of firms' marketing channels and channel participants; and aids decisions regarding channel strategy formulation; channel structure design; channel participant selection; motivation of channel participants; channel strategy coordination; channel members' performance appraisal and channel conflict handling (Ntale, 2016; Musso, 2012). When well-figured-out, these decisions inform masterful contrivance and execution of activities that orchestrate long-term customer loyalty and confer superior performance (Mehta et al., 2002).

However, companies can build strong beneficial channel relationships only in direct proportion to their channel-bonding capability. The channel strategies a firm deploy and the channel participants it choses is often tied to their channel-bonding capability (Kumar & Venkatesan, 2005). Growth focused firms have sales productivity as one great opportunity. Sales productivity is however possible when the firm's sales channels work at their full potentials; at which point, "they not only boost revenue, but also increase market share (Ntale, 2016). Vinhas et al. (2010) admonished that producers need to develop strong long-term relationships with channel partners because it enhances product availability and accessibility, create customer value, optimize sales performance and impacts customer satisfaction.

Also, Behan and Lamoureux (2015) emphasize that the success or failure of manufacturers is anchored on the effective efficiency of the flow of their products in the market; while Mehta et al. (2002) argues that a company's market performance is often a function of its expertise in channel relationship management. Channel-bonding capability thus enhances performance by protecting brand value; and allowing vendors to sell products at a premium while enabling channel members to engage in cross-selling and up-selling (Behan & Lamoureux, 2015). Also, sophisticated channel-bonding capability encourage vendors to extend their reputation to products and prevent diversion and risk of gray markets.

In addition, Channel-bonding capability boosts post-sales service and support; helps with price control, creation and maintenance of customer loyalty, and protects investment (Ntale, 2016). Furthermore, Balocco et al. (2012) suggests that superior channel-bonding capability finds usefulness in enabling strategic change projects and in business model re-definition; as well as in channel relationships strengthening, value enhancement, reduction of counterfeiting, and sales revenues and profit margin enhancement.

The foregoing demonstrates that channel-bonding capability constitutes drive superior business performance. However, in lieu of the need to subject this conjecture to statistical examination and interpretation, they the following null hypotheses are formulated:

Ho1: Channel-bonding capability does not significantly relate to customer-base enlargement among SMEs in agribusinesses in Rivers State.

Ho2: Channel-bonding capability does not significantly relate to profitability of SMEs in agribusinesses in Rivers State.

Ho3: Channel-bonding capability does not significantly relate to portfolio expansion among SMEs in agribusinesses in Rivers State.

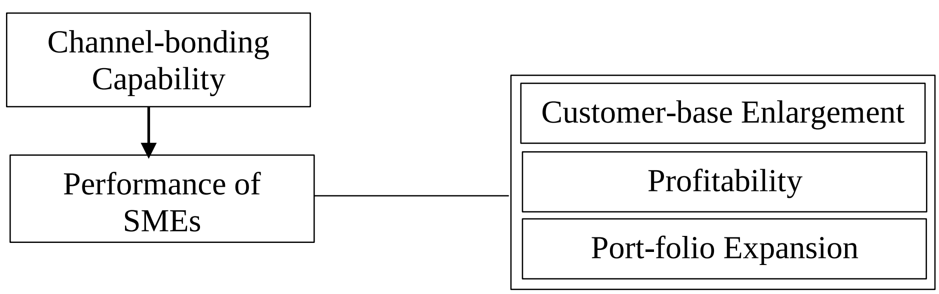

Fig. 1: Conceptual framework of channel-bonding capability and performance of SMEs in agribusiness.
Source: Researchers' conceptualization from review of literature (2022).

Theoretical Framework

This study takes its bearing from dynamic capabilities theory (DCT) (Teece & Pisano, 1994) which explains how firms achieve competitive advantage in highly disruptive markets. DCT explains "complexities in corporate performance and market position in relation to competitors" in a plastic context that is the result of shifting industry structure, advances in technology, changing customers' requirement and upsetting regulatory frameworks (Teece et al., 1997). DCT describes capabilities as sets of "learned processes and activities that enable a firm produce superior outcomes; and explains that dynamic capabilities are idiosyncratic and rooted in firms' history (Teece et al., 1997).

DCT complements the position of the resource based view (Barney, 1991) that the possession of unique, rare, inimitable, and insubstitutable resources confer competitive advantage; by suggesting that it is not the mere possession of resources that is critical to competitive advantage, but the expert combination of resources to create value amidst market disturbances. DCT argue that resources are only building blocks for the development of capabilities that involve internal activities and routines that spans resources (Teece et al., 1997) and functional units. The core argument of DCT is that dynamic capabilities endow firms with capacity to purposefully create, extend, or modify resources to compete better.

DCT is adopted as a baseline theory in this study, based on its emphasis on learning and adapting company operations to current and emerging conditions. The study is designed to examine the nexus between channel-bonding capability and performance of SMEs. The provisions of DCT constitute a fine premise to conjecture that channel-bonding capability will interact with SMEs' performance. The argument of DCT that firms build competitive advantage by acquiring and utilizing distinctive competences that enable them modify short-term competitive positions by sensing shifts in market conditions rapidly, and developing and combining new assets while refocusing existing ones, further makes it a cogent baseline theory for the study.

METHODOLOGY

This examen probed the nexus between channel-bonding capability and performance of SMEs in agribusinesses. The study adopted an explanatory research design; and relied on structured questionnaire to collect primary data in a natural setting, and in a cross-sectional survey. The population of the study comprised 90 SMEs in agribusiness in Rivers State. The study took a census in lieu of the manageable size of the population, and based on the conviction that a larger sample size takes a researcher closer to reality. The study however, arrived at the test units using purposive sampling technique. Purposive sampling was preferred because it eases accessibility to test units (Collis & Hussey, 2009).

The validity of the research instrument was determined through face, content and construct validity. Face validity was ascertained by experts consisting members of the academia within marketing, organizational studies, and measurement and evaluation; and business practitioners with vast experience on the subject of the study. Content validity was achieved by deriving the measurement scales from literature; and mostly from instruments used in previous studies, with minimal modification where necessary. Construct validity was determined through exploratory factor analysis. Table 1 presents a summary of the test results.

Table 1: Summary of Results of Test of Validity

Variables	Number of Items	Factor Loadings
Channel-bonding capability	8	0.985
SMEs' Performance		
Customer-base enlargement	6	0.949
Profitability	5	0.868
Business portfolio expansion	8	0.960

Source: SPSS output of data analysis on channel-bonding capability and performance of SMEs (2022).

Table 1 shows the results of construct validity of the instrument using Exploratory Factor Analysis (EFA). The analysis revealed that there is multicollinearity because all the variables have high factor loadings. This means, each of the items effectively measured what they were set to measure.

The reliability of the instrument on the other hand, was determined using Cronbach's Alpha test of reliability with a threshold of 0.70 set by Nunally (1978). Table 2 provides a summary of the results of the test of reliability.

Table 2: Summary of Results of Test of Reliability

Variables	Number of Items	Cronbach's Alpha Coefficient
Customer-bonding capability	8	0.935
SMEs' Performance		
Customer-base enlargement	6	0.968
Profitability	5	0.957
Business portfolio expansion	8	0.950

Source: SPSS output of data analysis on channel-bonding capability and performance of SMEs (2022).

Table 2 shows that all the variables in the study have high Cronbach's alpha coefficient, surpassing the 0.70 threshold set by Nunally (1978). The instruments is therefore considered reliable; and offer the required standard of precision and clarity. The evidence indicates that the instrument adequately addresses the concerns of the study, thus admissible; and that the instrument can produce identical results if used at different times and in different contexts by different researchers.

The Pearson Product Moment correlation statistic was used to test the direction and magnitude of association between channel-bonding capability and proxies of performance of SMEs. The analysis was based on 77 copies of questionnaire, representing 85.56% of administered questionnaire which were upon retrieval, found to reveal the absence of error cases with permissible (less than 10%) cases of missing values, and treated using mean imputations. These 77 copies were coded into the SPSS (version 24) software and used in the final analyses. The study adopted a confidence interval of 95%. Hence, all hypotheses were tested based on 0.05 level of significance. Neuman's (2006) categorization scheme was employed to determine the magnitude and direction of relationships between the variables, with the decision rule: reject null hypothesis if probability value < critical value and accept null hypothesis if probability value > critical value.

DATA ANALYSES AND INTERPRETATION

This section presents and interprets the result of descriptive analysis of the study variables. The statistical techniques employed are descriptive and focuses on describing average position and experiences of respondents on the manifestation of the attributes of the variables under examination. Mean, standard deviation and variance are used to assess the central tendencies and levels of dispersion of the responses of the study elements. The interpretation guide used, is that of Narlin (2010) wherein, and adopts 2.5 represents the base mean. Also presented in section, is the statistical test of linear correlation between proxies of channel-bonding capability and proxies of performance of SMEs in agribusiness.

Table 3: Descriptive analysis on channel-bonding capability

	N	Sum	Mean	Std. Dev.	Variance
My firm have strong ties with middlemen	77	338	4.39	1.002	1.004
My firm has free flow of communication with middlemen	77	334	4.34	.837	.700
My firm have a network of collaborations with middlemen	77	319	4.14	.899	.808
My firm influence middlemen to stock our products through established relationships	77	320	4.16	.947	.896
My firm influence middlemen to give maximum exposure to our products	77	325	4.22	.837	.701
My firm motivate middlemen to make our products available and accessible to consumers	77	337	4.38	1.148	1.317
My firm undertake joint marketing research with middlemen	77	337	4.38	1.136	1.290
My firm undertake joint promotional activities with middlemen	77	346	4.49	1.119	1.253
Valid N (listwise)	77				

Source: SPSS output of data analysis on channel-bonding capability and performance of SMEs (2022).

As shown on Table 3, all the responses generated high mean scores greater than 3.00. This implies that most of the respondents were on the higher side of the scale. In the result, question 8 has the highest sum of 346 and the highest mean score of 4.49. By having the highest mean score, question 8 manifests more channel-bonding capability attributes. However, question 6 has the highest standard deviation of 1.148 and variance of 1.317 respectively, which means question 6 has the most data variations.

Table 4: Descriptive analysis on customer-base enlargement

	N	Sum	Mean	Std. Dev.	Variance
My firm experience increase in new customer acquisition	77	323	4.19	0.946	0.896
My firm achieve increase in retention of existing customers	77	329	4.27	1.120	1.254
My firm sell more products to existing customers	77	324	4.21	1.116	1.246
My firm expand the scope of her business with existing customers	77	320	4.16	1.125	1.265
We frequently leverage cross-selling and upselling opportunities	77	332	4.31	1.016	1.033
My firm achieve increase in revenue through purchases from new customers	77	340	4.42	1.030	1.062
Valid N (listwise)	77				

Source: SPSS output of data analysis on channel-bonding capability and performance of SMEs (2022).

The results of the analysis on Table 4 show that all responses generated high mean scores greater than 3.00. This means, most of the respondents were on the higher side of the scale. In the result, item 6 has the highest sum of 340 and hence the highest mean score of 4.42. By having the highest mean score, question 6 has the strongest influence on customer-base enlargement. However, item 4 has the highest standard deviation of 1.125 and variance of 1.265 respectively, which means question 4 has the most data variations.

Table 5: Descriptive analysis on profitability

	N	Sum	Mean	Std. Dev.	Variance
My firm generate revenue in excess of cost of operations	77	315	4.09	1.066	1.136
My firm achieve increased return on assets	77	311	4.04	.924	.854
My firm achieve increased return on equity	77	309	4.01	.939	.881
My firm has a high capacity to make profit	77	320	4.16	1.148	1.317
My firm attract investors and gain loans on account of our expected cash flows	77	333	4.32	1.044	1.091
Valid N (listwise)	77				

Source: SPSS output of data analysis on channel-bonding capability and performance of SMEs (2022).

Table 5 show that all the responses generated high mean scores greater than 3.00. This means that most of the respondents were on the higher side of the scale. In the result, item 5 has the highest sum of 333 and the highest mean score of 4.32. This suggests that item 5 most aptly describe manifestation of profitability. However, item 4 has the highest standard deviation of 1.148 and variance of 1.317 respectively, meaning that item 4 has the most data variations.

Table 6: Descriptive analysis on portfolio expansion

	N	Sum	Mean	Std. Dev.	Variance
My firm invest in areas with good future potentials	77	315	4.09	1.102	1.215
My firm introduces new brands and products to its market	77	325	4.22	.898	.806
My firm expand business interests within its industry	77	317	4.12	.946	.894
My firm expand business interests across industries	77	326	4.23	1.087	1.181
My firm optimize resources by creating new business interests	77	320	4.16	.933	.870
My firm create new streams or sources of revenue and profit	77	324	4.21	.978	.956
My firm integrate other participants in the value chain with a view to expanding its business scope	77	334	4.34	1.108	1.227
My firm expands its business into other states and regions	77	333	4.32	.938	.880
Valid N (listwise)	77				

Source: SPSS output of data analysis on channel-bonding capability and performance of SMEs (2022).

The results on Table 6 shows that all responses generated mean scores greater than 3.00. This means, most of the respondents were on the higher side of the scale. In the result, item 7 has the highest sum of 334 and hence the highest mean score of 4.34. This means that item 7 better represent respondents' idea of portfolio expansion. In the same vein, item 7 has the highest standard deviation of 1.108 and variance of 1.227 respectively, which means item 7 has the most data variations.

Table 7: Relationship between channel-bonding capability and proxies of SMEs' performance

		Channel-bonding capability	Customer-base enlargement	Profitability	Portfolio expansion
Channel-bonding capability	Pearson Correlation	1	.860**	.761**	.892**
	Sig. (2-tailed)		.000	.000	.000
	N	77	77	77	77
Customer-base enlargement	Pearson Correlation	.860**	1	.823**	.911**
	Sig. (2-tailed)	.000		.000	.000
	N	77	77	77	77
Profitability	Pearson Correlation	.761**	.823**	1	.833**
	Sig. (2-tailed)	.000	.000		.000
	N	77	77	77	77
Portfolio expansion	Pearson Correlation	.892**	.911**	.833**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	77	77	77	77

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

Source: SPSS output of data analysis on channel-bonding capability and performance of SMEs (2022).

The results on Table 7 showed channel-bonding capability as the predictor variable, while customer-base enlargement, profitability and business portfolio expansion are the criterion variables in the model. The analysis reveals a correlation coefficient (r) of 0.860 between channel-bonding capability and customer-base enlargement of SMEs in agribusinesses in Rivers State. This very high correlation coefficient indicates a very strong relationship between channel-bonding capability and customer-base enlargement. The analyses also revealed a probability value that is less than the critical value (i.e. $p = 0.000 < 0.01$). Thus, channel-bonding capability has very strong, positive and statistically significant relationship with customer-base enlargement ($r = 0.860$, $N = 77$, $p = 0.000 < 0.01$). Hence, the study rejected the null hypothesis which states that channel-bonding capability does not significantly relate to customer-base enlargement among SMEs in agribusinesses in Rivers State.

Table 7 also displays a correlation coefficient (r) of 0.761 on the relationship between channel-bonding capability and profitability of SMEs in agribusinesses in Rivers State. This high P(r) coefficient means that the relationship between the variables is strong. The results also showed that the probability value of the correlation between channel-bonding capability and profitability of SMEs in agribusinesses in Rivers State is less than the critical value (i.e. $p = 0.000 < 0.01$). This means that channel-bonding capability has strong, positive and statistically significant relationship with profitability ($r = 0.761$, $N = 77$, $p = 0.000 < 0.01$) of SMEs in agribusinesses in Rivers State. Thus, the null hypothesis which states that channel-bonding capability does not significantly relate to profitability of SMEs in agribusinesses in Rivers State is rejected.

Furthermore, Table 7 reveal a P(r) of 0.892 on the relationship between channel-bonding capability and portfolio expansion of SMEs in agribusinesses in Rivers State. This very high correlation coefficient means that relationship between channel-bonding capability and portfolio expansion among SMEs in agribusinesses in Rivers State is very strong. The analysis also showed that the probability value of the relationship between the variables is less than the critical value (i.e. $p = 0.000 < 0.01$), meaning that channel-bonding capability has very strong, positive and statistically significant relationship with portfolio expansion ($r = 0.892$, $N = 77$, $p = 0.000 < 0.01$). Therefore, we reject the null hypothesis which states channel-bonding capability does not significantly relate to portfolio expansion of SMEs in agribusinesses in Rivers State.

DISCUSSION OF FINDINGS

The analyses conducted to determine the nexus between channel-bonding capability and performance of SMEs in agribusiness in Rivers State revealed that channel-bonding capability has very strong, positive and statistically significant relationship with customer-base enlargement ($r=0.860$, $N = 77$, $pv = 0.000 < 0.01$), a strong, positive and statistically significant relationship with profitability ($r = 0.761$, $N = 77$, $p = 0.000 < 0.01$) and a very strong, positive and statistically significant relationship with portfolio expansion ($r = 0.892$, $N = 77$, $p = 0.000 < 0.01$) of SMEs in agribusinesses in Rivers State. These results mean that SMEs in agribusinesses in Rivers State that possess the capability to create appropriate channel structures and membership, and gains the commitment of channel members through supportive and encouraging channel management schemes will experience improved performance.

The findings of the study support the view that success of manufacturers depends on how well their products flow through the marketing channel (Behan & Lamoureux, 2015) and that a company's market performance is mostly determined by its channel relationship management competencies. This is in lieu of the fact that channel members play prominent roles in facilitating the movement of products and in company profitability (Mehta et al., 2002). The findings also align with the position that sophisticated channel-bonding capability encourages vendors to extend their visibility to products and prevent diversion and risk of gray markets; boosts post-sales service and support; helps with price control, creation and maintenance of customer loyalty, and protects investment (Ntale, 2016). Similarly, the findings align with the position of Balocco et al. (2012) that superior channel-bonding capability enables strategic change projects and business model re-definition; as well as in channel relationships strengthening, value enhancement, reduction of counterfeiting, and sales revenues and profit margin enhancement.

Additionally, the findings of the study provide support for the argument of Udayana et al. (2021) that channel-bonding capability is essential for firms because it facilitate strong channel relationships that promote visibility, accessibility and availability of firms' products. This study is of the view that visibility, accessibility and availability of firms' products leads to improved performance SMEs. This position is credible because channel institutions bring firms closer to their customers; and play other important roles in facilitating movement of products, supplying market intelligence; and offering marketing management advice that help firms shape their marketing efforts (Dalrymple et al., 2004, as cited in Ateke & Nwokah, 2022).

CONCLUSION AND RECOMMENDATIONS

Survival and growth of firms in the contemporary business environment progressively requires them to possess competitive advantage that confer performance differential. They are also challenged to develop and deploy unique marketing capabilities that provide access to markets, and bestow preferred market positions. Literature suggests that these marketing capabilities include market-sensing capability, opportunity-seizing capability, customer-bonding capability, channel-bonding capability, etc. in this study, we examine the connection between channel-bonding capability and performance of SMEs in agribusiness in Rivers State. The empirical analyses conducted, showed that channel-bonding capability has positive and statistically significant link with performance of SMEs' in the area of the study.

The study concludes that performance of SMEs' (customer-base enlargement, profitability and portfolio expansion) in agribusiness in Rivers State depends on channel-bonding capability and that channel-bonding capability drives performance of SMEs' in agribusiness in Rivers State. Hence, the study recommends that SMEs' in agribusiness in Rivers State that seek to improve their performance in terms of customer-base enlargement, profitability and portfolio expansion should develop and astutely employ the capability to establish, nurture and maintain robust marketing channels and relationships with channel participants.

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