

LIQUIFIED NATURAL GAS (LNG) DOWNSTREAM MARKETING AND BUSINESS GROWTH IN NIGERIA: AN EMPIRICAL EVIDENCE SMALL AND MEDUIM SCALE ENTERPRISES

KALU, Alexanda

Marketing Department

College of Management Sciences

Michael Okpara University of Agriculture, Umudike, Abia State

OGBONNA Udu

Marketing Department

College of Management Sciences

Michael Okpara University of Agriculture, Umudike, Abia State

UNACHUKWU, Larry Chukwuemeka

Department Of Industrial Relations and Personnel Management

Michael Okpara University of Agriculture, Umudike, Abia State

larryunachukwu1@gmail.com

ABSTRACT

The study focused on the effect of Liquefied Natural Gas downstream sector marketing on business growth in Nigeria, empirical evidence from SMEs. Specifically, the study also set out to achieve the following sub objective as follows; analyze the effect of low-cost strategy on the cost advantage of the selected LNG plants in the study area and ascertain the effect of market focus strategy on the sales volume of the selected LNG plants in the study area. Various research questions were raised and research hypotheses formulated. Porters Five Forces Model was adopted as the theoretical underpin for the study. The study adopted a causal survey research design. Here the opinion of the respondents was elicited through a well-structured Likert-scale type of questionnaire. This was carried out through questionnaire administration to the 400 target respondents; especially the owners, managers and employees of the selected LNG plants in the study area. Simple regression model was used to test the hypotheses which was in conformity to the study objectives with the aid of Statistical Package for Social Sciences (SPSS) version 22. It was found that low-cost strategy is vital towards attainment of cost advantage in the oil and gas downstream sector. The study revealed that low-cost as a competitive strategy has significant effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria. We also found out that from the objective two, being market focused improves the firm's sales volume. Hence, market focus strategy has significant effect on the sales volume of the selected LNG plants in Abia and Imo State. The study recommends that the selected LNG plants in Abia and Imo States should adopt cost control and cost reduction techniques; especially by the use of outsourcing, subcontracting, and buyer-seller relationship businesses and there is also the need to adopt market focus strategies by focusing on specific group of customers in a particular market segment.

INTRODUCTION

Oil was firstly discovered in Ondo State rather than Rivers State before independence, but the truth remains that commercial quantity and proper exploration activities onshore was firstly established in the old Rivers State in the year 1956 in Olobiri now Bayelsa State (Eluozo, 2018). Since the discovery and exploitation began, oil revenue has replaced earnings from agriculture which was the main stay of the Nation's economy. Eluozo maintained that before the oil bang, the Nigerian economy was characterized by subsistence activities; micro

production, obsolete technology; imperialistic influence; corruption and poor institutions. Noting that barely all the policies of pre and pro oil bang failed to address identified features of the economy. Crude oil is one of the main sources of commercial energy; other sources are electricity and coal. Energy has a major impact on every aspect of the state's economy, and it is significant in the economic growth of any country, especially in transportation and manufacturing (Olujobi, et al., 2022).

The functioning of LNG companies is a critical component of any country's economy, such as Nigeria's. This is due to the fact that these LNG companies' success and expansion are important indicators of the degree of modernization, industrialization, and urbanization as well as the availability of gainful and meaningful employment for all those who are able and willing to work (Albiodun & Harry, 2013). They are also significant in equitable distribution of income, bettering the welfare, increase in income per capita and quality of life enjoyed by the citizens (Aremu & Adeyemi, 2011).

The problem is that some of these LNG companies do not have competitive strategies for growth and survival. Even when some appear to adopt any, it is only through trial and error, as some of their marketing tactics are simply imitations of the operations of oligopolistic enterprises, while others work on hunches (Afande, 2015; Adeniyi, 2013). Fortunately the long-term viability of integrating these competitive strategies, as well as their synergistic influence on firm growth and competitive advantage for downstream oil and gas enterprises, has received insufficient scholarly attention in academic literature. Rather, some scholars have conducted research on the collective effect of these strategies on generic organizational performance of large firms in sectors other than oil and gas, with a focus on financial performance indicators such as profitability, sales volume, return on equity, shareholder value, market share, and so on (Afande, 2015; Adeniyi, 2013). Hence there is paucity of empirical literature on this subject matter in Nigeria and hence this study is poised to bridge this gap.

Objectives of the study

The overall objective of this study is to analyse the effect of Liquefied Natural Gas downstream sector marketing on business growth in Nigeria. Specifically the study also set out to achieve the following sub objective as follows;

- i. analyzes the effect of low-cost strategy on the cost advantage of the selected LNG plants in the study area.
- ii. ascertain the effect of market focus strategy on the sales volume of the selected LNG plants in the study area.

Research Questions

The following research questions will be designed to guide the study. They are;

- i. to what extent does low-cost strategy affect cost advantage of the selected LNG plants in the study area?
- ii. to what extent does market focus affect sales volume of the selected LNG plants in the study area?

Hypotheses of the Study

The following hypotheses were formulated and were tested in the course of the study;

H₀₁: Low cost strategy has no significant effect on cost advantage of the selected LNG plants in the study area.

H₀₂: Market focus has no significant effect on sales volume of the selected LNG plants in the study area.

LITERATURE REVIEW

Concept of Competitive Strategies

The term strategy is derived from military literature, which means action plan (Porter, 2012). However, in business and marketing literatures, strategy is defined as an organization's long-term direction and scope that gives an edge through its pattern of human and material resources in a difficult environment (Oyedinjo, 2013). Strategies occur at all levels of an organization, from the broader corporation to individual employees (Thompson & Strickland, 2010).

Competitive strategy development is the pursuit of a cohesive plan to obtain a favorable competitive position in an industry; the primary arena in which competition happens (Porter, 1980; 2012). Thus, competitive strategy seeks to develop and maintain a profitable position against the forces that drive industry rivalry. This involves identifying sources of competition in the ever-changing environment and then developing strategies that match organizational capabilities so as to maintain strategic fit to the changes in the environment (Thompson & Strickland, 2010). By implication, competitive strategy of SMEs consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressures and improve its market position (Thompson & Strickland, 2010).

Cost leadership strategy

Porter's cost leadership approach aims to create a competitive advantage by having the lowest costs in the industry (Ofunde, 2015; Robert & Gathinji, 2014). To achieve a low-cost strategy, a Small and Medium Enterprise must have a low-cost leadership plan developed for low-cost manufacturing, as well as a workforce dedicated to the low-cost strategy (Gathinji, 2014). The firm must be willing to abandon any activity in which it does not have a cost advantage and should consider outsourcing and other relevant tasks to other organizations that do (Malburg, 2010). Given the Potential Industry Earnings (PIEs), an effective cost leadership plan should be devised to gain a significant market share.

Market Focus

The market focus strategy focuses on a certain segment and aims to gain a cost advantage or distinction within that segment. The concept is that focusing solely on the target market can provide superior service and achieve a competitive edge. An organization utilizing a focus strategy frequently enjoys high levels of client loyalty, which discourages other enterprises from competing directly. Market focus might be geographical or client group-based. Regardless, enterprises implementing a focus approach have lesser quantities and thus less bargaining leverage with their suppliers (Stone, 2015).

Theoretical Framework

Porters Five Forces Model (Porter, 1980)

For the purpose of this study, porter’s five force model was adopted as the theoretical underpinning for this study. Michael Eugene Porter of Harvard Business School developed this model in 1980. Porter (1980) writes in his book "Competitive Advantage" that firms functioning in a given industry must engage in a variety of activities that generate cost, provide value, and improve profit. Using the competitive framework, a company seeks to establish a sustainable and profitable position against the forces that shape and reshape the industry. These forces include supplier bargaining power, buyer bargaining power, substitute pressure, potential entrants, and the degree of industry rivalry (Porter, 1980, 1985, 2012). The purpose of this model is to expand on Porter's (1980) five forces model, which has already been investigated within this framework.

METHODOLOGY

The study adopted a causal survey research design. Here the opinion of the respondents was elicited through a well-structured Likert-scale type of questionnaire. This was carried out through questionnaire administration to the 400 target respondents; especially the owners, managers and employees of the selected LNG plants in the study area. Simple regression model was used to test the hypotheses stated in

Model Specification

The explicit model was specified thus:

Simple Regression Model

$$Y = \beta_0 + \beta_1 X + e_i \text{ (Explicit Model)}$$

Where:

Y	=	Dependent Variable
X	=	Independent Variable
β_0	=	Intercept
β_1	=	Slope
e	=	Error Term

The Implicit Models were specified as follows:

Objective and Hypothesis One

$$LC = \beta_0 + \beta_1 (CA) + e_i$$

Where:

LC	=	Low Cost Strategy
CA	=	Cost Advantage
β_0	=	Intercept
β_1	=	Slope
e_i	=	Error Term

Objective and Hypothesis Two

$$MF = \beta_0 + \beta_1 (CP) + e_i$$

Where:

MF	=	Market Focus
CP	=	Customer Patronage
β_0	=	Intercept
β_1	=	Slope
e_i	=	Error Term

RESULTS

Questionnaire Administration

This section captured the presentation of the data about the questionnaire administered to the respondents and the relative response rates. This was presented in Table 1.

Table 1: Response rate of respondents to the questionnaire

Questionnaire Distribution	Response	Percentage
No. distributed	250	-
No. collected	232	92.8
No. not collected	18	7.2

Source: Field Survey, 2024

Table 1 indicates that out of the 250 copies of questionnaire distributed, 232 (92.8%) was collected; while 18(7.2%) were not collected. The 232 (92%) copies collected was adopted as the study sample survey.

Reliability of research instrument

Cronbach Alpha model was used to determine the reliability test for the questionnaire as the instrument for data collection. Ten (10) copies of the questionnaire were administered to my colleagues. And a test-retest method was adopted for the content of the instrument. The formular for the Cronbach Alpha Model is stated thus:

$$\alpha = \frac{N * C}{V + (N - 1) * C}$$

Where:

- N = Number of Items.
- C = Average co-variance between pairs.
- V = Average Variance.

The results of the pre-test and post-test were presented in Tables 4.2a and 4.2b respectively.

Table 2: Pre-test results of Cronbach Alpha Reliability Test

Cronbach Alpha	No. of Items
.74	10

At 95 confidence level (5% significant level)

Source: Researcher, 2024

Table 3: Post-test results of Cronbach Alpha Reliability Test

Cronbach Alpha	No. of Items
.76	10

At 95 confidence level (5% significant level)

Source: Researcher, 2024

Table 2 and 3 indicates that the results of our test-retest of 0.74 and 0.76 which were above 0.70 (as the bench mark, criterion). We therefore accepted the research instrument as reliable for data collection for the study.

Analysis of Research Objectives

The five objectives of the study stated in chapter one of this research were analysed in this section of chapter four. Weighted mean (\bar{x}) score of 3.0 was used as the decision criterion which determined the achievement or otherwise of the research objectives.

Objective One: Effect of low cost on the cost advantage of the selected LNG Plants in Abia and Imo States, Nigeria

The analysis of the effect of cost-leadership competitive strategy on the cost advantage of the selected LNG Plants in Abia and Imo States, Nigeria are presented in Table 4.

Table 4: Analysis of the effect of low cost on the cost advantage of the selected LNG Plants in Abia and Imo States, Nigeria

S/N.	Question Item	SA	A	D	SD	U	(\bar{x})	Remark
A	Outsourcing has effect on the cost advantage of your enterprise	14	11	5	3	2	3.9	Accept
B	Timely product procurement has effect on the cost advantage of your enterprise	12	15	4	2	2	3.9	Accept
C	Collaborative buyer-seller relationship	15	11	3	3	3	3.9	Accept
D	Subcontracting has effect on the cost advantage of your enterprise	12	9	10	2	2	3.9	Accept

Source: Field Survey, 2024

Key:

(\bar{x}) = Mean

Table 4 captured the analysis of the effect of low-cost competitive strategies on the cost-advantage of the selected LNG Plants in the study area. The components of the effect of low-cost on cost advantage were analyzed with a mean criterion of 3.0. The four (4) items statement on the effect of low-cost on the cost advantage of the selected LNG Plants was accepted by the researcher. This was arrived based on the fact that their respective mean scores were greater than the mean criterion. All the respondents recorded a mean score 3.9. Respondents on the effect of low-cost on the cost advantage of the selected LNG Plants had a mean score of 3.9, and were therefore accepted. Respondents on the effect of timely product procurement on cost advantage of the selected LNG Plants had a mean score of 3.9 and were also accepted. Furthermore, respondents on the effect of collaborative buyer-seller relationship on cost advantage had a mean score of 3.9 and were also accepted. Finally, respondents on the effect of subcontracting on cost advantage had a mean score of 3.9 and were also accepted. This implies that low-cost strategy had positive effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria.

Objective Two: Effect of market focus on sales volume of the selected LNG Plants in Abia and Imo States, Nigeria

The analysis of the effect of market focus strategy on the sales volume of the selected SMEs in Abia and Enugu State were presented in Table 4.4.

Table 5: Analysis of the effect of market focus strategy on the sales volume of the selected LNG Plants in Abia and Enugu States, Nigeria

S/N.	Question Item	SA	A	D	SD	U	(\bar{x})	Remark
A	Geographical focus has effect on the sales volume of your enterprise	23	14	6	3	3	4.0	Accept
B	Customer group focus has effect on the sales volume of your enterprise	18	21	3	5	2	3.9	Accept
C	Cost-oriented pricing strategies has effect on the sales volume of your enterprises	21	18	3	5	2	3.8	Accept
D	Differentiation oriented type of business strategy has effect on the sales volume of your enterprise	13	24	6	3	3	3.7	Accept
E	Product and service innovations has effect on the sales volume of your enterprise	11	18	13	4	3	3.9	Accept

Source: Field Survey, 2024

Key: (\bar{x}) = Mean

The analysis of the effect of market focus on the sales volume of the selected LNG plants in Abia and Imo States, Nigeria was done with a mean criterion of 3.0. The five (5) item statements on the effect of market focus strategy on the sales volume of the selected LNG plants were accepted by the researcher. This was based on the fact that their respective mean scores were greater than the mean criterion. Respondents on the effect of geographical focus on the sales volume of the selected LNG plants in the study area had a mean score of 4.0 and were therefore accepted. Respondents on the effect of customer group focus on the sales volume of the selected LNG plants in the study area had a mean score of 3.9, and were therefore accepted. Also, the respondents on the effect of cost-oriented pricing strategy have effect on the sales volume of the selected LNG plants had a mean score of 3.8, and was therefore accepted. Furthermore, the effect of differentiation strategy on the sales volume of the selected LNG plants in the study area had a mean score of 3.7, and was therefore accepted. Lastly, the effect of product and service innovation on the sales volume of the SMEs in the study area had a mean score of 3.9, and was therefore accepted. These findings of the study conform to the findings of Rober and Gathinji (2014) that market focus attracts increase in sales volume especially when combined with differentiation.

HYPOTHESIS TESTING

This section captured the results of the five (null) research hypotheses tested in the course of this study. Simple regression was adopted to test the effects of independent variables on the dependent variables. The results were presented in Tables.

4.5.1 Hypothesis One

H₀₁: The first hypothesis was stated thus: Low-cost strategy has no significant effect on the cost advantage of the selected LNG plants in Abia and Enugu States, Nigeria.

This hypothesis was tested using simple regression at 5% level of significance. The model summary of the results of the simple regression for the effect of low-cost strategy on cost advantage was presented in Table 4.5.

Table 6: Model summary of the simple regression results for cost-advantage

Model	R	R-square	Adjusted R-Square	R-Std. Error of Estimates	Durbin Waston
1	.975	.951	.914	.488	.034

a. : Predictor (Constant), Low-Cost
 b. : Dependent variable: Cost advantage

The model summary result in Table 6 provides useful information about the regression analysis for the first hypothesis. First, the “simple r” column is the co-efficient of correlation between the actually observed independent variable and the predicted variable (that is predicted by the regression equation). r^2 is the square of “r” and is also known as the “coefficient of determination”; it states the proportion (percentage) of the (simple) variation in the dependent variable that can be attributed to the independent variables. The correlation coefficient (r) value of 0.975 indicates the existence of strong and positive relationship between low-cost strategy and cost-advantage. The co-efficient of determination (r^2) value of 0.951 explains the proportion of variation in cost advantage that are attributed to low-cost strategies like outsourcing, penetration pricing etc. This value of 0.951 shows that low-cost strategy is a good predictor of cost-advantage. But r^2 often overstates the true value of explanations due to the unadjusted degrees of freedom and to eliminate such, the adjusted r^2 value of 0.914 shows the actual variations in the cost-advantage attributed to low-cost strategy. The “standard error of estimate” indicates that, on average, observed cost-advantage deviate from the predicted regression line by a score of 0.488. The value of the intercept and the degree of variation between low-cost and cost-advantage were presented in table 7, showing the coefficient of regression results of the effect of low-cost and cost advantage.

Table 7: Co-efficient of regression results of the effect of low-cost strategy and cost advantage

Model	Unstandardized Coefficient	Std Error	Standardised co-efficient	T	Sig
1 constant	-1.812	.710	0.77	26.001	000
Cost-leadership strategies	638	.050	.044	214.545	000

a. Dependent Variable: Cost advantage

The value of the intercept (β_0), in Table 4.6 indicates that the value of cost advantage when all the explanatory variables are to zero is -1.812. Specifically, one percent (1%) improvement in low-cost strategies increases the level of cost advantage at 63.8%. considering the statistical significance, we observed that the sign. value of regression is 0.000, which is lower than the acceptable 0.005 significance. Hence, low-cost strategy is statistically significant in explaining changes in cost advantage. To this end, we rejected hypothesis one which stated that low-cost strategy has no significant effect on cost advantage. And it was revealed that low-cost strategy has significant effect on cost advantage of the selected LNG plants in Abia and Enugu States, Nigeria. This conclusion is similar to the findings of Huebish (2019), that low-cost strategies help LNG plants to adopt cost control and cost reduction techniques in their business. This may have been achieved according to Thompson and Strickland (2003), that the firms’ cumulative costs across their value chain activities must have been lower than that of the competitors. This offers them the opportunity

to adopt penetration pricing in their target markets. However, further research in the course of the study revealed that only 15.1% of the selected LNG plants adopted this cost leadership strategies.

4.5.2 Hypothesis Two

The second hypothesis was stated thus:

H₀₂: Market focus strategy has no significant effect on the sales volume of the selected LNG plants in the study area.

This hypothesis was tested using simple regression model. And the model summary of the results of the simple regression for the effect of market focus strategy on sales volume was presented in Table 8.

Table 8: Model summary results of the simple regression of market focus on sales volume

Model	R	R-square	Adjusted R-Square	R-Std. Error of Estimates	Durbin Waston
1	.938 ^a	.879	.518	.454	.034

a.: Predictor (Constant), Market Focus

b.: Dependent variable: Sales Volume

The model summary results in Table 8 provides useful information about the regression analysis for the second hypothesis. First, the “simple r” column is the coefficient of correlation between the actually observed independent variable and the predicted variable (the one predicted by the regression equation). r^2 is the square of “r” and also is known as the “coefficient of determination”. It states the proportion (percentage) of the (sample) variation in the dependent variables that can be attributed to the independent variables. The correlation (r) value of 0.938 indicates the existence of strong and positive relationship between market focus strategy and sales volume. The coefficient of determination (r^2) value of 0.879 explains the proportion of variation in sales volume that are attributed to market focus strategies. This value of 0.879 shows that market focus is a good predictor of sales volume, but r^2 often overstates the true value of explanations due to the unadjusted degrees of freedom and to eliminate such, the adjusted r^2 value of 0.518 shows the actual variations in the sales volume attributed to market focus strategies. The “standard error of estimates” indicates that, on average, observed sales volume derived from the predicted regression line by a score of 0.454. The value of the intercept and the degree of variation between market focus and sales volume were presented in Table 4.8; showing the coefficient of regression results of the effect of market focus and sales volume.

Table 9: Coefficient of regression results of the effect of market focus on sales volume

Model	Unstandardized coefficient	Standardised co-efficient	T	Sig
	B	Std. Error	Beta	
1 constant	1.862	.080		
Market focus	.785	.005	.869	241.400 000

a. Dependent Variable: Sales Volume

The value of the intercept (β_0) in Table 9 indicates that the value of sales volume, when all the explanatory variables were zero is 1.662. Specifically, one percent (1%) improvement in market focus strategy leads to 78.5% increase in sales volume. Considering the statistical significance, we observed that the sig. value of regression is 0.001, which is lower than the acceptable 0.005 significance. Hence, market focus strategy is statically significant in explaining changes in sales volume at the 5% level of significance. Therefore, we reject hypothesis two (H_{02}) which states that market focus has no significant effect on the sales volume of the selected LNG plants in Abia and Imo State. And rather accept the alternate hypothesis that market focus have significant effect on the sales volume of the selected LNG plants in Abia and Imo State. This conclusion is in support of Oyedinjo (2012) that market focus strategies helps small and medium small enterprises to survive in a hostile business environment. Such will increase their sales volume in such garmented industries. And further research on this study revealed that majority of the selected LNG plants adopted this market focus strategy, because of limited resources globalization and stiff competition.

DISCUSSION OF FINDINGS

This section captured the discussion of the major findings made from the study. Based on the analysis and empirical results however, the study revealed that the first objective and hypothesis which stated to determine the effect of low-cost strategy on cost advantage and low-cost strategy has no significant effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria, was tested using simple regression at 5% level of significance. The weighted mean score was an average of 3.9 which shows that truly there exists relationship between the two variables. The value of the intercept (β_0), in Table 4.7 indicated that the value of cost advantage when all the explanatory variables were to zero was -1.812. Specifically, one percent (1%) improvement in low-cost strategies increased the level of cost advantage at 63.8%. Considering the statistical significance, we observed that the sig. value of regression is 0.000, which was lower than the acceptable 0.005 significance. Hence, low-cost strategy was statistically significant in explaining changes in cost finance. To this end, one rejected hypothesis one which stated that cost-leadership has no significant effect on cost advantage. And it was revealed that cost-leadership strategies has significant effect on cost advantage of the selected LNG plants in Abia and Imo States, Nigeria. Therefore, we accepted the alternate that low-cost strategy has significant effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria. This conclusion is similar to the findings of Huebish (2019), that cost-leadership strategies help SMEs to adopt cost control and cost reduction techniques in their business. This offers them the opportunity to adopt penetration pricing in their target markets. However, further research in the course of the study revealed that only 15.1% of the selected LNG plants adopted this cost leadership strategies.

The second objectives and hypothesis was stated effect of market focus on sales volume and market focus has no significant effect on the sales volume of the selected LNG plants in the study area. The analysis showed a mean score of 3.8 which showed positive relationship between the two variables. The value of the intercept (β_0) in Table 4.8 indicated that the value of sales volume, when all the explanatory variables were zero was 1.662. Specifically, one percent (1%) improvement in market focus strategies led to 78.5% increase in sales volume. Considering the statistical significance, we observed that the sig. value of regression was 0.001, which was lower than the acceptable 0.005 significance. Hence, market focus strategy was statically significant in explaining changes in sales volume at the 5% level of significance. Therefore, we rejected hypothesis two (H_{02}) which states that market focus has no significant effect on the sales volume of the selected LNG plants in Abia and Imo States, Nigeria. And rather accepted the alternate hypothesis that market focus have significant effect on the sales volume of the selected LNG plants in Abia and Imo State. This conclusion is in support of Oyidinjo (2012) that market focus strategies helps small and medium scale enterprises to survive in a hostile business environment. Such will increase their sales volume in such fragmented industries. Further research on this study however, revealed that majority of the selected LNG plants adopted this market focus strategy because of limited resources, globalization and stiff competition. And the success recorded may have been from i). lower costs in serving the market niche and, or ii). The ability to offer the niche customers something they perceive was better suited to their own unique tastes and preferences in the market segment notwithstanding the similar nature of LNG.

CONCLUSION

The objective of the study showed that low-cost strategy is vital towards attainment of cost advantage in the oil and gas downstream sector. The study revealed that low-cost as a competitive strategy has significant effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria. We also found out that from the objective two, being market focused improves the firm's sales volume. Hence, market focus strategy has significant effect on the sales volume of the selected LNG plants in Abia and Imo State.

The following conclusions were made based on findings.

That majority of the selected LNG plants in Abia and Imo States adopted low-cost strategy in their various businesses. This helped them to pursue cost control and cost reduction techniques which gave them the cost advantage to sell their products at lower prices. Some of the selected LNG plants in the study area adopted market focus by concentrating their limited resources to small customer group they can control. This led to increase in their sales volume over time. By implication, firms in the downstream oil and gas sector can improve on their sales volume by being market focused.

RECOMMENDATIONS

The following recommendations were made based on the findings drawn from the study.

- i. The selected LNG plants in Abia and Imo States should adopt cost control and cost reduction techniques; especially by the use of outsourcing, subcontracting, and buyer-seller relationship businesses;
- ii. There is also the need to adopt market focus strategies by focusing on specific group of customers in a particular market segment.

LIMITATION/SUGGESTIONS FOR FURTHER STUDIES

The major limitation for this study revolves around the limited number of SMEs captured for this study as increasing the sample size might come up with a contradictory result and also the competitive strategy used for this study is just two.

The findings of this study will contribute in the teaching, learning and practice of marketing, management and entrepreneurship studies. It has established the relationship between competitive advantage and marketing performance. It also added the sixth (6th) forces, political force as another driver of change, in addition to Porter's Five Forces Model. This is in support to the work of Thompson and Strickland (2003). The scope of the study was however, was limited to only (1) industry or markets: namely LNG plants. And only Abia and Enugu States in Nigeria were selected; with a sample size of 250 which is relatively small. Also, the time constraints, the distance and the attitude of the C.E.Os, Management and Staff of some of the LNG plants not to bring out some information due to fear of giving their competitors upper hand in the fragmented industries in which they operate were other limiting factors in the research process. The study therefore suggested that further studies should be carried out to identify and analyse the adoption of these competitive strategies in other small scale enterprises. Such will help in the growth and survival of these SMEs; especially now unemployment is ravaging the Nigerian citizens.

REFERENCES

- Abdulla, K. & bin-Daka, M. (2010). Challenges faced by Pakistan Pharmaceutical Industry: An Intellectual capital perspective; *International Journal of Business Humanities and Technology*, 2(5), 144.
- Abiodun, A. E. & Harry, E. (2014). Small and Medium Scale Enterprises in Nigeria: Competitive Advantage and Its impacts, *International Journal of Research Studies in Management*, 3(2), 76-78.
- Adeniji, A. (2013). *Competitive strategies and improved performance of selected Nigeria telecommunication companies*, Department of Business Administration, Lagos State University, Lagos, Nigeria.
- Afande, F. O. (2005). Competitive strategies and firm's performance in the mobile telecommunication service industry: A Case of Safaricom, Kenya Limited, *Journal of Developing Country Studies*, 5(3), 22-24.
- Agulanna, E. C. & Maden, C. M. (2006). *Business Policy Book On: The Face of Strategic Management*, Joe Mamkpa Publishers, Owerri, Imo State, Nigeria.
- Al-Debel, M. M. and Davidson, D. (2011). Business model requirements and challenges in the mobile telecommunication sector., *Journal of Organizational Transformation and Social Change*, 8(2), P. 215-223.
- Anderson, R. E. (1973). Consumer Dissatisfaction: The Effect of Disconfigured Expectancy on Product performance, *Journal of Marketing Research*, 10(4), P. 38-44.
- Anyanwu, A. (2013). *Marketing management and strategy*, Avan Publisher, Owerri, Imo State, Nigeria.
- Aremu, C. & Adejemi, E. (2011). *Strategic Management in Small and medium Enterprises*, Candil, Benin.
- Dixit, A. & Nalebuff, G. (2013). *Strategic management: theory and practice*, Oxford University Press.
- Farouck, G. & Saleh, (2011). Competitive advantage and its impact in small and medium scale enterprises in Albama, *European Scientific Journal*, 9(16), 76-85.
- Feestinger, L. (1957). *A Theory of cognitive dissonance*, Stanford C. A. Glanford University Press.

- Fred, B. S. & John, S. (2012). *The procurement and supply manager's desk reference*, New Jersey: John Wiley and Sons Inc, USA.
- Gakuya, R.W. and Xijue, N.K. (2018), Effects of Differentiation strategy on customer loyalty among pharmaceutical companies in Nairobi, Kenya, *European Journal of Management and Marketing Studies*, accessed:21Oct.2019, at <https://oapub.org/soc/index.php/EJMMS/article/view>.
- Ghemawat, P. (2010). Sustainable advantage, *Harvard Business Review*, 64(5), 53-58.
- Gottfried, G. & Hans, R. (2008). Pricing strategies in online and offline rebranding, Institute of management; *Journal of Marketing*, (16), P. 14-15.
- Harburg, A. & Rieple, A. (2008). *Strategic management: theory and practice*, Oxford University Press.
- Hills, S. A. & Gareth, G. (2007). Playing the right game with the New Competitive Rule, *American Business and Market Review*, 66(24), P. 32-36.
- Ireland, R. D., Hitt, M. A. & Vaidyanath, D. (2012). Alliance Management as source of competitive advantage, *Journal of Management in Medicine*, Vol. 15(1) P. 413 to 446.
- Isacc, F. L. & Rusu, S. (2014). Theories of consumer's satisfaction and the optionalization of the expectation disconfirmation paradigm, *Annals of Constantin Brancusi University of Targu Jiu, Economic Series*, Issue 2344, P. 83.
- Jeronimo, T. B. and Medeiros, D. D. (2012). The mature strategic business of small and medium-sized high-Tech Companies in Brazil, *International Journal of Business, Humanities and Technology*, 2(5), P.143.
- Johnson, G. & Scholes, K. (2009). *Exploring corporate strategy*, 6th edition, Prentice Hall, India.
- Karl-Heinz and Stephen (2010), Generic strategies and Firms performance of SMEs: a Longitudinal study of Austin SMEs, *Journal of small Business Economics*, 87(009), p. 169-189.
- Kotler, P. & Armstrong, G. (2012). *Principles of marketing*, McGraw Hill, NY, 11th edition.
- Kume, V. & Leskaji, E. (2010). Strategic aspects in Alabama Companies, *Scientific Annals of Alexandru Loan Cuza University of Las*, 57, 353-368.
- Kuratku, D. F., Ireland, R. D. & Horusby, J. S. (2011). Information from performance through entrepreneurial actions: Accordia's Entrepreneurship Strategy, *Academy of Management Executives*, 15(4), P. 60-71.
- Levin, J. C. (2008). *Guerrilla marketing; easy and inexpensive strategies for making big profits from your small business*, 4th Edition, Maffling, Boston.
- Levin, J. C. (2013). *Guerrilla Marketing*, retrieved from <http://www.gmarketing.com>.
- Malburg, C. 2010). Competing on cost, *Industry week*, 249 (No. 17), P. 31.
- Milla, C. M. & Dumitrasu, O. (2014). Outsourcing within a supply chain management framework: management challenges for sustainable development, *International Management Conference, Bucharest, Romania*, 7, P. 329-333.
- Monczitan, O. (2010). Study on value chain management practices of Fishery products: An Econometric Implication for Strategic Decision, IOSR, *Journal of Business and Management (IOSR-JBM)*, 7, P. 74-81.
- Myongjee and Billy, (2008), Value creation: The impact of strategic alliance on customer loyalty, *Journal of quality Assurance in Hospitality and Tourism*. 8(2) p. 45-65.
- Nuefer, G. (2013). Guerrilla Marketing, Innovative or Parasitic Marketing? *Jordan of Modern Economy and Scientific Research*, 4(1-6), P. 1-5.
- Nweze, (2007). Revolving around the industry evolutionary trend to achieve advantage, *Journal of Marketing Science*, 7 (3), P. 36-39.

- Panel, B. & Wright, M. (2013). Cost and quality dimension of strategy for performance advantage, *Journal of Marketing Science*, 8(5), P. 93-101.
- Porter, M.E. (1980), How Competitive Forces Shape Strategy, *Harvard Business Review*, 57(2)
- Porter, M.E. (2012), From Competitive Advantage to Corporate Strategy. *Harvard Business Review*, 45(3)
- Proff, H. (2010). Hybrid strategies as a strategic challenge; the case of the germane automotive industry, *Omega*, 28(5).
- Raja, M. & Osman, V. (2013). Strategic growth of enterprises in the face of competitive dilemma, *Internal Journal of Business and Management*, 6(3), P. 14-19.
- Rather, M. & Kheru, N. (2016). Relationship between supply chain management and outsourcing University of technology, Malazia.
- Reddy, R. J. (2010). *Dictionary of Business*, APH Publishing Corporation, New Delhi.
- Reilly, T. (2012). Be a champion pf the solution. *Industrial Distribution*, 91(5), P. 62.
- Robert, C. (2015). Relationship marketing for capturing and retaining customer for competitive advantage in the banking sector in Kenya, *Journal of Marketing Research*, 13(10), P. 42-47.
- Sije, A. & Oloko, M. (2013). Penetration Pricing strategy and performance of small and medium enterprises in Kenya, *European Journal of Business and Social Sciences*, 2(8), P. 115-117.
- Simeon, A. (1980). Market power, competition and Antitrust policy in the US Market. *Economic Review*, 6(3), P. 81-85.
- Stone, M. (2013). Strategic development related to Europeanization of UK logistics and distribution, Service Supplier, *European Business Review*, 95 (5), P 9-14.
- Subbiah, K. V., Rao, K. N. & Acharyulu, S. G. (2015). Value chain model for steel manufacturing sector: A Case Study, *International Journal of Management and Value Chain*, 10(5), P. 1-7.
- Sultan, S. S. (2007). The competitive advantage of small and medium scale enterprises: The Case of Jordan's Natural Stone Industry, *Internal Journal of Business*, 6(4), 61-69.
- Suveeny, E. & O'Riordan, A. (2002). Outsourcing and its role in the supply chain management from <http://www.arrow.ditie/egi/viewcontent.cgi>.
- Technical Expert (2011). *BCG Matrix and its Significance in product mix analysis*, NCK Pharma Solution Private Limited, Retrieved June, 8, 2012, from www.nckpharma.com.
- Telaja, A. & Ercegovic, J. (2013). Competitive advantage and company's performance: exploring the differences and relationship, *Journal of Advanced Research in Scientific Areas of Business Management*, 2 (6), P. 71-72.
- Thompson, J. C. & Strickland, A. J. (2010). *Strategic management: concepts and cases*; New Jersey, Business Publications inc.
- Verdin, P. & Tackx, K. (2015). *Are you creating or capturing value? A dynamic framework for sustainable strategy*, Mossavar-Ralimani Centre for Business and government Weillhall Harvard Kennedy School, Working Paper Series,. 36, P. 1-8.
- Vikas, V. (2011). Pros and cons of penetration pricing strategies, *European Journal of Business and Social Sciences*, 6 (14), P. 131-135.
- Walker, O. & Webster, W. (2014). *Strategic entrepreneurship: An integrated approach for emerging firms' performance analysis*, Harlow, Pearson Education.

- Wang, Hui-Ling, (2014). *Theories for competitive advantage*, University of Wollongong Research Online, Faculty of business, Accessed from eurealeaconnection.files.wordpress.com (2014).
- Warinach, K. M., Wariach, I. M. and Asif, M. (2013). Achieving sustainable competitive advantage through sense quality: An analysis of Pakistan's Telecommunication Sector, *Global Journal of Management and Business Research*, 13(2) P. 1-3.
- Zaradi, A. D. (2009). Competitive advantage and its source in an evolving market AIP Conference Proceedings, 148(917-921), <http://dxdoi.org>.