Competitive Aggressiveness and Market Share of Selected Small and Medium Scale Enterprises in Lagos State Nigeria

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Abstract

The performance of small and medium scale enterprises (SMEs) plays a key role in the growth and development of any economy. Competitive Aggressiveness (CA) has been identified as instrumental to enhancing the control of sizable market share. However, lack of adoption of this important tool has been a challenge for these SMEs leading to decline in performances. The study hence, examined the effect of competitive aggressiveness on the market share of SMEs in Lagos, Nigeria. The study adopted cross-sectional survey research design. The population comprised 8,396 owner/managers of SMEs. The Research Advisors table was used to determine a sample size of 481. A validated questionnaire was administered to 481 respondents for data collection purpose but 430 came back correctly and were used for the study. The Cronbach’s alpha reliability coefficients of the constructs ranged from 0.71 to 0.84. The response rate was 89%. Data were analyzed using descriptive and inferential statistics. Findings revealed that Competitive aggressiveness does not have a significant effect on the market share of selected small and medium scale enterprises in Lagos State. The study concluded that Competitive aggressiveness does not have a significant effect on market share of small and medium scale enterprises in Lagos State, Nigeria. The study recommended that firms should intensify aggressive competitive effort by working smart, carrying employees along, effective bench marketing, and proper monitoring of operational activities by regulatory bodies. These activities if well executed will increase level of market share of the SMEs in Lagos State, Nigeria.

Keywords: Competitive aggressiveness; Market share; Performance; SMEs; Working smart.

1. Introduction

Small and medium scale enterprises (SMEs) are important to business owners, managers and to any nation. To the business owners and managers, SMEs provide employment opportunities and contribute to raising the standard of living of both employers and employees. With respect to different nations, SMEs help to increase the national income by serving as links between the people and access to needed services and commodities. However, performance of these small and medium scale enterprises has not been at par with expectations due to challenges in the area of competitive aggressiveness and proactiveness which has led to observed decline market share and general performance in these organisations.

Globally, the performance of small and medium scale enterprises (SMEs) has been a major concern to different stakeholders ranging from managers, to investors as well as policy makers. Different factors have been attributed to this concern such as poor management, lack of requisite skills of managers and other employees, low scale operations and lack of future oriented practice (Neneh and Van Zyl, 2014). The increase in attention in SMEs has become more important since the economic impact of the 2007/2008 financial crisis on economies globally such as USA, China and Britain (Herath and Mahmood, 2013). In United States of America, small and medium-sized enterprises (SMEs) play a vital role in the economy, accounting for about 50% of private sector employment, paying 43% of the total private sector payroll, generating 64% of net new private sector jobs, and creating 46% of the private-sector output (OECD, 2015).

In Africa, the major challenges facing SMEs include: lack of a supportive governance framework. SMEs suffer due to lack of legal framework that protects interests, harassment from local authorities’ unsupportive tax regime and exposure to corruption (Murithi, 2017). The second reason is lack of adequate access to credit. SMEs have little access to finance, which thus prohibit their emergence and eventual growth. This has not been easy for SMEs due to the stringent credit terms offered by financial institutions (Eric, 2016). Most SMEs do not have access to finance due to lack of minimum requirements from commercial banks, and these banks are hesitant in lending to SMEs due to...
lack of collateral, credit history, financial statement and banking history (Kauffmann, 2018). The main sources of finance for SMEs in Africa are retained earnings, borrowings from friends, family capital and informal savings, which are unpredictable, not very secure and have little scope for risk sharing. Access to finance is poor because of the high risk of default among SMEs and due to inadequate financial facilities (Kauffmann, 2018).

In Kenya, SMEs are growing the Kenya’s economy. Small and medium scale entrepreneurs have contributed greatly to the national objective of creating employment opportunities, training entrepreneurs, generating income and providing a source of livelihoods for the majority of low income households in the country (Nwanji, 2017). Despite the high levels of resilience exhibited by the SME sector as evidenced by job creation abilities in a tough environment as well as significant contribution to GDP, over 30% SME still face serious challenges that impede their growth (Viffa, 2019).

Small and Medium Enterprises across Africa are considered less entrepreneurially oriented than those of developed countries (Igwe, 2016; Igwe et al., 2018). In Kenya, despite the critical role played by the SMEs in the country, most of the business start-ups are faced with many challenges where over 90% of the businesses fail at their third year (Burugo and Owour, 2017). Further, Koech and Were (2016) observed that in Kenya, very few enterprises have grown into large formal organizations, an adverse scenario that is apparently common among small and medium enterprises. In Botswana, research has found that despite the strategic role that SMEs play in the national development, their performance is still marred by a host of factors that threaten their survival (Majama and Magang, 2017).

In Nigeria, SMEs have not performed creditably well. They have thus fallen below expectations as regards their role in improving the level of economic activity (Onugu and Uzondu, 2015). The sector has made some contribution to the economic development of the nation, but the contribution is far below the level achieved by countries like India, Malaysia, Indonesia and the United State of America. Despite that, SMEs in Nigeria employ about 60% of the labour force, they contribute only 35% of industrial output and account for 10% of industrial exports (Akintokunbo, 2018). Eniola and Entebang (2015), believed that SMEs in Nigeria are plaques with high rate of failure and underperformance due to inadequate financial support. Hence, government consciousness needs be stirred to align with the reality undermining the actualization of the full economic potentials of this sector.

1.1. Statement of Problem

It is observed that small and medium scale enterprises in Nigeria lack the capacity to match up with the demands of customers as well as meeting up to the standard of similar products offered by firms with higher capacity (Agwu and Emet, 2014). Many factors that have been identified contributing to this lack of competitive aggressiveness are; insufficient capital, irregular power supply, infrastructural inadequacies (water, roads and so on), lack of focus, inadequate market research, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book keeping, lack of proper records, inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right caliber of staff, cut-throat competition (Basil, 2005).

Tahir and Usman (2019), have reported that SMEs in North East Nigeria particularly face enormous challenges that have been compounded by the insecurities and insurgenic in the area. SMEs in Nigeria have not acted in the expected manner toward economic growth and development of Nigeria. This has been attributed to changing environment of operations. The environment of small and medium-sized enterprises in Nigeria is changing and the technological development, the rareness of resources and lack of competitive aggressiveness has endangered the stability and predictability that characterized its market share and performance (SMEDAN, 2013; Wassim, 2015). Therefore, it has been globally acknowledged, that entrepreneurial competitive aggressiveness has been identified as a remedy to the challenges facing businesses that desire to control large market share. Hence the above challenges have necessitated the objective of this study.

1.2. Objective of the Study

The objective of the study was to examine the effect of competitive aggressiveness on the market share of selected small and medium scale enterprises in Lagos State, Nigeria

1.3. Research Hypothesis

Competitive aggressiveness does not have a significant effect on the market share of selected small and medium scale enterprises in Lagos State.

2. Literature Review

2.1. Competitive Aggressiveness

Bleeker (2011), defined competitive aggressiveness as a more general managerial disposition reflected in an enterprise’s willingness to desire, take on and to dominate competitors through a combination of innovative efforts and proactive moves. Competitive Aggressiveness refers to how enterprises respond to trends demand and relate to competitors that already exist in the marketplace with regard to competitor’s orientation (Chalchissa and Bertrand, 2017; Deakins and Freel, 2012). Bleeker (2011), also defined aggressiveness as a more general managerial disposition reflected in an enterprise’s willingness to take on and desire to dominate competitors through a combination of proactive moves and innovative efforts. Smith and Tushman (2005) stated that within this diverse
stream of research that addresses a variety of interrelated areas including competitive responses, multi-market competition, and the impact of a firm’s prior performance, competitive aggressiveness has been characterized and associated with a wide range of dimensions, including Porter’s generic strategies first-mover advantages as well as first mover advantages.

Competitive aggressiveness refers to a firm’s propensity to directly and intensively challenge its competitors to achieve entry or improve situation that is to outperform industry rivals. As mentioned elsewhere, competitive aggressiveness is vital to act timely in the market conditions by outperforming the competitors. Acting aggressively in the market may lead the firm to take initiatives such as cutting prices, adopting aggressive marketing strategies or increasing the product capabilities. Firm’s aggressiveness could be characterized by its willingness to be unconventional rather than rely on traditional methods of competing through reactive or responsive behaviour (Wang, 2008). Reactiveness involves a direct reaction to a competitor’s action, for example, a firm might slash prices and sacrifice profitability to maintain its market share when a competitor introduces a new product to the chosen market. In contrast responsiveness may take the form of head-to-head competition or direct attack on competitors, such as when a firm enters a market where a competitor is already present. Therefore, competitive aggressiveness is needed to battle intense acute competition posed by rivals, (Lumpkin et al., 2010). It is a way of engaging with its competitors, distinguishing between companies that shy away from direct competition with other companies and those that aggressively pursue their competitors target markets, (Schillo, 2011).

2.2. Market Share

Farris et al. (2010), have defined market share as “the percentage of a market (defined in terms of either units or revenue) accounted for by a specific entity” (Farris et al., 2010). Vargo and Lusch (2004) have urged the scholars and practitioners to interpret market share as a measure of how well a company has been able to predict market dynamics and the needs of the targeted customers. It is important to point out that market share should be closely monitored for signs of change in the competitive landscape; this proxy frequently drives strategic or tactical actions, since it is measured relative to the competitors’ “share of customer’s wallet”. However, in spite of numerous ways of defining market share and establishing this metric as a valid measure of marketing performance, the present State of the literature reveals some conceptual pitfalls that cannot be ignored and they pose potential threat to validity and operationalization of the market share concept.

Market share refers to the percentage of sales a company has in a specific market within a specific time period. Higher market share translates into higher profits. Gaining or building market share is an offensive or attack strategy to improve the company’s standing in the market (Sarkissian, 2010). Market share is a measure of the consumers’ preference for a product over other similar products. A higher market share usually means greater sales, lesser effort to sell more and a strong barrier to entry for other competitors. A higher market share also means that if the market expands, the leader gains more than the others. In the same vein, a market leader as defined by its market share - also has to expand the market, for its own growth (Akintokunbo, 2018). There are many different ways to increase market share; companies usually use a combination of strategies. Sometimes something as basic as increasing advertising can have huge effects, as can adjusting pricing. Breaking products into groups and targeting specific demographics can also increase this percentage, as can making of complementary products. Another strategy is improving the product or service itself, which can attract customers from competitors, though this can be difficult, so many companies try to grow along with a growing market rather than trying to take business from the competition (Sliden, 2014).

Market share is a key indicator of market competitiveness; how well a firm is doing against its competitors. This metric, supplemented by changes in sales revenue, helps managers evaluate both primary and selective demand in their market. It enables them to judge not only total market growth or decline but also trends in customers’ selections among competitors. Generally, sales growth resulting from primary demand (total market growth) is less costly and more profitable than that achieved by capturing share from competitors. Conversely, losses in market share can signal serious longterm problems that require strategic adjustments. Firms with market shares below a certain level may not be viable. Similarly, within a firm’s product line, market share trends for individual products are considered early indicators of future opportunities or problems (Armstrong and Greene, 2007).

A key advantage of market share is that it helps an organization in the evaluation of the effectiveness of its marketing actions in a competitive environment. In addition, it also provides for the organization information on the structure of the market and competition and the influence of marketing actions on the performance of its brand. A major disadvantage is that market predictions also involve prediction of competitor’s future actions which is a difficult undertaking. The measurability of a firm’s marketing effort is another disadvantage. If a firm’s marketing efforts were measurable, it would have been that the greater the marketing efforts, the greater the market share.

2.3. Empirical Review

2.3.1. Competitive Aggressiveness and Market Share

In a study carried out by competitive aggressiveness scholars (Szymansky et al., 2017) regarding the relationship between competitive aggressiveness and market share of a firm, it was revealed that, being more aggressive was associated with market leaders who performed better. Aggressiveness helps them maintain their position as leaders and their market share relative to challengers. Results equally show that competitive aggressiveness is also tied to profitability, as greater market share has been shown to have a positive relationship with profitability. Stambaugh et al. (2009), conducted a study on the relationship between firm competitive aggressiveness on profitability using financial institution as a base. Result revealed that firms that displayed a high
level of competitive aggressiveness tended to show gains in market share, in this case, for both loans and deposits, as the sample consisted of banks. Profitability was also positively affected by competitive aggressiveness for those banks in metropolitan areas. A firm is said to have a high degree of competitive aggressiveness if it forcefully takes a large number and a large variety of actions to outperform its competitors in the market place.

Mackey (2005), carried out a study on the relationship between competitive aggressiveness of the chief executive officer of firms in USA. The result shows that competitive aggressiveness of firms lead to increase in market share which facilitate firm profitability base and performance. Murray (2019), conducted a study on the relationship between competitive aggressiveness of firms in relation to profitability. Result indicated a significant difference across industries. Out of the four industries whose characteristics were tested, one of the industries reported positive relationship. The result revealed positive relationship. Ferrier (2013) conducted a study on how competitive aggressiveness can relate to firm profit base. The result shows that competitive aggressiveness combined with top management behavior present a potential source for profit and enhances performance. Olayemi et al. (2015), opine that competitive aggressiveness does not have a significant role to play in improving organizational processes as it is seen as a greedy move by organizations to stay above each other in the business landscape.

2.4. Theoretical Framework
2.4.1. Dynamic Capabilities Theory (DCT)

The concept of dynamic capabilities (DCs) that is the extension of resource-based view (RBV) for its ability to respond to rapidly technological change (Teece, 2007) is gaining greater attention in strategic management and has become an attractive topic since early 1990s where the origin of the concept can be tracked back as early as 1959 by Penrose Cavusgil et al. (2007). Since the work of Teece et al. (1997), the concept of DCs has been the fundamental discussion in the related management fields following the works of such as Eisenhardt and Martin (2000), among others. For the record, the term DCs was first coined by Teece (1990). However, DCs only began to attract greater attention after the publication of Teece’s seminal paper with Teece et al. (1997) (which is based on the early working paper of Teece and Pisano (1994) that is one of among the most influential article in management studies in 1990s, and still even today according to the numbers of citation. However, since the Teece et al. (1997) seminal paper, there have been growing numbers of argument surrounding the concept that may lead to confusion among new readers.

The dynamic capabilities approach is adopted here because of its advantage over the resource-based view in focusing on both internal and external factors that are dynamic in creating improved performance and competitive advantage. Whereas the resource-based view focus more on factors that are internal to the firm, the dynamic capabilities focuses on factors that are both internal and external and can be reconfigured to meet up with internal and external expectations. Augier and Teece (2009), suggested that dynamic capabilities have a tripartite structure: the capability to sense opportunities; the capacity to seize opportunities; and the capacity to manage threats through combination, recombination and reconfiguration of assets inside and outside the enterprise’s boundaries which informed this research.

3. Methodology

This study adopted the cross-sectional survey research design to examine entrepreneurial orientation and performance of selected SMEs in Lagos State, Nigeria. This design was appropriate for this study because it extensively described the relationships and effects between the study variables. The cross-sectional survey research design was adopted in order to obtain information from the focus population concerning the current status of the phenomena through primary data collection. The survey research technique enabled the researcher to describe the situations in details about the focus group as they exist. Furthermore, survey design helps in the extracting of attitudes and opinions from a sizable sample of respondents so as to make generalized conclusions. Kharabsheh et al. (2017), have adopted this design and they were able to obtain the desired and significant results for their study.

3.1. Research Population Sample Size and Sample Technique

The population was given as 8,396 small and medium scale enterprises in Lagos State at 2017 NBS/SMEDAN. Lagos was chosen because it hosts the highest number of SMEs in Nigeria as the hub of economic activities. Also, Lagos is seen as one of the important commercial cities in The research advisors table was used to determine the sample size of the study. So, using a confidence level of 95% and alpha level of 5%, the sample size for the study is given as 370 using the Research Advisors table of sample size. The inclusion criteria for the population is that the small and medium scale enterprises would have been in existence for a minimum of 5 years. Usually in research the issues of non-response, incorrectly filled questionnaires and unreturned questionnaires arise. Thus a 30% provision was made to take care of such discrepancies if they occur based on the recommendation of Shoketun (2013) Therefore 30% of 370 were given as 111. When this was added to the sample size, we therefore have 481.

The stratified and random sampling techniques were used to select the samples for the study. The stratified sampling was used to group the respondents according to location. Major groupings in Lagos state based on location include Badagry, Epe, Ikeja, Ikorodu and Lagos Island (Lagos State Administrative Divisions, 1968). When this stratification has been done, the next step was the use of simple random sampling method to pick the samples or respondents from each of these divisions. These SMEs are grouped into stratas as indicated above and so the random sampling was a good option for selecting samples from each stratum. This technique has been adopted in the studies.
of Akpan and Akpan (2012); Al-Dhaafri et al. (2016). The two sampling techniques were adopted due to the fact that there are different groupings of these SMEs which are called strata and then random samples could be selected from each stratum.

3.2. Validity of Research Instrument

The validity of the constructs in the questionnaire were ascertained using the content and construct validity. The content validity was done by giving out copies of the questionnaire to the supervisor as well as other academics of which their suggestions and comments were used to enhance the content of the questionnaire. For the establishment of construct validity, the questionnaires that were returned from the pilot study were subjected to a factor analysis test using the Principal Component Analysis method of extraction. The exploratory factor analysis was used and the factor loadings of these items were used to establish the average variance extracted (AVE). For each of the variables, the Average variance extracted was computed. The KMO and Bartlett values were also computed and the table below shows the result.

### Table 1. Validity of Research Instrument

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variables</th>
<th>Number of items</th>
<th>KMO</th>
<th>Bartlett Test</th>
<th>SIG</th>
<th>AVE</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Competitive Aggressiveness</td>
<td>5</td>
<td>0.634</td>
<td>124.611</td>
<td>0.000</td>
<td>0.67</td>
<td>0.772</td>
</tr>
<tr>
<td>2</td>
<td>Market Share</td>
<td>5</td>
<td>0.562</td>
<td>125.611</td>
<td>0.000</td>
<td>0.52</td>
<td>0.712</td>
</tr>
</tbody>
</table>

Source: Researchers’ Pilot Study (2019)

The table 1 reveals the result of the construct validity of the questionnaire. The result of the Bartlett test of Sphericity at 0.000 which is less than 5%, indicate that there is highly significant relationship among variables in measuring the variables under study. From the table below, the Kaiser-Meyer-Olkin (KMO) shows values higher than 0.5 which is an evidence that the instrument items measure what they are expected to measure. The Bartlett’s test results in which all the variables indicated 0.000 simply corroborated the KMO. Hence, it is established that the research instrument is valid. Kaiser (1974), advocated that researchers should accommodate KMO values greater than 0.5, invariable, accepting that are higher than 0.5 has become a rule in research.

3.3. Reliability of Research Instrument

A reliability analysis was carried out to determine the reliability level of the variables of study. The reason for that is to guarantee the internal consistency of the set of items that make up the measuring instrument. This was calculated in terms of the average inter-correlations among the items measuring the concept. The closer Cronbach alpha is to 1, the higher the internal consistency reliability. The degree of stability was positively correlated with the degree of reliability, higher degree of stability results in higher degree of reliability, means that the results are repeatable. An instrument is considered reliable if the Cronbach’s Alpha value of its scales are or above 0.7.

### Table 2. Internal Consistency of Research Instrument

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variables</th>
<th>Number of items</th>
<th>Cronbach Alpha Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Competitive Aggressiveness</td>
<td>5</td>
<td>0.843</td>
</tr>
<tr>
<td>2</td>
<td>Market Share</td>
<td>5</td>
<td>0.710</td>
</tr>
</tbody>
</table>

Source: Researchers’ Study (2019)

Table 2 reveals that he Cronbach’s Alpha coefficient for all the study variables are above 0.70, which suggested that the instrument used for evaluation was highly reliable. Hence, the researcher affirmed that the research instrument used was reliable.

4. Data Analysis and Findings

Data analysis for this study was carried out in two stages: the descriptive and inferential analysis. The descriptive analysis defined the properties of the data to show the variations in responses and opinions using frequencies, percentage denotations as well as other descriptive tools such as means and standard deviations. The inferential analysis was done with the use of simple linear regression analysis in SPSS to test the impact of the predictor variable on the dependent variable. The justification for using regression analysis was that it indicates the significant relationships between the dependent and independent variables with emphasis on the effect of the independent or predictor variables on the dependent or outcome variables (Kologlu et al., 2018).

4.1. Response Rate

The researchers distributed 481 copies of questionnaire to the respondents and eventually, 430 copies of the distributed questionnaire were rightly filled and returned and was used for the analysis. This represents a response rate of about 89% and a nonresponse rate of 11%. The 89% was considered very adequate in this study. Table-3 presents results of the response rate.
Table 3. Response Rate of the Study

<table>
<thead>
<tr>
<th>Number of Questionnaires Distributed</th>
<th>481</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Retrieved and Fit for Analysis</td>
<td>430</td>
<td>89%</td>
</tr>
<tr>
<td>Numbers Not Retrieved</td>
<td>51</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: Researchers’ Survey (2020)

Table 4.a. Descriptive Analysis of Competitive Aggressiveness

<table>
<thead>
<tr>
<th>Competitive Aggressiveness</th>
<th>SA F %</th>
<th>A F %</th>
<th>PA F %</th>
<th>PD F %</th>
<th>D F %</th>
<th>SD F %</th>
<th>Descriptives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our business is aggressively competitive</td>
<td>49</td>
<td>11.4%</td>
<td>67</td>
<td>15.6%</td>
<td>85</td>
<td>19.8%</td>
<td>62</td>
</tr>
<tr>
<td>Our business focuses on outdoing out competitors</td>
<td>42</td>
<td>9.8%</td>
<td>44</td>
<td>10.2%</td>
<td>97</td>
<td>22.6%</td>
<td>79</td>
</tr>
<tr>
<td>We focus on conforming to industry trends</td>
<td>59</td>
<td>13.7%</td>
<td>263</td>
<td>61.2%</td>
<td>95</td>
<td>22.1%</td>
<td>9</td>
</tr>
<tr>
<td>There is strong emphasis on competitive rivalry</td>
<td>34</td>
<td>7.9%</td>
<td>44</td>
<td>10.2%</td>
<td>105</td>
<td>24.4%</td>
<td>78</td>
</tr>
<tr>
<td>Defense mechanisms are crafted to meet with competitors’ threats</td>
<td>20</td>
<td>4.7%</td>
<td>41</td>
<td>9.5%</td>
<td>118</td>
<td>27.4%</td>
<td>83</td>
</tr>
</tbody>
</table>

Source: Field survey 2020

Table 4.a shows the descriptive analysis of competitive aggressiveness. The table reveals that 11.4% of the respondents strongly agree that their business is aggressively competitive, 15.6% agree, 19.8% partially agree, 14.4% partially disagree, 35.8% disagree, 3.0% strongly disagree. The average responses showed a mean 3.43 and standard deviation of 1.46 respectively. This implies that the average responses partially agreed that their businesses are aggressively competitive. However, a disparity is noticed in the responses with a standard deviation of 1.46. Also, the table shows that 9.8% of the respondents strongly agree that their business focuses on outdoing out competitors, 10.2% agree, 22.6% partially agree, 18.4% partially disagree, 35.8% disagree, 3.3% strongly disagree. On an average, it can be deduced that most of the respondents agreed their businesses outdo competitors with a mean of 3.30. A standard deviation of 1.38 shows a disparity in the responses. The table also shows that 7.9% of the respondents strongly agree that there is strong emphasis on competitive rivalry, 10.2% agree, 24.4% partially agree, 18.1% partially disagree, 36.7% disagree, 2.6% strongly disagree. A mean of 4.84 and a standard deviation of .73. This is an indication that most of the responses are favourably disposed towards a strongly agreed opinion that they conform to industry trends. However, a disparity is noticed in the responses with a standard deviation of .73.

The table also shows that 7.9% of the respondents strongly agree that there is strong emphasis on competitive rivalry, 10.2% agree, 24.4% partially agree, 18.1% partially disagree, 36.7% disagree, 2.6% strongly disagree. A mean of 3.27 is an indication that the respondents’ opinions were that they partially agreed that there is emphasis on competitive rivalry. A corresponding standard deviation of 1.33 shows a high disparity in the responses. The table also shows that 4.7% of the respondents strongly agree that their defense mechanisms are crafted to meet with competitors threats, 9.5% agree, 27.4% partially agree, 19.3% partially disagree, 30.2% disagree, 8.8% strongly disagree. When the average was taken, a mean of 4.13 was gotten which shows that most of the respondents’ opinions were in partial agreement with the fact that defense mechanisms are crafted to meet with competitors threats. A standard deviation of 1.31 shows that there is a high divergence of the responses from the mean, this however has no effect on the mean of the responses.

Table 4.b. Descriptive Analysis of Market Share

<table>
<thead>
<tr>
<th>Market Share</th>
<th>SA F %</th>
<th>A F %</th>
<th>PA F %</th>
<th>PD F %</th>
<th>D F %</th>
<th>SD F %</th>
<th>Descriptives</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have good positioning</td>
<td>21</td>
<td>4.9%</td>
<td>185</td>
<td>43.0%</td>
<td>172</td>
<td>40.0%</td>
<td>37</td>
</tr>
<tr>
<td>Our percentage share is high</td>
<td>9</td>
<td>2.1%</td>
<td>175</td>
<td>40.7%</td>
<td>189</td>
<td>44.0%</td>
<td>27</td>
</tr>
<tr>
<td>Customer base is on the increase</td>
<td>25</td>
<td>5.8%</td>
<td>212</td>
<td>49.3%</td>
<td>172</td>
<td>40.0%</td>
<td>17</td>
</tr>
<tr>
<td>Service efficiency is commendable</td>
<td>24</td>
<td>5.6%</td>
<td>199</td>
<td>46.3%</td>
<td>188</td>
<td>43.7%</td>
<td>14</td>
</tr>
<tr>
<td>Alignment with market needs is on the high side</td>
<td>28</td>
<td>6.5%</td>
<td>128</td>
<td>29.8%</td>
<td>241</td>
<td>56.0%</td>
<td>28</td>
</tr>
</tbody>
</table>

Source: Field survey 2020

Table 4.b shows the descriptive analysis of market share. The table shows that 4.9% of the respondents strongly agree that they have good positioning, 43.0% agree, 40.0% partially agree, 8.6% partially disagree, 1.2% disagree, 2.3% strongly disagree. The average responses showed a mean of 4.35 and a standard deviation of .92. This is an
indication that most of the responses are favourably disposed towards an agreement that they have good positioning. However, a disparity is noticed in the responses with a standard deviation of .92. Also, the table shows that 2.1% of the respondents strongly agree that their percentage share is high, 40.7% agree, 44.0% partially agree, 6.3% partially disagree, 4.0% disagree, 3.0% strongly disagree. A mean of 4.22 is an indication that the respondents’ opinions were that they agreed that their percentage share is high. A corresponding standard deviation of .97 shows a high disparity in the responses. Likewise, the table shows that 5.8% of the respondents strongly agree that their customer base is on the increase, 49.3% agree, 40.0% partially agree, 4.0% partially disagree, 0.7% disagree, 0.2% strongly disagree. On an average, it can be deduced that most of the respondents agreed that that their customer base is on th increase with a mean of 4.55. However, a standard deviation of .72 showed that there is disparity in the responses.

Similarly, the table shows that 5.6% of the respondents strongly agree that their service efficiency is commendable, 46.3% agree, 43.7% partially agree, 3.3% partially disagree, 1.2% disagree. When the average was taken, a mean of 4.52 gotten which shows that most of the respondents’ opinions were in agreement with the fact that that their service efficiency is commendable. A standard deviation of .71 shows that there is a high divergence of the responses from the mean; this however has no effect on the mean of the responses. Equally, the table shows that 6.5% of the respondents strongly agree that their alignment with market needs is on the high side, 29.8% agree, 56.0% partially agree, 6.5% partially disagree, 0.7% disagree, 0.5% strongly disagree. A mean of 4.33 is an indication that the respondents’ opinions were that their alignment with market needs is on the high side. A corresponding standard deviation of .76 shows a high disparity in the responses.

4.2. Restatement of the Hypothesis

\( H_0 \): Competitive aggressiveness does not have a significant effect on the market share of selected small and medium scale enterprises in Lagos State.

Table 4.c. Simple Regression between competitive aggressiveness and market share of selected small and medium scale enterprises in Lagos state

<table>
<thead>
<tr>
<th>Coefficients*</th>
<th>Unstandardized</th>
<th>Standardized</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model ( Y_2 = a_0 + \beta_2 X_2 + \mu )</td>
<td>B</td>
<td>Std. Error</td>
<td>Coefficients</td>
<td>Beta</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>21.807</td>
<td>.528</td>
<td>41.324</td>
</tr>
<tr>
<td>Competitive Aggressiveness</td>
<td>.009</td>
<td>.028</td>
<td>.015</td>
<td>.316</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Market Share
b. \( R = 0.015 \ R^2 = 0.000 F(1.428) = .100 \ P > 0.05 \)
Source: Researcher’ Study, 2020

Table 4.c shows the simple regression analysis results for competitive aggressiveness on market share of selected small and medium scale enterprises in Lagos State, Nigeria. The result shows that competitive aggressiveness (\( \beta = 0.009, t = 0.316, p > 0.05 \)) have no significant effect on market share of selected small and medium scale enterprises in Lagos State. The R value of 0.015 supports this result and it indicates that competitive aggressiveness has no effect on market share of selected small and medium scale enterprises in Lagos State. The \( R^2 = 0.000 \) indicates that variation that occurs in market share of selected small and medium scale enterprises in Lagos State, Nigeria cannot be accounted for by the competitive aggressiveness of small business operators. The simple regression model is thus expressed as:

\[
CA = 21.807 + 0.009CA + U_2, \text{Eqn ii}
\]

Where:

\( CA \) = Competitive Aggressiveness
\( MS \) = Market Share

The regression model shows that when competitive aggressiveness is held at constant zero, market share would be 21.807 implying that regardless of the aggressive strategy adopted by small businesses, there will still be a level of market share as shown by the positive constant value. The results of the simple regression analysis indicate that when aggressive competitive strategy is improved by one unit the market share of small businesses will be positively affected by an increase of 0.0009 units. The result suggests that proactive strategy is an important determinant of market share of selected small and medium scale enterprises in Lagos State. The F (1.428) statistics shows the fitness of the model as the value which is F(1.428) = .100 \( p > 0.05 \) suggests that competitive aggressiveness explained variations in the market share of selected small businesses in Lagos State. The result shows a non-statistical significance which leads to the acceptance of the null hypothesis (\( H_0 \)) which states that competitive aggressiveness does not have a significant effect on market share of selected small and medium scale enterprises in Lagos State.

5. Discussion

The hypothesis was tested and it was found that competitive aggressiveness has no significant effect on market share of selected small and medium scale enterprises in Lagos State. This negates the provision of the finding of other studies which are discussed here. In a study carried out by competitive aggressiveness scholars (Szymansky et al., 2017) regarding the relationship between competitive aggressiveness and market share of a firm, it was revealed that, being more aggressive was associated with market leaders who performed better. Aggressiveness helps them maintain their position as leaders and their market share relative to challengers. Results equally show that
competitive aggressiveness is also tied to profitability, as greater market share has been shown to have a positive relationship with profitability. Stambaugh et al. (2009), conducted a study on the relationship between firm competitive aggressiveness on profitability using financial institution as a base. Result revealed that firms that displayed a high level of competitive aggressiveness tended to show gains in market share, in this case, for both loans and deposits, as the sample consisted of banks. Profitability was also positively affected by competitive aggressiveness for those banks in metropolitan areas. A firm is said to have a high degree of competitive aggressiveness if it forcefully takes a large number and a large variety of actions to outperform its competitors in the marketplace.

Ferrier (2013), conducted a study on how competitive aggressiveness can relate to firm profit base. The result shows that competitive aggressiveness combined with top management behaviours present a potential source for profit and enhances performance. Despite the positive affect of competitive aggressiveness, it is worthy to report that Olayemi et al. (2015) opine that competitive aggressiveness does not have a significant role to play in improving organizational processes as it is seen as a greedy move by organizations to stay above each other in the business landscape. Lechner and Gudmundsson (2014), argue that small firms are more vulnerable to the changes in the market competition and, as a result, they have to be more aggressive to beat the market competition to create a safety net for their survival.

This finding that competitive aggressiveness has no effect on market share also has some theoretical implications. The first is that dynamic capabilities approach can be leveraged because of its advantage over the resource-based view theory in focusing on both internal and external factors that are dynamic in creating improved market share. Since the finding is negative, the firms will have to look at their resources again in a strategic and technical manner in order to sense and reconfigure them in a dynamic way in order to create improved market share for the organization. Dynamic capabilities help firm’s sense opportunities and then seize them by successfully reallocating resources, often by adjusting existing competencies or developing new ones. Dynamic capabilities extend the RBV by examining the sources of competitive advantage in rapidly changing markets, and refer to firms’ abilities to ‘integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. Dynamic capabilities include strategic and organizational processes, such as product development, alliance formation and strategic decision making, which are deeply embedded in firms.

6. Conclusion and Recommendations

The result shows that competitive aggressiveness ($\beta = 0.009$, $t = 0.316$, $p>0.05$) has no significant effect on market share of selected small and medium scale enterprises in Lagos State, Nigeria. The $R$ value of 0.015 supports this result and it indicates that competitive aggressiveness has no effect on market share of selected small and medium scale enterprises in Lagos State. The $R^2 = 0.000$ indicates that variation that occurs in market share of selected small and medium scale enterprises in Lagos State, Nigeria cannot be accounted for by the competitive aggressiveness of small business operators. This study from the findings upholds the null hypothesis which means that it is not the level of aggressive competitiveness an organisation embarks that determines her size of market share being controlled.

The study therefore recommends thus; Working smart must be imbibed by SMEs to support the aggressive competition. All efforts should be geared towards the improvement of market share among these SMEs. This can be done by ensuring that each salesperson understands and achieves his or her assigned target and remain sustained. This will enhance the control of larger market share. Communication should be cordial with team members especially in the sales and product design unit so that the right information on products and markets can be conveyed and all parties clearly understand what they need to do in order to stay on course towards the improvement of market share.

We also recommend proper monitoring of activities by both the supervisors and other regulatory bodies to ensure sectorial best practice.

References


