

# A REVIEW ON MARKETING STRATEGIES AND SUSTAINABLE COMPETITIVE ADVANTAGE OF SMES IN THE MANUFACTURING SECTOR

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**Abstract:** *The problems associated with marketing strategies have assumed multifarious dimensions with wide implications in achieving business competitiveness, especially for small and medium enterprises (SMEs) in the manufacturing sector in Nigeria. This therefore calls for the adoption of marketing strategies in order to achieve successful competition and growth. This paper explores marketing strategies as a paradigm for sustainable competitive advantage for SMEs in the manufacturing sector. This paper is based on resource advantage theory which focuses on the control and ownership of distinctive quantity of competitive resources that foster sustainable competitive advantage and growth. Three major forms of marketing strategies were identified: cost leadership, product differentiation and market segmentation. The review exclusively makes use of systematic sampling in reviewing existing literatures on marketing strategies and sustainable competitive advantage. The findings reveals that good marketing companies win, sustain and grow customers by understanding customers need and designing customer-driven marketing strategies. Marketing strategies such as cost leadership, product differentiation and market segmentation are now widely used and practiced by established firms in a highly competitive market as a panacea for future competitiveness and long-term sustainability. Thus, this suggests that marketing strategies are good tools in achieving business competitiveness. Hence, business owners should put in place effective marketing strategies to help them gain sustainable competitive advantage over their competitors.*

**Keywords:** Manufacturing sector, marketing strategies, resource advantage theory, SMEs, sustainable competitive advantage, Nigeria.

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## 1. Introduction

The sprouting competitive advantage and increasing competition rate across the globe in recent time have necessitate the needs to integrate good marketing approach for the survival and development of entrepreneurial business enterprise. Sustaining competitive advantage due to the swift increase in demand and rising numbers of producing firms has become a global concern (Robert, 2012).

Globally, production is exceedingly competitive, firms must therefore operate in an effective way to reduce operation cost, add more value to its product, retain existing

customers and attract new ones, and enhance profit level to gain sustainable competitive advantage. Competition that exists among the manufacturing firms for survival has become more intensifies as the numbers of firms increases in the industry. Thus, the intensity of rivalry for survival among them becomes stronger. Firms are then engaging in different strategies to reduce operating cost and maximize their investment return. Hence, the competitiveness of firms is mirrored in their business strategy and the market leader has the biggest share of the market (Shokuhi & Nabavi, 2019).

In any economy, the manufacturing sector is opined to be the instrument of growth and the central pillar for a country sustainable growth and development (Aliu, 2010). When the manufacturing sector of an economy is strong and good competition exists between them, such an economy is seen to be productive with increased wealth creation and increased Gross National Product (Ekwere, 2010). On the contrary, a deficient in the manufacturing sector of an economy, coupled with poor competitive forces leads to a country's poor performance and retarded growth.

The catalyst for economy transformation to a dynamic, sustained and diverse economy is seen and eminent in manufacturing sector that are constantly using winning strategies to gain sustainable competitive advantage nationally and internationally. This is evident in developed countries such as United State of America and United Kingdom and some emerging countries such as India, China and Japan whose manufacturing sector have played a significant function in the structural transformation of their economy from a subsistence, and low income state to one that is dynamic, sustained and diverse economy (Borodo, 2010).

The SMEs in Nigerian manufacturing sector is characterized with intense competition and producers in this industry have used variety of strategies to get a large market share. Many backyard SMEs are being set up as the industry yield quick return on capital investment. However, peoples' interests in setting up the SMEs are slowly being exterminated due to stiff competition that exists in it (Robert, 2012). Presently in the country, producers that are well conversant with marketing approaches knew that thriving firms must effectively operate in price-driven marketplace where all firms produce similar or identical product.

Today, markets have become extremely turbulent, competitive and are constantly changing. The conditions of market have move from being simple to complex, stable to dynamic and tame to hostile (Gebauer, Gustafsson & Witell, 2011).

In any industry, attaining business competitiveness via marketing strategies is pertinent to achieving business success (Al-alak & Tarabieh, 2011; Atikiya, Mukulu, Kihoro & Waiganjo, 2015). This obviously accentuates the fact that production alone without appropriate marketing strategies is basically not enough for business success (Kim, Jeon, Jung, Lu, & Jones, 2011). This constitutes a great challenge and concern for firms in attracting more customers and gaining sustainable competitive edge. Indeed, a gap exists in this regard as it is difficult for a firm to maintain competitive advantage in the long-run without any marketing effort. (Herath and De Silva, 2011).

Thus, the rationale of this paper is to examine the most effective marketing strategies in today's turbulent business environment for organizational growth of SMEs in the manufacturing sector and discusses its implications for sustaining competitive advantage.

The manufacturing sector in Nigeria is seen as a potential growth driver that must be synchronize in order to maximize production through accelerated value-added production thereby making manufacturing sector a major driver of growth and exports. However, the Nigeria's manufacturing sector which is predominantly dominated by the SMEs is experiencing continuous drop in growth, productivity and performance (Oluwaseun, Opeyemi & Oluwaseun, 2016). Thus, a close review of these indicators reveals that the condition of SMEs in Nigeria manufacturing sector is in a state of dilapidation, as over the years it is unable to generate more employment, reduce poverty, create more wealth and contribute significantly to GDP (Borodo, 2010).

Manufacturing contribution to GDP after independence that was 8.1% in 1970 fell to 4.13% in 2008. The nominal GDP growth of manufacturing sector in 2016 slowed by 2.98%, 4.23% points lower from the recorded growth in 2015. The real GDP growth across the manufacturing sector contracted on an

average of 5.4% in 2015 relative to 5.6% yearly recorded in 2014. The sector has also contracted by 0.13% year on year. The manufacturing sector's contribution to real GDP in 2019 was 9.10%, which is lower than 9.29% recorded in 2018 (NBS 2015-2019).

In comparison with other countries, the contribution of Nigeria manufacturing sector to GDP in 2019 has been dwindling around 4.45 billion USD compared to 1023.73 billion USD in Japan, 1056.22 billion USD in China, 16.71 billion USD in Singapore, 105.67 billion USD in the Republic of Korea, 25.678 billion USD in South Africa to mention but a few (NBS, 2019; Trading Economics Statistic, 2019).

Although, the current status of the SMEs in the Nigerian manufacturing sector cannot achieve a desirable economic growth and development, it still possess great potentials as the economy have the most flamboyant markets in Africa with its teeming population of about 160 million consumers and millions more consumers in the nearby countries (Alli, 2008). *Ceteris paribus*, the potentials and opportunities for Nigeria manufacturing SMEs to recover from current crunches and play the vital role of becoming an engine of growth and development, wealth creation, industrialization, employment creation and poverty reduction in one way lies in the effectiveness of business strategies that aids sustainable competitiveness both in local and international market (Oluwaseun *et al.*, 2016).

## 2 Literature Review

### 2.1 Concept of Marketing Strategies

Marketing strategies are referred to as strategic competitive plan espoused by the management of an organization for competing effectively in their chosen market (Wisena, Daryanto & Oktaviani, 2014). It often involves the analysis of the market, competencies of market intermediaries, market environment, consumers' needs, consumers' buying behaviour and competitive activities, and (Kim *et al.*, 2011; David & Fiona, 2013; Shokuhi &

Nabavi, 2019). Business organizations employ marketing strategies as a means for achieving superior performance, gaining competitive advantage and customer's satisfaction in their industry (Shokuhi & Nabavi, 2019). These are mostly done by an organization through advertisement, promotion, distribution and superior customer service (Nymous, 2006; Leonidou, Fotiadis & Zeriti, 2013).

Taherdangkoo, Mona & Ghasemi (2019) opined that the concept of marketing strategy is built on the proposition that:

1. Customers are different
2. Differences between customers are related to the dissimilarities in their market behaviours
3. Some factors such as individual traits, lifestyles, characteristics, geographical location and needs can be used to segment customers in the entire market.

Marketing strategies plays an indispensable role in retaining and gaining new customers, developing sustainable competitiveness, securing business growth and achieving financial performance via well thought-out business processes (Fahey, 2009 & Taherdangkoo *et al.*, 2019)

The function played by marketing strategy as an efficacious tool for improving customer purchases comprises of setting up strategic course of action for an organization and channeling its investments to exploit market assets within business processes to achieve sustainable competitive advantages (Karakaya, Badur & Aytekin, 2011). Although, the role played by marketing strategies cannot be overemphasis, creating effective tactics in today's global business environment is extremely multifaceted and it create a big challenge for many firms (Egbe, 2008, Kumar, Rahman, Kazmi, & Goyal, 2012, Jarventie, Moisander & Villi, 2014).

Table 2.1 shows the various ways in which marketing strategies have been conceptualized by reviewed studies.

Table 2.1. Conceptualization of marketing strategies

S/N	Conceptualization of marketing strategies	No	Papers
1.	Cost leadership, differentiation, market segmentation	11	Acquaah & Agyapong, 2015; Atikiya <i>et al.</i> , 2015; Aremu & Lawal, 2012; Baroto, Abdullah & Wan, 2012; Dirisu, Iyiola & Ibidunni, 2013; Gebauer <i>et al.</i> , 2011; Masai, 2011; Shokuhi & Nabavi 2019; Tanwar, 2013; Valipour, Hamid & Samira 2012; Wisena <i>et al.</i> , 2014..
2.	Product/service, price, distribution, promotion, people, atmosphere, process, word of mouth (WOM)	3	Aremu & Bamiduro, 2012; Karakaya <i>et al.</i> , 2011; Leonidou <i>et al.</i> , 2013.
3.	Segmentation, market niche, targeting, positioning, promotion and customer focus.	2	Taherdangkoo, 2019; Herath and De Silva, 2011
4..	Branding, brand image, corporate image, acquisition of foreign brand, development of local brand	2	Ille, and Chailan, 2011; Kim <i>et al.</i> , 2011.
4.	Market niche, technological competences, promotion, targeting	1	Lee and Chung, 2018.
6.	Online price promotion, price discount, product recommendation	1	Jiang, Shang, Liu & May, 2015.
7.	Product performance, differential focus.	2	Hansen, Hansen, McDonald & Mitchell, 2013; Cheruon & Richard.
8	Product innovation, Customer orientation, Innovation differentiation, market differentiation	2	Basheer & Saeed, 2011; Uchegbulam, Princess, Akinyele, Samuel, Ibidunni & Ayodotun, 2015.
9	Price differentiation, promotional strategy differentiation, product differentiation, distribution strategy differentiation	1	Mumo, 2012.
10	Product (service) differentiation, low cost pricing, intensive distribution, personal selling	2	Tapera and Gororo, 2013; Arseculeratne & Yazdanifard, 2014.

Source: Aliu & Oni (2020)

From Table 2.1, it can be deduce that the concept of marketing strategies by studies reviewed comprises of four major components: cost leadership, differentiation, market segmentation and promotion (Acquaah & Agyapong, 2015; Atikiya *et al.*, 2015; Aremu and Lawal, 2012; Baroto *et al.*, 2012; Dirisu *et*

*al.*, 2013; Gebauer *et al.*, 2011; Herath & De Silva, 2011; Masai, 2011; Shokuhi & Nabavi 2019; Taherdangkoo *et al.*, 2019; Tanwar, 2013; Valipour, *et al.*, 2012; Wisena *et al.*, 2014;). Cost leadership is an integrated strategy where an organization aimed at creating goods and services at the lowest possible price to

customers than that of their rival with features that are generally acceptable (Acquaah & Agyapong, 2015; Shokuhi & Nabavi 2019). The remodeling of a product in order to make it more appealing to the target market is known as product differentiation (Wisena *et al.* 2014). This entails making a product different from those of the competitors. Differentiation often occurs when an organization offers; quality/superior product, innovative and unique product features, superior level of service, broad distribution coverage to customers and strong brand name (Acquaah & Agyapong, 2015). Promotion is a form of marketing strategy that is used in communicating the price of a product or service to consumers in order to persuade them to buy a product, stimulate sales in the short run and increase the overall performance of the market (Leonidou *et al.* 2013.). Promotion variation policy shows an organization's price position which vary from stable pricing and frequent price discounts (Leonidou *et al.* 2013). Segmentation is the method use in separating the entire market into different groups or segments according to factors such as demographic, geographic, behavioural and psychographic factor (Taherdangkoo *et al.*, 2019). By separating the market into different segments, business organizations can have a clearer knowledge of their target market, which makes marketing more effective (Lee & Chung, 2018).

Aremu & Bamiduro (2012), Karakaya *et al.* (2011), Leonidou *et al.* (2013) and Jiang *et al.* (2015) conceptualized marketing strategies as careful examination of product, price, place, people, process, promotion, strategic constraints and performing analysis. Leonidou *et al.* (2013) opined that marketing models spring from the indebt analysis of marketing mix. This marketing mix is otherwise known as the 6Ps of marketing which are; product, price, place, process, people and promotion.

Three studies (Herath & De Silva, 2011; Lee & Chung, 2018; Taherdangkoo *et al.*, 2019) conceptualized marketing strategies as market niche, targeting and promotion. According to

these studies, Instead of pursuing the whole market or even large segments, firms may target sub-segments (Lee & Chung, 2018; Taherdangkoo *et al.*, 2019). Nichers are often smaller firms with limited resources, but smaller divisions of larger firms may also pursue niching strategies (Lee & Chung, 2018). Firms with low shares of the total market can be highly successful and profitable through smart niching (Herath & De Silva, 2011).

Hansen *et al.* (2013) and Cheruon & Richard (2015) conceptualized marketing strategies as product performance and differential focus. According to these researchers, firms competitive strategies lies in the firm output to effectively perform more than it expectation to the customers. Differential focus is a market driven strategy that is espouse by resource advantage theory. To be dynamic, a firm using differential focus must regularly innovate both through the development of new market offerings and in its operations in order to compete successfully (Hansen *et al.* 2013).

Nevertheless, Ille, & Chailan (2011) and Kim *et al.* (2011) conceptualized marketing strategy as branding, brand image, corporate image, acquisition of foreign brand and development of local brand. Branding is a form of packaging an organization product in order to make it more appealing to customer (Ille, & Chailan, 2011). Brand image is the positive representation of a firm's product in the mind of customers (Kim *et al.*, 2011). Corporate image is the creation of strong organizational reputation in operations, processes and relationship that creates a positive representation of a firm in the minds of customers.

## **2.2 Concept of Sustainable Competitive Advantage**

Herath and De Silva (2011) referred competitive advantage to as an edge that a firm have over other rivalry firms in the industry. It is an edge that a business organization have over others, which helps the organization to lead others in the race, entice more customers and retain market share by giving customers

superior values either through reducing the prices of product or by giving customers quality product/services that justifies higher prices (Dirisu *et al.*, 2013). Business competitiveness springs from a firm's ability to leverage its internal strengths to respond to opportunities in the external environment while avoiding the external threats and internal weakness of the firm (Wisena *et al.*, 2014; Shokuhi & Nabavi, 2019).

Competitive advantage is a construct that has been analyzed by two major perspectives; Porter's competitive model and generic strategies (Acquaah & Agyapong, 2015; Shokuhi & Nabavi, 2019). Thus, Porter (1980) suggested that the heart of an organization's performance in competitive market is eminent in competitive advantage. In view of this, it is apparent that in achieving competitive edge by a firm over its competitors, such a firm must provide a product/service to customer perceived to yield superior value and benefit than that of his rivals. In addition, competitive advantage will always give rise to superior organizational performance that result to higher profit (Dirisu *et al.*, 2013). Hence, understanding competitive advantage is pertinent to sustaining it, thus constituting an ongoing challenge for organizations decision makers (Gaya, Struwig & Smith, 2013).

From history, competitive advantage was considered as a matter of mere position, where organizations occupied a competitive space in order to build a protected market share (Stalk, Evans and Shulman, 1992). In today's business environment, the ability to develop a sustained competitive advantage is increasingly important but rare.

In view of the above, Hill and Jones (2009) examined that the primary objective of pursuing sustainable competitive advantage is the creation of superior profitability in the study of a firm's competitive strategy. Porter (2004) considers the term sustainable as encompassing the protection of resources for longer period of

time into the future (Hitt, Ireland & Hoskisson, 2007; Haberberg and Rieple 2008; Grant 2010; Thompson, Peteraf, Gamble & Strickland, 2012).

The term sustainable competitive advantage was first used in 1985 when Porter (1985) explained the basic types of competitive strategies firm uses to achieve competitive advantage. Previous researches on the concept of sustainable competitive advantage can also be understood along the dimensions of durability and imitability (Grant, 2010; Haberberg & Rieple, 2008; Wheelen & Hunger, 2010; Gaya *et al.*, 2013). Durability in one hand determines how long and length of time the competitive advantage can be sustained, and on the other hand is considered in term of the capacity of competitors to duplicate or imitate a firm by gaining access to the firm's distinctive competitive capabilities and competitive resources on which the competitive advantage is created (Gaya *et al.*, 2013). Wheelen and Hunger (2010) opined that durability depict the rate at which a firm's core competencies, competitive resources, and basic competitive capabilities decrease in value or becomes obsolete or irrelevant owing to factors such as new technology and innovations. In reaction to imitation, Grant (2010), Hill and Jones (2009) and Thompson *et al.* (2012) further stated that for competitors to imitate a distinctive competencies, it takes longer time and the longer it takes the better the opportunity for the business to be successful and improve on its core capabilities or build a new one in order to be ahead of the competitors (Gaya *et al.*, 2013). Consequently, the organization's ability to hold-up imitation or duplication of its core competitive resource is fundamental to obtain maximum benefit from any competitive advantage.

Table 2.2 shows the various ways in which extant studies have conceptualized sustainable competitive advantage.

Table 2.2 Conceptualization of sustainable competitive advantage.

S/N	Conceptualization of sustainable competitive advantage	No	Papers
1.	Sustained sales growth and/or sustained higher market share	9	Arseculeratne and Yazdanifard, 2014; Barney, 2012; Bharadwaj et al., 1993; Dirisu <i>et al.</i> , 2013; Huang <i>et al.</i> , 2012; Kim <i>et al.</i> , 2011; Leonidou <i>et al.</i> , 2013; Masai, 2011; Mumo, 2012; Taherdangkoo, 2019.
2.	Sustained value creation	4	Baroto el al., 2012; Gaya <i>et al.</i> , 2013; Liu, 2013; Srivastava <i>et al.</i> , 2013
3	Long-term business performance; long term increased sales and long-term profitability	3	Al Shobaki and Abu Naser, 2017; Bharadwaj <i>et al.</i> , 1993; Kumar <i>et al.</i> , 2011.

Source: Aliu & Oni (2020)

Table 2.2 shows that majority of the reviewed extant studies conceptualized sustainable competitive advantage as sustained sales growth and/or sustained higher market share (Arseculeratne & Yazdanifard, 2014; Barney, 2012; Dirisu *et al.*, 2013; Huang *et al.*, 2012; Kim *et al.*, 2011; Leonidou *et al.*, 2013; Masai, 2011; Mumo, 2012; Taherdangkoo *et al.*, 2019). Sustainable competitive advantage was measured using the firm's distinctive resources and capabilities which were based on the perspectives of maintaining and increasing growth in sales and the numbers of market available for the firm's product (Arseculeratne and Yazdanifard, 2014).

Four reviewed studies conceptualized sustainable competitive advantage as sustained value creation (Baroto el al., 2012; Gaya *et al.*, 2013; Liu, 2013; Srivastava *et al.*, 2013). This was explained using capability and resource based view of the firm with respect to effective use and fusion of marketing mix components, quality assurance and careful analysis of the strength, weakness, opportunity and treat of the firm (SWOT Analysis) that can affect the firms' sustainable competitive advantage (Srivastava *et al.*, 2013).

On the other hand, Al Shobaki and Abu Naser, (2017) Bharadwaj *et al.* (1993) and Kumar *et al.* (2011) conceptualized sustainable competitive advantage as long-term business

performance. Firms that respond to customer insights through the development of product or service innovations can provide them with improved business performance (Kumar *et al.*, 2011). This can be in form of long term increased sales and long-term profitability.

## 2.3 Theoretical Framework

### 2.3.1 Resource Advantage Theory

Resource advantage theory is used as the foundation for the theoretical framework of this review as it specifically looks in-depth for factors responsible for an organizations' sustainable competitive edge. Resource advantage theory enunciates superior performance to the ownership and control of unique quantities of competitive resources that gives an organization a mechanism for achieving sustainable competitive edge (Hansen *et al.*, 2013). According to Hansen *et al.* (2013), this theory was proposed by Barney (1991) for firms and argued that the source of sustainable competitiveness is to focus on superior resources of a firm.

The theory suggested that competitive advantage is achieve by a firm when it set-up an effective strategy based on firms' resources that competitors cannot replicate or when imitation barriers are high or when it is not easy and cheap to replicate by competitors (Hansen *et al.*, 2013). In addition, the theory articulates that for an organization capabilities and

resources to give competitive edge, such capabilities and resources must be value oriented, distinctive, durable, not transferable and not substitutable.

Furthermore, according to Barney, firms' resources include all assets, organizational processes and capabilities, firm conceive of and implemented strategies that improve its efficiency. These resources are generally classified into:

1. Physical capital resources such as tools and equipment
2. Human capital resources (labour)
3. Organizational capital resources.

### *2.3.2 Application of Resource Advantage Theory*

The vast majority of contributions to competitive advantage, especially within the scope of the reviewed studies have measured the sustained competitive advantage using the firm's distinctive resources and capabilities which was based on the perspectives of maintaining and increasing growth in sales and the numbers of market available for the firm's product (Bharadwaj et al., 1993; Arseculeratne & Yazdanifard, 2014).

When implementing strategies in an organization, it requires some minimum level of resources and assessment of organizational strength, weakness, opportunity and threat (Hamzah & Hermeindito, 2016). Yearly, business firm allocates resources to capture its customers via various channels, ranging from direct mailing, sales personnel, and online communication. Most organization resources and effort are however channel or targeted at the wrong customers, often channel to the right customers with a wrong and poor offer, and at time focused at the right customers with the right offer. In any organization, the major challenge is to channel resource to the right customer at the right time with the right offer, (Adamu, 2013). Hence, to gain sustainable competitive advantage, SMEs in the manufacturing sector must own and effectively control distinctive quantity of competitive resources and capabilities.

### **3. Methodology**

This paper adopts systematic sampling in reviewing extant literatures. Han, Yusof, Hai & Ismail (2012) and Biedenbach and Muller (2010) demonstrated the use of systematic samplings by reviewing prior studies from selected domain with particular regard to journals and conference papers for a specific period of time. This paper adopts the same methodology as it is a partial work of an on-going master research. This review is aimed at presenting a preliminary result of analysis of forty selected papers in the aspect of theoretical stance. In the selection of journals and conference papers, top quality journal publishers are given preference for the selection, which include: (1) Elsevier; (2) Springer (3) Emerald; (4) SAGE; and (5) Taylor and Francis. (6) Journal of Managerial Studies and Research (IJMSR), and (6) various online sources. The keyword for journals and conference papers selection is "marketing strategies", "sustainable competitive advantage" and/or "business competitiveness". In maintaining validity, two selection criteria were used for retrieving marketing strategies and competitive advantage papers, which are: (1) the journals and conference papers title were scanned with the keyword. In all, there were forty (40) marketing strategies and sustainable competitive advantage papers that contained the keyword in their papers' titled "marketing strategies' and "sustainable competitive advantage" and (2) twenty (20) marketing strategies papers were taken out because they were not in manufacturing industry or SMEs context. The selection criteria are crucial in maintaining their reality (Taylor, Dossick & Garvin, 2011). Altogether, there are twenty (20) marketing strategies and sustainable competitive advantage papers that fitted soundly in the selection criteria and were selected for further analysis.

### **4. Empirical Findings and Discussion**

This section presents the review of prior empirical studies that explored the relationship between marketing strategies and sustainable

competitive advantage of SMEs in manufacturing sector. As initially stated, marketing strategy was conceptualized by most prior studies as having four major dimensions: cost leadership, differentiation, market segmentation and promotion. For this reason, the empirical findings are also subdivided into four subsections dealing with the impact of each dimension on sustainable competitive advantage.

#### **4.1 Cost Leadership and Sustainable Competitive Advantage.**

Three studies in this category adopted both qualitative and quantitative approaches in determining the relationship between marketing strategies and sustainable competitive advantage (Atikiya *et al.*, 2015; Wisena *et al.*, 2014; Acquah & Agyapong, 2015). These studies indicated that marketing strategies in the industry has the objective of profitable sales of product to satisfy customer's financial needs and managers of manufacturing firms adopt cost leadership strategy to increase their competitiveness and performance. The findings recommended that manufacturing firms should implement cost leadership strategy in improving their competitive performance (Atikiya *et al.*, 2015). However, managerial capability strengthens the influence of cost leadership strategy on business competitiveness (Acquah & Agyapong, 2015).

#### **4.2 Differentiation and Sustainable Competitive Advantage**

Four studies in this category adopted quantitative approaches to establish the relationship between marketing strategies and competitive advantage (Dirisu *et al.*, 2013; Hansen *et al.*, 2013; Herath and De Silva, 2011; Uchebulam, *et al.*, 2015). An increased differential focus on marketing versus operations in the organization strengthens the positive bridge between organizational competitiveness and shareholders return (Hansen *et al.*, 2013). Dirisu *et al* (2013) also opined that firms using product differentiation strategy have a positive relationship on organizational performance while the concept of sustainable competitive advantage has taken

the centrality of business strategy in an organization. In a rapidly growing economy with emergence customers' needs, firms failing to tackle the competitive forces by creating appropriate marketing strategies will lose out to the competitors (Herath and De Silva, 2011). Uchebulam *et al.* (2015) recommended that in order to achieve competitive advantage, organizational managers should consciously be aware of customers needs and offer distinctive and quality product/services that satisfy their needs.

#### **4.3 Market Segmentation and Sustainable Competitive Advantage**

Two studies in this category both adopted quantitative approaches to determine the relationship between marketing strategies and competitive advantage. (Kim *et al.*, 2011 and Kumar *et al*, 2011). Kumar *et al.* (2011) showed that sustainable competitive advantage from implementing market orientation is larger for firms that develop market orientation early. Market focus is an effective strategy for achieving competitive advantage (Kim *et al.*, 2011).

#### **4.4 Promotion and Sustainable Competitive Advantage**

Karakaya *et al.* (2011) in a study carried out to analyze the effectiveness of marketing strategies in the presence of word of mouth using agent based modeling (simulation method) in Istanbul; Turkey, posited that consumer purchasing decision making is being affected by the various form of marketing strategies consisting of product quality, price variation and promotion, and this help in enhancing firms' marketing polices and gaining competitive advantage.

### **5. Managerial Implication of the findings**

The managerial implications of the findings presented in this section from the review of all related literatures implies thus; A firm's distinctive skills and resources constitute a potential source of sustainable competitive advantage when it offer desired benefits to the customers. The ability of a firm to gain sustainable competitive advantage is not an end

in itself, but a means to an end, namely superior long-term financial performance (Bharadwaj, Fahy & Varadarajan, 2015). A firm is not only in business to achieve competitive advantage over its competitors, but also to create wealth for the nation and improve the nation's GDP. It is also worth noting that certain sources of competitive advantage may be more enduring than others (Sheikh, 2015). The durability of a firm's positional competitive advantages is dependent on its constant enhancement and reinvestments in its present sources of competitive advantage, as well as investments in new skills and resources. Nevertheless, the sustainability of a firm's competitive advantages is also influenced by imperfect competitive markets for skills and resources, luck, and suboptimal decisions made by competitors (Bharadwaj et al., 1993).

## 6. Conclusion and Recommendations

This review established that a significant relationship exists between the marketing strategies and sustainable competitive advantage. Production globally is highly competitive in nature. Therefore, firms must

operate effectively to lower cost, gain new customers, retain the existing ones, add values to its product and increase profit level to attain sustainable competitive advantage. Marketing strategies such as cost leadership, product differentiation and market segmentation are now widely used and practiced by established firms in a highly competitive market as a panacea for future competitiveness and long-term sustainability. In view of the findings, the following recommendations are postulated:

1. SMEs in the manufacturing sector should put in place effective marketing strategies to help them gain sustainable competitive advantage over their competitors.
2. SMEs in the manufacturing sector should focus on the available resources in formulating the marketing-mix component for marketing effectiveness and sustainable competitive advantage.
3. SMEs in the manufacturing sector should focus on cost leadership, product differentiation, market segmentation and promotion strategies for competitiveness and long term sustainability.

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