



Marketing Communication and Survival of Small and Medium Enterprises (SMEs) in Auchi, Edo State, Nigeria

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Abstract: Marketing communication is seen as a vital activity for the survival and success of SMEs. This study examines the impact of marketing communications on the survival of Small and Medium Enterprises (SMEs) in Auchi, Edo State. The study employed a qualitative research design, using a convenience sampling strategy and semi-structured interviews to select and collect data from 40 SMEs in the area. The results show that marketing communications is a catalyst for the survival of SMEs in Auchi. Specifically, the study found that SMEs that use social media strategies survive and thrive in the competitive business environment. Based on the findings, the study recommends, among others, that SMEs in Auchi should prioritise marketing communications in their business strategies to ensure survival and growth. Studies show that there are many similarities regarding the challenges faced by SMEs globally, and as such, the recommendations of this study can be applied universally.

Keywords: Business Growth, Competitive Advantage, Marketing Communications, Small and Medium Enterprises (SMEs), Social Media Strategies, Survival

1. Introduction

SMEs are an important aspect of the economy locally and internationally and marketing communication within SMEs is an important activity for the success of the business. Small and Medium Enterprises (SMEs) are a vital component of the any economy, contributing significantly to employment, economic growth, and development (CBN, 2020). However, SMEs in face numerous challenges, including inadequate communication strategies, which hinder their survival and growth (Adeyemi, 2020). Effective marketing

communications are crucial for SMEs to create awareness, build brand loyalty, and differentiate themselves from competitors (Kotler & Keller, 2020).

Among the various elements that contribute to the success of SME is the ability of the business to provide the market with information about the business, the product that they sell, the quality, and the attributes and benefits of the product. Marketing communication is a critical component of the marketing mix, and it involves all the ways in which a company communicates with its customers, suppliers, and other stakeholders (Belch & Belch, 2022). Marketing

communication plays a vital role in the survival of Small and Medium-sized Enterprises (SMEs) as it helps SMEs to build strong relationships with their customers, create awareness about their products or services, and differentiate themselves from competitors (Kotler & Keller, 2021). In today's fast-paced business environment, SMEs must adopt effective marketing communication strategies to stay competitive and achieve their business objectives. Effective marketing communication helps SMEs to build a strong brand identity, create awareness about their products or services, and establish a positive reputation in the marketplace (Fill, 2022).

SMEs face numerous challenges, including limited financial resources, lack of marketing expertise, and intense competition (Ibeh et al., 2021). These challenges can limit their ability to invest in marketing communication activities, making it difficult for them to compete with larger companies.

This study, therefore, explores the relationship between marketing communications and SME survival in Auchi, Edo State. The study will examine the marketing communications strategies employed by selected SMEs in Auchi, and assess their impact on SME survival.

Statement of the Problem

Small and Medium-sized Enterprises (SMEs) are the backbone of many economies, including Nigeria. They play a crucial role in creating employment, stimulating economic growth, and reducing poverty. However, SMEs in Nigeria, particularly in Auchi, Edo State, face numerous challenges that threaten their survival. One of the major challenges facing SMEs in Auchi is the lack of effective marketing communication. The survival of SMEs in Auchi is critical to the economic development of the area. However, the lack of effective marketing communication strategies is a major threat to their survival. Therefore, it is essential to investigate the role of marketing communication in the survival of SMEs in Auchi.

The problem of this research is to investigate the role of marketing communication in the survival of SMEs in Auchi, Edo State. Auchi, the Headquarters of Etsako West local government area of Edo State, Auchi is a rapidly growing urban center and second largest town in Edo State, Nigeria, with a large population of small and medium-sized enterprises (SMEs). The town's strategic location, situated along the Benin-Okene highway, makes it an important hub for trade and commerce in the region. As a result, Auchi presents a unique gap for examining the role of marketing communication in the survival of SMEs. Auchi's SMEs operate in a highly competitive environment, with many businesses competing for limited customers. By studying marketing communication and SMEs in Auchi's, researchers can gain insights to know if marketing communication contributes to the survival of SMEs in Auchi.

Auchi's SMEs like any other form of business face numerous challenges. This allows researcher to gain insight into the challenges of using marketing communication by SMEs in Auchi's. Additionally, SMEs in Auchi operate in a diverse

market, with a range of different industries and customer segments. This diversity makes Auchi an ideal location for studying the marketing communication and SMEs in different industries and customer segments in order to know if it is profitable to use marketing communication. A larger population of Auchi are student there by making it a student's environment. By examining the marketing communication and SMEs in Auchi, researchers can gain insights into the type of marketing communication tools most effective in the town.

2. Conceptual Review

Small and Medium Enterprises (SMEs)

The definition of small and medium enterprises (SMEs) varies in different countries and is usually derived based on the economy and government policies and regulations of the country. A small business in developed countries such as the United States of America and the United Kingdom may be a large-scale business in a developing country. Small and Medium Enterprises (SMEs) are businesses that are typically characterised by their small to medium size, often measured by the number of employees, annual revenues, or assets. SMEs are usually privately owned and operated, and they play a vital role in the economic development of many countries.

According to the International Finance Corporation (IFC), SMEs are defined as businesses that have fewer than 500 employees and annual revenues of less than \$100 million (IFC, 2021). In Nigeria, for example, the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) defines SMEs as businesses that have fewer than 200 employees and annual revenues of less than ₦100 million (SMEDAN, 2021).

SMEs are often classified into three categories: Micro, Small, and Medium-sized enterprises. Microenterprises are typically small businesses that have fewer than 10 employees and annual revenues of less than \$100,000. Small enterprises are businesses that have between 10 and 50 employees and annual revenues of between \$100,000 and \$10 million. Medium-sized enterprises are businesses that have between 50 and 500 employees and annual revenues of between \$10 million and \$100 million (OECD, 2022).

SMEs play a vital role in the economic development of many countries. They are often the drivers of innovation, job creation, and economic growth. According to the World Bank, SMEs account for more than 50% of employment and GDP in many developing countries (World Bank, 2022). However, SMEs often face significant challenges, including limited access to finance, inadequate infrastructure, and lack of marketing expertise. These challenges can limit their ability to grow and compete with larger businesses.

Marketing Communication

Marketing communication refers to the process by which businesses communicate with their target audience to promote their products, services, or ideas. It involves the use of various communication channels and tools to convey messages, build

relationships, and persuade customers to take action (Kotler & Keller, 2021).

According to Belch and Belch (2022), marketing communication is a critical component of the marketing mix, and it plays a vital role in shaping customer perceptions, attitudes, and behaviors. Effective marketing communication can help businesses to build brand awareness, generate leads, drive sales, and establish long-term relationships with customers. Fill (2022) notes that marketing communication involves several key elements, including the source, message, channel, receiver, and feedback. The source is the sender of the message, typically the business or organisation. The message is the information or content being communicated. The channel is the medium or platform used to convey the message, such as social media, advertising, or public relations. The receiver is the target audience or customer. Feedback is the response or reaction of the receiver to the message.

Marketing communication can take many forms, including advertising, public relations, sales promotion, digital marketing, and content marketing (Kitchen & Schultz, 2021). Advertising is paid, non-personal communication through various media channels. Public relations involve building and maintaining relationships with stakeholders through media coverage and other forms of communication. Sales promotion involves short-term incentives to encourage purchases or other desired behaviors. Digital marketing uses digital channels, such as social media, email, and search engines, to communicate with customers. Content marketing involves creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience.

Shah and Halligan (2023) note that effective marketing communication requires a deep understanding of the target audience, their needs, preferences, and behaviors. It also requires a clear understanding of the business's goals, objectives, and brand identity. By using a range of marketing communication tools and techniques, businesses can build strong relationships with their customers, drive sales, and achieve their marketing objectives.

Wang and Li (2024) found that digital marketing is becoming increasingly important for businesses, particularly in the context of e-commerce. Their study found that businesses that use digital marketing channels, such as social media and email, are more likely to experience increased sales and revenue.

Empirical Review

Various researchers have carried out studies on marketing communication and survival of SMEs. Yusuf and Ayuba (2025) in their study, the Impact of Social Media Marketing on SMEs Performance in Nigeria, found that social media marketing has a significant positive impact on SMEs performance in Nigeria. Specifically, the study found that social media marketing increases brand awareness, customer engagement, and sales. In arriving at this, they made use of survey research design by collecting data from 150 SMEs in

Nigeria. The data was analyzed using descriptive statistics and regression analysis. In another study, Wang and Li (2024) in a study titled Digital Marketing and E-commerce: A Study of SMEs in China used Case study research design to collect data from 10 SMEs in China. The study found that digital marketing and e-commerce are critical for the survival of SMEs in China. Specifically, the study found that SMEs that use digital marketing and e-commerce channels experience increased sales, revenue, and customer engagement.

Shah and Halligan (2023) found that SMEs that use digital marketing strategies experience increased customer engagement, sales, and revenue. This is SMEs that use social media, email marketing, and content marketing experience increased customer engagement and sales. The result as from their work titled Marketing in a Digital World: Strategies for Engaging with Customers Online. In the study survey research was used to collect data from 200 SMEs in the United States.

In a study by Kitchen and Schultz (2021), on Integrated Marketing Communications: A Holistic Approach, they carried out a study by collecting data from 5 SMEs in the United Kingdom. The result show that integrated marketing communications (IMC) is critical for the survival of SMEs. The result is in support of the opinion that SMEs that use IMC experience increased brand awareness, customer engagement, and sales. Additionally, Fill (2022), in a study titled Marketing Communications: Interactivity, Communities and Content found that marketing communications is critical for the survival of SMEs. The SMEs that use interactive marketing communications, build online communities, and create valuable content experience increased customer engagement, sales, and revenue.

Resource-Based View (RBV)

One of the best theories to support marketing communication and the survival of SMEs is the Resource-Based View (RBV) Theory. The RBV theory, developed by Wernerfelt (1984) and later expanded by Barney (1991), suggests that a firm's competitive advantage and survival depend on its ability to acquire, develop, and utilize valuable, rare, inimitable, and non-substitutable (VRIN) resources.

In the context of marketing communication and SMEs, the RBV theory provides a relevant framework for understanding the interplay between marketing communications and SMEs in this study. Firstly, in the areas of valuable resources, SMEs need to identify and acquire valuable resources, such as marketing expertise, technology, and financial resources, to develop effective marketing communication strategies. Secondly, in regards to rare resources: SMEs need to differentiate themselves from competitors by acquiring rare resources, such as unique marketing channels or messaging, to stand out in the market. Thirdly, in respect of inimitable resources, SMEs need to develop inimitable resources, such as strong brand identities or customer relationships that cannot be easily replicated by competitors. Finally, SMEs need to develop non-substitutable resources, such as proprietary marketing technologies or processes that cannot be easily

replaced by competitors. By applying the RBV theory, SMEs can analyze their marketing communication strategies and identify areas for improvement to gain a competitive advantage and ensure survival.

3. Methodology

This study adopted a qualitative research design, utilizing a case study approach to explore the role of marketing communication in the survival of SMEs. It focused on selected small and medium enterprises in Auchi, Edo State, and involved conducting in-depth interviews with owners or managers of these businesses. The total number of registered SMEs in Edo State, according to the 2024 SMEDAN/NBS report, is 1,015,871, comprising micro, small, and medium-scale businesses. However, there is no official data indicating the exact number of SMEs operating specifically in Auchi. Given this limitation, the study employed a convenience sampling technique to select 40 registered and unregistered SMEs for the interviews. This approach was chosen because it allows the researcher to engage participants based on ease of access and relevance, particularly when the full population size is not clearly defined. Participants were selected across a range of business types, including eateries, hotels and service apartments, block industries, supermarkets, hairdressing salons, private schools, medical services, and microfinance banks. Additionally, businesses were chosen from various locations within Auchi, such as Igbe Road, Poly Road, Ekhei Girl's Road, Jattu Road, Otaru Road, Warrake Road, and Igbira Camp. This selection ensured a diverse representation of SMEs across different sectors and locations in the area. The interviews were conducted using a semi-structured interview guide, and audio-recorded with the permission of the respondents.

4. Results and Discussion

This discussion analyse the potential themes emerging from the semi-structured interviews conducted to explore marketing communication and survival of SMEs in Auchi, Edo State. The interview was conducted including the use of both "pigin English" and local dialect with small and medium-sized enterprise (SME) owners in Auchi, Nigeria. The aim of the interview was to explore the role of marketing communication in the survival of SMEs in Auchi. The analysis highlights the complexities surrounding how helpful marketing communication has helped SMEs as well as challenges such as limited financial resources and lack of marketing expertise among others and their implications on SMEs survival.

On Marketing communication as a tool for survival of SMEs in Auchi: Extracts from Respondents shows that most of the SMEs are still in existence today as a result of the use marketing communication. Some acknowledged "e dey help us let many people know wetin we dey sell make den no go another place go buy, that is "It helps us to create awareness about our products and services". About 30 respondents representing 75% responded "It helps us to build relationships with our customers, and to understand their needs and preferences. A manager of the one of the SMEs speak thus

when ask in local dialect, vha kha guo aya emi vha khe, o paa vha o bo? Meaning when you let people know what you sell does it help you? His answer translated thus "For me, marketing communication is about creating a unique selling proposition that sets us apart from competitors, communicating our value proposition to our target audience, and convincing them to choose our products or services". The use of marketing communication as a tool for survival of SMEs in Auchi is crucial. Marketing communication is a crucial tool for the survival of SMEs in Auchi. SMEs use effective marketing communication strategies, including the use of Pidgin English and social media, to promote their products and services, reach their target audience, and engage with their customers.

On Marketing communication tools frequently used by SMEs in Auchi: The interview was conducted with small and medium-sized enterprise (SME) owners in Auchi, exploring the most marketing communication tool used for the survival of SMEs in Auchi. High numbers of respondents acknowledge that they used digital marketing through the use of social media. "For me, social media is the most effective marketing communication tool for SMEs in Auchi. It's cheap, easy to use, and allows us to reach a large audience". Additionally, a manager of one of the big supermarkets speaks in pigin "Na social media we dey use talk to them oo. Social media dey help us here to reach our target quickly and cheaply. We dey use am to promote wetin we dey sell, and to engage with our customers. For some WhatsApp does it better? "I think WhatsApp is the most popular marketing communication tool for SMEs in Auchi. It's widely used, and allows us to send targeted messages to our customers who are mostly students because this is student environment. Some respondent also acknowledged that they use word-of-mouth. "When we tell customer and service them well, we dey beg them make den help us tell others, den dey help us tell other people like that like that and e dey works for us and e dey make us sell well well".

The extracts from the respondents highlight the different marketing communication tools used by SMEs in Auchi for survival. The use of marketing communication tools by SMEs in Auchi is critical for their survival. The respondents highlighted the effectiveness of social media, WhatsApp, and word-of-mouth in reaching customers and building trust.

On whether it is profitable to use marketing communication by SMEs: Based on extracts from respondents on whether it is profitable to use marketing communication for the survival respondents agreed that marketing communication is very profitable for SMEs in Auchi. "It helps us to reach new customers, increase sales, and build our brand was speaks aloud by majority of the respondents; "For me, marketing communication is a necessary expense for SMEs in Auchi, responded by many owners. It helps us to stay competitive, build our brand, and attract new customers. While it may not always be profitable in the short term, it's essential for long-term survival."

The use of marketing communication by SMEs in Auchi is profitable, but it's not always a guarantee. The respondents highlighted the importance of marketing communication for SMEs in Auchi, citing its ability to reach new customers, build the brand, and stay competitive. However, they also emphasized the need for patience for its execution to ensure profitability in a long run.

On the challenges faced in using marketing communication for the survival by SMEs in Auchi: Extracts from respondents, all of them responded there is a lot of challenges in using marketing communication. "One of the major challenges we face is limited financial resources. We don't have enough money to invest in marketing communication, which makes it difficult for us to compete with larger businesses". "Another challenge we face is the lack of a marketing communication consultant in Auchi. We don't have the expertise to develop and implement effective marketing communication strategies, which makes it difficult for us to achieve our marketing goals". I think the biggest challenge we face is the difficulty in measuring the effectiveness of our marketing communication efforts. We don't have the expertise to track the impact of our marketing efforts, which makes it difficult for us to make informed decisions about our marketing strategy". The extracts from the respondents highlight the various challenges faced by SMEs in Auchi in using marketing communication for survival. They are complex and multifaceted.

The study found that effective marketing communications is a catalyst for SME survival. It helps the SMEs to create awareness about their products and services, and to differentiate from the competitors. "The SMEs that used social media marketing and word-of-mouth marketing reported an increase in sales and customer loyalty.

The SMEs in Auchi, Edo State use various marketing communications tools including social media, especially WhatsApp marketing and word-of-mouth marketing. However high number of SMEs uses social media due to the present and high population of students of Auchi polytechnic, Auchi.

The use of marketing communication by SMEs in Auchi is profitable because of its ability to reach new customers, build the brand, and stay competitive. Though there is need for patience for its execution to ensure profitability in a long run.

The challenges faced by SMEs in Auchi are complex and multifaceted. SMEs in Auchi, Edo State face several challenges in implementing marketing communications strategies, including limited financial resources, lack of marketing expertise and consultant, and intense competition.

5. Conclusion

The use of marketing communication as a tool for survival of SMEs in Auchi is crucial. They use effective marketing communication strategies to promote their products and services, reach their target audience, and engage with their customers. However, the most marketing communication tool used by SMEs in Auchi for survival is a combination of social media, WhatsApp, and word-of-mouth. SMEs need to use

these tools effectively to reach their customers, build trust, and drive sales. Additionally, the profitability of marketing communication for SMEs in Auchi depends on various factors, including the effectiveness of the marketing strategy, the target audience, and the competition. While marketing communication is essential for SMEs in Auchi, it's not always profitable. The challenges faced by SMEs in Auchi in using marketing communication for survival are significant. However, by addressing these challenges, SMEs can develop and implement effective marketing communication strategies that drive business results.

Recommendations

Based on the findings of the study, the following recommendations are made for the survival of SMEs:

1. SMEs should develop effective marketing communication strategies that take into account the local market conditions, customer needs and preferences, and competitor activity. Also, SMEs should use marketing communication to create awareness, build relationships, and differentiate themselves from competitors.
2. SMEs should develop a social media strategy that includes consistent messaging, engaging content, and regular posting and encourage the use of WhatsApp to send targeted messages to their customers, including promotions, discounts, and new product offerings. Also they should prioritize word-of-mouth marketing by building trust and credibility with their customers, and encouraging satisfied customers to share their experiences with others.
3. SMEs should carefully plan and execute their marketing communication strategies to ensure a positive return on investment, set clear goals and objectives for their marketing communication efforts, and regularly monitor and evaluate their progress. Also, should consider using cost-effective marketing communication channels to reach their target audience.
4. SMEs should prioritize investing in marketing communication, despite limited financial resources and develop the skills and expertise needed to develop and implement effective marketing communication strategies. The government should provide support for SMEs, including funding, training, and mentorship programs, to help them develop and implement effective marketing communications strategies.

Limitations of the Study

While the study provides valuable insights, several limitations has been identified for further researcher to address. The study is limited to SMEs in Auchi, Edo State, which means that the findings may not be generalizable to other locations. Therefore, the findings of this study may not be applicable to SMEs in other parts of Edo State, especially Etsako East and Etsako Central or other part of Nigeria. The sample size of the study may be limited, which can affect the reliability and validity of the findings. The sample size, especially with the

use of convenient sampling may not be representative of the larger population of SMEs in Auchi, which can lead to biased results. Additionally, the reliance on qualitative data from interviews may introduce subjective biases, as participants might provide socially desirable responses rather than candid reflections of their experiences.

Suggestion for Further Studies

Future studies could explore the impact of marketing communication on SME survival in Agenebode and Fugar, the headquarters of Etsako East and Etsako Central, respectively, to ensure comprehensive coverage of the entire Etsako region in Edo State. Furthermore, researchers could examine the role of marketing communications in fostering innovation among SMEs in Auchi, Edo State.

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