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Liquified Natural Gas (Lng) Downstream marketing and business growth in Nigeria: An empirical evidence small and meduim scale enterprises

Kalu[a], Alexanda Ogbonna[a*], Unachukwu[b], Larry Chukwuemeka[b]

Abstract

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

Keywords: Strategic Change Management Processes, Crisis Situations, Implementation of Bank Changes

Author Affiliation: [a] Department of Marketing, College of Management Sciences, Michael Okpara University of Agriculture, Umudike, Nigeria, West Africa.

[b] Department of Marketing, College of Management Sciences, Michael Okpara University of Industrial Relations and Personnel Management, Agriculture, Umudike, Nigeria, West Africa.

Corresponding Author: JKalu, Alexanda Ogbonna. Department of Marketing, College of Management Sciences, Michael Okpara University of Agriculture, Umudike, Nigeria, West Africa.

Email: macy4marc@gmail.com

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1. Introduction

Oil was firstly discovered in Ondo State rather than Rivers State before independence, but the truth remains that commercial quantity and proper exploration activities onshore was firstly established in the old Rivers State in the year 1956 in Olobiri now Bayelsa State (Eluozo, 2018). Since the discovery and exploitation began, oil revenue has replaced earnings from agriculture which was the main stay of the Nation's economy. Eluozo maintained that before the oil bang, the Nigerian economy was characterized by subsistence activities; micro production, obsolete technology; imperialistic influence; corruption and poor institutions. Noting that barely all the policies of pre and pro oil bang failed to address identified features of the economy. Crude oil is one of the main sources of commercial energy; other sources are electricity and coal. Energy has a major impact on every aspect of the state's economy, and it is significant in the economic growth of any country, especially in transportation and manufacturing (Olujobi, et al., 2022).

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

firms, they have a positive impact on economic growth, particularly when it comes to employment and income redistribution (Farouk & Saleh, 2011). It has been established that it is through the growth of LNG firms' that some employees made redundant by large firms have been absorbed back into the workforce, thereby creating multiplier effect in the general economy. Employment provides income to regions which stimulate local economic activity; and as a result, drives wealth and further employment generations (Walker & Webster, 2014). These contributions and activities of the oil and gas downstream sector were designed with strategies which allowed them to compete with the large scale enterprises in the face of global and domestic competitions.

Therefore, oil and gas companies need to be in business for more than just maximizing short-term profits if they hope to compete and survive both locally and worldwide. Instead, it is necessary to develop competitive strategies while also considering how these tactics will ultimately affect the company's ability to build and maintain a competitive edge over time (Walker & Webster, 2014). According to Al-Debel and Davidson (2017), competitive strategies are business and marketing plans created by an entity to establish and seize values in a target market in comparison to rivals. Cost leadership, differentiation, market focus, and strategic partnership strategies are these competitive tactics (Porter, 2012).

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

2. Objectives of the study

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

i. Analyze the effect of low cost strategy on the cost advantage of the selected LNG plants in the study area.

ii. Ascertain the effect of market focus strategy on the sales volume of the selected LNG plants in the study area.

3. RESEARCH QUESTIONS

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

i. How does low cost strategy affect cost advantage of the selected LNG plants in the study area?

ii. What is the effect of market focus on sales volume of the selected LNG plants in the study area?

4. HYPOTHESES OF THE STUDY

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

Ho1: Low cost strategy has no significant effect on cost advantage of the selected LNG plants in the study area.

Ho2: Market focus has no significant effect on sales volume of the selected LNG plants in the study area.

5. REVIEW OF RELATED LITERATURE

Competitive strategies defined

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

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

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of a cohesive plan to obtain a favorable competitive position in an industry; the primary arena in which competition happens (Porter, 1980; 2012). Thus, competitive strategy seeks to develop and maintain a profitable position against the forces that drive industry rivalry.

Cost leadership strategy

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

Cost leadership strategy fosters customer loyalty and can be implemented if the organization outsources, particularly in areas of the enterprise value chain where the SME does not have a cost advantage (Shepherd, Saloner, & Pondolyn, 2014). Based on the above research, some main components of a cost-leadership strategy based on the unique characteristics of SMEs can be explained. Given their ability to gain and maintain marketing performance and a competitive edge in the face of huge (oligopolistic) enterprises, this will aid in the research and practice of cost leadership.

Market Focus

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

Successful focus enterprises are those that can customize a wide variety of product development strengths to a very small market niche that they understand extremely well. Furthermore, it may be quite simple for a broad-market cost leader to modify its product in order to compete directly. Minor differentiation helps mitigate some of the risks associated with focus strategies, such as imitation and changes in target market segments. This will make it easier for firms to implement focus strategies and serve sub-segments more effectively (Ghemawat, 2010). Small-scale firms use the focus strategy to target specific market segments.

SMEs Performance and Impact on the Nigerian Economy

The number of Nigerian SMEs and their economic impact are comparable to that of other developing and developed countries (Abiodun & Harry, 2015). Nigerian SMEs contribute significantly to economic development, notably in the manufacturing sector (Oyeyinka, 2010). According to studies conducted by the Federal Office of Statistics (2012), 97% of all enterprises in Nigeria employ fewer than 100 people, accounting for 50% of total employment and 50% of industrial output (Frimpong, 2013).A survey conducted by the Federal Bureau of Statistics (FBS) across the 36 states of the federation and the Federal Capital Territory (FCT) analyzed by the Minister of Trade and Commerce, Olusegun Aganga, shows that there was a total of 17.28 billion SMEs in the country out of which 17.26 million are micro enterprises valued at less than N5 million (This Day Newspaper, July 20; 2012; NBS, 2012).

6. THEORETICAL FRAMEWORK

For the purpose of this study, porter's five force model was adopted as the theoretical underpin for this study.

Porters Five Forces Model (Porter, 1980)

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

EMPIRICAL REVIEW

Tiemo (2012) examined the existing strategies of small and medium sized enterprises in Nigeria in order to know if they adopt more of unconscious action or deliberately planned patterned behaviour among 72 SMEs in Delta state, Nigeria. The author used chi-square to study the relationships. Empirical findings noted that the SME sector is the main driving force behind job creation, poverty reduction, wealth creation, income distribution and reduction in income disparities. Also, most of the government interventions failed to create a much needed transformation due to poor coordination and monitoring and policy inconsistencies.

Akande (2012) used chi-square and ANOVA to examine the influence of strategic management skills on SMEs in Nigeria applying questionnaires among 240 block making enterprises. His finding agrees with that of Oyedijo, (2012) that organizational strategies are highly positively correlated with performance in the sampled SMEs. This study gives additional evidence to Miles and Snow‟s model of strategic choices in the small

business context. However, it is important to state that the study is limited to only one industry, which reduces the potential to derive generalizable conclusions as the study was limited to the strategic entrepreneurial skills needed for better performance of SMEs operating in Oyo and Osun, Nigeria. It was concluded that strategic management skill is a new concept in the country that requires much attention.

Afande, F. O. (2015), carried out a study on Competitive Strategies and firms Performance in the Mobile Telecommunication Service Industry, a study of Safaricon in Kenya". The study adopted stratified sampling method correlation and simple regression models were adopted for data analysis collected through a well-structured questionnaire. The study found out the strategies adopted by Safaricom was combination strategies, were all the three strategies were adopted at the same time. This led to the competitive synergy in the form of total revenue growth, total assets growth, net income growth, market share growth and over-all performance growth. The competitive strategies combined in the course of the firm's business include cost-leadership, differentiation and strategic alliance. These were directed toward vigorous pursuit of cost reduction, providing outstanding customer service, intensive supervision of front-line personnel, improving operational efficiency, among others.

7. METHODOLOGY

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

8. MODEL SPECIFICATION

The explicit model was specified thus:

Simple Regression Model

$Y = \beta_0 + \beta_1 + ei$ (Explicit Model)

Where:

Y = Dependent Variable

X = Independent Variable

β_0 = Intercept

β_1 = Slope

e = Error Term

The Implicit Models were specified as follows:

Objective and Hypothesis One

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

Where:

LC = Low Cost Strategy

CA = Cost Advantage

β_0 = Intercept

β_1 = Slope

ei = Error Term

Objective and Hypothesis Two

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

Where:

MF = Market Focus

CP = Customer Patronage

β_0 = Intercept

β_1 = Slope

ei = Error Term

9. RESULTS AND FINDING

QUESTIONNAIRE ADMINISTRATION

This section captured the presentation of the data about the questionnaire administered to the respondents and the relative response rates. This was presented in Table 4.1.

Table 4.1: Response Rate of Respondents to the Questionnaire

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

Source: Field Survey, 2024

Table 4.1 indicates that out of the 250 copies of questionnaire distributed, 232 (92.8%) was collected; while 18(7.2%) were not collected. The 232 (92%) copies collected was adopted as the study sample survey.

10. RELIABILITY OF RESEARCH INSTRUMENT

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

$\propto = (N^* \bar{C})/(\bar{V}+(N-1)^* \bar{C})$

Where:

N = Number of Items.

$\bar{C}$ = Average co-variance between pairs.

$\bar{V}$ = Average Variance.

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

Table 10.2a: Pre-test results of Crombach Alpha Reliability Test

Crombach Alpha	No. of Items
.74	10

At 95 confidence level (5% significant level)

Source: Researcher, 2024

Table 10.2b: Post-test results of Cronbach Alpha Reliability Test

Cronbach Alpha	No. of Items
.74	10

At 95 confidence level (5% significant level)
Source: Researcher, 2024

Table 10.2a and 4.2b indicates that the results of our test-retest of 0.74 and 0.76 which were above 0.70 (as the bench mark, criterion). We therefore accepted the research instrument as reliable for data collection for the study.

11. ANALYSIS OF RESEARCH OBJECTIVES

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

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

The analysis of the effect of cost-leadership competitive strategy on the cost advantage of the selected LNG Plants in Abia and Imo States, Nigeria are presented in Table 4.3.

Table 11.3 captured the analysis of the effect of low-cost competitive strategies on the cost-advantage of the selected LNG Plants in the study area. The components of the effect of low-cost on cost advantage were analyzed with a mean criterion of 3.0. The four (4) items statement on the effect of low-cost on the cost advantage of the selected LNG Plants was accepted by the researcher. This was arrived based on the fact that their respective mean scores were greater than the mean criterion. All the respondents recorded a mean score 3.9. Respondents on the effect of low-cost on the cost advantage of the selected LNG Plants had a mean score of 3.9, and were therefore accepted. Respondents on the effect of timely product procurement on cost advantage of the selected LNG Plants had a mean sore of 3.9 and were also accepted. Furthermore, respondents on the effect of collaborative buyer-seller relationship on cost advantage had a mean score of 3.9 and were also accepted. Finally, respondents on the effect of subcontracting on cost advantage had a mean score of 3.9 and were also accepted. This implies that low-cost strategy had positive effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria.

11..2 Objective Two: Effect of market focus on sales volume of the selected LNG Plants in Abia and Imo States, Nigeria

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

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

HYPOTHESIS TESTING

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

11..1 Hypothesis One

Ho1: The first hypothesis was stated thus: Low-cost strategy has no significant effect on the cost advantage of the selected LNG plants in Abia and Enugu States, Nigeria.

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

The model summary result in Table 4.5 provides useful information about the regression analysis for the first hypothesis. First, the "simple r" column is the co-efficient of correlation between the actually observed independent variable and the predicted variable (that is predicted by the regression equation). r2 is the square of "r" and is also known as the "coefficient of determination"; it states the proportion (percentage) of the (simple) variation in the dependent variable that can be attributed to the independent variables. The correlation coefficient (r) value of 0.975 indicates the existence of strong and positive relationship between low-cost strategy and cost-advantage. The co-efficient of determination (r2) value of 0.951 explains the proportion of variation in cost advantage that are attributed to low-cost strategies like out-sourcing, penetration pricing etc. This value of 0.951 shows that low-cost strategy is a good predictor of cost-advantage. But r2 often overstates the true value of explanations

due to the unadjusted degrees of freedom and to eliminate such, the adjusted r2 value of 0.914 shows the actual variations in the cost-advantage attributed to low-cost strategy. The "standard error of estimate" indicates that, on average, observed cost-advantage deviate from the predicted regression line by a score of 0.488. The value of the intercept and the degree of variation between low-cost and cost-advantage were presented in table 4.17, showing the coefficient of regression results of the effect of low-cost and cost advantage.

The value of the intercept (βo), in Table 4.6 indicates that the value of cost advantage when all the explanatory variables are to zero is -1.812. Specifically, one percent (1%) improvement in low-cost strategies increases the level of cost advantage at 63.8%. considering the statistical significance, we observed that the sign. value of regression is 0.000, which is lower than the acceptable 0.005 significance. Hence, low-cost strategy is statistically significant in explaining changes in cost advantage. To this end, we rejected hypothesis one which stated that low-cost strategy has no significant effect on cost advantage. And it was revealed that low-cost strategy has significant effect on cost advantage of the selected LNG plants in Abia and Enugu States, Nigeria. This conclusion is similar to the findings of Huebish (2019), that low-cost strategies help LNG plants to adopt cost control and cost reduction techniques in their business. This may have been achieved according to Thompson and Strickland (2003), that the firms' cumulative costs across their value chain activities must have been lower than that of the competitors. This offers them the opportunity to adopt penetration pricing in their target markets. However, further research in the course of the study revealed that only 15.1% of the selected LNG plants adopted this cost leadership strategies.

11.2 Hypothesis Two

The second hypothesis was stated thus:

Ho2: Market focus strategy has no significant effect on the sales volume of the selected LNG plants in the study area.

This hypothesis was tested using simple regression model. And the model summary of the results of the simple regression for the effect of market focus strategy on sales volume was presented in Table 4.7.

The model summary results in Table 4.7 provides useful information about the regression analysis for the second hypothesis. First, the "simple r" column is the coefficient of correlation between the actually observed independent variable and the predicted variable (the one predicted by the regression equation). r2 is the square of "r" and also is known as the "coefficient of determination". It states the proportion (percentage) of the (sample) variation in the dependent variables that can be attributed to the independent variables. The correlation (r) value of 0.938 indicates the existence of strong and positive relationship between market focus strategy and sales volume. The coefficient of determination (r2) value of 0.879 explains the proportion of variation in sales volume that are attributed to market focus strategies. This value of 0.879 shows that market focus is a good predictor of sales volume, but r2 often overstates the true value of explanations due to the unadjusted degrees of freedom and to eliminate such, the adjusted r2 value of 0.518 shows the actual variations in the sales volume attributed t market focus strategies. The "standard error of estimates" indicates that, on average, observed sales volume derived from the predicted regression line by a score of 0.454. The value of the intercept and the degree of variation between market focus and sales volume were presented in Table 4.8; showing the coefficient of regression results of the effect of market focus and sales volume.

The value of the intercept (βo) in Table 4.19 indicates that the value of sales volume, when all the explanatory variables were zero is 1.662. Specifically, one percent (1%) improvement in market focus strategy leads to 78.5% increase in sales volume. Considering the statistical significance, we observed that the sig. value of regression is 0.001, which is lower than the acceptable 0.005 significance. Hence, market focus strategy is statically significant in explaining changes in sales volume at the 5% level of significance. Therefore, we reject hypothesis two (Ho2) which states that market focus has no significant effect on the sales volume of the selected LNG plants in Abia and Imo State. And rather accept the alternate hypothesis that market focus have significant effect on the sales volume of the selected LNG plants in Abia and Imo State. This conclusion is in support of Oyedinjo (2012) that market focus strategies helps small and medium small enterprises to survive in a hostile business environment. Such will increase their sales volume in such garmented industries. And further research on this study revealed that majority of the selected LNG plants adopted this market focus strategy, because of limited resources globalization and stiff competition.

12. DISCUSSION OF FINDINGS

This section captured the discussion of the major findings made from the study. Based on the analysis and empirical results however, the study revealed that the first objective and hypothesis which stated to determine the effect of low-cost strategy on cost advantage and low-cost strategy has no significant effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria, was tested using simple regression at 5% level of significance. The weighted mean score was an average of 3.9 which showed that truly that there exsit relationship between the two variables. The value of the intercept (βo), in Table 4.7 indicated that the value of cost advantage when all the explanatory variables were to zero was -1.812. Specifically, one percent (1%) improvement in low-cost strategies increased the level of cost advantage at 63.8%. Considering the statistical significance, we observed that the sig. value of regression is 0.000, which was lower than the acceptable 0.005 significance. Hence, low-cost strategy

was statistically significant in explaining changes in cost finance. To this end, one rejected hypothesis one which stated that cost-leadership has no significant effect on cost advantage. And it was revealed that cost-leadership strategies has significant effect on cost advantage of the selected LNG plants in Abia and Imo States, Nigeria. Therefore, we accepted the alternate that low-cost strategy has significant effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria. This conclusion is similar to the findings of Huebish (2019), that cost-leadership strategies help SMEs to adopt cost control and cost reduction techniques in their business. This offers them the opportunity to adopt penetration pricing in their target markets. However, further research in the course of the study revealed that only 15.1% of the selected LNG plants adopted this cost leadership strategies.

The second objectives and hypothesis was stated effect of market focus on sales volume and market focus has no significant effect on the sales volume of the selected LNG plants in the study area. The analysis showed a mean score of 3.8 which showed positive relationship between the two variables. The value of the intercept (βo) in Table 4.8 indicated that the value of sales volume, when all the explanatory variables were zero was 1.662. Specifically, one percent (1%) improvement in market focus strategies led to 78.5% increase in sales volume. Considering the statistical significance, we observed that the sig. value of regression was 0.001, which was lower than the acceptable 0.005 significance. Hence, market focus strategy was statically significant in explaining changes in sales volume at the 5% level of significance. Therefore, we rejected hypothesis two (Ho2) which states that market focus has no significant effect on the sales volume of the selected LNG plants in Abia and Imo States, Nigeria. And rather accepted the alternate hypothesis that market focus have significant effect on the sales volume of the selected LNG plants in Abia and Imo State. This conclusion is in support of Oyidinjpo (2012) that market focus strategies helps small and medium scale enterprises to survive in a hostile business environment. Such will increase their sales volume in such fragmented industries. Further research on this study however, revealed that majority of the selected LNG plants adopted this market focus strategy because of limited resources, globalization and stiff competition. And the success recorded may have been from i). lower costs in serving the market niche and, or ii). The ability to offer the niche customers something they perceive was better suited to their own unique tastes and preferences in the market segment notwithstanding the similar nature of LNG.

13. SUMMARY OF FINDINGS AND CONCLUSION FINDINGS

The objective of the study showed that low-cost strategy is vital towards attainment of cost advantage in the oil and gas downstream sector. The study revealed that low-cost as a competitive strategy has significant effect on the cost advantage of the selected LNG plants in Abia and Imo States, Nigeria.

We also found out that from the objective two, being market focused improves the firm's sales volume. Hence, market focus strategy has significant effect on the sales volume of the selected LNG plants in Abia and Imo State.

The following conclusions were made based on findings.

That majority of the selected LNG plants in Abia and Imo States adopted low-cost strategy in their various businesses. This helped them to pursue cost control and cost reduction techniques which gave them the cost advantage to sell their products at lower prices.

Some of the selected LNG plants in the study area adopted market focus by concentrating their limited resources to small customer group they can control. This led to increase in their sales volume over time. By implication, firms in the downstream oil and gas sector can improve on their sales volume by being market focused.

14. RECOMMENDATIONS

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

i. The selected LNG plants in Abia and Imo States should adopt cost control and cost reduction techniques; especially by the use of outsourcing, subcontracting, and buyer-seller relationship businesses;

ii. There is also the need to adopt market focus strategies by focusing on specific group of customers in a particular market segment.

15. LIMITATION/SUGGESTIONS FOR FURTHER STUDIES

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

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

Table 4.3: Analysis of the effect of low cost on the cost advantage of the selected LNG Plants in Abia and Imo States, Nigeria

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

Source: Field Survey, 2024
Key:
($\bar{x}$)=Mean

Table 4.4: Analysis of the Effect of Market Focus Strategy on the Sales Volume of the Selected LNG Plants in Abia and Enugu States, Nigeria

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

Source: Field Survey, 2024
Key:
($\bar{x}$)=Mean

Table 4.5: Model Summary of the Simple Regression Results for Cost-Advantage

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

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

Table 4.6: Co-efficient of Regression Results of the Effect of Low-Cost Strategy and Cost Advantage

Model	Unstandardized Coefficient		Standardised co-efficient	T	Sig
	B	Std Error	Better		
1 constant	-1.812	.710	0.77	26.001	000
Cost-leadership strategies	638	.0.50	.044	214.545	000

a.Dependent Variable: Cost advantage

Table 4.7: Model Summary Results of the Simple Regression of Market Focus on Sales Volume

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

a.: Predictor (Constant), Market Focus
b.: Dependent variable: Sales Volume

Table 4.8: Coefficient of Regression Results of the effect of Market Focus on Sales Volume

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

a.Dependent Variable: Sales Volume

competitive strategies in other small scale enterprises. Such will help in the growth and survival of these SMEs; especially now unemployment is ravaging the Nigerian citizens.

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