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## Relationship Creation among International Private Enterprises: The Case of Nigeria and Asia

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### ABSTRACT

In this study, the dynamics in relationship creation by medium scale businesses in Nigeria and Asia was examined. Both statistical and econometric tools were employed to determine the extent and pattern of this relationship. The research revealed a number of important general findings in each of the broad areas of business-customer strategy and internationalization being investigated, but also identified a number of interesting differences in response between Nigerian-owned and Asian-owned firms operating in Nigeria. It appears that private small enterprises' international relation is not a one-off autonomous action but a real process, permanently calling upon external resources.

**Keywords:** Private Enterprise, Business Relationship Creation, Small and Medium Enterprises (SMEs).

### Introduction

The rapid pace of economic globalization has opened up new vistas for strategic businesses creation and growth opportunities that are far-reaching. In this dimension, small businesses in Nigeria can no longer afford to ignore the challenge of international commerce (Rowden, 2001). The question many small business owners asked often includes: "Do I export my product, or not?" in current business strategy development the question has now become, "If I don't expand my operations internationally, is there really survival potential for my business?" Researchers observe that small businesses have three major incentives to consider creating relationships with foreign counterparts and internationalizing (Simon, 1998; Karagozoglu and Lindell, 1998): (1) domestic markets are becoming saturated, and continued growth will require identifying new markets; (2) foreign competitors are entering domestic markets and out-competing local businesses; and (3) as production costs continue to escalate, local companies can create a competitive advantage by securing cheaper (and better) production facilities overseas.

Business relationship creation means the start of a dialogue with a customer who later on is converted into enterprise's profit and finally it means enterprise survival in a strong competitive market. Relationships are the fuel that feed the success of any business. It is very necessary to

***Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia***

*Ogboru Justinah and Edafe Joel*

recognize that all successful small businesses, regardless of what they do, whether producing goods for buyers, or offering services to customers, have one thing in common; **their owners know how to build and maintain relationships**. The truth however is that Nigerian entrepreneurs, too often get caught up in the details of the kind of products or service they are offering to notice how critical it is to build relationships, not just with customers, but also with vendor, employees, and even with your competitors. Without strong relationship, it is impossible to have success in your business.

It is of great benefit to Nigerian small and medium scale enterprises (SMEs) to know that business relationship creation is everything related to customer satisfaction. They will be able to know the actions needed to kick start the creation of business relationship. They will also have a vivid idea of what they are offering to the customer, how, where, and when they offer the goods or services and at what price.

Relationship Creation amongst international private enterprises is not as smooth as it is expected between Nigerian and Asian Businessmen. This is because the process is subverted by the problems bedeviling most developing nations. This study was designed to explore the reasons why business processes and orientation to customers are not knowledge based. Knowledge based activities to create relationship is done by analyzing customer information. This is possible only after processing customer and other relevant data to arrive at the motivation to fine, attract, and keep customers. The problem is that small and medium scale enterprises are often not customer oriented and customers are consequently not loyal to the enterprises, the end results being recharged business growth and profitability.

The technical aspects involved with the managerial applications by SMEs for a successful and sustainable relationship creation that can endure over time demands that a proper study of this nature is undertaken. As not much as has been done in this area in Nigerian it is simply inevitable to undertake a study of relationship creations. This will have a positive effect on Nigerian Small and Medium Scale Businesses. This study therefore aims at appraising the level of relationship creation amongst international private enterprises orientation of Small and Medium Scale Enterprises (SMEs) in Nigeria and some Asian countries.

### **Literature**

Relationship-based strategies are perceived as effective options used by small and medium size enterprises (SMEs) to compete in today's market (Carson *et al*, 2004). In comparison with big companies SMEs need to

implement marketing actions with a minor cost (Metallo, *et al* 2007, Baraldi, 2008). They usually cannot afford typical mass marketing campaigns (i.e. TV advertisements). Thus, keeping and enhancing relationships with customers and suppliers is suggested for SMEs as a way of overcoming their resource constraints (Hakanson and Snehota, 1995). There is clear evidence that SMEs build relationship and network structures with various stakeholders (Bryson *et al*, 1993; and Carson *et al*, 2004). Small firms implement business relationships to a higher degree than large firms, but the processes of developing relationships are less formalized and more personal in nature.

As (Szarka, 1990) shows, one of the most important facets of business relationships refers to the relationship as a problem. Surprisingly, there is a strong tendency both in the literature and among some managers to regard relationships in some general way as a "good thing" and there is also a common belief that all companies should work towards ever "closer", more "mutual" or trusting "partnerships". Some general axioms of relationship-based business strategies have been accused of being over-conceptualized and underdeveloped empirically (Kinunda-Rutashobya, 2002). This paper contributes to business relationships theory by considering SMEs relationship creation in Nigeria and some Asian countries.

### **Small-Business Stage Model**

Rowden (2001) adapted a model on how a small business goes international and showed that some small companies take an incremental approach where they begin as passive exporters, filling international orders but not actively seeking international sales. Later, the company may add an export department or an international division with a more proactive approach to international sales. Joint ventures and other forms of direct investment follow. This probably applies to the majority of small business efforts at internationalization. The typical stages of internationalization for a small business include (Dollinger, 1995):

1. **Stage 1—Passive Exporting:** The company fills international orders but does not seek export business. At this stage, many small business owners do not realize that they have an international market.
2. **Stage 2—Export Management:** The owner or a specific manager specifically seeks export sales. Because of resource limitations, most small businesses at this stage rely on the indirect channel of exporting. However, this stage is often a major change in orientation for the small business manager. Exporting is seen as an opportunity for new business.

***Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia***

*Ogboru Justinah and Edafe Joel*

3. **Stage 3—Export Department:** The company uses significant resources to seek increased sales from exporting. Managers no longer see exporting as a prohibitive risk. The key for most small businesses is finding a good local partner for distribution.
4. **Stage 4—Sales Branches:** When demand for the company's product is high in a country or region, it justifies setting up local sales offices. Small businesses must have the resources to transfer home managers to expatriate assignments or to hire and train local managers and workers to run these operations.
5. **Stage 5—Production Abroad:** Production moves a company beyond downstream value-chain activities. It allows companies to gain local advantages such as easy local product adaptation or production efficiencies. Companies may use licensing, joint ventures, or direct investments. This is often a very difficult stage for a small business because the cost of a failed direct investment can put the whole company at risk for survival.
6. **Stage 6—The Transnational:** Small size does not preclude a small business from developing a globally integrated network that characterizes the transnational corporation.

Many small and some large companies find the deliberate process of internationalization by stages adequate for their strategic situation. Following the stage model allows companies to minimize their exposure to risk and develop their international expertise gradually. In contrast, other companies have products that often require them to go international immediately or to move rapidly through the internationalization stages (Rowden, 2001).

**Barriers and Opportunities for International Relationship Creation**

As (Ritter *et al*, 2004) argue: all relationships will have a mixture of both barriers and opportunities which may come in the form of positive and negative dependencies containing cooperative, competitive and conflictual elements. The potential dysfunctional elements of maintaining relationships with customers, contemporaries and suppliers can be demonstrated in conflict situations which take place within SMEs' relationships (Mitrega, 2009). Conflict usually is considered as a state of disagreement between two parties that should be avoided (Iacobucci and Hubbard, 1999), however, some productive effects of conflict may be also discussed. According to (Massey and Dawes, 2007), we perceive conflict in the conventional sense: it is unhealthy, and associated with dysfunctional behaviors, dissatisfaction, and poor performance of one or

both sides of the relationship. In prior studies influences of some factors on the level of conflict within business relationships were identified (Morgan and Hunt, 1994).

Among these factors the absence of trust and imbalanced power between cooperating parties were found to have significant meaning. If we consider that relationships with some customers or suppliers are for SMEs many times embedded in network context of today's economy (Mitrega, 2009; Ritter *et al*, 2004), then many SMEs may be simply stuck in relationships which are difficult to manage and may even not be profitable in terms of profit-losses balance. One can expect a lot of SMEs' relationships which are constraint-based using the term introduced by (Bendapudi and Berry, 1997).

Other forms of barriers to small businesses international creation especially in the case of Nigeria include infrastructural inadequacy, cultural considerations, dissimilar economic conditions as well as poor management patterns among Nigerian firms (Rowden, 2001; Mitrega, 2009; Anyanwu, 2001; and McOliver and Oshodin, 2002). In his study, Rowden (2001) found some of these barriers and stated that small businesses must develop a global culture, challenge the attitude of key decision makers, gain crucial international experience, and overcome the size barrier. This requires successful entry wedge strategies if the company hopes to have any chance of success. Many will need external support in finding ways to access foreign customers. This article provides information that can help small businesses with this venture.

Finally, Murray (1993) has shown some practical ways of overcoming the barriers in small businesses international relationship creation by noting that the small business should know itself. The other areas he suggested for globally successful businesses where:

- i. Exceptional demand for a product, and a demonstrated international market.
- ii. Decline in domestic sales of product after more technically advanced competitors have been introduced (less developed countries may not need or may be unable to afford state-of the-art products).
- iii. A unique product that is difficult to duplicate abroad.
- iv. Secure capitalization, operations, and management to sustain an international venture.
- v. Strong relationships with creditors.
- vi. The ability to expand staff and facilities if necessary.

***Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia***

*Ogboru Justinah and Edafe Joel*

- vii. An understanding of global markets and the willingness to devote the necessary time and resources to a new venture.
- viii. Commitment from senior management to provide resources and direction.
- ix. Personnel experienced and trained in international business.

**Research Methodology**

***Population and Sample***

According to Ary and Jacobs, 1976 (in Atijosan 2003), population refers to an entire group of people, objects or events all having one characteristics in common. It is therefore a theoretically specified aggregation of survey element. The population of this study is all small and medium scale enterprises in Nigerian and Asian countries. The random sampling technique is adopted in the administration of the structured and validated questionnaires. The sample population is forty (40) small and medium scale enterprises from Nigerian and Asian countries.

***Method of Data Gathering and Analysis***

This study adopts the survey method to allow broad coverage. The data for this study were obtained from both primary and secondary sources. The primary sources include information extracted from oral interviews, personal observations from study area visitations as well as information from the sampled respondents as filled in the major research instrument (the structured and validated questionnaire). The secondary data was obtained from textbooks, journals, periodicals (from the company e.g. bulletins, handbooks, etc), internet and other relevant published materials. The data obtained from the study shall be analyzed using simple statistics and charts as well as econometric methodology of correlation analysis. This is better suited for the analysis since the results to be obtained from the questionnaire are qualitative in nature and we are interested in determining the relationships that exists between the factors in the study.

***Measurement of Variables***

The level of awareness and involvement in International Relationship Creation is adopted in this study as the main factor of study while the following shall be considered as the factors that determine the relationship creation variable:

- a. The degree to which Nigerian and Asian countries' small and medium scale enterprises imbibe the idea and application of customers' knowledge.

- b. The extent to which the enactment of good, effective and enabling laws to aids the creation of business relationship.
- c. The extent to which the development of good infrastructure encourages the creating of business relationship.
- d. The degree of discouraging indolence of business operators.
- e. The extent of discouraging extravagance and ostentatious consumption amongst small and medium scale businesses.
- f. The degree of discouraging bad business ethics of small and medium scale business operators.
- g. The level of direct financial assistance to small and medium scale enterprises.

**Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia**

Ogboru Justinah and Edafe Joel

**Table 1: Variable Measurements**

Variable Level	Operationalization	Measurement	Item number in Questionnaire
1. To know if Nigerian and Asian Business men understand the meaning of customer knowledge	Nigerian small and medium scale business men understand the meaning of customer knowledge	Likert	1
	Asian small and medium scale business men understand the meaning of customer knowledge	Likert	2
2. To know if Nigerian and Asian Small and Medium scale business man apply customer knowledge	Nigerian Small and Medium Scale business man apply customer knowledge	Likert	3
	Asian Small and medium Scale Business man apply customer knowledge	Likert	4
3. To Determine if the enactment of good, effective and enabling laws aid business relationship creation	Good law help in creating business relationship	Likert	5
	Are you aware of any Nigerian Law that enhances international business relationship creation	Close ended question	
4. To know if the provision of good infrastructure helps in creating business relationship	Good network of road transport helps in creating business relationship	Likert	6
	Good Air transportation helps in creating business relationship	Likert	7
	Good water transportation helps in creating business relationship	Likert	8
	Adequate communication helps in creating business relationship	Likert	9
	Regular and reliable power helps to create business relationship	Likert	10
	Provision of safe adequate water aid the creation of business relationship	Likert	11
5. To determine the extent to which indolence, extravagances and conspicuous consumption subverts business relationship creation	Indolence discourages business relationship creation	Likert	12
	Ostentation consumption subverts business relationship creation	Likert	13
	Extravagances subverts business relationship creation	Likert	14
6. To know the extent to which bad business ethics discourages the creation business relationship	Negative business ethics subverts business relationship creation	Likert	15
	Are you aware of any negative business ethics that subverts business relationship creation	Close ended	
7. To determine the extent to which financial assistances helps in creating good business relationship	Financial assistance to small and medium scale business men helps to create business relationship	Likert	16
	Have you received any form of financial assistance	Close ended	



**Data Analysis*****Background Information***

We begin the business strategy analysis by looking at the basic characteristics of the sample in terms of the nature of the enterprises. These characteristics are presented in table 2 below. All the enterprises in the sample are regarded as medium scale because of their turnover and general size of operations. In the same vein, the respondents in the sample are either owners or managers. Twelve owners were interviewed for the Nigerian firms while ten were interviewed for the Asian enterprises. Most of the enterprises in the study are in less than 20 years in existence with the Asian firms having more that are less than ten years in existence. Two of the Asian firms have turnover of over N400 million per annum. It also appears that the Asian enterprises are larger than their Nigerian counterparts based on the sample. Most of the firms however have turnover of N100 million or less. In the same vein, most of the firms have less than five years of international experience, although the Asian firms have more years of this experience than the Nigerian groups. Some firms in both categories actually possess over 10 years of international participation experience. The average ratio of international market in the domestic activities in terms of the turnover of the firms indicates that a large number of the firms have a ratio of 49 percent or less. One Asian firm actually has over 70 percent of its turnover in terms of international participation.

Further interview showed that the international relations could be in form of export drive or import sourcing. Almost all of the enterprises agreed that there was foreign demand for their products. Most of the Asian companies have international bases for their enterprises because most of them are subsidiaries of the parent companies in foreign countries. However, close to half of the Nigerian enterprises agreed that there were foreign bases for their respective enterprises.

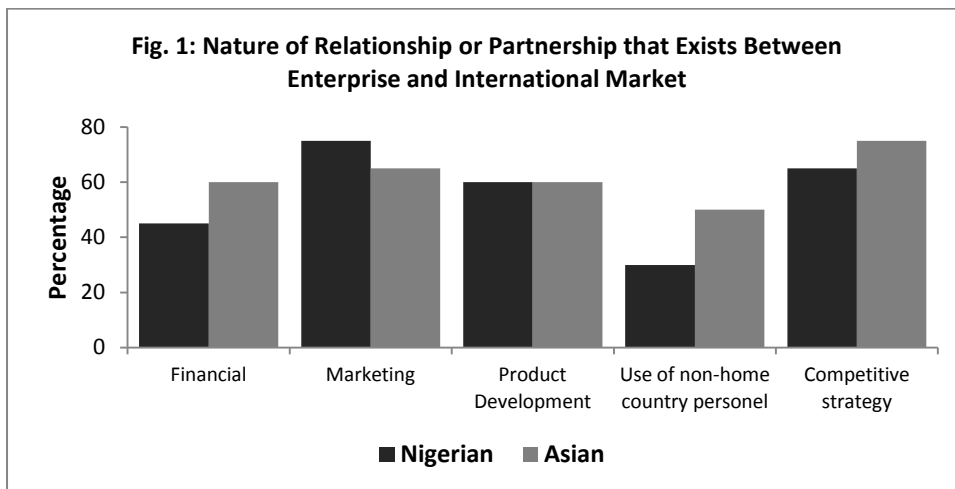
***Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia***

*Ogboru Justinah and Edafe Joel*

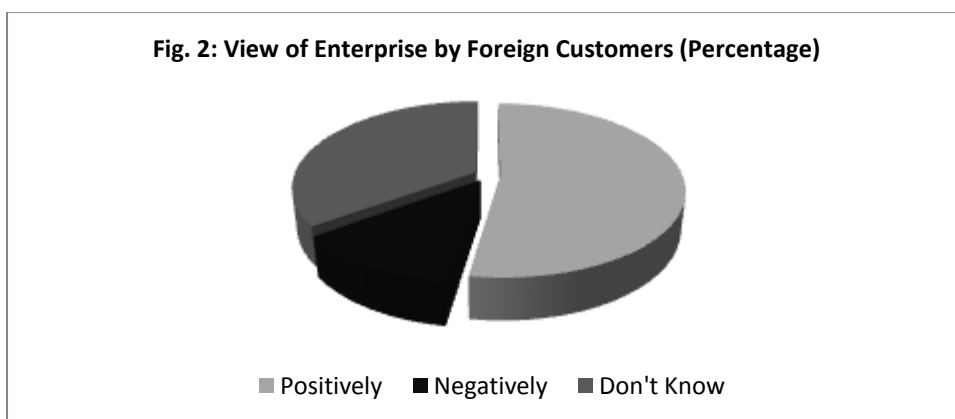
**Table 2: Characteristics of the Sample**

<b>Characteristic</b>	<b>Nigerian</b>	<b>Asian</b>
<b>Business Structure</b>		
Small	0	0
Medium	20	20
<b>Period of establishment</b>		
Less than 10 years	6	9
10–20 years	11	8
More than 20 years	3	3
<b>Size of firm (turnover in Nm)</b>		
Up to 100	14	9
101–199	2	5
200–400	4	4
More than 400	0	2
<b>International experience</b>		
Less than 5 years	15	7
5–10 years	2	9
More than 10 years	3	4
<b>Average ratio of international market (% of turnover)</b>		
Less than 20	10	6
20–49	9	7
50–69	1	6
Over 70	0	1

In terms of the nature of relationship between the enterprise and the foreign sector, figure 1 shows that more Asian firms derive financial support from the foreign relationship than the Nigerian firms. This is perhaps due to the fact that the Asian firms mostly have foreign mother companies. However, more of the Nigerian enterprises are involved in the international market in terms of marketing than the Asian firms do. Indeed, since most of the firms are involved in export processing (especially in the oil sector), this is to be expected. In the same vein, both enterprise categories have same proportion of product development interest in the international arena. This product development strategy includes, in particular, import sourcing in the areas of raw materials capital formation and capacity building. In the use of non-home country personnel, the Asian firms have a higher proportion; indeed, many employees in these enterprises are actually foreigners from the source countries. More Asian firms have competitive advantage as their motive for international participation than the Nigerian firms.



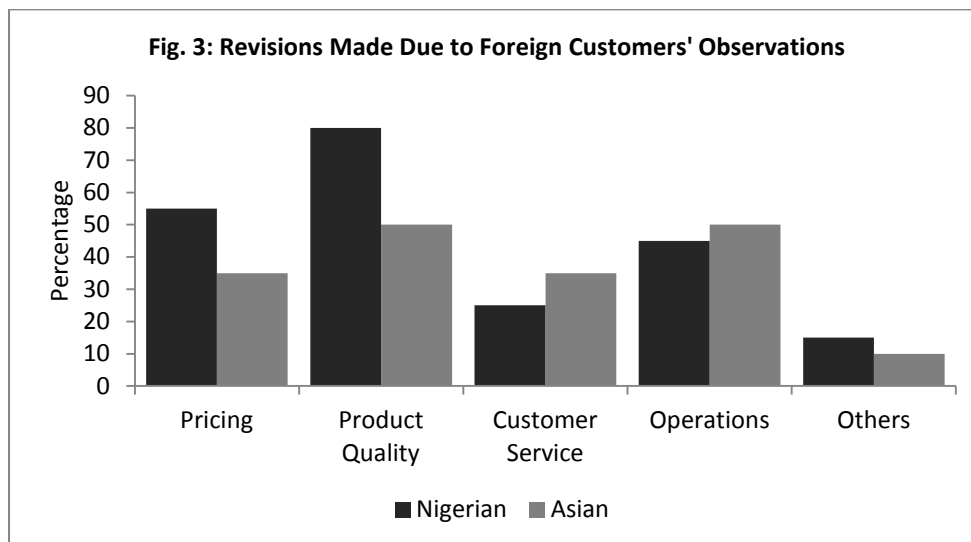
The nature of foreign customer relationship with the enterprises is reported in the next three questions in the questionnaire. Though many of the firms claim that foreign customers view them in a positive light, some of them are not actually sure about the orientation of customers towards them. This result is shown in figure 2 below.



Only 44.5 percent of the enterprises agreed that they have made any major revisions in their activities due to foreign customers’ observations. This reveals the low level of customers’ relations that these enterprises have with the foreign customers. The areas of revisions that have been made due to the customers’ observations include pricing, product quality, customer service, operations and branding (as highlighted by some of the enterprises). Basically, it is the Nigerian enterprise that mostly reviewed their pricing policy and product quality to suit foreign demand. Apparently, these revisions have to be made when these firms decided to enter the international market. As shown in figure 3 below, the Asian enterprises adjusted their customer service patterns as well as operations more in response to the observations from foreign customers.

**Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia**

Ogboru Justinah and Edafe Joel



### Empirical Analysis

In this section, we use both statistical and econometric techniques to analyze the data derived from the responses of the questionnaire. In this empirical analysis, business relationship creation is classified as international demand for products (question 8), possession of international base (question 10), ratio of international market in enterprise (or international penetration – question 12) and more importantly, international customer involvement (questions 15 and 16). In these questions, the positive scales are allocated to responses in terms of their strength. For instance, yes is allocated “1” while no is allocated “0”. Based on these coding, the econometric methodology of correlation matrix is employed in the empirical analysis. Based on these analyses, the hypotheses of the study will be tested.

**Hypothesis One:** Improper customer orientation does not subvert business relation creation.

Improper customer orientation is considered as questions 18 and 19 in the questionnaire. The responses of each of the respondents are used as the data for the estimation. The correlation table for the relationship between customer orientation and business relation creation is presented in table 3 below. In the result, we focus on the pair-wise correlations of the other questions with questions 18 and 19 in the analysis. The result shows that a positive and significant relationship exists between possession of international base and understanding of customer knowledge. This implies that enterprises that understand customer relations in the international arena tend to possess international bases. The other significant relationship is between understanding of customer

relations and application of knowledge. This relationship is positive, implying that the more knowledge of customer orientation a small firm has the better they apply such knowledge. Moreover, four of the relationship creation factors are also positively correlated with customer orientation. Based on the result of these analyses, we reject the null hypothesis. This indicates that improper customer orientation may actually subvert business relation creation.

**Table 3: Customer Orientation and Business Relations Creation**

Question	Q8	Q10	Q12	Q15	Q16	Q18
Q10	0.577** (0.000)					
Q12	0.172 (0.289)	0.380* (0.016)				
Q15	0.130 (0.424)	-0.093 (0.569)	-0.448** (0.004)			
Q16	-0.169 (0.297)	-0.230 (0.153)	0.182 (0.260)	-0.147 (0.366)		
Q18	-0.214 (0.185)	0.359* (0.023)	0.055 (0.735)	0.180 (0.026)	0.064 (0.697)	
Q19	0.251 (0.018)	0.235 (0.045)	-0.129 (0.429)	0.048 (0.768)	-0.066 (0.686)	0.448** (0.004)

**Probabilities are shown in bracket below each coefficient.**

**\* indicates significance at 5 percent and \*\* indicates significance at 1 percent.**

**Hypothesis Two:** Poor work ethics has no impact on business relationship creation.

In this hypothesis, poor business ethics are collapsed from questions 26 to 29. The average responses are taken to represent the respondents' volition about poor business ethics. The result of the correlation analysis is presented in table 4 below. In the results, poor work ethics has negative correlation with all the relationship creation factors and three of them are significant. This goes to show that poor work ethics actually have a negative effect on relationship creation; poor work ethics tend to weaken international relationship creation by small and medium scale enterprises.

**Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia**

Ogboru Justinah and Edafe Joel

**Table 4: Work Ethics and Relationship Creation**

Factor	Q8	Q10	Q12	Q15	Q16
Q10	0.577 (0.000)				
Q12	0.172 (0.289)	0.380 (0.016)			
Q15	0.130 (0.424)	-0.093 (0.569)	-0.448 (0.004)		
Q16	-0.169 (0.297)	-0.230 (0.153)	0.182 (0.260)	-0.147 (0.366)	
POOR_BIZ_ETICS	-0.086 (0.597)	-0.267 (0.036)	-0.270 (0.020)	-0.439 (0.005)	-0.209 (0.196)

**Probabilities are shown in bracket below each coefficient.**

**\* indicates significance at 5 percent and \*\* indicates significance at 1 percent.**

**Hypothesis Three:** Good, effective enabling laws do not contribute to business relationship creation.

In testing this hypothesis, the questions that relate to law concerning internationalization of small firms are used. In this direction, questions 20 and 21 are used in the analysis. The effects of enabling laws are categorized into the knowledge of the laws and the goodness of the laws. In the correlation results presented in table 5, knowledge of laws seems to have effect only on the setting up of foreign base by the enterprises, while the good laws themselves has a significant positive correlation with revision of activities due to foreign customers' observations. It is clear here that enabling laws do help in mitigating the costs of adjustment of the enterprises to internationally acceptable standards. These results show that good and effective laws have a rather mundane contribution to business relationship creation.

**Table 5: Enabling Laws and Relationship Creation**

Factor	Q8	Q10	Q12	Q15	Q16	LAW_KNL
LAW_KNL	-0.086 (0.59)	0.340 (0.03)	0.187 (0.24)	-0.150 (0.35)	0.182 (0.25)	
GOOD_LAWS	0.145 (0.36)	0.073 (0.65)	0.079 (0.62)	-0.004 (0.98)	0.212 (0.01)	0.123 (0.44)

**Probabilities are shown in bracket below each coefficient.**

**\* indicates significance at 5 percent and \*\* indicates significance at 1 percent.**

**Hypothesis Four:** Good infrastructure does not contribute to business relationship creation.

Questions 22 to 25 in the questionnaire relate to infrastructural development as it affects international relationship creation in privately owned small and medium enterprises in Nigeria; the infrastructural facilities are all grouped into a single vector by taking the average of the responses on each of the questions. The result of the relationship between infrastructural development and relationship creation by the enterprises is presented in table 6 below. In the result, all the correlation coefficients are positive and almost all pass the 5 percent significance test. This implies that good infrastructure has a very strong relationship with the business relations creation of small and medium scale enterprises in Nigeria; the higher the infrastructural level, the better the integration of these enterprises.

**Table 6: Infrastructure and Relationship Creation**

Factor	Q8	Q10	Q12	Q15	Q16
Infrastructure	0.102	0.286	0.442	0.448	0.446
	(0.031)*	(0.073)	(0.004)**	(0.004)**	(0.004)**

**Probabilities are shown in bracket below each coefficient.**

**\* indicates significance at 5 percent and \*\* indicates significance at 1 percent.**

**Hypothesis Five:** Customer knowledge does not help in creating business relationship.

In questions question 15, the issue of customer knowledge is addressed. Thus, the question is used to test hypothesis five in this study. The result of the analysis is shown in table 7 below. In the result, only the revision of laws has a relationship (positive) with knowledge of customers. This implies that the enterprises that have better of the customers will have the effective instruments to adjust to such foreign demands. All the other business relation creation factors fail the 5 percent significance test. Thus, we can say that customer knowledge has a rather weak effect on international business relations creation by small and medium enterprises in Nigeria.

**Table 7: Customer Knowledge and Relationship Creation**

Probability	Q8	Q10	Q12	Q16
CUST_KNWL	0.124	0.088	0.260	0.454
	(0.444)	(0.589)	(0.105)	(0.003)**

**Probabilities are shown in bracket below each coefficient.**

**\* indicates significance at 5 percent and \*\* indicates significance at 1 percent.**

**Conclusion and Recommendation**

In this study, the dynamics in relationship creation by medium scale businesses in Nigeria and Asia was examined. Both statistical and

***Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia***

*Ogboru Justinah and Edafe Joel*

econometric tools were employed to determine the extent and pattern of this relationship. The research revealed a number of important general findings in each of the broad areas of business-customer strategy and internationalization being investigated, but also identified a number of interesting differences in response between Nigerian-owned and Asian-owned firms operating in Nigeria. Each of these areas was more fully elaborated upon in the previous chapter. Based on the empirical analyses, the following findings were made:

- That improper customer orientation actually subverts international business relations creation by SMEs in Nigeria. The results showed that better orientation and definition of customers has very strong positive effect in strengthening business relation creations by SMEs. This result was also found by Bell, Crick and Young (2004) in a study on SMEs in the UK.
- That poor work ethics actually have a negative effect on relationship creation; poor work ethics tend to weaken international relationship creation by small and medium scale enterprises.
- That good and effective law has a rather mundane contribution to business relationship creation. It seems that enabling laws do help in mitigating the costs of adjustment of the enterprises to internationally acceptable standards.
- That good infrastructure has a very strong relationship with the business relation creations of small and medium scale enterprises in Nigeria. The higher the infrastructural level, the better the integration of these enterprises. In a recent review by ACCA (2010), the importance of infrastructure in promoting SMEs international business relations was also strongly highlighted.
- That customer knowledge has a rather weak effect on international business relations creation by small and medium enterprises in Nigeria. However, this effect was found to be very strong on adjustment processes of the SMEs to foreign demand. Nwadukwe and Court (2012) also found similar results for Nigeria.

Based on the findings in the study, it is important to recommend that small businesses that seek international exposure must develop management strategies that promote customer identity and relations. This implies that private enterprises should employ management styles that are people oriented and help to retain foreign partners and customers over time. Moreover, given the interrelationship between



business strategy and internationalization, it may also be argued that such programmes should place a higher emphasis on management development and strategic issues rather than focusing solely on the international dimension.

Moreover, public policy makers should recognize that supporting small firms' internationalization involves much more than merely attempting to stimulate export activity. In this direction, the provision of infrastructure by the authorities is virtually critical in providing the needed support for small private firms to sustain their international presence. Constant electricity supply and adequate transportation and communication facilities will not only provide the needed relief to these firms but will also greatly improve efficiency in operations.

In conclusion, it is obvious that the analysis of private small and medium enterprises' internationalization strategies in terms of international relationship creation appears to be profitable because it helps to understand how these enterprises can reconcile the foreign dimension constraint with the logic of proximity linked to their size of operation. In this study, relationship creation among these firms in the international setting was investigated. It appears that private small enterprises' international relation is not a one-off autonomous action but a real process, permanently calling upon external resources. This concept suggests that most of these enterprises in Nigeria that seek international exposure do not act on their own in the international field but only with the help of companies in the area where they are set up.

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***Relationship Creation among International Private Enterprises:  
The Case of Nigeria and Asia***

Ogboru Justinah and Edafe Joel

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