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Market-Driving Orientation (MDO) and the Survival of Manufacturing Small and Medium Enterprises in Nigeria

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Abstract: Small and medium enterprises (SMEs) are unlikely to change, shape or create markets if they are not careful to choose an appropriate market orientation. This positivistic study aims to examine the contribution of market-driving orientation to the survival of manufacturing SMEs in Nigeria by focusing on market sensing and alliance formation. The study selected owner-managers of manufacturing SMEs in Nigeria using a quantitative research approach and stratified random sampling. Data were collected from 364 SME owner-managers using a structured questionnaire. The hypotheses were tested using IBM SPSS-AMOS version 25 and exploratory and confirmatory factor analysis and structural equation modelling (SEM). The findings reveal that market sensing has a direct, powerful, and significant impact on the survival of manufacturing SMEs in Nigeria. In contrast, the effect of alliance formation is considered weak and insignificant to the survival of mature manufacturing SMEs. The study concludes that the focus on the overt needs of customers by mature manufacturing SMEs is necessary but inadequate without proactive market sensing of the latent needs of customers to ensure survival in the competitive market. Future research should re-examine the concept of alliance formation by focusing on SMEs in the nascent and growth stages of the organisational life cycle and adopt a more nuanced view of social capital to explore how collaborative processes create, maintain, and redefine alliances which drive rather than react to the market.

Keywords: market sensing; alliance formation; manufacturing SMEs; Nigeria

JEL Classification: M30; M31

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1. Introduction

The strategic and external posture adopted by small and medium enterprises (SMEs) when applying marketing practices and strategies on the market has contributed to the rate at which firms either live or die before their tenth birthday. Understanding the nuances of market orientation (i.e. information creation, transmission, and responsiveness) (Jaworski, Kohli & Sarin, 2020) and market-driven companies (i.e. organisations that feel and respond to market trends without seeking to change market circumstances) is crucial (Day, 2020). The importance of being oriented toward the client (Angulo-Ruiz, Donthu, Prior & Rialp, 2014) and other stakeholders have been emphasised in discussions about market orientation and market-driven firms (Nwankwo & Kanyangale, 2020). It is more insightful to appreciate the nuances which arise when market orientation is categorised into two, namely, market-driven orientation (reactive stance) and market-driving orientation (proactive stance). First and foremost, market-driven orientation begins from the knowledge of customers' needs and reacts to those needs by offering products and services that meet customers' needs in the market (Kumar, Scheer & Kotler, 2000). This is very different from market-driving as another form of market orientation. Rather than knowing customers' needs and reacting to those needs, market-driving seeks to alter the structures and makeup of the market proactively and the behaviours of customers and competitors to receive the benefits of being the market pioneer (Hagberg & Jonsson, 2022).

Gotteland, Shock & Sarin (2020) lament that the notion of market-driving orientation has gained little research attention in marketing and entrepreneurship. The notable pitfall in extant studies on market-driving orientation is that they examine the relationship of a single construct, yet this concept has a variety of elements. In light of this research gap, there is a compelling need to investigate and demonstrate the relationship between dimensions of market-driving orientation and a firm's survival in the sector of manufacturing SMEs. There is also a need to address the lack of holistic models that integrate various elements of market-driving orientation into one conceptual framework to elaborate its contribution to business performance. In Entrepreneurial Marketing (EM), market-driving is viewed as a multifaceted concept. For example, Nwankwo and Kanyangale (2020) assert market driving dimensions include market sensing and alliance formation. These critical aspects and activities are so fundamental to the growth and survival of entrepreneurial SMEs that they must be carried out across the organisation and by all departments. In the context of market driving, market sensing refers to knowledge and learning of the present market trend and developing possible approaches to modify it. Alliance formation is a market-driving component that refers to cooperative agreements in which companies cooperate on product/service development or marketing strategies/activities. Market driving orientation is a vital component of EM and has remained a significant predictor of SME survival (Nwankwo & Kanyangale, 2022).

However, it remains unclear in terms of the essential factors, antecedents, and consequences of market driving orientation on the survival of SMEs.

By concentrating on market sensing and alliance development, the positivistic study aims to examine the impact of market-driving orientation on the survival of manufacturing small and medium firms (SMEs) in Nigeria. The study hypothesises that the owner-manager's market-driving orientation (MDO) has no meaningful influence on the survival of manufacturing SMEs in Nigeria. This study is useful for SMEs' owners, managers, and trainers since it urges them to be more receptive to their customers' latent demands to accommodate their preferences and ensure their existence.

2. Market-Driving Orientation (MDO)

A market-driving enterprise is proactive as it seeks to change the formation of the market channel or segmentation whilst educating customers and performing above customers' expectations (Ekman, Röndell, Kowalkowski, Raggio & Thompson, 2021). In addition, a market-driving organisation is expected to perform in a superior way to create and sustain a competitive advantage (Maciel & Fischer, 2020). Market driving is a regular occurrence among small businesses and newcomers to a market. Larger companies may also become market leaders if they foster an entrepreneurial attitude that encourages greater risk-taking and aggressive innovation (Kumar et al., 2000:135). According to Nwankwo and Kanyangale (2020), organisations, particularly SMEs, that want to change, shape, or create markets must consider different strategic orientations. Examples include strategic orientations such as market orientation, entrepreneurial orientation, and technological orientation, which trigger innovation to achieve superior performance. Norazlina, Izaidin, Hasfarizal, Shahrina and Lai (2013) explicitly state that firms should adopt a different strategy to conquer a new market segment with a clear understanding of the risks and how to reduce the risks through strategic planning and execution that are appropriate. There are four core orientations applied in the marketplace: market-driving orientation, customer-driven orientation, sales-driven orientation and market-driven orientation (Kumar et al., 2000). This study will focus on market driving, which has not received significant research attention according to Jaworski et al. (2020) and Gotteland et al. (2020).

To realise superior performance, owner-managers or organisations need to aggressively and proactively influence the market (Kotler & Armstrong, 2018) rather than simply reacting to it (Filieri, 2015). In this regard, the market-driving orientation is superior to the market-driven orientation in gaining a long-term advantage by modifying the market's composition or structure and its players' behaviours (Agarwala, Chakrabartib, Brema & Bocken 2017, p. 3; Ghauri, Wang, Elg &

Rosendo-Ríos, 2016). Market-driving organisations are more prone to becoming up-to-date with marketing operations as new organisations are challenged to create and employ radical innovations (Kumar et al., 2000). New organisations tend to be more risk-averse and routinised than existing organisations. According to Maciel and Fischer (2020), market-driving organisations achieve greatness through technology, marketing innovation, and peer collaboration. Market-driving organisations are visionaries rather than traditional enterprises in terms of breakthrough technologies. More specifically, marketing-driving SMEs re-design market segmentation by luring in new customers and exceeding their expectations (Jaworski et al., 2020). Thus, market-driving orientation goes beyond satisfying customers' articulated needs to analyse and plan ahead of time to meet customers' hidden and unspoken needs. Jaworski et al. (2020) are explicit that discovering and pursuing unarticulated needs to uncover new market possibilities by analysing client behaviour through market research is critical for market-driving organisations. This process uncovers future needs by collaborating directly with key users and aggressive sales of existing products. Both vision and creativity are essential elements of the market-driving orientation which support this view (Jaworski et al., 2020). Innovation is a requirement for attracting and retaining customers. This notion resonates with the forward sensing approach, which helps SMEs be responsive and develop new concepts and ideas to influence the market (Van Vuuren & Wörgötter, 2013). The current study has adopted market sensing because of the need better to understand the unattended and latent needs of the market. In this study, alliance formation is considered suitable and relevant as the success of SMEs in new markets depends on networks and the networking activities of owner-managers. Market sensing and alliance creation as significant market driving aspects are discussed in more detail below.

2.1. Market Sensing

Market sensing is a critical and integrative component of the market-driving mindset. It's been defined as gathering data to understand more about the market and forthcoming events, influencing the market, and raising the degree of opportunity recognition (Nwankwo & Kanyangale, 2020). Mu (2015) described market sensing as a company's capacity to predict future market evolution and spot new possibilities using data obtained from its business environment. Because clients may not be aware of what products, services, or solutions are practicable and technologically available, SMEs must grasp the market's unmet and latent demands (Jaworski et al., 2020). Market sensing refers to a collection of procedures that help a company better comprehend its external market. It's critical to pinpoint latent requirements that aren't obvious in the new or existing market. This necessitates a grasp of customer purchasing habits to influence or drive the market. According to Narver, Slater, and

MacLachlan (2004, p. 335), proactive market orientation may be shown when finding and meeting the customer's latent requirements. Market sensing is a crucial aspect of market driving, and it entails acquiring and analysing data to structure and modify the market (Nwankwo & Kanyangale, 2020). A few scholars have only objectively acknowledged and measured market sensing (Nwankwo & Kanyangale, 2022). Miller and Friesen (1982) established a measurement that focused on scanning intensity as a dimension, which Barringer and Bluedorn (1999:423) expanded. This was done to assess the extent and breadth of the efforts to scan the environment for trends and opportunities. Recognising prospects requires a firm's scanning intensity to be high (Barringer & Bluedorn, 1999:436). The dimension of market sensing must be strongly tied to organisational learning and market learning theory when evaluating the characteristics of market sensing (Bailey, 2014). Information gathering, distribution, and shared interpretation are the three components of market sensing. Market sensing enables a change from management in the face of uncertainty to a disciplined risk analysis approach that prevents possible losses while delivering improved results. Industry sensing allows a company to analyse market trends and identify opportunities (Mu, 2015). As a result, market sensing concentrates on data regarding consumers, rivals, events, and business environment change. Market intelligence, or the ability to make sense of the business environment, is critical for a market-driving company. In a nutshell, a firm's market sensing capability entails obtaining and filtering market data from the firm's internal and external environments, understanding its significance, and lastly, identifying which action(s) would minimise uncertainty and improve prospects for successful commercial innovation (Lin & Wang, 2015).

In this research, market sensing refers to a company's capacity to monitor its surroundings for entrepreneurial chances. This skill allows the company to be inventive, anticipate and monitor client requirements, and stay ahead of the competition (Dias, 2013). Market sensing emphasises identifying and refining opportunities as a foundation for starting new enterprises, whether for individuals or corporations (Rasmussen, Mosey & Wright, 2011). More emphasis should be paid to the entrepreneurial approach to finding unique market demands. There are nuances when market sensing is viewed from a market-driving and a market-driven viewpoint (Nwankwo & Kanyangale (2020). Market sensing from a market-driven perspective is essentially about the reaction to market developments. In a different vein, market sensing refers to proactive learning and comprehension of the existing market and how to modify or build a new one when viewed from a market-driving point of view.

2.2. Alliance Formation

An alliance needs to be formed to carve out a new market niche. An alliance is defined by voluntary agreements between companies, the sharing or co-development of products, technology, or services, and the exchange of information (Gulati as cited in Nwankwo & Kanyangale, 2020). A strategic level alliance is an agreement between two organisations who operate on the same horizontal level in the market to pool resources to complete a strategic project. Both parties are interested in the strategic activity and outcomes (Zamir, Sahar & Zafar, 2014, p. 25). Firms are increasingly forming alliances for various reasons, including joint innovation and organisational learning, gaining access to new markets, distributing and avoiding risks and costs associated with improving public visibility and recognition (Nwankwo & Kanyangale, 2020). Due to the need to manage the business environment's growing complexity and uncertainty, alliances also emerge. Contractual agreements (e.g. joint research and development, production, and marketing), ownership agreements (e.g. minority equity alliances, joint ventures), and licensing agreements with suppliers, distributors, and others (e.g. alliances formed within government agencies, industry associations and consortia, interest groups, and research universities and labs) are all examples of alliances (Yoshino & Rangan, 1995). Alliance formation has become an issue of considerable interest among scholars and practitioners of contractual pooling of assets or resource exchange agreements between two or more parties. Scholars have tried to understand the original factors which inform inter-firm collaboration. Zamir et al. (2014) exemplify how alliances are utilised routinely for strategic formation in high-technology SME sectors.

Furthermore, alliances influence organisational performance by contributing to a firm's growth, enhancing rates of innovation, preventing business mortality, accelerating organisational learning and influencing reputations (Zamir et al., 2014). According to Eslami, Hamedani and Gorji, 2016,) alliances are also fundamental to shaping, changing and creating a market. Efforts to change the market require building relationships with various stakeholders to control channels (Wörgötter, 2011). Alliances are important for developing social capital and economic networks in developing nations like Nigeria (Ozdemir, Kandemir & Eng, 2017). In their submission, Standifer and Bluedorn (2006) noted that alliances form interrelations amongst firms and help gain a competitive advantage through information exchange and resources. Natalia and Bucuresti (2013) maintain that forming an alliance provides firms, and newly created organisations, with the power to gain a competitive advantage. However, there are also risks associated with alliances, such as exploitation, the threat to commercial secrecy, and partners' dishonesty. In the current study, alliance formation refers to a contractual pooling of assets and resource exchange agreements between two or more firms.

3. Methodology

The study's research paradigm was positivism. This study focused on owner-managers of manufacturing SMEs in Nigeria's South-East geopolitical zone. Stratified random sampling was used to select 364 owner-managers as part of a study. Data were collected using a structured questionnaire. After a pilot investigation, Cronbach's alpha coefficients were utilised to assess the reliability. The findings were confirmed using exploratory and confirmatory factor analysis. Using IBM SPSS-AMOS version 25, structural equation modelling (SEM) was used to evaluate the assumptions. A preliminary examination of multivariate variables was done to avoid breaching the assumptions of homoscedasticity, linearity, multicollinearity, and normalcy. For the preliminary test, the following criteria were used. The chi-square value was used to assess the model's overall fitness and the degree of disagreement between the covariance matrices and the sample. The related P-value and degree of freedom were provided in this article, and the established rule states that the normed-chi-square value (CMIN/DF) must exceed 5.

The goodness of fit index (GFI) and the adjusted goodness of fit index (AGFI) are two different ways to analyse the degree of variance arising from estimated population covariance and the structural model's fitness. GFI and AGFI have a range of values from 0 to 1, with 0.8 to above 0.9 being an acceptable sign of an excellent match. Another essential measure for assessing the fitness of a model utilised in this work is a root mean square error of approximation (RMSEA). The range is 0.05 to 0.1, with values less than 0.08 indicating a good fit estimate.

The incremental fit index used in this study is the normed fit index (NFI). The chi-square values of the model and the null model are compared using this tool. The values range from 0 to 1, implying that the values must be more than 0.9 for the model to be considered a good match. The comparative fit index (CFI) is also a modified version of NFI. A CFI value of larger than or equal to 0.9 suggests an excellent match, but a CFI value of greater than or equal to 0.95 implies a perfect fit. The Incremental Fit Index (IFI) and the Tucker–Lewis Index were two other incremental fit indexes used to assess model fitness in this study (TLI).

4. Analysis of Data

According to the hypothesis, the owner-manager market-driving orientation (MDO) has no impact on the survival of manufacturing SMEs in Nigeria. Market sensing and alliance formation were utilised to evaluate the effects of MDO on the survival of manufacturing SMEs in Nigeria when gauging owner-managers' market-driving orientation (MDO). Table 1 shows the mean score, standard deviation, and EFA loading and the correlation coefficients between market-driving orientation (MDO) and manufacturing SMEs' survival in Nigeria.

Table 1. Exploratory Factor Analysis of the Measurement of Market-Driving Orientation

Item	Mean	SD	Factor loading	Item total correlation
Market-driving Orientation **Factor 1 (Market sensing)**				
4. A flexible organisational structure and management that supports new ideas and takes a moderate risk will facilitate activities to create new clients' preferences.	4.54	.521	.731	.459
3. Owner-managers who have a flexible organisational structure and management that supports new ideas and takes moderate risks will be able to shape and change the market.	4.65	.479	.704	.457
2. Owner-managers who act proactively and respond to the market will be able to shape and change the market.	4.49	.501	.639	.383
1. Being proactive and responsive to the market will allow owner-managers to sense the market for future developments.	4.17	.779	.554	.268
Factor 2 (Alliance formation)				
6. SMEs with an entrepreneurial mindset have a process to evaluate alliance options and their benefits.	2.66	1.348	.687	.394
5. SMEs with an entrepreneurial mindset have benefited much from current and previous alliances to run their business successfully.	2.79	1.377	.574	.302

KMO = .828; X2 = 738.885; DF= 36; P < .000; Cronbach's α = .684; Percentage of variance explained = 61.101%.

Internal consistency of components, or factors, and related items derived from the EFA were investigated individually using Cronbach's alpha coefficient using IBM SPSS version 25. Market sensing (0.702) and value creation (0.702) are the Cronbach's alpha coefficients (0.668). The structural model is shown in Figure 1 after the items in the constructs were validated using EFA and Cronbach's alpha coefficients.

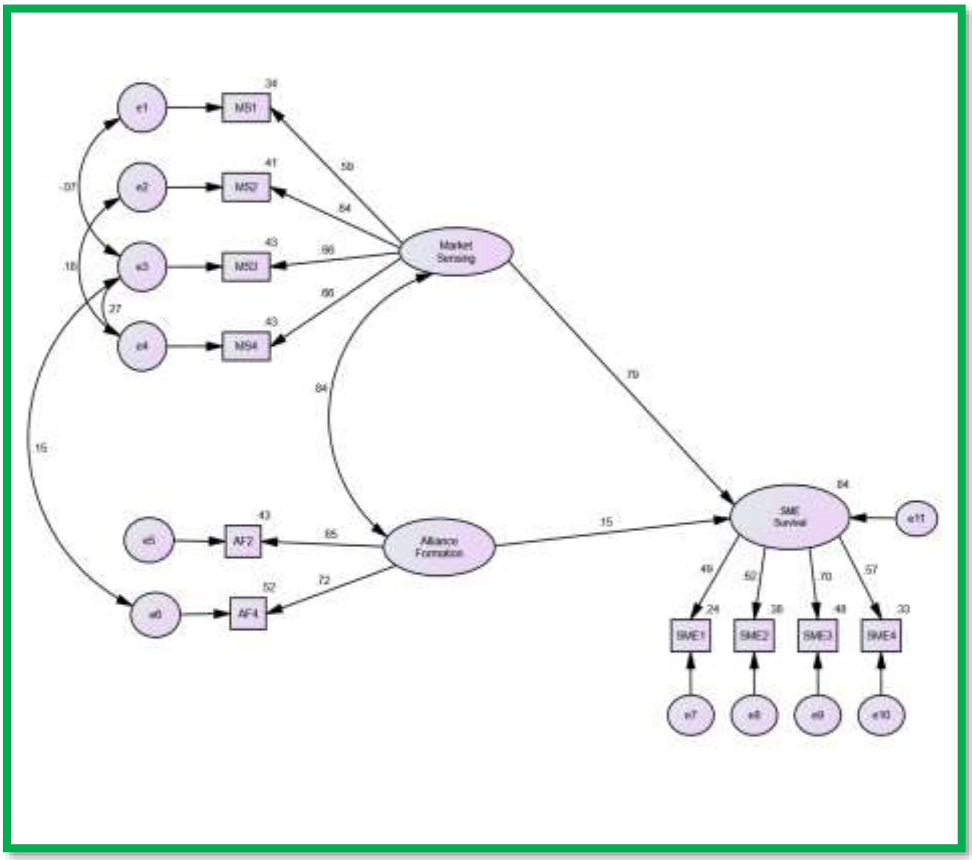

Figure 1. Structural Model Showing the Confirmatory Factor Analysis and the Effects of Market-driving Orientation (MDO) on the Survival of SMEs in Nigeria

Chi-square = 57.103, DF = 29, p-value = 0.001, CMIN/DF = 1.969, GFI = 0.970, AGFI = 0.944, NFI = 0.949, IFI = 0.974, TLI = 0.959, CFI = 0.974, RMSEA = 0.052.

The structural model, as shown in Figure 1, which depicts the impacts of market-driving orientation (MDO) on the survival of manufacturing SMEs in Nigeria, is a perfect match for the data, according to model fit statistics or indices. The findings show that all regression weights/estimates were significant at p0.01 based on the observed model fit indices, as displayed in the figure. According to the results, market-driving orientation (MDO) has a substantial and favourable impact on the survival of manufacturing SMEs in Nigeria. The two constructs used to measure the MDO are market sensing and alliance formation. It is noteworthy that the hypothesis is subdivided into two sections, as follows:

- **Ho_1:** Market sensing has no significant effect on the survival of manufacturing SMEs in Nigeria.

- **Ho_2:** Alliance formation has no significant effect on the survival of manufacturing SMEs in Nigeria.

In presenting the results of MDO dimensions, the focus is on the effects of market sensing and alliance formation on the survival of manufacturing SMEs. Table 2 shows the outcome/s of each of the MDO dimensions.

Table 2. Selected Text Output from Amos on Standardised Regression Weights

			Estimate
SME_Survival	<---	Alliance_Formation	.148
SME_Survival	<---	Market_Sensing	.791

Effect of market sensing on the survival of manufacturing SMEs

The structural model's Ho1 result suggests that market sensing has a direct, strong, and beneficial influence on the survival of manufacturing SMEs (ESC = 791, p0.01). The null hypothesis (Ho1), that market sensing has no meaningful impact on SMEs' survival in Nigeria, is consequently rejected. This rejection means that manufacturing owner-managers are more receptive to consumers' latent demands, respond quickly to market needs, deploy flexible organisational structures, and enable market activities to accommodate customers' preferences.

Effect of alliance formation on the survival of manufacturing SMEs

The results of Ho2 show that the structural model's path from alliance formation to SMEs' survival (ESC =.148, p>0.01) is not significant. This suggests that forming an alliance has no direct impact on a company's ability to survive. As a result, the null hypothesis (Ho2), that establishment of alliances has no substantial effect on SMEs' survival in Nigeria, cannot be discarded. This demonstrates that owner-managers have not formed coalitions with other owner-managers to achieve their goals for fear of uncertainty. Again, those who have established or desire to establish may lack the necessary knowledge to carry out the procedure.

When looking at the impact of MDO dimensions on the survival of manufacturing SMEs in Nigeria, it's important to remember that the market-sensing dimension (0.791) is the most important contributor to the survival of manufacturing SMEs in Nigeria. This is based on the structural model's standardised regression estimates or weights.

5. Discussion of Findings

The Effect Of Market-Driving Orientation (MDO) On The Survival Of Manufacturing SMEs

Overall, the findings show that market-driving orientation (MDO) has a direct and positive substantial influence on the survival of manufacturing SMEs in Nigeria through market sensing and alliance development. It's noteworthy that as part of MDO, alliance-building has a negligible impact on SMEs' survival. As these results emanate from manufacturing SMEs in their mature and declining stages, it can be argued that the owner-manager of these SME businesses has been in business long enough to have already developed relevant social capital. Commonly, social capital is about resources accessible through the degree of interpersonal relationships and social networks with those like us (in-group ties which lead to bonding social capital); those different from us (out-group connections create bridging social capital) and with institutions or individuals in positions of power ("linking social capital") (James, 2021). As SMEs age, the need for alliance formation may not be considered important.

The results of research done in the South African health business by Van Vuuren and Wörgötter (2013) contradict the findings of this study, which found that alliance building had no substantial impact on SMEs' survival. Mindful that the investigation by Van Vuuren and Wörgötter (2013) focused on managers, it is noteworthy that this showed that market sensing, alliance formation, and customer preference significantly influence market-driving ability, which, in turn, influence a firm's performance. When interpreting Van Vuuren and Wörgötter' (2013) study, one should be careful. The participants were not *owner-managers* but *employees* who may have had different discretionary powers when identifying alliances and market sensing type and purpose. Alliance creation refers to the formation of voluntary partnerships between two or more parties for various reasons, including product exchange, technological development, sharing or co-development, or the provision of services in the pursuit of a common set of goals, among others (Gulati 1998). A recent study of the impact of internal social capital (bonding) versus external social capital (bridging) on the business performance of female-owned SMEs in the Nigerian informal sector found that external social capital had a more significant impact on business performance and value in alliance formation (Olamide and Ogbechie,2021). Bridging social capital is a more valuable social asset for informal SMEs with little ways of forming any formal alliances. Olamide and Ogbechie (2021) argue that increasing the use of online networking and social media platforms by Nigerian SMEs may improve more effective business results. In the current study, owner-managers of manufacturing SMEs may see alliance formation as a planned activity with certain undesirable and avoidable risks. They could thus be sceptical about sharing confidential information with an alliance partner who might be detrimental to the growth and survival of their own business (Eslami, Hamedani & Gorji, 2016; Natalia & Bucuresti, 2013). The social capital theory and social network theory are relevant to explaining results related to alliance formation and SME survival in this study.

The Social Capital Perspective of Alliance

Organisational social capital is defined as „a representation of the resources that arise from relationships and which could assist individuals and the collective in reaching their goals in working towards the common good." (Bartkus & Davis, 2009:2). The external part of organisational social capital is encompassed under the basic concept of social capital, which states that the greater community entrenched in a commercial organisation is a source of capital (Tsai, 2006). Nahapiet and Ghoshal (1998:243-244), as well as Cloete (2014), recognised three distinct aspects of social capital: structural, relational, and cognitive. To begin with, the structural dimension of social capital relates to the qualities of the social system and network of contacts, or the norms of the general pattern of connections between actors and practices between actors and institutions (e.g. who you reach and how you reach them) (James,2021). The rights, privileges, duties, and obligations of owner-managers, as opposed to staff members and external stakeholders, were decided by the relationship and network structure pattern (Ozdemir, Kandemir & Eng, 2017). Social interaction, the position of owner-managers' contacts in the social structure, and the shape of one's network (i.e. old schoolboys' club, ethnic networks, family ties) all fall within the structural component of social capital. The presence or lack of network links connected to resources are other structural aspects of social capital. The structural part of social capital relates to the ties that owner-managers have in terms of interconnection, hierarchy, and density (Olamide & Ogbechie, 2021).

The relational dimension of social capital refers to the kinds of personal ties or emotional attachments that individuals form with one another over time (e.g. respect, trust and friendship). When individuals collaborate in a given sector or activity, they generate and use relational social capital. James (2021) underlined the importance of trust and trustworthiness as vital assets in a recent study of Nigerian small business owner-managers and how they employ social capital in their network of contacts to overcome marketing limits. Trust is a characteristic that can be assigned to a connection. In contrast, trustworthiness is an attribute that can be ascribed to an individual actor participating in the relationship, for example, based on reputation or prior encounters, and can be depended on when it comes to promised transactions (Casimir, Waldman, Bartram & Yang, 2006, p. 71). A trustworthy individual is more likely to receive support and reciprocity from others. Trustworthiness can assist in achieving goals that would otherwise be impossible to attain in the absence of trust. Trust may also be defined as „belief in the kindness and competence of others, and the hope that others would reciprocate with honest efforts compatible with the agreements if one cooperates" (Casimir et al., 2006, p. 71). The quality of relationships, connections, social networks and norms, recognised reputations and sanctions, duties and expectations among Nigerian SMEs as an in-group or out-group are reflected in the relational dimension of social capital. Finally, the cognitive dimension of social capital refers to resources that allow participants to exchange representations, interpretations, and systems of meaning (Nahapiet & Ghoshal, 1998, p. 244).

Because it refers to a person's thinking and talents, such as intangible skills and competencies, the cognitive dimension of social capital is linked to intellectual capital in part. The cognitive dimension of social capital is basically a shared code, or shared paradigm, that allows for common knowledge of group risks, goals, and proper social behaviour (Nahapiet & Ghoshal, 1998). Owner-managers' perceived benefit of being part of an alliance and sharing know-how and expertise is referred to as cognitive, social capital in this article. It's worth noting that there are three ways to engage in social capital in a small business: (a) building connections, (b) facilitating trust, and (c) encouraging collaboration (Olamide & Ogbechie, 2021). Resilient trust survives the occasional violation of expectations (i.e. it is more forgiving of other's digressions from trustworthy behaviour) because it is grounded in expectations about reliability and sentiments of interpersonal care and regard (Wyrwa, 2014). Trust is viewed as both a prerequisite for and a by-product of effective group activity. Fragile (cognition-based) trust is primarily concerned with a group's or individual's predictability, lost if members fail to meet expectations. Resilient or affect-based trust, on the other hand, is based on stronger and more numerous connections, such as depending on other parties' experiences or ideas about their moral integrity and continuous reciprocity standards. Trust is the ability to believe in the good intentions of others (Casimir et al., 2006). Resilient trust allows managers to engage with one another even in high-risk scenarios, and it helps maintain stable, long-term embedded exchange relationships. According to Fukuyama (1995), resilient trust leads to social behaviours that develop social capital, such as collaboration and extra-role behaviour. It is possible to argue that social capital inherent in alliance creation is more important in the early phases of manufacturing SMEs than in the mature and declining stages. Despite the theoretical importance of alliance creation as a result of social capital theory, empirical findings show that this component of MDO has little impact on the survival of manufacturing SMEs, particularly in the mature and declining stages of an EM model.

Social Network Theory: Ties As Alliances

As an element of MDO, Alliance formation depicts an insignificant effect on SMEs' survival and is contradictory to the social network theory ascribed to Jacob Moreno and developed in the 1930s (Kadushin, 2012). The social network theory maintains that the mutual relationships between social and other role players cause partners to produce a significant output (Gruzd & Wellman, 2014). As alliances may be viewed as *social ties*, not all are equally strong and useful at all organisational life cycle stages. Strong links in the social network are critical as EM and owner-managers in Nigeria do not exist in a vacuum but rather in a social milieu characterised by social interactions and relations (James, 2021). The duration of engagement, the amount of effort individuals put into the connection, the extent to which social ties give reciprocal benefit (e.g., economic, social support), and the level of intimacy shared in a relationship are all factors that influence the strength of social bonds.

Strong bonds feature more frequent engagement, emotional intensity and closeness, and reciprocal sentiments on a scale of one to 10. Individuals with similar cultural, demographic, or attitudinal qualities develop strong bonds. This relationship creates a tight-knit, exclusive social network in which people linked by strong relationships also have additional friends/friendship circles that overlap. This type of relationship is also considered *bonding capital* which glues teams or groups together in SMEs (Olamide & Ogbechie, 2021). On the other hand, weak links occur at the opposite extreme of the spectrum. Weak relationships are marked by fewer interactions, lower degrees of emotional intensity and closeness, and a lack of reciprocity. In a nutshell, weak relationships emerge between owner-managers with similar cultural, demographic, or behavioural qualities.

As a result, weak ties depict a social network that is somewhat varied and sparsely connected. This partnership creates a loosely woven, inclusive social network in which owner-managers are only loosely linked and seldom share other friends/friendship circles, which tend to stay separate (Olamide & Ogbechie, 2021). Without deliberate strategy and efforts to invest in the relationship as a tool for business, it is thus less surprising that owner-managers of manufacturing SMEs think that alliance formation is insignificant in terms of SME survival. Scholars such as Jaworskia et al. (2020) are calling for more research on the collaborative process of market-driving, which remains underexplored. Owner-managers need to understand that weak ties are usually activated for a specific purpose, namely to meet SMEs' needs or serve as a bridge to other networks outside the reach of the business. In other words, bridging social capital creates a connection between two disparate networks to access resources and support. While the theoretical significance of alliance formation is explainable through social network theory, empirical results in this study underscore how alliance formation is insignificant in influencing the survival of manufacturing SMEs, particularly those in the mature and decreasing stages, are represented in the EM model.

The findings show that market sensing has a considerable, direct, and favourable impact on the survival of manufacturing SMEs in Nigeria. The results of this study are consistent with existing literature, which emphasises that influencing and teaching customers about new items, as well as attempting to modify behaviour, is an important component of market driving, which determines survival (Osakwe, Chovancova & Ogbonna, 2015; Humphreys & Carpenter, 2018). As a result, owner-managers in the manufacturing sector are likely to be: receptive to customers' latent demands, quick to adapt to market needs, flexible in organisational structure, and enable market activities to satisfy consumers' preferences.

In light of the findings, it is evident that market sensing is important, but alliance creation has a little and inconsequential impact on the survival of manufacturing SMEs in Nigeria. However, this does not negate the need for alliance development in all SME industries, situations, and stages of the organisation's life cycle. Instead, it may be important in a specific context and for certain goals that aren't immediately related to the survival of manufacturing SMEs in their mature and declining stages. The findings raise a new question: how do owner-managers of young manufacturing SMEs think about forming alliances while they struggle to survive in a VUCA?

6. Recommendations

This study proposes that owner-managers of manufacturing SMEs in Nigeria embrace market-driving orientation (MDO) to enhance business survival in a competitive market. Market-driving is a unique aspect of EM which is not present or pronounced in many other studies and models. Furthermore, the study asserts that owner-managers should emphasise the overt needs of customers and understand the latent needs when pursuing market-driving as a strategic orientation. This approach would enable owner-managers to gain competitive advantages over their competitors in the marketplace. While alliance formation in this study depicts an insignificant effect on SME survival, it is critical to underscore that this does not mean that the dimension is irrelevant. Alliance formation should be re-examined, focusing on other areas of SMEs, such as stage in the organisational life cycle (e.g. nascent manufacturing SMEs) and a more nuanced view of social capital which establish and maintain long-term, successful business ties rather than merely pleasant ones.

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