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Perception of Entrepreneurs on Market Entry Barriers and New Business Startup in Kwara State, Nigeria.

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Abstract: *The study examined the perception of entrepreneurs on market entry barriers and new business startup in Nigeria. Descriptive survey design was adopted for this study using a targeted population of entrepreneurs, business men and women, employees (intrapreneurs) and artisans in Offa Local Government of Kwara State. A total of 85 respondents were sampled. Data was collected using structured questionnaire with respondent-driven sampling technique. Frequency tables, percentages and means were used for data analysis. Cronbach Alpha of 0.77 was obtained, showing that the instrument used in data collection is valid. The results revealed that there were barriers to market entry in Nigeria which include scale of production (3.82), existing competitors (4.05), inadequate market infrastructure (4.25), cooperative societies operating in the market (4.28), product differentiation (4.32), customer's relation (4.25), large initial capital requirement for business startup (4.21), and government policies (4.28). All these barriers were found to affect effective entrepreneurs of new business startup in entering both existing and new markets. In conclusion, entrepreneurs must prepare to overcome some challenges which they are bound to face as they are launching their products to existing and new markets. There is need for government to intervene in Nigeria market situation by removing the artificial barriers created by the operators in the market in order to encourage new entrant.*

Keywords: Entrepreneur, Market, Barrier, Business, Startup.

Background of the study

Entrepreneurship is critical to the development of societies. The need for entrepreneurial development in Nigeria has never been so high in the history of the country. However, despite the increased call for entrepreneurship, it still requires much improvement. The reason for this is the huge number of challenges that entrepreneurship development in Nigeria is facing today. According to Bruyant & Julien (2001), Hisrich *et al* (2007) and Christopher & Mfondo (2018), entrepreneurial development is stated to be an important source of wealth for any country. Unfortunately, Agboli & Ukaegbu (2006) states that the business environments are full of several challenges thereby making these situations frustrate entrepreneurs and render industrial development quite slow.

Entrepreneurs however cannot work in isolation; they need the right environment to thrive. The role of markets in encouraging entrepreneurship is not just limited to provide an economic environment conducive for business but to stimulate economic growth through entrepreneurial development. Market must be able to provide the right economic environment to attract individuals to become entrepreneurs.

One of the environmental factors that affect entrepreneurial development is the market, which plays a significant role in making sure that innovative products get to the ultimate consumer. It is by this means effective competition is achieved and profit guaranteed.

Entrepreneurial development in Nigeria today is faced with market barriers that positively or negatively affect enterprise creation depending on the focus of discussion. Market barriers are the economic term used in describing the existence of high start-up cost or other obstacle that prevent new competitors from easily entering an industry or area of business.

Market barrier in Nigerian context can be experienced where some groups of already existing market men or women place a high cost on new entrant into the market or physically prevent new entrant into the market by initiating stiffer measures and in some cases destroying products presented to the market by the new entrants.

Statement of the problem

Scholars have studied barriers to entering new markets or existing market (Pierre, 2018; Porter, 1998; Harvard Business Review, 2018; Umar, 2018; Karakaya, 2002; Anderson, 2009 and Ayodele, 2015). Entering an existing market is not always easy. There are significant barriers that make it more difficult for entrepreneurs to set-up and sell in the market. Government regulations, access to suppliers, distribution channels, technology challenges, product differentiation, economies of scale and market cooperatives society are a few of the key barriers that keep entrepreneurs from entering existing industry. Other barriers that entrepreneurs who are trying to develop their business face include high start-up cost, inadequate market structures, inadequate infrastructures, and existing competitors. These barriers affect enterprise startup in Nigeria. In response to these barriers, this study provides empirical information on entry barriers and its effect on enterprise startup in Nigeria and proffer recommendations.

Research questions
What is the perception of market entry barriers on new business startup in Kwara State, Nigeria?

Objective of the Study
To examine the perception of market entry barriers on new business startup in Kwara State, Nigeria.

Scope of the study
This study intends to cover entrepreneurs in Kwara State, Nigeria. Therefore, only entrepreneurs in selected markets in Offa Local Government in Kwara State will be administered questionnaire. The market barriers are limited to challenges posed to new enterprise startup as stated by scholars earlier stated.

LITERATURE REVIEW

Conceptual review

Becoming a successful businessman in Nigeria is not that easy, especially at the beginning. Starting a business is associated with many challenges and market barriers; one of the crucial problems of entrepreneurial development is to understand the concept of markets and its barriers to new entrants and new markets. Market is very important for the growth of entrepreneurship. In modern competitive world no entrepreneur can think of surviving in the absence of latest knowledge about the market, its competitors and its environment. Scase (2000) opined that most governments across the world are increasingly recognizing the positive impact the creation of new businesses can have on the competitive advantages posed by small firms to the marketplace. Porter (1998) defines barriers to entry as factors that prevent a start-up from entering a particular market. As a whole, barriers comprise one of forces that determine the intensity of competition in an industry. Barriers to entry act as a deterrent against new competitors. They serve as defensive mechanisms that impose a cost element to entrants which incumbent do not have to bear.
According to Pierre (2018), barriers to entry is discussed as part of Micheal Porter’s five competitive forces used for business strategy and planning. Based on that view, the most competitive entrepreneurs are those that have the greatest ability to make profit. You can achieve or protect profitability through the under listed competitive forces:
(i) Customers or buyers, (ii) Suppliers, (iii) Current competitors, (iv) New Entrants, (v) Trademarks consolidation in the market, (vi) Patents, (vii) Government policies, (viii) Mastering cutting-edge technologies, (ix) Economies of scale, (x) Learning curve, (xi) High capital requirements, (xii) Access to distribution channels.
Joshua, Erin & Scott (2018) reports that many entrepreneurs working amidst uncertainties are of the opinion that exploration will delay product commercialization. They rather go with the first strategy that comes to mind. Entrepreneurs who want to overcome entry barriers in a new market can design more efficient and effective processes than established competitors.

MARKET SIZE AND CHARACTERISTIC

Two important element of market structure are size and complexity. For example, urban markets tend to be large and divers, while rural markets are often smaller and more homogeneous. In each case, you have to focus your marketing efforts where they will be most effective to avoid wasting resources. Smriti (2017) stated that there are number of determinants of market structures for particular goods. They are as follows:
(i) The number and nature of sellers, (ii) Number and nature of buyers, (iii)
Nature of product, (iv) Entry and exit conditions, (v) Economies of scale.
Entrepreneurs who are trying to develop their business by penetrating the market should also pay attention to the following types of markets as explained by (Umar, 2018):
(i) Auction market, (ii) Black market, (iii) Knowledge market, (iv) Stock market, (v) Bond market, (vi) Predictive market, (vii) Virtual markets.

Theoretical Review

The Stage of Development Model
The stage of development (SD) model, which is also known as U model, was proposed by Johanson and Paul (1975) while studying internationalization strategies of Small and Medium sized Enterprises (SMEs). The model asserts that the internationalization of SME is a long, slow, and incremental process with two dimensions: the geographical or rather cultural expansion and the commitment. The original approach was enhanced and applied by Brooke (1986). According to Brooke, (1986), this was used to explain market entry mode decisions. The researchers are of the opinion that the entry mode of new entrepreneurs into new markets may be dependent on the stage of a firm’s development. However, the enhanced model still has some shortcomings: it provides a set of feasible entry modes but not the right ones (Young, Stephan, Hamill, Wheeler & Davies, 1989).

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The stage of development model is not capable of explaining why a newly established firm starts entry with wholly owned venture but not export.

The concepts of innovation and entrepreneurship are probably Schumpeter's most distinctive contributions to economics as explained by (Hanush and Pyka, 2007). One of the most common themes in Schumpeter's writings was the role of innovation (new combinations) and entrepreneurship in economic growth. Despite the fact that Schumpeter was among the first who lay out the clear concept of innovation, his views on the topic changed over time.

Aparna (y.u) discussed Schumpeter's innovation theory of entrepreneurship which holds an entrepreneur as one having three major characteristics, innovation, foresight, and creativity, entrepreneurial development take place when entrepreneurs create a new product, introduces a new way to make a product, discover a new market for a product and finds a new source of making things or organization.

EMPIRICAL REVIEW

Anderson (2009), conducted a research on the impact of barriers to entry and market strategy on an entrant firm. In the research, product/market scope and product differentiation were central strategy components. The major findings from the study shows that a firm that enters a market late and faces extensive barriers would choose a broader product/market scope and differentiate its products to a larger extent than an early entrant. The study also revealed that incumbents' market strategies indirectly affect the market strategies of an entrants firm as incumbents' market strategies interact with barriers and the effect are due to entry timing.

Karakaya (2002) examined the importance of barriers to market entry in industrial markets. From the survey of 93 firms, the study finds out that majority of the business executives consider cost advantage and capital requirement to enter market as the two most important barriers to entry followed by incumbents having a superior production process, capital intensity of the market, and customer loyalty. The result also indicated that there were four major underlying dimensions of entry barriers in industrial markets which include firm specific advantage, product differentiation, financial requirements or cost of market entry and profit expectation of entering firms.

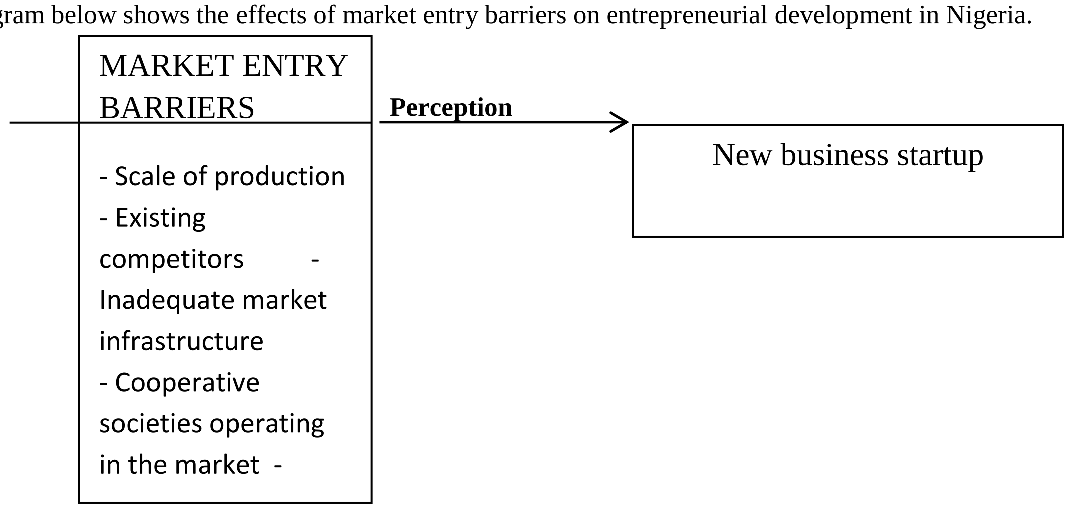
Karakaya & Stahl (1989) conducted a test of six markets entry barriers in consumer and industrial market in the United State of America, the study indicated that executives considered all six barriers (cost advantage of incumbent, product differentiation, customer switching costs access to distribution channels, and government policies) in making market entry decisions. The cost advantages of incumbents are considered to be the most important of the market entry barriers.

Yongge, Lily & Rong (2012) conducted a research on market entry barriers in China, The findings of the research indicated seven dimensions of marketing entry barriers and showed that business executives in China perceived advertising effects as the most important entry barrier and capital requirement as the least important.

Kappes and Merkert (2013) researched on the barriers to entry into European aviation markets. 58 airline were used for the research, the study aimed to identify the perceive effectiveness of entry barriers and how the perceptions differ across management levels. The findings indicated that access to airport slot and competing high-speed rail links were perceived as the most effective entry barriers within the European single market. Other key findings include that particularly regional/behavior and that frequent flyer programs have lost some of their perceived effectiveness.

CONCEPTUAL FRAMEWORK

The diagram below shows the effects of market entry barriers on entrepreneurial development in Nigeria.



Source: Researchers' computation (2019)

METHODOLOGY

Descriptive survey design was adopted for this study. Olaitan (2000) stated that a research design is the plan, frame work or organizational approach to an investigation so conceived as to obtain appropriate solution to the problem being investigated. Umoru (2005) stated that descriptive research survey determines and reports the way things are. It involves assessing attitudes or opinions toward individuals, organization, events or procedures.

Ogali (2000) defined population as a group of persons or aggregate items that the researcher is interested in getting information about. This implies the total number of persons or things to be studied where the population is finite, that is known, and the researcher must specify it. The target population for this study were made up of entrepreneurs, business men and women, employees (intrapreneurs), artisans in Offa Local Government of Kwara State.

The sample for the study comprised of 85 entrepreneurs, business men and women, employees (intrapreneurs) and artisans in Offa Local Government area of Kwara State. For the purpose of this study, respondent-driven sampling (RDS) was used to select 85 entrepreneurs residence in Offa town and its environs. A structured questionnaire was designed to cover all the problem areas as stated in the statement of the problem and the objectives. The questionnaire was made up of sections A, B, C & D. Section A will be design to elicit response on the personal data of the respondents while sections B, C & D will center on structured questions on the objective earlier stated.

The questionnaire will be answered by entrepreneurs in Offa, Kwara State. These questions will consist of response base on 5-point Rating Scale. The response will be allocated as follows:

Strongly Agree (SA) - 5 Points, Agree (A) - 4 Points, Moderately Agreed (MA) – 3 Points, Disagree (D) - 2 Points, Strongly Disagree (SD) - 1 Point.

The questionnaire designed by the researchers was validated by renowned experts in management sciences. This is to ensure content validity of the questionnaire which measure accurately and consistently what it is supposed to measure.

Reliability of the instrument is the degree to which an assessment tool produces stable and constant result (Collins 2016). The reliability of the instrument was determined by the statistical analysis of the data collected from the pilot study. However Crombach's Alpha was used to ascertain the reliability of the instrument.

The data generated for the study was based on what new Entrepreneurs in the study area face as barriers to new business startup. Mean and standard deviation were used to answer the research questions. The decision rule for the study is that any item with a mean value of 1.0-2.0 indicates strongly disagreed, 2.1-3.0 indicates disagreed, 3.0-3.5 indicates moderately agreed, 3.6-4.2 indicates agreed and mean value above 4.2 indicates strongly agreed.

DATA ANALYSIS AND INTERPRETATION OF RESULTS

This chapter dealt with the presentation of data, analysis and interpretation of results. One hundred respondents were randomly selected for the study and the instrument used was distributed accordingly. Moreover, from 100 questionnaire distributed to the respondents only eighty-five (85) questionnaire were validly returned. This gave 85% completeness. Therefore, all the computations in this chapter were based on 85 validly returned questionnaire. The value of reliability test conducted using Cronbach Alpha is 0.77 showing that the instrument used in data collection is valid.

Analysis of respondents Demographical Data

Table 1: Distribution of respondents by demographical variables

Respondents' Demographic Characteristics	**Frequency**	**Percentage (%)**
Age in years		
20-29	13	15.29
30-39	12	14.12
40-49	28	32.94
50-59	10	11.76
60-69	17	20.00
70 and above	5	5.88
Total	85	100.00
Sex		
Male	53	62.35
Female	32	37.65
Total	85	100.00
Education Status		
No formal education	17	20.00
Primary	12	14.12

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Secondary	21	24.71
tertiary	15	17.65
vocational	20	23.53
Total	85	100.00
Occupation of Entrepreneur		
Employees (Intrapreneurs)	17	20.00
Businessmen	44	51.76
Artisan	24	28.24
Total	85	100.00
Years of Experience		
0-5	12	14.12
6-10	47	55.29
11-15	18	21.18
16 and above	8	9.41
Total	85	100.00

Source: Researchers' Field Work, 2019

Table 1.1 presented the distribution of respondents according to personal data. From the table, the distribution of respondents by age in years revealed that 15.29% of the respondents were between 20-29 years of age while 14.12% of the respondents were between 30-37 years of age. Meanwhile, 32.94%, 11.76%, 20% and 5.88% of the respondents were between 40-49, 50-59, 60-69 and 70 and above years of age respectively. This implied that substantial numbers of the respondents were between 40-49 years of age and invariably any opinion generated from this category of respondents might be useful in generalizing the finding of the study.

The distribution of respondents according to sex indicated that 62.35% of the respondents were male while 37.65% of the respondents were female. This implied that sufficient numbers of the respondents were male. This variable was a pointer to the fact that there were more males engaged in businesses in the study location than female.

Consequently, the distribution of respondents according to education status revealed that 20% of the respondents had no formal education while 14.12% of the respondents had primary education. Also, 24.71% of the respondents had secondary education while 17.65% of the respondents had tertiary education. In addition, 23.53% of the respondents had vocational education. This showed that sufficient numbers of the respondents had secondary education. The implication of this to the study was to see how respondent's level of education influenced their opinions of the subject matter of the study.

Furthermore, the distribution of respondents by occupation of entrepreneur revealed that 20% of the respondents were employees (intrapreneurs) in one forms or the other while 51.76% of the respondents were businessmen. Moreover, 28.24% of these respondents were artisan. This indicated that substantial numbers of the respondents were businessmen and invariably this might go a long way in influencing respondent's perception of the effect of market entry barriers on entrepreneurship development in Nigeria.

In continuation, the distribution of respondents according to years of experience showed that 14.12% of the respondents had between 0-5 years of experience while 55.29% of the respondents had between 6-10 years of experience. Meanwhile, 21.18%, and 9.41% had between 11-15 and 16 years and above working experience. This showed that substantial number of respondents had between 6-10 years of working experience and hence they might be in a better position to know what market entry barriers entailed.

Perceptions of Entrepreneurs on market entry barriers and business startup in Nigeria

There are many barriers to entry in Nigeria market. Each barrier was enshrined in order to discourage new entrance into the market. In fact, the effectiveness of each barrier as pointed out by Ayodeji (2015) has continued to hamper the development of entrepreneurship in Nigeria. Therefore, this section of the study concentrated on the assessment of respondents perceptions on the effects of market entry barriers on entrepreneurship development in Nigeria. This assessment would be carried out in line with the research questions earlier set out for the study.

There are different types of market entry barriers in Nigeria. These barriers ranging from complete denial of entry to new entrance to compulsory use of force to inject new and existing marketers tin the market. This section of the study focused on the analysis of various types of entry barriers in Nigeria market.

Table 2: Distribution of Entrepreneur's perceptions on the various types of entry barriers in Nigeria

S/N	Test Items	SA (%) - 5	A (%) - 4	MA (%) - 3	D (%) - 2	SD (%) - 1	Mean	Std.	Remark
1	Large scale	34	20	18	8	5	3.82	1.23	just sign

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	production makes market entry easier	(40.00)	(23.53)	(21.95)	(9.41)	(5.88)			
2	Existing competitors is a major entry barrier in Offa	42 (39.41)	16 (18.82)	20 (23.53)	3 (3.53)	4 (4.71)	4.05	1,13	sign
3	inadequate market infrastructure (e.g lockup-shop, proper layout, available space) can constitute market entry problem	55 (63.71)	12 (14.12)	10 (11.76)	3 (3.53)	2 (2.35)	4.25	1.26	just sign
4	cooperative societies constitute market entry problem	44 (51.76)	31 (36.47)	2 (2.35)	6 (7.06)	2 (2.35)	4.28	0.99	very sign
5	product differentiation and quality is a major factor of enterprise entry barrier	34 (40.00)	46 (54.12)	3 (3.53)	2 (2.35)	-	4.32	0.64	very sign
6	customer relation and market share of existing enterprise constitute entry barrier	56 (65.88)	12 (14.12)	6 (7.06)	4 (4.71)	7 (8.24)	4.25	1.25	Just sign
7	initial capital requirement for business start-up is an entry barrier	47 (55.29)	23 (27.06)	5 (5.88)	6 (7.06)	4 (4.71)	4.21	1.14	just sign
8	Government policy, local government tax is also a major entry barrier for new venture	53 (62.35)	17 (20.00)	4 (4.71)	8 (9.41)	3 (3.53)	4.28	1.14	just sign

Source: Researchers' Field Work, 2019

The distribution of respondent's perception on the various barriers to market entry in Nigeria was presented in Table 2. From the table, 40% of the respondents strongly agreed that large scale production made market entry easier while 23.53% of the respondents agreed with this test item. Meanwhile, 21.95%, 9.41% and 5.88% of the respondents were undecided, disagreed and strongly disagreed respectively with this test item. This revealed that sufficient numbers of the respondents agreed that large scale production made market entry easier. The importance of large scale production on easy of entry of market particularly for new entrepreneur has been found by Aaron (2015) to be relevant. Many new entrance firms had continued to find it difficult to enter into already saturated market as a result of the fact that they lacked the advantage of large scale production. The problem of large scale production could be solved through effective coming together of two or more entrepreneurs. The mean value obtained for this test item of 3.82 re-affirmed the fact that the existence of large scale production made market entry easy for those entrepreneurs whom enjoyed this advantaged.

Moreover, the result from the table revealed that 39.41% of the respondents strongly agreed that existing competitors was a major entry barrier in Offa while 18.82% of the respondents agreed with this test statement. Also, 23.53%, 3.53% and 4.71% of the respondents moderately agreed, disagreed and strongly disagreed respectively with this test item. This showed that substantial number of the respondents agreed that the existence of competitors was a major entry barrier in Offa. No business no matter how big they might love competitors. Business competitors always ensured that they continued to enjoy the benefit of few entrances in the market. The imperative of this was that any permission for a new firm or entrance was always vehemently rejected by the existing firms. The mean value obtained for this test statement of 4.05 reconfirmed the fact that the test item was significance. This assertion was based on the fact that the mean value computed for the test item of 4.05 was far better than the acceptable average of 3.00 on a five point likert scale.

It was found that 63.71% of the respondents strongly agreed that inadequate market infrastructure such as lock up shop, proper layout and available space could constitute market entry problem while 14.12% of the respondents agreed with this test item. In continuation, 11.76%, 3.53% and 2.35% of the respondents were moderately agreed, disagreed and strongly disagreed respectively with this test statement. This indicated that substantial number of the respondents agreed that that inadequate market infrastructure such as lock up shop, proper layout and available space could constitute market entry problem. Insufficient provision of necessary facilities in the market might discourage new entrance into the market. The availability of necessary amenities inside a market might enhance continuous inflow of entrepreneurs into the market and vice-versa. The mean and standard deviation computed for this test item of 4.25 and 1.26 revealed the fact that inadequate market infrastructure might be one of the barrier to free entry into a market.

More so, 51.76% of the respondents strongly agreed that cooperative societies existing in a market might constitute market entry problem while 36.47% of the respondents agreed with this test item. Meanwhile, 2.35%, 7.06% and 2.35% of the respondents were moderately agreed, disagreed and strongly disagreed respectively with this test item. This indicated that sufficient number of the respondents agreed that cooperative societies existing in a market might constitute market entry barrier. The functional societies in a market might make it mandatory for any new entrance to join the societies before operating in the market. Failure of new entrance and existing firms to joint these societies might spell doom for them. In fact, some of these societies had been found to be picketing any shop owners that failed to join them. This scenario had continued to discourage new and existing entrepreneurs from operating in some markets. The mean value computed for this test item of 4.28 confirmed the fact that the test item was significance and might be one of the barriers to entry in a market.

Resultantly, 40% of the respondents strongly agreed that product differentiation and quality was a major factor of enterprise entry barrier while 53.12% of the respondents agreed with this test variable. In effect, 3.53% and 2.35% of the respondents moderately agreed and disagreed respectively with this test item. This implied that substantial number of the respondents agreed that product differentiation and quality were major factor of enterprise entry barrier. Some products operating in market might be highly differentiation and branded in order to discourage new entrepreneur from re-innovate and re-design the product. Product differentiation could discourage new entrepreneurs from engaging in production of a good/product that is complement to this highly differentiation product. The mean value computed for this test item of 4.32 reaffirmed the fact that the test item was significance. This assertion was premised on the fact that the mean value computed of 4.32 was far better than the acceptable mean of 3.00 with a standard deviation that showed a slight dispersion from the mean.

Also, 65.88% of the respondents strongly agreed that customer relation and market share of existing enterprise constituted entry barrier while 14.12% of the respondents agreed with this test item. Furthermore, 7.06%, 4.71% and 8.24% of the respondents were moderately agreed, disagreed and strongly disagreed respectively with this test item. This indicated that sufficient number of the respondents agreed that customer relation and market share of existing enterprise constituted entry barrier. In a situation where existing venture in the market had a good relation and rapport with their customers, it might be difficult for new entrance to enter into the market with similar products and vice-versa. Oteng (2015) revealed that the kind of relation an existing venture had with its customers determined to a large extent whether the customers might patronize new producers. A company with a good customer relation might find it easier and convenience to retain the patronage of its customers by attracting new ones and vice-versa. The mean value obtained for this test item of 4.25 reconfirmed the fact that the test item was significance.

Also, it was found that 55.29% of the respondents strongly agreed that initial capital requirement for business startup was an entry barrier while 27.06% of the respondents agreed with this test item. Consequently, 5.88%, 7.06% and 4.71% of the respondents were moderately agreed, disagreed and strongly disagreed respectively with this t6est item. This revealed that enough respondents agreed that that initial capital requirement for business startup was an entry barrier. The starting capital required to start some ventures might constitute barrier to entry of some firms. This was because some ventures and businesses required seriously capital that might be impossible for individual to venture into. The mean value computed for this test item of 4.21 reaffirmed the fact that the test item was significance to some extent. This assertion was premised on the fact that the mean value obtained for the test statement of 4.21 was better than the acceptable mean of 3.00 with a standard deviation that indicated some level of dispersion from the mean.

The result in the table revealed that 62.35% of the respondents strongly agreed that Government policy, local government tax were also a major entry barrier for new venture while 20% of the respondents agreed with this test item. Also, 4.71%, 9.41% and 3.53% of the respondents were moderately agreed, disagreed and strongly disagreed respectively with this test item. This showed that sufficient number of the respondents agreed that Government policy and local government tax was also major entry barrier for new venture. Government policies sometime hinder the entering of new venture into a market. In fact, government cumbersome policies on registration of new venture might sometime discourage the entering of new venture in Nigeria. The issue of tax paid by new venture and existing businesses in Nigeria had been found by many scholars to impede the growth and development of new venture in the country. This was due to the fact that new ventures were required to satisfy not only the demand of the statement government t but also that of the multi-tax system existing at the local government council in many states in the country. The mean value obtained for this test item of 4.28 reconfirmed the fact that the test item was significance.

SUMMARY, CONCLUSION AND RECOMMENDATION

Summary of findings

This study focused on the perceptions of market entry barriers on new business startup in Nigeria using some selected markets in Offa Local Government in Kwara State as the case study. The result of the study revealed that there were barriers to market entry in Nigeria experienced by new startup entrepreneurs. The barriers as agreed to by the respondents were; scale of production, existing competitors, inadequate market infrastructure, cooperative societies operating in the market, product differentiation, customers relation, large amount of starting capital and government policies. All these barriers were found to affect effective entrepreneurs of new business startup in entering both existing and new markets in Nigeria.

Conclusions

Based on the results obtained for the study, the researcher concludes that entrepreneurs must prepare to overcome some challenges which they are bound to face as they are launching their products to existing and new markets and prepare this as part of feasibility study in order to successfully operate in markets.

Recommendations

The result of the study has showed that the incidence of market barriers affect business startup. Therefore, based on the findings of this study, the researchers recommends that there is need for the government to intervene in Nigeria market situation by removing the artificial barriers created by the operators in the market in order to encourage new entrant to come in. Moreover, since market entry barriers affect new business startup, there is need for the government at all levels to partners with private organization that can effectively organize Nigeria market participants and give them better orientation in admitting new entrants into the market.

Suggestion for Further Studies

This study deals with the perception of market entry barriers on new business startup. More studies can be carried out on the impact of market entry barriers on profitability of new enterprises. The impact of market entry barriers on the survival of new enterprises may also be considered in future research.

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