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AGGRESSIVE MARKETING AND PRODUCT PERFORMANCE IN NIGERIA A CASE STUDY OF THE TELECOMMUNICATION INDUSTRY

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Abstract: *The drive to become successful in a stiff competitive market is what is making organization to adopt strong marketing strategies of which Aggressive marketing option becomes a part. The actual and perceived relationship between marketing strategies and organization performance are well documented in the literature through research reports. What is less focus on is this relationship as it affects telecommunication industry. This study therefore examined the effect of Aggressive marketing strategies on the product performance of telecommunication industry in Nigeria. The study made use of survey research design where well-structured questionnaires were employed. To give room for easy measurement of variables, a likert scale of strongly agreed to strongly disagree was adopted. The obtained data were analyzed using simple percentage, descriptive statistics and validation of proposition was confirmed through regression model. The study revealed that marketing strategies has a significant effect on product performance with reference to Nigeria Industry, as most, if not all organizations adopt marketing strategies that affect customer patronage as well as the development of dynamic marketing strategies that reflect current state of customer preference. The paper, therefore, recommended that organization should embrace and enhance the development of state of the earth marketing strategies in order to remain afloat in competing future market.*

Keywords: Aggressiveness, Marketing strategies, Product and Performance.

1.0 Introduction

The need to achieve set organizational goals and objectives compel companies to conceptualize, design, and implement various strategies with marketing strategies constituting one functional area essential for contemporary companies to enhance performance. Roger (2002) viewed marketing strategies as an array of techniques employed by marketing managers to identify, anticipate and satisfy customer requirement profitably. If successful, it will qualify as an established marketing strategy, while a below par result often requires a turnaround strategy that will put performance back on track. Kotler and Keller (2006) view marketing theory and practice as a justification of the belief that consumers patronize a product or service because they have a need, or because it provides a perceived benefit.

The Telecommunication industry is considered to be one of the largest and most powerful industries in the global market, vis-à-vis technological advancement, with its operations covering every corner of the globe and with the world heavily dependent on communication. Today, activities in the telecommunication industry are composed of various procedures including service provision, sales of products like Handsets, Subscriber Identify Module (SIM) packs and other communications gadgets. While all this activities requires marketing, achieving efficient and effective marketing strategy by an organization is difficult, as a result of the ambiguity and dynamic of business factors (Brownie and Spender, 1995). Sound and robust marketing commitment on the part of organization and sales-people are important to the survival and growth of the communication companies, considering the subtle, unstable and seemingly hostile business environments in which contemporary business organizations operate (Creveling, 1994).

Since the 2001 privatization of the Nigeria Telecommunication Industry, it has witnessed tremendous changes, as several marketing strategies have been employed by various service providers with the aim of increasing their customer base and market share. However, The major problem in the Nigeria Telecommunication Industry is that service providers are still lacking in so many aspect of the country, while their perception of marketing have moved from advertising and promotion to the organization and sponsorship of various talent hunt competition without paying adequate attention to the consequences of their various aggressive marketing campaign on product performance in term of customer patronage and continuous loyalty. Hence, the objectives of this study is to examine the effect of marketing strategies on telecommunication companies' performance in Nigeria by identify the problems facing marketing of their services with the aim of providing solutions with the view to establishing their effectiveness.

2.0 Literature review

Marketing strategy has been a prominent focal point of academic discussion since the 1980s as there are numerous definitions of marketing strategy in the literature with each discussing different perspectives (Li et al., 2000). Yet, the common ground is that marketing strategy serves as the avenue for utilizing organizational resources in order to attain set goals and objectives. Similarly, marketing strategy entails the adaptation of marketing mix elements to environmental forces. Hence, the rationale behind the formulation of marketing strategy is the determination of the nature, strength, direction and interaction between the marketing mix elements and the environmental factors obtainable in a peculiar situation (Jain and Punj 1997). This implies that the objective of a firm marketing strategy is to establish, build, defend and maintain its competitive advantage. Managerial judgment is important in coping with environmental ambiguity and uncertainty in strategic marketing (Brownie and Spender, 1995).

The development of a firm marketing strategy is often characterized with some unique feature such as sufficient managerial experience, intuition, broad spectrum of strategic information, knowledge-intensive, a high level of uncertainty and ambiguity business sphere and usually involves subtle decision making by organizational managers based on exhaustive examination of relevant environments and a synthesis of essential and useful pieces of information (Mintzberg, 1996, Berry 1997).

As a result of the ambiguity and instability of environmental factors, strategic marketing may be a difficult task for organizational strategists. Many factors prevent organizational managers from designing and implementing efficient and effective marketing strategies (McDonald, 1992). Strategic marketing is making choices through a process designed to support leaders in developing plans about their goals and technique as Bryson (2004)
observed that strategic marketing is a disciplined effort to produce fundamental decisions and actions that shape and guide an organisation, objectives and how it operate with a view on the future. Similarly, Woodward (2004) argues that strategic marketing is a process by which one can envision the future and develop the necessary procedures and operations to influence and achieve the future. Similarly, it is also viewed as a process which employed systematic criteria and rigorous investigation in formulating, implementing, controlling strategy and formally document organizational expectations

In the course of analyzing to the impact of marketing strategies on corporate performance various models have been empirically developed which include:
The Resource Based Model (RBM) which emphasizes the relevance of a firm's internal organizational resources as a constraint in established the firm's strategy and performance (Grant, 1991). The internal resources include assets, capabilities, processes, attributes; information and knowledge facilitate the visioning and implementation of strategies to improve its efficiency and effectiveness. Although this model identifies the important of firm's physical resources as a determinant of performance, it stressed the role of firm's skills and resources (Collis, 1991). Some intangibles resources of the firm are the market-assets such as customer satisfaction and brand equity.

The Dynamic Capabilities Model (DCM) twang on the blend of resources and competences that can be developed, deployed and protected. The forces that decide the nature of a firm's dynamic capabilities comprises its processes which include capabilities, its attained positions the firms, the evolutionary paths adopted and inherited (Teece et al., 1997). This model opined that marketing factors that determine the competitive advantage are marketing efficiency resulting from the marketing organizational process and the endowments of market assets that has generated such as customer satisfaction and brand equity, i.e. marketing positions. In the context of global competition, RBM and DCM proposed a chronological evolution of firm resources, constraints, strategic choices and market outcomes (Collis, 1991). According to Douglas and Craig (1989), Marketing Strategy development is performed at this stage of global rationalization which involves achieving the initial foreign market entry and expansion of national markets during internationalization. Thus, both stages facilitate the process whereby the firm learned and accumulated different tangible and intangible organizational assets while facing diverse and complex risks in the market contexts.

Marketing Impact Model (MIM) was developed based on the need to justify marketing expenditures and provide a link between marketing activities and shareholder value for measuring marketing impact is intensified as firms feel increasing pressure (Gruca and Rego 2005). Srivastava et al., (1998) observed that marketing actions such as packaging, brand name, distribution channel density, advertising, exhibitions, sponsorship etc often aid the development of a long-term assets such as brand equity and customer satisfaction for the firm which can be leveraged to providing a short-term profitability and shareholder value. Marketing Efficiency Model (MEA) focuses on the level of efficiency involved in the discharged of marketing programmes. Efficiency involves the evaluation of firm's ratio of outcomes and the size of inputs required to achieve them. Sheth et al. (2002) view marketing efficiency as the quotient of marketing output over input while Sheth and Sisodia (1995) analyzed marketing productivity in two dimensions, efficiency as well as effectiveness, i.e. getting loyal customers at low marketing costs.

Levesque and McDaugall, (1996) views customer's satisfaction as a potential tool for increasing firm's customer base, increase customer mix and reputation while Zeithalm, Bitner & Parasuraman (1988) defined customers service as a series of activities designed to enhance the level of customer's satisfaction that is, the feeling that a product or service has met customer's expectation. Customer's service varies by product, industry and customer with the service industry assume important dimension. Dutta and Roy (2006) observed that the service industry have no inventory of finished goods to buffer production from random demand variability; the demand for corporate survival, profitability and growth forced the service firm hold their own in competition. The Nigerian telecommunication industry for one, has witnessed significant rise in competition in recent years due largely to the deregulation policy of government and the advent of mobile telecommunication companies.

Another complex dimension to the competitive trend in the Nigerian telecommunication industry is the ease and rate at which products and services are duplicated in the industry and multi-dimension nature of communication. This trend fosters a scenario of continuous fight for customers share (Mendzela, 1999) and increasing the need to build loyal customers through effective customer's service activities.

All these marketing activities will influence business performance which invariably translates into higher valuations for the firm since higher business performance provides higher net income, which provides for higher dividends and distributions to shareholders. These distributions directly affect firm value because the value of the firm's stock can be viewed as the discounted value of all expected cash dividends provided by the issuing firm until the end of time (Van Horne & Wachowicz, 1998).

McNaughton, Osbourne, Morgan & Kutwaroo (2001) observed that market orientation leads to improved business performance, which is recognized in higher valuations, translating to higher share prices and wealth creation for the owners of the firm. Reicheld and Kenny (1990) opined that loyal customers from cost perspective tend to stay longer with the preferred providers, buy more and generate favourable word-of-mouth effect that may further benefit the preferred provider. Furthermore, Long term customers tend to take less of company time and are less sensitive to price. Gan et al. (2006) indicates that retaining customer becomes a priority for most enterprise and there are compelling arguments for manager to carefully consider the factor that might increase customer's retention rate. In any case, the cost of creating a new customer has been estimated to be five times the cost of retaining an existing customer (Reichheld, 1996).

Obasan and Soyebo (2012) observed that promotion has a significant effect on marketing management in Nigerian telecommunication Industry and recommend it is a veritable tool which must be reviewed regularly in order to meets customer's needs and satisfaction. It must focus explicitly on the firm long run competitive advantage by serving as a link between a firm, clients, competitors and other stakeholders.

3.0 Data Collection and Analysis

In order to attain the objective of this study a set of four hundred and fifty (400) pre-test questionnaires was administered among the various customers of the four major mobile telecommunication companies in Nigeria (MTN, CELTEL, GLO and ETISALAT) using the Cronbach Alpha to test the reliability of the questions. A simple model formulated to show the perceived relationship is given as:

$Y = a + bX + e$

Where Y = product/ service performance

X= Marketing activities

a = autonomous product/service performance

b = marginal change in product performance due to a unit change in the size of marketing activities

e = error term

All respondents were asked to indicate extent of their agreement with the various statements by ticking from strongly agree to strongly disagree on each item. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.768. The use of the measure yielded a Cronbach alpha coefficient of 0.974, which indicates very high internal reliability for the scale. (See Table 1)

However, only 348 completed questionnaires were returned out of which 54%, 37% and 9% of the total respondents were from the marketing department, customer's service section and finance department respectively. The observed views about the subject matter were reported in table 3. The obtained data were analysed using simple percentage, descriptive and inferential statistics of correlation and regression.

Table 1

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.974	0.974	348

The estimated regression equation is thus presented as:

$Y = 2.1733 + 0.3522X + 0.6234$

(6.0071)* (4.0995)*

Table 2

Variable	Co-efficient	Standard-error	t-statistics
Constant	2.1733	0.3619	6.0071
Aggrmkt	0.3522	0.0859	4.0995

$r = 0.4740$ $r^2 = 0.2247$, Adjusted $r^2 = 0.2113$ *f*-statistic = 16.8060

a. Dependent Variable: performance

Source: Author's computation (2013)

4.0 Discussion of Result

The table 2 above showed the result of the correlation co-efficient, coefficient of determination and the regression model specified for this study. The correlation co-efficient (r) value of 0.4740 indicates the existence of a moderate positive relationship between marketing activities and product performance in the telecommunication as observed from the various respondent views. The coefficient of determination (r^2) value of 0.2247 implies that marketing activities explains only 22.47% of the total variation in the product/service performance in the industry. Both the value of standard error and the t-statistics show that the parameters obtained for the marketing activities are statistically significant at 5% of significance. The *f*-statistic of value 16.806 shows that the model is statistically significant at 5% level of significance as the value of the regression co efficient is significantly different from zero. This is also confirmed by the corresponding standard errors of the coefficient as they are less than the estimated coefficient divided by two i.e. ($0.0859 < 0.3522/2$).

From the analysis, it is clearly shown that marketing activities exerted a moderate positive relationship on product performance with the accompanying test of significance of the results harmonizing the statistical significance of the obtained outcome.

5.0 Conclusion and Recommendation

This study examined the influence of aggressive marketing on product performance in the Nigeria telecommunication Industry and the obtained result revealed that marketing activities has a significant effect on product performance in the industry as most organisations adopt marketing strategies that affects customer patronage through various marketing programmes as well as the development of dynamic marketing strategies that change with time and customer preference. This submission is in line with the result of Epetimehin (2011) who observed that marketing (especially relationship marketing) has a place in the insurance industry especially in the area of customer satisfaction and retention.

This notion of peculiar emphasis on consumers' preference has resulted in increased customer satisfaction through the development of the various marketing programmes and effective communication/feedback channels and indicates clearly the role of marketing in product performance. Also, product being a strategic variable in firm's operation requires adequate information about competitor's actions which often affect rivals revenue as healthy competition increase focus and attention on consumer in the industry.

Hence, marketing activities often increase the interest of potential customer in a product, especially telecom consumers that exhibit high changes in taste and preference over time. This often forced service providers to embark on continuous product innovation in order to maintain market share and increase sales. Hence, this study revealed that an effective and efficient marketing activity is a virile tool for a desired product performance in the Nigerian Telecommunication Industry.

Similarly, telecom operators in Nigeria need to design a feedback mechanism such as pool vote, web page etc, to review their customer's needs and satisfaction level. This will help to address the challenges of poor product performance, increase consumer brand loyalty and prevent the development of products that will not stand the test of time due to unanticipated dysfunctional consequences arising from product performance. Similarly, marketing/brand manager must focus overtly on the firm long run competitive advantage by providing a conduct pipe between the firm, its clients and other stakeholders in the industry.

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Table 3 RESPONDENTS' VIEWS ABOUT VARIOUS RESEARCH STATEMENT

s/n	Statement	SA	A	UD	D	SD
1	Our organisation adopts marketing strategies.	135	198	15		
2	Those strategies have affected our package patronage	201	129	18		
3	Our organisation spent more money on promotion.	167	178	3		
4	Most customers benefited from our promotional programmes	237	111			
5	Our marketing strategies are dynamic and change with time and customer preference	198	150			
6	Most customers are satisfied with our services	232	116			
7	Our communication and feedback channels have been effective	156	173	19		
8	Product/service is an essential strategic variable in firm's operation	187	161			
9	Competitors actions often affect our firms revenue	169	154	25		
10	Marketing activities often increase the interest of potential customer in a product	142	187	19		

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11	There is a relationship between marketing activities and firm profitability in the industry	18 4	157	07		
12	An effective marketing activities increase firms sales	14 9	199			
13	Competition increase focus and attention consumer in the industry.	15 3	195			
14	Telecom consumers exhibit high changes in taste and preference over time	12 7	153	41	27	
15	Continuous product innovation increase firms sales	16 2	154	32		

Source: Authors computation