
**STRATEGIC MARKETING, INNOVATION CULTURE AND COMPETITIVE
ADVANTAGE OF SELECTED PETROLEUM PRODUCTS MARKETING
COMPANIES: EVIDENCE FROM NIGERIA**

Adesoga D. Adefulu, Olalekan U. Ashikia, Olubisi G. Makinde & Abiodun E. Alao
Babcock University, Ilishan Remo, Ilishan. Ogun State, Nigeria

ABSTRACT: *This paper investigated the effect of strategic marketing (SM) on innovation culture (IC) and competitive advantage (CA) of selected petroleum products marketing companies in Lagos State, Nigeria. It further examined relative moderating role of resource capabilities (RC). A cross-sectional survey research design was used in the study. Target population comprised 1568 managerial staff of the selected companies. Cochran's formula was used to determine a sample size. Stratified random sampling and proportionate sampling techniques were used to group the sample to definite categories of directors, senior managers, marketing managers and supervisors and for adequate representation. A validated questionnaire was administered and a total of 497 retrieved for analysis. The data collected were analysed using multiple regression analysis. The findings revealed that strategic marketing had a positive and significant effect on innovation culture ($Adj.R^2 = 0.390$, $F(1, 491) = 80.180$, $p < 0.05$) and competitive advantage ($Adj.R^2 = 0.627$, $F(4, 491) = 208.685$, $p < 0.05$). The study recommended that the management of petroleum products marketing companies should be committed to adopting strategic marketing towards building innovation culture and achieving competitive advantage.*

KEYWORDS: Strategic marketing, Innovation culture, Competitive advantage, Competitive environment

INTRODUCTION

Many businesses across the globe are operating in a highly competitive environment with low level of competitiveness (Wang, Han & Lin, 2018). Firms' ability to engage and compete effectively in a competitive market has been attributed to strength of creating new ideas and values that give superior market performance. The importance of innovation in business is central to firms' ability to become highly competitive in the market place in response to a situation of intensified competition (Urbancová, 2013). Organisational culture to innovation has remained an important focus that ensures organisational strength to making consistent effort and plan towards innovation and competitiveness (Ungerma, Dedkova & Gurihova, 2018). The terms innovation and culture are combined as a concept to explain how business ought to develop culture of innovation to make itself and offering better competitive in the market place. It is therefore an important strategic approach for every marketing organisation to embrace innovation and ensure its culture is well entrenched in its strategic marketing framework. In line with the argument, Muangkhot and Ussahawanitchakit (2015) opined that innovation culture is a strategic function in which an organisation ensures sustainable innovation as a critical way of measuring the culture towards it. This is done by asking pertinent questions on how business values are consistently delivered to the market, how sustainable are such values

been delivered, what new ideas are emerging to improve on the current values being delivered and how would those ideas translate to better values to the target market.

A number of researchers have conducted studies in exploring the relationship between innovation culture and market strategies, market orientation and other related issues based on context of strategic marketing in varying industries and sectors (Asomaning & Abdulai, 2015; Distanont and Khongmalai, 2018; Ryan & Daly, 2019) . The significance of innovation in different contexts has been widely analyzed in these extant literatures, but how innovation is adopted as a culture is still under-researched. When considering this research gap, the study critically looks into extant knowledge and empirical findings in the context of petroleum products marketing in Nigeria. This study is therefore expected to fill an existing gap and contribute to frontiers of knowledge. Thus, this paper is to investigate the effect of strategic marketing dimensions on the innovation culture and competitive advantage of selected companies operating in the petroleum products marketing sector in Lagos State, Nigeria.

LITERATURE REVIEW

The literature explores issues that relate to strategic marketing which include marketing orientation, marketing analysis, marketing planning, marketing decision, innovation culture and competitive advantage.

Conceptual Review

Marketing Orientation

In conceptualising marketing orientation, it is pertinent to look into the meaning of marketing for better appreciation of the concept. Drummond *et al.*, (2013) has simply defined marketing as an activity business undertakes in terms of understanding and meeting changing needs of its target market. This simple meaning may not represent the whole idea of marketing, because it has not effectively captured the critical domains that amplify it as a philosophy for business strength and successful operation in a competitive environment. The reality of business activities which involve complex, interdependent and conflicting tasks that exist amid uncertainties and changes in the market place has made marketing a significant philosophy for business survival (Drummond *et al.*, 2013).

The modern world of business has recognized the need to embrace marketing orientation as an off-shoot of marketing principle, also as a critical strategic approach that brings greater benefits to support the survival of business amid uncertainties, changes and challenges of the market place (Kanagal, 2017). Marketing orientation has been explained in this direction as a significant concept that is beyond just a functional activity, but more as a business philosophy and strategy towards helping organizations respond to predictable and unpredictable marketing situations of competitive pressure and changing customer needs (Jaworski and Kohli, 2013). This concept consists of important domains which make it relatively acceptable for business purposes. In line with this thought, a scholarly literature has advanced that there is an absolute and relative rise in the application of marketing as a principle, orientation and process in all

organizations across sectors and industries around the world (Kotler, Armstrong, Meggs, Bradbury and Grech, 2015).

The role marketing plays in business is seen to have been on the increase as a result of emerging market factors which include reduced consumption for goods and services, increased complexity of the operating environment and rise in global competition (Kotler *et al.*, 2015). On this basis, the study however suggests that domain of marketing as an orientation should include the process of collecting market information to understand emerging market factors that have direct effect on organisational operations and decisions, in terms of customer value creation and attainment of marketing goals and objectives. This view of marketing orientation is expected to support consistent delivery of market value and development of market-based and customer-focused strategy, as an important aspect of strategic marketing.

A marketing-oriented organisation is a market-driven one whose business logic is usually based on understanding and proactively reacting to the emerging market preferences and behaviour towards influencing them to the advantage of the business (Jaworski & Kohli, 2013). Marketing orientation is also a philosophy that allows organisations to become market-driven by matching market opportunities with their capabilities (Drummond *et al.*, 2013). This explains the importance of marketing orientation as a value-based philosophy to every business organisation and a guide to understanding the difficult situation of the changing and uncertain nature of the market place. It helps the organisation to operate successfully and constantly navigate through competitive environment for survival. Organisations operating within the reality of contemporary environmental uncertainties and market changes have to jettison orientation to product or production and embrace marketing orientation. Companies operating on product or production orientation could only set priority on product quality, design and production efficiency as different from marketing orientation which makes organizations to set priority on anticipating and creating value which leads to consistent customer satisfaction through the application of strategic marketing process (Craven *et al.*, 2012).

The significance of marketing orientation as a philosophy in driving organisation's capabilities and its marketing activities cannot be over-emphasized in terms of how it helps in discovering, understanding, creating and satisfying value-based market needs and wants consistently towards achieving competitive advantage (Drummond *et al.*, 2013). It makes every organisation that is bound by the market orientation as a philosophy to be seen as Holy Grail of marketing principle and practice. Marketing orientation thus endears organisations to start with customer as a focus to perform business and provide actual customer demand as a means to efficiently use its resources. Drummond *et al.*, (2013) further buttress that concept of marketing orientation explains the basis upon which a business develops marketing strategies, acquires, allocates and uses resources towards achieving set mission, goals and objectives. It emphasises on how businesses operate on its key resource capabilities, wide generation and sharing of market intelligence and responsiveness to market needs to achieve competitive advantage.

Jobber (2014) posits that for any organisation to embrace and achieve market-orientation in business it must become customer focused, competitor focused, integrative, strategic and

realistic in expectations. To be customer-focused simply means a process that ensures an organisation frequently learns to understand their customer base, respond promptly to their changing needs, treat loyal customers as assets and build long-term relationships with them. A customer-focused business ensures a long term record of customer satisfaction and retention is attained through effective segmentation target and customer communication. To be competitor-focused refers to an organisation's effort towards monitoring its competitors and their activities in terms of assessing their objectives, strategies and capabilities. It further implies that every business organisation needs to regularly benchmark other competing products, processes and operations against its own in order to survive the endemic emerging competitive pressure of the market.

A marketing-oriented organisation should be strategic in undertaking marketing process which involves developing a long term market-oriented strategy. The approach basically involves creating and applying market-led strategic content that leads to attainment of organisational vision and mission. Further conceptual views have shown that business organisations operate on market orientation to learn how to match their resource capabilities with the given environmental conditions and become realistic in assessing market expectations on a consistent basis (Kanagal, 2017).

Narver, Slater and MacLachlan (2004) conceptualised marketing orientation by relating it to learning orientation which helps firms to discover, understand and satisfy customer needs and expectations rather than lateral needs of the market. This explains the concept for every firm operating in different industries and sectors such as petroleum products marketing learning orientation which focuses on expressed market needs and expectations to explore market opportunities is essentially an aspect of marketing orientation that helps in creating competitive advantage (Menguc and Auh, 2006). A marketing oriented organisation is therefore a learning one that is propelled to focus on offering superior customer value and positioning itself to achieve competitive advantage.

Marketing orientation concept also implies organisational learning about markets for the purpose of creating value through deployment of resources and capabilities (Hong, Song & Yoo, 2013; Kim, Im and Slater, 2013). Firm's capacity to deploy organisational learning and other inherent capabilities are fundamental issues embedded within marketing orientation ability of firms to achieve competitive advantage (Doyle and Armenakyan, 2014). In view of the given views the concept of marketing orientation implies on how companies in different sectors are opened to positioning their businesses in the competitive market for optimal use of resource capabilities, generation and sharing of market intelligence, creation of new values and response to changing market needs and expectations towards achieving competitive advantage.

Marketing Analysis

Marketing analysis as an essential aspect of strategic marketing focuses on analysis of changes that occur within the internal and external marketing environment having an impact on firm's ability to compete effectively in the market place (Kotler, 2015). The concept is further explained as an integral aspect of marketing explored in business for external analysis (macro marketing environment), customer analysis and task and competitor analysis. Market analysis

enables firms to learn and translate learning from the target market into actionable plans adopted to achieve competitive advantage. As a concept market analysis involves how business organisations learn about the opportunities that exist in the market place for the purpose of translating them into profitable actions (Whalley, 2015).

A wider view of marketing analysis is explained as an activity that leads to underpinning sound marketing knowledge and insight of markets, customers, competitors, competitive positions and customer value, which are the building blocks business organisations use to make significant and reliable marketing decisions relating to resource application, innovation, value creation and market development in the fast changing and competitive markets (Welch, 2017). This concept gives wide-based issues explaining domains of marketing and it is considered all-encompassing and useful to business organisations. Based on the given context, it should be emphasised that marketing analysis is the foundation upon which businesses set marketing goals and objectives. It is used as a mechanism by the organisation to make effective use of market intelligence (Kotler, 2015). Market intelligence is usually generated through the marketing analysis and used to make informed marketing decisions which focus on setting new marketing goals in terms of market share, revenue, sales, profitability and competitive advantage, and developing new market-based strategies to achieve them (Hamper, 2018). The frequency of use of marketing analysis depends on the extent and regularity of recurring changes within the operating and marketing environment, thus leading to generation of new market information necessary for an organisation to making important marketing decisions that would impact on organisational level of competitiveness (Whalley, 2015). The concept simply underpins that rate of changes in the market accelerates the need for marketing analysis in business. It invariably impacts on the organisation's ability to understand its target markets to create new values and drive resources to adapt and become effective in achieving its short and long term competitiveness (Welch, 2017).

It should further be emphasised that focus of the marketing analysis is to identify and learn emerging innovative trends and help business establish new degree of firm-market interaction in order to inform and enhance organisational ability to make effective use of marketing strategy towards achieving competitive advantage (Whalley, 2015). Based on the arguments, marketing analysis as a concept can be adapted as an activity that ensures generation of business intelligence which enhances firm's ability to understand its changing internal and external marketing environment in order to make well-focused innovation-based decisions for short and long term competitiveness.

Marketing Planning

According to Johnson and Scholes (2015) the essential role marketing planning plays in a marketing-oriented organisation is to create a fit between its resource and operating environment. This assertion buttresses the fact that matching of organisational marketing activities to fit into new demands of the changing environment and its resource capability is what underpins the relevance of marketing planning in business. From this perspective, marketing planning has been explained as a process that takes into account several aspects of organisational marketing and promotion in one plan by identifying possible opportunities and evaluating them by researching, analysing and identifying the target markets and developing

strategic plan and position for the business amid changing environment (Lorette, 2016). This explanation involves a process which leads to the development of a plan known as marketing plan. It is prepared to implement measure and evaluate detail marketing opportunities, strategies and efforts of the company (Gilligan and Wilson, 2013). The emphasis is that organisations develop the marketing plan to guide the conduct of their daily business marketing tasks in relation to short term and long term decisions.

Gilligan and Wilson (2015) defines marketing planning as a process which relates to identifying and adjusting firm's market differences to fit into new needs, products and messages in order to meet expectations of individual market segments. This concept recognises the inherent market changes that lead to possible adjustments of the marketing plan. Such adjustments are based on key marketing decisions relating to issues of product modification, new product development and market development which are attributes of innovativeness, and it is largely connected to how the organisation decides to present its brand, product and service to gain better competitiveness in the market place (**Jang and Lee, 2017**). This presents an overview of a strategic process which further underpins the essentials of marketing adjustment or adaptation as may be necessitated by the changing marketing environment and the need to improve on the content of marketing planning for better market performance. It makes sense of the plan to be well-focused as a regular effort of the firm to adjust and adapt to market changes while tapping into new market experience for effective implementation.

Marketing planning in another context is also defined as a process that leads to the overall direction of marketing activities of an organisation, based on forecasting and extrapolating past events while paying greater attention to understanding the business and marketing environment (Drummond *et al.*, 2013). Based on this context, organisations are expected to adopt marketing planning on the basis of past and present marketing activities in order to project into the future. The strength of the concept is in the activity of forecasting the important role of anticipating events which is determined by detail analysis of cause and effect relationships underpinning strategic issues of the emerging events from the external marketing environment (Verme and Sandesh, 2016).

Marketing Decision

Marketing decision is another critical aspect of strategic marketing in a business organisation. It is defined as a process that ensures decision-makers in an organisation frequently arrive at marketing choices that satisfy some set of criteria to deal with the increasing uncertainty and complexity of the marketing environment (Surma, 2015). The concept explains the rationale behind decision-making in a marketing organisation. The decision-maker, whose prerogative is to ensure that right choices are made to determine certain level of preferences and create satisfactory choices on behalf of the market (customers), may not necessarily do so for primary purpose of optimality (Surma, 2015).

The rationale for marketing decision in a marketing organisation is expected to focus on optimality (Surma, 2015). Marketing decision as a concept is thus explained as an exercise towards developing and formulating effective market-based strategy and building innovative value around brand in order to achieve competitive advantage (Osuagwu, 2016). In relation to

the previous meaning which explains marketing decision as a critical effort an organisation undertakes within the framework of its strategic marketing practice, the focus is on how marketing organisations are involved in understanding inherent changes in the target markets and subsequently lead to decisions to create innovative value in response to the reality of competitive environment (Oswagwu, 2016).

Based on the given concepts and contexts, the study thereby posits that marketing decision is a process involving collection of pertinent market information in order to understand market changes that affect marketing activities and making value-based decisions that impact positively on the behaviour of the target market towards enhancing organisational ability for competitiveness. A market-focused business should therefore be able to build on a well-structured and formal decision approach that responds regularly to the changing circumstances of marketing environment. It is rather more impactful on the overall market competitiveness when decisions are formally taken based on responses to changes in the marketing environment than to be based on the result of a systematic decision process (Shepherd and Rudd, 2014). In this sense, there is need to re-emphasise that firms should adopt marketing-oriented approach that specifically help in identifying market-based circumstances that constantly lead to making decisions on creating acceptable market value (Brown, 2015; Challagalla, Murtha and Jaworski, 2014).

Innovation Culture

It is important to define and explain the concept of innovation so as to derive a good meaning of innovation culture. The term “innovation” was first used by Schumpeter at the beginning of the 20th century. The definition was given as product, process and organisational change and does not necessarily originate from new scientific discoveries, but may arise from a combination of already existing idea, knowledge or technologies and their usage in a new context (Denison, Ko, Kotrba and Nieminen, 2013). The definition summarises that innovation does not basically describe technical and technological changes and improvement, but also includes appropriate usage of knowledge, information, intelligence in a creative form and manner. Based on this context, it has been posited that an innovative organisation should have repository of ideas and knowledge usable for effective creativity and innovation (Nuryakin, Aryanto and Setawan, 2018). Innovation is therefore explained as the result of creativity within which an organisation generates various sources of ideas to create added value targeted to a market (Daragahi, 2017). This simply advocates that the extent of innovation in an organisation will greatly depend on the degree of knowledge, skill and experience ready to be appropriately used by human elements. It should therefore be emphasised that human factor is an indispensable element in the process of developing innovation within an organisation structure (Cruz-Gonzalez, 2016). Innovation as human effort focuses on how business is driven to contribute towards achieving a competitive advantage. This relates to how innovation helps build strong relationship between market and new products; how new products can be created through the process of innovation; how it helps maintain firm’s market share and improve level of profitability; how it helps business achieve some level of growth by means of non-price factors such as design, quality, colour and individualisation among others (Ungerma *et al* 2018).

Furthermore as a concept innovation ensures high level of firm's competitiveness by increasing on steady pace in the process of new product development in every organisation relatively to industry competitiveness (Ungerma *et al.*, 2018). It is explained that for an organisation to achieve effective innovation as a significant activity in strategic marketing, it does not come by means of technical know-how or use of technologies but more importantly, by use of market-base assets such as translating knowledge, skill and experience into value that focuses on customers' expectations and needs (Denison *et al.*, 2013). Therefore, if a marketing organisation is not capable of introducing innovation-based market needs and expectations, it takes the risks of lagging behind and leaving competitors with cutting-edge initiatives and giving them better advantage (Urbancová, 2013).

The concept of innovation culture is thus posited as work environment approach whereby organisation's decision makers cultivate in order to nurture unorthodox behaviour towards thinking, deciding and implementing decisions that positively affect market behaviour, consumption habit and competition for better competitiveness (Dankbaar, 2003). Organisations are meant to exist and survive amid rapid changing and volatile environment where they cannot afford to maintain the same way and manner of conducting business and marketing on the long run. The approach of keeping to normal way of marketing products and services to same target market in the same way on a long term will only produce same but not expected results in terms of better competitiveness (Kaur and Chawla, 2016). In view of this assertion, innovation is expected to be embraced as a culture essential for firms to achieving competitive advantage in any given competitive environment.

The culture of innovation in every marketing organisation is expected to encourage the habit of generating market information through market-base research and creating new value based on new ideas, products and services that meet new needs and expectations of the target market (Kaur and Chawla, 2016; Weerawarde, 2013). The concepts of innovation and culture which are interwine emphasise on the premise that business should embrace innovation on one hand and develop a culture around it on the other hand. It makes a more strategic sense for every marketing organisation to embrace innovation and ensure the culture is well entrenched in its planning and decision system.

Competitive Advantage

Peteraf and Barney (2003) define competitive advantage as superior differentiation and lower costs achieved by an organisation by comparison with competitors marginal breakeven in the product market. The concept underpins that ability of the firm to gain competitive advantage is dependent on its ability to create economic value that differentiates its brands and lead to better market acceptance than competitors. The economic value means providing products and services and attaining difference in level between perceived benefits gained by the purchasers and economic cost of the value (Peteraf and Barney, 2003). By this definition, competitive advantage is gained where buyers' perception of the benefits gained depends on the usefulness of the products being offered. It should be emphasized that the perception of benefits relates to how the organisation creates value that offers some degree of distinctive image better than competitors. In a more critical context, Urbancová (2013) defines competitive advantage as the ability of companies to satisfy customer needs more effectively than their competitors by

focusing on understanding them and creating innovative value that enhances their needs and expectations more economically.

The goal of competitive advantage in every business is supported with applied strategic marketing based on effective use of market information and well-focused innovation and other creative decisions in response to growing changing marketing environment (Lodish *et al.*, 2016). Applied strategic marketing implies how an organisation becomes strategic and market-focused in analysing its marketing environment, developing marketing plan and making appropriate marketing decisions to drive specific factors chosen as key indicators in addressing the changing environment, keeping the business on track in long term and finally gaining competitive advantage (Lodish *et al.*, 2016).

On the basis of critical arguments that relate to the concept of competitive advantage, it is suggested in this study that competitive advantage should explain critical domain of firm's important choice of marketing strategy which reflects on how organisations deploy resources and capabilities to adapt to the changing environment through innovation and acceptable creation of customer value that lead to superior market performance.

Theoretical Framework

This study was underpinned by two theories, namely; dynamic capabilities theory and configuration theory. These two theories have been adopted because of how they perfectly interact to explain in strong terms the relationships among strategic marketing, innovation culture and competitive advantage. First, dynamic capabilities theory is adopted for this study because it has been advanced to bridge the gap created in resource based theory (Teece and Pisano, 1994). The resource based theory has simply provided little guidance for firms on how to acquire resources and capabilities that are firm-specific, non-imitable, rare and non-substitutable without giving how they can be well used to match different emerging environmental situations towards achieving firm's competitive goal (Eisenhardt and Martin, 2000). The adoption of this theory for this study is basically premised on its relative importance to how it enables firms to understand how to integrate, build and reconfigure internal and external competences in terms of strategies, resources and capabilities to address rapidly changing and dynamic operating environment (Teece *et al.*, 1997). Dynamic capabilities theory explains how firms could select, deploy resource capabilities and adapt to dynamic new needs of the competitive environment through innovation which are basic ingredients of strategic marketing practice. The theory recognises and addresses the challenges of firm's environmental change, adaptability, reconfiguration of resources in response to change and enhanced ability to achieve competitive advantage.

Given this perspective, dynamic capabilities theory is a useful guide for firms to effectively deploy strategic marketing to become highly innovative towards achieving competitive advantage. Firm's consistent consideration of the theory in its operations is expected to enhance its ability to review resources for more effective and efficient of its use as create innovations and gain competitive advantage.

In the field of strategic marketing as a perspective, the experience of creating a balance between the internal and external marketing environment in business demands a complex relationship which is better guided through the ideals of dynamic capabilities theory. Since the theory posits that possessing valuable, rare, imitable and non-substitutable resources without the capacity to regenerate the resources does not result in superior performance in a competitive landscape, Dynamic capabilities theory offers a principle that helps firms to constantly respond to its dynamic environment by regenerating resources and capabilities needed perform better than competitors, and gain competitive advantage. Strategic marketing therefore creates the cognitive and behavioural processes that create the balance between firm's internal and external capabilities toward influencing the level of performance intended to achieve a market goal (Čirjevskis, 2016).

Based on the given premise, all the variables used to explain strategic marketing in this study which include marketing orientation, marketing analysis, marketing planning and marketing decision will have more effective relationship with competitive advantage if they are underpinned by the given assertion of dynamic capabilities theory. The theory of dynamic capability will equally instruct managers and decision makers operating in the sector in context on how to understand and respond to dynamic operating and marketing environment, by creating new market values and market-based strategy that guarantee attainment of competitive advantage.

The adoption of configuration theory as an underpinning theory for this study is based on how it recognises that an organization could configure various strategic types to adapt and respond to different challenging environmental situations (Chereau, 2015). Configuration theory logic asserts that organisations can adopt alternative strategic postures, each of which can be successful in a given competitive environment (Mintzberg, 1979; Miles and Snow, 1978). It explains how a firm can position its capability in adopting ideal set of strategic postures and characteristics to effectively innovate, compete and generate superior market performance (Drazin and Van de Ven, 1985). The theory can be applied to address a multi-facet competitive situation where there exist different ideal capabilities for each of the strategic postures (Drazin and Van de Ven, 1985; Doty *et al.*, 1993). It is instructive for firms in an uncertain and unpredictable environment to understand that embracing any strategic postures will not necessarily guarantee success in terms of competitive advantage (Chen, *et al.*, 2016; Van de Ven and Drazin, 1985). The fit between organisational capabilities such as innovative capability and the strategic postures is on this premise argued to be a key determinant of competitive advantage (Frambach, 2016; Vorhies and Morgan, 2003). An organisation adopts a strategic posture as part of a wider decision through strategic marketing process to achieve competitive advantage within its operating environment (Morgan *et al.*, 2018). It therefore suffices to establish that in a particular industry environment there is more than one way a firm can develop strategy to fight competition and gain competitive advantage. Configuration theory removes the underlying assumption of mutual exclusiveness of generic strategies and considered as imperfect and variable (Daniel *et al.*, 2015; Grant, 2015). In relation to this study a firm can rely on this approach of configuration theory to address challenges of competitive environment by applying marketing orientation, marketing analysis, marketing planning and

marketing decision to develop different innovative capability and strategic posture that help position it to gain competitive advantage.

METHODOLOGY

The study adopted cross-sectional survey research design with the target population comprising 1568 managerial staff of selected petroleum products marketing companies in Lagos State. Cochran formula was used to determine a sample size of 564. Stratified random sampling and proportionate techniques were used to group the sample to definite categories of directors, senior managers, marketing managers and supervisors to ensure desired sample size in each stratum for adequate representation. A structured questionnaire was designed to collect primary data. The research instrument was validated and Cronbach's alpha reliability test showed coefficients of marketing orientation was 0.735, marketing analysis (0.812), marketing planning (0.773), innovation culture (0.829), while marketing decision had 0.728. Also, innovation culture had 0.829 and competitive advantage had 0.964. Data collected from the field through questionnaire administration was analyzed using multiple regression inferential statistics. Statistical Package for Social Sciences (SPSS Inc. 21) was used as analytical tool.

Model Specifications

$$y = f(X)$$

$$Y = f(X)$$

Y = Dependent Variable

X = Independent Variables

Where:

Y = Competitive Advantage

y = Innovation Culture (IC)

X = Strategic Marketing

X = x_1, x_2, x_3, x_4

x_1 = Marketing Orientation (MO)

x_2 = Marketing Analysis (MA)

x_3 = Marketing Planning (MP)

x_4 = Marketing Decision (MD)

Given the above dimensions the models below for each hypothesis (1-2) will be tested.

Hypothesis 1: Strategic marketing has no positive and significant effect on innovation culture

$$y = f(X)$$

$$y = \alpha_0 + \beta_1 X + \mu_i \dots \dots \dots (eq1)$$

$$IC = \alpha_0 + \beta_1 SM_i + \mu_i$$

Hypothesis 2: Strategic marketing has no positive and significant effect on competitive advantage

$$Y = f(X)$$

$$Y = \alpha_0 + \beta_1 X_1 + \mu_i \dots \dots \dots (eq2)$$

$$CA = \alpha_0 + \beta_1 SM + \mu_i$$

Apriori Expectations

In this study it is expected that strategic marketing and its dimensions will have significant and positive effect on competitive advantage. In the same vein, the expectation was that the strategic marketing will have a significant and positive effect on innovation culture of the selected petroleum products marketing firms in Lagos state, Nigeria.

FINDINGS AND DISCUSSION

Total numbers of 564 copies of questionnaire were administered on managerial staff of selected petroleum products marketing companies with 88.1% response rate achieved. The majority of the participants were male of 75%. Almost all the respondents with 97% rating were married and over 84% had a university degree. 8% of the respondents were directors, 14.9% represented as the senior managers and 29% were managers while 48.1% were operational managers. The year of experience showed that majority (55%) of the respondents had spent more than 16 years in the companies under study (see Table 1 in the appendix).

The effect of Strategic Marketing Dimensions on Innovation Culture

The result of the first hypothesis that strategic marketing when combined to determine their effect on innovation culture of the selected petroleum marketing companies produced a coefficient of multiple correlation, ($R = 0.629$, $R^2 = 0.390$ at $p = 0.000 < 0.05$). The results further show the unstandardized coefficients of marketing orientation [$\beta = 0.175$, $p = 0.011$], marketing analysis [$\beta = 0.253$, $p = 0.002$], marketing planning [$\beta = 0.277$, $p = 0.000$], marketing decision [$\beta = 0.261$, $p = 0.006$], are all statistically significant. The final regression model becomes: $IC = 4.402 + 0.175(MO) + 0.253(MA) + 0.277(MP) + 0.261(MD)$

Based on the regression equation above, all the dimensions of strategic marketing do have positive and significant effect on innovation culture of selected petroleum marketing companies. Therefore, all the variables combined have significant contributions to innovation culture. The *a priori* expectation was that the variables of strategic marketing will have a significant effect on innovation culture. Thus the null hypothesis should be accepted if $\beta_1 - \beta_5 \neq 0$ and $p \leq 0.05$ H_{01} otherwise it has to be rejected. In this result the coefficients of the measures of strategic marketing dimensions are not equal to zero and their p values are found to be above 0.05. Thus, we have to reject the null hypothesis and conclude that strategic marketing has a positive and significant effect on innovation culture of the selected petroleum marketing companies in Lagos state, Nigeria (see Table 2 in the appendix).

The effect of Strategic Marketing on Competitive Advantage

From the research hypothesis two (Table 3 in the appendix) finding revealed that strategic marketing had a positive and significant effect on competitive advantage of selected petroleum products marketing companies in Lagos State, Nigeria ($Adj.R^2 = 0.627$, $F(4, 491) = 208.685$, $p < 0.05$). The final regression model for this becomes: $CA = \alpha_0 + \beta_1 SM + \mu_i = 72649.811 + 5.556(SM)$. From this result, it showed that on aggregate of all measures for the variables strategic marketing has a positive and significant effect on competitive advantage. Based on the decision that the null hypothesis should be accepted if $\beta_1 - \beta_5 \neq 0$ and $p \leq 0.05$ H_{01} otherwise

it has to be rejected, the null hypothesis is thus rejected. The study concludes that strategic marketing has a positive and significant effect on competitive advantage of the selected petroleum products marketing companies in Lagos state, Nigeria.

DISCUSSION

The findings showed that strategic marketing dimensions of marketing orientation, marketing analysis, marketing planning and marketing decision, have significant effect on innovation culture and competitive advantage. From this result we infer that organisations operating in a dynamic competitive environment must demonstrate regular usage of market knowledge, search for new market information, value-based decisions and seek innovative leadership by being consistently gathering and using market intelligence. The finding is consistent with a number of studies in the literature. Distanont and Khongmalai (2018) in a study on the role of innovation in creating competitive advantage, quantitative methodology was adopted and questionnaire used for data collection. Structural equation modelling (SEM) was used to analyse survey data collected from 279 SMES in frozen food industry registered with The Office of SMEs Promotion in the central Thailand. The study found that external factors of SME environment will influence the extent of innovation development within the industry. Therefore marketing orientation and SMEs responsiveness to external environment were found to have significantly positive influence on innovation process and culture. In a similar study, Tian *et al.*, (2018) finding showed consistency by affirming that organisations are positively influenced by culture of in developing innovation process which relates to new product development or service innovation through marketing orientation. Ogaga and Owino (2017) found that the strategic choice made by firms reflects the degree of market competitiveness in the industry a firm operates. The outcome of the study emphasised that as a firm adopts strategy to respond to changing competitive environment and improve market performance contingency theory underscores the strategy alignment that enhances the fit between firm's strategic priorities and the changing competitive environment and this finding is in line with a study conducted by Pereira-Moliner (2015).

Based on all the given findings, it is therefore confirmed that strategic marketing dimensions (marketing orientation, marketing analysis, marketing planning and marketing decision) have a statistical significant and positive effect on innovation culture and competitive advantage of selected petroleum products marketing companies in Lagos State, Nigeria

CONCLUSION AND RECOMMENDATIONS

Based on the findings generated from data analysis, the study concluded that there was a significant effect of strategic marketing dimensions (marketing orientation, marketing analysis, marketing planning and marketing decision) on innovation culture and competitive advantage of the selected petroleum products marketing companies in Lagos State, Nigeria. The petroleum marketing companies should therefore learn new ways of understanding new customer needs and expectations as markets evolve. It is thus recommended that they should be proactive creating a cutting edge through innovation as market new needs emerge and translating them to values for consumption ahead of competitors in the market place. To

improve level of competitiveness in the downstream sector of oil and gas in Nigeria, Managers should develop strategic thinking and capability that ensure better understanding of the market. This will lead to how best to harness and maximise resources towards enhancing capability towards achieving competitive advantage.

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Appendix

Table 1: Respondents General Information

Respondent's Position	Frequency	Percent
Gender		
Male	403	81.0
Female	64	19.0
Total	497	100.0
Marital status		
Single	482	97.0
Married	15	3.0
Divorced	-	-
Total	497	100.0
Position in the Organisation		
Director	35	8.0
Senior Manager	74	14.9
Manager	149	29.0
Operational Supervisor	239	48.1
Total	497	100.0
Respondent's Years of Experience		
1 – 4	82	16.5
5 – 10	117	23.5
11 -16	298	60.0
Total	497	100.0

Researcher's Study (2020)

Table 2: Regression Coefficients of Effects of Strategic Marketing on Innovation Culture

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.402	1.405		3.132	0.002		
	MARKETING ORIENTATION	0.175	0.068	0.135	2.559	0.011	0.443	2.259
	MARKETING ANALYSIS	0.253	0.079	0.185	3.183	0.002	0.366	2.729
	MARKETING PLANNING	0.277	0.059	0.246	4.694	0.000	0.448	2.231
	MARKETING DECISION	0.261	0.094	0.155	2.779	0.006	0.395	2.530
a. Dependent Variable: INNOVATION CULTURE								
R = 0.629, Adj. R ² = 0.390, F (1,491) = 80.180, p = 0.000 < 0.05								

Source: Researcher's Study (2020)**Table 3: Regression Coefficients of Effects of Strategic Marketing on Competitive Advantage**

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	72649.811	96893.829		.750	.487		
	STRATEGIC MARKETING	5.566	1.307	.834	4.257	.008	0.563	3.193
a. Dependent Variable: COMPETITIVE ADVANTAGE								
R = 0.594, Adj. R ² = 0.627, F (4, 491) = 208.685, p = 0.000 < 0.05								

Source: Researcher's Study (2020)