Strategic Marketing: A Panacea for Success of Nigerian oil and Gas Industry

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Abstract- The purpose of this paper is to investigate strategic marketing as a panacea for success of the Nigerian oil and gas industry. The specific objective of the study include determining how inter-industry marketing commitment and company goal actualization can affect the performance of Nigerian oil and gas marketing companies. This study adopted a survey research methodology to examine the role of strategic marketing in enterprise growth and survival of Nigerian oil and gas marketing companies in an attempt to attain their desired level of performance. Three hundred and forty one (341) respondents were chosen from the target population of two thousand three hundred (2300) through stratified random sampling. Out of the 341 copies of the questionnaire given out, two hundred and eighty six (286) copies representing 83.87% responses were received for analysis. One hypothesis was formulated from the statement of research problem. Analysis of Variance, Pearson Moment Correlation Analysis, Factor Analysis among other statistical tools were used in testing the hypothesis. The overall results suggest that strategic marketing is a driver of organizational positioning in a dynamic environment, and that it helps to enhance the development of new product/service for existing markets. These findings, along with other interesting findings of the study, are discussed. From the empirical and anecdotal managerial evidence as well as from the literature implications are drawn for the efficient and effective strategic marketing practices in the Nigerian oil and gas industry. Based on the findings of the study, the concepts and principles of total quality management within a holistic framework it is recommended that (i) efforts should be made by organizational marketers towards understanding the relevant economic factors that affect both clients' behaviour and the strategic options that may be adopted to cope with such behaviours; (ii) oil and gas marketing academics should endeavour to study holistically the relevant business functions and activities which may enhance or hinder the understanding and application of relevant modern management concepts and principles to oil service marketing.

Keywords: Strategic Marketing, Strategies, Dynamic environment, Deployment, Resources, Performance Classification: GJMBR-B: JEL Classification M31
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I. INTRODUCTION

The rapid development of an indigenous technical workforce has become more compelling than ever before against the background of the expected imminent injection of massive investment in the sector. With a current production capacity of about 30 million barrels per day (bpd), Nigeria plans to increase her production capacity to about 40 million bpd by 2010 (Utomi 2001; Obi 2003; Mathiasion 2006). Already, Nigeria is the leading oil and gas producer in Africa, currently ranked the seventh highest in the world (NNPC 2004; The Guardian 2006). In addition to the above, Nigeria which is widely referred to as a gas province, has natural gas reserves that triple crude oil reserves, being estimated in excess of 187.5 trillion standard cubic feet (scf) (Africa Oil and Gas 2004). The Federal Government has stated that one of its objectives is to achieve 50 per cent local content in the oil and gas sector by 2010. Adegbulugbe (2002) observes that Nigeria began exporting oil in 1958 with crude oil production of 5000 barrels per day (bpd) rising by 1979 to a peak of 2.3 million bpd. It ranks 5th in gas reserves which makes the country more of a gas than an oil country (CBN 2002). Indeed, Nigeria is often described as a gas zone with some oil in it. However, gas resources are largely untapped and Nigeria’s gas reserves place it among the top ten countries in the world in that category (Assael 2000; Ekpu 2004). Assael (2000) and Ekpu (2004) also observe that other energy resources such as hydro power, wind energy, and coal, which is produced in Enugu and Benue States abound in the country. Nigeria is in fact the only coal-producing West African nation. About 43% of Nigeria’s natural gas is associated with oil which according to (Ekpu 2004) is unfortunately largely flared to the detriment of the economy. Energy consumption is in the area of petroleum products, which according to (Dixton et al., 2005), accounted for between 70% and 80% of total energy consumed in Nigeria between 1970 and 1980, the major consumers being the transportation, household and industrial sectors.

This study is intended to expand the body of knowledge in respect of the application of strategic marketing practices to the oil and gas sector especially...
in a developing economy like Nigeria that earns over 80% of her foreign exchange from oil and particularly, as the Federal Government is putting in place policies and strategies to improve the oil sector’s contributions to the Nigeria economy (Garuba 2006). According to the Central Bank of Nigeria (CBN) Annual Report and Statement of Account for the period 1990-2000, oil export earnings amounted to over US$13 billion, representing about 95% of total National Income in 2000 (Assael 2000).

To achieve a set of organizational goals and objectives, companies conceptualize, design, and implement various strategies. Marketing has been defined and conceptualized in various ways, depending on the author’s background, interest, and education (Osuagwu 1999). For example, marketing can be seen as a matrix of business activities organized to plan, produce, price, promote, distribute, and megamarket goods, service, and ideas for the satisfaction of relevant customers and clients. Achumba and Osuagwu (1994) also posit that marketing is important for the success of any organization, whether service- or product-oriented. Bolaji (2003) argues that the oil and gas service sector constitutes a service industry that has currently been changed by aggressive strategic marketing behaviour. According to (Okoroafo 1993), indigenous Nigerian oil and gas marketing companies were not profoundly entrepreneurial at the beginning for the following reasons: lack of trained manpower, poor infrastructural development, lack of adequate or sufficient capital base on the part of the indigenous oil and gas marketing companies and intense competition from superior foreign companies.

The sensitivity of petroleum resource is clearly reflected in the fact that it has remained or continued to be the goose that lay golden eggs for the Nigerian economy as well as the supreme foreign exchange earner contributing over 80% of government revenues and helps the development of Nigeria’s infrastructures and other industries (Anya 2002; Chukwu 2002; Gary and Karl 2003; Amnesty International, 2004). However, due largely to the highly technical nature of exploration and production, the sector depends substantially on imported technologies and facilities for most of its operations. In view of the critical importance of the sector to the nation’s economy and its capacity to generate far-reaching multiplier effect, the grooming of highly skilled indigenous manpower to participate keenly in the activities of the sector to redress the foreign dominance becomes imperative (Baker 2006).

II. Statement of Research Problem

The problem statement, according to (Wiersma 1995), describes the content for the study and it also identifies the general analysis of issues in the research necessitating the need for the study (Creswell 1994). The research is expected to answer questions and provide reasons responsible for undertaking the particular research (Pajares 2007). The problem of this study is to measure, analyse and establish the impact of organization expenditure on oil and gas industry performance variables which include effect of structure/strategies, the diversification and concentration, environmental performance indices and goal actualization of the organization objectives. Many research efforts in the area of marketing practices in developing economies have dealt with macro issues and emphasized the management of company’s structure and strategies, conduct and performance of marketing activities as they relate to performance indices such as market share, growth, efficiency and well being of consumers and clients (Boyd et al 1994; Baker 1995; Bauer 1998; Samli and Kaynak 1994) lamented that the key defect with this static and macroanalysis of marketing practices in developing economies is that it minimizes the impact of marketing environment on the achievement of performance measures. Also, although some research efforts have been undertaken to explain marketing practices in developing economies at the organizational level (Westfall and Boyd 1990; Samli 1994; Wadimambiaratchi 1995; Cravens et al 1990), many of these research efforts do not provide answers to issues pertaining to the impact of company’s structure and strategies on the performance of mineral prospecting industries particularly the oil and gas marketing companies. The deregulation of the Nigerian economy through the Structural Adjustment Programme (SAP) affected the oil and gas sector in Nigeria in many ways (Miles and Snow 1978; Umunnaehila 1996). This resulted in oil and gas companies seeking for clients and designing services that would meet clients’ needs and wants. Consequently, the Nigerian oil and gas companies incorporated the usage of various market mix elements to improve their market outreach/ coverage, new product ratio, price positioning, competitive orientation, etc to survive and grow (Umoh 1992; Udell 1998; Osoka 1996; Adler 1997; John and Davies 2002). The poor condition of some oil and gas marketing companies in Nigeria is a function of some interrelated problems. According to (Sheng 1999; Day and Reibstein 1997; Kim and Mauborgne 1998; Johnhe 1999; Kandampully and Duddy 1999), the causes of the oil and gas marketing companies failure or poor performance, are due to microeconomic or macroeconomic factors (performance industry environmental factors) indice coupled with the management of marketing content and product marketing). Mamman and Oluymeni (1995) ; McDonald (1996) and Creveling (1994) have, however, posited that oil and gas companies poor performance in Nigeria is a function of industry environmental factor indices.
and marketing of oil and gas services. It evolves as a result of the interplay of the marketing mix elements and the environmental factors, which impact on these elements (Scnars 1991; Li et al. 2000; Aristobulo 1997; Jain 1993; Mavondo 2000). Therefore, the function of marketing strategy deals with determining the nature, strength, direction, and interaction between marketing mix elements and the environmental factors in a particular situation (Jain and Punj 1987; Osuagwu 2001; 2001; 2004). However, achieving efficient and effective product marketing strategy by an organization is difficult, as a result of the ambiguity and instability of environmental factors (Brownie and Spender 1995). The peculiarities of oil and gas marketing services may create or set modalities for goal actualization parameters that are different from those found in the marketing of tangible products. Sound and robust marketing commitment on the part of organization and sales-people are important to the survival and growth of the oil and gas industry, considering the subtle, unstable and seemingly hostile business environments in which contemporary business organizations operate (McDonald 1996; Creveling 1994). In order to formulate and implement effective and efficient goal actualization and inter-industry marketing commitment in product distribution, oil and gas companies should have a thorough and continuous understanding of the relevant environment that impacts on their marketing strategies (McDonald 1989; 1992; 1996).

Successful organizations are those that integrate efficient and effective management in internal and external dimensions through external relationship management and enhancement of inter-industry marketing commitment and goal actualization among internal and external customers. Internal marketing paradigm is a mechanism for the managers to analyze the organizational issues which need to be addressed in implementing marketing strategies. It is therefore, imperative for organizations to establish an important framework of legitimacy for new directions and transformations and accommodate the constant process of change management and knowledge management.

III. Objectives of the Study

The main focus of marketing activities of oil and gas marketing companies is the identification and satisfaction of clients’ needs and wants. These objectives can be attained by identifying the likely marketing mix variables and strategies, including relevant environmental impacts on them. There is, therefore, the need to carry out this research given the enormity of the problem facing the oil and gas industry. Specifically the study sought to investigate the following:

1) To determine how inter-industry marketing commitment and company goal actualization can affect the performance of Nigerian oil and gas marketing companies.

IV. Research Hypotheses

The following null and alternative hypothesis are considered in this study:

H0: Inter-industry marketing commitment and company goal actualization does not yield better performance of oil and gas marketing companies.

H1: Inter-industry marketing commitment and company goal actualization yield better performance of oil and gas marketing companies.

V. Literature Review

The growth of oil and gas marketing companies and business in Nigeria has been phenomenal, with the attendant competition and other factors. It seems that this growth in the number of product marketing companies in Nigeria has not been matched with an equal growth in the awareness of oil and gas services to clients and other interested publics. The oil and gas industry seems to have witnessed some form of corporate performance over the years which can be attributed to their distinct level of market share (Okwor 1992; Falegan 1991; Daniel 1998; Olawoyin, 1995; Ogunrinde 1990).

According to (Schnars 1991), marketing strategy has been a salient focus of academic inquiry since the 1980s. There are numerous definitions of marketing strategy in the literature and such definitions reflect different perspectives (Li et al. 2000). However, the consensus is that marketing strategy provides the avenue for utilizing the resources of an organization in order to achieve its set goals and objectives. It evolves from the interplay of the marketing mix elements and the environmental factors (Li et al. 2000). Therefore, the function of marketing strategy is to determine the nature, strength, direction, and interaction between the marketing mix elements and the environmental factors in a particular situation (Jain and Punj 1997). According to (McDonald 1992), the aim of the development of an organization’s marketing strategy development 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).

Marketing strategy development has the following peculiarities:


2) It carries a high level of uncertainty and ambiguity (Brownie and Spender 1995).
3) It is business sphere knowledge-intensive (McDonald and Wilson 1990; Duberlaar et al. 1991).

4) It entails a broad spectrum of strategic information (Mintzberg 1994a; Berry 1997).

5) It is a process which 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, 1994a and 1994b);

6) It is specifically concerned with devising an approach by which an organization can effectively differentiate itself from other competitors by emphasizing and capitalizing on its unique strengths in order to offer better customer/client value over a long period of time (Jain and Punj 1997). However, it is difficult for an organization to achieve an efficient and effective marketing strategy (Li et al. 2000). Many factors prevent organizational managers from designing and implementing efficient and effective marketing strategies (McDonald 1992). The fact is that environmental factors generally interact in an astonishing manner and affect the efficiency and effectiveness of managers in strategic marketing issues (McDonald 1989; 1996). Against this background, the present research attempts to assess the strategic marketing as a panacea for success of Nigerian oil and gas marketing companies, the impacts of environmental factors on such strategies and the effectiveness of the marketing strategies.

Typically, marketers have a number of tools they can use, these include megamarketing (Kotler 1996) and the so-called 4Ps of marketing (McCarthy 1995), among others. Marketing seems to describe, but extremely difficult to practice (Kotler and Connor 1997). Organizational managers in many firms have applied the so-called marketing concept, which may be simple or complex. Marketing thought, with its practice, has been moving speedily into the service industry (Kotler and Connor 1997). Literature, partly, centers on the discussion of whether physical product marketing is similar to, or different from, the marketing of service and concludes that the differences between physical product and service might be a matter of emphasis rather than of nature or kind (Creveling 1995). Marketing is one of the salient and important organic functions which help to service organizations to meet their business challenges and achieve set goals and objectives (Kotler and Connor 1997). The word “service” is used to describe an organization or industry that “does something” for someone, and does not “make something” for someone (Silvestro and Johnston 1990). “Service” is used of companies or firms that meet the needs and wants of society such organizations are essentially bureaucratic (Johns 1990). “Service” may also be described as intangible its outcome being perceived as an activity rather than as a tangible offering. The question of the distinction between services and tangible products is based on the proportion of service components that a particular offering contains (Johns 1990).

A service may therefore be seen as an activity or benefit which can be offered to an organization or individual by another organization or individual and which is essentially intangible. It is a separately identifiable but intangible offer which produces want-satisfaction to the client, and which may or may not be necessarily tied to the sale of a physical product or another service (Osuagwu 1999. Sound and robust marketing strategies are important to the survival and growth of any business, including oil and gas business, considering the increasingly subtle, unstable and seemingly hostile business environments in which contemporary business organizations operate (McDonald 2004 and Creveling 2005). Therefore, in order to formulate and implement efficient and effective marketing strategies, business organizations should have a thorough and continuous understanding of the relevant environment that impacts on their marketing strategies.

VI. Definition of Strategic Marketing

The early strategic marketing - performance studies date from the time of rapid expansion of formal strategic marketing in the 1960s (Henry 1999). Although same studies employed diverse methodologies and measures, they shared a common interest in exploring the financial performance consequences of the basic tools, techniques, and activities of formal strategic marketing i.e. systematic intelligence-gathering, market research, SWOT analysis, portfolio analysis, mathematical and computer model of formal planning meetings and written long-range plans. According to Allison and Kaye (2005), strategic marketing is making choices. It is a process designed to support leaders in being intentional about their goals and methods. Differently expressed, strategic marketing is a marketing management tool and like any tool, it is used for one purpose only namely to help an organization to do its job better. Bryson (2004) observes that strategic marketing is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future. 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.
Why are we in business?
- How do we do business?
- Where are we now?
- Where do we want to be?
- How can we get there?
- How will we know that we have arrived there?

Strategic marketing, according to (Berry 1997), is the process of determining (i) what your organization intends to accomplish and (ii) how you will direct the organization and its resources towards attaining the goals set over the coming months and years. In other words, strategic marketing is a tool for finding the best future for your organization and the best path to reach the desired destination. Higgins and Vincze (1993); Mintzberg (1994); Pearce and Robinson (1994) are of the opinion that strategic marketing can be defined as the process of using systematic criteria and rigorous investigation to formulate, implement, and control strategy, and formally document organizational expectations. Kudler (1996), views strategic marketing as the systematic process of determining the firm’s goals and objectives for at least three years into the future and developing the strategies that will guide the acquisition and use of resources to achieve the set objectives. Steiner (1997), sees strategic marketing as the process of determining the mission, major objectives, strategies and policies that govern the acquisition and allocation of resources to achieve organizational aims. Bradford and Duncan (2000), argue that strategic marketing is an organization’s process of defining its strategy and making decisions on allocating its resources to pursue this strategy, including its capital and people. The outcome is normally a strategic plan which is used as a guide to define functional and divisional plans, technology, marketing among others. Hunsaker (2001) observes that strategic plans apply to the entire organization. All short-term and specific plans for lower-level managers are linked and coordinated so that they may contribute to the organization’s strategic plan. Paley (2004), sees strategic marketing as representing the managerial process for developing and maintaining a strategic fit between the organization and changing market opportunities. It relies on the development of the following sections:
- A strategic direction or mission statement
- Objectives and goals
- Growth strategies
- A business portfolio

Gup and Whitehead (2000), on other part, see strategic marketing as the formulation of a unified, comprehensive and integrated plan aimed at relating the strategic advantages of the firm to the challenges of the environment. Anderson (2004), states that strategic marketing is the logical and systematic process by which top management reaches a consensus on the major strategic direction of the company.

Paley (2004), advocating the adoption of strategic marketing in solving organization’s problems, remarks that the organization which does not plan for its future does not deserve any future. Citing the work of (Ansoff 1988), he contrasts strategic marketing with long-range planning and concludes that both concepts are not synonymous. He argues that long-range planning is based upon the extrapolation of past situations, a questionable premise on the ground that present conditions are not the same as those of the past. Ulrich and Barney (1984), further criticize the traditional extrapolation techniques of long range planning and suggest the use of scenario analysis which encourages broad and creative thinking about the future. The authors cite the work of (Wing 1997), which contest that traditional forecasting techniques are based on the assumption that tomorrow’s world will be much like today’s. Commenting on ‘New Age’ Strategic marketing Ginsberg (1997) explains that the present complex environment is characterized by side effects, time delays, non-linearity and multiple feedback processes. He then concludes that traditional strategy tools are no longer adequate in designing superior strategies. He consequently advocates the use of the holistic systems approach as opposed to the esoteric ways of the ‘old’. Ansoff (1988), reports that newly invented strategic marketing displaced long range planning because of the growing discontinuity of the environment.

Strategic marketing on the other hand does not necessarily expect an improved future or extrapolatable past. Hinterhuber (1992), argued that a manager is not necessarily a strategist and that a manager’s vision is also not an entrepreneurial vision.

VII. Methodology

A cross-sectional survey was selected for this study because it was easy to undertake compared to longitudinal survey and the result from the sample can be inferred to the larger population. In addition, some extraneous factors could have manifested in the observed change other than the independent variable concerned. The study adopted a survey research methodology to examine the role of strategic marketing in enterprise growth and survival of Nigerian oil and gas marketing companies in an attempt to attain their desired level of performance. Three hundred and forty one (341) respondents were chosen from the target population of two thousand three hundred (2300) through stratified random sampling. Out of the 341 copies of the questionnaire given out, two hundred and eighty six (286) copies representing 83.87% responses were received for analysis.
The target population in the study was the employees of petroleum product marketing companies in Lagos, Nigeria. A structural questionnaire was used to collect data from the respondents. The questionnaire was developed to capture the information on the level of respondents, knowledge on the main purpose of performance appraisal system and a assessment of the awareness of performance appraisal by the university. The questionnaire was pre-tested with respondents in other product marketing company, to authenticate reliability. The pre-testing was done to avoid any possible influence on trial respondents before the actual survey.

The analyzed data was presented using descriptive statistics, frequency tables, Analysis of Variance, and Correlation coefficients. Descriptive statistics allow the generalization of the data to give an account of the structure or the characteristics of the population as represented by the sample.

**Data Analysis, Finding and Discussions**

Table 1: Reliability Coefficients of Research Measures (Cronbach’s Alpha)

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variable Measure</th>
<th>Cronbach’s Alpha Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Management of Marketing strategy</td>
<td>0.76</td>
</tr>
<tr>
<td>2</td>
<td>Oil and Gas Performance Measurement</td>
<td>0.73</td>
</tr>
</tbody>
</table>

Table 1 above shows Cronbach’s alpha coefficients of the major research measures. "Management of marketing strategy constructs” and “Oil and gas performance measurements” met Nunnally’s (1978) internal consistency (reliability) standard for newly-developed research measures, while “Effect of environmental factors on marketing strategies” failed to meet Nunnally’s (1978) standard for reliability. Specifically, Nunnally (1978) recommended 0.70 Cronbach alpha value (internal consistency) for newly developed research instruments. Therefore, subject to the specific and usual limitations associated with this type of research, the research instrument appears reliable and valid.

This study has provided empirical evidence pertaining to the perception placed on oil and gas marketing strategies, and oil and gas performance measures and impact of environmental factors on such strategies. The research findings show that product and mega marketing strategies received relatively low perception. These findings have managerial and research implications.

Table 2: Descriptive Statistics of Effectiveness of Strategic Marketing Using Qualitative Measures of Performance (n = 286).

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std.Dev.</th>
<th>Variance</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company makes profit by selling large quantities of goods/services</td>
<td>5.17</td>
<td>.96</td>
<td>.89</td>
<td>-.1.27</td>
</tr>
<tr>
<td>Experience to cut costs is an important goal</td>
<td>4.67</td>
<td>.99</td>
<td>.99</td>
<td>-.79</td>
</tr>
<tr>
<td>Sales executive move faster than competitors in responding to customers needs</td>
<td>4.93</td>
<td>.98</td>
<td>.87</td>
<td>-.99</td>
</tr>
<tr>
<td>Develops an exhaustive set of alternatives before making improvement management decision</td>
<td>4.79</td>
<td>.89</td>
<td>.79</td>
<td>-.69</td>
</tr>
<tr>
<td>Demands better services provided by customers</td>
<td>4.17</td>
<td>1.23</td>
<td>1.29</td>
<td>-.39</td>
</tr>
<tr>
<td>Emphasize opening up new branches</td>
<td>4.69</td>
<td>1.23</td>
<td>1.27</td>
<td>-.32</td>
</tr>
<tr>
<td>Ability to gain market share is high</td>
<td>3.57</td>
<td>1.39</td>
<td>1.79</td>
<td>-.34</td>
</tr>
</tbody>
</table>

Table 2 presents the descriptive statistics of the effectiveness of strategic marketing practices of the studied oil and gas industry. The finding shows that strategic marketing practices have been reasonably effective in oil and gas industry, with strategic marketing effectiveness being very high from the analysis above. The essence of strategic marketing is to achieve set objectives, and these objectives can be measured in terms of profit, market share, marketing cost, gross earnings, capital employed, asset quality, quality of marketing management, liquidity, turnover of marketing staff, and management of departmental crisis. The effectiveness of strategic marketing practices in the studied oil and gas industry is encouraging. These are the CAMEL measures of performance. According to (Umoh 1992; McDonald 1996), the effectiveness of oil and gas strategies determines the survival and growth of downstream sector in Nigeria, especially in an ever-changing environment. Effective oil and gas management through strategic marketing assists in the employment of capital raised, and manages the oil and...
gas asset portfolio in viable business options so that the assets are seen to be performing and yielding returns. The marketing strategies of oil and gas, in order to show reasonable levels of effectiveness along the CAMEL measures, have to emphasize a marketing management team with foresight, experience, and commitment towards the survival and growth of the oil industry, among others. Oluyemi (1996), posit that the most widely accepted measure of performance of oil and gas industry is current profitability, which is measured in terms of return on assets and return on equity. Nigerian oil and gas industry that creates comparatively large amounts of value (in relation to its equity) through it strategic marketing practices can be said to show high level of effectiveness. And as Table 3 shows, the studied oil and gas industry’s have shown appreciable levels of effectiveness using the identified measures of performance.

Table 3: Comparison of Environmental Characteristics

<table>
<thead>
<tr>
<th>Dimension of the Environment</th>
<th>Company A Total Mean</th>
<th>Company B Oando Mean</th>
<th>Company C Texaco mean</th>
<th>Company D Agip Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Markets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product diversity</td>
<td>4.64</td>
<td>4.29***</td>
<td>3.22</td>
<td>3.12</td>
</tr>
<tr>
<td>Geographical diversity</td>
<td>5.40</td>
<td>4.22***</td>
<td>2.34</td>
<td>3.21</td>
</tr>
<tr>
<td>Level of product information</td>
<td>4.89</td>
<td>4.80</td>
<td>4.33</td>
<td>4.02</td>
</tr>
<tr>
<td>Diversity of promotional media</td>
<td>4.92</td>
<td>4.46*</td>
<td>4.06</td>
<td>3.42</td>
</tr>
<tr>
<td>Competition</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intensity of rivalry</td>
<td>5.69</td>
<td>5.36**</td>
<td>4.34</td>
<td>4.54</td>
</tr>
<tr>
<td>Inability to influence market conditions</td>
<td>4.21</td>
<td>3.60***</td>
<td>3.34</td>
<td>3.18</td>
</tr>
<tr>
<td>Average profitability of the principal market</td>
<td>4.32</td>
<td>4.26</td>
<td>4.21</td>
<td>4.65</td>
</tr>
<tr>
<td>Entry barriers to the principal market</td>
<td>4.69</td>
<td>5.42***</td>
<td>4.32</td>
<td>4.24</td>
</tr>
<tr>
<td>Constraints imposed by inter-industry relationships with major stockholders</td>
<td>2.84</td>
<td>3.09</td>
<td>3.33</td>
<td>3.24</td>
</tr>
<tr>
<td>With major distributors and customers</td>
<td>2.76</td>
<td>3.78***</td>
<td>3.43</td>
<td>3.11</td>
</tr>
<tr>
<td>With major suppliers-subcontractors</td>
<td>2.49</td>
<td>3.71***</td>
<td>3.34</td>
<td>3.54</td>
</tr>
<tr>
<td>With government</td>
<td>4.38</td>
<td>3.27***</td>
<td>3.12</td>
<td>3.43</td>
</tr>
<tr>
<td>With competitors</td>
<td>2.14</td>
<td>2.64***</td>
<td>2.42</td>
<td>2.56</td>
</tr>
<tr>
<td>Ability of labour market</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For managers</td>
<td>3.64</td>
<td>1.79***</td>
<td>3.11</td>
<td>3.23</td>
</tr>
<tr>
<td>For technological experts</td>
<td>3.47</td>
<td>1.99***</td>
<td>2.23</td>
<td>2.65</td>
</tr>
</tbody>
</table>

Notes: * The higher the mean score, the more typical is the characteristics
** Significant at 0.5 level by t-test of means
*** Significant at 0.1 level by t-test of means
**** Significant at 0.001 level by t-test of means

From the above table, there is also a significant difference in labour market-ability between the four companies. Total firms face a less mobile labour market than Oando, Texaco and Agip firms. Not new, the findings is consistent with the prevalent view that the Total labour market is less mobile because of its many tangible incentives incorporated into their employment system. The strengths and range of constraints imposed by interrelationships with other organizations are also different in Total and other oil and gas companies under study. Oando and other oil and gas firms face stronger constraints imposed by government and regulatory bodies, while Total firms feel the constraints imposed by their relationships with distributors, customers, suppliers and competitors to a greater degree than Oando, Texaco and Agip firms. This result suggests that Total companies create closer inter-organizational networks with various kinds of organizations. The networks, although constraining decisions within organizations, may have a number of benefits including risk-sharing and long term stabilization of business. The strong constraints...
imposed by the government upon oil and gas companies probably stem from the relatively adverse historical relationship between business and government in Nigeria as well as from motives to protect the public and promote competition.

To sum up, Total firms face a less diverse, less competitive, more volatile and high opportunity environment, and less mobility of market. They are, moreover, constrained by interrelationships with other organizations to a greater extent than the other oil and gas marketing firms under study. A firm must set operational objectives, the priorities of which are contingent upon the opportunities provided and constraints imposed by its environment matched against the internal capabilities of the organization.

### Hypothesis Testing

**Hypothesis 1**

Inter-industry marketing commitment and company goal actualization does not yield better performance of Nigerian oil and gas marketing companies.

#### Table 4: Correlation Analysis of Inter-industry Marketing Commitment and Company Goal Actualization

<table>
<thead>
<tr>
<th></th>
<th>Interindustry marketing commitment</th>
<th>Company goal actualization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson correlation</td>
<td>1</td>
<td>0.661(**)</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sum of squares and cross products</td>
<td>31.254</td>
<td>33.116</td>
</tr>
<tr>
<td>Covariance</td>
<td>.128</td>
<td>.110</td>
</tr>
<tr>
<td>N</td>
<td>284</td>
<td>284</td>
</tr>
</tbody>
</table>

**Source:** Field survey, 2007.

The finding shows a significant positive relationship between these two variables and the pearson correlation using 2-tailed test at \( r = .661, 0.01 \) significant level and 286 degree of freedom. The sum of squares and cross products for inter-industry marketing commitment are 31.254 and 33.116 for company goal actualization with covariance for the environment are 286 degree of freedom.

#### Table 5: Regression Model of Summary of Inter-industry Marketing Commitment and Company Goal Actualization

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>Rsquare</th>
<th>Adjusted Rsquare</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.905(a)</td>
<td>.822</td>
<td>.821</td>
<td>.20214</td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2007.

In the Table above \( r^2 \) is called the coefficient of determination and referred to as \( r^2 \). In this study, 82.2% of the variability in performance can be explained by factors like markets, competition ability of labour markets and constraints imposed by interindustry marketing commitment and goal actualization relationships. The remaining 17.8% of variability is due to other unexpected factors. Thus, this further supported the rejection of the fourth hypothesis.

#### Table 6: Regression of Inter-industry Marketing Commitment and Goal Actualization

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>DF</th>
<th>Mean square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>3</td>
<td>15.724</td>
<td>445250</td>
<td>.000(a)</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>283</td>
<td>.051</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>286</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2007.

The R-squared\( (R^2) \) for the regression is 0.822 and the R-square adjusted for degrees of freedom for the regression is 0.821. The root mean square error, labelled ‘Root MSE’ is .20214. It should be noted that the root mean square error is the square root of the mean square error reported for the residual in the ANOVA Table 5.

### VIII. Discussion of the Finding

As stated earlier, the discussion of this study followed the hypotheses raised and tested and they are presented below:

**Hypothesis 1**

Inter-industry marketing commitment and company goal actualization does not yield better performance of Nigerian oil and gas marketing companies.
This present study correlated two variables: inter-industry marketing commitment and company goal actualization in testing hypothesis four. The finding showed a significant positive relationship between these two variables. For the two variables at the same significant level of 0.01 (2-tailed) and degree of freedom (at 286) their Pearson correlation stood at .661. The findings of this study also supported the results of other studies. This result corroborates the supposition of (Knorr and Mahoney 2005; Finney et al 2005; Child and Tasi 2005; Schneider et al 2006). They found that the strengths and range of constraints imposed by interindustry marketing commitment and interrelationships with other organizations are also different from one oil company to another. This implied that interindustry marketing commitment of oil and gas marketing companies affect goal actualization. The findings however, show that the variability in inter-industry marketing commitment can be explained by the factors like markets, ability of labour markets, competition, constraints imposed by inter-industry relationships. The remaining 17.8% of variability is due to other unexplained factors. Thus, this supports the rejection of the null hypothesis but support the acceptance of alternative hypothesis.

IX. Conclusions

This section elaborates on the conclusion of the research. Based on the findings of this research, the following conclusions are warranted:

1. The evidence from findings suggested that oil and gas marketing companies have comparative advantages in adopting various marketing strategies using different technologies. Oil and gas marketing companies appeared to specialize in the use of traditional methods of marketing, which is based on “soft” information culled from close contacts by marketing and sales department rather than the use of the specialized strategic marketing methods that are based on “hard” quantitative information.

2. Most of the findings of the research are consistent with previous normative and empirical works. For instance, the companies face a less diverse, less competitive, more volatile and high opportunity environment, and a less mobility of market. They are however, constrained by interrelationships with other organizations largely.

3. The research instrument shows high validity and reliability.

4. This study has provided empirical evidence pertaining to the perception of oil and gas marketing strategies, and the industry environmental factors on such strategies.

X. Managerial and Research Implications

The findings of this study have several managerial implications for Nigerian downstream oil and gas. First, Nigerian oil and gas managers are advised to place more emphasis on the adoption of various marketing strategies using different technologies. Second, all organizations face an external business environment that constantly changes. Changes in the business environment create both opportunities and threats to an organization’s strategic development, and the organization cannot risk remaining static. It must monitor its environment continually in order to: build the business, develop strategic capabilities that move the organization forward, improve the ways in which it creates products/services and develops new and existing markets with a view to offering its customers better services.

Third, anticipating competitors’ actions and reactions to the organizational’ moves may be the key determinant of success for any marketing strategy. Fourth, with the competitive downstream oil and gas industry of today, participants can put more emphasis on relationship marketing to ensure effectiveness. This essentially entails personalizing the oil and gas services offered to clients, attending to clients’ cultural and social activities, in relation to other non-business activities, which are of interest to clients.

In such learning organizations, oil and gas marketing companies staff would always be inquiring into the total or systemic impacts of their business behaviours, instead of just concentrating on the local effects of their business behaviours (Chen 2004).

XI. Limitations and Suggestions for Further Studies

This study indicates that strategic marketing practices have a significant impact on performance variables and that they interact with the different components to facilitate performance. It also indicates that different performance factors moderate strategic marketing practice. Therefore, organizations hoping to enhance corporate performance in a dynamic business environment should consider the following:

Suggestions for further studies: This research leads to some observations that might be of interest to future researchers, as they represent the seeds from which future research can be developed.

a) This same research can be carried out in other nations so that a broad comparison of the concepts of strategic marketing as it affects firm performance can be made.
b) Research into the combined effects of strategic marketing practice and performance factors as mediators of firm performance relationship.

c) Research into the effects of key characteristics of industries environmental indices and marketing strategy could be carried out to further explain the differences in the firm’s adoption of strategic marketing.

d) Finally, future research works are to be undertaken in order to refine the cobwebs found in the present research, and orient it to more specific contexts (business, time, location, etc) in Nigeria’s oil and gas industry.

**References Références Referencias**


92. Osuagwu,( 2004). Relationship marketing strategies in Nigerian companies, The


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