Journal of Marketing and Consumer Research
ISSN 2422-8451 An International Peer-reviewed Journal
Vol.18, 2015

Performance Effects of Strategic Marketing Management in the Nigerian Telecoms Industry: Empirical Insight from Globacoms Ltd.

Amisu, Oluwatobi Adekunle   Otegbade Taiwo Olatunde   Shomade Salam Oluwatobi
Department of Business Administration, School of Business & Management Studies, Moshood Abiola Polytechnic, Nigeria

Abstract
The rate of competition in the Nigerian telecommunication industry is moving at a leapfrog basis. Competitors are reacting like tigers, some are reacting stochastically and different classes of competitors are coming out with their different attacks whether offensive or defensive. This rate of competition has made strategic marketing managers to put all hands on deck in implanting and crafting sustainable marketing strategies that would give their organization competitive edge in the ever turbulent business eco system. The paper therefore examined the effects of strategic marketing management on the performance of Globacom Limited with the view of evaluating the extent to which the organization strategically market its product and the methods it employs. The research design adopted for the study was a descriptive survey method in which a simple random technique was used for selecting respondents using administered questionnaires on strategic marketing. However, both primary and secondary methods were adopted and the hypotheses were tested using the SPSS (regression) method. The findings of the study revealed that strategic marketing management has positive impact on the performance of Globacom Limited. The findings also revealed that market orientation does influence the sales performance & profitability of telecoms industry and that market segmentation is a useful tool to enhance customer's satisfaction. It was therefore recommended that organizations should continue to apply Strategic marketing management to improve their performance level. They should maintain an ethical atmosphere since it is good for efficiency. The organization should also put more effort in managing marketing complexity, customer and stakeholder expectations and to reconcile the influences of a changing environment in the context of a set of resource capabilities.
Keywords: Performance, Strategic Marketing, Management, Nigerian Telecoms Industry & Customers' satisfaction

INTRODUCTION

The business eco system is changing, especially the Nigerian telecommunication industry on a continuous basis owing to the level of competition which is moving at an alarming rate due to different competitor's reaction patterns. This level of competition has made managers, decision makers and marketing planners to move a step further in being strategic to their marketing efforts and activities. However, strategic marketing management is the marketing approach which is based on the view that the role of marketing is to assist an organization to achieve its long term goals and a sustainable competitive advantage through the development of long range marketing plans that adequately reflect an understanding of the firms resources and its competitive situation as well as the needs and wants of customers (Oyedijo, 2013). Marketing efforts and know-how are instrumental in commercializing ideas and inventions successfully. Therefore, it could be fatal for companies to ignore the importance of marketing (Yli-Kovero, 2006; Salminen, 2006). Kotler (1999) emphasizes the position of marketing to even argue that, in the future, marketing has the main responsibility for achieving profitable revenue growth for the company. Today cost-efficiency does not provide long-term competitive advantage for companies whereas marketing, when well conducted, does. Especially in the field of strategic marketing, benefits are still largely waiting for realization. Also, businesses all over the world has faced a great difficulty in getting their products acceptable or sold in the market. Until recently, producers had always found it difficult to penetrate freely into the market in such a way that prospective buyers are convinced to buy their products and stay loyal to the company's products. However, the emergence of marketing has paved the way of success for producers and marketers globally.

The telecommunication industry in the past few years has witnessed stiff competition which has resulted in aggressive use of various strategic marketing tools employed by telecommunication market players to strengthen their brands by appealing to the good conscience of stakeholders. For the forward looking ones, the consistent and divergent use of these strategies has proved effective in improving their corporate image and turnover. Dominant players like GLO, among others have been visible in the past committing substantial amount of money to the employment of various laudable strategic marketing management tools. Others have even redefined their various strategies in order to reach the less privileged and rural members of the society who are much more in population (National Census, 2006).

In Nigeria, the telecommunication sector is highly competitive and telecom operators attempt to appeal and win customers through various sales promotion strategies. The emergent of Mobile Number Portability in

Nigeria telecom industry which allows subscribers to port into any network by retaining their previous Mobile Station International Subscriber Directory Number MSISDN, which makes the industry to enter its maturity phase, with reducing average profit, with fierce competition telecom operators must work hard to reduce cost, win new customers and retain existing ones and increase profit to ensure sustainable development of their businesses.

Problems encountered in implementing effective strategic marketing management processes within the industry are poor public power supply, poor security, as infrastructure are often vandalized, high import duty, as duties on telecoms equipment are in the regimes of 30-70%, anti-competetive practices, with some operators alleged to be forming cartels to frustrate the natural interplay of market forces, unhealthy rivalry from competitors, the type and quantum of funds needed by operators to expand operations is scarce locally; and high operational costs **(NCC,2005)**. Considering the problems discussed above and those that are yet to be discussed, it is very important for companies to design and create effective strategic marketing management procedure in other to increase their market share and stand up to various competition in the industry; that is, they need to be proactive in their approach rather than been reactive. It is for these obvious reasons this research work has come to provide solutions to problems at hand especially to Globacom Limited.

Research Objectives

The main objective of the paper is to examine the performance effect of strategic marketing management in the Nigerian telecoms industry. Accordingly, the specific objectives are to;

- Examine whether there is a relationship between strategic marketing management and performance of Globacom Limited.
- Determine if marketing orientation has significant effect on sales performance & profitability.
- Assess whether market segmentation strategy has any significant effect on customer satisfaction.

Research Questions

The following questions were answered during the course of this study:

- Is there any significant relationship between strategic marketing management on the performance of Globacom Limited?
- Does marketing orientation have any effect on sales level of telecoms industry?
- Is market segmentation strategy a significant tool to enhance customer satisfaction?

Research Hypotheses

The following **Null** Hypotheses were tested during the course of this study.

1. H_0: There is no significant relationship between strategic marketing management & Organizational performance.
2. H_o: Marketing Orientation does not have any effect on sales performance & profitability.
3. H_0: Market segmentation strategy is not a significant tool to enhance customer satisfaction.

2. LITERATURE REVIEW

Strategic Marketing Management Conceptualized

Cravens (2000) Strategic marketing management is a market driven process of strategic development that takes into account constantly changing environment and the need to achieve high level of customer satisfaction. It focuses on organizational performance, rather than on increasing sales. It links the organization with the environment and view marketing as the responsibility of the entire organization rather than as specialized function. However, a strategy is an intentional process.

Drucker, (1977) conceptualize strategic marketing management as a process consisting of: analyzing environmental, market competitive and business factors affecting the corporation and its business units, identifying market opportunities and threats and forecasting future trends in business areas of interest for the enterprise , and participating in setting objectives and formulating corporate and business unit strategies.

Jain (2003) sees marketing strategy as mainly indicated by the marketing objectives, customer and competitive perspectives and product/market momentum (i.e. extrapolation of past performance to the future), form the basis of marketing strategy. However, marketing strategy is developed at the business unit level. Within a given environment, marketing strategy deals essentially with the interplay of three forces known as the strategic 3 C's: the Customer, the Competition and the Corporation. A good marketing strategy should be characterized by a) clear market definition, b) a good match between corporate strengths and the needs of the market and c) superior performance, relative to the competition, in the key success factors of the business. Marketing strategy, in terms of these key constituents, must be defined as an endeavor by a corporation to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy customer needs in a given environmental setting. Based on the interplay of the strategic three C's, formation of marketing strategy requires the following 4 decisions:

1. Where to compete. (Definition of the market) One or various segments.
2. How to compete, that is, it requires a means for competing.
3. When to compete, that is, it requires timing of market entry.

Empirical Studies

Oyedijo (2013) stated that organizations must be consistent with serving the needs of the target market within the framework of a long-term plan which is the key to achieving organizational goals and objectives. He stated further that the major proposition of strategic marketing management is to align marketing activities with organizational objectives, while marketing opportunities must be found by systematically analyzing the competitive and industry situational environment. However, organizations that take cognizance of strategic marketing management as a sustainable competitive advantage through the development of long range marketing plans has the opportunity to outperform firms that has not strategically identify the needs and wants of customers in order to tailor those needs within the framework of long term plan.

Wiersema (1993) argue that companies, to achieve leading position in their industries, should not broaden their business focus but narrow it; while mastering one of the disciplines, it is sufficient to meet industry standards in others. Performance impact of market orientation can in this case be explained with commonly established argument according to which satisfied customers are more loyal customers than unsatisfied ones (Srivastava, Shervani and Fahey, 1998).

Srivastava *et al*. (1998) also state that they extend their relationships with vendors to include other products and services and buy offerings in larger quantities, and are willing to pay higher prices and spread the good word to their circles of acquaintances. Further, due to probably several times lower costs of customer reten tion compared to new customer acquisition (Kotler, 2003), successful market orientation rationally increases financial performance of a firm.

Narver and Slater (1990) argue a fundamental benefit of being market oriented to be the continuous superior performance for the business. Market orientation cannot be interpreted to exist in a vacuum from other activities and pressures in the business (Hooley et al, 2001). On contrary, it can be evidenced that facing recent changes in business environment, such as globalization, increased importance of services, information technology and relationships across company functions and firms, have led to a situation where most industries have to be more and more market-oriented (Walker, Mullins, Boyd, Larréché, 2006). Further, without a doubt, market orientation that stresses the importance of using both customer and competitor information (Hunt and Morgan, 2001) should clearly be involved when formulating strategy.

Doyle (2000) proposes that business organizations may become more market-oriented by identifying and building the special capabilities which make market-driven organizations distinct from one another. He argues that a company usually needs to possess a few superior, distinctive capabilities to increase probability of outperforming the competition and, eventually, succeed. For example, the inside-out capability of manufacturing custom products at low cost, combined with the outside-in capability for understanding the evolving needs of the customer, can turn out to be an extremely powerful weapon in competitive markets.

Adebisi (2011) also stated that organizations can use environmental scanning to determine whether or not to enter new market and also to know the present situation or condition of its environment. Environmental scanning is the monitoring, evaluating, and disseminating of information from the external and internal environment to key people within the corporation or organization (Kazmi, 2008). Environmental scanning is a process of gathering, analyzing, and dispensing information for tactical or strategic purposes. It entails obtaining both factual and subjective information on the business environments in which a company is operating or considering entering. According to Oladele (2006) it is the process of dealing with the measurement, projection and evaluation of changes in the different environment variables.

Kohli et al., (2000) in their research they saw profitability as a consequence of market orientation rather than part of it. How would market orientation lead to superior performance, they suggested that it facilitates clarify focus and vision in an organization's strategy (Kohli and Jaworski, 2000). This is in a way also supported by PIMS studies that concluded it is better to be small than "stuck in the middle" (Buzzell and Gale, 2007). Concurrently with Kohli, Jaworski, Narver and Slater (2000) explored the relationship between market orientation and business profitability of 140 business units in both commodity products businesses and non-commodity businesses only to find, in both types of businesses, a substantial positive relationship. High level of market orientation was also argued to lead to, among others, high customer satisfaction and high repeat sales (Kohli and Jaworski, 1990).

3. METHODOLOGY

The study was carried out in Nigeria, using descriptive survey research design. The target population is employees of Globacoms in selected outlets in Lagos & Ogun State. A sample size of 110 employees formed the respondents for the study; no precise population was ascertained as at the time the study was conducted. Simple random sampling techniques were used to select the respondents. Questionnaires were used to collect data which were validated through a pilot study. The questions were closed ended on a five point Likert scale. A total of 64 of the administered questionnaire were properly filled and found useful for data analysis. Descriptive statistics was used to analyze data.

4. DATA ANALYSIS & PRESENTATION

The Study examined Performance Effects of Strategic Marketing Management in the Telecoms Industry. The results of the findings are as follows. The results of the analysis are presented beginning with the presentation of demographics of the respondents which revealed that majority of the respondents were female which constitute (64.1%), while their male counterparts were (35.9%). This shows that female services are needed in the telecoms industry especially the marketing department since majority of the marketing task within the organization & on the field are done by female workers.

Hypothesis 1

Ho: There is no significant relationship between strategic marketing management & Organizational Performance

Table 4.27: Model Summary

Model	Predictors	R	R^2	R^2–ADJUSTED	STD. ERROR
1	Strategic marketing	0.52	0.27	0.18	0.826

b. Dependent Variable: Organizational Performance

The model summary table 28 provides helpful information about the regression analysis. First, the 'simple R' column is the correlation between the actually observed independent variable and the predicted dependent variable (i.e., predicted by the regression equation) which yielded r=0.52. 'R square' is the square of R and is also known as the 'coefficient of determination'. It states the proportion (or percentage) of the (sample) variation in the dependent variable that can be attributed to the independent variable(s). In this study however 27% of variation in organizational performance could be accounted for by the strategic marketing. The other 73% are traceable to other factors. The ANOVA table indicated the effect of independent variable on the dependent variable.

Table 4.28: ANOVA

Model	Sources of Variation	Sum of Squares	Df	Mean Square	F-ratio	Sig
1	Regression	615.4422	1	615.442	58.11	.000
	Residual	667.17	63	10.590		
	Total	1282.6122	64			

b. Dependent Variable: organizational performance

Hence, the first hypothesis was rejected at R= 0.52, R^2= 0.27, $F_{(1, 64)}$ = 58.11; p<.05.

Hypothesis 2

Ho: Market Orientation does not have any effect on sales performance & profitability

Table 4.29: Model Summary

Model	Predictors	R	R^2	R^2-ADJUSTED	STD. ERROR
1	Market Orientation Strategy	0.21	0.0441	0.001	0.042

b. Dependent Variable: sales performance & profitability

The model summary table 30 provides helpful information about the regression analysis. First, the 'simple R' column is the correlation between the actually observed independent variable and the predicted dependent variable (i.e., predicted by the regression equation) which yielded r=0.21. 'R square' is the square of R and is also known as the 'coefficient of determination'. It states the proportion (or percentage) of the (sample) variation in the dependent variable that can be attributed to the independent variable(s). In this study however 4.4% of variation in sales performance & Profitability could be accounted for by the market orientation strategy. The other 95.6% are traceable to other factors. The ANOVA table indicated the effect of independent variable on the dependent variable.

Table 4.30: ANOVA

Model	Sources of Variation	Sum of Squares	Df	Mean Square	F-ratio	Sig
1	Regression	342.56	1	342.56	0.877	.000
	Residual	24597.72	63	390.44		
	Total	24940.28	64			

The second hypothesis which stated that" Market orientation does not have effect on sales performance & profitability was rejected at R=0.21, R^2=0.0411, $F_{(1, 64)}$ =0.877; p<.05.

Hypothesis 3

Ho: Market segmentation strategy is not a tool to enhance customer satisfaction.

Table 4.31: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.866	.749	.727	22.1117

b. Dependent: Customer satisfaction.

The model summary table 32 provides helpful information about the regression analysis. First, the 'simple R' column is the correlation between the actually observed independent variable and the predicted dependent variable (i.e., predicted by the regression equation) which yielded r=0.866. 'R square' is the square of R and is also known as the 'coefficient of determination'. It states the proportion (or percentage) of the (sample) variation in the dependent variable that can be attributed to the independent variable(s). In this study however 75% of variation in customer satisfaction could be accounted for by market segmentation strategy. The other 25% are traceable to other factors. The ANOVA table indicated the effect of independent variable on the dependent variable.

Table 4.32: Summary of Analysis of Variance

Model	Variations	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	561	1	561	62.33	.000
	Residual	567	63	9		
	Total	1128	64			

b. Dependent: Customer satisfaction.
Source: Field Survey, 2014.

The hypothesis three was rejected at R=.866, R^2=.75, $F_{(1, 64)} = 62.33$; p<.05. This implies that market segmentation strategy is a significant tool to enhance customer satisfaction.

Discussion of Result (Tested Hypotheses)

The result of the analysis shows that all the effects variables were positive: indicative of the fact that strategic marketing management has effects on organizational performance of telecoms via sales performance which in turn increases profitability, quality of services provided by telecoms, customer satisfaction, efficiency and overall performance of telecoms. The analysis of the first hypothesis revealed a positive effect that shows 74.9% relationship between market orientation strategy and organizational performance. The conclusion corroborated with the findings of Oyedijo et al (2010) that confirms the positive effect of strategic marketing management on organization performance in terms of competitive advantage, profitability, survival and market share. Their study also reveals that strategic marketing management has some effects on performance measures, such as process efficiency, service quality, cost savings, organization and process flexibility and customer satisfaction. Similarly, the result of the second and the third hypothesis shows correlation strength of 72.7% and 69.8% relationship between market orientation strategy and sales performance ET customer's satisfaction. The implication of this result was confirmed by Hunt (2001) that market segmentation is a tool to enhance customer's satisfaction because division of total market into unit based on customers' needs enhances customer's satisfaction. On the other hand, Jain (2003) posited that market orientation is thought to contribute to overall sales growth of telecoms.

5. CONCLUSION & RECOMMENDATION

Conclusion

This research study examined the Effect of Strategic Marketing management on the Performance of Globacom Limited. It is very evident that strategic marketing management really enhances performance of telecommunication industry. This however has given the organization an edge over other competing telecoms in the country. It is an indispensable tool for any organization aiming at expanding and improving its overall performance. Furthermore, there is still room for improvement. Hence, researchers are encouraged to investigate further into this subject for the benefit of our society and the world at large. It is therefore the sincere belief of the researcher that greater achievements could be made in this study and implemented by the relevant stake holders involved. This is because this study has shown that the application of strategic marketing management on organizational performance.

It is a suitable and appropriate concept which has improved the fortunes of those firms that has accepted and adopted it as a very important marketing tool.

Recommendations

Based on the statement of problem, the objective of the study and the result of the findings, the following recommendations are made.

1. Globacom Limited should continue to apply Strategic marketing management to improve their performance level. A good ethical atmosphere should be maintained since it is good for efficiency. Effort should be geared in managing marketing complexity, customer and stakeholder expectations and to reconcile the influences of a changing environment in the context of a set of resource capabilities.
2. It is also necessary to create strategic opportunities and to manage the concomitant changes required within the organization. Marketing mangers of Globacom should continue to learn more about high- performance organizations so they can apply the lessons learned to their own companies. The goal is to ensure that their organization remains at the top in the marketplace.
3. They should also maintain their agility and resilience to remain high performers. Globacom Limited Should also enlarges their coasts the more (globalization) to capture a greater market share. Also, it will serve as a driver for the firm's financial performance. The company should not relent on their commitment to customer service in order to maintain long term customer satisfaction and relation.

REFERENCES

Adebisi, B.A. (2011). Principles of Marketing: Text & Practice, Malox Publishing Company Ltd, Offa, Osun State,

Nigeria
Buzzell, S. M. and Gale, G. (2007) "When Social Issues Becomes Strategic" The McKinsey Quarterly (www.mckinseyquarterly.com) No. 2
Cravens D.W. (2000) Strategic Marketing (New York: Richard D. Irwin)
Doyle, G. (2000) Valuing Marketing's Contribution. *European Marketing Journal 18(3)*
Drucker, P. (1977). Characteristics of Organizational Marketing Environment and Perceived Uncertainty. *Administrative Science Quality*, 17(2), 313-327
Hodey, et al., (1998) Competitive Positioning: The Key to Market Success (Harlow: practice- Hall International Ltd)
Hooley, et al., (2001) "Are You Sure You A Strategy?" *Academy of Management Executive* 15, (4). 48-59
Jain, D. (2003) Foundation of Marketing. The McGraw-Hill Company New York, NY.
Kazmi, A. (2008) Strategic Environmental Scanning and Organization Performance in a Competitive Business Environment. *Economic Insights Trends and Challenges 64(4): 54-70.*
Kohli, A.K. and Jaworski, B.J. (1990) Market Orientation: The Construct, Research Preposition and Managerial Implications, *Journal of Marketing (AMI)*: 1-18
Kotler, P. (2003): Marketing Management, Analysis, Planning and Control. 6th Edition. Canada, Prentice Hall International Inc.
Kotler, P. (1999): Marketing Management, Analysis, Planning and Control. (7th Edition) Canada, Prentice Hall International Inc.
Naver, J.C. & Slater, S.T. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing* 54 (4) 20-35
National Communication Commission Report (2005).
National Population Census Statistical Report (2006)
Oladele, O. (2006) Strategic Environmental Scanning and Organisation Performance in a Competitive Business. *Environment. Economic Insights – Trends and Challenges*. 64(1): 1-20.
Oyedijo, A. (2013). Business Policy and Strategic Management: An Introductory Text with Cases. Strategic International Press Ltd. Tejumola House 24, Ogba-Isheri Road, Ikeja, Lagos, Nigeria.
Shapiro, S.J. et al., (1996) Basic Marketing: A Global Managerial Approach. Tornando: times mirror publishing Ltd
Williams, A. (2007 February – March) "How To Find And Keep Skilled Workers" Area Development, Site and Facility Planning. Proquest

Wiersema, S. (1993) Metal Cars and Plastic Cards- What's The Connection? Proceedings of the Marketing Education Group Annual Conference, University Of Ulster.
Yhi, K. (2006) What is the Marketing Management Concept in the frontiers of Marketing Thought and Science, Frank N. Bass, ed. Chicago: American Market

AUTHORS' PROFILE

Corresponding Author: Amisu Oluwatobi Adekunle Bagged his Bachelor of Science Degree in Business Administration with Second Class Honours, Upper Division from Lagos State University, Nigeria. He is a Professional Human Resource Expert, A Strategist, A Chartered Manager and a Seasoned Researcher. He is a Member of several professional bodies in Nigeria among which are Nigerian Institute of Management (Chartered), a certified Member of the Institute of Strategic Management, Nigeria and An Associate Member of the Chartered Institute of Personnel Management, Nigeria. He has wide experience in teaching and researching. He is currently a lecturer in the Department of Business Administration & Management, Moshood Abiola Polytechnic, Nigeria.

Second Author: Otegbade Taiwo Olatunde Obtained his Bachelor of Science Degree in Industrial Labour Relation with Second Class Honours, Lower Division from Olabisi Onabanjo University, Nigeria. Also, he bagged his Masters of Science Degree in Organizational Behaviour from University of Lagos, Nigeria. He is a Professional Human Resource Expert and a Seasoned Researcher. He is an Associate Member of the Chartered Institute of Personnel Management, Nigeria. He has wide experience in teaching and researching. He currently lecturers Organizational Behaviour & Labour Law in the Department of Business Administration & Management, Moshood Abiola Polytechnic, Nigeria.

Third Author: Shomade Salam Oluwatobi got his Bachelor of Science Degree in Business Administration with Second Class Honours, Upper Division from Lagos State University, Nigeria. A certified Member of the Institute of Strategic Management, Nigeria. He has wide experience in teaching and researching. He is currently a lecturer in the Department of Marketing, Moshood Abiola Polytechnic, Nigeria.