Strategic Marketing Strategies on the Performance of Firms in Nigerian Oil and Gas Industry

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Abstract
The purpose of this paper is to investigate the impact of strategic marketing strategies on the performance of firms in the downstream sector of the Nigerian oil and gas industry. The specific objectives of the study include determining how the industry environmental performance indices can affect the various strategies and factors of Nigerian oil and gas marketing companies; 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 strategic marketing strategies 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. Two hypotheses were formulated from the research questions. Analysis of Variance, Pearson Moment Correlation Analysis, Factor Analysis among other statistical tools were used in testing the hypotheses. The overall results suggest that strategic marketing strategies 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 strategies 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) in a constantly changing business environment, firms can adopt different strategic marketing strategies since the yardstick is the enhancement of business performance.

Keywords: strategic marketing, strategies, dynamic environment, deployment, resources, performance

INTRODUCTION

To achieve a set of organizational goals and objectives, companies conceptualize, design, and implement various strategies. These strategies can be corporate, business, or functional. Marketing strategies constitute one of the functional strategies amenable to application by contemporary companies in order to enhance performance. 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. Therefore, early indigenous Nigerian oil and gas marketing companies were operated by regional governments entrusted with ownership responsibilities. The petroleum industry is considered to be one of the largest and most powerful industries in the global market with its operations covering every corner of the globe and with the world’s energy heavily dependent on oil and gas products (Amnesty International, 2004). Today, activities in the petroleum industry are composed of various procedures including exploring, extracting, refining, transportation and marketing of the petroleum product.
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 (Utomi, Obi, 2003; Anya, 2002; Chukwu, 2002; Gary and Karl, 2003; Mathiason, 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 cubit feet (scf) (Africa Oil and Gas, 2004). The foregoing underscores the vast investments and potentials of the Nigerian petroleum sector, and therefore calls for commensurate investments in the development of the Nigerian human capital base. 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; Baker, 2006 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 rather 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 (Assael, 2000; Ekpu, 2004; Dixon et al, 2005) is unfortunately largely flared to the detriment of the economy.

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).

**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 industry-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) lament 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; 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; Johne 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; Johne, 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 Oluyemi (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. Generally, marketing strategy deals with adapting the marketing mix elements to environmental factors. It evolves as a result of the interplay of the marketing mix elements and the environmental factors, which impact on these elements (Sctars, 1991; Li et al., 2000; Aristobulo, 1997; Jain, 1993; Mavondo, 2000). Therefore, the function of marketing strategy deals with determining the nature,
To determine how the industry environmental indices product marketing strategy by an organization is difficult, 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).

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 the industry environmental indices can affect the strategies and factors of Nigerian oil and gas marketing companies performance.

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

Research Hypotheses
The following null and alternative hypotheses are considered in this study:

H0: Industry environmental indices and strategies adopted does not yield better performance of Nigerian oil and gas marketing companies.

H1: Industry environmental indices and strategies adopted yield better performance of Nigerian oil and gas marketing companies.

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.

LITERATURE REVIEW
Marketing strategies and tactics are concerned with taking decisions on a number of variables to influence mutually-satisfying exchange transactions and relationships. 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 easy 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. The marketing concept and variants like the total quality management concept for example, are essentially concerned with satisfying clients' needs and wants beneficially. Developing and implementing efficient and effective marketing strategies which incorporate relevant dimensions of the marketing concept involve the organic tasks of selecting a target market (customers/clients) in which to operate and developing an efficient and effective marketing ingredient combination. Marketing thought, with its practice, has been moving speedily into the service industry (Kotler and Connor, 1997). Literature, partly, centres 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; Osuagwu, 1999). “Service” may also be described as intangible its outcome being perceived as an activity rather than as a tangible offering.

Services include a wide range of activities and form some of the growing sectors of the economies of developed and developing countries. Services include professional services (legal, accounting, medical, management consulting, etc), general services (insurance, postal, telephone, transportation, internet, tourism, etc), maintenance and repair services, and services from marketing researchers and product manufactureres, among others. Oil and gas service is not a tangible thing like food, clothing, and car. The main factor that affects a person’s demand for oil and gas service is that person’s attitude towards risks. The peculiarities of oil and gas services may create marketing programmes that are
Different from those found in the marketing of tangible products. 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 their marketing strategies.

According to (Schnarfs, 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. Generally, marketing strategy deals with the adapting of marketing mix-elements to environmental forces. 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 (Brownlie and Spender, 1995). Marketing strategy development has the following peculiarities:

1) It requires managerial experience, intuition and judgment (Little 1990; Mintzberg 1994a; 1994b; 1996; Brownlie, and Spender, 1995; McIntyre, 1992; Alpar 1991).
2) It carries a high level of uncertainty and ambiguity (Brownlie and Spender 1995).
3) It is business sphere knowledge-intensive (McDonald and Wilson 1990; Duberlar et al 1991).
4) It entails a broad spectrum of strategic information (Mintzberg 1994b; 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). As a result of the ambiguity and instability of environmental factors, strategic marketing may be a difficult task for organizational strategists. Many factors prevent organizational managers from designing and implementing efficient and effective marketing strategies (McDonald, 1992). 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 marketing strategies of Nigerian oil and gas marketing companies, the impacts of environmental factors on such strategies and the effectiveness of the marketing strategies.

The marketing strategies of Nigerian oil and gas marketing companies are expected to be adaptable to these environmental factors in order to achieve set performance goals. 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).

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; Paley, 2004). Although some 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. Bryson (2004; Anderson 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.

Strategic marketing, according to (Ulrich and Barnet, 1984; Ansoff, 1988; Berry, 1997; Gup and Whitehead 2000; Bradford and Duncan, 2000), 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 Vineze (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. Hunsaker (2001) observes that strategic plans apply to the entire organization. Strategic marketing on the other hand does not necessarily expect an improved future or extrapolatable past. (Hinterhuber 1992; Steiner, 1997; Ginsberg, 1997; Wing, 1997; Paley, 2004), argued that a manager is not necessarily a strategist and that a manager’s vision is also not an entrepreneurial vision. Realizing however that strategic marketing process does not specify how plans should be translated into action, the issue of strategic marketing implementation led to the evolution of strategic marketing management.

**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 target population in the study was the employees of product pipeline 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>
<tr>
<td>3</td>
<td>Effect of Environmental factors on marketing strategies</td>
<td>0.65</td>
</tr>
<tr>
<td>4</td>
<td>Organizational structure and strategies</td>
<td>0.84</td>
</tr>
</tbody>
</table>

Source: Field data (2007)

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>

Source: Field data (2007)

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.

Table 3: Comparison of Environmental Characteristic

<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>
</tbody>
</table>

Ability of labour market

| For managers | 3.64 | 1.79*** | 3.11 | 3.23 |
| For technological experts | 3.47 | 1.99*** | 2.23 | 2.65 |

Source: Field Data (2007)
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.

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**

Industry environmental indices and strategies adopted does not yield better performance of Nigerian oil and gas marketing companies.

<table>
<thead>
<tr>
<th>Source: Field data, 2007.</th>
<th>Table 4: Correlation Analysis of Industry Environmental Performance Indices and Various Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson correlation</strong></td>
<td><strong>Industry environment</strong> 1 <strong>Performance</strong> 0.651(**)</td>
</tr>
<tr>
<td><strong>Sig.(2-tailed)</strong></td>
<td><strong>Sum of squares and cross products</strong> 30.254 32.116</td>
</tr>
<tr>
<td><strong>Covariance</strong></td>
<td><strong>1</strong> 110</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td><strong>284</strong></td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td><strong>Sig.(2-tailed)</strong> 0.00 <strong>Sum of squares and products</strong> 34.116 64.089</td>
</tr>
<tr>
<td><strong>Covariance</strong></td>
<td><strong>1.10</strong> 222</td>
</tr>
<tr>
<td><strong>N</strong></td>
<td><strong>286</strong></td>
</tr>
</tbody>
</table>
The finding shows a significant positive relationship between these two variables and the Pearson correlation using 2-tailed test at $r = .651$, 0.01 significant level and 286 degree of freedom. The sum of squares and cross products for industry environment are 30.254 and 32.116 for performance with covariance for the environment are 286 degree of freedom.

### Table 5: Regression Model of Summary of Industry Environmental Indices and Performance

<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>.906(a)</td>
<td>.824</td>
<td>.811</td>
<td>.20216</td>
</tr>
</tbody>
</table>


In the Table above $r^2$ is called the coefficient of determination and referred to as $r^2$. In this study, 82.4% of the variability in performance can be explained by factors like markets, competition ability of labour markets and constraints imposed by inter-industry relationships. The remaining 17.6% of variability is due to other unexpected factors. Thus, this further supported the rejection of the third hypothesis.

### Table 6: Regression of Industry Environmental Indices and Performance

<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>54.164</td>
<td>3</td>
<td>16.724</td>
<td>443.526</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>10.841</td>
<td>283</td>
<td>.052</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>65.089</td>
<td>286</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


The $R^2$ for the regression is 0.824 and the $R^2$ adjusted for degrees of freedom for the regression is 0.811. The root mean square error, labelled ‘Root MSE’ is .20216. 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.

### Hypothesis 2

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

### Table 7: 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>
</table>
| Pearson correlation |                         | 1 | .0661(**)
| Sig.(2-tailed) |                         |               |
| Sum of squares and cross products | 31.254 | 33.116 |
| Covariance | .128 | .110 |
| N | 284 | 284 |


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 interindustry marketing commitment are 31.254 and 33.116 for company goal actualization with covariance for the environment are 286 degree of freedom.
Table 8: 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>


In the Table above r square 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 inter-industry 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 9: Regression of Inter-industry Marketing Commitment and Goal Actualization

<table>
<thead>
<tr>
<th>Model 1</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>53.164</td>
<td>3</td>
<td>15.724</td>
<td>442.526</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>11.841</td>
<td>283</td>
<td>.051</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>65.005</td>
<td>286</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


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 9.

SUMMARY OF EMPIRICAL FINDINGS

(a) The result of Hypothesis 1 was rejected and the alternative hypothesis was accepted meaning that there is a significant relationship between industry environmental performance indices and various strategies and factors of Nigerian oil and gas marketing companies.

(b) The result of Hypothesis 2 was rejected and the alternative hypothesis accepted namely that there is a significant relationship between inter-industry marketing commitment and company goal actualization in the oil and gas marketing companies.

DISCUSSION OF THE FINDINGS

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

**Hypothesis 1**

Industry environmental indices and strategies adopted does not yield better performance of Nigerian oil and gas marketing companies.

This present study correlated two variables: industry environmental indices and performance in testing hypothesis three. 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 .651. The findings of this study also supported the results of other studies. This result corroborates the supposition of (Baker and Abouzeid 1992; Knorr and Mahoney 2005; Walsh and Roy 1993; Finney et al 2005; Child and Tasi 2005; Schneider et al 2006). They found that the strengths and range of constraints imposed by inter-industry environmental indices and interrelationships with other organizations are also different from one oil company to another. This implied that industry environmental indices of oil and gas marketing companies affect performance. The findings however, show that the variability in industry environment can be explained by the factors like markets, ability of labour markets, competition, constraints imposed by inter-industry relationships. The remaining 17.6% of variability is due to other unexplained factors. Thus, this supports the rejection of the null hypothesis but support the acceptance of alternative hypothesis. Performance measurement in business research has always proved to be a troublesome issue. In addition, it has been argued that new strategies and competitive realities mandated a move away from a sole reliance on financial-based measures to other variables.

**Hypothesis 2**

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...
Nigerian oil and gas managers are advised to place more emphasis on 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, Nigerian oil and gas marketers should be sensitized to the importance of their offerings to their clients, including the impressions their clients have of those offerings. As oil and gas clients are demanding more quality from their petroleum product marketing companies (PPMC), it may be strategic to inject the idea of total quality management (TQM) and its variants among product marketers (Chen, 2004).

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 to a greater extent.

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.

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 and 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, Nigerian oil and gas marketers should be sensitized to the importance of their offerings to their clients, including the impressions their clients have of those offerings. As oil and gas clients are demanding more quality from their petroleum product marketing companies (PPMC), it may be strategic to inject the idea of total quality management (TQM) and its variants among product marketers (Chen, 2004).

RECOMMENDATIONS, 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 recommendations:

a) The concepts and principles of total quality management (TQM) are recommended for holistic study, in addition to contemporary marketing management issues such as relationship marketing, value analysis, business process re-engineering, megamarketing, re-marketing, co-marketing, bench marketing, and permission marketing, among others.

b) Efforts should be made by organizational marketers to understand the relevant factors that affect both clients’ behaviours, and the strategic options to be adopted to cope with such behaviours.

c) Oil and gas marketing scholars or researchers should endeavour to study holistically the relevant business functions and activities, which may enhance or hinder the understanding and subsequently applicability of relevant modern management concepts and principles to oil services marketing.

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 strategies 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.

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