

STRATEGIC MARKETING AND FIRMS PERFORMANCE: A STUDY OF NIGERIAN OIL AND GAS INDUSTRY

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Abstract

The purpose of this paper is to investigate the impact of strategic marketing and firms performance of the Nigerian oil and gas industry. This study adopted a survey research methodology to examine strategic marketing and firms performance of Nigerian oil and gas marketing companies in an attempt to attain their desired level of performance. 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 hypotheses. 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 in the Nigerian oil and gas industry. **Key words:** Strategic Marketing, Firms, Deployment, Resources, Performance

The sensitivity of petroleum resource is clearly reflected in the fact that it has remained or continued to be the goose that lay a 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 (Chukwu 2002). 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). 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 (Mathiason 2006). Already, Nigeria is the leading oil and gas producer in Africa, currently ranked the seventh highest in the world (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). 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. However,

gas resources are largely untapped and Nigeria's gas reserves place it among the top ten countries in the world in that category (Ekpu 2004). 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. 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.

Marketing has been defined and conceptualized in various ways, depending on the author's background, interest, and education (Osugwu 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 Osugwu (1994) also posit that marketing is important for the success of any organization, whether service- or product-oriented. Mathiason (2006) argues that the oil and gas service sector constitutes a service industry that has currently been changed by aggressive strategic marketing behaviour. According to (Li et al 2000), 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.

This study is intended to expand the body of knowledge in respect of the application of strategic marketing 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, describes the content for the study and it also identifies the general analysis of issues in the research necessitating the need for the study (Osugwu 1999). The research is expected to answer questions and provide reasons responsible for undertaking the particular research (Pajares 2007). 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 (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 (Chukwu 2002), 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. 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 (Johns and Davies 2002). The poor condition of some oil and gas marketing companies in Nigeria is a function of some interrelated problems. According to (Li et al 2000), 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). Garuba (2006) 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 (Li et al 2000; 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 (Osugwu 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. 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 (Osugwu 1999). 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.

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 explore the possible differences in the organizational structure and strategies adopted and how they affect the performance of Nigerian oil and gas marketing companies.

Research Hypothesis

The organizational structure and strategies adopted do not affect the market share of Nigerian oil and gas marketing companies.

Literature Review

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 (Osugwu 1999). 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 manufacturers, among others. Oil and gas service is not a tangible thing like food, clothing and car. 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. 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.

According to (Mavondo 2000), 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. According to (Levie 2006), the aim of the development of an organization's marketing strategy development is to establish, build, defend and maintain its competitive advantage. 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 (Akinyele, 2010).

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 and the so-called 4Ps of marketing, among others. Marketing seems easy to describe, but extremely difficult to practice (Kotler and Connor 1997). 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. 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. "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.

Definition of Strategic Marketing

The early strategic marketing - performance studies date from the time of rapid expansion of formal strategic marketing in the 1960s (Levie 2006). 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. Osugwu (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. Akinyele (2010), 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. Grewal and Tansuhaj (2001), argued that a manager

is not necessarily a strategist and that a manager's vision is also not an entrepreneurial vision. He explains that while the manager would rather have an orientation point of guiding a company in a specific direction, an entrepreneur having strategic competence should state his vision clearly, aggressively and in an optimistic manner.

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. 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)

| S/N | Variable Measure | Cronbach's Alpha Coefficients |
|-----|---|-------------------------------|
| 1 | Management of Marketing strategy | 0.76 |
| 2 | Oil and Gas Performance Measurement | 0.73 |
| 3 | Effect of Environmental factors on marketing strategies | 0.65 |
| 4 | Organizational structure and strategi | 0.84 |

Table 1 above shows Cronbach's alpha coefficients of the major research measures. "Management of marketing strategy contracts" 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).

| Variables | Mean | Std. Dev. | Variance | Skewness |
|--|------|-----------|----------|----------|
| Company makes profit by selling large quantities of goods/services | 5.17 | .96 | .89 | -.127 |
| Experience to cut costs is an important goal | 4.67 | .99 | .99 | -.79 |
| Sales executive move faster than competitors in responding to customers needs | 4.93 | .98 | .87 | -.99 |
| Develops an exhaustive set of alternatives before making improvement management decision | 4.79 | .89 | .79 | -.69 |
| Demands better services provided by customers | 4.17 | 1.23 | 1.29 | -.39 |
| Emphasize opening up new branches | 4.69 | 1.23 | 1.27 | -.32 |
| Ability to gain market share is high | 3.57 | 1.39 | 1.79 | -.34 |

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 (Osugwu 1999), 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. Osugwu(2001), 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 its 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 Characteristic ^a

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

| Dimension of the Environment | Company A Total Mean | Company B Oando Mean | Company C Texaco mean | Company D Agip Mean |
|---------------------------------|----------------------------|----------------------------|-----------------------------|---------------------------|
| 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 |

Notes: a. 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 are 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

The first hypothesis tested in the study states that ‘ The organizational structure and strategies adopted do not affect the market share of Nigerian oil and gas marketing companies.

Table 4: Mean and Standard Deviation on Company's Structure and Strategies Adopted and Market share Attained by Nigerian Oil and Gas Marketing Companies

| Questions | Freq. | Mean | Standard Deviation |
|---|-------|-------|--------------------|
| Company's structure and strategies adopted by Total firm | 286 | 70.40 | 2.18 |
| Company's structure and strategies adopted by Oando firm | 286 | 68.40 | 1.18 |
| Company's structure and strategies adopted by Texaco firm | 286 | 42.64 | 1.22 |
| Company's structure and strategies adopted by Agip firm | 286 | 68.20 | 0.22 |
| Oil and gas companies performance | 286 | 64.40 | 1.16 |

Table 4 above shows the difference between means of company's structure and strategies and resultant market share of Nigerian oil and gas marketing companies. Total firm with a mean of 70.40 and standard deviation of 2.18 had a better structure compared with other counterparts in the industry with mean of 68.40 and standard deviation of 1.18 respectively. The Table also shows that with the mean of 64.40 and standard deviation of 1.16 when divided between the companies, the market share of Total was better than that of the other counterparts. The question then is, was the difference significant enough or was it the result of a sampling error? The answer is presented in Table 5.

Table 5 Summary of Analysis of Variance on Company's Structure and Strategies Adopted and Market share Attained by Nigerian Oil and Gas Marketing Companies Respectively

| Source | Typell Sum of squares | Df | Mean square | F | Sig. |
|--|-----------------------|----|-------------|----------|------|
| Corrected Model | 294.808 | 9 | 32.644 | 35.415 | .000 |
| Intercept | 1887.508 | 1 | 1887.508 | 1749.596 | .000 |
| Company Types | 20.014 | 1 | 5.654 | 6.240* | .000 |
| Company's structure & strategies | 22.757 | 4 | 5.684 | 6.231 | .000 |
| Company Types* Company's structure & strategies | 24.745 | 4 | 5.086 | 5.457 | .001 |

| Source | Typell Sum of squares | Df | Mean square | F | Sig. |
|-----------------|-----------------------|-----|-------------|---|------|
| Error | 581.174 | 283 | .816 | | |
| Total | 5758.000 | 285 | | | |
| Corrected Total | 667.984 | 286 | | | |

Source: Field Survey, 2007.

$R^2 = .382$ (Adjusted $R^2 = .361$)* significant at 0.005 two tailed test.

The findings in Table 5 indicate that there was a significant difference in performance at $f(4,285) = 5.457$, at 0.05 significant level. This implied that the first hypothesis was rejected and the alternative hypothesis retained, which meant that the company's structure and the strategies adopted by Total yielded a better market share than that of their counterparts in the industry.

Discussion of the Findings

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

The organizational structure and strategies adopted do not affect the market share of Nigerian oil and gas marketing companies.

The null hypothesis one which stated that ‘ the organizational structure and strategies adopted do not affect the market share of Nigerian oil and gas marketing companies’ was rejected. This implied that the organizational structure and strategies adopted by oil and gas marketing companies affect market share positively. Several empirical studies have concluded that an organizational structure and strategies adopted is indeed an important element in companies' success. (Levie 2006), gave evidence that the level of organizational structure and strategies is positively related to company effectiveness, while (Grewal and Tansuhaj 2001) reported that more successful companies have well defined organizational structures, in sharp contrast to less successful companies. Focusing on large firms, (Ekpu 2004); found a positive relationship between the unstructured organizational patterns and large firm financial performance. The findings by (Osugwu, 2004; Akinyele 2010) underscore this finding, as they established that changes in the market environment, business strategy and organizational structure have impact on companies performance.

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 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. Fifth, 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.

Recommendations, Limitations and Suggestions for Further Studies

This study indicates that strategic marketing 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.

d. Firms that are not operating in a dynamic business environment need not adopt a strategic marketing practice as this may cause the firm to look inconsistent in the eyes of its customers and eventually reduce effective performance.

e. The need for the identification of options and resources and of capabilities of deployment constitutes an impetus to effective strategic marketing implementation, since the practice derives from capabilities in assembling and maintaining an appropriate resource portfolio and coupling the resource portfolio with the identification and recognition of options.

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.

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