

## MARKETING STRATEGIES AND ORGANIZATIONAL PERFORMANCE IN THE MANUFACTURING INDUSTRY IN AKURE-SOUTH LOCAL GOVERNMENT AREA, ONDO STATE, NIGERIA

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### Abstract

*Examining the problems in manufacturing sector of the economy, this research studied the relationship between marketing strategies and organizational performance of manufacturing companies in Akure-South, Local Government Area, Ondo State. Using survey research methodology to collect data of 82 manufacturing companies selected at random, percentages, frequencies, mean, and standard deviation were used to analyze the socio-economic characteristics of the respondents. Pearson Correlation was also used to analyze the relationship between marketing strategies and organizational performance. The results revealed that there are positive and significant relationship between the marketing mix strategies (price:  $r=0.948$ ; product:  $r=0.975$ ; place:  $r=0.972$  and promotion:  $r=0.853$ ) and organisational performance of the companies. In addition, marketing strategies are effective tools in boosting the sales performance of manufacturing companies as found in the study. Therefore, the study recommends that manufacturing companies should improve on promotion strategy and pricing strategy; produce quality products; charge competitive prices, position appropriately, the improvement on these strategies will lead to customers' satisfaction which will in turn increase the sales volume and the service quality of the organization and hereby lead to job creation in the manufacturing industry.*

**Keywords:** Marketing, strategies, performance, manufacturing, price, place, product, promotion.

### Introduction

Prior to independence, the manufacturing industry failed to make any appreciable impact on the Nigeria economy because small numbers of manufacturing firms were producing agricultural goods for domestic and foreign markets (Soderbom and Teal, 2002). It could be argued that the primary reasons for the low degree of manufacturing companies were neither cause by market forces nor inadequate human capital needed for effective operation processes, but due to institutional problems like epileptic services to the entrepreneurs, roads, communication, water and electricity power supplies inherent from operation processes which were largely dominated by trading companies. These manufacturing organizations at the time continue to strive with the preceding policies due to external influences from the British Colonial Government. As a result, Nigeria has undergone a significant decline in manufacturing activity losing approximately 8,708 manufacturing jobs due to plant shut-downs and relocations. This explains why the manufacturing companies have not significantly contributed positively to the GDP of Nigeria as compared to how manufacturing companies in other countries contributed to the GDP of their country (Soderbom and Teal, 2002).

Although, manufacturing is usually a small sector in African economies, in terms of share total output, employment, or growth, this sector has long been considered crucial for economic development. This

special interest in manufacturing stems from the belief that the sector is a potential engine of modernization, a creator of skilled jobs, and a generator of positive effects (Tybout, 2000). Furthermore, in order to achieve a set of organisational goals and objectives, companies conceptualize, design, and implement various strategies. A strategy in view of Baker (1992) is the pattern or plan that integrates an organisation's major goals, policies and action sequence into a cohesive whole. One of these strategies is marketing strategy seen as a method by which a firm attempts to reach its target markets. Marketing strategy starts with market research, in which needs and attitudes and competitors' products are assessed and continues through into advertising, promotion, distribution and where applicable, customer servicing, packaging, sales and distribution. Marketing strategy must focus on delivering greater value to customers and the firm at a lower cost (Chiliya *et al*, 2009). Marketing strategy is a vital prerequisite of Industry's ability to strengthen its market share and minimize the impact of the competition. Marketing strategy in the context of this paper is the process whereby an organization, in this case of manufacturing companies, focuses its energies and resources on activities which will lead to increase in sales, quality, and dominance in its new target market.

Oyebamiji, Kareem and Ayeni (2013) discover that manufacturing companies in Nigeria have not performed creditably well and hence have not played the expected vital and vibrant role in the economic

growth and development of Nigeria. They note that the situation has been of great concern to the government, citizenry, operators, and practitioners. These challenges could be as a result of perceived ineffective marketing strategy which is having negative effect on the organization's performance, product quality, customer satisfaction and profitability. This makes it possible to link business marketing strategy with firm's performance. However, the problem of identifying the right variables to establish this relationship still exists. Previous attempts to measure firm performance have welcomed many variables like production effectiveness, efficiency, client and employee satisfaction, market research and development, and corporate social responsibility, while ignoring the extent of the impact of some key marketing variables like place, promotion, price and product.

Numerous manufacturing industries in Nigeria have been observed setback in terms of productivity and performances due to various reasons like low quality, low sales, no or poor advertisement strategies (Moore, *et al.*, 2007), while Bagozzi *et al.*, (1998) mentioned inappropriate distribution route as another problem confronting organisational performance. Over the years, a number of problems like lack of well-defined strategy, individual accountability for results, problems of formulating and implementing of strategic marketing strategies, unfavourable government policies and technological advances have arisen from economic policies in Nigeria. These problems have adversely affected the management of manufacturing companies, marketing strategies and performance of organisation in the country. They have also affected the activities of marketing strategies in the production systems (Offiongodon, 1991). Previous research studies had covered much ground in general management, marketing and economics but not much had been done in the specific area of marketing strategies from the perspective of four P's of marketing mix. More significance is the identified gap in the area of price, product, promotion and place (marketing strategies) in the manufacturing companies. Manufacturing companies' operators need to provide a quality product with good packaging that satisfies customer needs, offering affordable price and engaging in wider distribution and backup with effective promotion strategy in order to survive the pressure from global market competitive environment. Consequently, this study is concerned with the influence of marketing strategies on organizational performance in the selected manufacturing companies in Akure South, Ondo State, Nigeria. It answers the question of "to what extent does marketing strategies

(price, products, place and promotion) influence organizational performance?"

### Literature review

#### Conceptual of Marketing Strategies

Marketing strategies are the means by which a marketing goal is to be achieved usually characterised by a specific target market and a marketing program to reach it. Each institution has a marketing strategy, which is an overall plan for the attainment of institutional goal.

Chandler (1962) sees a strategy as "the determination of the basic long-term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resource necessary to carry out these goals." To Anthony (1965), strategies result from "the process of deciding on objectives, on the resources used to attain these objectives and on the policies that are to govern the acquisition of these resources." Andrew (1996) sees strategy as the pattern of objectives, purposes or goals and plans for achieving these goals stated in such a way as to define what business the company is to be in and the kind of company it is or is to be. In another work, Lynch (1997) sees strategy as the pattern or plan that integrate an organisation's major goals or policies and action sequences into a cohesive whole. Usually deals with the general principles for achieving the objectives: why the organisation has chosen this particular route. To Daft (1988) strategy is the plan of action that prescribes resource allocation and other activities for dealing with the environment and helping the organisation attain its goal. A strategy in view of Baker (1992) is the pattern or plan that integrates an organisation's major goals, policies and action sequence into a cohesive whole. Porter (1996) views strategy, "as the creation of a unique and valuable position involving a different set of activities"

Strategy as earlier on stated among others is the means by which organisational objectives are achieved. If objectives specify what is to be done, then strategy lays down how it is to be done. Marketing strategy according to Kotler, Armstrong, Saunders and Wong (1999) is the marketing logic by which the business unit hopes to achieve its marketing objectives. Kotler (1990) defines marketing strategies as the broad principles by which the business unit expects to achieve its marketing objectives. It consists of basic decision on total marketing mix and marketing allocation. Kotler & Connor (1997) further stated that marketing strategy sets the overall direction and goals for your marketing, and is therefore different from a marketing plan, which outlines the specific actions you

will take to implement your marketing strategy. Marketing strategy could be developed for the next few years, while your marketing plan usually describes tactics to achieve in the current year. So, marketing strategy include all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives. Marketing strategy composed of four elements called marketing mix or 4Ps. Marketing mix (product, price, promotion, and place) are the elements an organization can and must control in offering its product to the market as per McCarthy (1960) who was the first one to propose this framework, which has dominated and informed the understanding of marketing principles (Gronroos 2006). Marketing literature suggests that firms use capabilities to transform resources into outputs driven by their marketing mix strategies and that such marketing capabilities can affect their business performance (Vorhies & Morgan, 2003; Morgan, Vorhies and Mason, 2009). Many previous research studies have conducted to understand the different impact of marketing mix capabilities on performance. Taiwo (2010) has indicated that, strategic marketing practices have a significant impact on performance variables and that interact with the different components to facilitate performance.

#### Organizational performance

Performance is defined in business dictionary as the accomplishment of a given task measured against pre-set known standards of accuracy, completeness, cost, and speed. According to Molly (2013), to assess accurately how well a business is performing, one needs to develop some quantifiable measures by identifying those aspects of the business process that need improvement and that are working well. This can then use to evaluate the company productivity over a set period. Organizational performance is the outcome of both individual and collective efforts of human elements in the work environment.

It should not come as a surprise that researchers and organizational leaders show age-long deep interest in organizational performance. Podsakoff (1990) argued that: "The performance of organizational participants, both individually and as a collective, has been an overriding concern of corporate and national leaders for decades, and for good reason. Individual

Marketing strategies according to Taiwo (2010) consist of selecting a target market and developing a marketing mix to satisfy that markers needs. A target market is a defined group of consumers or organisations with whom a firm wants to create marketing exchange. A marketing mix is the overall marketing offer to appeal to the target market. It consists of decisions in four basic areas: production (development of a product, service, or idea to exchange), pricing (What to charge for exchange) and distribution (how to get the product, service, or idea to the target market to consummate the exchange).

#### Marketing mix strategy

There has not been an establish theory of marketing in literature but several scholarly concepts and strategies had been developed overtime which have been adopted globally. Neil borden in 1953 was the first to introduced the concept of marketing mix while Edmund Jerome McCharty in his book the Basic Marketing: A Marketing Strategy Planning expanded on it by developing the 4P's concept of marketing in the year 1960. Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market. However, in the services industry the 4Ps (Price, Product, Place and Promotion) are expanded to 7P's to include physical evidence, people and process. Likewise, Robert Lauterborn (1990) proposed a 4C's (commodity, cost, communication and channel) classification forming a consumer –orientated perspective of the 4P'

productivity is often taken as a measure of societal and socio-economic trends of a culture and is therefore an important determinant of the welfare and health of an economy. Likewise, an individual's performance and its effectiveness are prominent factors influencing the decisions which management practitioners make with respect to training, motivation, advancement and identification of outstanding workers." On the other hand, Stoner (2005) perceived organisational performance as the measure of how efficient and effective an organisation is, that is, how well it achieves appropriate objectives. A similar perspective to the discussion of organisational performance is the view expressed by Ogundele (2005) when he quoted Katz and Kahn (1966) who viewed it as the totality of organisational goodness representing the sum of such elements as production, cost performance, turnover, and quality of output, profitability and efficiency. Performance measures include market share, sales volume, marketing cost, return on investment, gross earnings, total assets, profit before tax and current ratio (Osugwu, 2006).

The Foundation for Performance Measurement (1999) saw organizational performance dimensions as including sales volume and quality of product or service. However, the most noticeable and convincing measurement of organizational performance, most especially to the shareholders of an organization is the level of profitability. Organizations get a lot of things done through the amount of profit they make in their various business endeavours.

Approaches to organizational performance improvement can be examined from internal and global perspectives. The internal performance concepts include balanced scorecard, benchmarking, business process reengineering, continuous improvement and cultural change. The global performance concepts include learning organization, certification, knowledge management and management by objectives. Pearce and Robinson (2003) conceived organizational performance as a multidimensional factor which includes profitability, productivity, competitive position, employee development, employee relations, technological leadership and public responsibility. One of the most radical views of organizational performance was provided by Osuagwu (2006). He said organizational performance, whether as a construct or concept, can be measured objectively or subjectively.

There were several good reasons for using subjective performance measures in business research (Dawes, 1999). First, managers may be reluctant to disclose actual performance data if it is considered to be commercially sensitive or confidential (Dess and Robinson, 1984). Second, subjective measures of performance may be more appropriate than objective measures of performance for comparing profit performance in cross-industry business research studies. This is because profit levels can vary considerably across industries, thereby obscuring any relationship between independent variables and measures of performance (Dawes, 1999). Subjective measures of performance may be more appropriate in this situation because involving managers in a research study can take the relative performance of their industry into account when providing a response. Third, objective performance measures, such as profit, may not accurately indicate the underlying financial health of a company. For instance, profitability may vary due to reasons such as the level of investment in R&D or marketing activity that might have long-term effects (Dawes, 1999). Osuagwu (2006) stressed that there have been research studies that showed strong correlation between objective and subjective measures of performance (Dawes, 1999). He

supported this view by arguing that subjective measures of performance are popular in market orientation research studies (Dawes, 1999).

In conclusion, Osuagwu (2006) listed organisational performance measures to include sales, quality of the product, market share, ability to gain market share, sales growth rate, return on investment, profits and competitive position or advantage. Desarbo (2005) in their research, collected a battery of performance indicators, which included profit (that is, total revenue minus variable costs divided by total revenue); average percentage of the return on investment; return on investment; return on assets; relative market share; overall customer retention; retention of major customers; sales growth rate; and overall profit margin relative to the objective for a business unit.

Thus, organizational performance does not depend on a single attribute, but rather on the fit among the elements of an organization (Miles and Snow, 1978). As pointed out by Miles and Snow (1978), organizational performance is a function of the level of fit (consistency) that managers achieve between strategy, structure and technology. The Miles and Snow (1978) framework remains one of the most comprehensive, insightful and useful ways for senior managers to understand patterns of relations among organizational variables and their effect on effectiveness, and thus respond to the challenges they face in their own organizations.

The nature of performance businesses according to Kotler (2000) stated that as its first stop on the road to high performance, the business must define its stakeholders and their needs. Thus, organizations are becoming more aware of the need to nourish stakeholders, which include customers, employees, suppliers and distributors, in order to earn enough profits for the shareholders. Kotler (2000) a similar view: A business must strive to satisfy the minimum expectations of each stakeholder group.

A company can accomplish its satisfaction goals only by managing and linking work processes. High performance companies are increasingly focusing on the need to manage core business processes such as new-product development, customer attraction and retention, and order fulfilment. They are reengineering the work flows and building cross-functional teams responsible for each process. To carry out processes, a company needs resources labour power, materials, machines, information, and energy and so on. Resources can be owned, leased or rented. Companies are finding that some resources under their control are not performing as well as those that

they could obtain from outside the company. Many companies today have decided to outsource less critical resources if they can be obtained at better quality or lower cost from outside the organization, (Kotler, 2000).

Substantial studies have been carried out on marketing strategies and their implications on firm performance are evident widely. Obviously, marketing strategies enhancement will result in greater competitiveness and performance (Agarwala, 2003). Meanwhile, there is a significant relationship between innovativeness and firm performance under the Marketing Concept Philosophy. In relation to this, the definition of firm performance could vary. Nonetheless, some clear definitions of firm performance in the context of Marketing Concept enhancement could be put forward. On the other hand, firm performance can also be measured using perceived performance approach (also referred to as subjective performance measure) where Likert scaling is used to measure firm performance from the top management perspectives.

#### Theoretical review of literature

##### Marketing theories/concepts

There are a number of models, theories and literature reviews related to marketing strategies. Most marketing texts would not fail to include the marketing mix concept in their observance of marketing strategies and programmes. Ever since Borden (1964) originated the concept of the marketing mix and McCarthy (1964) popularised the use of the 4 P's (i.e. Product, Place, Price and Promotion) in the 1960s, many business plans have been built to achieve desired profitability and market share objectives through manipulations of each or a combination of the four key marketing mix components.

This represents a useful functional stereotype of market behaviour as marketers strive to adopt a strategic approach in either sustaining or maintaining their competitive advantages. Despite the fact that the marketing community has already accepted the marketing mix concept, Magrath (1986) has sought to expand this further by differentiating its applications between services and the normal product elements. In a well-structured argument, using examples drawn from the fast-food industry, air cargo services and nursing home operations, Magrath (1986) maintains that in considering the marketing of services, three more P's (i.e. Personnel, Physical facilities and Process management) must be added to the existing mix. While personnel and physical assets serve as marketing surrogates for conveying the subtle services experience, process management endorses a shift

towards optimisation in handling complex and peak loads through gradual industrialisation.

The efforts taken to tangibilize the intangible and the avoidance of unpleasant bottlenecks by industrialising the processes, appear in many ways to be similar to those views driven home by Levitt (1981). Kotler (1986), on the other hand, went a step further to include the politicisation factor. In the so-called mega marketing issues, Kotler (1986) urged executives to add two more P's to the four P's of marketing strategy to include both power and public relations.

A derivative of the marketing mix seems to be the product life cycle (PLC) theory/concept, one in which Baker (1987) has maintained to be a popular and yet the most widely misunderstood theoretical construct in marketing. The PLC concept draws on the analogy between the sales growth patterns of successive products and biological lifecycles. In considering the effects of new products, technological advancement through research and development becomes indispensable as innovators continue to displace, and bring to an end, existing PLCs with their new offerings. These are the four stages in the life of a typical product - introduction, growth, maturity and decline. When a product or service is first introduced, it has to, firstly, overcome the resistance put up by consumers regarding the use of new products or services and, secondly, convinces consumers of their superiority over established products or services. This inherently takes time and leads to slow progress.

However, once these obstacles are overcome, there is a tendency for exponential growth as the products become more visibly acceptable to consumers, often creating in the process, a spill-over effect to other markets. Again, once this effect has worn off or when long-term interest cannot be instilled, cultivated and sustained within the consuming body, the market becomes saturated as sales levelled off. It is this phase which has brought about the downfall of neither companies who have not recognised nor timely implemented corrective actions to boost sales through further innovations or diversifications. Products which are beyond redemption will naturally, in due course of time, commence on the downward slide of decline.

Theory of demand and supply, when the relative price of something goes up the quantity demanded of that thing will go down. It does not mean that the cheaper goods will be demanded nor does it say that changes in dollar prices change what is demanded (Donald, 1985). The income and prices that consumers face limit their choices, but within these limits the exact

amounts of goods (or bad) they choose are a matter of taste (Donald, 1985).

#### Empirical review of literature

Several studies have been done on marketing strategies, each giving it different approach, use different methodology and hence resulting to varied findings. For example, Akinyele (2010), studied the impact of marketing strategies on the performance of firms in Nigerian Oil and Gas Industry. The study adopted ANOVA and factor analysis as a tools and the study had 341 respondents from the target population of 2300 through stratified sampling. The overall results found that, strategic marketing strategies is a driver of organisation positioning and enhance the development of new product/service.

Victor *et al.*, (2012), looked at the influence of promotional strategies on banks performance in Kenya, adopting regression analysis using simple random sampling technique to select 88% of the branches whose managers were contacted using questionnaire. Manuere *et al.*, (2012), look at the effect of sales promotion as a critical component of a small business marketing strategy, the survey approach is adopted. The simple random technique is used to ensure that all members of the population have an equal chance of being selected. The chi-square approach is used to test hypothesis and to establish the effect of sales promotion on company performance. The findings of the study reveal that the majority of the respondents agreed that sales promotion affects organisational performance and sales volume of the organisation. Therefore, the use of effective and efficient sales promotion campaign that arouses consumers' interest to make repeated purchases is a prerequisite.

The study found that there is positive relationship between promotional strategies and bank performance. Paul and Ivo (2013) on their part related price strategies and price setting practices by use of survey method and hypothesis testing on 95 respondents, showed that price strategies and price setting are related because strategies are implemented through price setting practices. Howard and James (2013) based their study of the effect of decision context on perceived risk in pricing strategies on attribution theory where more than 100 business managers were used and findings suggest that when uncontrollable environmental factors dominate pricing managers tend to select pricing strategies with external orientations to deflect risk away from themselves personally.

Amirhosein and Zohre (2013), studied the effect of marketing strategy on sales performance. The study adopting a mixed research that combines qualitative and quantitative methods showed that marketing strategy has a positive and meaningful relationship on sales performance. Chalita *et al.* (2013) while studying pricing strategies and innovations in the Thai mobile communications market based on an original data set from several secondary data sources and the price plans offered in the history of the Thai mobile communications market between 2002 and 2010 concluded that mobile operators have introduced several innovative price plans to attract and retain their consumers.

Catherine *et al.*, (2014), studies the impact of integrated marketing communication mix in small to medium enterprises (SMEs) in Zimbabwe as a marketing tool or strategy, adopting review of literature. The study rediscovered that, marketing communication mix in getting their products and services to the market and marketing the potential customers aware of these products and services, the quality and benefits of the offering.

Many more empirical studies have been done on marketing strategies but none has really focused on the assessment of marketing strategy on organisational performance in the manufacturing industry in Akure-South Local Government Area, Ondo State, Nigeria. A close study to this one is the one carried out by Gbolagade *et al.* (2013) where they examined the impact of marketing strategy on business performance of small and medium enterprises in Oluyole LGA, Ibadan. Adopting correlation coefficient and multiple regression analysis using 103 respondents to collect data, the results of their study showed that the marketing strategies were significant joint predictors of business performance.

A research gap also exists in that, much of the research carried out fails to clearly show the relationship between marketing strategies from the perspective of four P's of marketing mix (product, price, promotion and place) on organisational performance of manufacturing companies. This study therefore seeks to close the gap by assessing the relationship that exists between marketing strategies on organisational performance of the manufacturing companies in Akure-South, Ondo State, Nigeria. The researcher, therefore restrict this study to the manufacturing companies in Akure-South, Ondo State, Nigeria.

**Methodology**

Since the broad objective of the study is to assess the effects of marketing strategies on organizational performance in the manufacturing industry in Akure-south local government area of Ondo state, the researcher used survey research design and random sampling techniques was used to collect data from eighty-two (80) manufacturing companies' personnel. The data was collected using structured questionnaire administered by the researcher. The questionnaire was sub-divided into three sections; Section A addressed demographic information, Section B contained instruments to measure dependent variable (organizational performance) while section C addressed the questions relating to independent variable (marketing strategies that is product, price, promotion and place). A pilot study was employed for the study in which ten (10) questionnaire were administered in manufacturing companies outside the sample area that possess similar features so as to authenticate the instrument used to determine if the respondent would have any difficulty in understanding them, or if there were ambiguous or biased questions. The response rate was 97.5% meaning 80 copies of questionnaires were retrieved and used for the study out of 82. Data from this study were analysed using descriptive statistics and Pearson Correlation was used to test the hypotheses posed for the research at 5% significant level.

**Data presentation and analysis**

Bio data of the respondents

Table 1 illustrates the gender of the respondents. Majority (66.2%) of the respondents were males while 33.8% were females. This corroborates the study carried out by Matti (2006) on strategic marketing and its effect on business performance, where majority of the respondents were males. The table also shows the respondents' age. Majority (52.5%) of the respondents' age fall between age bracket of 31-40 years. This was followed by 20-30 years with 32.5%

rate. Furthermore, respondents falling between age bracket of 41-50 years were 8.8% response rate, while 3.8% and 2.5% fall between ages 51-60 and 61 years and above respectively. This table also presents educational qualifications of the respondents. The highest number of 30(37.5%) holds Bachelor Science/Higher National Diploma educational certificate. This was followed by 27(33.8%) respondents who have ordinary national diploma/certificate education qualification. Furthermore, Senior Secondary Certificate Education certificate, masters holders and primary leaving certificate were 18(22.5%), 4(5.0%) and 1(1.2%) respectively. Moreover, table 1 presents the working experience of the respondents. Majority 39(48.7%), similarly, 21(26.2%) have worked for 5-8 years. In addition, 13(16.2%)of the respondents have worked for 9 years to 12 years while the remaining 4(5.0%) respondents worked for more than 13 years. The result agrees with the study carried out by Hamza and Rogia (2014) on the impact of marketing strategy on export performance. Furthermore, on table 1 reveals number of years spent in the current position of the respondents in the companies (organisation). Majority of the respondents 46(57.6%) had between 1-4 years of experience in their current position. This was followed by correspondents with 5-7 years of work experience amounting to 18.8%. Similarly, 11(13.8%) of the respondents had 9-12 years of work experience and those that had above 10 years of work experience 8(10.0%). These result agreed with the study carried out by Jochen (2013) on the role of marketing in today's enterprises.

Lastly, figure 1 illustrated the two major forms of businesses were identified in the study. These include: sole proprietorship and partnership. It is obvious that sole proprietorship accounted for the largest portion of respondents for this research with 67%, while the remaining 33% form of business is partnership.

Table 1: Bio Data of the Respondents

Bio data of Respondents	Frequency	Percent
Respondents' Gender		
Male	53	66.2
Female	27	33.8
Total	80	100.0
Respondents' Age		
21-30 Years	26	32.5
31-40 Years	42	52.5
41-50 Years	7	8.8
51 - 60 Years	3	3.8
61 Years and above	2	2.5

Total	80	100.0
Educational Qualification		
Primary Leaving Certificate	1	1.2
SSCE	18	22.5
OND/NCE	27	33.8
HND/BSC	30	37.5
Postgraduate (Masters holder)	4	5.0
Total	80	100.0
Work experience of respondents		
1 - 4 Years	39	48.7
5 - 8 Years	21	26.2
9 - 13 Years	13	16.2
Above 14 years	7	8.8
Total	80	100
How long have the respondent been in current position in the organization		
1- 4 Years	46	57.6
5 - 7 Years	15	18.8
8 - 10 Years	11	13.8
Above 10 years	8	10.0
Total	80	100.0

Source: Field Survey,2015

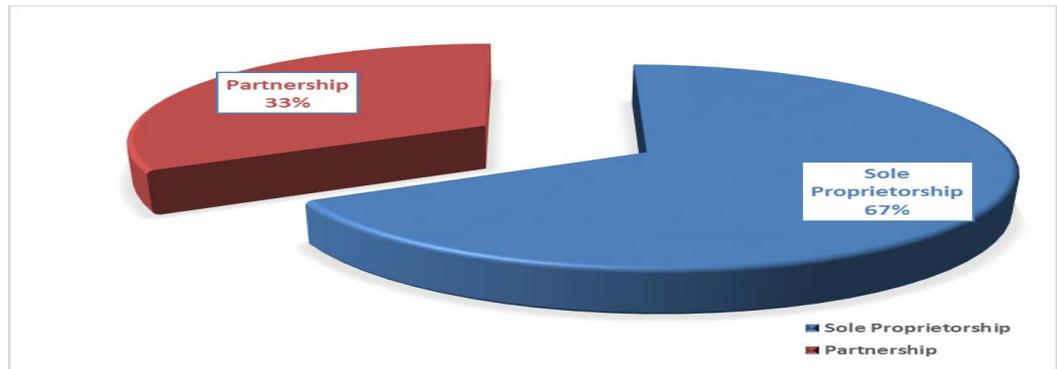


Figure.1 Form of business operated by the organization

Product strategy on organisational performance  
 Table 2 displays various product strategies the manufacturing businesses normally use. Packaging of Product in such a way that customers admire it is the product strategy with the highest mean (4.55) value showing that it is in the first position among others. The quality of the products is of international standard (4.25) is the second in rank and before there is a new brand/product design going on in the organisation through training/workshop attended (3.43), there was

a new product developed through research and development in the company/organisation recently (2.96) and the customers have overtime complained of poor product quality (2.41) occupying third, fourth and fifth positions respectively. All the strategies have mean values that is more than 2.5-the average of 5(the maximum rating that a strategy can have. This is an indication that more respondents agreed on the working of this strategies than those who disagree.

Table 2: Product strategy on organisational performance

Analysis of Findings	SA(5)		A (4)		UND (3)		D (2)		SD(1)			
	F	%	F	%	F	%	F	%	F	%	M	T
The product always packaged in such a way that customers admire	54	67.5	18	22.5	7	8.8	0	0	1	1.2	4.55	80
The quality of the products is of international standard	31	38.8	40	50.0	8	10.0	0	0	1	1.2	4.25	80
There is a new brand/product design going on in the organisation through training/workshop attended.	9	11.2	25	31.1	37	46.2	9	11.2	0	0	3.43	80
There was a new product developed through research and development in the company/organisation recently	0	0	33	41.7	23	28.3	12	15.0	12	15	2.96	80
The Customers have overtime complained of poor product quality	5	6.2	11	13.8	12	15.0	36	45.0	16	20	2.41	80

Source: Field survey, 2015.

Key: SA=Strongly Agree, A=Agree, UND= Undecided, SD=Strongly Disagree, D=disagree

Price strategy on organisational performance

The four price strategies of manufacturing organization examined in this study are presented in table 3. Introducing product to the market at relatively low price (4.74), Subsequent reduction of product prices overtime (4.23) and product prices going-on-rate (fixed the same price with the competitors) are in

the first three positions. There values are above 4.0, hence, it can be said that many respondents agreed on the usefulness of these strategies as seen in the table, unlike "fixed product price" in the fourth position with 32.5 percent undecided, 31.3 percent agreed and 36.3 percent disagreed.

Table 3 Price strategy on organisational performance

Analysis of Findings	SA(5)		A (4)		UND (3)		D (2)		SD (1)			
	F	%	F	%	F	%	F	%	F	%	M	T
We introduce our product to the market at relatively low price.	63	78.8	14	17.5	2	2.5	1	1.2	0	0	4.74	80
Subsequently, the product prices have reduced overtime.	41	51.2	24	30.0	10	12.5	2	2.5	3	3.8	4.23	80
The product prices have been going-on-rate (fixed the same price with the competitors).	41	51.2	13	16.2	17	21.2	8	10.0	1	1.2	4.06	80
The product prices are fixed.	7	8.8	18	22.5	26	32.5	23	28.8	6	7.5	2.96	80

Source: Field survey, 2015.

Place strategy on organisational performance

Supplying product directly to primary consumers (4.80) ranked first among the place strategies while selling product in quantities (4.58) and Product

distribution helps the organization to identify employees with high performance records (4.39) occupies the second and third positions respectively with higher percentages of respondents agreeing with the statement more than those who disagreed. Having middlemen dealing with product (3.36) and Customers

complaining of scare products in the market (2.35) seems not to have higher number of respondents ageing with the statement. As a result, they were in the fourth and fifth positions with mean values lower than 4.0. This information is presented in table 4

Table 4: Place strategy on organisational performance

Analysis of Findings	SA(5)		A (4)		UN (4)		D (2)		SD (1)		M	T
	F	%	F	%	F	%	F	%	F	%		
We supply our product directly to our primary consumers.	64	80.0	16	20.0	0	0	0	0	0	0	4.80	80
We sell our product in quantities.	49	61.2	28	35.0	3	3.8	0	0	0	0	4.58	80
Product distribution helps the organization to identify employees with high performance records.	40	50.0	32	40.0	7	8.8	1	1.2	0	0	4.39	80
We have middlemen dealing with our product.	23	28.8	16	20.0	14	17.5	21	26.2	6	7.5	3.36	80
Customers complain of scare products in the market.	5	6.2	10	12.5	7	8.8	44	55.0	14	17.5	2.35	80

Source: Field survey, 2015

Promotional strategy on organisational performance All the promotional strategies have all the respondents agreeing on their usefulness in their organization as indicated by their mean values that were more than 4.0. specifically, the discounts and allowances given to customers of the organization have helped to attract and sustain more customers (4.75) and advertising

products through media channel i.e. TV, Radio & newspaper ranked first and second in that order whilst availability of discount policy for bulky purchases (4.54) and Sales promotion through exhibition has helped to attract more customers to the organization (4.36) ranked third and fourth.

Table 5 Promotional Strategy on Organisational Performance

Analysis of Findings	SA(5)		A (4)		UND (4)		D (2)		SD (1)		M	T
	F	%	F	%	F	%	F	%	F	%		
The discounts and allowances given to customers of the organization have helped to attract and sustain more customers.	62	77.5	16	20	2	2.5	0	0	0	0	4.75	80
Our products are advertised through media channel i.e. TV, Radio & newspaper.	54	67.5	20	25.0	5	6.2	1	1.2	0	0	4.59	80
There is discount policy for bulky purchases.	47	58.8	30	37.5	2	2.5	1	1.2	0	0	4.54	80
Sales promotion through exhibition has helped to attract more customers to the organization.	51	63.8	12	15.0	12	15.0	5	6.2	0	0	4.36	80

Source: Field survey, 2015

- Organisational performance  
Performance indicators were also assessed from the respondents' perspective. The results are presented in table 5. In descending values of means, they include:
1. Customers' complained that product return rate is at a minimum level.
  2. There is efficient enhancement in the conformance/comply to product performance with customers' expectation.
  3. The company gives complete attention to the customers.
  4. The actual product we produce matches our design specification.
  5. The level of product we sell has increased significantly by about 50% in the last five years.
  6. The percentage of your organisational market share in the last 3 years is high
  7. The inventory level has significantly reduced

Table.6: Organisational Performance

Analysis of Findings	SA(5)		A (4)		A (4)		D (2)		SD (1)		M	T
	F	%	F	%	F	%	F	%	F	%		
Customers' complained that product return rate is at a minimum level.	45	56.2	32	40.0	1	1.2	2	2.5	0	0	4.50	80
There is efficient enhancement in the conformance/comply to product performance with customers' expectation.	34	42.5	43	53.8	3	3.8	0	0	0	0	4.39	80
The company gives complete attention to the customers.	31	38.8	43	53.8	6	7.5	0	0	0	0	4.31	80
The actual product we produce matches our design specification.	26	32.5	45	56.2	9	11.2	0	0	0	0	4.21	80
The production level has increase.	9	11.2	50	62.5	19	23.8	2	2.5	0	0	3.83	80
The level of product we sell has increased significantly by about 50% in the last five years.	16	20.0	34	42.5	29	36.2	1	1.2	0	0	3.81	80
The percentage of your organisational market share in the last 3 years is high	7	8.8	33	41.2	32	40.0	8	10.0	0	0	3.49	80
The inventory level has significantly reduced.	1	1.2	6	7.5	26	32.5	40	50.0	7	8.8	2.43	80

Source: Field survey, 2015

**Analysis of descriptive data on marketing strategies and organizational performance**

Table 7 revealed the mean values of the 4P's of marketing strategy adopted by the organization. Promotional strategy has the highest mean among the different marketing strategies adopted by the organisation with a mean score of 4.56. This was followed by organisation performance with mean score

of 3.87 and then price strategy with a mean score of 3.49. Additionally, Product Strategy and place strategy had mean scores of 3.35 and 3.29 correspondingly. This table has glaringly shown that the company believes more in promotional strategy as an effective marketing tool for business managers and owners to increase sales in an organisation.

Table 7 Assessment of marketing strategy and organization strategy

	Number of items	Mean	Std. Deviation
Organization Performance	8	3.8712	0.67609
Product Strategy	5	3.3500	0.67945
Price strategy	4	3.4975	0.59880
Place Strategy	5	3.2940	0.55694
Promotional Strategy	4	4.5600	0.16062

### Hypotheses testing

Hypotheses were set up to assess if a statistically significant difference existed between marketing strategy and organizational performance in the manufacturing companies in Akure-south, Nigeria using Pearson Product Moment Correlation

The hypotheses are:

Ho1: There is no significant relationship between price strategies and organizational performance

Ho2: There is no significant relationship between product strategy and organizational performance

Ho3: There is no significant relationship between promotional strategy and organizational performance

Ho4: There is no significant relationship between place strategy and organizational performance

### Discussion of findings

The result of the Pearson Product Moment Correlation (PPMC) coefficients and the significant values for the relationship between organization performance and marketing strategy are presented in table 8. The table shows that there is a strong positive relationship between Organization Performance and Product = 0.975 indicates that there is a significant relationship between product strategy and organization performance. This shows that the better the package of the product and its quality, the higher the sales growth. In another way round, lesser the package of the product and its quality, the lower the sales growth. These findings negates the stated null hypothesis two (2) which states that "Product strategy has no significant effect on organizational performance" therefore, the null hypothesis is rejected. The alternate hypothesis is accepted.

Table also shows that there is a strong positive relationships between Organization Performance Price = 0.948 indicating that the increase in the monetary value attached to a product results to reduction in sales growth likewise the reduction in the monetary value attached to a product will increase the sales growth, This finding negate the stated null hypothesis one which states that "there is no significant relationship between price strategy and organizational performance" therefore, the null hypothesis is rejected, while the alternate hypothesis is accepted.

Furthermore, the table 8 shows that there is a strong positive relationship between Organization Performance and Place = 0.972 indicating that there is a significant relationship between Place strategy and organization performance among manufacturing companies in Akure, Ondo State. It also revealed that the better the flow/channel of goods/products distributions, the higher the sales growth. He went further by saying the lesser the flow/channel of goods/products distributions, the lower the sales growth. This finding negates the stated null hypothesis one which states that "there is no significant relationship between place strategy and organizational performance" therefore, the null hypothesis is rejected, while the alternate hypothesis is accepted. The result of this study is related to the findings of Matti (2006) on strategic marketing and its effect on business performance: Moderating effect of Country-specific factors. The research indicates that place strategy has an effect on inside-out marketing capabilities of the financial performance of an organisation.

Lastly, table 8 shows that there is a strong positive relationships between Organization Performance and Promotion strategy = 0.853 indicating that the better the promotional package and quality, the higher the sales growth or the lesser the promotional package, and quality, the lower the sales growth. This finding negates the stated null hypothesis three (3) which states that "there is no significant relationship between promotional strategy and organizational performance" therefore, the null hypothesis is rejected, while the alternate hypothesis is accepted. This result agrees with the findings of Victor et al; (2003) who carried out a study on the Influence of Promotional Strategies on Banks Performance and observed from the research that there exists a positive relationship between promotional strategies expenditure adopted by the organization and bank performance as regards the different promotional strategies adopted by the banks for their products and services. The result in this study agrees with the research of Mwaawaru (2009) who also carried out a related study on Marketing Strategy in Terms of Promotion and Communication for Energy Drinks in Ghana. Findings from the research indicate that most of the respondents were motivated by the presence of endorsers in promotion and communication advertisements as a marketing strategy.

Table 8: Relationship between Organization Performance and Marketing Strategy.

Correlations		Performance	Product	Price	Place	Promotion
Performance	Pearson Correlation	1	.975**	.948**	.972**	.853**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	80	80	80	80	80
Product	Pearson Correlation	.975**	1	.951**	.970**	.870**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	80	80	80	80	80
Price	Pearson Correlation	.948**	.951**	1	.965**	.960**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	80	80	80	80	80
Place	Pearson Correlation	.972**	.970**	.965**	1	.885**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	80	80	80	80	80
Promotion	Pearson Correlation	.853**	.870**	.960**	.885**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	80	80	80	80	80

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Conclusion**

In conclusion, marketing strategies is very important for the effective performance of manufacturing companies as evidence in this study shows how the different marketing strategies of place strategy, promotion strategy, product strategy and price strategy has a positive correlation on organization performance when measured by sales volume and quality of service. Also, the study examine the influence of marketing strategy on organisational performance with special reference to the selected manufacturing companies in Akure-South local government area, Ondo State, Nigeria. The study concluded that marketing strategies (product, price, promotion, and place) were significantly independent and dependent predictors of organisational performance and resulted in increased organizational performance in terms of purchase of larger size unit of products by consumers which will in turn lead to higher sales volume and profitability. The study however, discovered that promotional strategy was identified to have the greatest impact on organizational performance.

**Recommendations**

From the findings and foregoing conclusions, marketing strategies have influence on organization performance, for further improvement in this area of research the following recommendations can be useful:

1. The improvement on quality products produce and appropriately distribution channel will lead to customers' satisfaction which will in turn increase the sales volume and the service quality of the organization and hereby lead to job creation.
2. Manufacturing companies should improve on promotional strategies and charge competitive prices.
3. Organization should put feedback mechanism in place to assess the performance of the different marketing strategies adopted by the organization.
4. Qualified and experienced marketing expert should be hire to draw out the marketing strategies of the organization.

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