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Marketing as a Panacea for Sustainable Economic Development of Nigeria

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Abstract:

The enigma of marketing is that it is one of the man's oldest activities and yet it is regarded as the most recent of the business disciplines. Marketing, more than any other business functions deals with identifying, understanding, creating, communicating and delivering customers' value and satisfaction. Our contemporary world is witnessing industrial revolution and technological break-through which has brought people of different cultures together thereby making the world a global village. The barriers to trade are being dismantled and business organizations are becoming aware and knowledge-able about international business opportunities. This paper is aimed at highlighting the potentials of Marketing as a panacea for sustainable economic development of Nigeria. Many text books and write-ups of renowned scholars were reviewed to enrich the contribution of this paper. It is universally acknowledge that the aim of production whether tangible or intangible products are not only for local consumption but have the intent of selling it to outside world at profit. Marketing therefore acts as a catalyst in achieving this laudable objective. Marketing is no longer considered as merely a post-production process; rather, it is both pre-production and post-production processes encompassing both economic and non-economic exchanges. The advantages inherent in modern marketing, if tapped into will go a long way in showcasing Nigeria and her numerous products to the whole world thereby increasing her Gross National Product (GNP).

Keywords: Marketing, Economic Development, Marketing Concept, Marketing System, Market Efficiency

1. Introduction

Today, marketing must be understood not in the old sense of making a sale—"telling and selling"—but in the new sense of satisfying customer needs. Kotler and Armstrong (2013). They opine further that if the marketer understood the consumer needs, develops the products that provide superior customer value with competitive prices, distributes and promotes them effectively, such products will sell easily. In fact, according to management guru, Cole (1985), "The aim of marketing is to make selling unnecessary". According to Olokesusi (2013) Marketing is a variable tool to showcase and promote a country and her products positively to the international community. The industrial revolution as well as advances in technology which has made the whole world a global village through the internet has further strengthened marketing as a catalyst in economic development endeavour of a nation. Consumers view product as bundles of benefits and choose products that give them the best benefits and value for their money. It is not enough to produce products rather it is more important to create awareness on the existence of such products and getting them across to the consumers. This would only be achieved through the marketing process. Dynamic marketing companies go to great lengths to learn about and understand their customers' needs, wants, demands and aspirations. They conduct consumer research about consumer likes and dislikes. They analyse customers inquires, warranty and service data. They observe customers using their own products and competing products and train salesman to be on the lookout for unfulfilled customers needs, Saheed (2007). The level of export witnessed by a country depends majorly on the fact that the outside world is aware of the existence of such product. If the outside world is unaware of the existence of such products there would not be any demand for the products in international market. It is universally acknowledged that the level of export determines, to a large extent, the position of balance of payment (BOP). The economy whose the value of export exceeds the value of import is said to have favorable balance of payment and vice versa. It therefore becomes inevitable that a country marketing efforts should be strengthened through ensuring production of good quality products, effective brand management and efficient communication network which in turn engender international demand and consequently improve export trade relations. Oloketuyi (2013) opines that a lot of times people don't know what they want until you show it to them. He opines further that marketing is the soul of business and consequently the soul of the sustainable economy.

2. Methodology

This paper is a theoretical one and it is divided into six parts. Part one contains the introduction, part two statement of problem, part three discusses the objectives of the study, part four deals with theoretical and conceptual framework, part five, summary and conclusion while part six contains recommendations.

3. Statement of Problem

Though the Nigerian government has claimed that the Nigerian economy is growing at an annual rate of 6%, this self acclaimed annual improvement in the Nigerian economy does not translate to commensurate improvement in the standard of living of the citizenry. It is not out of place to assume that Nigeria has the potentials to be a “one-stop shop” for the West African shoppers and indeed for European and American shoppers giving the vast human and material resources the country is endowed with. Unfortunately, these vast human and materials resources have not been harnessed to bring out the economic and financial potentials inherent in these resources. It is in the light of the above that marketing should be employed to play a prominent role in bringing to the fore the hidden potentials in Nigeria thus improving our production sector. This singular act will achieve two salient feats for Nigeria viz;

- It would broaden our export trade thus increasing our Gross Domestic Product (GDP) and improving our Balance of Payment (BOP) situation.
- It would reduce unemployment rate in the country substantially.

Nigerians need economic development in the real sense of it. The economic development which is multi-dimensional involving changes in structures, attitudes and institutions as well as the acceleration of economic growth, the reduction of inequality and eradication of absolute poverty

4. Objectives of the study

The paper focuses on marketing as a panacea for sustainable economic development of Nigeria. The broad aim of the paper is to holistically appraise the role of marketing in economic development of Nigeria.

The other objectives of the study include to:

- Explain what marketing is all about.
- Discuss some basic concepts in marketing.
- Suggest to the federal government on how marketing can be used to move the Nigerian economy forward.

5. Theoretical / Conceptual Framework

5.1. What is marketing?

Depending on individual orientation, Marketing means different things to different people. Even experts are not in agreement as to what constitutes marketing, hence, the concept is variously defined to illustrate a position or an observed management process at a point in time or what an individual is pre-occupied with at different level of an organization, Koledoye (2013). I shall however examine some definitions offered by some marketing scholars at one time or the other.

Enis (1977) sees Marketing as encompassing exchange activities conducted by individuals and organizations for the purpose of satisfying human wants. Stanton (1981) opines that in a society sense, marketing is any exchange activity intended at satisfying human wants. In a business sense, marketing is a system of business actions designed to plan, price, promote and distribute want-satisfying goods and services to the markets. Steward (1995) defines Marketing as the vehicle through which a company can achieve its short-term goals and strategic aims in terms of long-term survival in the face of change, particularly competitive change. David (2001) observes marketing as a total system of business activities designed to plan, price, promote, mega market and distribute want-satisfying goods and services to present and potential customers and clients at a profit. Agbonifoh, Ogwo and Nnolim (1988) opine that Marketing consists of individual and organizational activities designed to sense and serve the consumer's needs and to facilitate and expedite exchanges with a view to achieving the goals of the individual or organization through the satisfaction of the consumer's need. Saheed (2007) defines marketing as a managerial process of anticipating, identifying and satisfying consumers' needs and wants through conception, production, pricing, promotion, mutual exchange and physical distribution of economic and non-economic goods and services profitably. Kotler and Armstrong (2013) see Marketing as a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others while creating value for customers and building Strong customer relationship in order to capture value from customers in return. In all the definitions examined above, there is a general consensus that the primary objective of marketing is to satisfy human needs and wants profitably. I shall however add that because of the dynamism in our society today, marketing must be understood not in the old sense of making a sale “telling and selling”- but in the new sense of satisfying customer needs and wants.

5.2. Marketing Concept

The fact that customer is very essence of a business organization is encapsulated in the marketing management philosophy usually referred to as *marketing concept*. Marketing concept is a marketing management philosophy which sees the consumer or client as the central focus of all the activities of a business organization, because, no organization can survive without the continued patronage of its customers or clients. The philosophy regards the customers as a king and emphasizes a genuine concern for customer's welfare (consumer orientation) and the adequate fulfillment of his needs (consumer satisfaction) as the most dependable path to the realization of the organization's short and long-term objectives. In order words, consumer needs

satisfaction which must be met in order to retain him According to Kotler and Keller (2009) the job is not to find the right customer but to find the right product for your customer. The marketing concept holds that the key to survival in a competitive marketing environment is being effective and efficient than competitors in creating, delivering and communicating superior customer value to your chosen target markets.

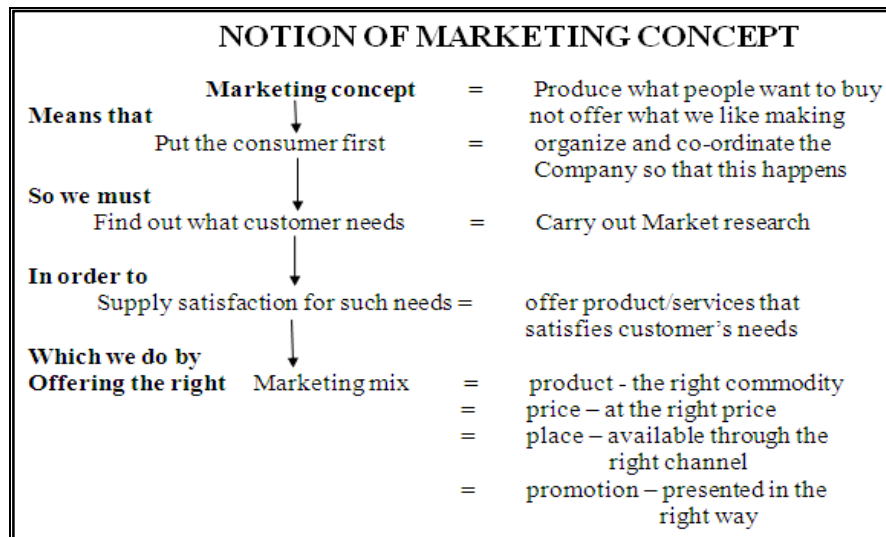


Figure 1: Source: - Saheed A (2007): Principles of Marketing, vol.1 p 25

6. Economic Development

NBTE(2005) defines Economic Development as an essential component of development that is conceived of as a multi – dimensional process involving changes in structures, attitudes and institutions as well as the acceleration of economic growth, the reduction of inequality and eradication of absolute poverty. The basic needs and desires of individuals and social groups within the system moves away from a condition of life widely perceived of as unsatisfactory towards a situation or condition of life regarded materially and spiritually better.

7. The Role of Marketing in Economic Development of a Nation

According to Shaffer, Weber, Rilly and Staats (1987), Alex (2005), Saheed (2007) and Olokesusi (2013), Marketing and Trade play vital roles in the economic growth and overall development of a nation. The major roles of marketing and trade in the national economy can be thought of in terms of the following:

7.1. Specialization in Activities of Comparative Advantage

In the presence of a market, a nation can specialize in some lines of products and sell the surplus in order to purchase other needed goods. The nation is likely to specialize on the basis of a comparative advantage in that products which she has some special resources or ability. A comparative advantage exists when a nation can produce a good, relative to the price of the goods, more cheaply than another country.

Specialization activities lead to trade. The gains from trade will be the value of additional production made possible through specialization and trade. The exact gains from trade will depend on the market and the prices of the goods with or without trade. This concept applies equally to individuals, who use their comparative advantage to specialize in one task, selling their products to trade for other goods they need.

7.2. Enhance Efficient Use of Resources and Trade

Through specialization and trade, a community is better able to utilize its limited resources. Specialization and the resulting efficiency of resource-use is the basis for economic growth and development. As markets and economies develop, surpluses occur more frequently in profitable activities, creating new wealth, while products are moved greater distances than before. Thus, trade is a necessary ingredient for economic growth. Marketing is simply the means by which trade occurs.

7.3. Advances in Marketing with Economic Growth

As economic growth proceeds, several changes in marketing take place. With economic development, the activities and tasks of marketing increase. Activities such as storage and processing, packaging and retail distribution become more important. Greater activity moves away from the site of production and towards the market. This, in turn, creates employment opportunities and further specialization (diversification of the community).

With development, more economic agents may enter trade, helping to improve marketing services and, in some cases, allowing the market to capture external economies of scale. This refers to a situation where the presence of many agents allows each one to operate at a lower cost.

7.4. General Improvement in Infrastructure

What is needed in any country “growth” to make economic development realistic, and at the same time produce a valid demonstration of what economic development can produce in a marketing system to make possible distribution of goods, and finally marketing them is a system of integrating wants, needs and purchasing power of the customer with capacity and resources of production.

7.5. Utilization by an Entrepreneur

Marketing is also the most easily accessible multiplier of managers and entrepreneurs in a developing area. Thus, managers and entrepreneurs are the foremost need of Nigeria. In the first place, economic development is not a force of nature. It is the result of the action, the purposeful, responsible, risk-taking action of man as entrepreneurs and managers. Certainly, it is the entrepreneur and manager who alone can convey to the people of this country an understanding of what economic development means and how it can be achieved.

7.6. Development of Standards

Marketing in developing countries is the developer of standards for product and services as well as of standards of conduct, integrity, reliability, foresight, and of concern for the basic long-range impact of decisions on the customer, the supplier, the economy, and the society.

7.7. Exchange Function

This function entails the transfer of ownership title in respect of a product, service or idea. It involves buying and selling as a means of exchange.

7.8. Product Development Function

This function involves the development and introduction of new products, services or ideas, determining their positioning strategy, modification of existing products/offerings or deleting offerings that do not meet customers'/clients' needs and wants, evaluating performance of products or services, deciding on the relevant features of the product such as packaging, labeling, branding, among others.

7.9. Promotion Function

This is concerned with the determination of promotional objectives/goals and strategies/policies, setting of promotional plans, implementing promotional strategies/policies and programmes, and evaluating promotional efforts, among other relevant activities.

7.10. Distribution Function

This involves designing distribution channels for the offerings, determining marketing channel networks, setting up of inventory planning and control system, designing warehousing system, deciding on mode of physical distribution system, and integration of all the component parts of the distribution system.

7.11. Risk Bearing Function

This involves anticipating business risks and taking appropriate measures to reduce their impact by taking necessary insurance cover.

8. Grading and Standardization

This involves ensuring that the goods conform to the required standard and quality with respect to shape, colour, taste, branding, labeling etc.

9. Marketing is the Soul of Business

Business has only two functions – marketing and innovation. Marketing sets the business agenda.

9.1. The Manager of Brands

The creative process commences in marketing, enhanced by research, propelled by development, resulting in new products, services, and processes.

9.2. Marketing is the Oxygen of Enterprise

Marketing is the pervading discipline in entrepreneurship world-wide.

9.3. Marketing is the Brain-Box of Management and the Profession of Transformation

Marketing is a cutting edge management process that exhibits the widest management span: from scanning/research, forecasting, strategy, planning, product development, brand management, advertising, promotion, distribution to post-sale management.

9.4. Marketing Energizes Agriculture

Many farmers fail because they lack marketing skills – tracking/monitoring market patterns/trends, managing supply chain interfaces, pricing strategy, promotion, managing competition etc.

9.5. Marketing Reduces Project Failures

Marketing research, forecasting, segmentation, planning and control, considerably reduce risks attributable to variations. Many projects are conceived taking the market and the customer for granted.

9.6. Marketing is the Fulcrum of Globalization

Globalization is based on Markets, customer relationship management (CRM), competition, negotiation etc all usually managed by marketers.

10. Application of Marketing Skills in Business

Marketing skills are the predominate business skills brought into public/private sector partnership. Tourism, Hospitality and Entertainment industries would be unimaginable without marketing.

11. Marketing System

Abbot and Makeham (1979) opine that a marketing system is comprised of a number of elements: the particular products (e.g. butter only, or butter and raw milk) and their characteristics being transferred from producer to consumer; the characteristics of participants (e.g. the producer, the trader, the consumer); the functions of roles that each participant performs in the market; and the locations, stages, timetable and physical infrastructures involved. All marketing systems have evolved within the constraints placed upon them by the production sector and by the nature of the goods being marketed. The type of product, the number, size and density of producers, the infrastructure and the policy and institutional environments all determine the type of marketing system and the effectiveness with which it operates. When we talk of describing, quantifying or analyzing a particular marketing system, there is an implicit assumption that we can distinguish the elements of that system from other economic activities. Analyses of marketing systems usually include quantification of the flows and of the value added, costs and profit margins at each stage in the system.

12. Marketing Process

Fig 2 presents a simple, five-step model of the marketing process. In the first four steps, companies work to understand consumers, create customer value, and build strong customer relationships. In the final step, companies reap the rewards of creating superior customer value. By creating value for consumers, they in turn capture value from consumers in the form of sales, profits, and long-term customer equity.

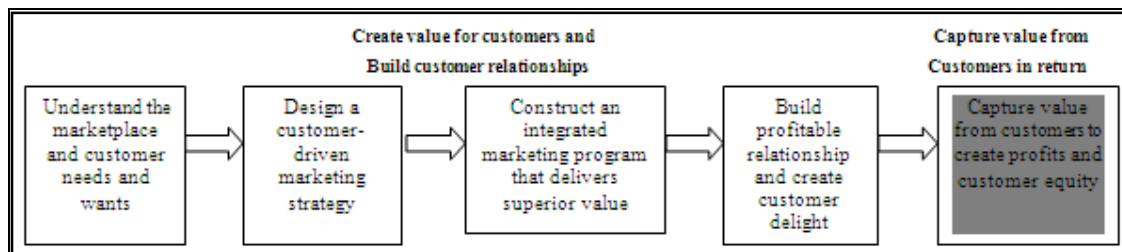


Figure 2: source: Kotler and Armstrong (2013): Principles of marketing p. 29

12.1. Developing Market Advantages

According to Olokesusi (2013), the following tips would help a marketer to develop market advantages

- Examine/analyze and gain full understanding of your strengths and weakness so as to gain comparative advantages.
- Study the market segments, competition, and patterns – scan for opportunities, niches.
- Research your customer and design unique packages that enrapture them thus giving them value for their money.
- Excel in your value proposition-quality branding, pricing, care, service level, credit allowance.
- Design and implement the business model that supports the value proposition.

12.2. Need for Market Information and Intelligence in Economic Development

Market information is crucial to producers, wholesalers and consumers to help them make decisions on what and whether to buy and sell. In general, information is required on prices, traded or available quantities, forecasts of future supplies and demand, and general market conditions. Information must be relevant, accurate and timely and reflect all sectors of the market, especially consumer demand. Such information can be used by traders to shift to those goods with high consumer demand. An effective market information system reduces risks to traders, eventually reducing market margins. When reliable information is not available, traders increase their margins to protect themselves from risk.

An efficient market information system needs to address information flows in both directions between consumers and producers. Information should be evaluated in terms of its accuracy, how promptly it reaches those who need it and its degree of detail. These

can be determined by comparing the results of surveys of traders and agents with known information about the market. Methods of collecting market information vary from country to country. Central agencies may be poorly trained and the same market figures may be reported in successive years. Price information, perhaps the easiest to gather, is usually collected by reporters who go into the market and randomly sample. The systematic collection of reliable market data is tedious and difficult task and is often avoided because of large recurring costs.

13. The Role of Government Interventions in Market Development

Despite recent free market trends in the world and in Africa, markets in general remain a subordinate instrument of national political systems and their policies. Government interventions must work to facilitate market competition and to help the market achieve national policy objectives.

It is generally recommended that governments play a facilitating rather than a direct role in markets. Regulatory interventions should be limited. Appropriate interventions are thus indirect in nature and have three general aims:

- To improve market infrastructure
- To improve information
- To improve institutional infrastructure

14. Improve Market Infrastructure

Interventions to improve market infrastructure would target roads, rail, market facilities, water points and health-control infrastructures (i.e. quarantine facilities).

15. Improve Information

Information is important for facilitating effective marketing. While traditional information systems seem relatively effective for some products, one unfortunate consequence of regulated prices is a lack of information on real market prices.

16. Improve Institutional Infrastructure

Improving the institutional infrastructure may be the most important government role in marketing. Government interventions should promote an open and stable institutional framework. This may take the form of improving security (i.e. protecting property rights and contracts) and controlling corruption and violence.

17. Summary and Conclusion

Today, marketing must be understood not in the old sense of making a sale (trading) but in the new sense of satisfying customer needs. Marketing is no longer considered as merely a post-production process, rather, it is both pre-production and post-production processes encompassing both economic and non-economic exchanges. The advantages inherent in modern marketing, if properly harnessed will go a long way in show-casing Nigeria and her numerous natural endowments to the whole world thereby improving our export trade. It is not enough to produce products rather, it is more important to create awareness on the existence of such products and getting them across to the consumers at affordable prices. This can only be achieved through the marketing process. The economy whose the value of export exceeds the value of import is said to have favorable balance of payment (BOP) and vice versa. It therefore becomes inevitable that a country marketing efforts should be strengthened through ensuring production of good quality products, effective brand management and efficient communication network which in turn engender international demand and consequently improve export trade relations. A lot of times people don't know what they want until you show it to them. For market development to occur, rural areas must be effectively linked in terms of information and infrastructure, through the middlemen in the marketing system with urban centres of consumption. With the shift in resources away from production to marketing services, small-scale processing can expand markets by increasing demand through diversification of the end product. It should however be advised that institutional arrangements and government policies should not be seen as impeding the legitimate activities of marketers. Another important factor in the development of markets is the disequilibrium between demand and supply. Producers and consumers must exert greater efforts to cope with each other's requirements. Increased efficiency resulting from trade is not in itself sufficient to create wealth. Disequilibrium along with technical and institutional changes, may be the conditions needed to move to even greater comparative advantage and efficiency levels. Marketing is a cutting edge management process that exhibits the widest management span which ranges from scanning, forecasting, planning, production, pricing, advertising, distribution, etc. Market research, forecasting, segmentation, planning and control, considerably reduce risks attributable to variations. Many projects fail because the operators fail to apply some basic marketing principles. In conclusion, Nigerians need economic development in the real sense of it. The economic development which is multi-dimensional involving changes in structure, attitudes and institutions as well as the acceleration of economic growth, the reduction of inequality and eradication of absolute poverty. It is in the light of the above that marketing should be given a pride of place in our national life.

18. Recommendation

In view of the important role that marketing is capable of playing in economic development of Nigeria, the following recommendations are made to enhance the potentials in marketing.

- Marketing should be incorporated into our school curriculum at both secondary and tertiary levels of our educational institutions to expose students to the concepts of marketing.

- Government agencies and research and development (R&D) centers as well as non- governmental organizations and development partners should develop marketing enlightenment programs and disseminate information on investment opportunities available both locally and internationally
- Government at all levels should be more serious about marketing, provide enabling environment for marketing to thrive, ensure steady supply of electricity to bring down the cost of production in Nigeria.
- The issue of security of life and property should be taken seriously to encourage direct foreign investment (DFI) in Nigeria.
- Our communication and transportation system should be made to be more effective so as to encourage investment and make marketing thrive.
- Marketing efforts should be strengthened by ensuring production of good quality products and effective brand management to engender international demand.
- For market development to occur, rural areas must be effectively linked in terms of information and infrastructure.
- Marketers should be allowed to play prominent role in the “re-branding Nigeria” campaign so as to give it professional touch and gain international acceptance.
- A study of all our natural resources should be carried out to identify the products on which we have comparative advantage to produce in order to gain international competitive advantage in our pricing.

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