Marketing Mix as Tools for Achieving Competitive Advantage in Nigerian Market Place: Multi-National and Indigenous Companies in Perspective

O.S. Ibidunni
Covenant University

The study investigated how Nigerian multinational and indigenous foods and beverage companies utilized marketing mix elements competitively to achieve competitive advantage, and how these variables influenced the perception of consumers to the companies’ achieving effective performance in market places. Relevant theories were employed. Two hypotheses were investigated through the survey of randomly selected forty multinational and one-hundred and twenty indigenous companies. Findings revealed that multi-national companies achieved competitive advantage and yielded better performance compared to indigenous counterparts. It was recommended that indigenous companies should adopt competitive use of elements of marketing mix, and government policies should support their economic emancipation.

INTRODUCTION

As at 2006, there were forty-five multi-national, and one hundred and seventy-one indigenous food and beverage manufacturing companies registered with Manufacturers’ Association of Nigeria (MAN) and operating in Nigeria (MAN, 2007). Amanze (2008) classified three most reputable of the multinational companies. The first of them was Nestle Nigeria Plc which started operation in 1961, got incorporated in 1969, and was listed on Nigerian Stock Exchange in 1978, with net assets valued at N9.03b. Gross earning was N51.74b and net profit was N8.33b. Nestle Nigeria Plc had over 3500 employees. Followed by Unilever Nigeria Plc. which started operation in 1923, was incorporated in 1924, listed on Nigerian Stock Exchange in 1973 and the number of employees was over 3000; with net assets valued at N6.682m and share capital at N1.892m. Gross earning was N37,378m and net profit was N2.597m. Cadbury Nigeria Plc. was the third, started operation in 1956, was incorporated in 1965, listed on Nigerian Stock Exchange in 1976 and the number of employees was over 2450; with net assets valued at N23.901m. Gross earning was N24.299m and net profit was (N2.752m). On the other hand, the first of three most classified of the indigenous companies was (i) Lisabi Mills (Nigeria) Limited. It was incorporated in 1938; as at 2007, the number of employees stood at 108, while the authorized share capital stood at N1m. Cocoa Industry limited started operation and was incorporated in 1965. Its share capital stood at N6m; with 205 employees on its pay-roll. Consolidated Food and Beverage Limited was incorporated in 1994, and the number of employees was 600. None of these three is yet to be placed on Nigerian Stock Exchange. Based on the above background information and competitive advantage status of the respective companies, consumers perceived the companies and their products in different ways. Hence, the objectives of this study were (i) to determine how marketing mix elements could be competitively used by Nigerian multi-national and indigenous companies to earn the desired competitive
advantage in market places, and (ii) to show the effects of corporate image on food and beverage categories of companies vis-à-vis their industry’s performance as a result of their competitive advantage position in market places. Lagos based companies in food and beverage industry were concentrated upon.

The significance of this study stemmed from its objectives as follows: (i) enhancing the performance and operational capacity of companies in today’s Nigerian competitive environment demands strong knowledge of marketing principles, practices and procedures which this study will reveal to operators of food and beverage industry generally, but particularly those of indigenous companies, (ii) the competitive strength of multinational companies in all Nigeria’s industries is so entrenched that for Nigerian indigenous companies to acquire substantive competitive advantage in the markets, the operators need to acquire themselves with the competitive adoptions of the marketing mix elements generally and at different market segments in Nigeria, and (iii) academics, governments, policy-makers, professionals and other stake-holders will find this study and its findings very worthwhile in making decisions relating to solving the problems of companies acquiring competitive advantage in Nigerian markets.

LITERATURE REVIEW/CONCEPTUAL FRAMEWORK

Goi (2005) defined marketing mix as the set of the marketing tools that firms use to pursue their marketing objectives in the target market; the view which was earlier expressed by (Kotler, Ang, Leong, and Tan, 1999; Gronroos, 1999, and Osuagwu, 2006). Rich and Eppinger (2003) defined a product, tangible or intangible, as something sold by an enterprise to its customers. According to the authors, product is agreed to be the most important in the marketing mix elements that sustains a competitive advantage for an organization and it is the first of all decisions that involves planning what products and services to offer to the market. That the tangible are those things that the customer can see, touch, feel, taste, or smell while the intangible includes such things as the image of the offering which includes the image of the organization making the offering, the psychological aspects of pricing, etc. He also claimed further that these are things which have values and are balanced against the value the seller expects to receive from the target consumer.

Monroe (2003) and Linder (2007) defined price as the amount of money we must sacrifice to acquire something we desire. He considered price as a formal ratio indicating the quantities of money (or goods and services) needed to acquire a given quantity of goods or services as signified in the formula below:

\[
\text{Price} = \frac{\text{Quantity of money or goods and services received by the buyer}}{\text{Quantity of goods and services received by the seller}}
\]

Goi (2005) claimed that price is the second element of marketing mix, the value attached to a product or service, and it is the only element of the marketing mix that generates revenue to the organization, hence is directly related to profits. According to him, however beautifully made and packaged a product is, will not gain entry into the market if the price is not attractive. He gave the following attributes of price as follows: list price, discounts, allowances, payment periods, and credit terms. Best (2005) proclaimed that setting acceptable prices of products is a motivation to consumers and prospects to patronize the company’s products, hence the growth of the company’s profit. Best was of the view that the growth of company’s profit is one of the corporate objectives that an organization will always aspire to achieve all the time. He further claimed that profit on every product is measured and determined; considering many variables particularly those socio-economic variables that have to do with the real income of customers. Customer’s satisfaction of a product is a key marketing performance metric, and consistent profitability to an organization is a result of customer-focused organization and customer satisfaction and customer loyalty. Kotler and Armstrong (2006), Geoff (2008), revealed pricing policies /strategies that organizations adopt for better performance are as follows: penetration pricing; economy pricing; skimming pricing and premium pricing. Other approaches to pricing as given by Geoff (2008) are as
follows: psychological pricing; product-line pricing; optional product pricing; captive product pricing; product bundle pricing; promotional pricing; and geographical pricing.

Bowersox and Closs (1996) gave 'distribution' as another name for place. According to them, it is the third element of the marketing mix, and it encompasses all decisions and tools which relate to making products and services available to customers. With different classes of consumers available, Bowersox and Closs (1996) claimed that place could be categorized into open market, merchant houses, institutional houses and direct delivery. They gave attributes of place to comprise channel coverage, assortments, locations, inventory and transport. Four distribution channels useable in either good or service industry were given as (i) Zero channel, (ii) One-channel, (iii) Two-channels, and (iv) Multiple channels (Collinger, 2002).

Goi (2005), Mathouse and Blattberg (2005), Fill (2006) asserted that making products or services known to the prospective customers is the prerogative of promotion. According to them, it comprises advertising, sales promotion, personal selling (sales force), public relations and publicity, and direct marketing. Fill, (2006) referred to promotional elements as Integrated Marketing Communication in the combination of two or more of the promotional elements to propagate a company’s message to the effective patronage of its products or penetration of the market. He said further that in some cases, agencies, media houses, trade publications, magazines, newspapers and company’s representatives are in use under promotion. Booms and Bitner (1981) suggested additional 3Ps in the context of service marketing. These they claimed are people, physical evidence, and process. People, as an element are referred to as people directly or indirectly involved in the consummation of a service. The attributes of people include personnel training, discretion, commitment, incentives, appearance, interpersonal behaviour, attitudes, other customers’ behaviour, degree of involvement, and customer contact. Process, as an element, is all about the procedure, mechanisms and flow of activities by which the services or products are consumed. The attributes of process given include the policies, procedures, mechanization, employee discretion, customer involvement, customer direction, and flow of activities, while physical evidence, as an element, is said to relate to the environment in which the service or product is delivered. These also include tangible goods that help to communicate and perform the service. The interface of the 3Ps as given by Booms and Bitner with tangible goods was given by Fifield and Gilligan (1996) who identified the extra 3Ps of people, process and physical evidence to work for finished goods. By this, 7Ps were accepted as elements of marketing mix for both goods and services. The four traditional elements of marketing mix and their components are shown in figure 1 below.

**FIGURE 1**

McCARTHY, (1964) 4Ps MODEL OF MARKETING MIX

![Diagram](source: Adapted from Kotler, Ang, Leong and Tan (1999))
Concept of Competitive Advantage

Firms in an industry tend to compete among themselves with their respective brands of a product(s) in order to gain competitive edge (Bovee and Thill, 1992, Stokes, 2000, Adindu, 2005, Stigler, 2006, Appel, 2009). The sole aim of wanting to gain higher hands in market places over other producers of similar products is to earn and control higher market share of the product (Grant, 1995; Ferrier, et’al, 1999, Dube and Renafghan, 1999, and Kin and Oh, 2004). This, the authors referred to as competitive advantage. Competitive advantage is an important concept of strategic management. It defines the ‘uniqueness’ of an organization vis-à-vis its competitors. Competitive strategy of the organization is the roadmap towards gaining competitive advantage. Sustainability of the vantage position in the market places dictates viability of a business, while the strategy by which the sustainable competitive advantage is gained is known as business level strategy of the organization (Holt, 2009, Porter, 2009). According to O’Toole (2001) sustainable competitive advantage is the focal point of any company’s corporate strategy. It allows the maintenance and improvement of the enterprise's competitive position in the market, and it is an advantage that enables business to survive against its competition over a long period of time. O’Toole gave five criteria by which an organization can continue to enjoy sustainable competitive advantage with its product(s) as follows: (i) uniqueness, (ii) difficult to replicate , (iii) superior to competition, (iv) sustainable quality, and (v) applicable to multiple situations.

Theories of Marketing Mix

Chisnall (1997) revealed that marketers rely on Connectionist theories when it comes to product, place and promotion as elements of marketing mix. Two objects are connected by the prospect of a reward being given as a result of certain action. Alternatively, some punishment may follow in specific situations. The theory on product and place is called pleasure pain; and the most popular ones are Pavlov’s famous experiments on conditioned reflexes in dogs. He was able to get dogs salivate by ringing a bell, signifying the availability of food (products) at a time, even when no food was available. The food (products) must have seen attested to be of required quality, and at place. Thorndike postulated into the behaviour of cats enclosed in puzzle boxes (place) from which they could escape by clawing at a string or lever in order to obtain food (product). He enunciated the ‘law of effect’ which states that the creation of a strong stimulus-response association depended on the effects (reward or punishment) that followed the respond. Hull extended the ‘law of effect’ relating it closely to motivational factors. He claimed that both association and selective trial-and-error learning occur because they are able to satisfy needs. Skinner developed theory of conditioned reflex by distinguishing between responses to stimuli (elicited) and an activity actually taking place in terms of purchases (emitted responses). However, the stimuli-response model was popularized in advertising business by John B. Watson (Chisnall, 1997). Linder (2007) justified the objective of pricing for profit maximization. He postulated that (i) human beings performing any economic activity rationally aim at utility maximization. According to Linder (2007) utility can be measured in terms of profit. Thus profit maximization is justified on the ground of rationality, and (ii) economic survival; and social welfare.

Theories Supporting Competitive Advantage

Also, Porter’s (1990) theory of national competitive advantage states that with globalization, it is possible that a company in a certain part of the world producing a given product will have to deal with competition from other companies producing a similar product in other parts of the world. The theory helps firms achieve international success in a certain industry through the understanding of the combined impact of Porter’s diamond. Grant (1991) asserted that resource-based (RB) theory of competitive advantage is seen as an “inside-out” process of strategy formulation whereby resources of the firm are first assessed into next potential for value generation, and lastly defining a strategy that will capture maximum value in a sustainable way is put in place. But Porter’s (2007) competitive advantage theory of value claimed that competitive advantage grows out of value a firm is able to create for its buyers that exceeds the firm’s cost of creating it. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more
than offset a higher price. According to Porter, there are two basic types of competitive advantage: cost advantage and differentiation advantage. While this two-fold division comprehends most of the competitive advantage cases, a deeper analysis could be made, breaking down the factors that enable a company to achieve either a cost or a differentiation advantage. Accordingly he said, differentiation can be achieved through innovative products, through a better customer service and so on, while cost leadership, can similarly be achieved through economies of scale, better relationship with suppliers and the like. From the review of literature, the following hypotheses were formulated:

*Hypothesis 1: (Ho) The usage of marketing mix elements by multinational food and beverage companies would not result to earn higher competitive advantage over their indigenous counterparts in Nigerian market places.*

*Hypothesis 2: (Ho) There is no significant difference in the customers’ perceived image and performances of multinational and indigenous companies as a result of their respective competitive advantage in Nigerian market places.*

**METHODOLOGY**

Survey method was used with a well structured questionnaire to gather information from top executives/management staff involved in marketing activity in the two categories of companies sampled. Sample frame available was 216, (45) multinational, and (171) indigenous registered food and beverage companies in Nigeria. A simple random sampling technique was employed to select (40) multinational, and (120) indigenous companies by using Yard’s formula and popularly postulated by Guilford and Fruchter (1973) with 95% confidence level at 5% error tolerance. Validity and reliability of the instrument were measured at Cronbach’s alpha of 0.69 and alternative form validity of 0.62. Descriptive and statistical analyses were used in analyzing the data collected with the aid of Statistical Package for Social Sciences (SPSS). Analysis of Variance (ANOVA) was used in testing the hypotheses. All the steps recommended in using ANOVA were observed. 300 copies of questionnaire were distributed to multinational companies. 231 copies were returned, 18 were rejected for impropriety, while 213 (71%) copies were used. 500 copies of questionnaire were distributed to indigenous companies. 340 copies were returned, 16 were rejected, while 324 (64.80%) copies were used. The population statistical formula used is as follows:

\[
(2) \quad n = \frac{N}{\sum [1 + N(e^2)]}
\]

where:

- \(n\) = The desired sample size to be determined
- \(N\) = Total population.
- \(e\) = Accepted error limit 0.05 on the basis of 95% confidence level.

To determine the sample size for multi-national companies, the total number registered was 45,

\(N = 45\)

\(E = 0.05\)

\(n\) = sample size

Substituting from above

\[
\frac{n}{1 + 0.1125} = \frac{45}{1 + 45 (0.05)^2} = \frac{45}{1.1125} = 40 \text{ samples.}
\]
With the same formula, (3) 
\[ n = \frac{N}{\sum \left[ 1 + N(e^2) \right]} \],

Where:
- \( n \) = The desired sample size to be determined
- \( N \) = Total population.
- \( e \) = Accepted error limit 0.05 on the basis of 95% confidence level.

To determine the sample size for indigenous companies, the total number registered was 171,
\( N = 171 \)
\( E = 0.05 \)
\( n = \) sample size

Therefore
\[ n = \frac{171}{1 + 171(0.05)} = \frac{171}{1 + 171(0.0025)} = \frac{171}{1 + 0.4275} = \frac{45}{1.4275} = 120 \text{ samples.} \]

Therefore the total population sample selected was addition of 40(multi-national companies) + 120 (indigenous companies) = 160 food and beverage companies.

**DISCUSSION OF FINDINGS**

**Summary of Mean and Standard Deviation Using Marketing Mix Elements of Multinational and Indigenous Companies to Earn Competitive Advantage**

(i) As shown in table 1 below, the total number of participants from multinational was 213 representing 39.7%, while the total number of participants from indigenous companies was 324 representing 60.3%. The total means and the mean of each group of the companies on the use of marketing mix elements showed (i) growth rates of the companies’ profits. The means of multinational companies on product was 3.06, on price we had 3.01, on place, was 3.22 and on promotion, it was 3.06. They were higher than those of indigenous companies on product with the means of 2.08, on price, we had 2.36, on place was 2.36 also, and on promotion, it was 2.01 to attract higher profits for their respective companies. This implied that in the perception of the participants, there was higher annual growth profits with the use of the elements of marketing mix in multinational companies compared to indigenous ones.

(ii) Accrued market shares: the mean of multinational companies on product was 3.53, on price we had 3.45, on place, it was 3.64 and on promotion, it was 2.24 as against the mean(s) of indigenous companies on product with 3.31, on price, with 2.08, on place, it was 3.06 and on promotion, with 3.06. On promotional elements, indigenous companies had mean of 3.06, higher than 2.24 mean of the multinational companies. In this contest, it showed that the totality of the indigenous organizations now appreciated and employed promotional elements as tools for propagating their products to potential buyers also. However, the general perception of the participants relating to market share was that multinational companies had more market shares as a result of the better use of product, price, promotion, and place as elements of marketing mix compared to indigenous companies.

(iii) Returns–on-Capital Employed: The mean(s) of multinational companies on product was 3.00, on price, it was 3.12, on place, it was 3.42 and on promotion, it was 3.44. They were higher than those of indigenous companies on product with 2.08, on price having 2.16, on place with 2.18 and promotion having 2.26 under investment management. This implied that in the perception of the participants, with the effective use of product, price, promotion, and place as marketing mix elements in relations to capital employed on the elements, multinational companies had better returns on capital employed compared to their indigenous counterparts.
All these were corroborated by Phillips, Chang, and Buzzell (1983) in an empirical study of cost, quantity and business performance, where they used profit impact of market strategy (PIMS) database to make a detailed analyses of issues related to product quality: as it directly impacted on returns on investment. It was found out that relative product quality affects positively relative direct costs, market share and prices. Furthermore, Best (2005) gave another name for return on investment as return on invested capital or return on capital employed (ROCE). Alile, (1999), Tijani, Fifield and Power (2009) supported these findings by defining return on capital employed as a ratio which indicates the efficiency and profitability of the capital investments of a company. Jones and George (2003) stated that return of capital measures how well managers are using organization’s resources to generate profits. Also Best (2005), and Linder (2007) asserted that the growth of company’s profit is one of the corporate objectives that any organization will always pursue and that the effective ways by which product, price, place, and promotion, as the traditional elements of marketing mix, are managed determine the rate at which set profits would be achieved on every product.

(iv) Companies Sales Achieved: With the use of only three marketing mix elements viz: product, price, and promotion by the two categories of food and beverage companies, the means of multinational companies were 3.00, 3.22, and 3.24; while the means of indigenous companies on the three elements were 2.18, 2.16, and 2.16 respectively. This implied that in the perception of the participants, the means of multinational companies were higher in the use of marketing mix elements to achieve all the four components of competitive advantage in market places compared to those of indigenous counterparts. In support of this claim, Berger and Mester (2003) revealed that technological progress in the 1990s significantly improved the performance of large multi-market banks relative to small, single-market banks. As a result, a greater presence of large, multi-market banks should have exerted more competitive pressure and had more deleterious effects on the performances of small, single-market banks. The more intense competition from large, multi-market banks in the second time period may be manifested in decreased revenues for small, single-market banks (e.g., lower fees or rates on loans, lower fees on deposits) and/or increased expenses (e.g., higher rates on deposits, additional expenses on advertising or quality to retain customers). Profit efficiency studies and other studies including revenues revealed that multinational firms increased profits and revenues through improved risk-expected return frontiers and marketing strategy. Other research suggested that multinational firms may have also gained relative to indigenous firms in terms of revenues. (Akhavein, Berger and Humphrey, 1997, Hughes, et al, 1999.). In addition to the above, one study using profit efficiency ranks revealed an increase in the ability of multi-bank holding companies to control their affiliate banks between the 1980s and 1990s (Berger and DeYoung, 2006). Thus, the research on both cost and revenue performance suggested that technological change coupled with marketing strategies might have benefited large banks more than small banks, consistent with the efficiency hypothesis.
TABLE 1
SUMMARY OF MEAN AND STANDARD DEVIATION USING MARKETING MIX ELEMENTS OF MULTINATIONAL AND INDIGENOUS COMPANIES TO EARN COMPETITIVE ADVANTAGE. MNC\(_{SN}\) = 213, INC\(_N\) = 324

<table>
<thead>
<tr>
<th>Competitive Advantage Components</th>
<th>Marketing Mix Elements</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Mean MCs</th>
<th>Mean ICs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Growth of Companies Profits.</td>
<td>Product</td>
<td>537</td>
<td>3.5140</td>
<td>1.14128</td>
<td>3.06</td>
<td>2.08</td>
</tr>
<tr>
<td></td>
<td>Price</td>
<td>537</td>
<td>3.1564</td>
<td>1.12706</td>
<td>3.01</td>
<td>2.36</td>
</tr>
<tr>
<td></td>
<td>Place</td>
<td>537</td>
<td>3.3557</td>
<td>1.16147</td>
<td>3.22</td>
<td>2.36</td>
</tr>
<tr>
<td></td>
<td>Promotion</td>
<td>537</td>
<td>3.3371</td>
<td>1.19701</td>
<td>3.06</td>
<td>2.01</td>
</tr>
<tr>
<td>Accrued Market Shares of Companies.</td>
<td>Product</td>
<td>537</td>
<td>3.3687</td>
<td>1.12219</td>
<td>3.53</td>
<td>3.31</td>
</tr>
<tr>
<td></td>
<td>Price</td>
<td>537</td>
<td>3.3259</td>
<td>1.14928</td>
<td>3.45</td>
<td>2.08</td>
</tr>
<tr>
<td></td>
<td>Place</td>
<td>537</td>
<td>3.3501</td>
<td>1.16717</td>
<td>3.64</td>
<td>3.06</td>
</tr>
<tr>
<td></td>
<td>Promotion</td>
<td>537</td>
<td>3.3</td>
<td>1.25740</td>
<td>2.24</td>
<td>3.06</td>
</tr>
<tr>
<td>Accrued Returns on Capital Employed.</td>
<td>Product</td>
<td>537</td>
<td>3.4209</td>
<td>1.09006</td>
<td>3.00</td>
<td>2.08</td>
</tr>
<tr>
<td></td>
<td>Price</td>
<td>537</td>
<td>3.2365</td>
<td>1.05711</td>
<td>3.12</td>
<td>2.16</td>
</tr>
<tr>
<td></td>
<td>Place</td>
<td>537</td>
<td>3.4525</td>
<td>1.15338</td>
<td>3.42</td>
<td>2.18</td>
</tr>
<tr>
<td></td>
<td>Promotion</td>
<td>537</td>
<td>3.4637</td>
<td>1.09233</td>
<td>3.44</td>
<td>2.26</td>
</tr>
<tr>
<td>Companies’ Sales Achieved.</td>
<td>Product</td>
<td>537</td>
<td>3.5531</td>
<td>1.19914</td>
<td>3.00</td>
<td>2.18</td>
</tr>
<tr>
<td></td>
<td>Price</td>
<td>537</td>
<td>3.2886</td>
<td>1.13152</td>
<td>3.22</td>
<td>2.16</td>
</tr>
<tr>
<td></td>
<td>Promotion</td>
<td>537</td>
<td>3.3352</td>
<td>1.16515</td>
<td>3.24</td>
<td>2.16</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis of Field Survey, 2007/2008

Test of Hypotheses

_Hypothesis One:_ The usage of marketing mix elements, product, price, place, and promotion by multinational food and beverage companies would not result to earn higher competitive advantage over their indigenous counterparts in Nigerian market places.

TABLE 2
MEAN AND STANDARD DEVIATION ON THE USE OF MARKETING MIX ELEMENTS, BASED ON COMPETITIVE ADVANTAGE STATUS BY MULTINATIONAL AND INDIGENOUS COMPANIES

<table>
<thead>
<tr>
<th>Freq</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>213</td>
<td>42.64</td>
<td>0.42</td>
</tr>
<tr>
<td>324</td>
<td>28.46</td>
<td>1.64</td>
</tr>
<tr>
<td>213</td>
<td>61.34</td>
<td>1.14</td>
</tr>
<tr>
<td>324</td>
<td>44.28</td>
<td>1.42</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis of Field Survey, 2007/2008

Table 2 above shows that there was difference between means of competitive advantages and the resultant performances of multinational and indigenous companies using four elements of marketing mix. Multinational companies, with the mean of 42.64 and standard deviation of 0.42 earned higher competitive advantages using the four elements of marketing mix than indigenous companies that had mean of 28.46 and standard deviation of 1.64. Equally, the performances of the two indicated that multinational companies with the mean of 61.34 and standard deviation of 1.14 performed better than
indigenous ones with the mean of 44.28 and standard deviation of 1.42. The question now is, was the difference significant enough or was it as a result of sampling error? The answer is presented in Table 3 below.

### TABLE 3
SUMMARY OF ANOVA ON THE ADOPTION OF MARKETING MIX IN FORM OF PRODUCT, PRICE, PLACE, AND PROMOTION AND RETURNS ON COMPETITIVE ADVANTAGES ACCRUABLES TO MULTINATIONAL AND INDIGENOUS COMPANIES

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>240.973</td>
<td>9</td>
<td>26.775</td>
<td>26.774</td>
<td>.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>3479.758</td>
<td>1</td>
<td>3479.758</td>
<td>3479.629</td>
<td>.000</td>
</tr>
<tr>
<td>Company Types</td>
<td>2.823</td>
<td>1</td>
<td>2.823</td>
<td>2.843</td>
<td>.092</td>
</tr>
<tr>
<td>4Ps of Marketing mix</td>
<td>28.489</td>
<td>4</td>
<td>7.122</td>
<td>7.172</td>
<td>.000</td>
</tr>
<tr>
<td>Company Types * 4Ps of Marketing mix</td>
<td>11.107</td>
<td>4</td>
<td>2.777</td>
<td>2.796</td>
<td>.026</td>
</tr>
<tr>
<td>Error</td>
<td>523.309</td>
<td>527</td>
<td>.993</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7357.000</td>
<td>537</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>698.004</td>
<td>536</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

R Squared = .250 (Adjusted R Squared = .237)*significant at 0.05 two tailed test
Source: Researcher’s Analysis of Field Survey, 2007/2008

Table 3 above shows the competitive use of marketing mix elements by multinational and indigenous companies culminate into significant difference in competitive advantage earned at $f(4, 537)=7.172$, at 0.05 significant level. The fact that these two organizations are significantly different in operation equally contributed to significant difference in competitive advantage earned $f(1, 537)=2.843$, at 0.05 significant level. In testing this hypothesis which combined the two variables together stated that the multinational companies’ use of the elements of marketing mix yielded higher competitive advantage earned than those of indigenous companies, the findings indicated that there was a significant difference in $f(4, 537)=2.796$ at 0.05 significant level. The findings indicated that there was a significant difference in competitive advantage earned at $f(4, 537)=2.796$ at 0.05 significant level. This implied that the first hypothesis was rejected and alternative hypothesis retained; which meant that the competitive use of marketing mix elements as adopted by multinational companies’ yielded higher competitive advantage than those of indigenous companies using same elements.

Hypothesis Two: There is no significant difference in the customers’ perceived image and performances of multinational and indigenous companies as a result of their respective competitive advantage in Nigerian market places.

### TABLE 4
MEAN AND STANDARD DEVIATION OF CORPORATE IMAGE AND PERFORMANCES OF MULTINATIONAL AND INDIGENOUS COMPANIES BASED ON THEIR ADVANTAGE STATUS

<table>
<thead>
<tr>
<th></th>
<th>Freq</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived corporate image of multinational companies</td>
<td>213</td>
<td>22.12</td>
<td>0.42</td>
</tr>
<tr>
<td>Perceived corporate image of indigenous companies</td>
<td>324</td>
<td>12.32</td>
<td>1.54</td>
</tr>
<tr>
<td>Multinational companies’ Performance</td>
<td>213</td>
<td>68.20</td>
<td>0.22</td>
</tr>
<tr>
<td>Indigenous companies’ Performance</td>
<td>324</td>
<td>26.12</td>
<td>0.96</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis of Field Survey, 2007/2008
Table 4 above shows the difference between means of corporate image and resultant performances of multinational and indigenous companies. Multinational companies, with a mean of 22.12 and standard deviation of 0.42 had better corporate image than indigenous ones with means of 12.32 and standard deviation of 1.54 as perceived by consumers. Equally, the performances of the two indicated that multinational companies with the mean of 68.20 and a standard deviation of 0.22 performed better than indigenous ones with the mean of 26.12 and a standard deviation of 0.96. The question now is, was the difference significant enough or was it as a result of sampling error? The answer is presented in table 5 below.

### TABLE 5

**SUMMARY OF ANALYSIS OF VARIANCE OF PERCEIVED CORPORATE IMAGE OF MULTINATIONAL AND INDIGENOUS COMPANIES BASED ON THEIR ADVANTAGE STATUS**

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>240.973</td>
<td>9</td>
<td>26.775</td>
<td>26.427</td>
<td>.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>3479.758</td>
<td>1</td>
<td>3479.758</td>
<td>4179.421</td>
<td>.000</td>
</tr>
<tr>
<td>Perceived corporate image</td>
<td>2.823</td>
<td>1</td>
<td>2.823</td>
<td>4.746*</td>
<td>.042</td>
</tr>
<tr>
<td>Company Types</td>
<td>19.015</td>
<td>1</td>
<td>4.754</td>
<td>5.230*</td>
<td>.000</td>
</tr>
<tr>
<td>Company Types * Perceived corporate image</td>
<td>11.107</td>
<td>4</td>
<td>2.777</td>
<td>6.224</td>
<td>.026</td>
</tr>
<tr>
<td>Error</td>
<td>523.309</td>
<td>527</td>
<td>.993</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7357.000</td>
<td>537</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>698.004</td>
<td>536</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a R Squared = .250 (Adjusted R Squared = .237)* significant at 0.05 two tailed test

Source: Researcher’s Analysis of Field Survey, 2007/2008

Table 5 above shows the perceived corporate image of multinational and indigenous companies culminate into significant difference in performance at $f(4, 537) = 4.746$, at 0.05 significant level. The fact that these two organizations are significantly different in operation equally contributed to significant difference in performance at $f(1, 537) = 5.230$, at 0.05 significant level. In testing this hypothesis which combined the two variables together, and stated that favourable corporate image of multinational companies’ as perceived by consumers did not yield better performance than that of indigenous companies, the findings indicated that there was a significant difference in performance at $f(4, 537) = 6.224$ at 0.05 significant level. This implied that hypothesis two was rejected and alternative hypothesis retained. This meant that favourable corporate image of multinational companies’ as perceived by consumers was as a result of their higher competitive advantage in market places; hence they were perceived to have better performance than indigenous companies. This was corroborated by Belch and Belch (2004) who talked of a company’s image as the way by which members of the public identify with the policies, products, and procedures of an organization with the public interest, which earns public understanding and acceptance. Graham (2004) also gave a support by saying that a favourable corporate image is a planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its target market.

**CONCLUSION FROM THE FINDINGS**

The evidence from the findings suggested that multinational and indigenous companies using the 4Ps marketing mix elements earned comparative advantages, and were distinctly perceived. These elements
influenced favourably the performances of multinational companies in Nigerian market places. The (i) multinational companies’ use of the elements of marketing mix yielded higher competitive advantage than that of indigenous companies in market places and (ii) the favourable corporate image of multinational companies as perceived by consumers’ yielded better performance compared to that of indigenous companies due to accrued higher competitive advantage. Daniel (Jr) (2009) had this to say “a company's competitive advantage largely determines its ability to generate excess returns on capital and links the business strategy with fundamental finance and capital markets. In the end, it is a company’s competitive advantage that allows it to earn excess returns for its shareholders. Without a competitive advantage, a corporation has limited economic reason to exist its competitive advantage is its staff of life. Without it, the corporation will wither away. Creating a sustainable competitive advantage may be the single most important goal of any corporation and may be the most important single attribute on which each corporation must place its most focus”.

IMPLICATION OF THE FINDINGS

(i) Operators of indigenous companies must produce superior products, charge competitive prices, position appropriately, promote widely, and provide other distinctive functional benefits to consumers. Today's indigenous marketers must find new ways of differentiating their products and services, adopting relationship marketing.

(ii) Federal and State governments would be guided on the appropriate policies to be formulated for effective emancipation of indigenous food and beverage companies’ operations in Nigeria; which could lead to technological and scientific ways of tapping the abundant human and natural resources for the administration, distribution, and marketing of finished goods. This practice will assist development of small and medium enterprises in diverse areas of food and beverage; consequently the Nigerian economy will improve.

(iii) Federal and State governments, with their appropriate agencies need to re-orientate Nigerians on the essence of patronizing locally produced goods and services. Leaders in fields of endeavour particularly should exhibit positive examples on this freely to the knowledge of citizenry.

(iv) What this research study has done is to reveal numerous research opportunities in the field of marketing, particularly focusing on the development of Nigeria’s indigenous companies. Opportunities for research also abound in the contents of inter-relationship between marketing, management, and technological programmes to achieve acceptable performance of different sectors of the economy. From the types of companies studied, this study revealed the wide gap performance ratio of multinational and indigenous companies; hence multinational companies were found to dominate the industry with their brands of foods and beverages. There is therefore need to intensify efforts on studying the paths for growth and development of Nigeria’s indigenous companies. Marketing is still relatively new among the numerous operators of indigenous companies. There’s need by the academics/researchers to popularize its concepts, philosophies, and other practices for adoption.

REFERENCES


