

# COMPETITIVE MARKETING STRATEGIES AND CUSTOMER PATRONAGE OF BUTCHERS IN RIVERS STATE OF NIGERIA

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**Abstract:** This study empirically investigates the effect of competitive marketing strategies on sales performance of butchers in Rivers State of Nigeria. The quantitative approach was employed to assess the influence of competitive marketing strategies on sales performance. The survey approach was used as a measurement apparatus, the simple random technique and a multi-item Likert scale affixed on five points response design were also utilized in the study. In order to make sure that the questions can be understood by the respondents, the questionnaire experienced a pre-test and pilot test. The study field is the Butchery Industry in Rivers State of Nigeria and the respondents were 200 butchers operating in Rivers State. The study espouses the Descriptive statistics; Simple Regression and Analysis of Variance (ANOVA), through the procedures of the statistical package for social sciences (SPSS) to transmit out data analysis. The results designate that; price strategies have significant customer patronage; place strategies have significant influence on customer patronage. The study concludes that competitive marketing strategies significantly and positively influence customer patronage of butchers in Rivers State of Nigeria, and recommends that butchers should carefully embrace competitive marketing strategies since the study helped them develop creative approaches to sales that lead to customer patronage.

**Key Words:** Butchers, Competitive marketing strategies, Customer patronage, Rivers State.

## 1. INTRODUCTION

Competitive marketing strategies are imperative to a company's access to competitive advantage in a preferred target market. The success of any discerning organization in globally depends largely on the ability to strategically outmaneuver its competitors. Outmaneuvering competitors is clued-up by the aptitude to convey offerings better than competitors do in the market, the aptitude to incessantly perk up on the excellence of the product and also on the aptitude to adapt to dynamism in the business terrain.

Competition is an inevitably present in the butchery business and it has competitors in the industry whose strategies affect the strategic plans formulating process. Competition is an accepted phenomenon for profit-driven firms and it requires adequate preparations to ascertain the activities of rivals in the industry to remain in good standing. Adom et al. (2016) noted that without paying attention to rivals activities, a possible clash may emerge. (Adom et al, 2016). Thus, managers require competitive information to identify with the industry and its competitors; to spot weaknesses in their rivals and evaluate the force of tactical measures on competitors. (Adom et al, 2016).

Accordingly, Porter, (1985) counsels that firms searching for competitiveness must actively watch out for opportunities to take advantage of strategic abilities, which will enable them compete successfully in the highly competitive business terrain. Porter (1998) discourse that competitive advantage is the facility to keep on to the fore of, in attendance or prospective competition. Tracy and Wiersema (1995) speculate that, competitive marketing strategies are strategies that strappingly situate a firm alongside competitors and supply a well-built promising strategic advantage. Competitive marketing strategy is a game plan implemented by firms for contending effectively in their preferred market (Porter, 1980). It engrosses the scrutiny of the market and its surroundings, consumer buying activities, competitive goings-on, necessities and capabilities of market conciliator (Schere, 1984). It is also a broad range of strategies firms resort to in order to cope, beat or keep ahead of competitors and an avenue to seize strategic initiatives and maintain a competitive edge in the market (Amit and Shoemaker, 2003, Porter, 2004). Maintaining an edge over other rival firms involves developing an innovative idea on how to attain cost leadership, focus and overall industry dominance using resources at the firm's disposal. It is to the point therefore, for butchery businesses to design market offerings that deliver more value to the customers than the competitors with well-organized and enhanced products (Kotler and Armstrong, 2014).

Despite the existence of various butchery businesses in Nigeria, only few butchers have competent competitive marketing strategies. It is imperative therefore, for butchers to identity principal energetic facet of the industry that can shelter superior competitive perimeter alongside competitors. Butchers require invariable modernization, product management and the aptitude to repeatedly

offer its customers with acceptable products in order to improve their likelihood of continued existence in today's dynamic business setting. Thus, they could do with a far above the ground altitude of assimilation of their strategies, dealings, programs, practice, and routines (Oon Fok-Yew *et al.*, 2013).

A handful of scholarly inquiries on competitive marketing strategies have built up. For instance, Revathi, Yerramilli and Reddy (2017) explored the marketing strategies adopted by the Indian automobile firms, Bayraktar, Hancerliogullari, Cetinguc and Calisir (2016) looked into the relationship between competitive strategies innovation and firms' performance within the Turkish manufacturing companies, Aseh (2016) examined the impact of competitive strategies on corporate innovation of the automobile industry in Iran, Adefula (2015) premeditated the promotional strategy impacts on organizational market share and profitability in Coca-cola and 7Up companies in Lagos State, Nigeria and Kanagal and Nagasima (2010) investigated the role of relationship marketing on competitive marketing strategies of the automobile industry in India, in this manner making their works more or less in-comprehensive.

This current investigation extends the scholarly explorations on competitive marketing strategies and assesses the competitive marketing strategies of table water butchers in Rivers State to realize customer patronage, and conduit the gap in knowledge by providing a competitive marketing strategies and customer patronage architecture in butchery firms in Rivers State.

### **Statement of the Problem**

The butchery industry in Nigeria has turn out to be distinctive and inundated with firms that engage in inflexible and vicious competitive rivalry to remain buoyant and pertinent in commerce. Achieving customer patronage depends largely on accessibility of major competitive arsenal at the disposal of a firm. It is envisioned that the lack of ground-breaking shrewdness from butchers have upshot extremely bad decline in customer patronage of many firms in the industry.

Butchers are not immune to instances of lack of patronage that emanates from their product deliveries. For this reason, competitive marketing strategies will also be an fundamental in the industry. Conversely, much is not acknowledged in relation to the competitive marketing strategies of firms in the industry, and how such strategies enhance customer patronage. It may not be out of dispatch to deduce that butchers do not have preserved competitive marketing strategies that convey greater customer patronage; which may have resulted to abysmal lack of patronage experienced by firms in the industry.

However, most of the studies mentioned earlier, proposed diminutive help out to butchers in Nigeria, since they were alien to Nigeria. Additionally, there is the indication of an inadequate existence of local pragmatic investigations on the effect of competitive marketing strategies on customer patronage of butchers in Rivers State. The gravity of these problems conveys an investigation to build up a uniform way of doing business deals and competently connect butchers with the role of competitive marketing strategies as a transformation mediator for excellent customer patronage.

Hence, with an outlook to harmonize the body of knowledge on competitive marketing strategies and customer patronage, the current study investigates the linkage between competitive marketing strategies and customer patronage of butchers in Rivers State.

## **2. LITERATURE REVIEW AND HYPOTHESES**

### **Theoretical Foundation**

This study is anchored on the Marketing Mix Theory coined by Borden (2004) as illustrated by Gronroos (1994). The tenet of the theory revolves on organizing all facets of the marketing plan in the region of the lifestyles, requirements and psychology of the target market. The marketing mix theory merges a number of mechanisms in order to reinforce and congeal a product brand and so facilitate the sale of the product or service. The mechanisms declared here are products, price, promotion and place outlining the Four P,s. These Four P,s are the constraint that the marketing managers can be in charge of, subject to the internal and external constrictions of the environment.

### **Competitive Marketing Strategy**

Strategy is an extensive proclamation of the mode and approach which a firm positions to bring about preferred objectives (Kurtz 2012). Marketing strategy springs from market research, in where requirements, features and competitor's products are evaluated and sustained through marketing mix elements such as advertising, promotion and distribution. Marketing strategy is a dependable, fitting and practicable deposit of course of action, and plan assumed by a firm to accomplish its long term objectives in terms of customer, profit and competitiveness in a preferred target market (Ezirim, Nwokah & Maclayton, 2012). Marketing strategy entails selecting and analyzing a target market, generating and upholding an apposite marketing mix that will convince the customer through profit (Kalu, 2012).

A marketing strategy stands as a plan recognizing what fundamental goals and objectives are trailed and how they will be tracked and be attained in existing time (Anyanwu, 2013). In the observation of Ebitu (2014), marketing strategy is an action plan or set of plans anticipated to facilitate accomplishment of most wanted results on purposes in organizations. Over a specific time frame.. Boley (2011) imagines that, marketing strategy is a route of advantageously scrutinizing competition in the environmental taking into consideration factors upsetting business entities and predicting well-designed tendencies in preferred target market of curiosity to the firm and mounting procedures to meet the needs of the known segment at a profitably.

Porter described competitive strategies as "taking offensive or defensive actions to create a defensible position in an industry, to cope successfully with the five competitive forces and thereby yield a superior return on investment for the firm" (Porter, 1980).

Tracy and Wiersema (1995), posit that, competitive marketing strategies are strategies that powerfully situate a company alongside competitors and provide for the firm the strongest potential strategic benefits. Competitive Marketing strategy means deliberately deciding to carry out actions in a different way or to act upon diverse activities than competitors to put across an inimitable blend of worth (Porter, 1980). Competitive Marketing strategy refers to game plan espoused by organizations for contending productively in their special market (Porter, 1980). It engrosses the breakdown of the market and its environment, consumer purchase behavior, competitive activities, needs and competencies of market intermediaries (Schere, 1984).

Competitive Marketing strategy implies deliberately deciding to carry out activities differently or to perform different activities than competitors to convey a unique mix of value (Porter, 1980). Competitive Marketing strategy refers to game plan adopted by management for competing successfully in their chosen market (Porter, 1980). It involves the analysis of the market and its environment, consumer purchase behavior, competitive activities, needs and competencies of market intermediaries (Schere, 1984). The rationale behind competitive marketing strategy is to attain a prolonged competitive advantage and in that way boost business performance (Bharadwaji, 1993).

This study adopted two components of the marketing mix: pricing strategies and place strategies as dimension of competitive marketing strategies.

Pricing Strategies: is regarded as a value placed on a product or a service. Pricing strategy offer captious evaluation on the price alterations in organizations and how this is affected by the target market (Chisnall, 2011).

Place Strategies: aids in guaranteeing that a firm has supplied the customers with quality customer service that has an impact on the level of customer satisfaction (Palmer, 2011).

### **Customer Patronage**

Defining and measuring customer patronage is awfully complicated. Attitudinal or intentional and behavioral patronages have been used as measures of customer patronages. Dick and Basu (1994) specifically recommended that favorable attitude and repeat purchase were requisite to define patronage. Attitudinal patronage is defined as an explicit cravings to maintain affiliations with a service provider (Czepiel and Culmore, 1987). Also, several studies have examined what influences the level of customer patronage and they include firms capability, product or service attributes, economic situation, political forces, social and psychological factor, situational, competition, marketing mix program (Schiffman and Kanum, 2009, Kotler and Keller 2006).

Customer patronage emanates out of the longing to be loyal to a company due to its product quality or perceived service qualities. The magnitude or quintessence of replicate customer patronage is that a swell in sales volume will eventually and extensively impact on the company's profitability (Desborders, 2011). The necessity to look at customer needs that drive their values and behavior is the focal point currently in integrated customer relationship marketing (Kotler and Armstrong, 2014).

### **Review of Related Empirical Studies**

Asieh (2016) studied the impact of competitive strategies on corporate innovation of automobile industries in Iran, using a questionnaire-based survey of managers from two major automobile manufacturers SAIPA and Iran Khodo in Iran. The study employed correlational and regression analysis and the findings revealed that Porter's competitive strategies had a significant influence on corporate innovation.

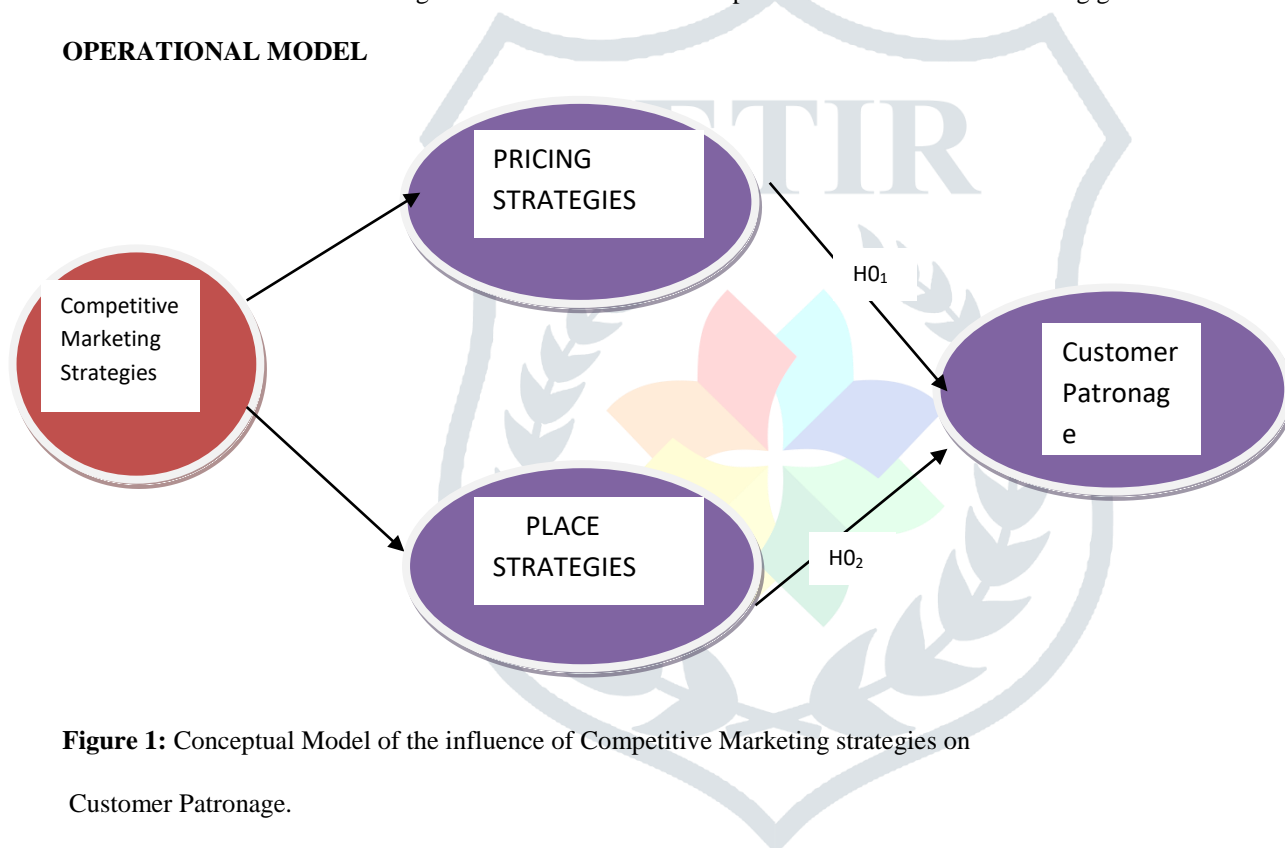
Bayraktar, Hancerliogullari, Cetinguc and Calisir (2016) investigated the relationship between competitive strategies, innovation and firm performance in the Turkish manufacturing companies, gathering data from top management through computer Assistant Telephone Interviewing Method. The study adopted the structural equation modeling by means of partial least square and the results demonstrated that competitive strategies such as cost leadership and differentiation can lead to innovation, which in turn increase firm performance.

Cusumano and Nobeoka (2016) examined the strategy structure and performance in product development in 120 automobile firms, using the least square method. The confirmation designate that Japanese automobile producers have established the highest levels of productivity in development as well as overall sales growth, and have used particular structures and processes to realize this, but the revelation from the study does not obviously designate what the specific relationships are between development productivity and quality or economic returns.

Eneize, Wahab, Zainon and Obaid (2016) premeditated the effect of green marketing strategy on sales growth of green cars in Jordan. The study employed 332 car dealers from 2010-2014 by means of the ordinary least square (OLS). The results disclosed the adoption of green marketing strategy may significantly increase the sales volume of green cars. On the other hand, the adoption of marketing strategies may decline the sales volume of green cars. Still, the adoption of marketing strategies may decline the sales volume of non-green cars campaigning with the green cars.

Adefulu (2015) examined promotional strategy impacts on organizational market share and profitability in Coca-cola and 7 up companies in Lagos State Nigeria by means of a survey research method. The study employed the univariate analysis of variance (ANOVA) to determine the statistical significance and the extent to which promotional strategy conveys variance in market share and profitability in the selected companies. The study found the need for a better understanding of the organizational factor that establishes the commitment of organizational resources to compel the achievement of marketing goals.

### OPERATIONAL MODEL



**Figure 1:** Conceptual Model of the influence of Competitive Marketing strategies on Customer Patronage.

**Source:** Designed by the Researchers

### 3. Methodology

This study employed the quantitative approach to explore the impact of competitive marketing strategies on customer patronage by means of a survey method. The simple random technique and a multi-item Likert scale affixed on a five point response design. The questionnaire was pre-tested and pilot tested. The investigation ground was the Butchery Industry in Rivers State of Nigeria and the respondents were 200 butchers operating in Rivers State. The questionnaire consists of two parts; the first is the demographic questions which epitomized a quantity of the personal attributes of the respondents. The second part consists of general questions that borders on the subject of concern. The Simple Regression and Analysis of Variance (ANOVA), with the help of the statistical package for social sciences (SPSS), were subjugated to transmit out data scrutiny.

## 4. FINDINGS

### Test of Hypotheses

#### Decision Rule

Significant/probability value (Pv) < 0.05 (level of significance = conclude significant influence.

Significant probability value (Pv) > 0.05 (level of significant = conclude insignificant influence.

### Influence of Pricing Strategies on Customer Patronage

**H<sub>0</sub>**: Pricing Strategies do not significantly influence Customer Patronage.

**H<sub>1</sub>**: Pricing Strategies significantly influences Customer Patronage.

**Table 1: Influence of Pricing Strategies on Customer Patronage (N=200).**

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.872	.764	.703	45343

a. Predictors: (Constant), Pricing Strategies

b. Dependent Variable: Customer Patronage

Since for hypothesis one, the significant is .000 which is less than 0.05; there is a significant, influence of pricing strategies on customer patronage with the R (Coefficient of Correlation) that there is 87.4% direct relationship between pricing strategies and customer patronage. R-square value of 76.4% shows that pricing strategies can influence customer patronage to a high degree. The researcher also used ANOVA to test the hypothesis in this section. The results were presented in table 2.

**Table 2: One way ANOVA for the difference in mean Pricing Strategies and Customer Patronage (N=200).**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	77.074	1	77.074	374.879	.0000
With in Groups	23.849	199	206		
Total	100.94	200			

a. dependent variable: Customer patronage

b. Predictor: Pricing Strategies

Table 2 shows that there is difference in mean between pricing strategies and customer patronage  $F(dfB,dfw) = F(199,1) = 374.879$ ,  $p < 0.05$ . Significant value is 0.01,  $r(1,199)$ . This agrees with the regression result in table 1.

## Influence of Place Strategies on Customer Patronage

**H<sub>02</sub>:** Place strategies do not significantly influence customer patronage.

**H<sub>2</sub>:** Place strategies significantly influence customer patronage.

**Table 3: Influence of Pricing Strategies on Customer Patronage (N=200).**

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.810	.656	.653	.50668

a. Predictors: (Constant), Pricing Strategies

b. Dependent Variable: Customer Patronage

Since for hypothesis two, the significant is .000 which is less than 0.05; there is a significant, influence of pricing strategies on customer patronage with the R (Coefficient of Correlation) that there is 81% direct relationship between customer patronage and customer patronage. R-square value of .65.6% shows that pricing strategies can influence customer patronage to a high degree. The researcher also used ANOVA to test the hypothesis in this section. The results were presented in table 4.

**Table 4: One way ANOVA for the difference in mean between Pricing Strategies and Customer Patronage (N=200).**

Sum of Squares	Df	Mean Square	F	Sig.	
Between Groups	55.771	1	557	281.139	.0000
Within Groups	23.849	199	257		
Total	100.94	200			

a. dependent variable: Customer Patronage

b. Predictor: Pricing Strategies

Table 4 shows that there is difference in mean between pricing strategies and customer patronage  $F(dfB,dfw) = F(199,1) = 221.139$ ,  $p < 0.05$ . Significant value is 0.01,  $r(1,199)$ . This agrees with the regression result in table 3.

## 5. Discussions

The hypothesis sought after establishing the effect of competitive marketing strategies on customer patronage by means of the simple regression analysis. The concept of competitive marketing strategies as measured by pricing strategies and place strategies in this study, dealt with issues bordering on competitive marketing strategies as a positive driver of customer patronage. It becomes clear that competitive marketing strategies make customer patronage proficient and thus capable of conveying consistent outcomes. From our findings, we understand that when competitive marketing strategies (pricing strategies and place strategies) are appropriately synchronized and optimistically handle, it polishes customer patronage positively. Our finding agrees and supports the findings of Bayraktar et al (2016) who found that competitive strategies such as cost leadership and differentiation can lead to innovation, which in turn increase firm performance.

## 6. CONCLUSION

Based on the outcome of the study, this paper concludes that a substantial statistics of butchers in Rivers State of Nigeria adopted competitive marketing strategies (pricing strategies and place strategies). This resulted to a positive significant effect on customer patronage of butchers in River State, Competitive marketing strategies assisted butchers to accomplish business aspirations such as extra sales to existing customers or take over of business from rivals.

The study established that pricing strategies had positive significant effect on customer patronage of butchers in Rivers State. Pricing strategies gave the butchers the suppleness in setting prices and taking over new businesses or sustain prices and boost the profit margin. Place strategies also had a positive significant effect on customer patronage of butchers in Rivers State. This helps to remove barriers of sales patronage.

The study therefore, concludes that the competitive marketing strategies adopted by butchers in Rivers State affects customer patronage to a great extent leading to increased sales net profit and enhanced customer patronage.

## 7. RECOMMENDATIONS

Based on the study's analysis, the following recommendations were proffered:

1. Butchers in Rivers State should continually adopt pricing strategies as these tactics were found to have positively impact on customer patronage
2. Butchers should carefully embrace competitive marketing strategies since the study helped them develop creative approaches to sales that leads to customer patronage.
3. Butchers should find a strategic location easily assessable and safe for business operations.

## 8. DIRECTION FOR FURTHER STUDIES

1. Further studies should establish the determinants of customer loyalty in butchery firms.
2. The relationship between pricing strategies and customer patronage of butchers should be researched into.
3. This study employed only two dimensions of marketing mix strategies in its analysis, further studies should embrace other elements of the marketing mix.

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