



Linkages between Adoption of Marketing Strategies and Efficiency of Marketers of Poultry Products in Delta State, Nigeria

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Abstract

This study investigated the linkages between marketing strategies and the efficiency of poultry marketers in Delta State. Primary data was obtained using well-structured questionnaire from randomly selected 120 poultry marketers. Descriptive statistics, adoption index, efficiency ratio, and simple regression model were used to analyse data collected. Findings showed that marketing strategy adoption index of 54.17% generated an efficiency index of 54.25%, thereby demonstrating strong linkage. The result of further statistical test revealed an R^2 value of 57.4% which indicates a strong linkage between marketing strategies adopted and the efficiency of the poultry marketers. Test of hypothesis using T-statistics indicates that pricing strategy (0.003) and process (attitude) strategy (0.014) showed a positive and significant relationship ($P < 0.05$) with poultry marketers' efficiency. Product strategy though not significant, exhibited positive linkage with the efficiency of marketers of poultry products. The study showed that enhancing efficiency in the marketing of poultry products through the adoption of relevant marketing strategies is crucial to the development of poultry industry. The study has contributed to knowledge by providing poultry marketers with empirical information on the linkages between the marketing strategies and efficiency. It was recommended that poultry marketers should improve on the adoption of price and process (attitude) strategies to enhance efficiency.

Keywords: *Linkages, Marketing, Strategies, Efficiency, Poultry Products.*

Introduction

Marketing strategy draws its strength from the overall corporate strategy. It may be defined as those marketing activities and tactics designed to achieve the objectives of an organization or enterprise. A marketing strategy outlines the strategic direction and tactical plans that marketing teams must implement to support the company's overall objectives (Ebitu, 2015). The study of Al-shammari and Hussein (2007) indicated that firms that implement strategic planning outperform those that do not. Strategic marketing is all about planning for all of an organization's strategy and market place (Baker, 2007). Strategic market planning is a management discipline which enables the firm to improve its competitiveness by becoming more responsive and adaptable to changing market conditions (Brooksbank, 1999). Poultry is one of the major sectors in agriculture in many developing countries that generates employment and income; alleviate poverty and hunger. The performance of the poultry industry in Nigeria has been constrained by inefficient marketing. Marketers in poultry value chain need capacity building with the relevant marketing strategies to improve their performance. This is because majority of them engaged in marketing activities without the application of the recommended marketing strategies. Revenue derived from such ineffective marketing efforts are usually very low. Sometimes losses incurred under such conditions could be colossal and discouraging to investors. It is assumed that poultry marketers who do not adhere to recommended mix of marketing strategies perform poorly in their business. Access of marketers in the poultry value chain to extension information and training programmes on the recommended agricultural marketing strategies is lacking. There are little or no capacity

building programmes for poultry marketers to acquire marketing skills. The few capacity building programmes organized for marketers in the poultry agribusiness value chain were done without capacity gap analysis which is the first step in capacity building and adoption of strategies. As a result, such programmes have failed to generate the expected impact on the performance of poultry marketers in Delta State, Nigeria.

Marketing of poultry products is very crucial to the development of the poultry industry which provides means of livelihood to many people. It is important to examine the adoption of relevant marketing strategies and how it can improve the performance or otherwise of the poultry marketers.

A clear knowledge of the strategy to be adopted is a key factor to ensuring efficiency in marketing in the poultry value chain. It would be a waste of resources and frustrating to the marketers in the poultry value chain if the wrong marketing strategy is adopted in the wrong place and at the wrong time. Identification and capacity building on the adoption of marketing strategy could also have implications in overall increase in knowledge and efficiency of the marketers in the poultry value chain which will in turn lead to an increased standard of living.

The study was spurred by the fact that it was intended in solving the problems associated with the adoption of marketing strategies for increased efficiency of the marketers in the poultry value chain. It is believed that when the study is completed, all stakeholders in poultry marketing will benefit from the outcome of the research. Also, the findings of the study is expected to lead to development of Government policies and programmes to improve the competence of poultry marketers for better performance. It will also identify areas of similar research in the future. Therefore there is the need to examine the adoption of marketing strategy gap to warrant capacity building of poultry marketers with the relevant marketing skills for optimum performance in Asaba metropolis. The specific objectives of the study were to:

- i. determine marketing strategy adoption index among poultry products marketers ;
- ii. ascertain marketing strategies utilized by marketers;
- iii. examine the tools of marketing strategies used by poultry products marketers;
- iv. evaluate the efficiency level of marketers of poultry products in the study area;
- v. assess the casual relationship between marketing strategies adoption index and efficiency of poultry products marketers.

Theoretical Framework

Human Capital Development Theory

The human capital theory was propounded by Becker Erickson (1964), a renowned Economist. The theory rest upon the assumption that formal education is highly instrumental and necessary to achieve the production of human resources (poultry marketers) which will in turn improve the productive capacity of the population. Human capital theorists argue that an educated population is a productive population. Human capital theory emphasizes how education increases the productivity and efficiency of workers by increasing the level of cognitive stock of economically productive human capability, which is a product of innate abilities and investment in human beings (Leroy, 2008). The provision of formal education is seen as an investment in human capital, which proponents of the theory have considered as equally or even more worthwhile than that of physical capital (Woodhall, 1997).

Human capital theory (HCT) concludes that investment in human capital (poultry marketers) will lead to greater economic outputs. However, the validity of the theory is sometimes hard to prove and contradictory. In the past, economic strength was largely dependent on tangible physical assets

such as land, factories and equipment. Labour was a necessary component, but increases in the value of business came from investment in capital equipment. Modern economist seems to concur that education and health care are the key to improving human capital and ultimately increasing the economic outputs of the nation (Becker, 2003).

Like other assets, human capital has value in the market place, but unlike asset, the potential value of human capital can be fully realized only with the co-operation of the person. According to Babalola (2003), the rationality behind investment in human capital is based on three arguments:

- i. That new generation must be given the appropriate parts of the knowledge which has already been accumulated by previous generations;
- ii. That new generations should be taught how existing knowledge should be used to develop new products, introduce new processes and production methods, and social service (marketing strategies).
- iii. That people must be encouraged to develop entirely new ideas, products, processes and methods through creative approaches.

Human capital theory emphasizes on the use of formal education to achieve the human resources (poultry marketers). The theory is in agreement with using education properly as a means of producing individuals that will be self-reliant and productive in the society at large. Identification of recommended strategies from a standard knowledge of profession like poultry production and marketing will help educational programmes to equip these marketers to proficient in the profession and contribute meaningfully to the society.

Azim and Azim (2012) investigated the analytical view of the marketing strategic shift of McDonald's and its effectiveness with respect to the growth of the company. Due to this strategy shift, the company not only protected the growth of its market share but also achieved record increase in revenue by 10%. A record increase of 55% in the net income along with the record increase of 19% in case of operations. This proved high efficiency and effectiveness of flexible marketing strategies of McDonald's. In the poultry enterprise, the behavior of consumers be it positive or negative towards the poultry products, will affect the cost, profit and revenue of the firm. This requires analysis, segmentation of the market, evaluation of the competitors' offers, and product positioning.

Materials and Methods

Study Area, Sampling Technique and Data Collection Techniques

The study was carried out in Asaba metropolis. This area was chosen for the study due to the presence of a good number of marketers in poultry value chain. Cluster sampling technique will be used to get the sample for this research. The quarters have similar features, hence this technique is considered appropriate. The study area will be divided into five quarters Umuezi, Ugbomata, Umuaji, Umuagu, Umuonaje and Okpanam area. These quarters will be treated as clusters in the study. 20 respondents will be selected from each quarters giving a total of 120 Marketers in the poultry value chain will be randomly selected from each cluster (quarter) giving. The study was based mainly on primary data. The primary data were obtained with the aid of structured and semi-structured questionnaire (instrument). Secondary information for the study were elicited from source such as textbooks, journals, bulletin, and the internet. The questionnaire was designed and was made to pass through the test of validity and reliability. The questionnaire was structured into sections according to the specific objectives of the study.

Data Analysis Techniques

Analysis of Marketing Strategy Adoption Index

Marketing strategy adoption index was achieved using adoption index.

The marketing strategy adoption index was measured by the percentage of marketing skills adopted by the marketers.

$$i.eMSAI = \frac{\text{Number of marketing strategies adopted}}{\text{Total number of identified marketing strategies}} \times 100 \dots\dots(1)$$

Analysis of efficiency of the marketers in the poultry value chain

The efficiency of the marketers in the poultry value chain was realized using the efficiency ratio.

The efficiency of the marketers was measured by adopting efficiency ratio i.e the ratio of the total revenue to the total cost of marketing, multiplied by 100.

$$M.E = TR/TC \times 100/1 \dots\dots\dots(2)$$

Where:

M.E = Marketing Efficiency (%)

TR = Total Revenue (N)

TC = Total Cost (N)

Analysis of casual relationship between marketing strategy adoption and efficiency of marketers

The casual relationship between marketing strategy adoption and efficiency of marketers in the poultry value chain was realized by simple regression model.

The explicit form of the model was specified as:

$$M.E. == \beta_0 + \beta_2PRM + \beta_3PRC + \beta_4PLC + \beta_5PRD + \beta_6PRC + \mu_i\dots\dots\dots(3)$$

Where:

M.E. == Marketing Efficiency (%)

β_0 == Intercept

$\beta_2 - \beta_3$ == Coefficient of parameter estimates

PRM == Promotion strategy

PRC == Pricing strategy

PLC == Place strategy

PRD == Product strategy

PRC == Process strategy

μ_i == Error term

Results and Discussion

Marketing Strategies Adoption index of Poultry Marketers.

The Table 1 shows the result of the study which revealed the marketing strategy adoption index of 120 randomly selected poultry marketers in Asaba metropolis. The result revealed that most of the poultry marketers (65 poultry marketers) in Asaba metropolis fell into the Adoption index level of between 60-70% which shows a strong level of adoption index among these poultry marketers.

Tools employed in the utilization of marketing strategies by the poultry marketers in Delta State, Nigeria.

Table 1: Distribution of marketing strategies Adoption index of poultry marketers in Delta state, Nigeria.

Marketing strategies Adoption index classes	Frequency	Percentage	Mean/Mode
< 40%	2	1.67	
40-59%	38	31.67	
60-79%	65	54.17	54.17%
80-99%	15	12.5	
Total	120	100	

Table 2: Distribution of the techniques employed in the utilization of marketing strategies by the poultry marketers in Delta state, Nigeria.

Marketing Strategy	Frequency/ percentage	Mean/mode
Price Strategy	85 (70.8%)	
Premium pricing	30 (25%)	Premium pricing (70.8%)
Penetration pricing	60 (50%)	
Economy pricing	20 (16.7%)	
Price skimming	25 (20.8%)	
Psychological pricing	15 (12.5%)	
Neutral pricing	15 (12.5%)	
Captive pricing	21 (17.5%)	
Optional pricing	20 (16.7%)	
Product bundle pricing	23 (19.2%)	
Promotional pricing	56 (46.7%)	
Promotional strategy		
Advertising	30 (25%)	Personal selling (50%)
Public relation	50 (41.7%)	
Personal selling	60 (50%)	
Sales promotion	35 (29.2%)	
Direct marketing	55 (45.8%)	
Product strategy		
Differentiated products	30 (25%)	Differentiated product (25%)
Augmented products	10 (8.3%)	
Customized products	10 (8.3%)	
Potential products	15 (12.5%)	

Source: Field data (2017)

Table 2 shows the techniques employed in utilization of marketing strategies by poultry marketers in Delta state, Nigeria, amongst which were;

Pricing strategy; the result shows that amongst the listed price strategy tools, most of the poultry marketers in Asaba metropolis practiced premium (70%). Premium pricing is described as the method of setting the price of a product higher than similar products. The practice is intended to exploit the tendency for buyers that assumes that expensive items enjoy an exceptional reputation or represent exceptional quality and distinction.

Promotion strategy; Result shows that amongst the listed product strategies tools, most of the poultry marketers in Asaba metropolis practiced a form of personal selling. Personal selling is a promotional tool where the marketers meets the buyers directly without any other medium to make them aware of and sell their products to them.

Product strategy; Results show that amongst the listed product strategies, most of the marketers in the poultry value chain in Asaba metropolis practices the use of differentiated Products. Product differentiation is a strategy which involves the act of creating real or perceived differences among similar products in a competitive environment. A successful differentiated product in the mind of the consumers determines the price differential and loyalty the firm will enjoy from the consumers.

Table 3 shows relationship between Marketing Strategies and Efficiency of Poultry Marketers in Delta state, Nigeria.

Table 3: Relationship between Marketing Strategies and Efficiency of Poultry Marketers in Delta State, Nigeria.

Model	R	R ²	Adjusted R ²	Standard error	
Linear	.757a	.574	.503	12.33936	
Semi-log	.603a	.364	.258	15.07521	
Double log	.446a	.199	.065	.13482	
Linear Regression	Sum of Squares	Df	Mean squares	of F	Sig.
Regression	6148.428	5	1229.686	8.076	.000
Residual	4567.795	30	152.260		
	10716.222	35			
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	5.471	5.674		.964	.343
promotion strategy	2.039	1.578	.172	1.292	.206
Price strategy	5.338	2.597	.411	2.056	.003**
place strategy	-2.130	2.584	-.160	-.824	.416
product strategy	1.502	1.608	.121	.934	.358
process strategy	6.299	1.747	.461	3.606	.014**

a. Dependent Variable: efficiency

b. Predictors: (Constant), process strategy, place strategy, price strategy, product strategy, promotion strategy

***= significant at 1%

Table 3 shows the result of the relationship between dependent variables- Efficiency of poultry marketers and the independent variable- Marketing strategies (price, promotion, product, place, and process). The linear regression model was selected as the lead equation because it has the highest R² value of 0.574 (57.4%) which showed a strong linkage between marketing strategy adopted and the efficiency of the poultry marketers.

Testing of hypothesis

H₀: *The selected marketing strategies do not have significant effect on the efficiency of poultry marketers in Asaba metropolis.*

The above null hypothesis which states that the selected strategies do not have significant effect on the efficiency of poultry marketers in Asaba metropolis was conducted using the T- statistics the statistical significance of the estimated differential slope coefficient β_1 .

$$M.E. = 5.47 + 2.04PRM + 5.34PRC + 2.13PLC + 1.50PRD + 6.29PRC + \mu_i$$

$$(0.96) (1.29) (2.05)^{***} (0.82) (0.93) (3.60)^{***} \dots (4)$$

The result indicates that two (2) selected strategies; price (0.003)^{***} (5.338) and process strategy (0.014)^{***} (6.299) showed a positive and significant relationship with the efficiency of the poultry marketers in Delta state, Nigeria, while place, promotion and product strategy though not significant showed a negative, positive, and positive relationship respectively. The Adjusted R² of 0.503 shows that 50.3% of the variance in efficiency was accounted for by the impact of the price strategy and the process strategy. At this point, the result of the statistical significance of the individual explanatory variables in the model are discussed as follows:

Pricing strategy;

The result of the study showed that price strategy (0.003)^{***} has a positive and a significant relationship with the efficiency of poultry marketers in Asaba metropolis. The Beta weight as seen in Table 3 showed that price strategy (with $\beta = 5.338$; $P < 0.001$) is a positive predictor of efficiency and hence contribute to it. The positive value of beta coefficient indicates that a 5.338% increase in the price strategy will also lead a % increase in the efficiency.

Price is a very important component of a marketing plan as it determines your firm's profit and survival. Adjusting the price of the product has a big impact on the entire marketing strategy as well as greatly affecting the sales and demand of the product which in turn affects the efficiency of the product. Consumers tend to buy more from marketers whose products are cheap. And so, if the price of the poultry products are too high, consumers tend to buy less which will in turn affect the sales return of the business, and vice versa. The more flexible, proper and better the poultry marketers use their price strategy, the higher their sales revenue, and vice versa. Hence the positive and significant relationship between price strategy and the efficiency of poultry marketers in Delta state, Nigeria.

Process (marketer's attitude) Strategy;

The result of the study showed that process strategy (0.014)^{***} has a positive and significant relationship with the efficiency of poultry marketers in Delta state, Nigeria. The beta weight as seen in Table 3 showed that process strategy (with $\beta = 6.299$; $P < 0.001$) is a positive predictor of

efficiency and hence contribute to it. The positive value of beta coefficient indicates that a 6.299% increase in the process strategy will also lead a % increase in the efficiency.

This strategy is very vital as it has to do with the character and manner of approach of the marketer. If the poultry marketer has a good character and a good rapport attitude with his or her customers, they feel more comfortable buying from him/her rather than going to buy from a poultry marketer whose rapport attitude and character is bad. This will increase their sales revenue and in turn increase their efficiency. The more effective the poultry marketer utilizes his/her process strategy, the higher their sales revenue and efficiency and vice versa. Hence the positive and significant relationship between process strategy and efficiency of the poultry marketers. Organizations whose goal is to survive to improve their marketing efficiency must adopt sound marketing strategies such as price and process strategies.

Table 4: Descriptive Statistics of marketing strategy adoption index Variables

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
marketing strategy adoption index	29	80.00	20.00	100.00	61.37%	21.99418	483.744
Valid N (listwise)	29						
Marketing Efficiency	36	70.00	20.00	90.00	54.25%	15.71011	246.807
Valid N (listwise)	36						

Source: Field data (2017)

Table 4 shows the mean scores and standard deviation of marketing strategy adoption index and the efficiency of the poultry marketers in asaba metropolis. The result showed that the marketing strategy adoption index is 61.38% with standard deviation 21.99418 approximately 22.00% and the efficiency is 54.26% with standard deviation 15.71. The Table 4 also revealed a relatively high marketing strategy adoption index of 61% with a 39% gap and an efficiency just above average (approximately 54%) with a gap of 46%. This result could be attributed to the fact that awareness of marketing strategies is easier to be acquired through seminar and workshop. Furthermore, implementation of marketing strategies has cost implications and the resources at the disposal of the marketers may be an inhibiting factor to a higher efficiency.

Conclusion and Recommendations

The study analyzed marketing strategy adoption among poultry marketers in Delta state, Nigeria. The study has shown that the poultry firms in the study area possessed marketing strategy adoption index of approximately 61% and were approximately 54% efficient in poultry marketing business. The major marketing strategy tools adopted by the poultry marketers in the study area were premium pricing (70%), personal selling (50%), and differentiated products (20%). The efficiency of poultry marketers were influenced by different marketing strategies at various degrees, particularly, pricing strategy (0.003)*** and process strategy (0.014)***. If these factors are taken care of, the efficiency of the poultry marketers in Asaba metropolis will improve. This study has there provided sufficient evidence to established a link between marketing strategy adoption and

marketing efficiency of poultry product marketers in Delta State, Nigeria.

On the basis of the research findings the following recommendations were made:

1. Marketers in the poultry value chain especially new entrants in the industry should attend workshops and training programmes to close identified capacity gap in marketing strategies.
2. Poultry marketers should continue with the use of premium pricing, better personal attitude to selling and differentiated products to win more market share, sales revenue and enhanced efficiency.
3. Poultry industry development programmes should embrace capacity building of poultry products marketers on efficiency enhancement strategies to give a boost to the industry.

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