

Adoption of Marketing Mix Strategy at the Introduction Stage of Nigerian Tourism Industry

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Abstract

One of the major options currently employed by Nigeria in a bid to stimulating economic growth is tourism development. So far, government has committed stupendous volume of resources into the industry at this introduction stage. Though the sector has been launched by the federal government, as well as some state governments, the sector seems not to have created any reasonable impact, due to non adoption of marketing mix relevant in managing tourism. At this stage, effort should be made towards offering services capable of satisfying tourists' needs; prices of the services should be low to encourage trial and facilitate market penetration; tourism destinations should be established where potential customers could access needed services; serious awareness should be created and promotional activities intensified so that the industry and its services could be more popular.

Keywords

Marketing Mix, Strategy, Introduction, Nigeria, Tourism

I. Introduction

Many nations have employed tourism as a means of developing their economies. This has been possible due to the fact that sustained and effectively managed tourism sector could open up several employment opportunities, boosts the per capita income of the citizenry, alleviate poverty level, attract foreign investments, add value to a nation's resources and culture, foster international amity, and expand the revenue base of a country. These tourism virtues have inspired nations to develop and expand the sector in their domains.

Certain countries have for several decades developed tourism as significant industry to facilitate economic growth. Many countries have strategically structured the sector in a manner that earned competitive advantage within the global competitive environment.

In Nigeria, tourism is at infant or "introduction" stage as federal and certain state governments have in recent time began to make deliberate effort towards developing sustainable tourism industry in their domains. Government has so far committed a lot of valuable resources with the aim of achieving sustainable tourism development. One critical aspect capable of affecting the pace at which that goal can be accomplished is the way relevant marketing ingredients called the "marketing mix" could be applied in the entire marketing programmes required at this introduction stage in enhancing tourists' satisfaction.

II. Theoretical Background

According to Agba, Ikoh, Basse & Ushie (2010), tourism refers to a business entity that provides places and events to occupy people while they are on holidays. In the perspective of Mentose and Gupta (1980), cited in Egbaji (2007), tourism means the science, art and business of attracting and transporting visitors, accommodating them and graciously catering for their needs and wants. Therefore tourists are people traveling to and staying in places outside their usual environment for not more than one consecutive year, for

leisure, business and other purposes (World Tourism Organization, 2006). Akpet (2005), cited in Eja, Otu, Ewa and Ndoma (2011) consider tourism as all embracing and involves the interaction of other components such as transportation, communication, accommodation and destination amongst others.

Tourism contributes significantly to a country's gross national products (GNP). It contributes to the overall economic development through the provisions of roads, communication, treated water, sewage treatment. It has been discovered to be a major employer of labor in the world. Makame & Boom (2008) view tourism as a strategy for achieving poverty alleviation goal, providing sustainable development opportunities to isolated poor communities even in the most remote rural areas. Apart from contributing to poverty alleviation, tourism helps conserve the natural and cultural environment (ESCAP, 2001).

A. Tourism and Tourist Destinations in Nigeria

Tourism in Nigeria centers largely on cultural events, due to the country's ample amount of ethnic groups, but also includes rain forests, savannah, waterfalls and other natural attractions (Archibong, 2004). Of recent, the federal government, as well as some state governments has made efforts in developing resorts that meet international standard and appealing to tourists. Government interest in tourism development has led to the creation of an avalanche of destinations to attract tourists into the country.

Tourism destinations or cities in Nigeria, according to Archibong (2004) include festivals and cultural celebrations (such as Duba festivals), national parks (as in old oyo, and Yankari), as well as other geographical sites (such as Aso Rock). National Park, Akamkpa is yet another effort of federal government towards the conservation of natural forests for tourist attraction. A few examples of tourist destinations developed through state governments effort are Nike Lake Resort in Enugu state, the Obudu Range Resort and Tinapa Trade Center in Cross River State, the Ibom Meridian and Golf Resort in Akwa Ibom State.

Serious attempt by Nigerian government to adopt tourism for economic and social transformation came as a recent development. Government initiative regarding tourism development is confronted with challenges locally and in the global competitive environment. Suffice it to say that tourism is at introduction stage in Nigeria.

According to Needham (1996), tourism industry is intangible product that is service-based in nature. Like any other product, tourism is subject to a life cycle which encompasses introduction stage, growth stage, maturity, and decline stage. The marketing mix useful at the introduction stage forms the nitty gritty of this paper.

B. The Concept of the Product Life Cycle (PLC)

While planning to develop a product, the common notion as to how long will the product last or sell in the market apparently come into play. This entails that every product passes through specific life span, though the length is not known in advance. The inexorable logic of the product life cycle concept is that no product is immortal

(Agbonifoh, Ogwo, Nnohim & Nkamnebe, 2007).

According to Kotler & Keller (2009), to say that a product has a life cycle is to assert four things:

- Product have a limited life
- Product sales pass through distinct stages, each posing different challenges, opportunities and problems of the seller.
- Profit rise and fall at different stages of the product life cycle.
- Products require different marketing, financial, manufacturing, purchasing, and human resources strategies in each life-cycle stage.

Life cycle is a conceptual model that suggests that products, markets, businesses and industries evolve through sequential stages of introduction, growth, maturity and decline (Kazim, 2008). Product life cycle refers to the course that a product's sales and profits over its lifetime (Kotler & Armstrong, 2010).

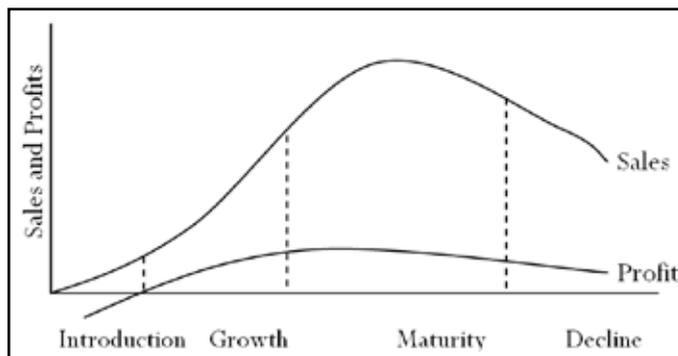


Fig. 1: Product Life Cycle Curve

Most authors typically present product life cycle to have for stages as shown in figure 1 above. Based on the viewpoint of Kotler and Keller (2009), the four stages are explained below:

1. Introduction

This stage represents a period of slow sales growth as the product is introduced in the market. Due to incurring high expenses in introducing the product in the market, no profit is made by the firm.

2. Growth

This indicates a period of rapid market acceptance and significant profit improvement.

3. Maturity

At this stage, there is a reduction in sales growth due to the fact that the product has achieved acceptance by most potential buyers. Profits at this stage stabilize or in some cases reduce as a result of growing competition.

4. Decline

At this stage, sales show a downward drift and profits erode.

C. Marketing Mix

The marketing mix are the ingredients adopted to facilitate the marketing of a product. It is the set of choices the firm offers to its targeted markets (Hill, 2005). These ingredients form what is often called the 'four P' – Product, Price, Place and Promotion. These four variables are usually manipulated by the marketing managers to suite the firm's marketing program. Invariably speaking, the four Ps constitutes the controllable part of the firm's marketing process.

Managing the controllable parts of the marketing process, according to Nickels, McHugh & McHugh (2002), involves:

- designing a want satisfying product
- setting a price for the product
- distributing the product to a place where people will buy it, and
- promoting the product.

The marketing mix consists of everything the firm can do to influence the demand for its product (Kotler & Arunstrong, 2001).

According to Lauterborn (1990), the four Ps concepts take the seller's view of the market, not the buyers view. He added that from the buyer's viewpoint, in this age of connectedness, the four Ps might be better described as the four Cs:

4Ps

Product
Price
Place
Promotion

4Cs

Customer Solution
Customer Cost
Convenience
Communication

Hence, while marketers see themselves as selling a product, customers see themselves as buying value or a solution to their problem. Customers are interested in more than the price; they are interested in the total costs of obtaining, using and disposing of a product. Customers want the product and service to be as conveniently available as possible. They want two-way communication. Effective marketing would depend on how well the marketers could design the four Ps on the basis of their understanding of the four Cs.

III. Application of Marketing Mix Strategy to the Introduction Stage of Nigerian Tourism Industry

In Nigeria, tourism has evolved through conceptualization to intangible product form ready to be patronized by the targeted customers. The industry is said to be at its pioneer stage often termed as "introduction" stage. This industry so far records low level of patronage, high government expenditure, and inexistence of profit. This scenario poses serious problem as investment goals are yet to be accomplished.

This paper suggests ipso facto, dynamic adoption and manipulation of the marketing mix in a manner that could stimulate customers' demand or patronage of the offerings of Nigerian tourism sector.

Therefore, explanation at this juncture will basically focus on maneuvering marketing program to meet the tourism industry goal at this current (or introduction) stage.

A. Product

Tourism sector is regarded as intangible product. The federal government, as well as some state governments have in recent time began the process of launching tourism in the economy, targeting the patronage of potential tourists. As a new product needed to perform well in the market, it should possess the, qualities that are of value to the potential consumers. Effort should be made to encourage initial consumer feedback to facilitate necessary modification to the industry.

B. Price

Based on the prevailing stage of this industry in the country and the need to encourage initial customer demand, price should be kept at a minimal rate. In Nigeria, competition in this sector is low except in certain tourism-related firms such as transportation, hotels and

other hospitality establishments, most of which operate below international standard. In view of the low competition, despite high expenditures in the launching of tourism into the market, considerably low prices should be changed in the industry to encourage initial customer patronage and to put the industry *ceteris paribus*, at a competitive advantaged position in the international marketplace. The strategy of entering the market with low prices is termed “market penetration pricing”.

C. Place

This includes activities necessary for making the tourism services accessible to target consumers (tourists). The present stage of the industry in the country does not require building intensive distribution of tourism service outlets since its services still remain unpopular within and outside the country. Rather, selective distribution network should be adopted. The country should at this stage site tourism destinations in few locations considered to be strategic and endowed with attractive and uncommon resources that are of importance to the target customers (tourists). Creation of tourism sites and destinations are often highly capital intensive. To encourage private sector participation in the development of tourism, government could partner with credible private investors (partial privatization) at every stage of the industry management process. This would not only facilitate offering of need-satisfying services, but would also ensure that such services are made available at appropriate destinations.

D. Promotion

At this stage a large percentage of the populace are not aware of the existence of tourism industry in Nigeria. They need to be made aware of it and where the services could be accessed for trial by potential customers. Therefore, aggressive promotional activities should be put in place. Also, there is need for serious advertising through relevant media within and outside the country to stimulate awareness and entice trial.

IV. Conclusion

Nigeria is one of the nations that is interested in using sustainable tourism development to fast-track economic growth. This industry has so far passed through conceptualization to the stage of being launched (introduced) into the market. The sector, like any other business or product has a life cycle made up of four stages-Introduction, growth, maturity and decline.

Tourism development in Nigeria is at the pioneering stage often described as “introduction” stage since it has recently been launched into the market.

Certain essential strategies need to be adopted so that tourism at this stage could survive, through the satisfaction of the potential tourists’ needs. These strategies revolve around the marketing mix which is made up of four Ps – Product, price, place and promotion. The four Ps are often manipulated depending on the product or service stage within its life cycle and the management interest in terms of how the product should perform in the market place.

Therefore, a proper mix and effective application of the four variables can serve as vital strategies for achieving sustainable tourism industry growth in Nigeria.

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