



MARKETING AND THE GROWTH OF SERVICE INDUSTRY IN THE POST-COVID-19 ERA: A Case of Selected Service Providers in Bida Town

**BELLO, BABATUNDE SIKIRU¹;
NWOKENKWO, BEN OLUBUNMI²;
OZIMEDE, ELIZABETH I.³; ABDULLAHI,
NDAGI YUKUBU⁴**

*^{1,2&4}Department of Marketing, Federal Polytechnic,
Bida. ³Department of Business Administration &
Management, Federal Polytechnic, Bida*

ABSTRACT

Marketing activities play a significant role in the survival and growth of any organization. In recent time, marketing activities in the services industry have been posing serious problems to the service operators. This is because of the competitive nature and the increase in the number of service industries. Marketing of services such as insurance, hotel, and banking

INTRODUCTION

The complex conditions of modern businesses and increase competition in almost all aspects of services operation have compelled the management of every service industry to place emphasis on the efficient and effective method of presenting its service. The need for marketing in service industry cannot be overemphasized; the degree of marketing activities in a company depends on the size of the market it is to serve. Traditionally, executives in service industries have not been market driven. They have lagged behind sellers of products in accepting the marketing concept and have generally been slow in adopting promotional methods “product” strategy and other marketing techniques. The competitive nature of service industries in Nigeria today is posing serious problems to various service industries. Each and every one of them wants to maintain its existing



customers and potential ones in order to realize its corporate objective. Olujide (2003) posited that a handful of companies particularly in the service sector are operating in volatile environments. One can therefore argue that maximum sales could only be reached with effective and efficient marketing strategies.

The changing tastes, expectation and increasing innovations and sophistication in people have had tremendous effect on the marketing of services in Nigeria. The era during when the service operators sit behind their tables expecting customers to come to their organizations has passed. All service industries now have to cultivate the habit of marketing their services. Effective marketing by definition starts with getting closer to effective marketing activities (Atijosan 2002). The problem definition of this paper is to examine whether the practice of marketing activities and programmes in service industries influence both the potential and prospective customers. The service industries in a third world country such as Nigeria have attendant problems of marketing. Therefore, any effort towards

stand on different platform as the marketing slogan is shifted from tangible products to intangible services rendered to customers. The objective of this paper is to examine if marketing concept as a new business philosophy has been rightly adopted in the service industry. The study is based on the information gathered and collected from both primary and secondary sources. The sample for the study is obtained from the selected service providers in Bida town and this covers banking, hotels and insurance companies. Data analysis for the study was done using frequencies, percentage, chi-square, and z-score. Findings of the study revealed that marketing activities have been playing a dominant role in the development of the service industries. Therefore, the continued existence of any service industry will depend on its ability to design and map out appropriate marketing strategy for the target audience.

Keywords: Growth, Industry, Post-Covid-19 Era, Service Providers, Bida Town



enhancing the effectiveness of its marketing is considered in the right direction.

THEORETICAL FRAMEWORK

The confusion that may arise in the minds of a lot of people may border on how services can be marketed as opposed to marketing of physical products. The paper attempts to conceptualize services as products, if this will make their marketing aspect more meaningful. Anything that is capable of rendering a service that satisfies a need qualifies to be a product, and this includes, persons, places, organizations and ideas. It has been pointed out that there are various definitions of marketing and the multiplicity of definitions help in the understanding of marketing better. Stanton (1981) defined marketing as “any interpersonal or inter-organizational relationship involving an exchange (a transaction) – the intention of which is to satisfy human needs or wants”. Kotler (1997) also defined marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of values which include: needs, wants and demands; product, value, cost and satisfaction; exchange transaction, and relationship, markets, marketing and marketers. These concepts are the bases on which marketing is rested. Henceforth, for effective marketing, the concepts must be recognized. Indeed, marketing of services stand on a different platform as the marketing slogan is shifted from tangible products to intangible services rendered to customers. Rajan (2002) emphasized that it is the responsibility of organizations to provide service to their customers. This is because marketing means understanding and responding to the specific needs of the customers. This is a critical factor in organization’s survival and success as enunciated in the marketing concept.

Dalrymple and Parsons (1990) described services as intangible activities and benefits that satisfy customers’ wants without the ownership of goods. He further identified some factors that affect the marketing of services as whether they are equipment based or people based. Stanton (1981) agrees with this view stating that services are those separately identifiable, essentially intangible activities that provide want



satisfaction, and that are not necessarily tied to the sale of a product or another service. To render a service may or may not require the use of tangible goods. Although, where situation requires the use of tangible goods, there is no transfer of the title (permanent ownership to these tangible goods). More importantly, service industry in Nigeria is growing fast especially insurance hospitality and banking. Each of them is striving to maintain both the existing and potential customers and more also to retrieve a reasonable number of the share from the numerous competitors. Courtland and John (1992) view service as a performance that delivers some combinations of benefits to the buyer. According to them, service can be provided by a machine (automatic teller), a person (consultant), or a combination of both (mechanic). Marketing can therefore be seen as the process of organizing and directing all activities of organization which relate to determining the market demand and converting the customers buying power into an effective demand for a service and bringing that service to customer. It is the process of developing, promoting, and distributing, services to satisfy customers' needs and wants.

NATURE AND CLASSIFICATION OF SERVICE

In understanding the nature of service, a review of the different definitions given by different authors will be of great assistance. Kotler (2003), defined service as any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to physical product. A classification of services is useful because of the great diversity of service institutions. If service marketers are to develop marketing strategies, they must know where their services fit in relative to competition and to consumer needs. Hutt and Spey (1992) categorized services in business in two groups. The first category is products supported services. In this situation, the wide ranges of service elements that accompany the physical product are frequently as important as the technical solution offered by the product itself. The best example is that of consultancy services associated with the sales of computers and other technical products. The second category is pure



services; those that are marketed in their own right without necessarily being associated with a physical product. These include insurance, consulting, banking, accounting and travel booking services.

Assael (1985) classified a service as either facilitating the sale of products or being independent of products. He presented a four-part classification of product and service depending on:

- (i) Whether the product or service is the primarily offering.
- (ii) Whether the product or service is a supportive role.

A product that is offered with no service supportive is called a pure product, for instance, shoes, textbooks, etc. Products that require post purchase services support are called product-related services. When the service rather the product in the primary offering, for example, automatic teller machines are products that provide bank customers with a service. These are called equipment intensive. A service that relies only on people is called pure service. They require no product intervention.

MARKETING STRATEGIES FOR SERVICE INDUSTRIES

Marketing strategy is a long-range plan that guides the efforts of all marketing personnel (Robin 1982). Marketing strategies should not be confused with marketing goals. The marketing goal of an organization is to satisfy customers and other members of the public in exchange for a profit or acceptable revenue/cost ratio. The marketing strategy on the other hand, is a particular plan for achieving that goal. Two or more service firms might have identical marketing goals, but use different marketing strategies for reaching that goal. Therefore, marketing strategy is based upon goals. According to Duro (1999), the most successful organizations are those that take strategic marketing seriously and strive very hard to have competitive edge or advantage. Nonyelu (2000) defined marketing strategy as a single statement indicating the general route to the achievement of the objective, sometimes; however, it is very specific and quantitative. According to him, shaping marketing strategies for services, the marketers must often



face a great number of choices and options, which if adopted will guarantee their success, these are:

- i. The resources available need to be identified.
- ii. The competitors' marketing strategies.
- iii. The competitive size of organization and position.
- iv. The coordination of the tactics into an integrated cohesive whole.
- v. The character of the economy/environment.

METHODOLOGY

A population is made up of all conceivable elements, subjects or observations relating to a particular phenomenon of interest to the researcher (Asika 1991). The population of this research study is the selected service industries in Bida metropolis. The sample study was divided into three groups: the first group covers insurance companies while the second group comprises hospitality industry and the last group covers banking industry. The researcher administered ninety (90) questionnaires to the selected service industries, but seventy-five (75) questionnaires were properly filled and returned, this represents 83.3% return rate. The questionnaire used was divided into two sections; the first section is designed to know the demographic characteristics of the respondents, while the second section is designed to tap information relating to the problem of the study. The second part contains structured and unstructured questions. The purpose of the unstructured questions is to assist the respondents to apply information in areas that the structured questions did not cover.

DATA ANALYSIS AND INTERPRETATION

Data analysis reveals that majority of the respondents are literate, it was revealed that about 24.0% of the respondents have postgraduate qualification while about 42.7% are B.Sc./B.A/HND holders and about 20.0% are holders of ND/HSC/NCE, while 12.0% have WASC/GCE, and 1.3% have less than WASC/GCE. The age distribution of the respondents ranged between 21 – 50 years. The research study also reveals that about 32.0% of the respondents have spent between 10 – 14 years, while 25.3% have spent between 5 – 9 years with their organizations, and about 42.7%



have spent about five years. The researcher used significance level that is probability value setting the boundary between the acceptances and rejecting zones. The researcher used common value that is 5%, which could also be stated as 95% confidence limit.

Table 1: Groups cross tabulation and responses to question on the impact of marketing effort in the growth of the service industry

Groups	Strongly Agreed	Agreed	Uncertain	Disagreed	Strongly Disagreed	Row total
Banks	9	18	2	-	1	30
Insurance	10	14	-	1	-	25
Hotels	8	11	1	-	-	20
Column total	27	43	3	1	1	75
Percentage	36.0	57.3	4.0	1.3	1.3	100

Source: Survey 2011

$$Df = (m - 1)(n - 1) = (5 - 1)(3 - 1) = 8$$

The study revealed that about 36.0% of the respondents strongly agreed that there is positive impact in the marketing effort on the growth in the service industry. 57.3% respondents also agreed with the assertion. However, 2.6% of the respondents did not in support of the position. The implication here is that since about 93.3% of the respondents interviewed are in support of the favourable impact of marketing effort in growth of the service industry. This means that marketing effort has been a great assistance to the service industry and highly relevant to their survival and continuing existence.

The result of 'SPSS' using chi-square statistical test at 0.05 level of significance with 6 degrees of freedom is 7.17 while the critical value is 12.6. We cannot reject the hypothesis which specified that there is unfavourable impact of marketing effort in the growth of the service industry. This indicates that growth in the service industry is not totally dependent on marketing effort but is rested on the other factors that cannot be explained by the variation.

DISCUSSION OF FINDINGS

Not until recent times, service industries were still in the sellers' market. Service industries are yet to adopt the marketing concept to the fullest as a new business philosophy. The paper revealed that service



organizations have been intensifying their marketing effort despite the cost as claimed by the employees interviewed. The services industries have been able to identify opportunities and treats, which led to the introduction of new products, services and opening up of branches nationwide. The purpose of this is to bring service close to the customer, since marketing involves identifying and reaching specific segments of a population for the purpose of selling them a product or service.

The research finding also revealed that some organizations do not have full marketing department armed with full autonomy to make decisions that can affect their respective branches. It is also observed that more attention is being placed on the existing service particularly in the insurance firms. It is high time they knew that while production, product and selling concepts of marketing are all essential for the realization of organization goals and objectives, it can be said however that marketing of service entails much more than aforementioned. It was also revealed that marketing of services goes beyond satisfying the customer it means delighting him/her. This deeper quest is the secret of most successful marketers of services today, as claimed by most of the branch managers interviewed. According to them they go beyond meeting the mere expectation of clients/customers. Marketing activities have been playing a vital role in the growth of the service industries. Marketing is a management process that is responsible for identifying, anticipating and satisfying customers requirement profitably (Nwankwo 1980).

The focus of the study is on banking, insurance and hospitality services, this is to enable the study to cut across the service industries. Most of the service industries operate their services with reliance on marketing concept. All the selected service industries employed public relation promotional mix element in their marketing effort but the study revealed that hotels and banking firms employed advertising more than insurance firms. The media for advertising are radio, television, and magazines. From the employees' responses, 90.7% of the employees indicated television as an advertising media being used by their organizations.

RECOMMENDATIONS

The writers are of the opinion that marketing organizations should establish their businesses with functional and autonomous marketing department that will be able to take decisions bordering on their



activities since it is believed that marketers are the closest to customers. Insurance companies should also be more proactive in their advertising drive so as to attract more patronage from the increasing population of Bida town and its environs. It is an indisputable fact from this research that service industries are growing and becoming profitable in recent times in Nigeria. For instance, the introduction of Global System of Mobile Telecommunications (GSM) and the springing up of new branches of service industries such as banks, insurance and hotels are a clear evidence of expansion in the service industry.

Considering the present state of Niger, now that there is a clamour for the creation of “Edu State” with Bida town as its capital, the increasing complexity of customer’s tasks, the service firms should carry out conscious and vigorous marketing research to define the customer and what he needs. It should also examine why the customer needs such services. These if properly analyzed would give insight into how to improve the design of services.

Finally, the continuous existence of service industries and their level of success largely depend on customers’ readiness to patronize their services. The level of patronage also depends on how much the customers know about the service and the confidence they have in their satisfaction. However, such confidence does not come through quietness but through marketing efforts made on a continuous basis so as to build a strong confidence.

REFERENCES

- Asika, N. (1991) *Research Methodology in the Behavioral Sciences*, Longman Nigeria.
- Assael, H. (1985) *Marketing Management Strategy and Action*. Kent Publishing Company, Boston pp. 695 – 705.
- Atijosan, Y. (2002) *Changing Business Scenario: Implications for Marketing in the 21st Century*, The Nigerian Tribune, Dec. 3, p. 1.
- Courtland, L.B. and John, V.T. (1992) *Marketing*, McGraw-Hill Inc. pp. 692 – 697.
- Dalrymple, D.J. and Parsons, L.J. (1990) *Marketing Management Strategy and Cases*, John Wiley and Sons: New York p. 444.
- Duro, L. (1999) *Strategic Marketing for Competitive Advantages*, Business and Management Journal – A Quarterly Publication of Michael Stevens and Associates. April – June, Vol. 2 No. 2 P. 48.
- Hutt, M.A. and Spey, T.W. (1992) *Business Marketing Management*, the Dryden Press, Florida, pp. 326 – 333.



- Kotler, P. (1997) *Marketing Management: Analysis, Planning Implementation, and Control*, Prentice Hall of Indian Private Ltd. New Delhi.
- Kotler, P. (2003) *Marketing Management: Planning Analysis Implementation, and Control*, Prentice-Hall of Indian Private Ltd New Delhi.
- Nonyelu, G.N. (2000) *Modern Marketing for Nigeria: Principles and Practice*, Africana-Feb Publisher Ltd. Nigeria, pp. 280-282.
- Nwankwo, G.O. (1980) *The Nigeria Financial System*, Macmillan Publishers Ltd. Lagos.
- Olujide, J.O. (2003) *Marketing Orientation and Business Profitability in Nigerian Banking Industry*, in *Advances In Management*, Journal of Department of Business Administration, University of Ilorin, Vol. 3, No. 1, p. 33.
- Rajan, S. (2002), *Marketing Management*, Tata McGraw-Hill Publishing Company Ltd. New Delhi. P4.
- Robin, P. (1982) *Marketing: A Contemporary Introduction*, Robert E. Krieger Publishing Company, Inc. Florida, p. 34.
- Stanton, W.J. (1981) *Fundamentals of Marketing*, McGraw Hill Company, New York, pp. 5 – 8.