

Strategic marketing management of oil and gas industry: aof literature assignment...

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E3 Journal of Business Management and Economics Vol. 1(1). pp. 001-009, October, 2010 Available online <http://www.e3journals.org/JBME> ?? 2010 E3 Journals Review Strategic Marketing Management of Oil and Gas Industry: A Review of Literature Akinyele, Samuel Taiwo School of Business Studies, Covenant University, Ota-Nigeria.com Accepted 27 September 2010 The purpose of this paper is to review the literature on strategic marketing management. This study adopted an expost facto research methodology to examine the strategic marketing management literature in an attempt to attain their desired level of performance.

The overall findings suggest that strategic marketing is a driver of organizational positioning in a dynamic environment, and that it helps to enhance the development of new products/services for existing markets. These findings, along with other interesting findings of the study, are discussed. From the empirical and anecdotal managerial evidence as well as from the literature, implications are drawn for the efficient and effective strategic marketing practices in the Nigerian oil and gas industry.

Based on the findings of the study, the concepts and principles of total quality management within a holistic framework it is recommended that (i) efforts should be made by organizational marketers towards understanding the relevant economic factors that affect both clients' behaviour and the strategic options that may be adopted to cope with such behaviours; (ii) in a constantly changing business environment, firms can adopt different strategic marketing practices since the yardstick is the enhancement of business performance.

KEYWORDS: Strategic Marketing, Strategies, Dynamic environment, Deployment, Resources, Management Introduction The sensitivity of the petroleum resource is clearly reflected in the fact that it has remained or continued to be the goose that lays golden eggs for the Nigerian economy as well as the supreme foreign exchange earner contributing over 80% of government revenues and helps the development of Nigeria's infrastructures and other industries (Anyia, 2002; Chukwu, 2002; Gary and Karl, 2003).

However, due largely to the highly technical nature of exploration and production, the sector depends substantially on imported technologies and facilities for most of its operations. In view of the critical importance of the sector to the nation's economy and its capacity to generate far-reaching multiplier effect, the grooming of highly skilled indigenous manpower to participate keenly in the activities of the sector to redress the foreign dominance becomes imperative (Baker, 2006).

The rapid development of an indigenous technical workforce has become more compelling than ever before against the background of the expected imminent injection of massive investment in the sector. With a current production capacity of about 30 million barrels per day (bpd), Nigeria plans to increase her production capacity to about 40 million bpd by 2010 (Utomi, 2001; Obi, 2003; Mathiason, 2006). Already, Nigeria is the leading oil and gas producer in Africa, currently ranked the seventh highest in the world (NNPC 2004; The Guardian 2006).

In addition to the above, Nigeria which is widely referred to as a gas province, has natural gas reserves that triple crude oil reserves, being

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estimated in excess of 187.5 trillion standard cubic feet (scf) (Africa Oil and Gas, 2004). The foregoing underscores the vast investments and potentials of the Nigerian petroleum sector, and therefore calls for commensurate investments in the development of the Nigerian human capital base. The Federal Government has stated that one of its objectives is to achieve 50 per cent local content in the oil and gas sector by 2010.

Adegbulugbe, (2002) observes that Nigeria began exporting oil in 1958 with crude oil production of 5000 barrels per day (bpd) rising by 1979 to a peak of 2.3 million bpd. Currently, Nigeria's crude oil production is about 1.5 million barrels per day (bpd) and this is expected to rise to 2.5 million bpd. Nigeria is the 13th largest oil producer in the world and 6th largest oil producer among the Organisation of Petroleum Exporting Countries (OPEC). It ranks 5th in gas reserves which makes the country more of a gas rather than an oil country (CBN 2002). Indeed, Nigeria is often described as a gas zone with some oil in it. However, gas resources are largely untapped and Nigeria's gas reserves place it among the top ten countries in the world in that category (Assael, 2000; Ekpu, 2004). Assael, (2000) and Ekpu, (2004) also observe that other energy resources such as hydro power, wind energy, and coal, which is produced in Enugu and Benue States abound in the country. Nigeria is in fact the only coal-producing West African nation.

About 43% of Nigeria's natural gas is associated with oil which according to (Ekpu, 2004) is unfortunately largely flared to the detriment of the economy. Consequently, the energy resources base of the country can be classified

into two, namely: Fossil fuels, which are all non-renewable or finite in supply and renewable resources, which in principle are infinite. Fossil fuels comprise crude oil, natural gas, coal, bitumen and tar sand, while renewable resources consist of hydropower and solar energy.

For the latter group, the rate of exploration is less than the natural rate of replenishment. Energy consumption is in the area of petroleum products, which according to (Dixton et al. , 2005), accounted for between 70% and 80% of total energy consumed in Nigeria between 1970 and 1980, the major consumers being the transportation, household and industrial sectors. To achieve a set of organizational goals and objectives, companies conceptualize, design, and implement various strategies. These strategies can be corporate, business, or functional.

Marketing strategies constitute one of the functional strategies amenable to application by contemporary companies in order to enhance performance. Marketing has been defined and conceptualized in various ways, depending on the author's background, interest, and education (Osuagwu, 1999). For example, marketing can be seen as a matrix of business activities organized to plan, produce, price, promote, distribute, and megamarket goods, services, and ideas for the satisfaction of relevant customers and clients.

Achumba and Osuagwu (1994) also posit that marketing is important for the success of any organization, whether service- or product-oriented. Bolaji (2003) argues that the oil and gas service sector constitutes a service industry that has currently been changed by aggressive strategic marketing behaviour. According to (Okoroafo, 1993), indigenous Nigerian oil and gas

marketing companies were not profoundly entrepreneurial at the beginning for the following reasons: lack of trained manpower, poor infrastructural development, lack of adequate or sufficient capital base on the part of the indigenous oil and gas marketing companies and intense competition from superior foreign companies. The petroleum industry is considered to be one of the largest and most powerful industries in the global market with its operations covering every corner of the globe and with the world's energy heavily dependent on oil and gas products (Amnesty International, 2004).

Today, activities in the petroleum industry are composed of various procedures including exploring, extracting, refining, transportation and marketing of the petroleum product. This study is intended to expand the body of knowledge in respect of the application of strategic marketing practices to the oil and gas sector especially in a developing economy like Nigeria that earns over 80% of her foreign exchange from oil and particularly, as the Federal Government is putting in place policies and strategies to improve the oil sector's contributions to the Nigeria economy (Garuba, 2006).

Statement of Research Problem The problem statement, according to (Wiersma, 1995), describes the content for the study and it also identifies the general analysis of issues in the research necessitating the need for the study (Creswell, 1994). The research is expected to answer questions and provide reasons for undertaking the particular research (Pajares, 2007).

The problem of this study is to measure, analyse and establish the impact of organization expenditure on oil and gas industry performance variables

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which include effect of structure/strategies, the diversification and concentration, environmental performance indices and goal actualization of the organization objectives.

Many research efforts in the area of marketing practices in developing economies have dealt with macro issues and emphasized the management of company's structure and strategies, conduct and performance of marketing activities as they relate to performance indices such as market share, growth, efficiency and well being of consumers and clients, (Boyd et al 1994; Baker, 1995; Bauer, 1998; Samli and Kaynak, 1994) lament that the key defect with this static and macroanalysis of marketing practices in developing economies is that it minimizes the impact of the marketing environment on the achievement of performance measures. Also, although some research efforts have been undertaken to explain marketing practices in developing economies at the organizational level (Westfall and Boyd, 1990; Samli, 1994; Wadimambiaratchi 1995; Cravens et al. , 1990), many of these research efforts do not provide answers to issues pertaining to the impact of company's structure and strategies on the performance of mineral prospecting industries particularly the oil and gas marketing Akinyele 003 companies. The deregulation of the Nigerian economy through the Structural Adjustment Programme (SAP) affected the oil and gas sector in Nigeria in many ways (Miles and Snow, 1978; Umunnaehila, 1996).

These include the diversification and concentration of marketing activities and the need to apply the marketing mix elements such as price, place, product, and promotion to meet the needs and want of customers and also

survive in intense competition within and outside the Nigerian oil and gas industry. The restructuring policy of SAP, brought deregulations in the sector and encouraged many new oil and gas marketing companies to enter into the oil and gas industry.

This resulted in oil and gas companies seeking for clients and designing services that would meet clients' needs and wants. Consequently, the Nigerian oil and gas companies incorporated the usage of various market mix elements to improve their market outreach/ coverage, new product ratio, price positioning, competitive orientation etc to survive and grow (Umoh, 1992; Udell, 1998; Osoka, 1996; Adler 1997; John and Davies 2002). The poor condition of some oil and gas marketing companies in Nigeria is a function of some interrelated problems.

According to (Sheng, 1999 ; Day and Reibstein, 1997 ; Kim and Mauborgne, 1998 ; John, 1999 ; Kandampully and Duddy, 1999), the causes of the oil and gas marketing companies failure or poor performance, are due to microeconomic or macroeconomic factors (performance industry environmental factors indices coupled with the management of marketing content and product marketing). Mamman and Oluyemi (1995) ; McDonald (1996) and Creveling (1994) have, however, posited that oil and gas companies poor performance in Nigeria is a function of industry environmental factor indices and marketing of oil and gas services.

Faced with the compelling need to achieve their organizational goal, oil and gas companies in Nigeria must explore new avenues, approaches, strategies or practices to achieve their set goals and objectives. Generally, marketing

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strategy deals with adapting the marketing mix elements to environmental factors. It evolves as a result of the interplay of the marketing mix elements and the environmental factors, which impact on these elements (Scnars, 1991; Li et al. , 2000; Aristobulo, 1997; Jain, 1993 ; Mavondo, 2000).

Therefore, the function of products. The peculiarities may, also, require unique inter-industry/marketing commitment and approaches. However, marketing concepts, principles and goals are of relevance in the marketing of oil and gas service. Sound and robust marketing commitment on the part of organization and sales-people are important to the survival and growth of the oil and gas industry, considering the subtle, unstable and seemingly hostile business environments in which contemporary business organizations operate (McDonald, 1996; Creveling, 1994).

In order to formulate and implement effective and efficient goal actualization and inter-industry marketing commitment in product distribution, oil and gas companies should have a thorough and continuous understanding of the relevant environment that impacts on their marketing strategies (McDonald, 1989; 1992; 1996). Today, obtaining and retaining a dominant position in the market has become very difficult due to the vast spread of products and services and the aggressive competition on one side and increasing customers demand on the other side.

Also rapid transitions of information age and appearance of new economies set forth customer as a valuable asset and communicating successfully with (internal and external) customers is an essential part of doing business which create competitive advantage in the external environment and

enhance interindustry marketing commitment in internal environment, in a manner that all of the resources and technologies of an organization should combine with internal and external customers in order to have a sustainable competitive advantage and organizational commitment.

Successful organizations are those that integrate efficient and effective management in internal and external dimensions through external relationship management and enhancement of interindustry marketing commitment and goal actualization among internal and external customers. Internal marketing paradigm is a mechanism for the managers to analyze the organizational issues which need to be addressed in implementing marketing strategies.

It is therefore, imperative for organizations to establish an important framework of legitimacy for new directions and transformations and accommodate the constant process of change management and knowledge management. Objectives of the Study The main focus of marketing activities of oil and gas marketing companies is the identification and satisfaction of clients' needs and wants. These objectives can be attained by identifying the likely marketing mix variables and strategies, including relevant environmental impacts on them.

There is, therefore, the need to carry out this research given the enormity of the problem facing the oil and gas industry. marketing strategy deals with determining the nature, strength, direction, and interaction between marketing mix elements and the environmental factors in a particular situation (Jain and Punj, 1987; Osuagwu, 2001; 2001; 2004). However,

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achieving efficient and effective product marketing strategy by an organization is difficult, as a result of the ambiguity and instability of environmental factors (Brownie and Spender, 1995).

The peculiarities of oil and gas marketing services may create or set modalities for goal actualization parameters that are different from those found in the marketing of tangible 004 J. Bus. Manage. Econ Literature Review Definition of Strategic Marketing The early strategic marketing-performance studies date from the time of rapid expansion of formal strategic marketing in the 1960s (Henry, 1999). Although same studies employed diverse methodologies and measures, they shared a common interest in exploring the financial performance consequences of the basic tools, techniques, and activities of formal strategic marketing i. . systematic intelligence- gathering, market research, SWOT analysis, portfolio analysis, mathematical and computer model of formal planning meetings and written long- range plans. The studies did not generally examine the relationship between performance and the extent of formal planning; variously referred to as “ comprehensiveness, rationality, formality, or simply, strategic marketing”. However, strategic marketing is a continuous and systematic process where people make decisions about intended future outcomes, how these outcomes are to be achieved and how success is to be measured and evaluated.

Strategic marketing will help organizations capitalize on their strengths, overcome their weaknesses, take advantage of opportunities and defend themselves against threats. According to Allison and Kaye (2005), strategic

marketing is making choices. It is a process designed to support leaders in being intentional about their goals and methods. Differently expressed, strategic marketing is a marketing management tool and like any tool, it is used for one purpose only namely to help an organization to do its job better.

Hence, strategic marketing is a systematic process by which an organization agrees on and builds commitment among key stakeholders to priorities that are essential to it and are responsive to the environment. Bryson (2004) observes that strategic marketing is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future. Woodward (2004) argues that strategic marketing is a process by which one can envision the future and develop the necessary procedures and operations to influence and achieve the future.

Organizations can develop a planning process based on six simple questions. Realistic answers to these can help to guide the owners and managers of any business or organization toward a successful future. Peculiarities of Strategic Marketing Strategic marketing, according to (Berry, 1997), is the process of determining (i) what your organization intends to accomplish and (ii) how you will direct the organization and its resources towards attaining the goals set over the coming months and years. In other words, strategic marketing is a tool for finding the best future for your organization and the best path to reach the desired destination.

Higgins and Vincze, (1993); Mintzberg, (1994); Pearce and Robinson, (1994) are of the opinion that strategic marketing can be defined as the process of

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using systematic criteria and rigorous investigation to formulate, implement, and control strategy, and formally document organizational expectations.

Kudler (1996), views strategic marketing as the systematic process of determining the firm's goals and objectives for at least three years into the future and developing the strategies that will guide the acquisition and use of resources to achieve the set objectives.

Steiner, (1997) sees strategic marketing as the process of determining the mission, major objectives, strategies and policies that govern the acquisition and allocation of resources to achieve organizational aims. Strategic marketing has come to be “ inextricably interwoven into the entire fabric of management”, it is not seen as separate and distinct from the process of management. Bradford and Duncan, (2000) argue that strategic marketing is an organization's process of defining its strategy and making decisions on allocating its resources to pursue this strategy, including its capital and people.

The outcome is normally a strategic plan which is used as a guide to define functional and divisional plans, technology, and marketing among others.

Hunsaker, (2001) observes that strategic plans apply to the entire organization. They establish the organization's overall objectives and seek to position the organization in terms of its environment. Strategic marketing is done by top level managers to determine the long- term focus and directions of the entire organization. All short- term and specific plans for lower- level managers are linked and coordinated so that they may contribute to the organization's strategic plan.

Paley, (2004) sees strategic marketing as representing the managerial process for developing and maintaining a strategic fit between the organization and the changing market opportunities. Gup and Whitehead, (2000), on the other hand, see strategic marketing as the formulation of a unified, comprehensive and integrated plan aimed at relating the strategic advantages of the firm to the challenges of the environment. It is concerned with appraising the environment in relation to the company, identifying the strategies to obtain sanction for one of the alternatives to be interpreted and communicated in an operationally useful manner. Anderson, (2004) states that strategic marketing is the logical and systematic process by which top management reaches a consensus on the major strategic direction of the company. Paley, (2004) advocating the adoption of strategic marketing in solving organization's problems, remarks that the organization which does not plan for its future does not deserve any future. Citing the work of (Ansoff, 1988), he contrasts strategic marketing with long- range Akinyele 005 planning and concludes that both concepts are not synonymous.

He argues that long- range planning is based upon the extrapolation of past situations, a questionable premise on the ground that present conditions are not the same as those of the past. Ulrich and Barney, (1984) further criticize the traditional extrapolation techniques of long range planning and suggest the use of scenario analysis which encourages broad and creative thinking about the future. The authors cite the work of (Wing, 1997), which contest that traditional forecasting techniques are based on the assumption that tomorrow's world will be much like today's.

Commenting on 'New Age' Strategic marketing Ginsberg, (1997) explains that the present complex environment is characterized by side effects, time delays, non-linearity and multiple feedback processes. He then concludes that traditional strategy tools are no longer adequate in designing superior strategies. He consequently advocates the use of the holistic systems approach as opposed to the esoteric ways of the 'old'. Ansoff, (1988) reports that newly invented strategic marketing displaced long range planning because of the growing discontinuity of the environment.

He gives the following reasons for this replacement: that the firm's environment has its own turbulence level and that there are specific systems appropriate for given turbulence levels. He states further that each firm therefore needs to diagnose its future turbulence level and the appropriate systems chosen to explain that under an environment of slow change, without urgent needs to anticipate, familiar pattern can be extrapolated. That type of environment was reported to have characterized the pre- 1950 year of long range or corporate planning after which the 1980s changes became progressively discontinuous from the past and less predictable. The author explains the difference between long range planning and strategic marketing as essentially one of more of perception of the future. With long range planning, the future is expected to be predictable through extrapolation of historical events which also assumes that the future would be better than the past. Strategic marketing on the other hand does not necessarily expect an improved future or extrapolatable past.

Hinterhuber, (1992) argued that a manager is not necessarily a strategist and that a manager's vision is also not an entrepreneurial vision. Marketing Strategies and Tactics Marketing strategies and tactics are concerned with taking decisions on a number of variables to influence mutually-satisfying exchange transactions and relationships. Typically, marketers have a number of tools they can use, these include mega marketing (Kotler, 1996) and the so-called 4Ps of marketing (McCarthy, 1995), among others. Marketing seems easy to describe, but extremely difficult to practice (Kotler and Connor, 1997).

Organizational managers in many firms have applied the so-called marketing concept, which may be simple or complex. The marketing concept and variants like the total quality management concept for example, are essentially concerned with satisfying clients' needs and wants beneficially. Developing and implementing efficient and effective marketing strategies which incorporate relevant dimensions of the marketing concept, involve the organic tasks of selecting a target market (customers/clients) in which to operate and developing an efficient and effective marketing ingredient combination.

Marketing thought, with its practice, has been moving speedily into the service industry (Kotler and Connor, 1997). Literature, partly, centres on the discussion of whether physical product marketing is similar to, or different from, the marketing of service and concludes that the differences between physical product and service might be a matter of emphasis rather than of nature or kind (Creveling, 1995). Marketing is one of the salient and

important organic functions which help to service organizations to meet their business challenges and achieve set goals and objectives (Kotler and Connor, 1997).

The word “ service” is used to describe an organization or industry that “ does something” for someone, and does not “ make something” for someone (Silvestro and Johnston, 1990). “ Service” is used by companies or firms that meet the needs and wants of society, such organizations are essentially bureaucratic (Johns, 1990). “ Service” may also be described as intangible, its outcome being perceived as an activity rather than as a tangible offering. The question of the distinction between services and tangible products is based on the proportion of service components that a particular offering contains (Johns, 1990).

A service may therefore be seen as an activity or benefit which can be offered to an organization or individual by another organization or individual and which is essentially intangible. It is a separately identifiable but intangible offer which produces want-satisfaction to the client, and which may or may not be necessarily tied to the sale of a physical product or another service (Osuagwu, 1999). Services include a wide range of activities and form some of the growing sectors of the economies of developed and developing countries.

Services include professional services (legal, accounting, medical, management consulting, etc), general services (insurance, postal, telephone, transportation, internet, tourism, etc), maintenance and repair services, and services from marketing researchers and product manufacturers, among

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others. Oil and gas service is not a tangible thing like food, clothing and cars. The main factor that affects a person's demand for oil and gas service is that person's attitude towards risks. The peculiarities of oil and gas services may create marketing 06 J. Bus. Manage. Econ programmes that are different from those found in the marketing of tangible products. The peculiarities may, also, require unique marketing approaches and strategies. However, marketing concepts, principles and strategies are of relevance in the marketing of oil and gas services. Sound and robust marketing strategies are important to the survival and growth of any business, including oil and gas business, considering the increasingly subtle, unstable and seemingly hostile business environments in which ontemporary business organizations operate (McDonald, 2004 and Creveling, 2005). Therefore, in order to formulate and implement efficient and effective marketing strategies, business organizations should have a thorough and continuous understanding of the relevant environment that impacts on their marketing strategies. According to (Schnars, 1991), marketing strategy has been a salient focus of academic inquiry since the 1980s. There are numerous definitions of marketing strategy in the literature and such definitions reflect different perspectives (Li et al. , 2000).

However, the consensus is that marketing strategy provides the avenue for utilizing the resources of an organization in order to achieve its set goals and objectives. Generally, marketing strategy deals with the adapting of marketing mix-elements to environmental forces. It evolves from the interplay of the marketing mix elements and the environmental factors (Li et al. , 2000). Therefore, the function of marketing strategy is to determine the

nature, strength, direction, and interaction between the marketing mix-elements and the environmental factors in a particular situation (Jain and Punj 1997).

According to (McDonald, 1992), the aim of the development of an organization's marketing strategy is to establish, build, defend and maintain its competitive advantage. Managerial judgment is important in coping with environmental ambiguity and uncertainty in strategic marketing (Brownlie and Spender, 1995). Marketing strategy development has the following peculiarities: 1) It requires managerial experience, intuition and judgment (Little, 1990; Mintzberg, 1994a; 1994b; 1996; Brownlie and Spender, 1995; McIntyre, 1992; Alpar, 1991). 2) It carries a high level of uncertainty and ambiguity (Brownlie and Spender 1995). 3) It is business sphere knowledge-intensive (McDonald and Wilson, 1990; Duberlaar et al. , 1991). 4) It entails a broad spectrum of strategic information (Mintzberg, 1994b ; Berry, 1997). 5) It is a process which usually involves subtle decision making by organizational managers based on exhaustive examination of relevant environments and a synthesis of essential and useful pieces of information (Mintzberg, 1994a and 1994b); 6) It is specifically concerned with devising an approach by which an organization can effectively differentiate itself from other competitors by emphasizing and capitalizing on its unique strengths in order to offer better customer/client value over a long period of time (Jain and Punj, 1997). However, it is difficult for an organization to achieve an efficient and effective marketing strategy (Li et al. , 2000). As a result of the ambiguity and instability of environmental factors, strategic marketing may be a difficult task for organizational strategists. Many factors prevent

organizational managers from designing and implementing efficient and effective marketing strategies (McDonald, 1992).

The fact is that environmental factors generally interact in an astonishing manner and affect the efficiency and effectiveness of managers in strategic marketing issues (McDonald, 1989; 1996). Against this background, the present research attempts to assess the marketing strategies of Nigerian oil and gas marketing companies, the impacts of environmental factors on such strategies and the effectiveness of the marketing strategies. The growth of oil and gas marketing companies and business in Nigeria has been phenomenal, with the attendant competition and other factors.

It seems that this growth in the number of product marketing companies in Nigeria has not been matched with an equal growth in the awareness of oil and gas services to clients and other interested publics. In order to be efficient and effective, Nigerian oil and gas marketing companies have to devise good marketing strategies that will enable them to reach out to a wider spectrum of the society for patronage. The interaction of these marketing strategies and the relevant environmental factors determines the performance of product marketing companies in Nigeria.

On the other hand, oil products in the Nigerian business environment include PMS, gasoline, kerosene, diesel, lubricant, among others. The oil and gas industry seems to have witnessed some form of corporate performance over the years which can be attributed to their distinct level of market share (Okwor, 1992; Falegan, 1991; Daniel, 1998; Olawoyin, 1995; Ogunrinde,

1990). Conclusions and Implications of the study This section elaborates on the conclusion of the research.

Based on the findings of this research, the following conclusions are warranted: The evidence from findings suggested that oil and gas marketing companies have comparative advantages in adopting various marketing strategies using different technologies. Oil and gas marketing companies appeared to specialize in the use of traditional methods of marketing, which is based on “ soft” information culled from close contacts by marketing and sales department rather than the use of the specialized strategic marketing Akinyele 007 methods that are based on “ hard” quantitative information.

Most of the findings of the research are consistent with previous normative and empirical works. For instance, the companies face a less diverse, less competitive, more volatile and high opportunity environment, and a less mobility of market. They are however, constrained by interrelationships with other organizations to a greater extent. The research instrument shows high validity and reliability. This study has provided empirical evidence pertaining to the perception of oil and gas marketing strategies, and the industry environmental factors on such strategies.

The findings of this study have several managerial implications for Nigerian downstream oil and gas. First, Nigerian oil and gas managers are advised to place more emphasis on the adoption of various marketing strategies using different technologies. Second, all organizations face an external business environment that constantly changes. Changes in the business environment

create both opportunities and threats to an organization's strategic development, and the organization cannot risk remaining static.

It must monitor its environment continually in order to: build the business, develop strategic capabilities that move the organization forward, improve the ways in which it creates products/services and develops new and existing markets with a view to offering its customers better services. Third, anticipating competitors' actions and reactions to the organizational' moves may be the key determinant of success for any marketing strategy. Fourth, with the competitive downstream oil and gas industry of today, participants can put more emphasis on relationship marketing to ensure effectiveness.

This essentially entails personalizing the oil and gas services offered to clients, attending to clients' cultural and social activities, in relation to other non- business activities, which are of interest to clients. Fifth, Nigerian oil and gas marketers should be sensitized on the importance of their offerings to their clients, including the impressions their clients have of those offerings. As oil and gas clients are demanding more quality from their petroleum product marketing companies (PPMC), it may be strategic to inject the idea of total quality management (TQM) and its variants among product marketers.

Sixth, Nigerian oil and gas industry are well advised to consider the principles and concepts of synergy in their product service marketing. This may entail considering the implications of any marketing strategy decisions on the other organic business functions. Nigerian corporate marketing executives should make their marketing companies learning organizations.

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In such learning organizations, oil and gas marketing companies staff would always be inquiring into the total or systemic impacts of their business behaviours, instead of just concentrating on the local effects of their business behaviours (Chen, 2004). Finally, oil and gas marketing academics should endeavour to study holistically the relevant business functions and activities which may enhance or hinder the understanding and applicability of relevant modern management concepts and principles to product services marketing. Although this study has provided some knowledge for the understanding of strategic marketing practices of Nigerian oil and gas marketing companies, it has some limitations.

Effective downstream oil and gas marketing strategies in Nigeria may hinge on an intelligent understanding of beneficial marketing strategies, the relevant environmental factors that assist or hinder the efficacy of marketing strategies, and how marketing strategies and environmental factor singly or wholly determine product marketing companies' performance. Despite the satisfactory performance of Nigerian oil and gas marketing companies with their marketing strategies, as reported in this research, Nigerian oil and gas marketing managers are advised to undertake extensive marketing research and SWOT analysis.

Instability of regimes and policies, and variations in other environmental factors can still pose challenges to product marketing companies' in Nigeria. It should be noted by Nigerian oil and gas marketing companies' managers that participants' reputation and good image, staff politeness and kindness, in addition to the managerial ability of corporate product marketing

managers are the salient factors implicated in oil and gas marketing companies' efficiency and effectiveness (Chen, 2004).

Recommendations and Studies Suggestions for Further This study indicates that strategic marketing practices have a significant impact on performance variables and that they interact with the different components to facilitate performance. It also indicates that different performance factors moderate strategic marketing practice.

Therefore, organizations hoping to enhance corporate performance in a dynamic business environment should consider the following recommendations: The concepts and principles of total quality management (TQM) are recommended for holistic study, in addition to contemporary marketing management issues such as relationship marketing, value analysis, business process re-engineering, megamarketing, remarketing, co-marketing, bench marketing, and permission marketing, among others. Efforts should be made by organizational marketers to understand the relevant factors that affect both clients' behaviours, and the strategic options to be adopted to 08 J. Bus. Manage. Econ cope with such behaviours. Oil and gas marketing scholars or researchers should endeavour to study holistically the relevant business functions and activities which may enhance or hinder the understanding and subsequently applicability of relevant modern management concepts and principles to oil services marketing. Firms that are not operating in a dynamic business environment need not adopt a strategic marketing practice as this may cause the firm to look

inconsistent in the eyes of its customers and eventually reduce effective performance.

The need for the identification of options and resources and of capabilities of deployment constitutes an impetus to effective strategic marketing implementation, since the practice derives from capabilities in assembling and maintaining an appropriate resource portfolio and coupling the resource portfolio with the identification and recognition of options. In a constantly changing business environment, firms can adopt a strategic marketing practice because it is able to enhance their business performance. The need for configuration, reconfiguration and employment of resources to arrest negative changes in the business environment is important. The need to generate real options by devising and configuring resource- based capabilities. Suggestions for further studies This research leads to some observations that might be of interest to future researchers, as they represent the seeds from which future research can be developed. This same research can be carried out in other nations so that a broad comparison of the concepts of strategic marketing as it affects firm performance can be made.

Research into the combined effects of strategic marketing practice and performance factors as mediators of firm performance relationship can be done. Research into the effects of key characteristics of industries environmental indices and marketing strategy could be carried out to further explain the differences in the firm's adoption of strategic marketing. Finally, future research works are to be undertaken in order to refine the cobwebs

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