



Effect of Marketing Strategies on Performance of Retail Shop Owners in Nigeria - Review

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Abstract

The use of effective marketing strategies in Nigeria has been a widely recognized approach to enhance the performance of retail shop owners in the country. This study aims to provide a comprehensive review of the existing literature on this topic in order to gain a better understanding of the impact of marketing strategies on the performance of retail shop owners in Nigeria. Through our systematic review, we have identified key factors that have contributed to the success of marketing strategies for retail shop owners in Nigeria. These include market segmentation, pricing strategies, promotional activities, and customer relationship management. Additionally, we have also identified potential challenges that may hinder the effectiveness of these strategies, such as limited resources and competition. Our findings suggest that the use of targeted and integrated marketing strategies can significantly improve the performance of retail shop owners in Nigeria. By understanding the needs and preferences of their target market, retailers can develop more effective strategies to attract and retain customers. Furthermore, continuous evaluation and adaptation of these strategies are crucial for sustained success in the highly dynamic retail industry. Overall, our review highlights the importance of marketing strategies for the success of retail shop owners in Nigeria and provides valuable insights for both academics and practitioners. We believe that these findings will contribute to the advancement of marketing literature and provide practical recommendations for retail shop owners to improve their performance.

Keywords: Marketing, Strategies, Performance, Retail, Shop, owners.

1.0 Introduction

Retail industry failed to make any appreciable impact on the Nigeria economy because small numbers of such businesses and goods for domestic and foreign markets (Ikadeh & Cloete, 2020). It could be argued that the primary reasons for the low performance of retail businesses or companies were neither cause by market forces nor inadequate human capital needed for effective operation processes, but due to infrastructural problems like epileptic services to the entrepreneurs, roads, communication, water and electricity power supplies inherent from operation processes. These retail shops at the time continue to strive with the preceding policies due to external influences from external environments. As a result, Nigerian retail businesses have undergone a significant decline due to plant shut-downs and relocation. This explains why the retail businesses have not significantly contributed positively to the GDP of Nigeria as compared to how similar businesses in other countries contributed to the GDP of their country (Soderbom & Teal, 2002).

According to Abiodun and Kolade (2020) numerous retail businesses in Nigeria have been observed setback in terms of productivity and performances due to various reasons like low quality, low sales, no or poor advertisement strategies; while Bagozzi, Abiodun and Kolade (2020) mentioned inappropriate distribution route as another problem confronting retail shop owners performance. Over the years, a number of problems such as lack of well-defined strategy, individual accountability for results, problems of formulating and implementing of strategic marketing policies and programmes, unfavorable government policies and technological advances have arisen within the Nigerian economic environment. These problems have adversely affected the said retail investments, and by extension, their performance.

1.2 Statement of the Problem

The researcher observed that many retail shop owners in North Central Nigeria are largely unknown by the average customer. This led to a preliminary inquiry into the industry in the area after which the researcher further observed that many of such businesses have overtime struggled to meet up with customer demands and this has resulted to poor performance. This creates the need for further investigation into the issue with a view to making recommendations on how to best deliver value to the customers and improve performance. The researcher felt that the poor performance and failure to meet customer demand could be as a result of the strategies used by retail shop owners and the prices of their products. The study therefore sought to review the effect of marketing strategies on performance of retail shop owners in Nigeria.

2.0. Literature Review

2.1 Retail Business Marketing in Nigeria

As the retail industry in Nigeria continues to evolve and expand, the competition for consumer attention and loyalty remains intense. Looking ahead to 2024, it's crucial for businesses to understand the unique challenges and opportunities that lie ahead to stay ahead of the curve with effective marketing strategies. With the rise of e-commerce, shifting consumer behaviors, and increasing digital engagement, having a solid and adaptable marketing plan is more important than ever.

According to Abiodun and Kolade (2020), here are key insights and strategies to help retail businesses in Nigeria:

1. **Embrace Digital Marketing:** With more Nigerians turning to the internet to shop and research products, retail businesses must establish a strong online presence. This includes:

- a. **User-Friendly Website:** Ensure your website is optimized for both desktop and mobile devices, with easy navigation, quick loading times, and secure payment options.
- b. **Active Social Media Accounts:** Engage with customers on platforms where they spend their time, such as Instagram, Facebook, and Twitter. Regular updates, promotions, and interactive content can keep your brand top of mind.
- c. **Search Engine Optimization (SEO):** Invest in SEO to improve your visibility on search engines. Higher rankings can drive organic traffic to your site, increasing the chances of conversions.
- d. **Email Marketing Campaigns:** Develop personalized email campaigns that cater to customer interests and behaviors. Use these campaigns to share product updates, special offers, and personalized recommendations.

2. **Personalize the Shopping Experience: Consumers in 2024 expect personalized shopping experiences tailored to their individual needs. Retail businesses can:**

- a. **Leverage Data Analytics:** Use data analytics to understand customer preferences, purchase history, and browsing behavior. This data can help you create targeted marketing campaigns and offer personalized product recommendations.
- b. **Implement AI and Machine Learning:** Incorporate AI-driven tools to automate personalization, such as recommending products based on past purchases or browsing history. This can enhance customer satisfaction and drive sales.
- c. **Tailor Customer Interactions:** Whether online or in-store, ensure that customer interactions are personalized. This could include personalized greetings, tailored promotions, or product suggestions based on previous interactions.

3. **Harness the Power of Influencer Marketing:** Influencer marketing continues to grow in popularity in Nigeria, with social media influencers playing a significant role in shaping consumer behavior. Retail businesses can:

- a. **Partner with Relevant Influencers:** Collaborate with influencers whose followers align with your target audience. Ensure that the influencers' values and content style align with your brand.
- b. **Create Authentic Campaigns:** Work with influencers to create genuine content that resonates with their audience. Authenticity is key to maintaining trust and driving engagement.
- c. **Measure Impact:** Use analytics to track the performance of influencer campaigns. Monitor metrics such as engagement rates, click-through rates, and conversion rates to evaluate the effectiveness of the partnership.

4. **Offer a Seamless Omnichannel Experience:** With consumers increasingly shopping across multiple channels, providing a seamless omnichannel experience is crucial. Retailers should:

- a. **Integrate Online and Offline Channels:** Ensure that your physical and online stores are well-integrated. This could include offering services like click-and-collect, where customers order online and pick up in-store, or showcasing online products in-store.
- b. **Provide Consistent Branding:** Maintain a consistent brand experience across all channels. Whether customers are shopping online, in-store, or via mobile, they should have a cohesive experience.

- c. Enhance Customer Support: Offer robust customer support across all channels. Provide options for live chat on your website, prompt responses on social media, and knowledgeable staff in-store.

5. Leverage social media to Build Brand Awareness: Social Media remains a powerful tool for retail businesses to reach and engage with customers in Nigeria. To maximize its potential:

- a. Create Engaging Content: Post regularly with a mix of promotional content, product showcases, user-generated content, and behind-the-scenes looks at your brand.
- b. Interact with Followers: Engage with your audience by responding to comments, messages, and mentions. Encourage conversations and build a community around your brand.
- c. Run Targeted Ad Campaigns: Use social media platforms' advanced targeting options to run ad campaigns that reach your specific audience based on demographics, interests, and behaviors.

6. Invest in Customer Loyalty Programs: Customer loyalty programs are an effective way to retain customers and drive repeat business. In 2024, retail businesses should:

- a. Offer Value-Based Rewards: Provide meaningful rewards such as discounts, exclusive access to new products, or special events for loyal customers
- b. Collect and Use Customer Data: Use the data collected through loyalty programs to gain insights into customer preferences and behaviors. This data can inform your marketing strategies and help you tailor your offerings.
- c. Promote the Program: Regularly remind customers about the benefits of your loyalty program through email, social media, and in-store promotions.

7. Incorporate Experiential Marketing: Experiential marketing continues to grow as a trend, allowing businesses to create memorable and immersive experiences for their customers. To stand out in 2024:

- a. Host Pop-Up Shops and Events: Create temporary pop-up shops or host special events that offer unique, hands-on experiences with your products.
- b. Utilize Interactive Displays: Incorporate interactive elements in your stores, such as touchscreens or virtual reality experiences, to engage customers.
- c. Create Shareable Moments: Design experiences that are not only memorable but also shareable on social media. Encourage customers to capture and share their experiences, amplifying your brand's reach.

2.2 Organizational Performance

Organizational performance includes multiple activities that help in establishing the goals of the organization, and monitor the progress towards the target (Ikadeh & Cloete, 2020). It is used to make adjustments to accomplish goals more efficiently and effectively. Organization performance is what business executives and owners are usually frustrated about. This is because even though the employees of the company are hard-working and are busy doing their tasks, their companies are unable to achieve the planned results. Results are achieved more due to unexpected events and good fortune rather than the efforts made by the employees. However, for any business to be successful, functions must be defined and accomplished. It is important for an organization to develop strategies that are designed around the skills that would enhance the performance of the organization. Organizational performance is affected by myriad factors including: the lines of communication and command connecting these individuals (organizational authority structure and the degree of centralization), the resources and information to which the individuals have access, the nature of the task faced by the individuals, and the type and severity of the crisis under which the individuals operate (Mwangi, 2024).

Thus, organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at per-determined time using relevant strategy for action (Fajobi, 2023). Performance provides the basis for an organization to assess how well it is progressing towards predetermined objectives, identify areas of strength and weakness and decide on the future initiatives with the goal of how to initiate performance improvement (Abiodun & Kolade, 2020). Rowley (2011) used both financial and non financial indicators. The financial indicators were a percentage growth in sales, labeled as sales growth and percentage profit margin labeled as profitability. They used public image and goodwill, quality of services and efficiency of operations as the non financial indicator.

2.3 Marketing Strategies

Marketing strategy is a procedure by which companies react to situations of competitive market and forces of market or react to environment forces and internal forces to enable the firms to achieve its objective in the target market (Fajobi, 2023). The traditional marketing strategy is a plan for pursuing the firm's objective or how the company is going to obtain its marketing goals within a specific market segment (Mwangi, 2024).

This implies that a firm's marketing strategy is a crucial determinant of successful firm performance and it can be considered to be a set of accurate, consistent, complete, realistic, specified, and valid actions designed to attain chosen

firm objectives. This position will be consistent with the thinking in the marketing literature, to the extent that a more accurate and more complete data, with respect to the internal and external environments, helps facilitate the development of effective marketing strategy (Ikadeh & Cloete, 2020).

Successful marketing depends upon addressing a number of key issues. These include: what a company is going to produce, how much it will charge, how it is going to deliver its products or services to the customer; and how it is going to tell its customers about its products and services (Fajobi, 2023). Traditionally, they were known as the 4ps. As marketing became more sophisticated discipline, a fifth 'p' was added, people. Recently two Ps were added that is, process and physical evidence. This strategy combines product development, promotion, distribution, pricing, relationship management and other elements. It identifies the firm's marketing goals, and explains how they will be achieved, ideally within a stated time frame. It also determines the choice of target market segments, positioning, marketing mix, and allocation of resources. It is most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena (Walker, 2011).

A retail marketing strategy should integrate its capability in a manner designed to make use of corporate knowledge, skills and resources. It enables businesses to better meet their customers' needs through added value services to their products (Fajobi, 2023). Many marketing scholars believe that marketing capability should be considered a part of successful marketing. The capability-based theories indicate that companies are a combination of resources and capabilities, and that they should continuously invest in a unique manner to maintain and expand their marketing capabilities.

A company with high marketing capability which encompasses identifying customers' needs and recognizing the factors affecting their purchasing behaviors is able to put its products in the best position compared to those of its rivals. A differentiation at this level will provide the companies with higher profit (Mwangi, 2024). There are a number of mechanisms which have been employed by marketing teams in raising awareness of products and services offered across the world. Some of the mechanisms are found to be appropriate in one situation or organization as compared to the other.

The marketing technique adopted by an organization is dependent on the target population, the product being marketed, the market share of the organization and the budgetary allocation for marketing. Most marketing strategies have elements drawn from the 7P's of marketing which include Promotion, Price, Product, People, Physical environment, Process and Place (Mwangi, 2024)

2.4 Product Strategy

Product related marketing strategies are fundamental in any organization. These strategies include use of product design and use of technology in product development as well as delivery. The product can be argued to be the most important element of the retailing mix, as only with reasonable products will the effort put into such things as pricing and promotions reap any rewards (Okoth, 2019). Product is the principal item offered by a company to satisfy the needs of their consumers. (Okoth, 2019) noted that some of the strategies adopted in the domain of products are: perceived quality or image, as the market faces competition, quality and reliability of the product offerings gain importance. Quality in this case is viewed as customer's perception of the product. Perceived quality or image has to be created. Features- with many products in the market, what distinguishes them is the features. The 'first with the new feature' has an advantage similar to the 'first product' in the market. In the consumer non-durables, brand extensions have taken the line of added features. New products face difficulties of acceptability in the market. The first product of its kind has an edge over others and sets the standards for subsequent ones (Ohai, 2023). Successful product management relies on a well planned and executed product strategy and product range strategy. The product is the core of the marketing strategy. Strategies that relate to new product success include overall fit with organization's strengths and a defined opportunity in the environment. There are at least six marketing strategy options related to the newness of products (Thorpe and Morgan, 2007).

2.5 Promotions Strategy

Promotion involves both providing the consumer information regarding the footwear store and its product or service offering as well as influencing the consumer perceptions, attitudes, and behavior towards the store and what it has to offer. It is both an informative and persuasive communication process. To be effective, the promotional strategy must be guided by the marketing concept such as focusing on consumer needs and integrating all activities of the organization to satisfy those needs (Fajobi, 2023). Such strategies include advertising and direct customer interaction. Good salesmanship is essential for small businesses because of their limited ability to spend on advertising. Good telephone book advertising is also important. Direct mail is an effective, low-cost medium available to small business. There is no one promotional tool that is able to achieve promotion strategy objectives which, in turn, means that most service organizations use more than one promotional tool in order to avoid the disadvantages of each tool. This implies that each

promotional tool has different advantages and disadvantages so most service organizations try to use more than one promotional tool in order to maximize the advantages and minimize the disadvantages of each (Mwangi, 2024).

2.6 Pricing Strategy

Price is the value placed on goods and services what customers are willing to pay for a product or service (Ohai, 2023). The role of price in marketing strategy depends on the target market, the product and the distribution strategies that are selected by management (Okoth, 2019). Managers developing a pricing strategy should base their decisions on a careful consideration of several factors such as costs, demand, customer impacts and competitor prices. Pricing strategies provide general and consistent approaches for firms as they come up with prices for their products. Okoth (2019) suggested that pricing is the only factor of the marketing mix strategy that produces revenues for the organization, whereas all the others are related to expenses. The degree of complexity of pricing strategy among the service sector is comparatively significant due to the high degree of homogeneity between most service groups and shared service delivery and operating systems (Fajobi, 2023).

2.7 Distribution Strategy

Distribution of products refers to providing convenience to the customer, that is ensuring the right product, where and when needed. Usually involves some form of vertical system where transaction and logistics responsibilities are transferred through a number of levels (Abdulwasiiu, 2023). Fajobi (2023) argued that distribution is part of merchandising and must be considered in any merchandising system. Distribution management involves; merchandise replenishment, transportation management and distribution center facilities management. The type of distribution system a firm need is influenced by the buying system the footwear company uses, the number of stores the footwear company has, the geographic dispersion of the stores, and the characteristics of the merchandise carried.

Iroanwusi, Osoba and Udu (2023) recent work dealing with inclusive distribution has merit as a model for success. The principle of accessibility addresses the key area of goods and service distribution. It is a critical principle for it not only addresses the issue of availing products but also the possibility of partnership between mainstream distribution channels blending with informal channels to create a seamless network for the flow of goods and services to the markets. While many firms are willing to move into this market by modifying their products and services, so that they are accessible to the poor, these firms have faced the challenge of a suitable supply chain system that meets the needs of the urban poor without having an adverse effect on the cost of operation and active participation of the poor in the process of product and service delivery (Fajobi, 2023).

2.8 Effect of Marketing Strategies on Performance

The main purpose of marketing is to understand and meet customers' needs and this is achieved when all components of the marketing system, that is, suppliers and distributors, are coordinating efforts and working in harmony (Abdulwasiiu, 2023). He points out those well-conceived and effective marketing activities will facilitate the achievement of typical organizational objectives such as higher sales, market share, profits and competitive advantage. Indeed, a marketing function is an important and integral part of organizational business strategy. Specifically, marketing activity in this study is based on practices associate with product, price, promotions, distribution, and finally, customer-orientation, since the customer is perceived as the focus of all marketing efforts.

Iroanwusi, Osoba and Udu (2023) noted that sound marketing practice is an important contributor to performance in economic reform economies. Many businesses will adopt a new attitude to marketing in transition environments, formulating strategies which demonstrate a focus on customers. Thus, for firms to be competitive in such environments, it is essential to conduct effective product, pricing, promotion and distribution activities, where customers are central to all marketing efforts and to the extent that these strategies are successfully implemented, they are expected to result in improved performance. Businesses that possess the ability to learn rapidly about their markets and to act on that information are best positioned to achieve competitive advantage.

To help an organization deal with market events and trends, internal organizational processes develop (Day, 2004). Among the organizational processes that typically develop within an organization, its strategic planning processes and the related processes it uses for analyzing market information are cited as being among the most important (Mwangi, 2024). Market oriented organization possesses the ability to generate, disseminate, and respond to information about market forces and market conditions better than their less market-oriented rivals (Fajobi, 2023). This gives a market-oriented organization an important basis for improving performance by learning what buyers want, building the processes necessary to deliver the value they desire and adapting those value generating processes as market conditions change. To use these processes as the basis for improving performance, an organization needs to develop the capabilities to generate, disseminate, and respond to market intelligence and the processes to act on this information (Abdulwasiiu, 2023).

Marketing plans help companies and organizations employ marketing strategies that will help them realize both their long-term and short-term objectives (Iroanwusi, Osoba & Udu, 2023). Wilburn (2011) noted that marketing strategy is a major contributor in the performance of a company and it helps a company do business in accordance with its objectives and it helps many companies achieve their targets or realign their objectives. Marketing is important in business as it helps convince potential customers buy a company's product it is more important due to many company's offering similar products a marketer must take his time to persuade and convince potential buyers buy their products. Fajobi, T. A. (2023) believe that marketing effectiveness has to be captured by the additional sales of a product over and above those that would have happened in absence of any marketing or promotion. Although marketing managers have long believed that a marketing impact on sales can persist longer than the current period, the tendency to assume that marketing effect on sales is short-term is yet prevalent. They further argue that the longer uses of marketing are better than less and shorter uses of it irrespective of the nature of contribution of advertisement to sales. Iroanwusi, Osoba and Udu (2023) hypothesize that marketing campaigns were successful in increasing sales when they were for nondurable products with unique attributes, were geared to the consumer market and backed by adequate financial resources, and when they featured unique and creative messages. It also found that favorable product attributes could be achieved by marketing campaigns that promoted product uniqueness, had adequate financial resources, and used creative messages and appropriate media.

Fajobi (2023) noted that marketing performance is central to success in today's fast moving competitive markets, and measuring marketing's performance is critical to managing it effectively. The process of communicating the value of a product or service to customers, for the purpose of selling the product or service has become complex in recent times due to globalization. There is also the need to exceed the expectation of customers since satisfied customers are the organization's least expensive customers; buy again and again; talk favorably about the business, which means free advertising; pay less attention to competition and that it tends to buy new products or equipment lines an organization may add later (Abdulwasiu, 2023). To create an effective marketing strategy, it is necessary to include a communication strategy to support the actions to be taken. This strategy should also include a schedule that contains both traditional and non-traditional media (Mwangi, 2024). The importance of nontraditional media is fast growing and they can be used create the right brand management that will lead into more sales and brand recognition (Iroanwusi, Osoba & Udu, 2023). It is important to note that none of the strategies is better than the other. However, finding the right mix of both media can create the best communication/marketing strategy for the company and specifically for the product being offered for sale.

2.9 Conceptual Framework of the Study

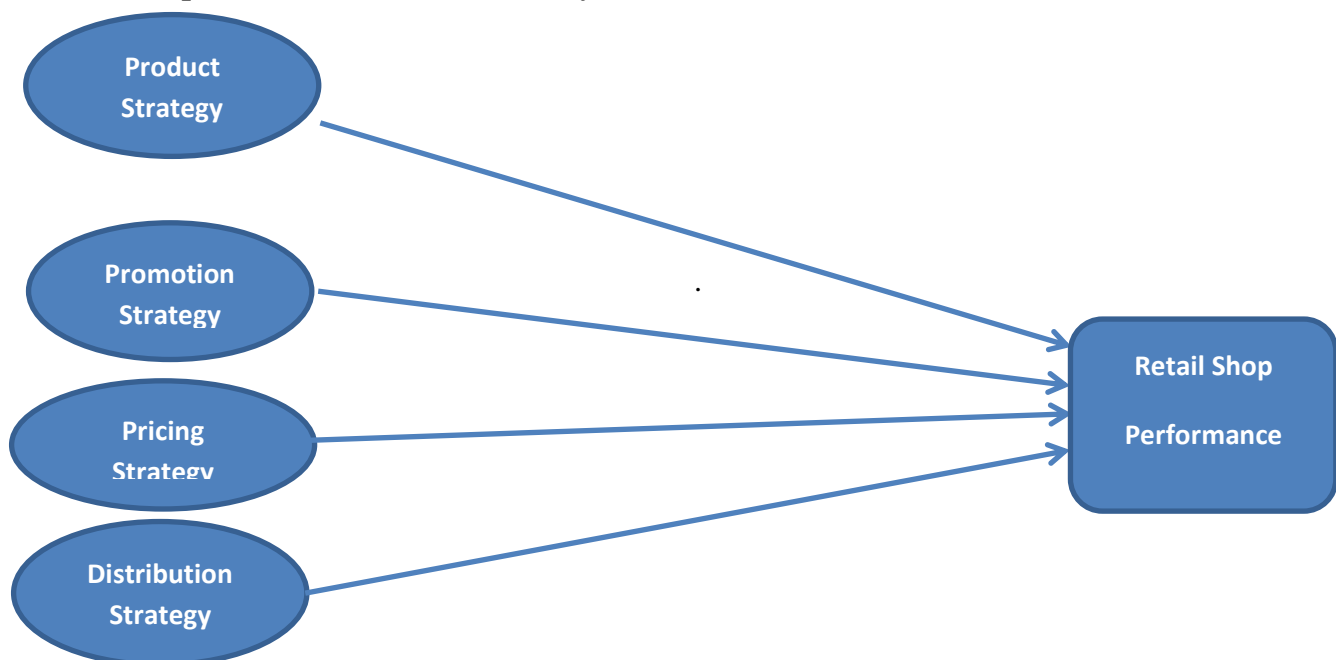


Fig. 1. The conceptual framework of the study developed by the researcher, 2024

3.0 Methodology

This article being a review of related literature on the concept of marketing, strategies of marketing the researcher used a desk review approach in conducting this study.

4.0 Conclusion

In any organization, marketing always strives to position their clients at the center stage of all their business operations in ensuring that they bring out superior performance of the retail businesses. Customer needs and expectations evolve over time and delivering consistently high quality products and services and responsiveness to changing marketplace needs become important for the success of these retail shop owners. This is achieved through implementation of marketing strategies and activities designed to satisfy customer needs better than competitors. It can be concluded that the retail sector has adopted the marketing strategies to help them improve their performance and gain market share. In order to improve sales and market share, firms should consider selling of their products in a right manner.

Limitations of the Study

This study's reference point is on marketing strategies used by retail shop-owners as the key respondents. Consideration should henceforth be given to conglomerate businesses. There is need therefore to also get the views of other business stake holders in different sectors such as manufacturing and financial sectors.

Recommendations for Policy and Practice

- i) Retail marketing managers should realize that the appropriateness of a particular marketing strategy, whether adapted, standardized, or somewhere in between, attach on its fit with external environmental factors that the firm operates in.
- ii) Retail marketing managers should endeavor to examine the potential value creation of marketing strategies and same to their overall strategy.
- iii) Retail marketing managers should undertake promotional strategy to market its products and adopt a more modern marketing tool in their businesses.
- iv) The retail stores can use social media to create a viral market for their products and services.
- v) Marketing managers need to integrate all facets of strategy as these competencies enable them to identify threats and opportunities skillfully within their business environments,

Suggestion for further research

Further studies should conduct an empirical rather than a review study of the variables used in this study

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