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MARKETING STRATEGIES AND PERFORMANCE OF INDIGENOUS CONSTRUCTION FIRMS IN NIGERIA

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Abstract

Despite increased competition, construction firms are generally known to be lagging behind in the adoption of marketing strategies. The performance of indigenous construction firms (ICFs) in Nigeria has been severally criticised without commensurate research efforts to address the problem. This study focused on the influence of marketing strategies on the performance levels of ICFs in South-South Nigeria. The study questionnaire were purposively issued to CEOs and managers of ICFs (n=87) in the research area. *Maintaining a pool of professionals to boost company image* ($\bar{x}$=3.79) ranks highest among the identified marketing strategies. Kruskal-Wallis H test of difference in the opinions of the different firm groups showed that a significant difference exists in the frequency of use of the marketing strategies by the different firm groups. A significant difference (p=0.013) exists in the frequency of use of the marketing strategies by average performers (mean rank = 57.84) and high performers (mean rank=78.03). The groups of marketing strategies that influence ICFs' level of performance are: *third party-based, client-based, firm- based,* and *publicity- based* marketing strategies. Average performer ICFs should improve on their frequency of use of marketing strategies, and the use of *project performance-based* marketing strategies by ICFs should be increased.

Keywords: Firm Performance, Indigenous Construction Firms, Marketing Strategies

INTRODUCTION

Construction management research is yet to empirically demonstrate the contribution of marketing to indigenous construction firm (ICF) performance. However, interest in marketing relative to construction firms continues to grow among researchers. So far, agreement exists in literature that construction firms are lagging behind in the adoption of marketing strategies, and that they view marketing with less seriousness than similar firms in manufacturing and product-based industries (Pheng, 1990; Naranjo, et al., 2011). Coupled with this is the fact that marketing of construction services differs significantly from the marketing of other kinds of services. Very often, the clients of a construction firm are dispersed in terms of location; and the time difference between patronages is wide (Cova and Hoskins, 1997). Marketing is thought to be critical to firm performance, but studies focusing on the predictors of construction firm performance are relatively recent and in need of further inputs (Phua, 2005; El-Mashaleh et al., 2007; Horta, et al., 2010; Oyewobi, 2013). This study will aid the uptake and spread of marketing strategies among ICFs in Nigeria by identifying the significant marketing strategy determinants of ICF performance.

Literature has suggested several domains in which construction firm performance may be measured (Mbugua, Harris, Holt, and Olomolaiye, 1999; Elshakour, et al., 2014; Deng and Smyth, 2014), but attempts to establish the contribution of marketing activities to any of the domains is hard to come by in literature. Marketing is an expensive activity, and the capacities of ICFs in Nigeria dictate that financial expenditure should be carefully prioritised. Identifying marketing strategies that are significant contributors to ICF performance levels will thus aid the selection of such strategies by ICFs.

In the general management literature, a number of studies have associated firms' marketing activities with their performance in other industries (Rust, et al. 2004; Morgan, et al., 2009; Jaakkola, et al. 2010). The firms covered by these studies include product and service-based firms of all sizes. ICFs in Nigeria that have been severally associated with poor firm performance, have not been similarly addressed. The need for industry-specificity of management research was espoused by Jaakkola, et al. (2010) and Oladinrin, et al. (2012). It has also been suggested that the service and project-orientation of the construction industry do not support the adoption of the all the marketing strategies applicable for the product-based industries (Teoh, et al., 2008; Ojo, 2011).

Apart from not being construction industry based, most studies relating marketing activities with firm performance have largely concentrated on developed countries. This denies a holistic view of the different facets of this relationship, by omitting the influences of different economic environments on firms' marketing outcomes. Varadarajan and Jayachandran (1999) argued that marketing strategies of firms are adopted based on the firm's operating environment, and identified marketing strategies as one of the precursors to firm performance. There is need to balance construction marketing studies with views from developing countries, especially as it relates with construction firm performance (Phua, 2005). Anderson-Macdonald (2014) opined that micro and small businesses in emerging markets differ from businesses in developed countries. This is particularly true for ICFs in Nigeria. One reason for this is that weak institutions in developing countries allow some unconventional tendering practices in public sector projects procurement, which may make the idea of formal marketing to be unattractive to ICFs. Secondly, the construction industry in developing countries is numerically dominated by construction small and medium-sized enterprises (SMEs). These enterprises are known to have lesser managerial and strategic capabilities than the numerically fewer large firms that handle projects with higher monetary values. It is yet to be generally accepted that marketing strategies significantly improve firm performance for construction SMEs in developing countries, even though this genre of firms are known to perform poorly.

This paper's argument aligns with Perreault and McCarthy (2005) that firm-level resource improvements will not produce firm performance if not backed by effective marketing. Marketing necessarily interfaces the firm with its clients, and thus influences buyer decision. The objective of this study is to determine the influence of marketing strategies on the performance levels of ICFs in South-South Nigeria.

Indigenous Construction Firms in Nigeria

The Nigeria Enterprise Promotion Decree of February, 1972, which was amended in 1977, describes *Indigenous contractor* as a firm that has no other base than Nigeria (Mohamed, 1985). The Nigerian Oil and Gas Industry Content Development Act 2010 defines ICF from the perspective of firm ownership as a firm registered under the Companies and Allied Matters Act and having not less than 51% Nigerian shareholding (Ogunbanjo, 2010). What constitutes an ICF in Nigeria can thus be understood from different perspectives such as: being based solely in Nigeria, ownership by Nigerians, and utilisation of Nigerian manpower.

Inuwa, Githae and Stephen (2014) surmised that the poor performance of ICFs in Nigeria emanates from incompetence, inexperience, poor planning and the adoption of ineffective traditional management approaches. Resultantly, this group of firms has not been trusted by the government (Ugochukwu and Onyekwena, 2014). They have been relegated to handling mainly building projects (Odediran, Adeyinka, Opatunji and Morakinyo, 2012), especially at the informal levels (Saka and Ajayi, 2010). In Nigeria, ICFs are known to have been involved in financial misdemeanours such as abuse of mobilisation fees (Achuenu, Izam and Bustani, 2000) and embezzlement of project funds (Ugochukwu and Onyekwena, 2014), and are therefore ignored by the government in the award of complex and capitally intensive projects. The deployment of effective marketing strategies will thus be helpful in improving the image of ICFs in Nigeria. For example positive media publicity could improve the perception of clients about the competence of ICFs, and ultimately increase the firms' performances.**Marketing and Indigenous Construction Firms**

Marketing is a dynamic subject. This has been reflected in the progressive definition of the subject by the American Marketing Association to reflect shifts in paradigms. American Marketing Association (2013) defined marketing as 'the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large'. The theory of marketing has evolved beyond the dominance of the 4Ps of marketing model (product, price, place and promotion) introduced in the 1960 (Gronroos, 1994; Vargo and Lusch, 2004). Historically, the earliest thoughts on marketing centred primarily on the exchange of commodities through marketing institutions. Later, the marketing management school of thought grew with overly focus on the customer and on decision making approach to marketing; based on the 4Ps. Vargo and Lusch (2004) explained that new frames of marketing different from the 4Ps began to emerge from the 1980s with pressures coming from subject areas such as relationship marketing, quality management and service marketing. This occasioned a shift from the 4Ps model of marketing. Despite all these, construction marketing remained inadequately conceptualised.

The construction industry touches on both services and products marketing (Kurien, 2004; Ardity, Polat and Makinde, 2008). Construction services often lead to the production of a unique product, whose characteristics differ significantly from those of other types of products. Construction processes are project, rather than production-oriented, and temporary rather than continuous. With these in mind, the approach to marketing in construction firms is neither settled to be transactional nor relational. Researchers like Arditi, et al. (2008) have therefore suggested the evolution of unique marketing principles for the construction industry. A key requirement will be an empirical demonstration of the relevance of these marketing strategies to construction firms' performance. This calls for a marketing model that is easily actionable, and uses terms that relate more readily with the construction industry. Marketing therefore remains a contentious, misunderstood, and inadequately addressed issue especially among ICFs in developing countries (Dikmen, Birgonul and Ozcenk, 2005; Ojo, 2011; Yan and Chew, 2011; Tarawneh, 2013). ICFs normally compete for available jobs in their operating environments. As a result of the indigenisation policy in Nigeria, some categories of projects are reserved for ICFs, and preference is given to them during bidding. Consequently, ICFs compete among themselves more than they compete with multinational construction firms. Inadvertently, this has separated the ICFs into different levels of performance. From a rational view point, these firms will adopt any measures that hold the promise of improved firm performance including marketing. It has hardly been shown whether marketing strategies that are applicable in other industries are actually used by ICFs, and whether the use of such strategies influences the firms' level of performance.

Effects of Marketing on Construction Firm Performance

Clark (2004) observed that there is difficulty in establishing cause-and-effect relationships between marketing and firm performance. Despite this, a number of research efforts have been made to link marketing to firm performance. Rust, *et al.,* (2004) developed financial metrics models for predicting the return on marketing investment based on marketing strategies chosen by product-based firms. Jaakkola, et al. (2010) modeled the effects of marketing strategies on three measures of firm performance: competitive advantage, marketing performance and financial performance. They found that market orientation has low impact on financial performance. It is debatable whether the metrics for performance and marketing strategies adopted by manufacturing and product based firms are appropriate in the ICF context. For example, ICFs in Nigeria are inept managerially, making it difficult to keep track of the accounting metrics on which studies on firms from other industries often rely. It is pertinent to obtain appropriate marketing and performance metrics for ICFs, and investigate the relationship between the two variables in a developing economy.

In a study focused on construction professionals, Ojo (2011) found the most frequently used marketing strategy to be *professional-client relationship* and the least used to be *promotion*. This study will differ from Ojo (2011) in being focused on construction firms rather than construction professionals. By examining the firm and not just the professional, the present study seeks to reveal how marketing decisions impact on the aggregate economic unit. Firm-level studies of marketing contribute in forming and reinforcing marketing capabilities within organisations, which is critical to the performance of ICFs. Adewale, et al. (2013) studied the influence of six (6) marketing strategies on business performance of small and medium enterprises (SMEs), and found that besides *product* the other marketing strategy variables namely *promotion, place, price, packaging* and *after sells service* have significant effects on firm performance. The present study furthers existing knowledge in this area by not focusing on the 4Ps marketing strategies, being construction industry-specific and being based in a developing economy.

Conceptual Model of the Study

This study seeks to investigate whether the performance level of ICFs is related to their adoption of marketing strategies.

(Insert Figure 1)

The conceptual model of this study is shown in Figure 1. Numerous factors affect firm performance. However, marketing is the last link in the chain of factors determining patronage, and therefore, firm performance. Among the factors affecting firm performance are: firm resources (Wright, Dunford and Snell 2001), previous project performance (Cooke-Davies, 2002), business environment (Phua, 2005), supply chain management (Li, Ragu-Nathan, and Rao, 2006), corporate social responsibility (Mackey,

Mackey and Barney, 2007), and marketing (Hassan, Qureshi, Sharif and Mukhtar, 2013). Phua (2005) however generalised these factors under firm-specific and industry-specific factors.

This study focuses on marketing strategies because most of the other factors that influence firm performance can equally be used as strategies for marketing the firm. It is to be noted that most of the factors identified above were obtained for industries other than the construction industry. Thus, they will require adjustments to make them construction industry-specific, which will make for their practical adoption in the industry.

Ideally, the adoption of a marketing strategy will only be justified if it can increase firm performance. Hence, marketing strategies must be derived from variables that have bearings on firm performance. For ICF marketing purposes, the listed factors affecting the performance of firms can be categorised into: third party-based, firm-based, project performance-based, client-based and publicity-based marketing strategies. Marketing essentially involves altering some variables to attract patronage. This categorisation makes it easier to determine the domain of the marketing variables to be altered for an ICF to achieve performance.

Third party-based marketing strategy for instance will focus marketing activities on influencing entities that are external to the firm and its clients in order to achieve performance. In the Nigerian context for instance, an ICF can gain patronage by providing social amenities for its project host community. In public sector projects, such an act will shore-up the firm's reputation in the estimation of the government, and therefore help secure repeat-business for the firm. While some external environment factors (e.g. government regulations) are beyond the control of the firm, the firm can by adjusting the focus of its marketing strategies continue to increase its performance levels irrespective of the state of its operating environment.

Generally, ICFs in Nigeria are associated with poor performance. The reason is that clients compare the firms with multinational construction firms. However, as a group of firms, ICFs are not often compared to one another. In the Nigerian construction industry, the firms are grouped according to their levels of registration with the government (Ugochukwu and Onyekwena, 2014). This grouping method gives no clue to the level of performance of the firms since a contractor can raise capital and register a poorly performing firm in a higher category of registration.

METHODOLOGY

The research questionnaire was purposively served on 87 CEOs and managers of ICFs in the 6 states of the South-South geopolitical zone of Nigeria, comprising: Akwa Ibom (n=11), Bayelsa (n=7), Cross River (n=16), Delta (n=15), Edo (n=20) and Rivers (n=18) States. These states are also among the 9 Niger Delta states of Nigeria. The activities of oil companies and the Federal Government of Nigeria's payment of 13% oil derivative to the Niger Delta states make the incomes of these states to be higher than those of similar states in Nigeria. As a result, numerous ICFs are attracted to the South-South geopolitical zone of the country where they compete for available jobs.

Purposive sampling was adopted for this study because a comprehensive register of ICFs in the research area hardly exists. Secondly, the approach made it possible to serve the questionnaire on the required knowledgeable personnel of the ICFs. The questionnaire was distributed in the state capitals targeting firms with on-going construction projects.

ICFs were chosen for this study because of their often cited ineptitude in terms of managerial competence. Based on their RERs, the firms covered by the study were grouped into 'high performers' (n=39), 'average performers' (n=25) and 'low performers' (n=23) as suggested by Tang and Zang (2005). This ratio has been used by construction practitioners and other similar studies (Barua, et al. 2001; Harnish, 2006; Hindustan Construction Company, 2013). RER was calculated by dividing the annual turnover of the firms by the number of employees in the firm. Thus, RER is composed of both financial and nonfinancial variables of firm performance. This helps to capture the merits of these two methods of firm performance assessment. Financial performance metrics are said to be lagging indicators, which give poor indication of a firm's future performance (Oyewobi, et. al., 2013). Number of employees is an important nonfinancial metric of firm performance, and provides an indication of the firm's future performance (Abu Baker, Tabassi, Razak and Yusof, 2012).

The number of employees used in this study was based on the number of staff on the payroll of the firms in 2015, and not necessarily on the number of permanent staff. The reason is that even with a few permanent staff, a firm can win large-sized contracts, increase its staff strength, and downsize after the project. The firms were asked to state their annual turnovers for 2015. Low performers were considered to be firms with RER ≤N15, 000,000 for 2015, average performers were firms with RER > N15,000,000≤N100,000, 000, while high performers were firms with RER≥ N100,000, 000. The respondents were asked to rank their firms' frequency of use of marketing strategies found in literature on a Likert Scale with 1= nil, 2 = rarely, 3=sometimes, 4= usually, and 5=always. For the purposes of determining marketing strategies used by the firms, strategies with $\bar{x}$≥3.0 were regarded as 'used' by the firms, while those with $\bar{x}$<3.0 were regarded as 'not used' by the firms. The study further investigated the influence of the different marketing strategy groups on the firms' levels of performance.

RESULTS

Table 1 shows the mean score ranking of the frequency of use of the marketing strategies by the different firm groups, and that of the all the firms pooled together. Thirty three (33) of the identified marketing strategies are

(Insert Table 1)

used by the respondents, while 11 of them are not used. The respondents considered *Maintaining a strong pool of professionals to boost company image* ($\bar{x}$=3.79), *use of project signboards,* ($\bar{x}$=3.76) and *development of non-economic or social bonds* ($\bar{x}$=3.63) to be the first three most frequently used marketing strategies. The least 'used' marketing strategy was *location of firm close to clients* ($\bar{x}$=3.00).

In order to ascertain whether there was a significant difference in the frequency of use of the identified marketing strategies by the 3 different firm groups, Kruskal-Wallis H test was conducted. Table 2 shows the hypothesis test summary. The Kruskal-Wallis H test showed that a statistically significant difference exists in the frequency of use of the identified marketing strategies by the different groups of firms. Chi square ($\chi 2$) = 6.506, p = 0.039, with a mean rank frequency of use of 63.63 for low performers, 57.84 for average performers and 78.03 for high performers.

(Insert Table 2)

Pairwise comparison of the frequency of use of marketing strategies by the different firm groups (Table 3) revealed that no significant difference exists between the frequency of use of marketing strategies by average performers and low performers (p=1.000), and between low performers and high performers (p=0.232). However, there is a significant difference between the frequency of use of marketing strategies by average performers and high performers. High performers use marketing strategies more frequently than average performers given that mean rank frequency of use of marketing strategies for the 2 groups were 78.03 and 57.84 respectively.

(Insert Table 3)

In order to determine whether the marketing strategies influence the levels of performance of the firms, ordinal regression was carried out between the dependent variable – firm group (low performer=0, average performer=1, high performer=2), and the independent variables. Each marketing strategy group (independent variable) was measured by summing up the ranks given to its sub-variables by the respondents. The model fitting information had a significant chi square ($\chi 2$=79.374, p=0.000), which gave the confidence that the final model was a significant improvement over the baseline model. The Pseudo R^2 statistics (e.g. Nagelkerke=67.4%)were high, meaning that the independent variables explain a high proportion of the variations in ICFs' performance levels.

Table 4 shows the parameter estimates obtained from the ordinal regression analysis. Four (4) marketing strategy groups: *Third party-based strategy, client-based strategy, firm-based strategy,* and *publicity-based strategy* were significant determinants of ICFs' firm performance levels. For instance, for every unit rise in *Third party based marketing,* the odds of the firm moving from low performer to average performer or to high performer group increases by 1.11. Similarly, an increase in *Client-based* marketing strategy was associated with an increase in the odds of belonging to the high performer group with an odds ratio of 1.054 (95% Confidence interval, 1.022 – 1.087), Wald $\chi 2$ (1) = 12.468, p=0.001).

(Insert Table 4)

DISCUSSION OF FINDINGS

Level of Adoption of Marketing Strategies by the ICFs

The study demonstrates that *maintaining a strong pool of professionals to boost company image* ($\bar{x}$ =3.79) ranks highest among the marketing strategies of the indigenous construction firms covered by this study. This supports the view that people are the most important resources of an organisation (Delaney and Huselid, 1996) in marketing terms. The result apparently supports the finding of Ojo (2011) that the most frequently used marketing strategy by construction professionals is *professional-client relationship*. For example, résumé of key staff of a firm is an important pre-qualification-to-tender criterion in Nigeria. This may have contributed to the emergence of this factor as the most frequently used marketing strategy. Knowledgeable construction professionals are increasingly difficult to retain by ICFs in Nigeria. Part of the problem is that the quality of construction graduates in the country hardly meets industry expectations (Dabalan, et al. 2000). As a result, where available, construction professionals are expensive to retain.

However, whereas the frequency of use of this marketing strategy by low and high performers had $\bar{x}$ =4.25 and $\bar{x}$=4.29 respectively, that of average performers had $\bar{x}$=2.62. This suggests a neglect of this strategy by most average performers. Average performers may be contented with having the names of construction professionals written in their company profiles, without actually having them in the employment of their firms. On the other hand, low and high performer firms may differ in their approaches to attracting and retaining professionals. While high performers may seek to retain their professionals by financial and non-financial incentives (Wright, et al. 2004), low performers may simply seek to acquire the services of such professionals to boost their chances of winning or executing projects, perhaps on a short term basis.

A significant difference exists between the frequencies of use of marketing strategies by the groups of firms. This necessitated a pairwise comparison of the frequency of use of the marketing strategies by the groups of firms. It was then shown (Table 4) that a significant difference exists between the frequency of use of marketing strategies by average and high performer firms ($p=0.040$). No significant difference however exists between the frequency of use of marketing strategies by low and high performers ($p=0.232$). Apparently, this negates the finding in Anic, et al. (2009) that high performer firms invested more in marketing than low performer firms. However, Anic, et al. (2009) only categorised firms into low and high performers, thereby omitting average performers who were noted to usually be numerically more than the other categories of firms (Prahalad and Bettis, 1986). Furthermore, since Anic, et al. (2009) was based on manufacturing firms; the finding of this study seems to suggest that a similar situation does not apply to ICFs in Nigeria.

Similarly, the result of this study does not support the finding of Tan and Zang (2005) that no significant difference exists in the levels of adoption of marketing strategies by low, average and high performer firms. On the contrary, the present study shows that average performers' frequency of use of marketing strategies is significantly different from that of high performers. Average performers may be more complacent about marketing than the other two groups of ICFs, and this accounts for the severally cited sluggishness in the adoption of marketing by construction firms (Naranjo, et al., 2011; Tarawneh, 2013). This finding may be related to lack of vision for business expansion by the leaders of average performer ICFs. Most ICFs in Nigeria are sole proprietorships (Kamal and Flanagan, 2014). The owners are often satisfied with subsistence performance. As a result, once they arrive at a satisfactory income level; their marketing drives slow down.

Level of Firm Performance and Marketing Strategies of ICFs

The ordinal regression analysis revealed that *Third party-based strategy, client-based strategy, firm-based strategy,* and *publicity-based strategy* influence ICFs level of performance. This finding suggests the area of emphasis in choosing marketing strategies.

Third party based strategy

Third parties are stakeholders of a firm beside its owners and clients. The finding of this study is that *Third party-based strategy* increases a firm's odds of moving to higher performance levels by 1.11, for every unit rise in third party-based strategy. Probably, by engaging and managing relationships with construction professionals, and networking with other firms, ICFs increase their chances of winning jobs. Huck, et al. (2007) suggested that when a firm's stakeholders network, they share information about their private experiences with the firm, which helps to increase the firm's reputation. Such reputation may have accounted for the findings of this study. Furthermore, the influence of *Third party-based strategy* may also be related to the firm's corporate social responsibility activities. For instance, Odetayo, et al. (2014) found that a significant relationship exists between corporate social responsibility

and the profitability of Nigerian firms. It could be that ICFs' activities to contribute to social ends result in improved company image, which helps firm performance.

Client-based Strategy

The finding of this study supports earlier studies (Ojo, 2011; Abu-Bakar, et al. 2011). Marketing strategies that are basically focused on interacting directly with clients improve firms' performance levels. Creating social bonds with potential and existing clients, as well as opening up more communication and feedback channels will enhance clients' trust on the firm, and could lead to repeat business. A possible suggestion of this finding is that relationship management with clients improve firm performance among ICFs, as earlier observed by Reinartz, et al. (2004) for firms from different industries. Similarly, ICFs may be showing an increasing drive towards relational marketing contrary to the observation of Davis (2003) that the construction industry focuses more on transactional marketing. Thus, marketing drives that emphasise long term engagement with the client may increase ICF performance levels.

Firm-based Strategy

Marketing strategies that have the firm as their base are significant determinants of ICFs' level of performance. The analysis showed that the odds of an ICF in the research area belonging to a higher firm performance level will increase by 1.27 for every unit rise in firm-based marketing strategy, the other variables remaining constant. Nigerian ICFs are generally seen as lacking adequate managerial (including marketing) capacity (Ugochukwu and Onyekwena, 2014). Thus, ICFs in which this inadequacy does not exist may stand better chances of winning jobs. Additionally, this finding tends to strengthen the view that a firm's resource base in itself constitutes a marketing asset. A link exists between firm resources and its capabilities (Grant, 1991). As the firms therefore improve on their resources, clients become more attracted to them given the firms' equally improved management and technical capabilities.

Publicity-based Marketing Strategies

The findings of this study suggest that advertisement and promotional activities have the potential to improve ICF performance. *Publicity-based* marketing strategy is associated with an increase in the odds of belonging to the higher performance groups with an odds ratio of 1.151 (95% Confidence interval, 1.01 – 1.312), Wald $\chi 2$ (1) = 4.449, p=0.035). Publicity-based marketing strategies include company brochures, web-based and print media advertisements. They help in managing the reputation of the firm and in image building (Abdullah and Threadgold, 2008). Positive publicity about an ICF could also help correct past negative publicity (Yuksel and Mryteza; 2008) about the firm. Nigerian ICFs often post their firm names on their equipments, safety gears like helmets and overalls, and on project signboards. People tend to associate the quality of the work being done to the name of the firm doing the work. A good number of ICFs in Nigeria lack equipment, and do not provide safety gears for their workmen, therefore those firms that can provide these resources gain higher reputation as better firms. Firms' print media publications help clients to identify the firms' experience, capabilities and possibly, their niche of operations. The quality of these publications communicates the business acumen and seriousness of the ICF to the client.

CONCLUSION AND RECOMMENDATIONS

The influence of use of marketing strategies on ICF performance is under-researched. This paper set out to contribute to existing knowledge in this area by investigating the use of marketing strategies by 3 groups of ICFs: low performers, average performers and high performers. Its second objective was to ascertain the relationship between use of marketing strategies and the level of performance of ICFs in the South-South geopolitical zone of Nigeria. It was found that the variable *maintaining a strong pool of professionals to boost company image* is the highest ranking marketing strategy used by the ICFs covered by the study. Impliedly, ICFs should prioritise the engagement of suitably qualified construction professionals, as this helps to attract jobs, and increase firm performance.

It was further found that a significant difference exists in the frequency of use of marketing strategies by average performer and high performer ICFs. High performer ICFs use the identified marketing strategies more frequently than the average performer ICFs. Average performer ICFs have apparently lost the tempo of marketing strategies they began with while they were low performers. However, marketing strategies should be sustained by ICFs irrespective of their levels of performance. This will ensure that ICFs' performance continues to increase.

It was equally discovered that the groups of marketing strategies that influence ICF performance are *third-party based*, *Client*-based, *firm-based* and *publicity-based* strategies. *Project performance-based* strategies were found not to significantly contribute to ICF's level of performance. Probably, ICFs

consider it expensive to undertake actions during project execution that will endear them to clients. ICFs should improve on their project performance, and also consider free design and maintenance contributions to attract more clients and increase their performance.

Limitations of the Study

The study assumed that marketing strategies are the only predictors of firm performance. In practice there could be non-marketing strategy factors that influence firm performance. Secondly, the annual turnover of ICFs was based on the total value of projects won during the year 2015. Further studies using the actual cash inflows of the firms within a given period of time may be necessary.

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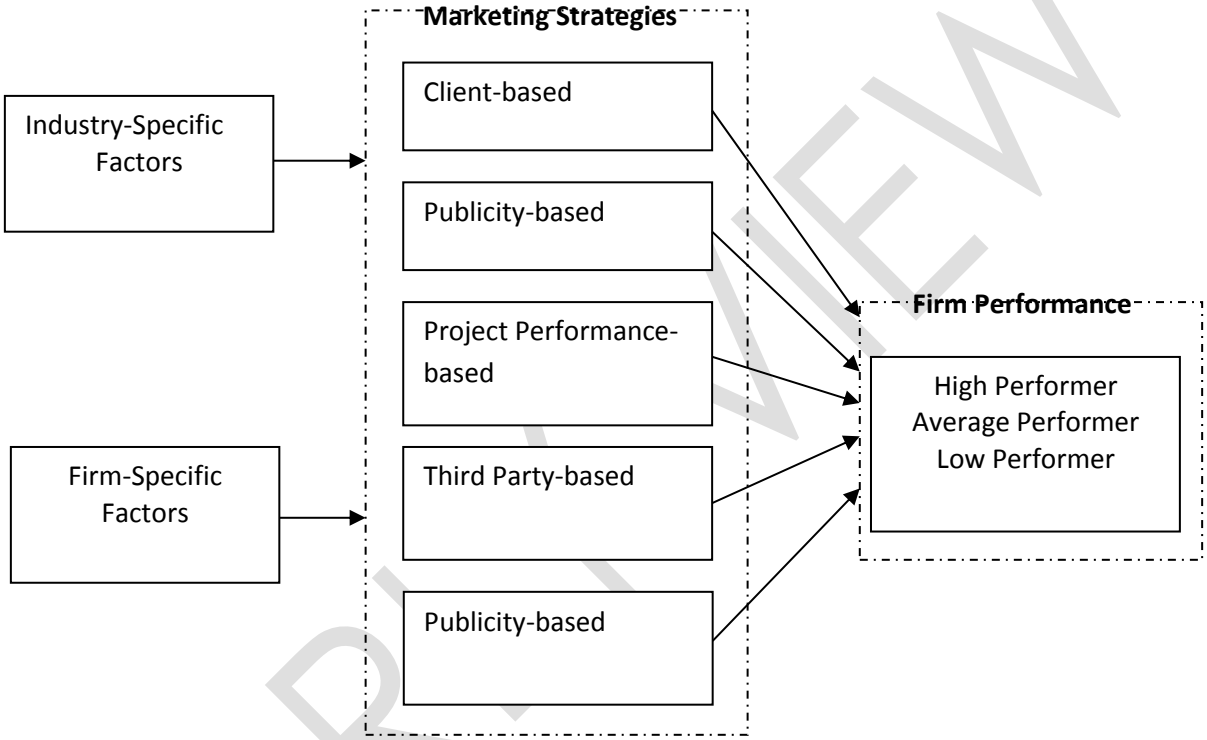

Figure 1: Conceptual Model of the Study

NB: The dotted portions are the areas of interest to this study

Table 1: Marketing Strategies of Indigenous Construction Firms

S/N	Marketing Strategies	LP	AP	HP	All	Status
	Third Party-based Strategies					
1	Maintaining a strong pool of professionals to boost company image	4.25	2.62	4.29	3.79	Used
2	Conflict management	3.41	4.08	2.50	3.36	Used
3	Investments in networking with other firms	3.89	2.71	2.82	3.27	Used

4	Outsourcing project supervision to more well known external personnel	3.92	2.75	2.56	3.22	Used
5	Corporate social responsibility/Sponsorships of events in your area of operation	2.78	3.30	3.72	3.18	Used
	Client-based Strategies					
1	Development of none-economic or social bonds with clients	3.39	3.39	4.27	3.63	Used
2	Project co-development strategy/PPP	2.34	2.90	4.22	3.62	Used
3	Inclusion of 'political' offers in bids	3.50	3.34	4.12	3.62	Used
4	Ensuring client feedback	3.52	3.65	3.67	3.60	Used
5	Greater communication with clients	3.53	3.51	3.64	3.56	Used
6	Offering branded notepads, pens, etc to clients	3.63	3.40	3.52	3.53	Used
7	Relational marketing	3.81	3.21	3.40	3.53	Used
8	Granting of credits/flexible payment options	3.25	3.23	3.43	3.29	Used
9	Customization of projects to suit clients	3.18	3.19	3.30	3.21	Used
10	Financial and none financial rewards to client staff	3.43	2.75	3.11	3.15	Used
11	Offering seasonal gifts to clients	2.55	3.40	3.76	3.11	Used
12	Location of firm closer to clients	3.55	2.69	2.42	3.00	Used
	Publicity-based Strategies					
1	Project signboard	3.55	3.85	4.01	3.76	Used
2	Packaging of company documents to look attractive	3.56	3.10	3.69	3.46	Used
3	Equipment branding	3.13	3.61	3.83	3.45	Used
4	Writing of proposals	3.50	3.39	3.09	3.36	Used
5	Company web-sites	2.84	3.38	3.96	3.29	Used

6	Use of Print media advertisements	2.41	3.68	3.57	3.08	Used
7	Use of internet based advertisements	3.42	2.26	2.44	2.83	not used
8	Being listed in business directories (yellow pages)	2.23	3.00	3.61	2.82	not used
9	Affinity marketing (Combined marketing with firms offering complementary projects or products)	2.74	2.52	3.19	2.80	not used
10	Broadcast media	2.25	1.80	1.87	2.02	not used
	Firm-based Strategies					
1	Claim aversion	3.40	3.33	3.29	3.35	Used
2	Development of a marketable name	2.93	3.89	3.43	3.34	Used
3	Market segmentation/product differentiations	3.08	3.06	3.51	3.19	Used
4	Use of promotional products	2.98	2.94	3.74	3.17	Used
5	Use of information technology (ICT) in service delivery	3.22	2.78	3.48	3.16	Used
6	Corporate social responsibility/charitable initiatives	2.85	3.10	3.49	3.09	Used
7	Acquisition of personnel and equipment	3.02	2.73	3.50	3.06	Used
8	Registration with client bodies	2.85	2.93	3.44	3.03	Used
9	Transactional marketing	2.86	2.94	2.27	2.73	not used
10	Environmental scanning/research	2.31	3.37	2.34	2.62	not used
11	Marketing plan	2.11	2.39	2.43	2.28	not used
	Project Performance-based Strategies					
1	Free design contribution	3.64	3.34	3.51	3.52	Used
2	Improvement in project performance	3.22	3.40	3.35	3.30	Used
3	Supply chain management	3.37	2.38	2.8	2.9	not

				2	4	used
4	Selling the benefits not the features	2.93	2.57	3.17	2.89	not used
5	Free maintenance service offer	2.53	2.78	3.30	2.81	not used

LP=Low performers, AP=Average performers, HP=High performers

Source: Adapted from Ogbu (2015)

Table 2: Hypothesis (Kruskal Wallis)Test Result

	FIRMGROUP	N	Mean Rank		Frequency of use of marketing strategies
Frequency of use of marketing strategies	LP	44	63.63	Chi-Square	6.506
	AP	44	57.84	df	2
	HP	44	78.03	Asymp. Sig.	0.039
	Total	132			

Table 3: Comparison of means of the different firm groups

Sample 1-Sample 2	Test Statistic	Std. Error	Std. Test Statistic	Sig.	Adj. Sig.
AP-LP	5.784	8.154	0.709	0.478	1.000
AP-HP	-20.193	8.154	-2.476	0.013	0.04
LP-HP	-14.409	8.154	-1.767	0.077	0.232

Each row tests the null hypothesis that the sample 1 and Sample 2 distributions are the same

Asymptotic significances (2-sided tests) are displayed. The significance level is .05.

LP=Low performers, AP=Average performers, HP=High performers

Table 4: Parameter Estimates

	Estimate	Std. Error	Wald	df	Sig	Lower Bound	Upper bound	Exp_B	Lower	Upper
[Firmgroup = .00]	9.12	1.996	20.881	1	0	5.208	13.03	9132.317	182.741	456379.04
[Firmgroup = 1.00]	11.984	2.245	28.498	1	0	7.584	16.38	160215.12	1967.05	13049432
Third party based	0.104	0.03	12.468	1	0	0.046	0.162	1.11	1.048	1.176
Client Relationship	0.052	0.016	11.099	1	0.001	0.022	0.083	1.054	1.022	1.087
Firm based	0.239	0.054	19.338	1	0	0.132	0.345	1.27	1.142	1.412
Project Execution	-0.018	0.072	0.061	1	0.805	-0.16	0.123	0.982	0.853	1.131
Publicity based	0.141	0.067	4.449	1	0.035	0.01	0.271	1.151	1.01	1.312