Journal of Construction in Developing Countries, 22(1), 1–19, 2017

Marketing Strategies and Performance of Indigenous Construction Firms in Nigeria

Chukwuemeka Patrick Ogbu

Published online: 30 August 2017

To cite this article: Chukwuemeka Patrick Ogbu. (2017). Marketing strategies and performance of indigenous construction firms in Nigeria. *Journal of Construction in Developing Countries*, 22(1): 1–19. https://doi.org/10.21315/jcdc2017.22.1.1

To link to this article: https://doi.org/10.21315/jcdc2017.22.1.1

Abstract: Despite increased competition, construction firms are generally known to be lagging 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. Study questionnaires 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. The 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 ICF level of performance are third-party-based, client-based, firm-based, and publicity-based strategies. Average-performer ICFs should make more frequent 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 has 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. To date, agreement exists in the literature that construction firms are lagging in the adoption of marketing strategies and view marketing with less seriousness than similar firms in manufacturing and product-based industries (Pheng, 1990; Naranjo, Pellicer and Yepes, 2011). Additionally, the marketing of construction services differs significantly from the marketing of other types of services. Very often, the clients of a construction firm are dispersed in terms of location, and the differences between times of patronage are long (Cova and Hoskins, 1997). Marketing is thought to be critical to firm performance; however, studies focusing on the predictors of construction firm performance are relatively recent and in need of further inputs (Phua, 2005; El-Mashaleh, Minchin and O'Brien, 2007; Horta, Camanho and Costa, 2010; Oyewobi, 2013). This study will aid in the uptake and spread of marketing strategies among ICFs in Nigeria by identifying the significant marketing strategy determinants of ICF performance.

Department of Quantity Surveying, University of Benin, Benin City, NIGERIA
Corresponding author: chukwuemeka.ogbu@uniben.edu

The 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); however, attempts to establish the contribution of marketing activities to any of the domains are rare. Marketing is an expensive activity, and the capacities of ICFs in Nigeria dictate that financial expenditures should be carefully prioritised. Identifying marketing strategies that are significant contributors to ICF performance levels will thus aid in ICF selection of these strategies.

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

In addition to not being construction-industry based, most studies relating marketing activities with firm performance has largely concentrated on developed countries. This focus prevents a holistic view of the different facets of this relationship by omitting the influences of different economic environments on firm marketing outcomes. Varadarajan and Jayachandran (1999) argued that firm marketing strategies are adopted by firms based on the operating environment and regarded marketing strategies as determinants of firm performance. There is a need to balance construction marketing studies with views from developing countries, especially as this relates to construction firm performance (Phua, 2005). Anderson-Macdonald (2015) 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 difference is that weak institutions in developing countries allow some unconventional tendering practices in public-sector project procurement, which may make the idea of formal marketing unattractive to ICFs. Second, the construction industry in developing countries is numerically dominated by 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 not yet generally accepted that marketing strategies significantly improve firm performance for construction SMEs in developing countries, although this genre of firms are known to perform poorly.

The argument of this paper aligns with Perreault and McCarthy (2005) in that firm-level resource improvements will not lead to higher firm performance if not backed by effective marketing. Marketing brings the firm together with its clients and thus influences buyer decisions. 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, defines an Indigenous contractor as a firm that has no other base than Nigeria (Mohamed, 1985). The Nigerian Oil and Gas Industry Content Development Act of 2010 defines an ICF from the perspective of firm ownership as a firm registered under the Companies and Allied Matters Act and having no 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, Wanyona and Diang'a (2014) summarised that the poor performance of ICFs in Nigeria emanates from incompetence, inexperience, poor planning and the adoption of ineffective traditional management approaches. Consequently, these firms have not been trusted by the government (Ugochukwu and Onyekwena, 2014). They have been relegated to handling mainly building projects (Odediran et al. 2012), especially at informal levels (Saka and Ajayi, 2010). In Nigeria, ICFs are known to have been involved in financial misdemeanours, such as the abuse of mobilisation fees (Achuenu, Izam and Bustani, 2000) and the embezzlement of project funds (Ugochukwu and Onyekwena, 2014), and are therefore ignored by the government in the awarding of complex and capital-intensive projects. The deployment of effective marketing strategies will thus be helpful in improving the image of ICFs in Nigeria. For example, positive media coverage could improve client perceptions of ICF competence and ultimately improve the firm performances.

Marketing and Indigenous Construction Firms

Marketing is a dynamic subject. This dynamism has been reflected in the progressive definition of the concept by the American Marketing Association to reflect paradigm shifts. The 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 product, price, place and promotion (4Ps) of the marketing model introduced in the 1960s (Gronroos, 1994; Vargo and Lusch, 2004). The earliest thoughts on marketing centred primarily on the exchange of commodities through marketing institutions. Later, the marketing management school of thought grew, laying more emphasis 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 in the 1980s under pressure from subject areas such as relationship marketing, quality management and service marketing. This development occasioned a shift from the 4Ps model of marketing. Still, construction marketing remained inadequately conceptualised.

The construction industry touches on both service and product marketing (Kurien, 2004; Arditi, 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 ideas in mind, the approach to marketing in construction firms is not settled as transactional or relational. Researchers such as Arditi, Polat and Makinde (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 firm performance. This demonstration calls for a marketing model that is easily actionable and uses terms that relate more readily to the construction industry. Marketing therefore remains a contentious, misunderstood, and inadequately addressed topic, 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. Because 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 state of affairs has separated the ICFs into different levels of performance. From a rational viewpoint, 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 performance levels.

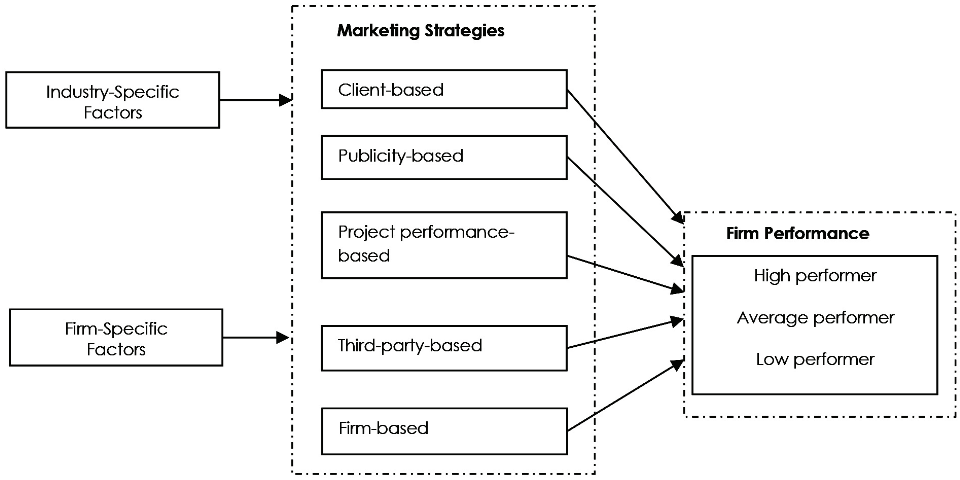
Effects of Marketing on Construction Firm Performance

Clark (2004) observed that there is difficulty in establishing cause-and-effect relationships between marketing and firm performance. However, 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) modelled the effects of marketing strategies on three measures of firm performance: competitive advantage, marketing performance and financial performance. They found that market orientation has a 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 useful 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 the professional-client relationship and the least used to be promotion. This study differs from Ojo (2011) in being focused on construction firms rather than construction professionals. By examining the firm and not only the professional, the present study seeks to identify how marketing decisions impact the aggregate economic unit. Firm-level studies of marketing contribute in forming and reinforcing marketing capabilities within organisations, which is critical to ICF performance. Adewale, Adesola and Oyewale (2013) studied the influence of six marketing strategies on the business performance of SMEs and found that in addition to product, the other marketing strategy variables, namely promotion, place, price, packaging and after-sales services, have significant effects on firm performance. The present study furthers existing knowledge in this area by not focusing on the 4P marketing strategies but rather being construction industry-specific and based on 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.



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

Figure 1. Conceptual Model of the Study

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 et al., 2006), corporate social responsibility (Mackey, Mackey and Barney, 2007), and marketing (Hassan et al., 2013). Phua (2005), however, categorised these factors as 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 noteworthy that most of the factors identified above were obtained for industries other than construction. Thus, they will require adjustments to make them construction industry-specific, which will allow for their practical adoption in the industry.

Ideally, the adoption of a marketing strategy will only be justified if it can improve firm performance. Hence, marketing strategies must be derived from variables that have bearings on firm performance. For ICF marketing purposes, the listed factors affecting firm performance can be categorised as 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 increase its performance.

A third-party-based marketing strategy, for instance, focuses marketing activities on influencing entities that are external to the firm and its clients in order to increase the firm's 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 reputation of the firm in the estimation of the government and therefore help secure repeat business for the firm. While some external environmental factors (e.g., government regulations) are beyond the firm's control, 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 for this state of affairs is that clients compare the firms with multinational construction firms. However, as a group, 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 levels of performance because 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 six states of the South-South geopolitical zone of Nigeria: Akwa Ibom (n = 11), Bayelsa (n = 7), Cross River (n = 16), Delta (n = 15), Edo (n = 20) and Rivers (n = 18). These states are also among the nine Niger Delta states of Nigeria. The activities of oil companies and the Federal Government of Nigeria's payment of a 13% oil derivative to the Niger Delta states make the incomes of these states 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 barely exists. Second, this approach made it possible to serve the questionnaire on the ICF knowledgeable personnel. 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 revenue to employee ratios (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 their number of employees. Thus, RER is composed of both financial and nonfinancial variables of firm performance. This helps capture the merits of these two methods of firm performance assessment. Financial performance metrics are said to be lagging indicators, which give a 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 future performance (Abu Bakar et al., 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 for this method is that with a few permanent staff, a firm can win a big contract, increase its staff strength for the duration of the project, and downsize afterwards. The firms were asked to state their annual turnover for 2015. Low performers were considered to be firms with RER ≤ N 15,000,000 for 2015; average performers were firms with RER > N 15,000,000 ≤ N 100,000,000; and high performers were firms with RER ≥ N 100,000,000. The respondents were asked to rank their frequency of use of marketing strategies found in the 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 $\bar{x} \geq 3.0$ were regarded as "used" by the firms, whereas those with $\bar{x} < 3.0$ were regarded as "not used". The study further investigated the influence of the different marketing strategy groups on firm performance levels.

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. 33 of the identified marketing strategies are used by the respondents, whereas 11 are not used. 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) are the three most frequently used marketing strategies. The least "used" marketing strategy was location of firm close to clients ($\bar{x}$ = 3.00).

To ascertain whether there were significant differences in the frequencies of use of the identified marketing strategies among the three different firm groups, the 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 frequencies of use of the identified marketing strategies by the different groups of firms. The chi square (x^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.

A pairwise comparison of the frequencies of use of marketing strategies by the different firm groups (Table 3) revealed that no significant difference exists between the frequencies 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 frequencies of use of marketing strategies by average performers and high performers. High performers use marketing strategies more frequently than average performers, with mean rank frequencies of use of marketing strategies for the two groups of 78.03 and 57.84, respectively.

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 non-economic or social bonds with clients	3.39	3.39	4.27	3.63	Used
2	Project co-development strategy/ public-private partnership	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	More communication with clients	3.53	3.51	3.64	3.56	Used
6	Offering branded notepads, pens and other items 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 credit/flexible payment options	3.25	3.23	3.43	3.29	Used
9	Customisation of projects to suit clients	3.18	3.19	3.30	3.21	Used
10	Financial and non-financial rewards for 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 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 websites	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

(*continued on next page*)

Table 1. (*continued*)

S/N	Marketing Strategies	LP	AP	HP	All	Status
	Publicity-Based Strategies					
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 differentiation	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 and communication 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	2.82	2.94	Not 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

Notes: LP = Low performers; AP = Average performers; HP = High performers
Source: Adapted from Ogbu (2015)

Table 2. Hypothesis (Kruskal Wallis) Test Results

Firm Group	*N*	Mean Rank		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

Notes: 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.

To determine whether firm marketing strategies influence performance levels, an 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 the ranks given to its sub-variables by the respondents. The model fitting information had a significant chi square (x^2 = 79.374, p = 0.000), which gave 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 ICF performance levels.

Table 4 shows the parameter estimates obtained from the ordinal regression analysis. Four marketing strategy groups – third-party-based strategy, client-based strategy, firm-based strategy and publicity-based strategy – were significant determinants of ICF performance levels. For instance, for every unit rise in third-party-based marketing, the odds of the firm moving from low performer to the average or high performer group increase by 1.11. Similarly, an increase in a 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 x^2 (1) = 12.468, p = 0.001).

DISCUSSION OF FINDINGS

Level of Adoption of Marketing Strategies by 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 finding supports the view that people are the most important resources of an organisation (Delaney and Huselid, 1996) in marketing terms. This result appears to support the finding of Ojo (2011) that the most frequently used marketing strategy by construction professionals is the professional-client relationship. For example, the résumés of key firm staff is an important pre-qualification-to-tender criterion in Nigeria. This importance 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.

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	13049432.087
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

Part of the problem is that the quality of construction graduates in the country barely meets industry expectations (Dabalan, Oni and Adekola, 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 was $\bar{x}$ = 4.25 and $\bar{x}$ = 4.29, respectively, that of average performers was $\bar{x}$ = 2.62. This finding suggests a neglect of this strategy by most average performers. Average performers may be content with having the names of construction professionals in their company profiles without actually employing them. However, low and high performer firms may differ in their approaches to attracting and retaining professionals. While high performers may seek to retain professionals by financial and non-financial incentives (Wright et al. 2004), low performers may simply seek to acquire the services of these 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 difference necessitated a pairwise comparison of the frequencies of use of the marketing strategies by the groups of firms. It was then shown (Table 4) that a significant difference exists between the frequencies of use of marketing strategies by average- and high-performer firms (p = 0.040). No significant difference, however, exists between the frequencies of use of marketing strategies by low and high performers (p = 0.232). This finding appears to negate the finding in Anic, Rajh and Teodorovic (2009) that high-performer firms invested more in marketing than low-performer firms. However, Anic, Rajh and Teodorovic (2009) only categorised firms into low and high performers, thereby omitting average performers who were noted as typically numerically more than the other categories of firms (Prahalad and Bettis, 1986). Furthermore, Anic, Rajh and Teodorovic (2009) was based on manufacturing firms, and the findings of this study seem to suggest that a similar situation does not apply to ICFs in Nigeria.

Similarly, the results of this study do not support the finding of Tang and Zang (2005) that no significant difference exists in the levels of adoption of marketing strategies by low-, average- and high-performer firms. In contrast, the present study shows that average performer 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 construction firm tardiness in the adoption of marketing (Naranjo et al., 2011; Tarawneh, 2013). This finding may be related to a lack of vision for business expansion on the part of 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 ICF performance levels. This finding suggests an area of emphasis in choosing marketing strategies.

Third-party-based strategy

Third parties are stakeholders of a firm in addition to its owners and clients. This study finds that a third-party-based strategy increases a firm's odds of moving to a higher performance level by 1.11 for every unit rise in third-party-based strategy. It is probable that by engaging and managing relationships with construction professionals and networking with other firms, ICFs increase their chances of winning jobs. Huck, Lunser and Tyran (2007) suggested that when firm stakeholder networks share information about their private experiences with the firm, the firm's reputation improves. This reputation may have accounted for the findings of this study. Furthermore, the influence of a third-party-based strategy may also be related to a firm's corporate social responsibility activities. For instance, Odetayo, Adeyemi and Sajuyigbe (2014) found that a significant relationship exists between corporate social responsibility and the profitability of Nigerian firms. It could be that ICF activities contribute to social ends and result in an improved company image, which helps firm performance.

Client-based strategy

The finding of this study supports earlier studies (Ojo, 2011; Abu-Bakar, Tufail and Virgiyanti, 2011). Marketing strategies that are essentially focused on interacting directly with clients improve firm performance. Creating social bonds with potential and existing clients and opening more communication and feedback channels will enhance client trust and could lead to repeat business. A possible implication of this finding is that relationship management with clients improves firm performance among ICFs, as earlier observed by Reinartz, Krafft and Hoyer (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 improve ICF performance.

Firm-based strategy

Marketing strategies that have the firm as their base are significant determinants of ICF performance levels. 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, with 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 resource base constitutes a marketing asset for a firm. A link exists between firm resources and capabilities (Grant, 1991). As firms improve their resources, clients become more attracted to them given the equally improved management and technical capabilities of the firms.

Publicity-based strategy

The findings of this study suggest that advertising and promotional activities have the potential to improve ICF performance. A 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 x^2 (1) = 4.449, p = 0.035). Publicity-based marketing strategies include company brochures and web-based and print media advertisements. They help in managing firm reputation and image building (Abdullah and Threadgold, 2008). Positive publicity about an ICF could also help counteract past negative publicity (Yuksel and Mryteza; 2009) about the firm. Nigerian ICFs often post their firm names on their equipment, safety gear, such as helmets and overalls, and project signboards. People tend to associate the quality of the work being done with the name of the firm doing the work. A number of ICFs in Nigeria lack equipment and do not provide safety gear for their workmen; therefore, firms that can provide these resources gain reputations as better firms. Print media publications can help clients identify firm experience, capabilities and possible niches of operation. The quality of these publications communicates the business acumen and seriousness of the ICF to the client.

CONCLUSION AND RECOMMENDATIONS

The influence 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 three groups of ICFs: low performers, average performers and high performers. Its second objective was to ascertain the relationship between the 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. This implies that ICFs should prioritise the engagement of suitably qualified construction professionals because this helps attract jobs and improve firm performance.

It was further found that a significant difference exists in the frequencies of use of marketing strategies by average-performer and high-performer ICFs. High-performer ICFs use the identified marketing strategies more frequently than average-performer ICFs. The average-performer ICFs no longer make use of marketing strategies as much as they did while they were low performers. However, marketing strategies should be sustained by ICFs irrespective of their performance level. Doing so will ensure that ICF performance continues to improve.

It was also found 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 performance levels. It is probable that ICFs consider it expensive to undertake actions during project execution that will endear them to clients. ICFs should improve their project performance and consider free design and maintenance contributions to attract more clients and improve their performance.

Limitations of the Study

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

REFERENCES

Abdullah, Z. and Threadgold, T. (2008). Towards the professionalisation of public relations in Malaysia: Perception management and strategy development. *Public Relations Review*, 34(3): 1–25. https://doi.org/10.1016/j.pubrev.2008.04.003.

Abu Bakar, A.H., Tabassi, A.A. Razak, A.A. and Yusof, M.N. (2012). Key factors contributing to growth of construction companies: A Malaysian experience. *World Applied Sciences Journal*, 19(9): 1295–1304.

Abu-Bakar, A.H., Tufail, M.A. and Virgiyanti, W. (2011). Implementation of strategic management practices in the Malaysian construction industry. *Pakistan Journal of Commerce and Social Science*, 5(1): 140–154.

Achuenu, E., Izam, Y.D. and Bustani, S.A. (2000). Investigating the activities of indigenous contractors in the Nigerian construction. *Nigeria Journal of Construction Technology and Management*, 3(1): 91–103.

Adewale, G., Adesola, M.A. and Oyewale, I.O. (2013). Impact of marketing strategies on business performance: A study of selected small and medium enterprises (SMEs) in Oluyole local government, Ibadan, Nigeria. *Journal of Business and Management*, 11(4): 59–66.

American Marketing Association (AMA) (2013). *Definition of Marketing*. Chicago: AMA. Available at: https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx [Accessed on 2 December 2015].

Anderson-Macdonald, S. (2015). The impact of marketing (versus finance) skills on firm performance: Evidence from a randomized controlled trial in South Africa. Mimeo: London Business School. Available at: https://www.gsb.stanford.edu/sites/default/files/documents/Job%2520Market%2520Paper_Stephen%2520Anderson_LBS%2520(1)%2520(1).pdf+&cd=5&hl=en&ct=clnk&gl=ng [Accessed on 4 December 2015].

Anic, I.D., Rajh, E. and Teodorovic, I. (2009). Firms' characteristics, strategic factors and firms' performance in the Croatian manufacturing industry. *Ekonomiski Pregled*, 60(9–10): 413–431.

Arditi, D., Polat, G. and Makinde, S. (2008). Marketing practices of US contractors. *Journal of Management in Engineering*, 24(4): 255–264. https://doi.org/10.1061/(ASCE)0742-597X(2008)24:4(255).

Barua, A., Konana, P., Whinston, A. and Yin, F. (2001). Measures for e-business assessment. *IT Pro*, January/February: 35–39.

Clark, B. (2004). Measuring performance: The marketing perspective. In A. Neely (ed.). *Business Performance Measurement: Theory and Practice*. London: Cambridge Press, 22–40.

Cooke-Davies, T. (2002). The "real" success factors on projects. *International Journal of Project Management*, 20(3): 185–190. https://doi.org/10.1016/S0263-7863(01)00067-9.

Cova, B. and Hoskins, S. (1997). A twin-track networking approach to project marketing. *European Management Journal*, 15(5): 546–556. https://doi.org/ 10.1016/S0263-2373(97)00034-0.

Creswell, J.W. and Clark, V.L.P. (2011). *Designing and Conducting Mixed Methods Research*. 2nd Ed. Thousand Oaks: Sage Publications.

Dabalan, A., Oni, B. and Adekola, O.A. (2000). *Labour Marketing Prospects of University Graduates in Nigeria*. Washington DC: World Bank. Available at: http://siteresources.worldbank.org/NIGERIAEXTN/Resources/labor_market_univ.pdf [Accessed on 19 December 2015).

Davis, P.R. (2003). The application of relationship marketing in the construction industry: Work in progress report. In D.J. Greenwood (ed.). *Proceedings: 19th Annual Association of Researchers in Construction Management (ARCOM) Conference*. Vol. 2. University of Brighton, 3–5 September. London: ARCOM, 827–836.

Delaney, J.T. and Huselid, M.A. (1996). The impact of human resource management practices on perceptions of organizational performance. *Academy of Management Journal*, 34(4): 949–969. https://doi.org/ 10.2307/256718.

Deng, F. and Smyth, H. (2014). Nature of firm performance in construction. *Journal of Construction Engineering and Management*, 140(2): 04013040. https://doi.org/10.1061/(ASCE)CO.1943-7862.0000778.

Dikmen, I., Birgonul, M.T. and Ozcenk, I. (2005). Marketing orientation in construction firms: Evidence from Turkish contractors. *Building and Environment*, 40(2): 257–265. https://doi.org/10.1016/j.buildenv.2004.07.009.

El-Mashaleh, M., Minchin, R. and O'Brien, W. (2007). Management of construction firm performance using benchmarking. *Journal of Management in Engineering*, 23(1): 10–17. https://doi.org/10.1061/(ASCE)0742-597X(2007)23:1(10).

Elshakour, H.A.M., Al-Sulaihi, I.A., Al-Gahtani, K.S. and Ibn-Homaid, N.T. (2014). Benchmarking framework for performance of construction companies in Saudi Arabia. *Jokull Journal*, 64(30): 125–134.

Grant, R.M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*, 33(3): 114–135. https://doi.org/10.2307/41166664.

Gronroos, C. (1994). From marketing mix to relationship marketing: Towards a paradigm shift in marketing. *Management Decision*, 32(2): 4–20. https://doi.org/10.1108/00251749410054774.

Harnish, V. (2006). Revenue per employee, our nation's most critical number. Available at: https://gazelles.com/columns/Revenue%20per%20Employee.pdf [Accessed on 10 June 2015].

Hassan, M.U., Qureshi, S.U., Sharif, S. and Mukhtar, A. (2013). Impact of marketing strategy creativity on organizational performance via marketing strategy implementation effectiveness: Empirical evidence from Pakistani organizations Middle-East. *Journal of Scientific Research*, 16(2): 264–273.

Hindustan Construction Company (HCC) (2013). *Annual Report*. Mumbai: HCC. Available at: www.hccindia.com [Accessed on 10 June 2015].

Horta, I., Camanho, A.S. and Costa, J.M. (2010). Performance assessment of construction companies integrating key performance indicators and data envelopment analysis. *Journal of Construction Engineering and Management*, 136(5): 581–594. https://doi.org/10.1061/(ASCE)CO.1943-7862.0000145.

Huck, S., Lunser, G.K. and Tyran, J.R. (2007). *Consumer Networks and Firm Reputation: A First Experimental Investigation*. Copenhagen: Department of Economics, University of Copenhagen. Available at: http://else.econ.ucl.ac.uk/papers/uploaded/291.pdf [Accessed on 28 December 2015].

Inuwa, I.I., Wanyona, G. and Diang'a, S. (2014). Construction procurement systems: Influencing factors for Nigerian indigenous contractors project planning. *International Journal of Engineering Research and Technology*, 3(4): 1043–1050.

Jaakkola, M., Möller, K., Parvinen, P., Evanschitzky, H. and Mühlbacher, H. (2010). Strategic marketing and business performance: A study of three European "engineering countries". *Industrial Marketing Management*, 39(8): 1300–1310. https://doi.org/10.1016/j.indmarman.2010.06.005.

Kamal, E.M. and Flanagan, R. (2014). Characteristics of rural construction SMEs. *Journal of Construction in Developing Countries*, 19(2): 1–13.

Kurien, S.A. (2004). Business development strategies used by general contracting construction companies in Texas for marketing diversification. MSc diss. Texas A&M University.

Li, S., Ragu-Nathan, B., Ragu-Nathan, T.S. and Rao, S.S. (2006). The impact of supply chain management practices on competitive advantage and organisational performance. *The Journal of Management Science*, 34: 107–124.

Mackey, A., Mackey, T.B and Barney, J.B. (2007). Corporate Social Responsibility and firm performance: Investor preferences and corporate strategies. *Academy of Management Review*, 32(3): 817–835. https://doi.org/10.5465/AMR.2007.25275676.

Mbugua, L.M., Harris, P., Holt, G.D. and Olomolaiye, P.O. (1999). A framework for determining critical success factors influencing construction business performance. In W. Hughes (ed.). *15th Annual Association of Researchers in Construction Management (ARCOM) Conference*. Vol. 1. Liverpool, UK: ARCOM, 255–264.

Mohamed, I. (1985). The Nigerian enterprises promotion decrees (1972–1977) and indigenization of Nigeria. PhD diss. University of Warwick.

Morgan, N.A., Vorhies, D.W. and Mason, C.H. (2009). Marketing orientation, marketing capabilities and firm performance. *Strategic Management Journal*, 30(8): 909–920. https://doi.org/10.1002/smj.764.

Naranjo, G., Pellicer, E. and Yepes, V. (2011). Marketing in the construction industry: State of knowledge and current trends. *Dyna*, 78(170): 245–253.

Odediran, S.J., Adeyinka, B.F., Opatunji, O.A. and Morakinyo, K.O. (2012). Business structure of indigenous firms in the Nigerian construction industry. *International Journal of Business Research and Management (IJBRM)*, 3(5): 255–264.

Odetayo T.A., Adeyemi, A.Z. and Sajuyigbe, A.S. (2014). Impact of corporate social responsibility on profitability of Nigeria banks. *International Journal of Academic Research in Business and Social Sciences*, 4(8): 252–263.

Ogbu, C.P. (2015). Application of marketing strategies in Nigerian quantity surveying firms. *Journal of Economics and Sustainable Development*, 6(16): 30–43.

Ogunbanjo, A. (2010). An overview of the Nigerian Oil and Gas Industry Content Development Act 2010. Available at: www.scribd.com/doc/30564109/An-overview-ofthe-Nigerian-Content-Development-Act-2010 [Accessed on 4 December 2010].

Ojo, G. K. (2011). Effective marketing strategies and the Nigerian construction professionals. *African Journal of Marketing Management*, 3(12): 303–311.

Oladinrin, T.O., Ogunsemi, D.R. and Aje, I.O. (2012). Role of construction sector in economic growth: Empirical evidence from Nigeria. *Futy Journal of the Environment*, 7(1): 50–60. https://doi.org/10.4314/fje.v7i1.4.

Oyewobi, L.O., Windapo, A.O., Cattel, K. and Rotimi, J.O.B. (2013). A framework for identifying construction companies best practice: A panacea for corporate performance failure. In S. Kajewski, K. Manley and K. Hampson (eds.). *Proceedings of the 19th International CIB World Building Congress.* Brisbane: Queensland University of Technology, 1–12. Available at: http://www.conference.net.au/cibwbc13/papers/cibwbc2013_submission_348.pdf [Accessed on 18 December 2014].

Perreault, W.D. and McCarthy, E.J. (2005). *Basic Marketing: A Global-Managerial Approach*. Boston: McGraw-Hill.

Pheng, L.S. (1990). Marketing theories and concepts for the international construction industry: A study of their applicability at the global, national and corporate perspectives. PhD diss. University of London. Available at: http://discovery.ucl. ac.uk/1317878/1/295185.pdf [Accessed on 11 September 2015].

Phua, T.T.F. (2005). Predicting construction firm performance: An empirical assessment of the differential impact between industry- and firm- specific factors. *Construction Management and Economics*, 24(March): 309–320.

Prahalad, C.K. and Bettis, R.A. (1986). The dominant logic: A new linkage between diversity and performance. *Strategic Management Journal*, 7(6): 485–501. https://doi.org/10.1002/smj.4250070602.

Reinartz, W., Krafft, M and Hoyer, W. D. (2004). The customer relationship process: Its measurement and impact on performance. *Journal of Marketing Research,* 41(3): 293–305. https://doi.org/10.1509/jmkr.41.3.293.35991.

Rust, R.T., Lemon, K.N. and Zeithaml, V.A. (2004). Return on marketing: Using customer equity to focus marketing strategy. *Journal of Marketing*, 68(1): 109–127. https://doi.org/10.1509/jmkg.68.1.109.24030.

Saka, N. and Ajayi, O.M. (2010). A comparative assessment of incentive scheme between indigenous and multinational construction contractors in Nigeria. In C. Egbu (ed.). *Proceedings of the 26th Annual ARCOM Conference*. Leeds, UK, 6–8 September. Leeds: Association of Researchers in Construction Management, 583–591.

Tang, Y. and Zhang, Y. (2005). Marketing strategy and business performance: evident from small construction firms in Tianjin. Available at: https://opus.lib.uts.edu.au/bitstream/10453/2178/3/2005002333.pdf [Accessed on 5 December 2015].

Tarawneh, S.A. (2013). Marketing for service quality in the Jordanian construction project organization. *Civil and Environmental Research*, 3(12): 93–102.

Teoh, M.C, Low, S.P. and Raphael, B. (2008). Computer-based cartography: A marketing information system tool for the EU construction industry. In A. Dainty (ed.). *Procs 24th Annual ARCOM Conference*. Cardiff, UK, 1–3 September. Cardiff, UK: Association of Researchers in Construction Management, 597–606.

Ugochukwu, S.C. and Onyekwena, T. (2014). Participation of indigenous contractors in Nigerian public sector construction projects and their challenges in managing working capital. *International Journal of Civil Engineering, Construction and Estate Management*, 1(1): 1–21.

Varadarajan, P.R. and Jayachandran, S. (1999). Marketing Strategy: An assessment of the state of the field and outlook. *Journal of the Academy of Marketing Science*, 27(2): 120–143. https://doi.org/10.1177/0092070399272002.

Vargo, S.L. and Lusch, R.F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68(1): 1–17. https://doi.org/10.1509/jmkg.68.1.1.24036.

Wright, P.M., Dunford, B.B. and Snell, S.A. (2001). Human resources and the resource based view of the firm. *Journal of Management*, 27(6): 701–721. https://doi.org/10.1177/014920630102700607.

Wright, P.M., Gardner, T.M., Moynihan, L.M. and Allen, M.R. (2004). The relationship between HR practices and firm performance: Examining casual order. *CAHRS Working Paper #04–06*. Ithaca, NY: Center for Advanced Human Resource Studies, School of Industrial and Labor Relations, Cornell University. Available at: http://digitalcommons.ilr.cornell.edu/cahrswp/13.

Yan, S. and Chew, D.A.S. (2011). An investigation of marketing strategy, business environment and performance of construction SMEs in China. *African Journal of Business Management*, 5(6): 2396–2405.

Yuksel, U. and Mryteza, V. (2009). An evaluation of strategic responses to consumer boycotts. *Journal of Business Research*, 62(2): 248–259.