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Marketing Strategies: Typology and Application to the Nigeria's Business Environment

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Abstract

Marketing strategy is an important tool that is commonly used by organisations to specify how their stated goals and objectives are to be realized in the business operating environment. This paper examines the meaning of strategy and marketing strategy as well as typologies of strategies from the perspective of different scholars in the strategy literature. The paper is essentially based on content analysis through review of extant relevant literature such as text books, journal and seminar papers. It was found that every business organisation relates their choice of marketing strategy to their operating environment and that organisational strategic choice depends on its goals and resources. The paper concludes that business organisations should note that strategies are cleverly designed, long term oriented, forward looking and their effective application could enable organisations to break even and recover their investments. It was also concluded that while the red ocean strategists see competition as a nature state of existence for business growth and survival, the blue oceans strategists believe that business growth and survival is attainable by operating in the uncontested segments of the market.

Introduction

Production, marketing and consumption are the three basic elements in any economic system, be it a developed, developing or an underdeveloped economy. Hence, it will not be an exaggeration to assert that marketing plays a pivotal role in economic development of every nation (Abdulraheem, 2003; Mustapha, 2007; and Kinsey, n.d). To show the importance of marketing, Abdulraheem (2003) and Kinsey (n.d) asserted that marketing acts as the means of promoting optimum economic growth and development. This is because marketing activities are constantly channeled towards identifying

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consumer needs in the market, developing goods and services that will satisfy these needs effectively in such a way that results in the realization of the organisation objectives.

However, for business organisations to tap from economic growth and developmental potentialities embedded in marketing activities, they need to formulate and adopt appropriate policies and marketing programmes. These policies and programmes should be such that will enable them to attain their set goals, especially in a turbulent operating environment like Nigeria. This is because businesses today operate in a dynamic environment wherein; the number, extent and pace of changes in the external environment mean that no person or business can afford to be complacent (Cook, 1995). In addition, Olujide and Aremu (2004) observed that strategy is particularly important in Nigeria today because of the volatility, high competitiveness and the stormy nature of the marketing environment. This calls for every firm to use marketing strategy to gain competitive advantage. Furthermore, Acker (1998) asserted that the field of marketing strategy should consider the totality of marketing environment and its impacts on a company or product, and that organisation's emphasis should be an in-depth understanding of the market operating environment particularly the competitors and customers. Consequently, if a marketing manager must remain useful and relevant in today's turbulent environment, he must be able to help shape and implement new strategies and new managerial processes and activities (Aluko *et al*, 1998).

In the light of the above, therefore, clear and effective marketing efforts are highly needed by organisations in order to succeed. There is no organisation that will fold its hands in this competitive environment without thinking of a well thought out marketing strategy. It is as a result of this that organisations are now intensifying their marketing efforts to be market leaders by rolling out new strategies and products as means of growth and survival (Aremu, 2003). Hence, this paper surveys existing literature on marketing strategy, its typologies and application in Nigeria business environment.

Literature Review

Definition of Strategy

Strategy has been viewed in different ways by various strategy writers. A strategy is the general direction set for the company and its various components to achieve a desired state in the future. Strategy is also defined as a plan, method, or series of actions for obtaining a specific goal or intended result (Handbook of Business Strategy, 2000). Also, strategy is the art and science of planning and marshalling resources for their most efficient and effective use (Business Dictionary.com). Babaita (2003) defines strategy as a general program of action and an implied deployment of resources to attain comprehensive objectives. To Baker (1992), a strategy is the pattern of plan that integrates an organisation's major goals, policies, and actions into a cohesive whole, while Porter (1996) sees strategy as the creation of a unique and valuable position involving a different set of activities. He believed that a firm can outperform rivals only if it can establish a difference that it can preserve.

If the definitions of strategy given above are critically examined, one would conclude that strategy refers to the broad overall concepts of an enterprise's operation. Strategy, therefore, most often denotes a kind of road map of action that business firms required for them to realise their set goals and objectives.

Features of Strategy

In the views of Wiriadinata (2011), and Gunasekara (2010) the following are the features of strategy;

i. Strategy deals with long term developments rather than routine operations, i.e. it deals with probability of innovations or new products, new methods of productions, or new markets to be developed in future.
ii. Strategy is created to take into account the probable behavior of customers and competitors and strategies dealing with employees will predict the employee behavior.
iii. Strategy is formulated to enable firms foresee the future. Without a perfect foresight, the firms must be ready to deal with the uncertain events which constitute the business environment.

iv. Strategy should be design in a clever and smart manner. If the strategy fails to obtain this characteristic it will not be a good strategy as only smart strategies enable organisation to achieve desired objectives.
v. The strategy should be able to break even and recover the investment/cost incurred. In other words, benefits received by the organisation by executing the strategy has to be higher than the cost incurred in executing the strategy.
vi. Strategy relates the firm to its environment, particularly the external environment in all her actions whether objective setting or resources required for its achievement.

Meaning of Marketing Strategy

Marketing strategy according to Kotler (2003) and Kotler *et al* (1999) is the marketing logic by which the business unit hopes to achieve its marketing objectives. That is, it shows how strategies for target markets and positioning are built upon the firm's differential advantages. It should detail the market segments in which the company will focus. These segments in the view of Kotler *et al* (1999) differ in their needs and wants, responses to marketing and profitability. The company should put its efforts into those market segments it could best serve from a competitive point of view. It should develop a marketing strategy for each targeted segment.

In the opinion of Brearden *et al* (1995), marketing strategies consist of selecting a market and developing a marketing mix to satisfy that market need. A target market is a defined group of consumers or organisations with whom a firm wants to create marketing exchange. While marketing mix on the other hand, is the overall marketing offer to appeal to the target market. It consists of decisions on four basic areas; product (development of a product, services, idea to exchange), price (what to charge for exchange) and distribution (how to get the product, services or idea to the target market to consummate the exchange), and promotion (means of communicating the existence of the product, its quality, its price and benefits to target consumer).

A critical look at this last definition will reveal unequivocally that the definition offered by Brearden *et al* is marketing concept oriented. However, the opinions and expressions of the above writers in their definition of the term, "marketing strategy" succinctly summarise "marketing strategy" as the overall plan or sign post of an organisation to guide her in achieving stated marketing objectives.

Typologies of Marketing Strategy

Marketing writers have classified marketing strategies in many ways. Among these writers are, Porter (1986) who proposed the three generic strategies, Miles and Snow (1978) strategy ache-types, Baker (1982) who isolated the three Basic Marketing strategies, Peterson (1982) who contended that the formulation of marketing strategy involves considering target consumers to pursue, target consumers desires to satisfy, and marketing mix components, Kim and Mauborgne (2005) uncontested market space strategy (i.e. blue sea strategy) etc. While there are many more typologies of marketing strategy, this study considers some of these strategies in the strategy literature. A good number of these strategies are applied by Nigerian organisations in their day to day operations.

1. Porter Generic Strategies

In his classic work, "Competitive Strategy; Techniques for Analyzing Industries and Competitors", Porter (1986) asserted that to achieve a comparative advantage, a firm must perform one or more value creating activities in a way that creates more overall value than do competitors. He further argued that superior value is created through lower costs or superior benefits to consumers. Hence, he proposed three generic strategies which provide a good starting point for strategic thinking viz: overall cost leadership, differentiation and focus. These strategies, according to Porter (1998) are applied at the business level and are called generic because they are not firm or industry dependent. The generic strategies matrix has two dimensions; strategic competitive advantage and scope or strategic target. Competitive advantage is created by using resources and capabilities to achieve either a lower cost structure or a differentiated product. A firm positions itself in its industry through its choice of low cost or differentiation. This decision is a central component for any firm's competitive advantage and the other important decision is how broad or narrow a market segment is to target.

Porter developed a matrix using cost advantage, differentiation and a broad or narrow focus, to identify a set of generic strategies that a firm can pursue to create and sustain a competitive advantage. The figure below illustrates Porter's generic strategies.

Figure: 1: Porter's Typology of Generic Strategies

		Competitive Advantage	
		Low Cost	Product Uniqueness
Target Scope	Broad (Industry wide)	Cost Leadership Strategy	Differentiation Strategy
	Narrow (Market Segment)	Focus Strategy (Low Cost)	Focus Strategy (Differentiation)

Sources: Adapted Porter, M.E. (1986).

i. Overall Cost Leadership Strategy: The business firm pursuing this strategy works hard to achieve the lowest production and distribution costs so that it can price lower than its competitors and win a large market share. Firms pursuing this strategy must be good at engineering, purchasing, manufacturing and physical distribution. They need less skill in marketing. Other ways through which firms can acquire cost advantages are by improving process efficiencies, gaining unique access to a large source of lower cost materials, making optimal sourcing and vertical integration decisions, or avoiding some costs altogether. If competing firms are unable to lower their cost by similar amount, the firm may be able to sustain a competitive advantage based on cost leadership (Porter, 1986 and Hassan, 2009).

Nigerian firms using low cost of production strategy are not many and some of the firms applying overall cost leadership strategy are scattered across product sectors and operate in a small segment of the markets as market nichers. Examples of the firms using this strategy in Nigerian paint industry are Chemstar Paint Nigeria Limited, the maker of Fine Coat Paint and Kings Paint produced by Kings Paints Company, while in the powdered milk market PZ Cussion Nigeria Plc employed low cost leadership to market Nunu powdered milk to her customers in the market.

The problem with this strategy is that other firms will usually compete with still lower costs and hurt the firm that rested its whole future on cost. Also, as technology improves, the competition may be able to leapfrog the production capabilities, thus eliminating the competitive advantage. More so, several firms following a focus strategy and targeting various narrow markets may be able to achieve even lower cost within their segments, and as a group gain significant market share (Porter, 1986 and Kazmi, 2003).

ii. Differentiation Strategy: Differentiation strategy calls for the development of products or services that offer unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competitors. The business firm that uses this strategy should concentrate on achieving superior performance in an important customer benefit areas valued by a large part of the market. It can strive to be the service leader, the quality leader, the style leader or the technology leader, but it is not possible to be all these things at the same time. The firm cultivates those strengths that will contribute to the intended differentiation (Porter, 1986, Kazmi, 2003 and Hassan, 2009).

Thus, a firm seeking quality leadership must use the best components, put them together expertly, inspect them carefully and effectively communicate its quality. Differentiation strategy tries to make a product different and in most cases better than those offered by the competitors, and differentiators earn more by fitting the product or service ideas to the specific needs of the customers (Lee and Marlowe, 2003 and Porter, 1998). Because of the product unique attributes, if the firm increases its prices, the firm may be able to pass along the costs to its customer who cannot find a substitute product easily.

Majority of the organisations operating in different sectors of Nigerian economy employed differentiation strategy. It is employed because of the obvious variation in the needs of customers in the market. For instance, Cadbury Nigeria Plc, Nestle Plc, UACN, De-United food, Unilever Nigeria Plc etc have variants of a particular product category in their product line.

However, Kazmi (2003) cautioned that the risks associated with differentiation strategy include imitation by competitors and changes in customer tastes. Additionally, various firms pursuing focus strategies may be able to achieve even greater differentiation in their market segments.

iii. Focus Strategy: With this strategy, business focuses on one or more narrow market segments. The firm gets to know these segments intimately and pursues the target segment. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly. Because of their narrow market focus, firms pursuing a focus strategy have lower volume and therefore less bargaining power with their suppliers. Business organisations in Nigeria using this strategy are usually located in a subset of the market where they command high level of customers' trust and loyalty. Organisation such as Kaduna Polytechnic venture uses this strategy to market her table water and confectionery products by selling these products mainly to the Polytechnic Community.

Some risks of focus strategies include imitations and changes in the target segments. Furthermore, it may be fairly a broad-market cost leader to adapt its product in order to compete directly. Finally, other focuses may be able to carve out sub-segment that they can serve even well.

These generic strategies are not necessarily compatible with one another. If a firm attempts to achieve an advantage on all fronts, in this attempt it may achieve no advantage at all. For example, if a firm differentiates itself by supplying very high quality products, it risks undermining that quality if it seeks to become a cost leader. Even if the quality did not suffer, the firm would risk projecting a confusing image (Porter, 1986, Kazmi, 2003 and Hassan, 2009). For this reason, Porter argued that to be successful over the long-term, a firm must select only one of these generic strategies. Otherwise, with more than one single generic strategy, the firm will be "stuck in the middle" and will not achieve a competitive advantage.

Porter further argued that firms that are able to succeed with multiple strategies often do so by creating separate business units for each strategy. By separating the strategies into different units having different policies and even different cultures, a firm is less likely to become "stuck in the middle".

2. Kotler's Typologies of Strategy

In a related work, Kotler (1980) and Baker (1982) identified three basic marketing strategies that a firm must consider in selecting the market segment it wishes to serve. These strategies are undifferentiated strategy, differentiated strategy and concentrated strategy.

i. Undifferentiated strategy: This is a situation in which one offer and marketing mix are used for the entire market. This strategy is otherwise known as mass marketing or marketing aggregation. The strategy exists where the supplier offers the same or undifferentiated product to all persons/organisations believed to have the demand for a product type (Kotler, 2003, and Hassan, 2009). According to them the following circumstances immediately suggest themselves as being suited for an undifferentiated strategy and these circumstances are; introduction of innovation, the mature/decay stage of the product life cycle (PLC) and commodity marketing where the conditions most closely approximate the economists' model of perfect competition.

   If a new product is recording a success and begins to grow rapidly, then an undifferentiated strategy may continue to prove the most suitable. For these conditions to dominate, emphasis should be on cashing-in-on the rapidly expanding demand. However, as saturation begins to approach, some suppliers will seek to differentiate their output from that of their competitors and adopt either a differentiated or concentrated strategy.

   Generally, all the Nigerian business firms participating in the marketing process of petrol, kerosene and diesel are using this strategy. This is due to the fact that these three products cannot be differentiated on the basis of customers' need. The following are some of the firms using this strategy in Nigeria; Mobil Oil Nigeria Plc, Conoil Plc, Total Nigeria Plc, MRS Oil Nigeria Plc etc.

ii. Differentiated Strategy: This is a situation in which a firm goes after several markets with a different marketing mix for each segment. This is otherwise known as multiple target market strategy. This strategy exists where the producer seeks to supply a modified version of the basic product to each of the major market sub-groups which comprise different marketing mix in terms of product's characteristics, its price, promotion and distribution (Kotler, 2003, and Hassan, 2009). Attempts will often be made to standardise on one or more of these factors in the interest of economics of scale. Such differentiation is only possible for very large firms which can achieve a sufficient volume in each of the segments to remain competitive. For a smaller producer, a concentrated strategy may be the only realistic option.

Differentiated strategy is closely related with the differentiation typology discussed under Porter's generic strategies, hence, the same illustration holds here.

iii. Concentrated Strategy: This is a situation in which a firm puts all its marketing efforts into one or a few segments and develops an offer and a marketing mix. This is otherwise known as a single target market strategy. This strategy exists if a firm selects one of the major market segments and concentrates all its efforts upon it (Kotler, 2003, and Hassan, 2009). They further cautioned that this strategy is different from the user of self- selection that we described earlier in connection with an undifferentiated strategy for an innovation. In the latter case, the subsets of the market are not clear, the firm does not possess profiles of different market groupings, and so cannot device a targeted and concentrated strategy for matching its output to the needs of one segment.

By contrast, in the mature stage of the product life cycle, the boundaries between different user groups have become crystallized as different suppliers seek to pre-empt a segment or segments by consciously devising a differentiated or concentrated marketing strategy. At this juncture, it is worthy to note that as demand begins to decline due to competition from new or substitute goods, so the maintenance of a concentrated or differentiated strategy may become uneconomic and the firm may revert to an undifferentiated strategy (Kotler, 2003, and Hassan, 2009).

This strategy is similar to the focus strategy discussed under Porter's generic strategy and the example provided also applies here.

3. Miles and Snow Marketing Strategy Arche-types

The Miles and Snow (1978)'s competitive typology is one of the most popular strategic typologies used in strategic management literature. They identified four strategic options that firms can base their intended rate of new product development on and penetration of a new market (Hassan, 2009). Miles and Snow's archetypes have business strategies focusing on operational efficiency, innovation and risk minimization respectively. According to them, the four strategic options are prospector strategy, defender strategy, analyzer strategy and reactor strategy.

i. Prospector: The prospector strategy has a strong focus on diversification and innovation. Firms following this strategy are characterized by high rates of innovations and introduce highly diversified products. In fact, McLaren et al (2004) pointed out that firms that adopt prospector strategy of Miles and Snow have high probability for developing new products and they try to launch very different products to ensure the coverage of the market as far as possible. Innovative and highly diversified firms such as Nestle Nigeria Plc, UACN, Flour Mills of Nigeria Plc, and Cadbury Nigeria Plc are good examples of business firms using prospector strategy in Nigeria.

ii. Analyzer: The analyzer is also characterized by high innovation rates, but unlike in the prospector strategy, new products are more similar and build on common core competencies. According to Hassan (2009) the firm using analyzer strategy has the same rate of innovation with the prospector, but their products are related in terms of customer and technology required. Typical example of firms using analyzer strategy in the Nigeria business environment are Nigerian Bottling Plc, UTC Nigeria Plc, P.S. Mandrides and Co. Plc, 7-Up Plc, and De-United limited among others. These firms usually diversify into product areas that are related to their existing line of products.

iii. Defender: The defender strategy combines a core competence focus with low innovation rates. Firms using this strategy focus on continuous development and refinement of the existing core products. These types of firms usually focus only on a section of the market and hardly ever launch new product (Hassan, 2009, and McLaren et al 2004).

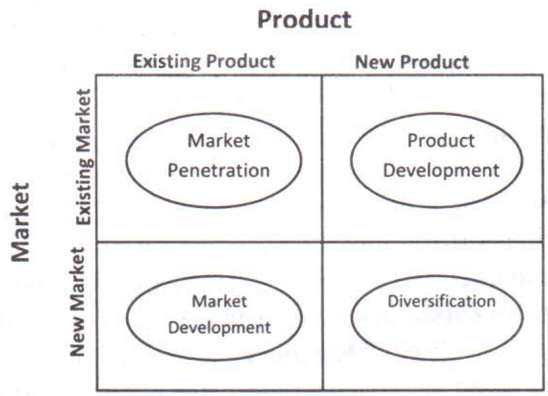
iv. Reactor: Reactor strategy in the views of Hassan (2009) and McLaren et al (2004) combines low innovation rate with a high degree of diversification between products. Miles and Snow attributed the wide diversification of this strategy to lack of clear focus rather than conscious strategic choice.

Miles and Snow argued that these strategies would fit to different environments. According to them, a prospector strategy should be most appropriate in a dynamic and growing environment, while a defender strategy would be more suitable in a stable environment and the analyzer takes a middle position.

4. Ansoff's Intensive Growth Strategies

This strategy involves converging resources in one or more of a firm's business in terms of its respective customer needs, customer functions or alternative technologies either singly or jointly, in such a manner that results in growth or expansion. This strategy is also known as the stick to the knitting strategy, that is, the act of doing what you are known best of doing (Kazmi, 2003 and Kotler, 2003). The concentration or intensive growth strategy makes sense if a company has not fully exploited the opportunities in its current product and market. Ansoff (1957) has proposed a useful framework for detecting new intensive growth opportunities called *"Product-Market Expansion Grid or Matrix"*. The grid is shown below.

Figure: 2



Source: Adapted from Hassan, M. (2009).

This product-market expansion grid focuses on three major types of intensive growth opportunities. To portray alternative corporate growth strategies, Ansoff's presented the matrix that focused on the firm's present and potential products and markets (customers). By considering ways to grow via existing products and new products, and in existing markets and new markets, there are four possible product-market combinations. The output from the Ansoff's model is a series of suggested growth strategies that set the direction for the business strategy as shown in the diagram above. The product/market matrix has two dimensions; products and markets. Over these dimensions, four growth strategies can be found according to Kazmi (2003), Kotler (2003) and Hassan (2009) and these are;

a. Market Penetration Strategy: Market penetration consists of the company's seeking increased sales for its current products in its current market through more aggressive marketing efforts. The three possibilities under which this strategy occurs are: when a firm encourages its current customers, or attracts away competitors' customers, or converts new prospects or non-users of its product to users by offering mouth watering incentives in terms of performance. The strategy is commonly used by most Nigeria organisations to maintain or improve their market share positions. For instance, the producers of Noodles such as De-United limited, Flour Mills of Nigeria Plc, Honeywell Nigeria Plc among others are currently using this strategy to boost their sales in the market.

b. Market Development Strategy: Market development consists of the company's seeking increased sales by taking its current product into new markets. The three possibilities under which this strategy occurs are; when a firm extends the distribution of its product to new geographical markets, or makes the product attractive to new potential customers by adding new features that appeal to these segments or tries to sell the product to new types of institutional customers. Nigerian business firms mostly adopt this strategy to cater for certain aspect of the markets that might not be appropriately attended to by channel members. For instance, it is for this reason that Nigeria firms such as Dangote Sugar Refinery and Dunlop Nigeria limited assigned designated sales officers to cater for needs of Confectioneries and Fleet Owners who are their industrial buyers.

c. Product Development Strategy: Product development consists of the company's seeking increased sales by developing new improved products for its current market. The three possibilities under which this strategy occurs are; when a firm develop one or more products that will appeal to the present customers or create different regional versions of the product to increase its appeal or develop an entirely new product as an alternative to the present product. Highly innovative business organisation such as Nestle Nigeria Plc, UACN, Flour Mills of Nigeria Plc, Cadbury Nigeria Plc, Nigerian Bottling Plc, UTC Nigeria Plc, 7-Up Plc, and De-United limited are good examples of business firms using this strategy in Nigeria.

The last strategy in this grid will be discussed when we get to expansion strategy through diversification. This is because Ansoff (1957) pointed out that diversification strategy stands apart from the other three strategies. The first three strategies are usually pursued with the same technical, financial, and merchandising resources used for the original product line, whereas diversification usually requires a company to acquire new skills, new techniques and new facilities.

Kazmi (2003) identified the following as the advantages of intensive growth strategy.

i. It involves minimal organisational changes so it is less threatening.
ii. It enables the firm to master one or a few businesses and to specialize by gaining an in-depth knowledge of these businesses.
iii. Intensive focusing of resources on a new business may also create the conditions for a firm to develop a competitive advantage.
iv. Managers of the firm are more comfortable staying with present businesses.
v. Managers face fewer problems when in dialogue with known situations; and
vii. Lastly, decision- making process is under a lesser strain as there is a high level of predictability and past experience is as valuable as it is replicable.

However, he cautioned that concentration or intensive growth strategies have their own limitations and these are:

i. Firstly, intensive growth strategies are heavily dependent on the industry, which is, putting all its eggs in one basket. So, adverse condition in an industry can and does affect firms if they are intensively concentrated.
ii. Factors such as product obsolescence, fecklessness of markets, and newer technologies are threats to concentrated firms.
iii. Concentration strategies may result in doing too much of a known thing, such that managers may not be able to sustain interest and find the work less challenging and less stimulating.

5. Integrative Growth Strategies

When a firm uses its existing base to expand in the direction of its raw materials or the ultimate consumers, or, alternatively, it acquires complementary or adjacent businesses, integration takes place. The pivot around which integration strategies are designed is the present set of customer functions and customer group. That is, a company attempts to widen the scope of its business definition in such a manner that results in serving the same set of customers (Kazmi, 2003 and Kotler, 2003).

Expansion through integrative growth makes sense if a company's basic industry has a strong growth outlook and or the company can increase its profitability, efficiency, or control by moving backward, forward or horizontally within its industry (Wiriadinata, 2011; Kazmi, 2003; and Kotler, 2003). The three integration strategies are as discussed below.

i. Backward Integration: This consists of a company seeking ownership or increased control of its supply system. It implies that firms can grow by taking over functions earlier in the value chain that were previously provided by suppliers or other organisations (Wiriadinata, 2011).

ii. Forward Integration: This consists of a company seeking ownership or increased control of its distribution system. According to Wiriadinata, (2011) a firm that grows by taking over functions forward in the value chain previously provided by final manufacturers, distributors, or retailers is using forward integration strategy. This strategy provides more control over such things as final products/services and distribution.

iii. Horizontal Integration: This consists of a company seeking ownership or increased control of some of its competitors. Mergers, acquisitions, and takeovers among competitors allow for increased economies of scale and enhanced transfer of resources and competencies (Wiriadinata, 2011).

All integration strategies require tradeoffs to take place. The following are the relative merits and demerits of integration. Like concentration strategies, integration strategies carry a risk as the firm commits itself to adjacent businesses and is geared to serve the same set of customers groups and customer needs. If the firms integrated and the principal product fails or becomes obsolete, then they face a grave risk. Furthermore, while integration strategies provide a firm better control over its value chain by creating access to and control of supply and demand, the flip side is that it commits the firm to a set of customer needs and customer groups more intensely (Kazmi, 2003). However, if this strategy does not deliver the desired level of growth or expansion, in that case, the company must consider diversification strategy.

6. Diversification or Multi Product Growth Strategies

These strategies involve all dimensions of strategic alternatives. Diversification may involve internal or external, related or unrelated, horizontal or vertical, and active or passive dimensions - either singly or collectively. Essentially, diversification involves substantial change in the business definition - singly or jointly - in terms of customer function, customer groups or alternative technologies of one or more of a firm's businesses. Diversification growth strategies make sense when good opportunities can be found outside the present businesses. A good opportunity is one in which the industry is highly attractive and the company has the mix of business strengths to be successful (Kazmi, 2003; and Kotler, 2003).

Diversification is a form of corporate strategy for a company. It seeks to increase profitability through greater sales volume obtained from new products and new markets. Diversification can occur either at the business unit level or at the corporate level. At the business unit level, it is most likely to expand into a new segment of an industry which the business is already in, and at the corporate level, it is also very interesting entering a promising business outside of the scope of the existing business unit.

Diversification is part of the four main marketing strategies propounded by Ansoff (1957) Product/Market matrix. According to Jain (1997) and Lambin (1996) Ansoff opined that a diversification strategy stands apart from the other three strategies. The first three strategies are usually pursued with the same technical, financial, and merchandising resources used for the original product line, whereas diversification usually requires a company to acquire new skills, new techniques and new facilities.

From the above, one can see that multi-product or diversification marketing strategy simply refers to a situation where a firm, due to certain reasons such as poor performance, desire for increase sales or profits, decides to venture or expand into new products and or markets.

Types of Diversification or Multi-Product Strategies

There are three types of diversification: concentric, horizontal and conglomerate (Morgan and Rogo, 2008; Aaker 2004; Kazmi, 2003, and Kotler, 2003; Jain, 1997).

i. Concentric Diversification: Concentric diversification consists of a company seeking to add new products that have technological and/or marketing synergies with the existing product line; these products will normally appeal to new classes of customers. This means that there is a technological similarity between the industries, which means that the firm is able to leverage its technical know-how to gain some advantages. For example, if a company that produces seasoning add tomato ketchup and sauce to the existing "Seasoning" brand, this is an example of technological-related concentric diversification.

   The goal of concentric diversification is to achieve strategic fit. Strategic fit allows an organisation to achieve synergy and synergy is the ability of two or more parts of an organisation to achieve greater total effectiveness together than would be experienced if the efforts of the independent parts were not summed up. Synergy may be achieved by combining firms with complementary marketing, financial, operating, or management efforts. Credible examples of Nigerian business firms that have adopted concentric diversification strategy among many others are Nigerian Bottling Plc, UTC Nigeria Plc, P.S. Mandrides and Co. Plc, 7-Up Plc, and De-United limited.

ii. Horizontal Diversification: This diversification consists of a company seeking to add new products that could appeal to its current customers though technologically unrelated to its current product line. The company adds new products or services that are technologically or commercially unrelated to current products, but which may appeal to current customers. In a competitive environment, this form of diversification is desirable if the present customers are loyal to the current products and if the new products have a good quality and are well promoted and priced. Moreover, the new products are marketed to the same economic environment as the existing products, which may lead to rigidity and instability. In other words, this strategy tends to increase the firm's dependence on certain market segments. For example, a company that was making Note books earlier now decides to enter into pen market through its new product.

iii. Conglomerate Diversification: Conglomerate diversification consists of a company seeking to add a new product that has no relationship with the company's current technology, products, or markets; this product will normally appeal to new classes of customers. The company markets new products or services that have no technological or commercial synergies with current products, but which may appeal to new groups of customers. The conglomerate diversification has very little relationship with the firm's current business. Therefore, the main reasons for adopting such a strategy are, firstly, to improve the sales, profitability and the flexibility of the company, and secondly, to get a better reception in the capital markets as the company gets bigger. Even if this strategy is very risky, it could also, if successful, provide increased growth and profitability.

Conglomerate diversification occurs when a firm diversifies into areas that are unrelated to its current line of business. Synergy may result through the application of management expertise or financial resources, but the primary purpose of conglomerate diversification is improved profitability of the acquiring firm. Little, if any, concern is given to achieving marketing or production synergy with conglomerate diversification. One of the most common reasons for pursuing a conglomerate growth strategy is that opportunities in a firm's current line of business are limited. Finding an attractive investment opportunity requires the firm to consider alternatives in other types of business.

Conglomerate diversified firms that are operating in different sectors of Nigerian economy include Nestle Nigeria Plc, Unilever Nigeria Plc, Dangote Groups, UACN, Flour Mills of Nigeria Plc, PZ Cussons Nigeria Plc, Cadbury Nigeria Plc etc.

There are two dimensions of rationale for diversification. The first one relates to the nature of the strategic objective, that is, diversification may be defensive or offensive.

Defensive reasons may be spreading the risk of market contraction or being forced to diversify when current product or current market orientation seems to provide no further opportunities for growth. Offensive reasons may be conquering new positions, taking opportunities that promise greater profitability than expansion opportunities or using retained cash that exceeds total expansion needs.

The second dimension involves the expected outcomes of diversification, that is, management may expect great economic value (growth or profitability) or first and foremost, great coherence complementary to their current activities such as exploitation of know-how, more efficient use of available resources and capacities. In addition, companies may also explore diversification just to get a valuable comparison between this strategy and expansion.

In addition, Scholars' opinions on the reasons for multi product or diversification operations are mixed. While Burgelman (1983) believed that multi-product operation strategy is driven by deteriorating or inferior performance of an organisation, Hall (1995) on his part contended that multi-product marketing operation is a frequently utilized strategy for expanding a firm's market or increasing sales, profitability etc of business organisations.

The above strategies are regarded as red oceans strategy and red oceans represent all the industries in existence today, that is, the known market space. In the red oceans, industry boundaries are defined and accepted, and the competitive rules of the game are known. Under red oceans strategy companies try to outperform their rivals in order to grab a greater share of product or service demand as could be seen from the above discussion. As the market space gets crowded, prospects for profits and growth are reduced.

Products become commodities and niche, cut throat competition turns the ocean bloody; hence, the term red oceans (Kim and Mauborgne, 1999).

7. Kim and Mauborgne Blue Oceans or Value Innovation Strategy

According to them unlike the "*Red Ocean Strategy*", the conventional approach to business of beating competition derived from the military organisation, the "*Blue Ocean Strategy*" tries to align innovation with utility, price and cost positions. They mocked at the phenomena of conventional choice between product/service differentiation and lower cost, but rather suggest that both differentiation and lower costs are achievable simultaneously. The cornerstone of blue ocean strategy is "Value Innovation". A blue ocean is created when a company achieves value innovation that creates value simultaneously for both the buyer and the company. The *innovation* (in product, service, or delivery) must raise and create value for the market, while simultaneously reducing or eliminating features or services that are less valued by the current or future market. Kim and Mauborgne (2005) criticized Porter's idea that successful businesses are either low-cost providers or niche-players. Instead, they propose finding value that crosses conventional market segmentation and offering value *and* lower cost.

Blue oceans strategy is based on the view that market boundaries and industry structure are not given and can be reconstructed by the actions and beliefs of industry players. This is what Kim and Mauborgne (2005) referred to as "reconstructionist view". Assuming that structure and market boundaries exist only in managers' minds, practitioners who hold this view do not let existing market structures limit their thinking. To them, extra demand is out there, largely untapped. The crux of the problem is how to create it. This, in turn, requires a shift of attention from supply to demand, from a focus on competing to a focus on value innovation – that is, the creation of innovative value to unlock new demand. This is achieved via the simultaneous pursuit of differentiation and low-cost. As market structure is changed by breaking the value/cost tradeoff, so are the rules of the game. Competition in the old game is therefore rendered irrelevant. By expanding the demand side of the economy new wealth is created. Therefore, this type of strategy allows firms to largely play a non–zero-sum game, with high payoff possibilities (Kim, and Mauborgne, 2003).

Blue Ocean Strategy vs. Red Ocean Strategy

Kim and Mauborgne argue that while traditional competition-based strategies (red ocean strategies) are necessary, they are not sufficient to sustain high performance. Companies need to go beyond competing, to seize new profit and growth opportunities they also need to create blue oceans (Kim and Mauborgne, 2002).

Kim and Mauborgne (2003) argued that competition based strategies assume that an industry's structural conditions are given and that firms are forced to compete within them. This assumption is based on what academics call the structuralist view, or environmental determinism. To sustain themselves in the marketplace, practitioners of red ocean strategy focus on building advantages over the competition, usually by assessing what competitors do and striving to do it better. Here, grabbing a bigger share of the market is seen as a zero-sum game in which one company's gain is achieved at another company's loss. Hence, competition, the supply side of the equation, becomes the defining variable of strategy. Here, cost and value are seen as trade-offs and a firm chooses a distinctive cost or differentiation position. Because the total profit level of the industry is also determined exogenously by structural factors, firms principally seek to capture and redistribute wealth instead of creating wealth. They focus on dividing up the red ocean, where growth is increasingly limited.

In contrast to blue oceans strategy, blue oceans strategy denotes all the industries not in existence today, that is, the unknown market space, untainted by competition. In blue oceans, demand is created rather than fought over. There is ample opportunity for growth that is both profitable and rapid. In blue oceans, competition is irrelevant because the rules of the game are waiting to be set. Blue Ocean is an analogy to describe the wider and deeper potential of market space that is not yet explored (Kim and Mauborgne, 1999 and Kim and Mauborgne, 2000).

Marketing Strategies in Nigeria: Successes and Challenges

In the last few years, the Nigerian economy has experienced a series of reforms and restructuring of its key sectors. These reforms affected all sectors; the financial, communication, petroleum, power sector among others and they have made Nigerian business environment highly competitive for businesses to operate. Therefore, to survive in this environment, Nigerian firms have adopted apposite marketing strategies which are expected to enable them attain their set goals and objectives; thus, the adoption of these strategies have resulted into following;

i. Proper identification of latent and unfilled needs: Business organisations in Nigeria have been able to identified latent and unfilled needs existing in the market place through the adoption of appropriate marketing strategies such as cost leadership, focus, differentiation, undifferentiated, concentration, market penetration, market development, diversification etc.

ii. Increased propensity to consume: The adoption of appropriate marketing strategies by organisations in Nigeria had increased the consumption level of Nigerian buyers and this is as a result of that fact that Nigerian consumers are now exposed to varieties of products.

iii. Improved methods of production and standards: The need to survive in a harsh operating environment had made business organisations in Nigeria to strive to be competitive oriented by improving their production methods and product standards.

iv. Stimulation of commercial activities and exchange processes: The application of market driven strategies by Nigeria business firms had stimulated commercial activities and exchange processes in the market place. These activities are now resulting in increased market development and this will eventually lead to economic development.

It must however be noted that in spite of these successes the smooth implementation of marketing strategies in Nigeria by business organisations are bedeviled with the following challenges among many others;

i. Strategy imitation and espionage: This refers to the challenges experienced by some Nigerian business firms who pioneered successful strategies in the marketing decision areas (4ps) which were copied or spied by competitors in the market place.

ii. Scarcity of reliable statistical data: To formulate good marketing strategies you need reliable data and where this is not available or scarce the strategy formulator becomes helpless. For instance, to estimate customer potentials or demand structure for a product you need census figure but in Nigeria census is regularly conducted and where it is conducted it is usually marred with irregularities, hence, this poses a serious challenge to firm's strategic planning processes.

iii. Cost challenges: This refers to any types of challenges encountered by Nigerian firms in the course of implementing their strategies that result into high cost of doing business. Typical instances of cost challenges are high operational costs in the areas of alternative sources of electricity, issues of multiple taxations and high interest rates and port charges.

iv. Infrastructural facilities challenges: Effective implementation of marketing strategies required that infrastructural facilities must be adequate and reliable but Nigerian business operating environment is bedeviled with inadequate and unreliable electricity and water supplies, disrepair roads and underdeveloped rail and water ways.

v. Insecurity Challenges: The success of any chosen marketing strategy depends on the safety of those who have responsibilities to implement it. It is a known fact that there is rising insecurity of lives and properties in Nigeria in the recent past and this had militated against effective implementation of marketing strategies by business firms in Nigeria. The series of insecurity in Nigeria results from the activities of militant groups, religion fanatics, terrorists and kidnappers.

Conclusion

This paper has reviewed the concept of marketing strategy and how it could be applied in business organisations. This was done by examining various scholars' views on the concepts of strategy, marketing strategy and its typologies. Based on the marketing strategy literature reviewed the following conclusion are made:

i. That business organisation strategy depends on their operating environment and as such organisations should relate their strategy to their environment.
ii. That strategy is simply a kind of road map of actions to be taken by business organisations for to realize their set goals and objectives.

iii. That strategy is cleverly designed, long term oriented, forward looking and could enable organisations to break even and recover their investment.

iv. That there are typologies of marketing strategy that business organisation could adopt to enable them cope with uncertainties in their operating environment and that the choice of a particular strategy depend on organisation goals and resources.

v. That the red ocean strategists believe competition to be a nature state of existence for business growth and survival while the blue oceans strategists believe that business growth and survival is attainable by operating in the uncontested segments of the market.

vi. That the adoption of appropriate marketing strategies by Nigerian business firms have resulted in prompt identification of unfilled needs, improvement in production methods and product standard and stimulation of commercial activities.

vii. Finally, that effective implementation of marketing strategies in Nigerian business environment is challenged by scarcity of reliable data, inadequate infrastructural facilities and rising insecurity of lives and properties.

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