

## **IMPACT OF MARKETING RESEARCH ON BUSINESS MANAGEMENT IN NIGERIA**

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**ABSTRACT:** *The study assessed the extent of the effects of marketing research on the practice of business management in Nigerian organizations. Survey method was used. The target population was 15,600 registered members of the National Institute of Marketing of Nigeria (NIMN), comprising academic marketers, AM (2200), marketing practitioners, MP (9350) and marketing students MS (4050). Stratified, simple random, convenience and judgmental sampling procedures were adopted. The sample size of 390 was determined using Yamane (1967) formula. Applying Bowley's proportional allocation formula, the sample size for each category of the respondents was estimated; AM (55), MP (234) and MS (101). One hypothesis and a research question guided the study. Primary and secondary sources were accessed for data. In-depth interviews were held with marketing practitioners and students, academic marketers, coordinators of marketing research firms and secretary of Nigerian Marketing Research Association (NIMRA). The questionnaire adopted the five point Likert scale format, viz, strong agree (5points), agree (4points), undecided (3points), disagree (2points) and strongly disagree (1point). The opinions of marketing experts validated the research instrument. Pilot study was conducted. The reliability coefficient of the research instrument, 0.973 was estimated, using Cronbach's Alpha technique. With one-way ANOVA and Minitab software techniques, the hypothesis of the study was formulated and tested at 0.05 level of significance and 15degrees of freedom. The study revealed the extent of the effects of marketing research at 18.08 percent had non-significant positive impact on business management practice in Nigerian organizations. Recommendations were made.*

**KEYWORDS:** Marketing Research, Business Management, Impact, Marketing Practitioners, Academic Marketers.

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### **INTRODUCTION**

#### **BACKGROUND OF THE STUDY**

Business management refers to the planning, organizing, directing and controlling of human and economic resources to achieve specific objectives of organizations (Onah and Thomas, 2004; Thierauf, Klekamp and Geeding, 1977). Effective planning requires accurate information derived from marketing research. Marketing research is the systematic and objective identification, collection, analysis and dissemination of information for the purpose of assisting management in decision making (Malhotra, 2002). It applies scientific methods in data collection and analysis for the test of prior notions or hypotheses. It aims at providing accurate information that reflect the true state of affairs of organizations. There are two dimensions to marketing research, namely; problem identification research and problem solving research (Abugu, 2014). A problem identification research is undertaken to identify problems which are not apparent on the surface and yet exist or likely to arise in future, e.g. market potential, market share, sales analysis, forecasting and business trends. A problem

solving research refers to any research undertaken to solve specific marketing problems like product pricing, promotion and distribution. The findings of the problem solving research are used to make decisions about designated marketing problems. Marketing research develops, interprets and communicates decision-oriented information to marketing practitioners (Abugu, 2014). Through the provision of relevant information, marketing research eliminates uncertainties and links the marketing variables with the environment and consumers. Marketing research provides information on controllable and uncontrollable factors and enhances the effectiveness of decisions made by marketing managers (Twedt, 1983). Marketing decisions depend on research information to succeed, withstand competitions and other external pressures. However, in a developing business environment like Nigeria, total reliance on marketing research to make decisions is rather risky because research results are not hundred percent correct (field survey). Being cautious on how marketing research findings are used, however, should not undermine their relevance and diminish the need to conduct marketing research. While making business decisions without research findings may work in the short-run, failure is inevitable in the long-term without continuous efforts at assembling accurate information. The extent to which marketing practitioners apply marketing research findings in decision making in their organizations defines its overall effects or impact and is what this study seeks to address, among others.

### **Statement of the Problem**

The terms market research and marketing research are usually interchanged by marketing practitioners. While market research is concerned specifically with markets, marketing research is all about marketing process (McDonald, 2007). Some marketing scholars are of the opinion that the impact of marketing research on the practice of business management is not much. According to Poster and Mckibben (1988), if impact is measured in terms of whether managers are directly influenced in their day to day actions by the latest research findings or scholarly books, then one would have to conclude that such effects are virtually nil. The academic system has been blamed for the non-impact of research on practice. The system emphasizes research and publications regardless of their significance for managers (Anderson 1992; Mason 1990). Venkatesh (1985) described this situation as “Crisis of Relevance” and concluded that theories of researchers are not perceived as useful because marketing practitioners want their everyday problems solved and marketing academics cannot perform this function. The traditional marketing departments laid emphasis on empirical research, data analysis and quantitative modelling (Venkatesh, 1985). Most research findings do not reflect the marketing manager’s language or business realities. Managers want complex problems solved as simplified representations and with clarity. Marketing research outputs may be logically correct but practically incorrect. Academic marketers are fond of judging theories by process and not the relevance of the content (Venkatesh, 1985). Some research findings focus on strategies and not tactics and do not offer practical guidance for their implementation. The marketing researchers focus on problem formulations whereas marketing practitioners (managers) are concerned with problem solving. Managers are confused with the research findings they find difficult to interpret. Marketing researches that provide management with relevant, accurate, reliable, valid and current information for decision making are what the marketing practitioners’ desire. Sound decisions are not based on management feeling, intuition or even pure judgment but on well-articulated research findings. Based on good research outputs, marketing managers make decisions about potential opportunities, target market selection, market segmentation plan and implement marketing programmes while

assessing marketing performance. The extent to which marketing research has affected business decision making in Nigerian organizations constitutes the core of this study.

### **Objective of the Study**

The broad objective of the study was to assess the impact of marketing research on business management in Nigeria. The specific objectives were to; (i) determine the extent to which marketing research has affected business decisions in Nigerian organizations. (ii) recommend ways of improving the effectiveness of marketing research to enhance the quality of business decision making.

### **Research Question**

To what extent has marketing research affected business decisions in Nigerian organizations?

### **Delimitations of the Study**

The study was limited to the members of National Institute of Marketing of Nigeria (NIMN), the body of professionals engaged in marketing and related fields of activities.

### **Hypotheses Formulation**

Ho: Marketing research has no significant effects on business decisions in Nigerian organizations.

H<sub>1</sub>: Marketing research has significant effects on business decisions in Nigerian organizations.

## **REVIEW OF RELATED LITERATURE**

Marketing research is a complex, time consuming and costly process which must be used effectively (West, 1999). Researches serve as key ingredients in making marketing decisions. The interchanging role of marketing researchers and managers have placed premium on marketing research. Marketing researchers are becoming more involved in decision making while marketing managers are becoming more involved with research. The role of marketing research in managerial decision making is explained under the framework of "Decide Model" (Twedt, 1983). The concept of the decide model is encapsulated in a series of six-steps for an effective managerial decision making process. The decision process proceeds by defining the problem or opportunity along with objectives and constraints, enumerate possible decision factors that make up the alternative course of action, collect relevant information on the alternative and possible outcomes, identify and select the best alternatives based on chosen criteria or measures of success, detail plan to develop and implement the alternatives selected and evaluate the outcomes of the decision and the decision process itself (Twedt, 1983). The two sources of marketing research data include primary and secondary (Eboh, 2009). Primary data are original and collected from the scratch to solve the problems in hand. Secondary data are already in existence, having been previously published for other purposes and seldom come in a form that meets the needs of the researchers. The marketing research designs or methods are the qualitative marketing research used generally for exploratory purposes and quantitative marketing research generally used to draw conclusions. The techniques applied in quantitative research include tests of hypotheses and use of random sampling procedure to infer from the sample to the population. Marketing research specifies the information required to address

marketing problems, designs the methods for collecting information, manages and implements the data collection process, analyses and communicates the findings and their implications. In spite of the roles of marketing research, studies have shown limited utilization of its results. The results of too many research projects have languished unused on marketing managers' shelves, acting as a discouragement for future expenditure (West, 1999). Many practitioners seem to have narrow conception of marketing research as only a fact-finding operation. Because the marketing researcher is often not given a careful definition of the problem or decision alternatives management is facing at the time, his fact finding expedition may not produce the desired results. This situation reinforces the action of the practitioners to limit the application of marketing research. The hiring of unqualified marketing researchers who are willing to accept poor remuneration packages offered by managers and with little or no formal training, berate of creativity, leads to poor research data. The unimpressive results tend to reinforce the practitioners' prejudice against the application of marketing research in decision making. Marketing practitioners desire quick research results that are accurate and conclusive. But marketing research of this nature usually takes time and money. The practitioners who cannot differentiate between quality and shoddy research data due to haste, easily become disappointed and express deflated opinion about the value of marketing research. Furthermore intellectual divergences of the marketing practitioners and researchers may affect the understanding and application of the research data in business management. The research reports may appear abstract and complicated while the practitioners desire simple and concrete results to solve immediate problems. Where the manager cannot interpret the research report, the application of the marketing research data in business decisions becomes difficult. Environmental factors like public policies, general economic conditions and political instability, social and cultural changes impinge on marketing research. For example, it may be risky to conduct marketing research in some Northern States of Nigeria in recent times because of the fragile security situation installed by Boko Haram incidence or in Niger Delta States a couple of year ago due to kidnap saga. Illiteracy or low literacy level is also a limitation. Most respondents are scared to complete questionnaires or respond to interviews and some sceptical about what the researchers have in mind. The issues of dearth of information, inconsistent power supply and geographical spread of the respondents had been identified as constraints to the conduct of marketing research projects. There is dearth of information due to poor record keeping and reporting system in Nigeria. Reliable statistics are not available both in government and private organizations. Most public servants and company executives often hide under the cover of classified documents, to refuse the release of necessary information for research projects. The interactions between the uncontrollable environmental factors and controllable marketing variables of product, price, promotion, and place affect the quality of marketing research data and limit their applications in decision making. The extent to which the data from numerous research projects conducted in this country is incorporated in marketing decision making for effective business management provoked this study.

## **METHODOLOGY**

The study used survey method and the target population was 15,600 registered members of the National Institute of Marketing of Nigeria (NIMN), comprising academic marketers, AM (2200), marketing practitioners, MP (9350) and marketing students MS (4050). Stratified, simple random, convenience, and judgmental sampling procedures were adopted. The sample size of 390 was determined using Yamane (1967) formula (Eboh, 2009). Applying Bowley's

proportional allocation formula, the sample size for each category of the respondents was estimated; AM (55), MP (234) and MS (101). Primary and secondary sources were accessed for data. Interviews were held with managers of business organizations, marketing students, academic marketers and coordinators of marketing research firms. The questionnaire adopted the five point Likert Scale format, viz, strong agree (5points), agree (4points), undecided (3points), disagree (2points) and strongly disagree (1point). The opinions of marketing experts were used to validate the research instrument. A pilot study was conducted. The reliability coefficient of the research instrument, 0.973 was estimated, using Cronbach's Alpha technique. With one-way ANOVA and Minitab software techniques, the hypothesis of the study was formulated and tested at 0.05 level of significance and 15 degrees of freedom. The Minitab software package was applied to determine the extent to which marketing research has affected business decision making in Nigerian organizations.

## DATA PRESENTATION AND ANALYSIS

The data derived from the study were presented in this section.

**Table 1:** Profile of Respondents.

Parameters	Total	Percentage (%)
<b><u>Category</u></b>		
Academic marketers	55	14.0
Marketing practitioners	234	60.0
Marketing students	101	26.0
<b><u>Age</u></b>		
18-30	82	21.0
31-40	128	33.0
41-50	110	28.0
Above 50	70	18.0
<b><u>Gender</u></b>		
Male		58.0
227		42.0
Female	163	
<b><u>Marital status</u></b>		
Married	246	63.0
Single		37.0
144		
<b><u>Qualification</u></b>		
Ph.D.	18	5.0
MSc/MBA	109	28.0
BSc/HND	138	35.0
ND/NCE	55	14.0
WASC/GCE	70	18.0

Source: Field data, 2015.

Table 4.1 showed that 60 percent of the respondents were marketing practitioners, 26 percent marketing students and 14 percent academic marketers. About 82 percent of respondents were

within the active years of 18 to 50 and only 18 percent were above 50. The study involved 58 and 42 percent of male and female respondents respectively. Married respondents were 63 percent and the rest single. Out of 390 respondents, 35 percent had Bachelor's degree/Higher diploma certificates, 28 percent Master's degree, 18 percent West African School Certificate/its equivalent, 14 percent National diploma and 5 percent held Doctorate degree certificates in marketing.

**Table 2. Analysis of Responses on Effects of Marketing Research on Business Decisions**

Item	No. of Respondent: Agree	Scores of Respondent: Agree	No. of Respondent: Disagree	Scores of Respondents: Disagree	Total No. of Respondents
1	313	1055	77	232	390
2	109	281	281	948	390
3	139	236	251	836	390
4	195	246	195	645	390
5	109	277	281	930	390
6	142	267	248	833	390
7	145	444	245	464	390
8	225	419	165	535	390
Total	1377	3225	1743	5423	3120
Mean	172	403.13	218	677.88	390

Source: Field data, 2015.

In Table 4.2 the mean score of responses, 678, representing 63 percent of the respondents' opinions, indicated that marketing research has no significant effects on business decisions. The mean score of 403, representing 37 percent of the respondents' responses expressed that marketing research has significant effects on business decision making.

### Test of hypothesis

Ho: Marketing research has no significant effects on business decisions.

H<sub>1</sub>: Marketing research has significant effects on business decisions.

Table 4.3. Result of one-way ANOVA application.

### One-way ANOVA: Scores A, Scores D.

Source	DF	SS	MS	F	P
Factor	1	301950	301950	4.31	0.057
Error	14	980478	70034		
Total	15	1282428			

S = 264.6    R-Sq. = 23.55%    R-Sq. (adj) = 18.08%

From Table 4.3, the hypothesis test showed that F-critical (4.60) was greater than F-computed (4.31) at 0.05 level of significance and 15 degrees of freedom. The null hypothesis,  $H_0$  was not rejected. The p-value provided a confirmation of the decision. The p-value, 0.057 was greater than the significance level of 0.05 (i.e.,  $p > 0.05$ ). The null hypothesis was therefore upheld. The co-efficient of determination,  $R^2$  (adj) was 18.08 percent. This result showed that the extent of the effects of marketing research was 18.08 percent. Therefore, marketing research has no significant positive effects on business decisions.

## DISCUSSION OF RESULTS

The findings revealed the extent of the effects of marketing research at 18.08 percent had non-significant positive effects on business management in Nigeria. This implied that only eighteen percent of marketing research data were utilized in business decision making while about eighty-two percent languished unused in the marketing practitioners' shelves, confirming the statistical insignificance of the impact. Earlier studies corroborated the research findings. The emphasis of the academic marketers on research and publications which had little or no relevance to business decision making has been queried. It was argued that marketing research findings could neither reflect the marketing practitioners' languages nor business realities. Most theories generated from marketing research could not provide immediate solutions to the problems of the marketing practitioners. Interviews held with research coordinators of four marketing research firms in Lagos (IPSOS, Random Nigeria Ltd, Ac Nielson Ltd, Qualiserve Ltd) and the secretary of Nigerian Marketing Research Associations (NIMRA) buttressed the results of this study. They were of the opinion that total reliance on marketing research to make decisions in a developing business environment like Nigeria is rather risky because research results are not hundred percent correct. The opinions were based on the common problems encountered in the conduct of marketing research in Nigeria which may likely affect the quality of the research data. According to Wale Kanmodi (Managing Director of Qualiserve Ltd), "data collection to research is like lubricant to a car engine or blood in human to body system". The constraints of the marketing research process included interviewers' pranks, adhoc staff arrangement, lack of qualified research personnel and adequate training for researchers, inadequate finance for field operations, unavailability of working materials – jotter, biros, cleaners, recharge cards, irregular payment of salaries & commissions, time factor, sexual harassment of female researchers, lack of conducive environment for field operations, fragile security situation in the country and apathy of respondents. Interviewers were always seeking ways to cut corner. They may write down the name of the respondent, ask him or her one or two questions and complete the rest of the questionnaires by themselves. They rarely followed instructions and liked to do things in their own ways and easily cooked research results. Most quality control officers (supervisors) appointed to monitor the field operations were not committed to their duties. They authenticated research results without necessarily going to the field to verify them. The main focus of interviewers was money making and this reinforced their never-go-to-the field approach. The marketing research firms had few staff and depended on adhoc staff for field operations. A research coordinator narrated how some interviewers were sent to recruit people for focus group discussions (FGD). They brought filled questionnaires with names. On investigation, it was discovered that they went to Ojota area of Lagos to recruit people that were unfit and asked them to dress well. None of the respondents was what he claimed to be. Most researchers never knew what to do because they were not exposed to seminars, workshops and other forms of training programmes. Training is required

in the area of confidence building, politeness, dressing code, language and information hunt. Qualified personnel were visibly lacking in the marketing research firms. The interviewers were not adequately equipped for field operations. Most times, the working materials were either not available or grossly inadequate. They were instructed to use their monies to fund field work and expect refunds later. The refunds may take weeks or months to be made. Salaries and commissions were not paid regularly. These lapses reflected on the poor quality of the marketing research data. Some clients even insisted on paying paltry sum of about five thousand Naira (₦5000) for a focus group and professionally speaking, this amount was small for quality focus group to be assembled. Time is of essence in marketing research. Most clients often briefed the research firms on-line and these was a wrong procedure. Time was needed to brief a job and raise a team that was independent of field work force, who would walk straight to higher authorities to report shortcomings and progress made. Some clients set short deadlines for the marketing research firms. By implication, the firm was left with little time to recruit interviewers and rush the process of data collection to meet deadline. This led to hiring misfits for data collection and increased the incidence of interviewers' pranks. Devotion of little time could lead to omission of important details. The graduating students of marketing are well equipped to produce sound research projects that enhance decision-making process in organizations, if enough time is allocated to their research studies. Some female interviewers were victims of sexual harassment from male respondents, particularly the wealthy ones. This had caused the dearth of female researchers in the system. The constraint of un-conducive environment coupled with the fragile security network in the country affected the conduct of marketing research adversely. One research coordinator narrated his experience with high net-worth customers of a network provider. The client gave the research firm the telephone numbers of her customers. The coordinator called the customers to take their addresses in order to send letters to them and receive directive on how to locate their offices or homes. The response of the first customer the researcher called was frightening. The customer cursed the interviewer endlessly and demanded to know how he got his telephone number in the first instance. Eventually the research project suffered frustration due to the uncooperative attitudes of the respondents. The apathy of the respondents was a serious constraint. Most respondents were unwilling to co-operate with the interviewers to give vital information during interactions or through phone calls or release their e-mail addresses. Where efforts were made to get the e-mail addresses, mails sent to respondents were rarely replied. These issues interfered with the quality of research results and affected the accuracy of information, culminating into strong prejudice of the marketing practitioners against full utilization of the marketing research data in business management practice in Nigeria.

### **Implications of the Study**

This study implied paradigm shifts to practical and innovative marketing research studies whose outputs would suitably serve as inputs into business decision making in Nigeria.

### **CONCLUSION**

The relevance of marketing research in the ever-increasing competitive, dynamic marketing and academic environment, defines its broad prospects in Nigeria. Marketing research findings should reflect the marketing practitioners' language or business realities. Every area of business decision needs support from various levels of marketing research to minimise risks and enhance making definitive statements about the markets. Finding solutions to the problems



of marketing research in Nigeria should be considered a collective responsibility. There must be co-operation among the academic marketers, marketing research firms, students and practitioners (managers). The various units should work as members of a cross-functional team for free flow of vital information in the marketing research industry. The subjects of research for the academic marketers and graduate students of marketing should focus on strategies that offer practical guidance for making tactical business decisions and their implementations. While academic marketers are assessed for promotion on the basis of marketing research and publications, the research results should both extend the frontiers of knowledge and bear significance for business management practice in Nigeria. The marketing research firms should speak with one voice to uphold industry standard. If any interviewer or supervisor is blacklisted in one firm, his name and the pranks he played should be circulated to act as deterrent to others. The Nigerian Marketing Research Association (NIMRA) must insist on standard performance. The clients deserve the best for their monies and confidence trust in the marketing research firms and academic marketers. Marketing research results should provide a clear picture of what is occurring or likely to occur in the business environment and offer creditable alternative choices. The marketing researchers owe the clients the duty of living up to expectations. NIMRA should organize workshops, seminars and training programmes for members and use the forum to communicate to the public the existence and benefits of marketing research and the credibility of the people behind the industry. Effective monitoring of every stage of the marketing research process is essential if research results can be of any significance to business management in Nigeria.

## RECOMMENDATIONS

Based on the findings of this study, these recommendations aimed at improving the quality of the marketing research data were made;

- Because the integrity of the marketing research industry is at stake, integrity in information gathering or data collection is indispensable. To address the problem of unreliable research results, jobs must be repeated, costs notwithstanding. The emphasis should be on generating quality research data which will enhance strategic decision making for the marketing practitioners.
- A contingency plan involving a quality controller to be in the field with the team of interviewers should be made. Being on ground to see how the interviews are going ensures playing safe game. It is better to spot-check than to back-check because much damage may have been done before back-checking.
- High level monitoring arrangement must be put in place to prevent interviewers' pranks. The quality control person needs control. Since the questionnaires are assembled with the names and phone numbers of the respondents. The respondents should be randomly selected and calls put across to them to know if they were interviewed by any person within a specified period of time (i.e. the time the quality control person was supposed to have gone for back-checking). Time is also important in the application of control measures.
- Since the marketing research firms' charges are often commensurate with the jobs, they should make adequate financial provisions for the interviewers to minimize pranks. The

marketing managers should extend financial assistance to graduate students of marketing to enable them produce quality research data.

- The research projects assigned to graduating students should reflect the day to day problems of the marketing practitioners. Enough time should be allowed for practical and innovative research studies to be concluded by the researchers.
- Leadership of both public and private sectors in Nigeria should appreciate the need for reliable statistical data and emphasize accurate record keeping in their organizations. Sanctions should be imposed for non-compliance and award be given for good record keeping. The organizations should be willing to release meaningful information for research purposes.
- The Federal and State Ministries of Information should augment NIMRA's efforts at creating awareness on the benefits of marketing research to a dynamic society like Nigeria and help re-orient the behavior of the citizens toward being research complaint. With the co-operation of the citizens assured, the issues of privacy would be settled as important inquires could be obtained by telephone or e-mail solicitation.
- The environmental factors, complicated by the fragile security system, are serious threats to the conduct of marketing research in Nigeria. Nigerians are encouraged to rise up collectively to contend with the problem of insecurity, among others.
- For purposes of cost-effectiveness in the conduct of marketing research, the secretariat of NIMRA should be partitioned and made conducive for Focus Group Discussions. NIMRA members would then be required to pay little amount to access the facilities instead of using expensive hotels. The association can generate funds in the process.

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