

## THE IMPACT OF COLONIALISM ON THE DEVELOPMENT OF MARKETING IN NIGERIA: A DYADIC ANALYSIS

**Ebitu, Ezekiel Tom, Ph.D.**

Department of Marketing, University of Calabar, Calabar, Nigeria.

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**ABSTRACT:** *For about a century, the British colonial masters took full control of the political, economic and even the social life of the people called Nigerians today. This paper traces the impact of colonialism on the development of marketing in Nigeria. It takes a look at the pre-colonial marketing practices of the nation-states and kingdoms and the development or otherwise of marketing during the era of colonialism in Nigeria. It points out that what the colonialists did or failed to do to develop marketing theory and practice in Nigeria. It adopts a theoretical review of related literature and also took a position on this topic that while the colonialists had set-up some institutions, they did very little to strengthen the institutions and develop human capital in the country. The article makes far-reaching recommendations that will help enrich marketing theory and practice, strengthen marketing institutions and contribute to the general well-being of the people and the nation as a whole.*

**KEYWORDS:** Nigeria, Colonialism, Marketing, Development, Indirect Rule, Segregation.

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### INTRODUCTION

The essence of marketing to economic development is actually the import of this article. There is a lot of definitions of marketing but this article defines marketing as the process of creating, developing, promoting and delivering superior values to clients and other stakeholders for their mutual benefits. It is that business philosophy which emphasizes identification of customer needs, interpretation of these needs for the mutual benefit of both the consumer and the marketer, delivery of want satisfying goods and services and continued efforts to ensure customer satisfaction. Marketing facilitates the exchange process by providing and engaging in a variety of activities that benefit customers and other stakeholders. Marketing aims at attracting, satisfying retaining and managing relationships between marketers and stakeholders. It helps the manager-marketer to determine the size of the market, classify them into segments, choose segments to satisfy, and adopt strategies to satisfy the chosen segment. It provides the marketer with information about market opportunities as well as threats, and based on the organization's strengths and weaknesses, certain strategic action are taken to exploit the opportunities or deal with threats in the competitive environment.

Drucker (1958) has argued that marketing activities make possible economic integration and full utilization of a nations productive capacity by inspiring the entrepreneurial spirits of people. He further stated that it was marketing rather than the more visible economic activities of manufacturing that offered the greatest challenge as well as potential returns to developing societies like ours. In the same vein, authors like Nwankwo (2000), Nkamnebe (2003), Bartels (1976) and many others have agreed with Drucker (1958) that some of the pains of economic development can be ameliorated by understanding and applying the principles of marketing. They further argue that the ineffectiveness in the practice of marketing can hinder the full utilization of the available productive as well as economic capacity and consequently bring about a low growth rate in national income (Ogwo, 2009:35). According to Ewah and Ekeng

(2009), contemporary societies are now involved in one form of marketing activity or the other because it is an involvement and dynamic discipline that cuts across every spectrum of life. The import of this is that no growth-oriented economy can afford the consequences of neglecting marketing.

It is against this background that this paper examined the effects of colonial policies, rules and practices on the Nigeria marketing system and institutions. It adopts a theoretical review of related literature and also took a position on this topic that while the colonialists had setup some institutions, they did very little to strengthen the institutions and develop human capital.

### **An Overview of Colonialism in Nigeria**

In the 19<sup>th</sup> century colonialism was actually a way of life for the developed countries in Europe to superintend over African states, cities and kingdoms. After the partition of Africa in 1884 what is today called Nigeria became a British territory and for almost a century Nigeria was colonized by Britain. The key objectives of British colonialism included the opening up of the territory to British trade and commerce through diplomacy and where resistance was met military force became inevitable, the enforcement of the abolition of slave trade and other forms of illegal business activities and the maintenance of law and order in the society. Lagos was annexed in 1861; other areas like the southern and northern parts of Nigeria were systematically ‘conquered’ and administrative structures set over them. Nigeria had three partitions: the Lagos colony, the Southern and Northern protectorates with administrative centers at Lagos, Calabar and Kano. By 1914 the colony of Lagos, and the protectorates of Southern and Northern Nigeria were amalgamated into what is today called the Federal Republic of Nigeria. Lord Lugard was the first Governor- General. To administer the new country, the British colonialists adopted the system of indirect rule which was earlier used successfully in the Northern protectorate. According to Duke(2010:66) indirect rule involved the use of influential and resourceful members of the various communities who were made warrant chiefs and native political agents with mandates or warrants which empowered them to obtain the cooperation of the natives for the furtherance of the objectives of colonialism.

The warrant chiefs were to collect taxes, project the system of colonialism, enforce law and order and, where necessary, arrest and detain those that were not ready to cooperate with them. Those who were arrested were tried in the colonial master’s kangaroo courts. The warrant chiefs were also given mandates to confiscate Nigerian goods that were regarded as contrabands and, where necessary, arrest and prosecute Nigerian business men and women who traded in Nigerian, goods that were banned by their British masters. Duke (2010) and Kiggundu(1991) appraised the colonial rule this way:

*Lord Lugard built a system which blended the British-style machinery of government with a grassroot administrative instrument in the form of a hybrid strategy that combined British official at the top of the executive, legislative and judiciary wings of government on the one hand and the native chiefs and prominent members of the local society at the lower rung of the ladder on the other hand. At this point, the administrative style of the British was being insinuated into the governance of the Nigerian state, and it became the main influence on the local way of organizing things-politically, socially and economically. It is in this way that political domination of the society, through colonization permeated government, trade, religion and the social life of the peoples of Nigeria, with structural and attitudinal implications for the existing public and private organizations. The stiff conditions of colonialism also had*

*implications for the application, cultivation and development of contemporary management practice, as the existing institutions, particularly those by the state, had to operate within the ambit of the rigid style preferred by the British colonialists. Colonialism essentially became the tool that was deployed in relegating and decimating the local institution and management practices while these were supplanted with western-style administrative structures that were invariably regarded as superior to the indigenous ones (Kiggundu, 1991).*

### **Marketing Practices in Precolonial Period**

Nigeria has over 400 tribal and linguistic groups (Ebitu, 2012). What is now known as Nigeria existed in small hamlets practicing different trades based on their natural specializations. Those who lived along the coastal areas were mainly fisherman and hunters. Other people with vast arable land engaged in farming, trap making and hunting of wild animals. Yet, others engaged in carvings, cattle rearing, metal works and blacksmiths. Each of the above groups of people only produced what they and their households could use. In short, their occupations were carried out on a subsistence level. As time went on, they soon specialized in their different fields of endeavor and this specialization led to producing goods that were above the needs of each household. Specialization came with the development of certain basic infrastructures like iron, machetes, roads and canoes that made it possible for persons in one community to get in touch with people of other communities with their products. Sometimes, a clan of two to three villages established a market place at a central and convenient location to enable them exchange their offerings. According to Onah and Okoli(2014), each village or village group may exercise independence in the organization of the markets located in their area but functionally they try to cater or reflect the competing and specialized advantages that informed setting up (of) markets in nearby communities or group of communities. This led to exchange of goods for goods because there was no definite medium of exchange. The exchange of goods for goods is known as trade by barter. Recognized marketplaces made local exchange possible and moreover, encouraged and facilitated the perpetuation of social relationships and public order. In this sense, market institutions evolved as necessary elements in countryside (Hodder & Ukwu, 1969:12).

Although right from the subsistence period to when barter started, the economic activities could be associated with tribal, political and religious instabilities, lack of good infrastructures, lack of adequate and extensive communication facilities, and absence of organized institutions such as insurance, banking, advertising, etc. great centers or hamlets where trading activities were well developed had evolved. These centers include: Calabar, Lokoja, Onitsha, Kano and Bornu (Ebitu, 2005). Between 1000-1860 AD considerable political, socio-economic and commercial changes took place in the enclave called Nigeria. Strong and powerful dynasties sprang up and they had commercial links with communities and territories in the West, Central, North Africa and beyond. We can talk about the Songhai empire, the Kanem Bornu Empire, the Benin kingdom, the Calabar kingdom and some cities like Timbuctu and Kano. Commercial activities also involved trade with the Arabs to the North, the centers of trade in West Africa and later European traders particularly the Portuguese, Spanish, French and British traders. Ukwu(1981) in Agbonifoh, Ogwo, Nnolim and Nkamnebe (2007:35) once again offers more explanations on the structure of trade within this period.

*Three levels of trade (local, zonal and interregional) were involved in the marketing and trading activities during the nineteenth century. At the local level, crop specialization among households and societies created the need for exchange in which every household participated in alternating roles of sellers and buyers. Local trade involved part-time traders who acted as collectors, wholesalers and retailers. During the early stages of the period under discussion, barter dominated local trade. But later, various forms of money were introduced. At the zonal level, trade took place within geopolitical regions while interregional trade was a form of “international” trade involving empires or states and long distance activity. Interregional trade tended to be monopolized by specific “guides, social classes and communities who evolved elaborate system for carrying out their functions...”*

In most community markets, the licensed merchants were powerful men, community leaders, tribal kings, elders and counselors. For example, the Obong of Calabar and the Oba of Benin, through their accredited representatives, had monopoly in trade with Europeans in their areas of control. Commodities of trade during this period involved slaves, kola nut, leather works, pepper, works of art, traditional medicine and other items. This brief account suggests a booming well-organized marketing and commercial activities with the direct involvement of Nigerians. At that time elaborate trading rules and norms, and a system of middle-manship had evolved (Ogwo and Nkamnebe, 2009) with the use of cowries and other forms of money as medium of exchange.

### **The Impact of Colonialism on the Nigeria Marketing System**

Slave labour was the prime commodity of international trade between Nigerian state-systems and Europe up to the middle of the 19<sup>th</sup> century. The trade, according to Agi(1998), disrupted and depleted population, stunted development of productive forces, and undermined the normal patterns of growth of the state-system. Slave trade was later abolished and there was a great need for European merchants to diversify into new areas of trade. The middle of the 19<sup>th</sup> century saw various European companies struggling to have a foot-hole in West Africa and in particular the lower Niger Delta. One of the reasons for the annexation of Lagos in 1861 by Britain was to gain monopoly over trade in the Niger Delta. Initially, Britain merely encouraged trade under protection - the establishment of political authority over Nigeria by trading companies for effective operation and as a weapon for competition against other European companies. Important British firms merged in 1879 into United African Company (UAC), which was later chartered by the British colonial government as the Royal Niger Company. The company signed a treaty with the local chiefs which gave the company, monopoly in trade matters over the Niger Delta. By 1899 the same British Government revoked the charter partly because of the over bearing attitude of the company toward Nigerians in its area of operation and its obsession with monopolizing trade in the area.

Nigeria was indeed a fertile trading ground for British and other European companies. Nigeria was not only a source of raw materials to feed the manufacturing plants abroad but also a ready market for products from European firms. Some of the companies that operated in Nigeria and still on today are UAC, G. B. Olivant, John Holt, PZ, UTC, CFAO, AG Leventis, SCOA and later Nigeria Breweries Limited. These establishments led to the emergence of middlemen and agents, introduction of advertising, selling in Nigeria as an organizational function as well as part-time and full time traders, although on a small scale.

The colonial government undertook the construction and promotion of major transport systems like roads, railways, sea and air-ports, etc.; encouraged foreign merchant companies and their domestic agents to open up and expand the market economy; rationalize the currency and promoted the use of money, and organized both forced and voluntary wage labours for state and private purposes. Production for export and sale of imported European commodities increased opportunities in commerce, craft and foodstuff production for an increasing coherent expanding and magnetized economy. As a consequence, new financial institutions such as banking and insurance emerged. Existing social institutions were adopted to organize the regulation of access to land, the mobilization of savings and credit facilities and encouragement of a modern (wage) labour force. The political economy of the colonial state was understandably limited by its rationale, it was intended to subjugate, dominate and exploit the Nigerian people and their resources. It was characterized by its pattern of penetration from the coast to the hinterland. It was deliberately and rationally orientated outwards by the requirement of the British colonial interest. The colonialists concentrated only on economic activities beneficial to the colonial state, and were thereby disarticulated domestically. It promoted the interest of its centers of activities - urban settlements – and thereby neglected the rural mass settlements. The colonial political economy was therefore grossly uneven. It was also dichotomized into the state of public and private sectors, with the former as the instrument for the promotion and development of the latter (Agi, 1998).

On the other hand, the colonial authorities stopped the people from the manufacture and sales of certain products notably the local gin called ufofop or Kaikai. It was an offence to produce, sell, consume or aid in any of the aforementioned activities. Those who engaged in the business had to go right down into the forest to produce it. By so doing the people's attitude to entrepreneurship and commerce was mangled and they were denied the right incentives to make risk - worthy ventures and decisions worth taking. The big conglomerates of United African Company, UTC, G. B. Olivant, etc. dominated every facet of Nigeria economic and commercial life as at that time, thereby making any attempt by small indigenous marketing firms to acquire experience and expertise, and develop marketing techniques and practice very difficult. According to Ogwo and Nkammbé (2009), one of the consequences of the monopoly which the companies extorted from the people was that it deprived local inhabitants of the benefits of free trade and the advantages of choice in a competitive market.

Nigerians were not allowed or appointed to occupy senior managerial positions in the aforementioned companies which would have helped them to acquire the techniques and skills necessary to design a roadmap for the Nigerian marketing system. Those who were employed occupied lower, non-managerial positions that enabled them to perform routine work. They did not carry out planning tasks or take decisions for the companies. They were cleaners, messengers, clerks, bookkeepers and, at most, foremen. The colonial machineries operated a philosophy of small and low-cost administrative structures, with the implication that minimal resources were allocated to the development (through training and research) of the human capital used in running the colonial administration. "The impact of this low investment in human resources was the eventual creation of a workforce only good enough to carry out routine and non-creative tasks or functions. Also, the authoritarian manner in which work was organized ensured that the Nigerian personnel of the colonial institutions were not at liberty to experiment management ideas that were outside 'the box' or dictates of their colonial bosses" (Duke, 2010:67).

Colonialism endorsed and openly promoted a policy of class system or segregation that required the separation of the colonial masters from the native population in terms of school attended by the colonial masters' children, the facilities used, clubs, housing estates and even churches attended. Apart from its dehumanizing and defaming effects, the policy of segregation hindered the exchange of ideas in the areas of marketing and other aspects of human endeavour. Under this condition, free expression and cross fertilization of ideas were stalled and development of home - grown marketing principles, skills and practice naturally suffered a serious setback. The colonialist educational system was aimed at producing a literate, but junior, clerical and middle level manpower fit to work as clerks, interpreters, bookkeepers, cooks, attendants, security men and highly technical and tertiary institutions were non - existence. According to the National Commission for Museums and Monument (1986), grammar secondary schools were few and far-in between. Technical and industrial schools were even fewer. For instance, there were 900 primary schools with a pupil population of 40,000 in Calabar province (the present Akwa Ibom State and Southern Senatorial District of Cross River State comprising seven local government areas.) as at 1931. There were only three technical schools and two visible secondary schools. There were no tertiary institutions within the period. The resultant workforce had little or no marketing or technical expertise nor did they possess the depth of rigorous scholarly or academic skills required for developing a body of organized principles and theories to facilitate marketing practice and build strong institutions for the Nigerian marketing system.

## **CONCLUSION AND RECOMMENDATIONS**

Nigerian marketing system benefited on the periphery from the colonial masters through the building of roads, establishment of trading companies, banks, seaports, railroads and the setting up of a political economy. On the other hand, some of the policies and actions of colonialism did not encourage the establishment and development of indigenous marketing principles, practice and theories. Our production capabilities were not encouraged and the educational system was lopsided. The direct competition from the large conglomerates of the British and other European colonialists on the small indigenous marketing firms seemed to have destroyed their enterprising spirits. Thanks to our fore bearers because despite these hindrances the indigenous theories and practices of market days, and locations, relationship/community marketing and specialized markets/crops did not disappear completely. It is hereby recommended that:

- i. The present crop of marketing academics should come up with more indigenous textbooks, theories and principles of marketing so as to further the resource base of marketing.
- ii. Secondly, marketing practitioners should apply and further extend the frontiers of indigenous brand of marketing thought of community marketing, relationship marketing of trust, fair play and accountability; and also credit-system marketing as practiced by the Igbo businessmen and women till today.
- iii. Government should strengthen marketing and other related institutions so as to uplift the living standard of the people and promote the wellbeing of the nation – Nigeria.

- iv. Marketers, consumers and other stakeholders should reinvent and practice the indigenous principles of relationship marketing which was characterized with trust, accountability, transparency and giving appropriate value in return for customers' satisfaction.

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