



## Strategic Marketing and Competitive Advantage of Selected Petroleum Products Marketing Companies in Nigeria: The Moderating Role of Resource Capabilities

Abiodun E. Alao<sup>1\*</sup>  
Adesoga D. Adefulu<sup>2</sup>  
Olalekan U. Asikhia<sup>3</sup>  
Olubisi G. Makinde<sup>4</sup>

<sup>1,2,3,4</sup>Department of Business Administration And Marketing, Babcock University, Ilishan-Remo, Ilishan, Ogun State, Nigeria.

\*Email: [abbeyalao@yahoo.co.uk](mailto:abbeyalao@yahoo.co.uk)

### Abstract

*This study investigated the effect of strategic marketing on competitive advantage and how resource capabilities moderated the effect. A cross-sectional survey research design was adopted. Based on population of 1568 managerial staff of selected petroleum products marketing firms in Lagos State, Nigeria, Cochran's formula was applied to determine a sample size of 564. Response rate of 497 respondents was achieved in the study. Data collected were analysed using multiple regression analysis. The findings established that strategic marketing has a positive and significant effect on competitive advantage ( $R = 0.594$ ,  $Adj. R^2 = 0.627$ ,  $F(4, 491) = 208.685$ ,  $p = 0.000 < 0.05$ ) and that resource capability has no significant moderation on the effect of strategic marketing on competitive advantage ( $\Delta R^2 = 0.000$ ,  $\Delta F(1, 493) = 0.0305$ ,  $p > 0.05$ ) of the selected petroleum marketing companies in Lagos State, Nigeria. The study recommended that the management of petroleum products marketing companies should be committed to adopting strategic marketing in order to improve competitive advantage.*

#### Keywords:

*Strategic marketing  
Resource capabilities  
Competitive advantage.*

#### JEL Classification:

*M31*

#### Licensed:

*This work is licensed under a  
Creative Commons Attribution 4.0  
License.*

#### Publisher:

*Scientific Publishing Institute*

**Received:** 7 February 2020

**Revised:** 12 March 2020

**Accepted:** 19 March 2020

**Published:** 2 April 2020

**Funding:** *This study received no specific financial support.*

**Competing Interests:** *The authors declare that they have no competing interests.*

## 1. Introduction

There is a growing research interest on resource capabilities as the basis for firms to deploy strategic marketing in order to achieve competitive advantage in the competitive environment. Studies have posited that competition impedes firm's ability to maximise its potential in terms of use of resource capabilities and market-based strategies needed to outweigh competitors and achieve competitive advantage (Aghazadeh, 2015; Doyle & Armenakyan, 2014; Ejrami, Salehi, & Ahmadian, 2016; Fatonah, 2017; Liu & Liang, 2015). Competitive advantage is critical to the success of every firm that operates in the competitive environment, and ability to achieve it is predicated upon how the firm behaves and reacts to challenging environmental situations through effective support plans and market-based strategies (Wang, Han, & Lin, 2018). The given context is however significant to how the firm deploys resources and capabilities to respond to environmental challenges and demands by making use of appropriate market-based strategy (Breznik & Lahovnik, 2016). Barney (1991) opined that competitive advantage of every organisation comes from a firm's resources and capabilities that include management skills, organizational processes and skills, information and knowledge.

Therefore, the accumulation and application of these resources and capabilities becomes strategic necessities for organisations to operate successfully in a given challenging competitive environment. To buttress this position, resource-based strategy has been advocated and put forward as a long-term competitive weapon for organisations to achieve competitive advantage in a dynamic and uncertain environment (Mostafa, 2016).

Globally, petroleum products marketing firms are operating in the environment described as uncertain and of high risk hence many of them are striving to achieve competitive advantage in business (International Energy Agency, 2019). Some of the firms have consequently reduced their exposure to marketing and divested their investment priorities for reason of poor strategic response to environmental uncertainties and competitive pressure (Mckinsey, 2018). It has been asserted that firms operating in the sector are inherently conservative with strategic ideas focusing on ways of thinking and responding to growing environmental uncertainties (Ramsøy, Reve, & Nordkvelde, 2016). Market threats now become more visible than emerging market opportunities. Rather than for firms to take advantage of future marketing opportunities, many exit to divest their interests and create vacuum for new entrants to occupy the competitive landscape (Ramsøy et al., 2016).

Taghipourian and Bakhsh (2017) asserted that businesses can operate successfully in an environment of uncertainty by focusing on principle, philosophy and orientation that promote understanding of dynamics of the markets towards achieving expected goals and objectives. In a similar vein, Varadarajan (2018) also posits that firms around the world are becoming more strategic in their marketing functions and decisions to position their businesses in response to changing market realities of environmental uncertainties. The role marketing plays in a competitive situation is entrenched in the adoption and application of strategic marketing (Varadarajan, 2018). Strategic marketing is critical to how a firm learns and understands the changing market and marketing environment characterised by intense competition and limited resource for deployment of strategy that leads to solving business problems and achieving competitive advantage. Strategic marketing also recognises the importance of managing the changing market situations characterised by competitive pressure and constrained resources towards achieving competitive advantage (Osuagwu, 2004; Varadarajan, 2019). The key issues of strategic marketing have been hinged on the design and application of appropriate marketing strategy, ranging from marketing orientation, marketing planning, marketing mix decisions to market differentiation focus and innovation, market segmentation, market targeting and positioning among others to achieve competitive advantage (Yan & Chew, 2017). In a related context, some scholars have previously developed a common perspective of strategic marketing on how it relates to design and adoption of appropriate strategic content that ensures effective and efficient marketing of products and services in the competitive environment (Quinton & Fennemore, 2013; Varadarajan, 2018). In general terms, strategic marketing is described as an applied marketing process that leads to strategy development, efficient resource use and enhanced organisational ability in order to achieve competitive advantage in a competitive environment (Akinyele, 2011).

Past studies have given different perspectives on the moderating effect of resource capabilities on variables which include strategic orientation, strategic marketing, profitability, firm performance and competitive advantage (Breznik & Lahovnik, 2016). Few studies have been previously done in the context of petroleum products marketing which specifically underpins operating situations in Nigeria with empirical bases and implications. This is leaving a gap in knowledge needed to be filled in this study. This paper is therefore intended to examine how strategic marketing and competitive advantage of selected petroleum products marketing companies in Nigeria is moderated by resource capabilities. This objective will be investigated in relation to how the firms respond to changing competitive environment, harness resources and capabilities, and deploy them effectively and efficiently to develop appropriate market-based strategy towards achieving competitive advantage.

In order to affirm the intent of the study, the following hypotheses were formulated for statistical testing.

*H<sub>01</sub>: Strategic marketing has no effect on competitive advantage among selected petroleum products marketing companies in Nigeria.*

*H<sub>02</sub>: Resource capability has no significant moderating role on the effect of strategic marketing on competitive advantage of selected petroleum products marketing companies in Nigeria.*

## **2. Literature Review and Hypothesis Development**

### *2.1. Strategic Marketing*

According to Kotler (2015) strategic marketing involves activities of marketing as embedded in a marketing plan of an organization that is market or customer oriented. Strategic marketing focuses on broad issues of executing marketing philosophy, analysing market-based information, planning and adopting most appropriate marketing strategy decisions towards creating competitive advantage against competing forces in the marketplace (Varadarajan, 2018). In line with the given context, strategic marketing framework has become a critical means through which firms set marketing goals and apply resources effectively and efficiently to achieve them. It is a means for firms to deploy marketing strategy in response to changing marketing environment and to achieve competitive advantage, strategic marketing must be adopted to guide marketing activities that impact positively on market operations.

There are perspectives of strategic marketing by different authors and scholars. From a simple perspective, [The Chartered Institute of Marketing London \(2018\)](#) explains strategic marketing as a practice that emphasizes how marketing contributes to creation of value and competitive advantage, while gaining and retaining customers for business success. This perspective further explains how strategic marketing can be adopted in an organization to identify market opportunities, make effective use of limited resources, engage in long-term positioning and achieve superior performance. The given context has not taken cognisance of issue of value creation to drive the sustaining power of organisation's positioning in the competitive market. In a related perspective, [Akinyele \(2011\)](#) defines strategic marketing as a framework that makes organizations in their varying sizes become responsible to making the best use of their available resources to harness identified market opportunities towards achieving superior market performance in response to changing competitive environment. The author's perspective of strategic marketing is slightly different in terms of how it ensures an organisation carries out strategic responsibility in terms of managing its changing operating environment in order to ensure survival and success.

A more critical view explains strategic marketing as a process involving how firms behave in ensuring constant interaction with their competitive marketing environment in order to guarantee creation, communication and delivery of value for consistent exchanges and attainment of specific goal and objective ([Varadarajan, 2018](#)). This concept gives more encompassing view of strategic marketing. It hinges on the ability of a business organisation to develop strategic thinking capability and use it appropriately to support its operational and marketing activities in dealing with the realities of the changing operating and marketing environment. It should be emphasised that strategic thinking as a key factor involves how a firm thinks, designs and applies appropriate marketing strategy to deal with emerging competitive market situation ([Yan & Chew, 2017](#)).

[Kotler \(2015\)](#) expanded the perspective of strategic marketing as a strategic thinking that involves the components of marketing analysis, planning, decision making, marketing mix strategy, innovation, segmentation; targeting, positioning and differentiation focus among others. The concept emphasised that strategic marketing should be adopted as a field of study and contemporary framework help the organisation design and adapt its market strategies in responding to changing environment while creating new customer value. In line with this position, [Cravens, Piercy, and Cravens \(2012\)](#) provided a broad perspective with respect to critical domains of strategic marketing by describing it as a market-oriented approach which focuses on organization's long-term vision, and how it drives its marketing and other operational activities using resources and capabilities to match dynamic, turbulent and competitive environment towards achieving competitive advantage through value adding effort and innovation. The given perspective is considered more holistic view of the meaning of strategic marketing because of its more encompassing domains which form the larger essence of strategic marketing as a perspective and practice. To further advance this broad concept, [Osugwu \(2004\)](#) defined strategic marketing in a nutshell as involving a process which takes an organization from where it is currently situated to where it intends to be in future time.

## *2.2. Competitive Advantage*

[Peteraf and Barney \(2003\)](#) defined competitive advantage as superior differentiation and lower costs achieved by an organization when compared to competitors' marginal breakeven in the product market. The concept underpins that ability of the firm to gain competitive advantage is dependent on its ability to create economic value that differentiates its brands and lead to better market acceptance than competitors. The economic value means providing products and services and attaining difference in level between perceived benefits gained by the purchasers and economic cost of the value ([Peteraf & Barney, 2003](#)). By this definition, competitive advantage is gained where buyers' perception of the benefits gained depends on the usefulness of the products being offered. It should be emphasized that the perception of benefits relates to how the organization creates value that offers some degree of distinctive image better than competitors. In a more critical context, [Urbancová \(2013\)](#) explained competitive advantage as the ability of companies to satisfy customer needs more effectively than their competitors by focusing on understanding them and creating innovative value that enhances their needs and expectations more economically. This emphasises that organization which understands customers, adapts resource to new needs, creates right value by innovation to satisfy them can create competitive advantage, and then benefits from higher prices, customer loyalty and higher capacity utilization in any given competitive market. In specific terms, the two perspectives clearly posit that organizations cannot gain competitive advantage where they fail to effectively manage their operating environment by using market information accurately and creating innovation in the best possible manner ([Romero & Martínez-Román, 2012](#)).

Many authors have embraced a common concept of competitive advantage as an organization's ability, capability and action to design, create and develop a distinctive image or product offerings that overcome competitors ([Kotler. & Keller, 2009](#); [Muangkhot & Ussahawanitchakit, 2015](#); [Phokha & Ussahawanitchakit, 2011](#)). Few of the authors added that competitive advantage of a given product may include factors of price/cost, quality, delivery reliability, product innovation and time for market to create positive effects on organizational success ([Muangkhot & Ussahawanitchakit, 2015](#); [Zhou, Brown, & Dev, 2008](#)). An organization

has a competitive advantage over its rivals or competitors whenever it is able to design and defend its distinctive competence and image, using the specific indices mentioned in the given definition as critical sources of competitive advantage. Therefore, it is important to emphasise that strength of the concept underpins the factor of buyers' perception of superior value as a critical goal of firm's decisions toward the attainment of competitive advantage. It takes a successful company to outweigh other performing firms operating in the same competitive environment by investing more aggressively on creation of preferred customer value consistently (Collins & Troilo, 2015).

Muangkhot and Ussahawanitchakit (2015) further explained that the concept of competitive advantage is the expression of a firm to understand and respond to the changing and highly dynamic market environment within which it operates as against growing global phenomenon. The ability of firms to gain competitive advantage in the rapidly changing global market and marketing environment is contingent upon adoption and adaptation of appropriate strategy as means for measuring and responding to market dynamism (Muangkhot & Ussahawanitchakit, 2015).

### *2.3. Resource Capabilities*

Grant (2015) defines company's resource as an endowment that will go a long way to determine how it achieves and sustains competitive advantage in the market place. The concept simply relates that company's resource is limited to its endowment form but fails to explain the relative use of such endowment in terms of application under a defined situation of competitive pressure. The critical issue of resource application is not clearly captured in the concept. It is important to understand that resources of firms should not be dormant but be effectively and efficiently deployed to help the organisation achieve its strategic goal of competitive advantage. Wheelen and Hunger (2016) define resources from a wider view, as organisations' assets which include tangible assets such as plant, equipment, finances and location; and human assets in terms of the number of employees, their skills and motivation and intangible assets such as its technology (patents and copyrights) culture and reputation. The authors equally define capabilities as organisation's ability to exploit its resources, which consists of business processes and routines that manage the interaction among resources to turn inputs to outputs. It has been emphasised that marketing capabilities of a firm can be based on the interaction among its marketing specialists, marketing strategies and marketing opportunities (Wheelen & Hunger, 2016). The definition of capability has equally been given as a collection of routine that enables an organisation to perform some activities on a consistent (repeatable) basis (Winter, 2003). The context implies that firm's capability will involve choices between deepening their existing capabilities against broadening their repertoire to include new set of capabilities within the effort of making choices; the firms are always burdened by resource constraint which means that they must make choices at the margin. The focus of every firm should be to always have optional capability strategies while making choices from either general-purpose or market-specific set of capabilities. Thus, it is emphasised that firms' capabilities are constantly changed and reconfigured to make them more adaptive to uncertainties of the environment; the reason for referring to them as dynamic capabilities.

Barney (1991) has equally affirmed that firm's resources include all assets, capabilities, competencies, organisation processes, firms attributes, information knowledge among others, controlled by a firm that enable it conceive and implement strategies to compete well in the market place. Barney (1991) further explains resources as strategies that improve firm's efficiency and effectiveness against competing ones. The concept of resource capabilities is clearly referred to as the collective or accumulation of stock of knowledge, market-based assets, physical assets, human assets and other tangibles and intangibles owned and being controlled by a firm (Alexandre, Furrer, & Sudharshan, 2014). From business view, resources of a firm are considered more efficient or effective in usage when they enable the firm to achieve the set marketing goals and objective more economically (Bridoux, 2003). Wheelen and Hunger (2016) thus buttressed that firm's resource capabilities should be considered as fundamental determinant for gaining competitive advantage in business.

According to Williamson (1999) the efficiency perspective of using firm's resources is fundamental to deployment of strategies that leads to market power, strategic ploy and effort to win competition in the marketplace. This assertion is based on the fact that if firm's use of resources is not based on efficiency principle, it could be rare to gain advantage. The critical condition for efficient resource application is for firms to focus on the 'holy grail of marketing' which implies understanding changing market needs, wants and expectations (Kotler, 2015), and taking strategic steps that create and offer better value than competitors. The use of firm's resources in the most efficient manner to gain competitive advantage will depend on the level of market competition.

### *2.4. Hypothesis Development*

Review of existing literature showed different findings in this study. Some empirical studies have shown that marketing orientation, analysis, planning and market-based decision as dimensions of strategic marketing in this study are a necessary input for conception and implementation of firms' strategic marketing practice (Aghazadeh, 2015; Ganzer, Chais, & Olea, 2017). In a study, it is suggested that the significance of strategic marketing as a philosophy and practice guides organisations' resource capability decisions, strategy

development and value delivery in the competitive environment (Varadarajan., 2019). The finding of the study has indicated that organisations should identify their level of resource capability that demonstrates the extent to which strategic marketing is used to manoeuvre strategic direction in the competitive environment. Kanagal (2017) investigated a study on how resource capabilities of firms are impacted through the use of market strategy and goal of superior market performance. A cross-sectional design was used in the study. Purposive sampling technique was adopted to select CEOs and equivalent top managers from the database of Istanbul Chamber of Industry that announced the largest 1000 firms of Turkey ISO-1000 from different sectors. The findings revealed that resource capabilities will contribute largely to firm performance where its usage is significantly based on appropriate adoption of market strategy. In consonance with this finding, a study found that superior performance of a firm is achieved not because resources is possessed but how it is efficiently and effectively deployed for strategic bases (Lagat & Frankwick, 2017).

Further review has equally shown that marketing orientation is a prerequisite for adopting organisational resource capability that drives superior organisational performance (Ejrami et al., 2016). Finding of this study has demonstrated how significantly and positively marketing orientation correlate to use of resource capability of a firm to impact on competitive advantage. A study conducted on marketing resource capability, marketing strategy complementarities and firm performance (Aron, Cass, & Vidas, 2015) examined how marketing orientation, resource capability and resource deployment are related and their effect on business performance. The study addressed the research gap of mediating role of resource deployment on the theoretical basis of resource based view (RBV) and its interaction with resource deployment. The study relied on self-reporting through self-administered questionnaire by top ranking marketing executives from 251 firms selected from business database. Analysis of the cross-sectional data collected found that time sequence of the relationship among marketing strategy, resource possession and resource deployment is not easily discernible. Finding showed that marketing orientation is indirectly related to constant change in the use of resources and capabilities, while possession of marketing resources may not explain the basis for resource deployment on strategy formulation by the organisation.

In a similar vein, Pham, Monkhouse, and Barnes (2017) investigated levels of conditions for marketing analysis and marketing capability using survey data set from a sample of 333 Vietnamese's firms. Multiple regression analysis was used and the findings revealed that except for responsiveness to macro environment, marketing capability may not have a positive effect on firm performance. This finding in effect showed a direct positive relationship between use of marketing analysis and marketing capability of a firm. Some studies in the past have remained critical in terms of significant relationship that exists between strategic marketing and resource capability of a firm (Mani & Barua, 2015; Slater, Hult, & Olson, 2016; Yan & Chew, 2017). Findings of a study by Yan and Chew (2017) showed that there is no universal application of firm's resource capabilities that would support the implementation of strategic marketing in business. In another context, Slater et al. (2016) in a study found that the extent of organisational responsiveness to the market through market intelligence will mediate the relationship between marketing orientation, marketing analysis and resource capability. In a similar vein, Mani and Barua (2015) found that organisational learning through market analysis is an intervening variable representing how resource capability mediates the relationship between firm's marketing orientation and competitive advantage.

The non-significant positions of some studies have been based on the effects of varying mediating variables and methodological differences or considerations. Kaleka and Morgan (2017) confirmed that the position of methodological consideration when assessing the effect of marketing orientation on marketing capabilities was based on both objective and subjective performance measures. They found that an otherwise significant marketing organisation coefficient will be rendered non-significant by a strong marketing capability, as a resource base of a firm. This position has been buttressed in a study by Liu and Liang (2015) where the finding showed that proficient product development process mediate marketing orientation, resource-based operations and firm's competitive advantage. However, it has been emphasised in the finding that strategic marketing will have a direct relationship with resource capabilities that contribute positively to firm's competitiveness than one that will indirectly contribute to firm's competitive advantage (Vogel & Güttel, 2013). Basically, some studies that focused on related issues of strategic marketing have found that its adoption will lead a firm to become market driven, better inclined in gathering, interpreting and using market information as a capability for developing systematic, thoughtful and anticipatory process that ensures competitive advantage (Doyle & Armenakyan, 2014; Kaleka. & Morgan, 2019; Liu & Liang, 2015).

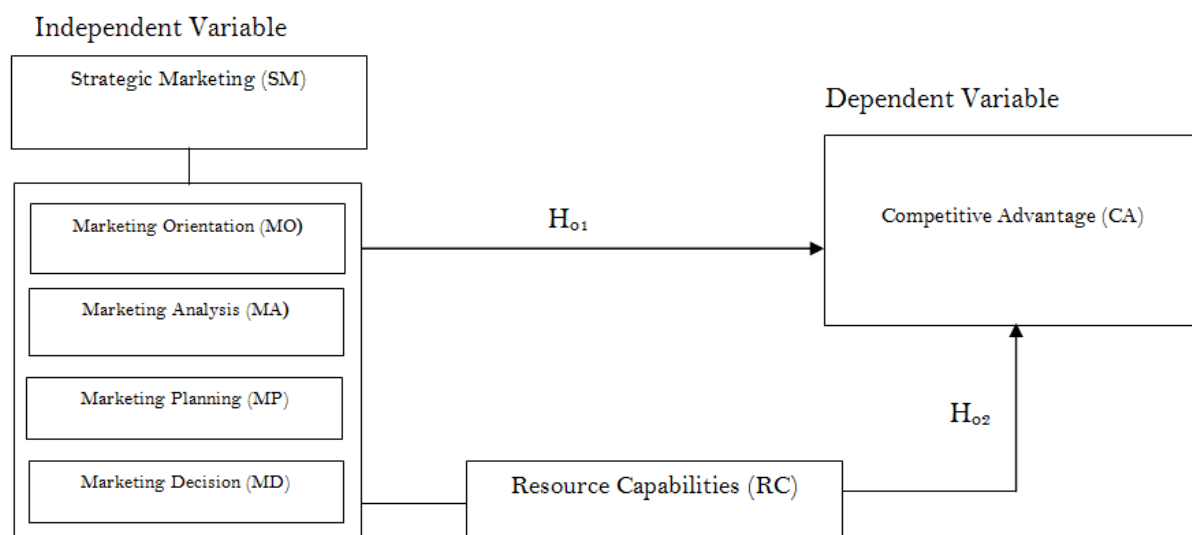


Figure-1. Research Model.

The research model as presented in figure 1 illustrates the hypotheses intended to be tested in this study. The hypotheses were developed based on gaps in knowledge derived from the review of past empirical studies and their findings. On this ground, this model is developed to test the first hypothesis ( $H_{01}$ ) that shows how strategic marketing and its dimensions which include marketing orientation, marketing planning, marketing analysis and marketing decision as independent variables will have effect on competitive advantage, which is the dependent variable. The model further shows resource capabilities having moderation on the effect of strategic marketing dimensions on competitive advantage. This represents the second hypothesis ( $H_{02}$ ) for testing in this study.

### 3. Methodology

The study adopted cross-sectional survey research design with the target population comprising 1568 managerial staff of selected petroleum products marketing companies in Lagos State. Cochran’s formula was employed to determine a sample size of 564. Stratified random sampling and proportionate techniques were used to group the sample to definite categories of directors, senior managers, marketing managers and supervisors to ensure desired sample size in each stratum for adequate representation. A structured questionnaire was designed to collect primary data. The research instrument was validated and Cronbach’s alpha reliability test showed coefficients of strategic marketing was 0.763, resource capabilities was 0.887 while competitive advantage had a value of 0.772.

Table-1. *A priori* expectations.

Hypothesis	Model	<i>A priori</i> Expectation if;
$H_{01}$	$CA = \alpha_0 + \beta_1 SM_i + \mu_i$	$P \leq 0.05 : \beta_1 \neq 0, H_{01}$ will be rejected
$H_{02}$	$RC = \alpha_0 + \beta_1 SM_i + \beta_2 RC_i + \beta_3 SM*RC_i + \mu_i$	$P \leq 0.05 : \beta_1 \neq 0, H_{02}$ will be rejected

Table 1 shows the *a priori* expectations of the two hypotheses in this study. In line with the table, it is firstly expected that strategic marketing dimensions will positively and significantly affect competitive advantage of the selected petroleum products marketing companies. Secondly, it is also expected that resource capabilities will positively and significantly moderate the effect of strategic marketing on competitive advantage.

### 4. Results and Discussion

A total of 564 copies of questionnaire were sent to the selected petroleum marketing companies, 497 were returned which represented response rate of 88.1%, and was considered adequate to draw conclusions on the study. Descriptive and inferential statistics were used for data analysis. Multiple regression analysis was used to statistically test the hypotheses.

Table-2. Respondents' general information.

Respondent's Description	Frequency	Percent	Cumulative percent
<b>Position</b>			
Director	35	8.0	8.0
Senior Manager	74	14.9	22.9
Manager	177	29.0	51.9
Operational Supervisor	278	48.1	100.0
Total	497	100.0	
<b>Gender</b>			
Male	373	75.0	75.0
Female	124	25.0	100.0
Total	497	100	
<b>Marital Status</b>			
Married	483	97.0	97.0
Single	14	3.0	100.0
Divorced	-	-	-
Total	497	100.0	-
<b>Education Qualification</b>			
First Degree	198	39.8	39.8
Post graduate	209	42.1	81.9
Others	90	18.1	100.0
Total	497	100.0	
<b>Years of Experience</b>			
1 – 4	126	25.4	25.4
5 – 10	158	31.8	57.2
11 years and above	213	42.8	100.0
Total	497	100.0	

Table 2 shows the study respondents' general information in terms of their positions, qualifications and years of experience on the job. It further shows how the questionnaire was distributed and administered along the descriptive parameters. The table shows that a total number of 497 copies of questionnaire were successfully administered on managerial staff of selected petroleum products marketing companies representing 88.1% response rate. 8% of the respondents were directors, 14.9% represented as the senior managers and 29% were managers while 48.1% were operational managers. The majority of the respondents were male of 75%. Almost all the respondents with 97% rating were married and over 81% had a university degree. The year of experience showed that majority of the respondents with the rating of 57% had spent less than 10 years and above 42% rating had spent above 10 years in the companies under study.

#### 4.1. Hypothesis Testing

$H_0$ : Strategic marketing has no effect on competitive advantage among selected petroleum products marketing companies in Nigeria.

Table-3. Regression coefficients of effect of strategic marketing on competitive advantage.

Model		Coefficients <sup>a</sup>			T	Sig.	Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients			Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	72649.811	96893.829		.750	.487		
	Strategic Marketing	5.566	1.307	.834	4.257	.008	0.563	3.193

a. Dependent Variable: COMPETITIVE ADVANTAGE

R = 0.594, Adj. R<sup>2</sup> = 0.627, F (4, 491) = 208.685, p = 0.000 < 0.05

From result in Table 3, finding revealed that strategic marketing had a positive and significant effect on competitive advantage of selected petroleum products marketing companies in Lagos State, Nigeria. The final regression model thus becomes:

CA =  $\alpha_0 + \beta_1 SM + \mu_i = 72649.811 + 5.556(SM)$ . It showed that on aggregate of all measures of variables, strategic marketing has a positive and significant effect on competitive advantage. Based on a *a priori* expectation which states that null hypothesis should be accepted if  $\beta_1 - \beta_5 \neq 0$  and  $p \leq 0.05$   $H_{01}$  otherwise it has to be rejected, the null hypothesis is thus rejected. The study concludes that strategic marketing has a positive

and significant effect on competitive advantage of the selected petroleum products marketing companies in Lagos state, Nigeria.

## **5. Discussion**

The results in [Table 3](#) infer that organisations operating in a dynamic competitive environment must demonstrate regular usage of market knowledge, search for new market information, value-based decisions and seek innovative leadership by being consistently gathering and using market intelligence. To buttress the inference drawn, [Ghorban and Gholipour \(2018\)](#) on investigating the impact of strategic flexibility on organisational innovation, 212 managers of Ghalamichi Institute of Statistical Society were understudied. Questionnaire was administered on 136 sample selected based on simple random sampling technique and linear regression model was adopted to analyse the data collected. The findings showed that strategic flexibility is mediated by organisation learning, which implies use of new market information to make new and adaptive decisions on marketing strategy. The findings further explained that organisations need to enhance their increased capacity in market knowledge and build resilience towards addressing environmental shocks created by changes.

In a similar vein ([Pupaningrum, 2017](#)) the effect of market orientation on competitive advantage where multiple regression model was used to analyse data collected from 90 respondents of entrepreneurs and managers of small and medium enterprises (SMEs) specialising in embroidery in Pakis sub-district and Pasuruan, Bangil. The finding showed the significant influence of marketing orientation on competitive advantage of a firm. The finding explained that marketing orientation is the basis upon which organisations adapt to changes in customer needs and other market demands. [Al-Hawary and Al-Hamwan \(2017\)](#) also investigated on environmental analysis and its effect on competitive capabilities of commercial banks in Jordan. The study population included the general managers and their assistants in ten commercial Banks with 93 managers used as unit of analysis. Questionnaire was adopted to collect data and further analysis done using standard deviation and multiple regressions. The finding showed that marketing analysis of the firm's environment has a positive and significant effect on competitive capabilities of the firm. This finding was explained to show how the outcome of environmental analysis leads to understanding of emerging opportunities and threat and adaptation of the competitive capabilities to absorb such market changes. Finding of a study ([Hosseini, 2016](#)) states that degree of market environment turbulence will lead to increased level of uncertainty and more usage of marketing analysis mechanism to determine firm's internal working and decisions.

Few other studies have equally supported the results of this study showing that dynamic marketing environment significantly influences usage of strategic marketing as a connecting capability towards the management of environmental change ([Meymand & Hakimi, 2015; Voss & Brettel, 2013](#)). The finding further emphasised that, in fulfilling its connecting role between the firm and its dynamic marketing environment, marketing analysis is a critical resource in strategic marketing upon which firms depend in making marketing decisions on market adaptation to environmental changes ([Voss & Brettel, 2013](#)). In support to this finding, an analysis helps firms develop adaptation strategy with assurance of its uniqueness that guarantees the best fit with other internal operations and external application for superior performance.

[Nurcholis \(2018\)](#) conducted a study on effect of marketing strategy adaptation on knowledge exploitability. The research was conducted on Batic SMEs in Pekalong Indonesia. Purposive sampling was used to select 100 respondents and multiple regression adopted to analyse the data collected. The finding showed that new market exploitation, product diversity and marketing program development as measures for adaptive behaviour have significant positive influence towards knowledge exploitability. This finding further explained that ability of firms to adapt and respond to market changes by creating ideas in the market place depends on its ability to analyse and make consistent use of market information culminates into market knowledge to adjust marketing activities that meet new market demands and customers needs ([Nurcholis, 2018](#)).

[Ramaseshan, Ishak, and Kingshott \(2013\)](#) found that marketing analysis as a dimension of strategic marketing as an important instrumental link between the firm and its external environment helps ascertain how well the firm is able to respond and adapt to environmental constraints and changes in its marketing activities. The study further established that effective change and implementation of marketing strategies in the market place is a function of control mechanism which is instigated by the outcome of strategic marketing. These findings in their varying contexts confirm and affirm the positive and significant effect of strategic marketing and dimensions used in this study on competitive advantage of selected petroleum products marketing companies in Lagos State, Nigeria.

*H<sub>06</sub>: Resource capability has no significant moderation on the effect of strategic marketing on competitive advantage of selected petroleum products marketing companies in Nigeria.*



**Table-4.** Regression coefficients of moderating effect of resource capabilities on strategic marketing and competitive advantage.

Model (1)	B	Sig.	R	R <sup>2</sup>	R <sup>2</sup> Δ	F Statistics
Constant	13.5224	0.2649	0.8306	0.6900	0.000	0.0305(1, 493)
SM	0.4981	0.0002				
RCt	1.4055	0.0113				
SM*RCt	0.0010	0.8614				

a. Dependent Variable: Competitive Advantage

b. Predictors in the Model: (Constant), Strategic Marketing

c. Predictors in the Model: (Constant), Strategic Marketing, Resource Capabilities.

Table 4 illustrates the result of the moderating role of resource capabilities on the effect of strategic marketing on competitive advantage. The result provides the values of the coefficient of determination,  $R^2 = 0.6900$  at  $p = 0.002$  based only on the effect of strategic marketing on competitive advantage. This was further confirmed by  $\beta = 0.4981$  at  $p = 0.0002 < 0.05$ . The introduction of the moderator which is resource capabilities contributed to competitive advantage at  $\beta = 1.4055$  at  $p = 0.0113 > 0.05$ . Further inclusion of the interaction term induced a change in the interaction effect. Thus, the result in the  $R^2 \Delta$  column indicates no change from 0.6900 ( $R^2 \Delta$  effect = 0.000) when the interaction terms (SM\*RC) were added. The change was statistically not significant with ( $\beta = 0.0010$ ,  $F = 0.0305$  (1, 493) at  $p = 0.8614 > 0.05$ ). Thus, with this result, it implies that resource capabilities have no significant moderating role on the effect of strategic marketing on competitive advantage of selected petroleum marketing companies. The resultant regression model thus is given as:

$CA = 13.5224 + -0.4981SM_i + 1.4055RC + 0.0010SM*RC$ ; Where: CA = Competitive Advantage; SM = Strategic Marketing; RC = Resource Capabilities; SM\*RC = the interaction between strategic marketing and resource capabilities. The *a priori* expectation is that if  $\beta_1 - \beta_3 \neq 0$  and  $p \leq 0.05$   $H_{06}$  should be rejected, otherwise it should be accepted. However, based on the result of test of hypothesis two, it was found that the coefficient associated with SM\*RC is not equal to zero. That is  $0.0010 \neq 0$  at  $p = 0.015 > 0.05$ . We therefore conclude that resource capabilities have no significant moderation on the relationship between strategic marketing and competitive advantage of selected petroleum marketing companies in Lagos state. Thus, we accept the null hypothesis.

## 6. Discussion

Finding of a study has suggested that the strategic marketing is moderated by organisations' resource capability decisions towards strategy development and value delivery (Varadarajan, 2019). This finding indicated that organisations must identify their resource capability as a strength that demonstrates the extent in which strategic marketing is adopted to manoeuvre strategic direction in the competitive environment. In a similar vein, Kamasak (2017) investigated a study that showed how resource capabilities of firms are impacted through the use of market strategy and goal of superior market performance. A cross-sectional design was used in the study. Purposive sampling technique was adopted to select CEOs and equivalent top managers from the database of Istanbul Chamber of Industry that announced the largest 1000 firms of Turkey ISO-1000 from different sectors. The CEOs and top manager were defined as the unit of analysis. The findings revealed that resource capabilities significantly have effect on firm performance especially when significantly deployed for appropriate use of market strategy. To buttress this finding, an empirical study has found that superior performance of a firm is achieved not because resources are possessed but how they are efficiently and effectively deployed particularly for strategic purposes (Lagat & Frankwick, 2017).

Further empirical findings have revealed that marketing orientation is a prerequisite for adopting organisational resource capability that drives superior performance (Ejrami et al., 2016). This indicates how significant and positive marketing orientation correlate to the use of resource capability to impact on competitive advantage. This is in consistent with a study by Aron et al. (2015) which examined how marketing orientation, resource capability and resource deployment are related and their effect on business performance. The study addressed the research gap of mediating role of resource deployment on the theoretical basis of resource based view (RBV) and its interaction with resource deployment. The study relied on self-reporting through self-administered questionnaire by top ranking marketing executives from 251 firms selected from business database. Analysis of the cross-sectional data collected found that time sequence of the relationship among marketing strategy, resource possession and resource deployment is not easily discernible. Finding thus showed that marketing orientation is indirectly related to the use of resources and capabilities, while possession of marketing resources may not explain the basis for resource deployment on strategy formulation by the organisation.

In a similar vein, Pham et al. (2017) investigated levels of conditions for marketing analysis and marketing capability using survey data set from a sample of 311 Vietnamese firms. Multiple regression analysis was used and the findings revealed that except for responsiveness to macro environment, marketing

capability may not have a positive effect on firm performance. This finding in effect showed a direct positive relationship between use of marketing analysis and marketing capability of a firm.

Some studies in the past have remained critical of significant relationship that exists between strategic marketing dimensions of this study and resource capability of a firm (Mani & Barua, 2015; Slater et al., 2016; Yan & Chew, 2017). Finding from a study conducted by Yan and Chew (2017) claimed that there is no universal application of firm's resource capabilities that would support the implementation of strategic marketing in business. In another context, Slater et al. (2016) in a study found that the extent of organisational responsiveness to the market through market intelligence will mediate the relationship between marketing orientation, marketing analysis and resource capability. Mani and Barua (2015) found that organisational learning through the dimension of market analysis is an intervening variable representing how resource capability mediates the relationship between firm's marketing orientation and competitive advantage. These findings have explained the non-significant effect of the moderating effect of resource capability on the relationship between strategic marketing dimensions and competitive advantage. It has however been emphasised in the finding of a study that strategic marketing and its dimensions will have a direct relationship with resource capabilities that contribute positively to firm's competitiveness than one that will indirectly contribute to firm's competitive advantage (Vogel & Güttel, 2013).

Basically, some studies that focused on strategic marketing have found that it will lead a firm to become market driven, better inclined in gathering, interpreting and using market information as resource capabilities for systematic, thoughtful and anticipatory process that ensures competitive advantage (Doyle & Armenakyan, 2014; Kaleka. & Morgan, 2019; Liu & Liang, 2015). On the bases of contradictory findings from different authors and contexts on the moderating effect of resource capabilities, we affirm the result that state resource capabilities have no significant moderation on the relationship between strategic marketing and competitive advantage of selected petroleum marketing companies in Lagos State.

## 7. Conclusion and Recommendations

Based on the findings, the study concludes that strategic marketing has positive significant effect on competitive advantage of the selected petroleum marketing companies in Lagos State, Nigeria. In addition, that resource capability has no significant moderating effect between strategic marketing and competitive advantage of selected petroleum products marketing companies in Lagos state, Nigeria. We therefore recommend that for firms operating in petroleum products marketing in Nigeria to improve on level of competitive advantage in business, they must largely embrace strategic marketing. This is expected to decision-making managerial staff in developing right approach to strategic thinking and capability towards better understanding of changing competitive environment. It will also lead to knowing how best to harness and maximise resources towards enhancing capability and achieving competitive advantage.

## References

- Aghazadeh, H. (2015). Strategic marketing management: Achieving superior business performance through intelligent marketing strategy. *The Journal of Procedia Social and Behavioural Sciences*, 20(7), 125-134.
- Akinyele, S. T. (2011). Strategic marketing and firms performance: A study of Nigerian oil and gas industry. *Business Intelligence Journal*, 4(2), 303-311.
- Al-Hawary, S. I. S., & Al-Hamwan, A. M. (2017). Environmental analysis and its impact on the competitive capabilities of the commercial banks operating in Jordan. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 7(1), 277-290. Available at: <https://doi.org/10.6007/ijarafms/v7-i1/2701>.
- Alexandre, M. T., Furrer, O., & Sudharshan, D. (2014). Marketing technology management: An emerging function and a process for the management of a core competence. *Journal of Business Management*, 7(1), 65-79.
- Aron, O., Cass, L., & Vidas, V. N. (2015). Marketing resource-capability: Complementarily and firm performance in B2B firms. *Journal of Business and Industrial Marketing*, 30(2), 194-207.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120. Available at: <https://doi.org/10.1177/014920639101700108>.
- Breznik, L., & Lahovnik, M. (2016). Dynamic capabilities and competitive advantage: Findings from case studies. *Management: Journal of Contemporary Management Issues*, 21(Special issue), 167-185.
- Bridoux, F. (2003). A resource-based approach to performance and competition: An overview of the connections between resources and competition. *Strategic Management Journal*, 19(4), 1-21.
- Collins, J. M., & Troilo, M. L. (2015). National factors effects on firm competitiveness and innovation. *Competitiveness Review*, 25(4), 392-409.
- Cravens, K., Piercy, N., & Cravens, D. (2012). Assessing the performance of strategic alliances: Matching metrics to strategies. *European Management Journal*, 18(5), 529-541.
- Doyle, J. D., & Armenakyan, A. (2014). Value-creating mechanisms within the market orientation-performance relationship: a meta-analysis. *Journal of Strategic Marketing*, 22(3), 193-205. Available at: <https://doi.org/10.1080/0965254x.2013.876073>.
- Ejrami, M., Salehi, N., & Ahmadian, S. (2016). The effect of marketing capabilities on competitive advantage and performance with moderating role of risk management in importation companies. *Procedia Economics and Finance*, 36(16), 22-28. Available at: [https://doi.org/10.1016/s2212-5671\(16\)30012-0](https://doi.org/10.1016/s2212-5671(16)30012-0).

- Fatonah, S. (2017). The impact of market orientation and marketing strategies on performance of SMES in batik industry. *International Journal of Civil Engineering and Technology*, 8(8), 1290-1298.
- Ganzer, P. P., Chais, C., & Olea, P. M. (2017). Product, process, marketing and organizational innovation in industries of the flat knitting sector. *RAI Magazine of Administration and Innovation*, 14(4), 321-332. Available at: <https://doi.org/10.1016/j.rai.2017.07.002>.
- Ghorban, R., & Gholipour, K. (2018). Investigating the impact of strategic flexibility on organizational innovation. *International Review of Management and Marketing*, 8(3), 1-5.
- Grant, R. (2015). Prospering in dynamically-competitive environments: Organisational capabilities as knowledge integration. *Strategic Management Journal*, 8(1), 41-50.
- Hosseini, M. H. (2016). Impact of marketing capability and organisational adaptability on the performance of new product development. *International Journal of Humanities and Cultural studies*, 8(8), 746-758.
- International Energy Agency. (2019). *Report on global oil markets*. Switzerland: World Energy Outlook.
- Kaleka, A., & Morgan, N. (2017). How marketing capabilities and current performance drive strategies intentions in international markets. *Journal of Industrial Marketing Management*, 78(2), 108-121.
- Kaleka, A., & Morgan, N. A. (2019). How marketing capabilities and current performance drive strategic intentions in international markets. *Industrial Marketing Management*, 78, 108-121. Available at: <https://doi.org/10.1016/j.indmarman.2017.02.001>.
- Kamasak, R. (2017). The contribution of tangible and intangible resources, and capabilities to a firm's profitability and market performance. *European Journal of Management and Business Economics (EJM&BE)*, 26(2), 252-275. Available at: <https://doi.org/10.1108/ejmbe-07-2017-015>.
- Kanagal, N. (2017). Development of market orientation for marketing strategy formulation. *International Journal of Marketing Studies*, 9(4), 54-66. Available at: <https://doi.org/10.5539/ijms.v9n4p54>.
- Kotler, P. (2015). *Principles of marketing* (13th ed.). NJ: Prentice Hall.
- Kotler, P., & Keller, K. L. (2009). *Marketing management* (13th ed.). Upper Saddle River, NJ: Prentice-Hall.
- Lagat, C., & Frankwick, G. L. (2017). Marketing capability, marketing strategy implementation and performance in small firms. *Journal for Global Business Advancement*, 10(3), 327-345. Available at: <https://doi.org/10.1504/jgba.2017.10005516>.
- Liu, Y., & Liang, L. (2015). Evaluating and developing resource-based operations strategy for competitive advantage: an exploratory study of Finnish high-tech manufacturing industries. *International Journal of Production Research*, 53(4), 1019-1037. Available at: <https://doi.org/10.1080/00207543.2014.932936>.
- Mani, D., & Barua, A. (2015). The impact of firm learning on value creation in strategic outsourcing relationships. *Journal of Management Information Systems*, 32(1), 9-38. Available at: <https://doi.org/10.1080/07421222.2015.1029379>.
- Mckinsey. (2018). Energy insights. Retrieved from: [www.mckinsey.com/downstream](http://www.mckinsey.com/downstream) outlook.
- Meymand, M. M., & Hakimi, I. (2015). Review on the role of environmental factors in the development of marketing capabilities with strategic orientations mediator: Case study: businesses active in the food industry of country. *Journal of Economics and Engineering*, 16(1), 551-559.
- Mostafa, R. B. (2016). Value co-creation in industrial cities: A strategic source of competitive advantages. *Journal of Strategic Marketing*, 24(2), 144-167. Available at: <https://doi.org/10.1080/0965254x.2015.1076885>.
- Muangkhot, S., & Ussahawanitchakit, P. (2015). Strategic marketing innovation and marketing performance: An empirical investigation of furniture exporting businesses in Thailand. *The Business & Management Review*, 7(1), 189-206. Available at: <https://doi.org/10.18374/ijsm-14-2.8>.
- Nurcholis, L. (2018). Effect of marketing strategy adaptation on knowledge exploitability. *Jurnal Aplikasi Manajemen*, 16(3), 432-439. Available at: <https://doi.org/10.21776/ub.jam.2018.016.03.07>.
- Osuagwu, L. (2004). Relationship marketing strategies in Nigerian companies. *The Marketing Management Journal*, 14(2), 114-128.
- Peteraf, M. A., & Barney, J. B. (2003). Unraveling the resource-based tangle. *Managerial and Decision Economics*, 24(4), 309-323. Available at: <https://doi.org/10.1002/mde.1126>.
- Pham, T. S. H., Monkhouse, L. L., & Barnes, B. R. (2017). The influence of relational capability and marketing capabilities on the export performance of emerging market firms. *International Marketing Review*, 34(5), 606-628. Available at: <https://doi.org/10.1108/imr-07-2014-0235>.
- Phokha, A., & Ussahawanitchakit, P. (2011). Marketing leadership strategy, marketing outcomes and firm sustainability: Evidence from food product business in Thailand. *International Journal of Strategic Management*, 11(3), 1-25.
- Pupaningrum, A. (2017). The effect of market orientation and innovation on competitive advantages. *Research Journal of Business and Management*, 4(4), 549-558.
- Quinton, G., & Fennemore, P. (2013). Missing a strategic marketing trick? The use of online social networks by UK charities Sarah. *International Journal of Non-profit and Voluntary Sector Marketing*, 18(1), 36-51.
- Ramaseshan, B., Ishak, A., & Kingshott, R. P. (2013). Interactive effects of marketing strategy formulation and implementation upon firm performance. *Journal of Marketing Management*, 29(11-12), 1224-1250. Available at: <https://doi.org/10.1080/0267257x.2013.796319>.
- Ramsøy, O. J., Reve, T., & Nordkvelde, A. (2016). The oil price challenges: Strategic responses of the Norwegian offshore industry (pp. 1-35). Norway: Norwegian Business School.
- Romero, I., & Martínez-Román, J. A. (2012). Self-employment and innovation. Exploring the determinants of innovative behavior in small businesses. *Research Policy*, 41(1), 178-189. Available at: <https://doi.org/10.1016/j.respol.2011.07.005>.
- Slater, S. F., Hult, G. T. M., & Olson, E. M. (2016). Factors influencing the relative importance of marketing strategy creativity and marketing strategy implementation effectiveness. *Industrial Marketing Management*, 39(4), 551-559.
- Taghipourian, M. J., & Bakhsh, M. (2017). Marketing philosophies: from customer abuse to customer intimacy, and again a little customer torment. *Marketing*, 5(3), 1-20.
- The Chartered Institute of Marketing London. (2018). *Strategic marketing study text* (7th ed.). London: Hienman

- Urbancová, H. (2013). Competitive advantage achievement through innovation and knowledge. *Journal of Competitiveness*, 5(1), 82-96. Available at: 10.7441/joc.2013.01.06.
- Varadarajan, R. (2018). Strategic marketing and marketing strategy: Domain, definition, fundamental issues and foundational premises. *Journal of the Academy of Marketing Science*, 38(2), 119-140.
- Varadarajan, R. (2019). Theoretical underpinnings of research in strategic marketing: A commentary. *Journal of the Academy of Marketing Science*, 47(1), 30-36. Available at: <https://doi.org/10.1007/s11747-018-0612-7>.
- Vogel, R., & Güttel, W. H. (2013). The dynamic capability view in strategic management: A bibliometric review. *International Journal of Management Reviews*, 15(4), 426-446.
- Voss, C. M., & Brettel, M. (2013). Conditions of departmental power: A strategic contingency exploration of marketing's customer-connecting role. *Journal of Strategic Marketing*, 21(2), 160-178. Available at: <https://doi.org/10.1080/0965254x.2012.746997>.
- Wang, H., Han, P., & Lin, W. (2018). How to improve sustain the competitive advantage from distributor and the supplier networks: Evidence from the paper making industry in China. *Sustainability (MDPI)*, 10(2038), 1-13.
- Wheelen, T. L., & Hunger, D. J. (2016). *Strategic management and business policy* (12th ed.). New York: Addison-Wesley Publishing.
- Williamson, O. E. (1999). Strategy research: Governance and competence perspectives. *Strategic Management Journal*, 20(12), 1087-1108. Available at: [https://doi.org/10.1002/\(sici\)1097-0266\(199912\)20:12<1087::aid-smj71>3.0.co;2-z](https://doi.org/10.1002/(sici)1097-0266(199912)20:12<1087::aid-smj71>3.0.co;2-z).
- Winter, S. (2003). Understanding dynamic capabilities. *Strategic Management Journal*, 24(1), 991-995.
- Yan, S., & Chew, D. A. (2017). An investigation of marketing strategy, business environment and performance of construction SMEs in China. *African Journal of Business Management*, 5(6), 2396-2405.
- Zhou, K., Brown, J., & Dev, C. (2008). Market orientation, competitive advantage, and performance: A demand-based perspective. *Journal of Business Research*, 62(4), 1063-1070.