

The Effect of Marketing Strategies on Corporate Performance of Estate Surveying and Valuation Firms in Kaduna Metropolis of Nigeria

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Abstract

The issue of marketing management has been of little concerned to most real estate surveying and valuation firms in Nigeria in the time past probably because of the limited number of firms jostling for work then. Many of them were of the erroneous opinion that marketing was not more than mere letting or selling of properties and which does not require more than either placing of advertisement in the newspapers or hanging of “for sale” or “to let” boards on such properties to sell or let. It was this erroneous belief which was responsible for the property industry being lagged behind in performance when compared with most other industries especially the consumer goods and service industries. This study is set out to examine marketing strategies being adopted by estate surveying and valuation firms practising in Kaduna metropolis and how such strategies impact their corporate performance. To achieve the objective of the study, structured questionnaires were administered on estate surveying firms operating within the metropolis and the retrieved questionnaires were subsequently analysed with the aid of simple statistical techniques. The study revealed that there is a positive relationship between marketing strategies adopted and corporate performance of the firms. The study recommends the practising estate firms should employ aggressive marketing strategies at driving their products and services with a view to making their existence more known.

Keywords: Marketing, strategies, estate surveying and valuation, corporate performance, kaduna metropolis, Nigeria

1. Introduction

The issue of marketing management has been of little concerned to most real estate surveying and valuation firms in Nigeria in the time past probably because of the limited number of firms jostling for available works then. Many of them believe that marketing is not more than merely either letting or selling of properties which does not require more than placing advertisement in newspapers or hanging of “for sale” or “to let” boards on such properties to be let or sell. It was this erroneous perception of marketing which was responsible for the property industry being lagged behind in performance when compared with most other industries especially the consumer goods and service industries.

In today’s business activities, the success or failure of any business organisation depends largely on how best such organisation can satisfy its customers and this act places enormous task and responsibility by way of marketing on any organisation intending to excel at satisfying their customers and clients. The task involve identifying accurately the needs of their customers/clients and deciding on how best to handle their products and services so as to satisfy the yearnings of both prospective buyers and sellers (as represented by clients/customers).

The primary concern of every business organisation is to make profit and to achieve this objective, it behoves the marketing manager of any rational business organisation to formulate and implement policies and plans which will maximize the profit per unit of capital employed in the business.

Profitability depends largely among other things on a suitable price policy which in itself is influenced by cost and market situation factors. In all endeavours, consumer's satisfaction must be seriously anticipated right from the onset. However, the relationship between satisfaction and profit realisation is not always a cordial one as posited by Falk (2007)

Kotler (1976) posited that the understanding of consumer requirement is vital to successful marketing just as competition is important at influencing how successful an organisation's business venture can be. It is imperative to note that it is not simply a matter of producing a good product or service alone that meet the customers' wants and needs that give customer satisfaction, but how well the product or service is introduced to them. In one way or the other, some firms and companies are able to do this but some are more successful in the market place than others. The question that then arise is why is this so?

With reports of the varying degree of successes and failures recorded by estate surveying and valuation firms in different parts of Nigeria, it is imperative to attempt to carry out a detail study of the various marketing strategies being adopted by these firms in carrying out their operations with a view to establishing the place of marketing in their corporate performances. Of importance is the daily emergence of small scale estate surveying and valuation firms that were coming on board to compete with other existing firms in the ever expanding real property industry.

Marketing is not only much broader than mere selling, but encompasses the company's or firm's orientation towards customers' fulfilment in a competitive environment.. In other words, a marketing strategy requires close attention to both customers and competitors. Quite often, firms or companies often focuses attention at satisfying customers needs while ignoring threats posed by their competitors at their own peril and in the process, competitors outmanoeuvred them in the market place with better but less-expensive products (Schnaars, 2008)

Real estate marketing is an exchange of economical and social structure. People and groups satisfy their needs and wishes by constructing, supplying and interchanging real estate products as well as real estate services. Therefore, marketing is regarded as an entrepreneurial fundamental philosophy and its functions include analysing, shaping and forming the market and maintaining it as posited by Falker (2007).

Marketing in the opinion of Moore (1984) entail finding out what customers want and then endeavouring to supply those requirements and to do so profitably. Kotler (1976) concluded that customers satisfaction as the best indicator of a company's future profit. Therefore, any management that value its future existence needs to be proactive in determining the needs, wants and values of its target market and in the same vein, every estate surveying and valuation firms that desire to compete effectively in the property market needs to take the issue of marketing management serious.

The generic term 'product' in real estate business can have different meaning as it can be regarded as either goods (real properties) or services such as facility management, real estate consultancy, centre-management, real estate valuation or appraisal, advertising, agency, marketing research etc. these services arises from the real property as a product. Differentiating factor of real estate from other products arises from the fact that real property is immobile in nature. The real property as a product has been at the centre of real estate marketing in the time past but now the customers constitute the main focus of all entrepreneurial activities including real estate.

2. Materials and Methods

2.1 Study Area

Kaduna is the capital of Kaduna State in north-central geopolitical region of Nigeria. The city which is named after Kaduna River is a trade centre and a major transportation hub for the surrounding agricultural areas with its rail and road junctions. Kaduna share common borders with Zamfara, Katsina, Niger, Kano, Bauchi and Plateau states all in northern part of the country. The state share border with the country's Federal Capital Territory (Abuja) at the south-west. The state is divided into 23 Local Government Areas. The global location of the state is between longitude 33° east of the Greenwich meridian and also between latitude 0900 and 11 30' North of the equator. The state occupies an area of approximately 48,473.2 square kilometres and has a population of more than 6 million according to the 2006 national population census.

The entire land structure consists of an undulating plateau with major rivers in the state including River Kaduna, River Wonderful in Kafanchan, River Kagom, River Gurara and River Galma. Kaduna metropolis can be divided into several sections namely; residential neighbourhoods interspersed with commercial developments.

These include residential layouts such as Malali High Density Residential Layout, Ungwar Dosa/Pampo High Density Residential Layout, Zeda/Wusasa/Gaskiya Road Residential/Commercial Layout, Hnaya GRA Extension Layout, Abatoir Kawo High Density Residential Layout and Birnin Gwari Residential Layout.

While the second section can be described as the industrial layouts which include areas such as Kakuri and Trikania estates. The third sector is characterised with high concentration of commercial activities and constitute the nerve centre of the study area. Areas in this category include Ungwan Rimi, Ahmadu Bello Way, etc. The fourth sector consists mainly Government Reservation Areas (GRAs) and institutional areas. Kaduna metropolis has sixty seven (67) main roads out which twenty three (23) can be described as major roads.

2.2 Methods

The data for this study were derived from both primary and secondary sources. The primary data was through structured questionnaire administration. A questionnaire is a rich instrument design containing some questions and/or statements often with suggested alternative and/or optional answers for which the respondents are expected to provide answers(s) to or confirm/disapprove the statement(s) (Ojo, 2005). The questionnaires were administered on the entire 25 estate surveying and valuation firms as recorded by the Directory of Nigerian Institution of Estate Surveyors and Valuers (2009) practising within Kaduna metropolis. The secondary data were collected through journals, conference papers, textbooks, directory of the Nigerian Institution of Estate Surveyors and Valuers amongst other sources. The data so collected were analysed using both descriptive and analytical statistics.

3. Result and Discussion

In this section, the data collected from the field survey were collated, analysed and presented in tables 1 to 10 with the discussion of each of the table following. As mentioned earlier, a total of 25 questionnaires was administered on the practising estate firms in Kaduna metropolis as presented in table 1 below:

Table 1: Questionnaire Distribution and Retrieval

| Respondents | Sample Size | Questionnaire Distributed | Questionnaires Retrieved | Percentage Achievement (%) |
|--------------------------------------|-------------|---------------------------|--------------------------|----------------------------|
| Estate Surveying and Valuation Firms | 25 | 25 | 22 | 88 |

The data in Table 1 indicates that out the twenty five questionnaires administered on the practising estate firms in Kaduna metropolis, twenty two questionnaires representing eighty eight (88%) percent were retrieved. The result obtained was not unexpected as the estate surveyors and valuers operating in the metropolis operate as family members and are always ready to assist members carrying out researches that is likely to impact positively on their practice.

Table 2: Respondents' Academic Qualifications

| Academic Qualification | Frequency | Percentage (%) |
|------------------------|-----------|----------------|
| B.Sc/HND | 20 | 91 |
| M.Sc | 2 | 9 |
| PhD | 0 | 0 |
| Others | 0 | 0 |
| Total | 22 | 100 |

From the analysis of the academic qualifications of the respondents shown above, it was evident that no respondent had less than Higher National Diploma or Bachelor of Science degrees; out of a total number of 22 respondents, 20 respondents which represent 91% had either HND or BSc degrees while 2 respondents representing 9% had additional MSc degrees. This indicates that the respondents must be conversant with the topic of the study, hence their opinion can be rely upon.

Table 3: Respondents' Professional Qualifications

| Professional Qualification | Frequency | Percentage (%) |
|----------------------------|-----------|----------------|
| Probationer | 7 | 32 |
| Associate | 13 | 59 |
| Fellow | 2 | 9 |
| Others | 0 | 0 |
| Total | 22 | 100 |

Table 3 indicates that 13 respondents representing 59% were qualified Associate member of the Nigerian Institution of Estate Surveyors and Valuers and additional two of the respondents have attained the status of the Fellow of the institution. The implication of this is that majority of the respondents are professionally qualified to practise the profession in the country and as such their opinion on any topic affecting the profession in the country can be taken seriously.

Table 4: Working/Professional Experience of the Respondents

| Professional Experience | Frequency | Percent (%) |
|-------------------------|-----------|-------------|
| Less than 5 years | 7 | 32 |
| 6 to 10 years | 8 | 36 |
| 11 to 15 years | 2 | 9 |
| 16 to 20 years | 2 | 9 |
| 21 years and above | 3 | 14 |
| Total | 22 | 100 |

From the above table, it can be seen that the professional experiences of bulk of the respondents spanned between less than five years and ten years as the respondents within these categories constitute 68% of the total respondents. Respondents with 11 years and above constituted 32% of the respondents. It can be inferred that majority of the respondents had garnered less experience in the practise of real estate marketing and this could have been responsible for their poor performance in the area of marketing. Experience as is often said "is the best teacher". People with longer working/professional experience often perform better professionally when engaged in similar tasks than people with little experience.

Table 5: Age of the Firm

| Age | Frequency | Percentage (%) |
|--------------------|-----------|----------------|
| Less than 5 years | 3 | 14 |
| 6 to 10 years | 7 | 32 |
| 11 to 15 years | 8 | 36 |
| 16 to 20 years | 3 | 14 |
| 21 years and above | 1 | 4 |

Analysis of the age of the firms represented by the respondents indicated that firms with less than 5 years experience after establishment constituted 14% of the respondents while those whose ages spanned between 6 and 10 years are made up of 32% of the respondents and those with 11 to 15 years age constituted 36% of the respondent firms. In all it can be concluded that firms with ages 6 to 10 years and 11 to 16 years formed the bulk of the firms operating in Kaduna metropolis. This indicates that the bulk of the firms in Kaduna metropolis have been in operation for some reasonable years and must in the course of operation have garnered reasonable experience especially as it concerned real property marketing management.

Ascertaining the Marketing Strategies Often Adopted by Estate Surveying and Valuation Firms in Kaduna Metropolis

This section analyses the responses of respondents to questions relating to marketing strategies being adopted by their firms. To this end, frequency counts and percentages were used to identify which marketing strategy was popular amongst them. It is noteworthy that the degree of marketing strategy adoption depends largely on different firms' philosophy and belief on marketing generally vis-à-vis marketing strategy as the tool for attaining desired performance marketwise as their philosophy to a greater extent determines the extent to which they can effectively carry out their marketing strategies. Hence table 6 which follows shows the philosophies of the respondent estate surveying and valuation firms towards marketing strategies.

Table 6: Philosophy of Estate Surveying and Valuation Firms in Kaduna Metropolis Regarding Marketing Strategies

| Firms Philosophy Regarding Marketing | Frequency | | Percentage (%) |
|---|--|-----|----------------|
| | Merely selling of their estate products and services | Yes | 2 |
| | No | 20 | 91 |
| As a social and managerial function associated with processes of researching, developing, promoting and distributing a product and services | Yes | 11 | 50 |
| | No | 11 | 50 |
| Involve the anticipation, identification, satisfaction and an assurance of the profitability of the firm through meeting the customers'/clients' requirements | Yes | 12 | 55 |
| | No | 10 | 45 |
| Performance of business activities of companies/firms that directs the flow of products and services | Yes | 4 | 18 |
| | No | 18 | 82 |
| Focuses the firm's attention towards the needs and wants of the market | Yes | 2 | 9 |
| | No | 20 | 91 |

Table 6 reveals that (20) 91% of the respondents regard marketing as a mere instrument for selling their estate products and services while the remaining 2 (9%) felt otherwise. However, while 11 (50%) regard marketing as a social and managerial function associated with processes of researching, developing, promoting and distributing products and services the remaining 11 (50%) of the respondents have contrary view of marketing as it relates to marketing as a social and managerial function with processes of researching, developing, promoting and distributing products and services. In the same vein, 12 (55%) of the respondents indicated that marketing involves identification, anticipation, satisfaction and an assurance of the profitability of the company/firm through meeting customers'/clients' requirements while 10 (45%) of the respondents had contrary opinion about marketing philosophy regarding the role marketing concerning identification, anticipation, satisfaction and an assurance of profitability of the company/firm through meeting customers'/clients requirements.

Surprisingly, only 4 (18%) of the respondents believed that their marketing philosophy have direct impact on the performance of business activities which either impinge or enhance the flow of goods and services to their firms while a whopping 18 (82%) of the respondents felt otherwise. Following the trend established above, only 2 (9%) of the respondents indicated that marketing focuses the firms attention towards the needs and wants of the market while 20 (91%) were of the contrary view.

Table 7: Ranking of Marketing Strategies Being Employed by the Respondent Estate Firms

| Marketing Strategies | 5 | 4 | 3 | 2 | 1 | Total | RII | Ranking |
|----------------------------|-------|-------|-------|-------|------|-------|------|-----------------|
| Hanging of "To Let" boards | 9 | 5 | 8 | 0 | 0 | 22 | 4.04 | 2 nd |
| | Wf=45 | Wf=20 | Wf=24 | We=0 | Wf=0 | 89 | | |
| Bulletin/Handouts | 3 | 5 | 10 | 3 | 1 | 22 | 3.27 | 3 rd |
| | Wf=15 | Wf=20 | Wf=30 | Wf=6 | Wf=1 | 72 | | |
| Newspaper Advertisements | 4 | 3 | 4 | 5 | 6 | 22 | 2.72 | 4 th |
| | Wf=20 | Wf=12 | Wf=12 | Wf=10 | Wf=6 | 60 | | |
| Personal Contacts | 12 | 5 | 4 | 1 | 0 | 22 | 4.27 | 1 st |
| | Wf=60 | Wf=20 | Wf=12 | Wf=2 | Wf=0 | 94 | | |
| Property Magazines | 1 | 1 | 6 | 10 | 4 | 22 | 2.32 | 6 th |
| | Wf=5 | Wf=4 | Wf=18 | Wf=20 | Wf=4 | 51 | | |
| Internets | 1 | 1 | 8 | 8 | 4 | 22 | 2.41 | 5 th |
| | Wf=5 | Wf=4 | Wf=24 | Wf=16 | Wf=4 | 53 | | |

Table 7 presents the analysis of marketing strategies adopted by estate surveying and valuation firms in Kaduna metropolis. Marketing strategies were measured using Likert scales and the result are analysed and ranked by using Relative Importance Indices. The analysis of marketing strategies often employed by the respondent estate surveying and valuation firms as contained in the table above indicated personal contacts by the respective firms as mostly adopted marketing strategy as it was ranked 1st amongst other strategies relied upon by the firms while the use of "To let" or "For sale" boards was ranked 2nd in the hierarchy of strategies often employed by the firms. The use of Bulletin/handouts was ranked 3rd while newspaper advertisements by the firms ranked 4th amongst the marketing strategies employed by the firms.

The use of internet for the purpose of marketing amongst the respondent firms was ranked 5th while the use of property magazines for marketing came last as it was ranked 6th by the respondent estate firms.

Table 8: Average Services/Performance of Various Estate Services Rendered by the 22 Respondent Estate Firms between 2009 and 2013

| Year | Valuation/Mean | Property Mgt/Mean | Project Mgt/Mean | Agency/Mean | Facility Mgt/Mean |
|------|----------------|-------------------|------------------|--------------|-------------------|
| 2008 | 561/22=25.5 | 102/22=4.64 | 36/22=1.71 | 376/22=17.10 | 26/22=1.18 |
| 2009 | 611/22=27.8 | 104/22=4.73 | 36/22=1.71 | 404/22=18.36 | 27/22=1.22 |
| 2010 | 655/22=30.0 | 105/22=4.77 | 37/22=1.73 | 412/22=18.73 | 28/22=1.27 |
| 2011 | 660/22=30.02 | 110/22=5.00 | 39/22=1.81 | 439/22=20.00 | 31/22=1.41 |
| 2012 | 663/22=30.15 | 112/22=5.10 | 43/22=2.05 | 479/22=21.80 | 41/22=1.86 |

The table above showed the performances of the respondent 22 firms over the period of 2009 and 2013 regarding average/mean services carried out. The services include Valuation, Property Management, Project Management, Agency and Facility Management assignments. Generally, the analysis indicated that there was progressive improvement in the performances of firms over the period which the study covered. This is an indication that employment of various marketing strategies by the firms positively impacted on their individuals performances hence the need for introduction of more robust and result oriented marketing strategies by the firms.

Table 9: Average Number of Clients Added by Each of the Respective Firms to Their Clientele Portfolio between 2009 and 2013

| Firm | 2009 | 2010 | 2011 | 2012 | 2013 | Total/Mean |
|------|------|------|------|------|------|------------|
| 1 | 0 | 1 | 0 | 2 | 1 | 4/5=0.8 |
| 2 | 3 | 2 | 4 | 1 | 3 | 13/5=2.6 |
| 3 | 2 | 5 | 4 | 2 | 4 | 17/5=3.4 |
| 4 | 5 | 2 | 3 | 1 | 5 | 16/5=3.2 |
| 5 | 2 | 1 | 3 | 2 | 4 | 12/5=2.4 |
| 6 | 3 | 2 | 4 | 2 | 2 | 13/5=2.6 |
| 7 | 6 | 2 | 2 | 4 | 2 | 16/5=3.2 |
| 8 | 1 | 5 | 2 | 3 | 1 | 12/5=2.4 |
| 9 | 2 | 1 | 3 | 4 | 2 | 12/5=2.4 |
| 10 | 1 | 4 | 2 | 0 | 3 | 10/5=2.0 |
| 11 | 3 | 1 | 1 | 2 | 3 | 10/5=2.0 |
| 12 | 4 | 2 | 3 | 1 | 2 | 12/5=2.4 |
| 13 | 2 | 1 | 2 | 3 | 2 | 10/5=2.0 |
| 14 | 0 | 2 | 2 | 1 | 3 | 8/5=1.6 |
| 15 | 2 | 3 | 1 | 2 | 4 | 12/5=2.4 |
| 16 | 3 | 1 | 2 | 4 | 2 | 12/5=2.4 |
| 17 | 2 | 2 | 5 | 3 | 4 | 16/5=3.2 |
| 18 | 3 | 2 | 3 | 4 | 2 | 14/5=2.8 |
| 19 | 1 | 3 | 3 | 2 | 5 | 14/5=2.8 |
| 20 | 4 | 2 | 1 | 3 | 2 | 12/5=2.4 |
| 21 | 2 | 1 | 3 | 2 | 5 | 13/5=2.6 |
| 22 | 3 | 4 | 2 | 4 | 2 | 15/5=3.0 |

Table 8 showed the performance of the respondent estate surveying and valuation firms in Kaduna metropolis with regard to the number of clients being added to their client portfolio over the period of 2009 and 2013. The analysis shows at a glance that there has been an increase in the number clients from year 2009 to 2013 by the firms. The analysis however indicated Firm 3 had the highest number of clients over the period of the study as it had an average of 3.4 clients which closely followed by Firms 4 and 17 which had 3.2 clients respectively while Firm 1 had the least number of clients with an average of 0.8 clients over the period.

Measurement of the Impact of Marketing Strategies Employment on the Corporate Performance of the Respondent Estate Surveying and Valuation Firms

Table 10 below shows the correlation existing between the marketing strategies employed by the respondent estate firms and their corporate performance.

Table 10: Correlation between Marketing Strategies and Corporate Performance of Respondent Estate Firms

| | | Marketing Strategies | Corporate Performance |
|-----------------------|-------------------------|----------------------|-----------------------|
| Marketing Strategies | Correlation Coefficient | 1.000 | .066 |
| | Sig. (2-tailed) | | .770 |
| | N | 22 | 22 |
| Corporate Performance | Correlation Coefficient | .066 | 1 |
| | Sig. (2-tailed) | .770 | |
| | N | 22 | 22 |

From the correlation coefficient carried out above, the relationship between marketing strategies employed and the corporate performance of the firms shows there is a positive correlation of .066 between marketing strategies and corporate performance. This simply mean tha the more marketing strategies employed, the better the corporate performance of the firms. The strength of the relationship further indicated that the value of the Spearman's rank to range from -1.00 to +1.00. This value indicates the strength of the relationship between the variables wherein a correlation of zero (0) indicates no relationship at all. Whereas a correlation of 1.0 indicates a perfect positive correlation and a value of -1.0 indicates a perfect negative correlation.

Whereas, where:

- i. $r = 0.1$ to 0.29 or -0.10 to -0.29 indicates small correlation
- ii. $r = 0.30$ to 0.49 or -0.49 to -0.49 indicates medium correlation; and
- iii. $r = 0.50$ to 1.00 or -0.50 to -1.00 indicates large correlation.

In the case presented in the table 9, there is a small correlation between the two variables (.066) suggesting a low or small relationship between marketing strategies adopted by the estate firms and their effects on corporate performance.

Co-efficient of determination: After knowing the strength and direction of the r , this gives an idea of how much variance the variables share. To obtain this, the value ' r ' is square and convert it to percentage of variance by multiplying the result by one hundred. From the above calculation, the co-efficient of determination will be $-.066 \times .066 = 0.004356$ and this figure which translates to $0.004356 \times 100 = 0.4356$ which is approximately 0.4% of the variance. This literarily mean that there is shared variance of 0.4%.

The interpretation of which showed that the relationship between marketing and corporate performance using spearman's correlation coefficient shows that there was a positively low correlative relationship between the two variables. It is therefore evident that there could be a positive and significant relationship between the two variables (i.e. marketing strategies and corporate performance) if marketing strategy is given more attention and is aggressively pursued.

4. Conclusion and Recommendation

The objective of the study is to ascertain the effect of marketing strategies on the corporate performance of estate firms operating within Kaduna metropolis. The analysis of the data collected in the course of the study indicated personal contacts as the most adopted marketing strategies by the estate firms as it was ranked 1st amongst other strategies while the use of "to let" boards ranked 2nd and the use of bulletin/handbills ranked 3rd amongst the marketing strategies being employed. The study equally revealed that the employment of various marketing strategies has positively impacted the performances of the firms even though it is evident that the relationship between the marketing strategies and corporate performance is somehow positively low. This suggests that there is need for adoption of more aggressive strategies to further enhance there performances. Based on the findings from the study, the estate surveying and valuation firms should as a matter of urgency embark on more aggressive marketing strategies so as to drive its products and services to the target market and to further improve the firms corporate performance.

More importantly, the estate surveying and valuation firms should always enlighten and educate their potential clients on the benefits of using qualified professionals in handling their estate services so as to increase the level of their patronage and clientele base and turn enhance the performances of their firms.

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