

**MICRO-MACRO MARKETING AND ITS IMPACT ON THE NIGERIA ECONOMY  
A CONCEPTUAL REVIEW EXPERIENCE**

**Ezekiel, Maurice Sunday** 

University of Calabaar, Nigeria

Oluebube2784@Yahoo.Com

**Anyadighibe, Joseph A.**

University of Calabaar, Nigeria

Janyadighibe@Yahoo.Com

**Awara, Nsobiari Festus**

University of Calabaar, Nigeria

Nsoawara@Yahoo.Com

**Ndem, Samuel Etim**

University of Calabaar, Nigeria

donfsdigital@yahoo.com

**Abstract**

*The conceptual review of micro-macro marketing and its impact in Nigeria economy, shows how the individual firm that are micro marketing oriented had impacted on each industry, which have undoubtedly impact on macro marketing in the particular sector that also have profound effect on the aggregate economy of Nigeria. The study conceptually and empirically show how the various productive sector of the economy of Nigeria has in one way or the other affected the entire economy of Nigeria which growth cannot be possible without the activities of micro marketing. The sectors critically looked into are: retail, agricultural, aviation, and telecommunication. A conceptual model showed how the interdependence between government and business will guarantee an economic viable society. In keeping with her responsibility, government should maintain an efficient communication with business, create a supper environment for business and finally, appreciate business problem with the intent to solve rather than burden business with its statutory responsibility.*

*Keywords: Micromarketing, Macromarketing, Aviation, Retail, Agriculture, Telecommunication, Nigerian economy*

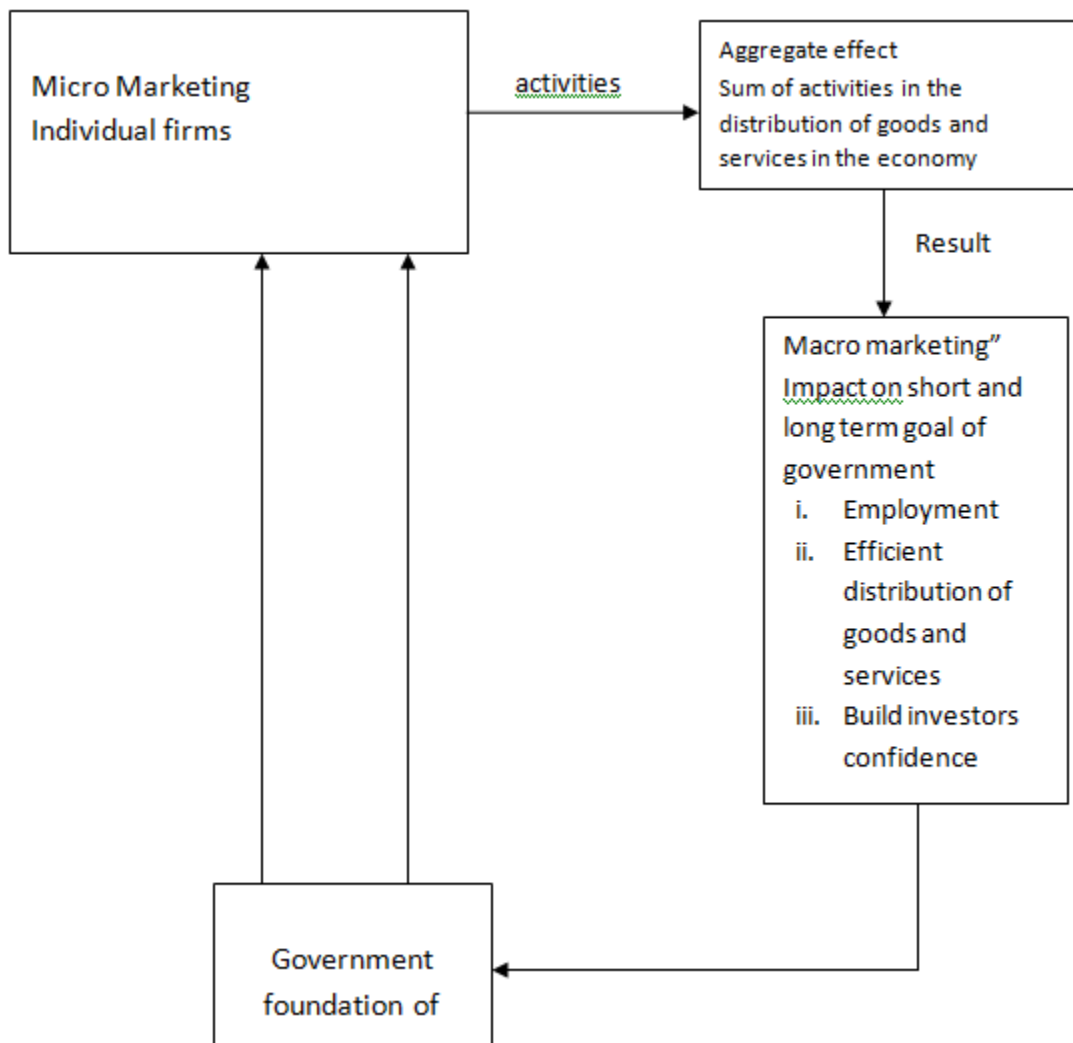
## INTRODUCTION

Marketing is seen as a back bone of any economic system of a country, government most times consciously and unconsciously does marketing without knowing, but the end results always depict marketing activities patronage. Government as a matter of fact are really practicing marketing because they meet the need of her citizen at cost, this implies that tax payer must have full satisfaction for the taxes paid to government. Committee of Definition of the American Marketing Association (CDAMA, 1960) defined marketing as the performance of business activities that direct the flow of goods and services from the producer to consumer or user. Government is hugely involved in the business of marketing to meet societal need at cost. It is said that the business of government on this note is called commercialization of its agency and businesses. Government in business means that subsidy in the provision of essential services will exist not totally free as in the hands of the private organization (Ukaegbu, 2003).

The government may be burden to deliver to her citizen services desired at optimal satisfaction as it has been in the Nigeria situation in her core sector: Agricultural Marketing board, Telecommunication, Power, aviation and the commercial sector. Government is mandated primarily to cater for social welfare need of her citizen the protection of lives and property and a host of other social need. Government employees are not result driven, the inefficient methods of service or production translates to higher cost of finished products making such products not competitive in the market. In the situation where government is monopolist (power generation and distribution), telecommunication, aviation, health services etc., it portend great danger just as the Nigeria situation where it appears that government has paid deaf ears to the yearning of the people. On this note, it appears the solution to government problem could be said be found in micro – macro marketing through privatization. Privatization by Decree No. 25 of 1988 is the relinquishment of all or part of the equity held by government or it is agencies in enterprises whether wholly or partly depending on the extent of the relinquishment of government equity. Moyer(1972) defined micro marketing as firm oriented. Micro marketing refers to individual organization, firms and household that their existence can be termed mutual to the parties involved. The central relationship is upheld by the *Exchange Process* to a greater extent. The satisfaction and the profit role effect between the consumer and the organisation also cumulate to the aggregate effect in the entire economy that has reduced the burden of government in so many regards; employment, revenue generation in terms of taxes on privatization, concession, plough back profit in terms of business social responsibility ease of managing public cooperation. Bagozzi (1977) perceived micromarketing as the behaviour and characteristics of individual actors and dyadic relationships between marketing actors. Moreover, the application of macromarketing is a mirage if the existence of micromarketing is absent.

Macro marketing is the total marketing impact of micromarketing (individual firm) in an economic system, it is expressed in the activity generated by micro firms in terms of distribution, advertising executed by key players in the individual industries, sales volume of different goods and services distributed nationwide, sales promotion and their total impact in the entire economy. The articulations of various definitions show that common positions exist in the definition of macro marketing. They firmly affirm that macro marketing is predicted on the individual unit activities of micro firms that cumulate into aggregate effect in the economy. It leads to productivity, efficiency, advertising performance and consumerism (Moyer,1972, Shapiro,1973, Hunt,1977, McCarthy,1978, White & Emery 1978, and Shawver & Nickels,1979). The activities of micro marketing have substantially impacted on the aggregate marketing of firms in Nigeria.

**Figure 1: A conceptual model of micro-macro marketing explaining the aggregate effect on the economy**



## **MICRO AND MACRO MARKETING IN THE RETAIL INDUSTRY**

The retail sector recently experience boom in the country. Retail activities aside the open market and fragmented stores operation have really grown. There have been substantial growths of recent evidenced in the increase in the middle class group in Nigeria. There are many retail stores in Nigeria that are spring up both local and foreign of equal standard of operations. International retail stores have begun to exist in some cities in Nigeria. These stores are: ShopRite, Artee industries Ltd, Wal-Mart Stores, international retailers Woolworths, Mr. Price and HAWES and Curtis and host of potential retail stores. Between 2001 and 2004 the retail sector of the Nigerian economy has grown by 10% per num. By 2006 the contribution to gross domestic of retail, wholesale and hospitality industry was 15%. With this individual micro marketer may have spent a lot in their respective advertising budget geared towards increasing sophisticated tastes of the upper end of the market (Euromonitor, 2013).The employment generation impact, taxes and other chain effect factor will certainly function to the good of the government and the society at large.

## **MICRO MACRO IN AGRICULTURAL SECTOR**

Agriculture had been as old as man, the importance of agriculture capture the interest of government after the second world in 1945, countries were encouraged to form various marketing board. McCarthy(1978) opined that macromarketing is a social process that directs an economy's flow of goods and services from producers to consumer in a way that effectively matches heterogeneous supply capabilities with heterogeneous demand and accomplishes both the short run and long run objectives of the society. This is another perspective of macromarketing that has led to the social concept of marketing as well as economy well-being. Over the year's government in Nigeria has venture into various distributive businesses evident in the various marketing board: Agricultural marketing board are namely:

- i. Cocoa marketing board.
- ii. Groundnut marketing board
- iii. Palm produce marketing board
- iv. Cotton marketing board
- v. Rubber marketing board (Ukeagbu,2003).

The boards listed above were created to handle the purchase and sales of farm produce. Groundnut and cotton; in the northern part of the country, Palm produce; the eastern part of Nigerian and the cocoa in the west. The introduction of structural Adjustment programme brought to an end the existence of marketing board. This position of government then align with that of spario's definition of macromarketing .The unit of the activities then in mirco level supervised by government was an act of the seller's market not the buyer's market .A lot of

these activities at the various board level may not have yielded the desired result to meet the short and long term objective of the society. This shows the strength of individual firms in the economy to play the business of directing the flow of goods and services to achieve desired goal. Currently, the purchase of distribution of micro marketers and the macro impact is felt by the individual firm and government in the satisfaction - and- profit role in their exchange relationship.

Agriculture has single handedly provided job for over 70% of the populace in Nigeria. The Malaysian has started acquiring palm plantations in Nigeria as private firm. For example the former Cross River State Pamol has been bought over by private investors. Part of the reason for the sale is that, it constituted a drain-pipe in the pocket of Government. The short and long term objective was not realizable under government ownership. Government can only realize the goal in the hands of micro marketers, whose activities can also be translated to meeting employment of its citizens, revenue generation and other cooperate social responsibility to host communities as well. The policy implication is clear to government that purchase and distribution of goods and services are best in the hands of micro marketing organizations, over time their activities would lead to aggregate economic performance and efficiency.

### **MICRO MACRO MARKETING IN TELECOMMUNICATION INDUSTRY**

Micro marketing looks at the activities individual in marketers in the entire economic sector. While macro marketing activities, is the total micro marketing activities on the aggregate level on the society. It leads to increase in productivity and efficiency in the overall marketing performance both at the micro and the macro sector in the distribution of goods and services. It basically results in employment greater satisfaction of individual company in terms of profit level, Return on Investment (ROI) and the desired level of satisfaction expected by the consumers at large. The multi activity effect of the individual micro unit represents macro marketing. Spratlen (1975) defined macromarketing as pertaining to the aggregate of market transactions or exchange activities, institutions and performance analyzed with respects for such units as industries, sector regions or the marketing as a whole. The Nigeria telecommunication founded 1960 to 1985 consisted of the department of post and telecommunication both existed to bring solution to Nigeria communication problem (Ajewere & Gbandi, 2002).The institutional responsibility of Nitel was to provide telecommunication serious across the whole country of Nigeria , but little was achieved to the goal of its establishment. After 43 years of its establishment, NITEL had about half a million lines available to over 100 million Nigeria (Ajewere & Gbandi, 2002b).This shows a complete failure toits statutory responsibility. The complete deregulation of the telecommunication industry in 2001 opened a vista of opportunities to micro marketing firms. Firstly, the government realized 285 million US Dollar from each of the

three companies that succeeded in the bidding process for GSM licenses. The services provided by GSM firms included: voice call, data services, short message service(SMS) conference call, multi-media service as and the host of services currently enjoyed by the subscribers today. These have been made possible through the interplay of micro marketing firms in the industry. A special telecom services that have really benefited the health sector is the telemedicine (Mcnay,2001).The dominant micro marketing firms are; MTN Nigeria ,Airtel, Globalcom, Etisalat and others CDMA’s operators in Nigeria. It is evident that a lot of marketing activities are being undertaken by the individual firm in the industry that guarantees the needed success in the overall economy. The total number of active GSM lines as at October 2013, was 119,101,719 million lines; this appreciable result is strongly connected to the micromarketing activities of various individual organization in the telecom sector (NCC,2013).

The resultant effect is the macro marketing impact on the aggregate economy in Nigeria which has led to job creation in unquantifiable data because of the indirect multiplier effect in the economy. The enhance satisfaction subscriber derive in the present day cannot compared to the days of former NITEL. On the part of the telecom firms there have been increasing return to investment (ROI).The boom in these firms is express in their respective advertising account handled by different firm. Ifeanyi(2012) reports that in Nigeria, MTN topped the highest list of spenders on advertising with over \$40 in 2011, followed closely by Globalcom, Etisalat and Airtel in the communications product category \$12.518 million out of the total of \$22.750 million spent. In the year 2012, MTN spent about N5 billion(US\$30M) followed by Etisalat spending N4.40 billion while Airtel and Globalcom spent N2.99 billion and N2.95 respectively during year under review(CAJ NEWS,2013).

**Table 1: The Teledensity rate for eleven years (2011-2013)**

Year	Teledensity rate
2001	0.73
2002	1.89
2003	3.35
2004	8.5
2005	16.27
2006	24.18
2007	29.98
2008	45.93
2009	53.23
2010	63.11
2011	68.49
2012	
2013	80.5
2014	91.5

Source: NCC, 2014.

This fate could not have been achieved without the core activities of micro-marketing firm in the industry. Micro-marketing has led the creation of other micro firms like dealership to all phone vendors, the cell phones repair shops, the static and itinerant calls shop and the street recharge card hawkers, which are by implication micro firm on its own. This is to say micro-marketing creates micro firm which provide unending circle of business in the economy that represent the total effect of macro marketing in any economy (Chindo, 2013). The marketing share indicator of the telecommunication firms (micro-marketing organizations) are as follows:

**Table 2: GSM Market Share**

GSM operators	Share
Globalcom share	22%
Airtel market share	20%
Etisalat market share	14%
MTN market share	45%

Source: NCC, 2014.

## **MICRO MACRO MARKETING IN AVIATION SECTOR**

### **Air sector**

The interplay of the micro-macro marketing has its application in the Nigerian Aviation Industry. Macro-marketing critical work at the micro unit (Marketers) in a given industry because it is firm oriented focused, the coordinate in sum of its activities gives birth to the micro marketing that impacts on the aggregate economy (Moyer, 1972). The play of key activities in the Nigeria aviation industry was dominated by Nigeria airways between 1963; that the Federal Government fully bought it. The airline has the monopoly of providing domestic and international air service along the West Africa coast, Europe and the United States (Ladan, 2012). The story of airlines began to have a better face in 2009 where virgin Nigeria was branded as Nigeria eagle which marks the origin of micro activities in the aviation sector (Wikipedia, 2011). Hence, the domestic route within the country were dominated by Okada, Aero contractors, ABC Airline, Bellview Sosoliso, Dana, Kobo, etc brought the much needed satisfaction derived by airline passenger till date (Adege-Ani,2007). The market of airline industry is currently dominated by micro-marketing actors. It is instructive to say that micro marketing activities at each unit of operation in the aviation industry have had positive consequences to the larger economy of Nigeria through job creation, airline passenger's satisfaction, which has facilitated business to very great extent. This multiple effect on the entire society is not on connected to the effect of macro marketing that the Nigeria government did not recognized in term of micro marketing. Accordingly, the International route still enjoys the same benefit as well as the domestic route. The NBS (2005) reports that between 2005 to 2007 the aviation industry witness some growth

that in 2008 passengers movement increased by 21 percent, cargo movement rose by 774.6 per cent and aircraft movement increased by 2.3 per cent (Dalerin, 2009).

The deregulation of the airline service has brought increase activities in the sector. The policy interventions by government of Nigeria have impacted on service delivery in the aviation sector (Adeniji & Cmult, 2011). The aviation industry is service oriented which cannot be enhanced from other aspect of management studies except marketing. The micro marketing organisation is saddled with the responsibility of delivering the desired service in the sector. The more micro marketers enter into delivery of airline service, the better the economy. The marketers of this service have brought the much needed progress recorded so far. Air transport has contributed \$10 billion to Gross Domestic Product (GDP) of Nigeria (Shadare, 2004).

## **CONCLUSION**

Micro and macro marketing is similar to micro and macroeconomic and much attention has been given to the concept in the economic perspective and little have been said of it in the marketing studies. The micro-macro marketing impact in the economy of Nigeria has led to increase foreign direct investment in Nigeria. It is not mistaken that Nigeria is seriously competing with that of South Africa economy in Africa, and increasingly becoming the preferred choice for investors in Africa, this seriously goes to show how the sum of micro marketing activities has transcended to macro marketing that has brought the economy of Nigeria to what it is today. We can authoritatively conclude that micromarketing is the downstream business activities in any commercialized and non-commercialized sector. It is indispensable for economic growth and development.

## **RECOMMENDATIONS**

In the light of the importance of micro-macro marketing in the economy of Nigeria, it is best at this juncture to make this workable recommendation to government in Nigeria to encourage the flourishing of business activities aside other factors:

- (i) There should be an efficient communication linkage between government and business communities at all level of business from the federal, state and local government. This communication should border on predictive supportive information and linkage information effect information, which will marry businesses in Nigeria with that of other nations.
- (ii) There should be a supper enabling environment between government and business in Nigeria, especially modern physically infrastructural and other supportive government infrastructure to aid the growth of business.



- (iii) Government at all times should continue to appreciate the problem of business and understand the differences between attractive policy blue prints/ or grand regulatory design that will actually solve the problem at hand without putting intolerable burden on private enterprise in Nigeria, as to allow for the much needed growth possible.

The Power sector (electricity) have not yet experience the activity of micromarketing. In spite of privatization in the sector, no positive impact has been felt in economy. The investors should expedite actions to ensure increase activities of micromarketing, through the sales of prepaid cards through major dealers(wholesalers) to retailers and to final consumers. This represent a typical activities of micromarketing activities that leads to maromarketing because of their attendant effect on customer satisfaction on place, time and value, utilities and ultimately employment opportunities thereby reducing government burden on employment.

## REFERENCES

- Adugu-Ani, D. (2007). *Virgin's headache*. Nigeria New World, 12, (104) May.
- Ajewere, A. A. & Gbandi, E. C. (2002). *Telecommunications reform in Nigeria: The marketing challenges*. Accessed from [www.ajol.info/journals/jorind.com](http://www.ajol.info/journals/jorind.com).
- Bagozzi, R. P. (1977). *Marketing at the societal level: Theoretical issues and problems in macromarketing distribution processes from a societal perspective*, Slater, C. C. ed Boulder: University of Colorado, Business Research Division.
- CAJNew (2013). *MTN Nigeria, biggest advertisement spenders*. Retrieved on 09/03/14. Accessed from [www.news24.com/Nigeria/business/news/MTNNigeriabiggestad.spender-2013/20130916](http://www.news24.com/Nigeria/business/news/MTNNigeriabiggestad.spender-2013/20130916)
- Chindo, S. (2013). *Assessing the impact of GSM sub- telecommunication sector on the teledensity rate and economic growth in Nigeria: Time series analysis*, 4 (3), 156-164.
- Committee on definition of the American Marketing Association (1960).
- Euromonitor (2014). Retail sales in Nigeria continue to grow strongly and faster than GDP. Accessed from [www.euromonitor.com/retailing-in-nigeria/report](http://www.euromonitor.com/retailing-in-nigeria/report).
- Hunt, S. (1977). *The three dichotomies model of marketing: An elaboration of issues in marketing-distribution processes from a societal perspective*, Slater, C.C., ed., Boulder: University of Colorado, Business Research Division.
- Ifeanyi, H. (2012). *MTN tops advertising spenders*. Accessed from [www.bizcommunity.com/articles/157/12/8594.htm](http://www.bizcommunity.com/articles/157/12/8594.htm).
- Ladan, S. I. (2012). Analysis of our transportation in Nigeria. *Africa Journal online*. Accessed from [www.ajol.info/journals/jorind](http://www.ajol.info/journals/jorind).
- McCarthy, J. (1978). *Basic marketing*. 6<sup>th</sup> edition. Homewood, IL: Richard Irwin, Incorporated.
- McNay, R. (2001). *The network penetration effects of telecommunication privatization and communication*. Public Policy: 58 Standard University Stanford.
- Moyer, R. (1972). *Micromarketing: A social perspective*. New York: John Wiley and Son.
- National Bureau of statistics (2005). *The Nigeria statistical facts sheet on economic and social development*. NBS, June.
- National Bureau of Statistics (2005). *The statistical facts on economics and social development*, NBS, June.

- Nigeria Communication Commission (2013). *Industry data*. Accessed at [www.ncc.gov.org/index](http://www.ncc.gov.org/index).
- Nigeria Communication Commission (2014). *Industry data: GSM operators and their market share*.
- Nigeria Communication Commission (2014). *Industry data: Teledensity rate 2001- 2013*
- Olalerin, E. A. (2009). MMIAJ optimism on traffic growth, Expansion aviation and allied business update. *Nigeria Journal of Aviation Development*.
- Shadare, W. (2004). *Aviation contribute \$10 billion to gross domestic product (GDP) of Nigeria and other*. Accessed from [www.proshareng.com/news/6810.html](http://www.proshareng.com/news/6810.html).
- Shapiro, I. (1973). *Marketing terms: Definitions, explanations and / or aspects*, West Long Branch, New Jersey: SMC Publishing Co.
- Shawver, D. L. & Nickels, W. L. (1979). A rationalization for macromarketing concept and definition in *Macromarketing: New steps on the learning curve*, Fisk, G. & Nason, R. W. ed., Boulder: University of Colorado, Business Research Division
- Spratlen, T. H. (1975). *Micro-marketing analysis of aggregate performance, issues and insight*. Combined proceedings, E. Mazze, ed., Chicago: American Marketing Association.
- Ukaegbu, J. I. (2003). *Nigeria marketing system and commercial policy*. Lecture note, unpublished.
- White, P. D. & Emery, D. R. (1978). Simplifying macromarketing: The need for improving understanding and the implications for research planning and execution in *Research frontiers in marketing: Dialogues and directives*, Jain, S. ed., Chicago: American Marketing Association.
- Wikipedia (2011). *Nigeria Air Nigeria*. Accessed from [www.en.wikipedia.org/wikilair-nigeria-development](http://www.en.wikipedia.org/wikilair-nigeria-development) limited.