

# THE QUEST TO RE-STRATEGIZE MARKETING MIX STRATEGIZES: MITIGATING THE EFFECT OF COVID-19 PANDEMIC ON CONSUMERS IN NIGERIA

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## ABSTRACT

*This paper addressed the quest to re-strategize marketing mix strategizes in this period of the COVID-19 pandemic. The significance of this study is on how to mitigate the effect of the COVID-19 pandemic on consumers in Nigeria. The paper highlights the challenges facing the consumers in this period of COVID-19 crisis, the disruption of the consumer habits of buying as well as shopping. It argued that the core function of marketing is customers (consumers) want satisfaction. Therefore, marketers should be able to create this much-needed customer satisfaction at any given point in time – whether boom or recession. The script paid attention to the fundamental 4Ps of marketing, re-inventing of the 4Ps into 4Cs, the SAVE model, and the 4Es framework. The methodology emanated from personal observations of the contemporary happenings in Nigeria and its economy as well as secondary data. The study concludes that marketing managers should contend with how to re-organize their marketing efforts considering the challenges facing the consumers in Nigeria. The study provides a recommendation on how to mitigate the impact of the COVID-19 pandemic on consumers in Nigeria.*

**Keywords:** *Nigeria, COVID-19, consumer satisfaction, marketing mix, strategies, marketing*

## 1. INTRODUCTION

Nigeria is the most populous country with a population of about 200 million people and the biggest economy in Africa. Nigeria, the so-called giant of Africa. According to Human Rights Watch (2020), Nigeria is the largest economy in Africa, with a gross domestic product per capita of \$2,028 in 2018. However, despite being Africa's largest economy, Nigeria seems to be a country with the highest number of people living in poverty in the world today. Proshare (2006) Leonidas Tezapsidis said: Nigeria is ranked the third country with the highest number of poor people in the world. In the same vein, Kazeem (2018) averred that Nigeria had become the poverty capital of the world. Despite this ugly scenario, the recent outbreak of coronavirus disease known as "COVID-19" has wreaked more havoc on the Nigerian economy. It has ushered in a stunning economic recession, abject poverty, and with thousands of death tolls unlike anything since the Nigerian civil war in 1967.

The COVID-19 outbreak has affected all sectors of the Nigerian economy, no doubt, placing an extra strain on an already fragile economy with a terrible effect on livelihood, individuals and households. The economic and marketing activities that were once the hub of the Nigerian economy are shrinking drastically, and some firms, institutions, and organizations are shutting down result losses of workforce and productivity. It has heightened the level of unemployment and poverty that people no longer have the right to food, shelter, and other

necessities of life. Even in this miserable situation, according to Onyirioha (2020), FG increased the petrol price to N143.8 per liter. Nurudeen (2020) stated that CBN devalued naira amid COVID-19 economic challenges. Amid these woes, some state government suspends payment of minimum wage and slashes salaries of workers.

We must accept the fact that COVID-19 is here with us, a terrible crisis like no other. The COVID-19 crisis has adverse effects foisted on consumers financially and psychologically. According to KPMG (2020), the COVID-19 pandemic has impacted the purchasing power of consumers in the short and mid-term. Presently, consumers' spending is low with no buying motivations, hike in prices of essential goods and services. In a situation like this, according to Kolter and Armstrong (2013), consumers are now spending less and more wisely. Thus, the COVID-19 crisis has changed consumer buying patterns and spending behavior in recent times. Some firms are responding to the downturn of the economy by adapting their marketing strategy to the changing consumer behavior. According to Omowunmi & Idowu (2020), every organization small or medium scale needs to re-strategize and re-do all marketing plans to ensure their businesses can thrive during and after the pandemic. Years of empirical research in marketing have shown that recessionary periods provide an opportunity for marketers to grow their brand's market share, especially if they prepared to think long term (Vafainia, 2020).

Honestly, the Nigerian consumers are suffering today like never before, and they are battling with the COVID-19 pandemic that they do not know when it will come to an end – it seems to be a war without end. In the face of this devastating COVID-19 crisis, many had lost their jobs – no sources of income, hunger, and penury lingering. Consumers are only grappling for survival and do not enjoy shopping any longer. Demand for many goods and services has fallen drastically while the increased demand for essential goods has resulted in a price spike. Presently, the real threat to consumers' lives is not the virus but the inability to survive the trend. It is on this premise that this conceptual paper addresses the quest to re-strategize marketing mix strategies, mitigating the effect of the COVID-19 pandemic on consumers in Nigeria with a focus on the fundamental marketing mix strategies and the redevising of the 4Ps.

## **2. CONCEPTUAL REVIEW**

### *2.1 The Essences of Marketing*

Marketing is all about creating customers (consumers) want satisfaction – customers who buy goods and services either for personal or non-personal consumption. What is marketing? Marketing has been defined in various ways by different scholars in different times. According to Lamb, Hair & McDaniel (2012), marketing is a philosophy, an attitude, a perspective, or a management orientation that stresses customer satisfaction. However, marketing professionals, going by the above definition, should be able to create customer satisfaction at any given point in time – whether boom or recession. For this paper, emphasis will be on the definition by Kevin et al. 2004 as cited by Olannye (2006) that marketing is the process of developing, pricing, promoting, and distributing goods, services, and ideas to satisfy the needs of consumers. This definition emphasizes the 4Ps of marketing.

Recently, the marketing environment has rapidly changed, and the troubled economy due to the pandemic has threatened the livelihoods of millions. If there has ever been a time for a change in marketing, this is it (Carter, 2015). Marketing managers should be abreast of the fact that consumers are changing their behavior in real-time in the COVID-19 pandemic period. Thus,

understanding the contemporary situation as well as the customer needs and wants is important in creating much-needed customer satisfaction. According to (KPMG, 2020), manufacturers need to be more agile, local, and responsive to consumer needs.

## 2.2 *Marketing Mix Strategies*

One of the best-known models since 1960 in the field of marketing that is so fundamental is the 4Ps of marketing – the marketing mix by Jeromy McCarthy. Kotler et al. (2013) stated that marketing mix is a set of tactical marketing tools – product, price, place, and promotion – that the firm blends to produce the response it wants in the target market. Olannye (2013) sees the marketing mix as the combination of decisions on controllable variables (product, price, place, promotion) that spell out the marketer's strategies. While Agbonifoh, Ogwo & Nnolim (1998) define the marketing mix as that combination of product, price, promotion, and distribution utilized by a marketer or company to address a target market during a given period.

The marketing mix often tells us that products or services need to be made available in the right place, offered at the right price, and supported by the right kind of promotion (Odo, 2003). The marketing mix is simply an ingredient a firm puts together in their proportion to achieve the marketing goal of satisfying the consumer's needs and wants. It can be used to achieve both the short and long-term strategic goals of an organization. Agile organizations that can meet the needs of their consumers by localizing their supply chains, offering a high degree of convenience, and communicating clearly with their target market, will better ride through the crisis, (KPMG, 2020). However, according to Ikechi, Emeh & Okorie (2017), the marketing mix is not a scientific theory, but a conceptual framework that highlights the main decisions that the marketing manager makes in configuring their offerings to suit customers' needs.

## 2.3 *Marketing Mix a Controllable Variables*

The entire marketing environment consists of dynamic factors and forces that affect a firm's ability to build and maintain a successful relationship with customers (consumers). The marketing mix variables are flexible and not rigid. It forms a part of the microenvironment of the entire marketing environment that can be adjusted to satisfy customers in any challenging situation. According to Lamb et al. (2012), the marketing manager can control each part of the marketing mix, the strategies for the four components must be blended to achieve an optimal result. The marketing mix variables, according to Ogbemi & Ekenimoh (2014), are interrelated because a decision in one area affects decisions in other areas. Therefore, by manipulating each of the elements of the marketing mix, marketing managers can fine-tune the customers' offering and achieve success in mitigating the effect of the COVID-19 pandemic on consumers in Nigeria. Marketers, according to Nwokoye (2000), has to make creative adjustments of his strategies to the prevailing situation. The marketer must keep aligning and adjusting the marketing mix variables where necessary until his customers' satisfaction is achieved.

With the current realities that the marketplace has dramatically changed from what it used to be. Re-strategizing the traditional marketing mix strategies could be a solution-oriented approach in this period to cushion the effect of the pandemic on consumers. Satisfying your customers in this era of an economic recession is very important. Hence, combining, blending, or mixing the marketing mix ingredients in their right proportion considering the nature of the present economy is paramount. According to Ikechi et al. (2017), James Culliton described the role of a

marketing manager as a "mixer of ingredients, one who sometimes follows recipes prepared by others, sometimes prepares his recipe as he goes along, sometimes adapts recipe from immediately available ingredients, and at other times invents new ingredients no one else has tried."

Marketers, therefore, according to Raymond (2020), are daily driven to understand and adjust to customers' needs and pain points, find creative solutions to address their needs, and meet them where they are with messages that show "we know what you are going through and we are here to help". Marketing during these hard times requires understanding what is going on in consumers' lives and the flexibility to keep up with immediate changes. The marketing managers should be creative and innovative, think ahead of the pandemic, and adjust their core marketing efforts to agree with the needs of their customers which changes with the recession.

#### *2.4 An Outline of the 4Ps of Marketing*

##### *2.4.1 Product Mix Strategy*

The heart of the marketing mix, the starting point, is the product offering and product strategy. It is hard to design a place strategy, decide on a promotion campaign, or set a price without knowing the product to be marketed (Lamb et al., 2012). The product mix consists of the tangible and intangible attributes of a product – the color, packaging, size, quality, warranty, after-sale service, brand name, etc. These attributes are controllable by the marketer to suit the consumers at any given point in time. How is a product defined? One of the simplex definition is by Jobber, 2000 cited in Okorie (2019) that a product is anything capable of satisfying customers' needs. Many believe that a product is only referred to as tangible goods. However, services, events, places, and ideas are seen as a product. Despite product classification – be it business or consumer product – a product remains a product. A product could be consumed directly or indirectly provided it satisfies customers' needs and wants.

In this COVID-19 era, the majority of the people are not concerned with ostentatious products – their passion is on how to survive the trend with essential goods and services. Over the years, firms change product mix to take advantage of the changes in the environment. They may adjust product mix strategies by modification (quality, function, and style modification) or repositioning (changing consumers' perception). According to Hooley et al., 2008 as cited in Essays, UK. (November 2018) considering marketing, a recession is an opportunity to develop new products to meet the demands of their customer. It implies that marketers should seek new product ideas when there is an economic recession. Thus, consumers can be satisfied by the re-making of a good marketing strategy concerning a product.

##### *2.4.2 Price Mix Strategy*

Price means one thing to the consumer (cost of something) and another thing to the seller (revenue). However, price is what the consumer must give up to obtain a product for self-satisfaction. Nwokoye (2000) defined price as the amount of money needed to acquire a given quantity of goods or services. According to Lamb et al., (2012), it is often the most flexible of the four Ps – the quickest elements to change. Marketers can raise or lower prices more frequently than they can change other marketing mix variables. Marketers, however, are at liberty to manipulate different pricing policies to actualize their marketing objectives. Marketers need to proceed with caution and empathy in pricing their products.

What could be the marketing objective(s) of businesses in this period of Covid-19? Profit maximization, customer satisfaction, or both. According to Nwokoye (2000), some big organizations are interested in making as much money as possible, and this is their chief pricing objective. But when prices are too high, it can also reduce revenue as it may prevent consumers from purchasing the product, perhaps in their desired quantities. In economics, the law of the market says that demand and price are counter proportional (price increase leads to demand decrease and vice versa). Businesses can provide incentives such as price discounts to spur demand. According to Vafainia (2020), temporary price reductions (TPR) is a very effective tool to retain market share during the economic recession. Leong & Kotler, (2000) cited in Essays, UK. (November 2018) that during down-turn costumer restrict their expenditure and switch to cheaper products. It's obvious that in this COVID-19 crisis, consumers tend to be more price-sensitive.

#### 2.4.3 *Place Mix Strategy:*

Goods are manufactured to be sold to consumers either for personal or non-personal consumption. Place mix strategy also known as distribution is concerned with making products available when and where customers want them. In this case, two important factors are to be considered.

- **Physical distribution:** This is concerned with the efficient movement of goods from the manufacturer to the end-users or final consumers.
- **Distribution channel:** This is concerned with the combination of sets of institutions (intermediaries) through which a seller markets his goods to the end-users or final consumers.

The basic attributes of place mix strategy are channel members, channel types, channel management, location, market coverage, salesforce, etc. Marketing managers must recognize the importance of channel strategies as it affects not only the internal process but also external relationships as well. The marketer can decide whether to sell directly to the retailer or through the wholesalers or sell directly to the final consumers. The marketer can adapt to intensive, selective, or exclusive distribution strategy. They can as well adopt either pull or push strategies to sell and distribute their products or services. According to KPMG (2020), there is the need to seek partnerships with local suppliers and distributors on innovative supply and distribution models and channels that will ensure the availability of products and services to customers.

#### 2.4.4 *Promotion Mix Strategy:*

These are integrated marketing communication activities. Promotion mix strategies include personal selling, advertising, public relation, sales promotion, etc. The role of promotion in the marketing mix is to inform, educate, persuade, and remind customers of the benefits of a product. According to Lamb et al., (2012), a promotional strategy is a plan for the optimal use of the elements of promotion. Using these promotional strategies in determining the firm's goals, marketers must be conscious of cost-effectiveness as it becomes an integral part of the overall marketing strategy in satisfying the customers. According to Nwokoye (1996), decisions that are made in this area must, therefore, be consistent with decisions about the product, the price, and distribution.

### 2.5 *The 4Ps of Marketing in a New Dimension of 4Cs Framework*

The customer is the king of the market and all the marketing efforts are to get the king satisfied. According to Kotler, Bowen, and Makens (2010), this title is bestowed not because of heredity rights but because customers can enhance your career through the purchase choice they make. In 1990, Robert Lauterborn proposed an alternative to the 4Ps Marketing Mix, known as the 4Cs of marketing (Smalley, 2017). The 4Cs are Consumer solution, Cost, Communication, and Convenience. This new dimension is a more consumer-oriented version of the 4Ps that tries to address core consumers' satisfaction.

#### *The 4Cs Concept*

The 4Cs concept applies to solve consumers' problems with pertinent questions.

- What values are you offering the consumer? **The product turns into a Consumer solution.** It is more effective to consider the customer needs and wants and satisfying them with a product they want.
- What cost does the consumer incur as he obtains, uses, and disposes of your product? **Price turns into customer Cost.** Many marketers mistakenly believe that the main motivation for purchasing a product is the price. Positioning is far more important, as it directly influences perceived value (Smalley, 2017).
- Are you getting the desired feedback as you communicate with the consumer? **Promotion turns into Communication.** Instead of promotion marketing managers should focus on two-way communication with consumers.
- How convenient is it for consumers to use your product? **Place turns into Convenience.** A customer is not bound to buying your product or service from a physical location. Convenience focuses on the ease of buying the product (Smalley, 2017).

Lauterborn's 4Cs model is a customer-centric framework. The 4Cs definitely, would spur marketers to design marketing programs that will ensure the satisfaction of the ultimate consumer (Ikechi et al., 2017), even in the face of the havoc-wreaking Covid-19 pandemic.

### 2.6 *The 4Ps of Marketing in a New Dimension of SAVE Model*

The SAVE model is one of the recent evolutions in the field of marketing. According to Ettenson, Crurado & Knowles (2013), the SAVE model focuses on solutions instead of product, access instead of place, value instead of price, and education instead of promotion. The model seems to be a better choice widening the focus and scope to include the needs of the consumers more comprehensively. It serves as a compass for marketers to rethink the marketing thoughts surrounding the prevailing situation of the present-day by a way of shifting from the 4Ps thinking to SAVE. While applying the SAVE model in solving or creating customer satisfaction, according to Ettenson et al., (2013), it is advised not to abandon the 4Ps altogether.

#### *The SAVE Concept*

- **Product turn into Solution:** Customers do not care about the product, what they care more about is having their problems solved.
- **Place turn into Access:** Presently, people can access businesses anywhere in the world provided they have internet access through digital technologies. With a website, your

customers can find out about your products even if your office is closed. The internet has fundamentally changed customers' orientation concerning convenience, speed, price, product information, and service. Access requires marketers to use their online presence strategically to reach the right customers at a much lower cost than traditional marketing methods. In Nigeria, many restaurants are offering online orders and home deliveries (KPMG, 2020).

- **Price turn into Value:** A customer's perception of value is far more significant than the actual price of the product or service when it comes to decision-making to buy. The SAVE model suggests going beyond price by emphasizing the real value your product will bring to your customers' lives. Once you have established the problems your product solves, it is easy to determine what benefits to highlight.
- **Promotion turn into Education:** The SAVE model urges companies to move from a promotional mindset to an educational mindset, permitting you to tackle your marketing goals: identifying, anticipating, and satisfying the needs and wants of the informed consumers.

### 2.7 *The 4Ps of Marketing in a New Dimension of 4Es Framework*

There has been so much debate about the changing face of marketing in recent academic literature. There has been an evolution from the traditional 4Ps of marketing to 4Cs framework, to SAVE model and now the 4Es of marketing. According to Petersen (2017), Brian Fetherstonhaugh from Ogilvy & Mather introduced the new 4Es framework. The new 4Es framework was introduced to take care of the consumers in a much better way, changing from:

**Product to EXPERIENCE**

**Price to EXCHANGE**

**Place to EVERYPLACE**

**Promotion to EVANGELISM**

According to Petersen (2017):

- **Experience** – The sum of the customer's experience is the new "product".
- **Exchange** – The customer doesn't just want a catalog of products at a price, they want an exchange of ideas, information, and value beyond price.
- **Everyplace** – Stores have been replaced by "everywhere" ... and communication must now be everywhere as well.
- **Evangelism** – Promotion is not enough, and customers are tired of being bombarded with deals. Evangelism translates to "engagement" that is personalized on the customer's terms, lifestyle, and values.

The 4Es framework is centered not only on value and emotion but on why you should sell, when you should sell, how you should sell, and who you should sell to. According to Ikechi et al. (2017), the era of making the best mousetrap, and seeing the consumer beat their way to the producer's place is gone.

### 3. METHODOLOGY

This paper aimed to address the quest to re-strategize marketing mix strategies, mitigating the effect of the COVID-19 pandemic on consumers in Nigeria. This paper is strictly conceptual. The researcher mainly relied on personal observations of the current happenings in the Nigerian economy, as well as secondary data. The secondary data were collected from published articles, research papers, academic books, and sources through related websites, e.t.c.

### 4. CONCLUSION AND RECOMMENDATION

There is a threat before the Nigerian consumers with a boomerang effect if businesses fail to take strategic action in the face of this dreadful COVID-19 pandemic. If people who are business customers are dying today of hunger, the business firm will be affected. It is the customer that determines what a business is. As the pandemic continues to rear its ugly head and while the Nigerian government with visionless leaders foot-dragging in developing people-oriented plan to deliver social and economic assistance to the tens of millions of people who are faced with the terrific effects of the COVID-19 pandemic, marketing managers should be frantic, flexible and create customers' satisfaction in this hard-hitting time. However, the paper concludes that marketing managers should contend with how to re-organize their marketing efforts.

The paper recommends that marketing managers of various business firms should adopt and adapt to the four fundamental Ps (product, price, place, and promotion), the 4Es (experience, everywhere, exchange and evangelism), the 4Cs (consumer solution, cost, communication, and convenience) and the SAVE model (solution, access, value, and education) of marketing to create and streamline their marketing efforts to mitigate the effect of COVID-19 pandemic on consumers in Nigeria.

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