

# IMPACT OF MARKETING STRATEGIES ON NIGERIAN TRANSPORT OPERATIONS

## Abstract

Transportation is integral to socio-economic development, enabling movement and supporting urban productivity. However, challenges in developing nations necessitate strong marketing strategies to improve public transport's appeal and operational success. This study explores the impact of marketing strategies on transport operations in Nigeria. The study was conducted in a private transport company in Lagos, Nigeria. 181 respondents, who are staff of the selected transport company were chosen randomly. Data were sourced from only primary source using questionnaire survey. Descriptive statistics and multiple linear regression were used to analyze the effects of marketing strategies on key operational outcomes. Findings indicate that transport marketing significantly affects transport operations, with  $R = 0.986$ , revealing that 98% of operational variation is attributable to strategic marketing variables. In conclusion, effective marketing enhances transport company's customer engagement, brand image, and growth. Recommendations include expanding online channels and leveraging content marketing and influencer partnerships to remain competitive and meet evolving customer demands.

**Keywords:** Transport Marketing Strategies, Public Transportation, Customer Acquisition, Operational Efficiency, Competitive Advantage.

## 1. Introduction

Transportation is an important part of economic and social development as it allows people and goods to be transported across geographical regions. An efficient transportation system plays an important role in society's transformation and integration as well as in improving lifestyle, leisure, and work dynamics (Singh, 2023). But transportation also requires significant resources — time, energy, infrastructure - that it is justified by using to serve society as well as it does. Public transportation provision in developing nations is often unable to satisfy high demand due to urbanization and economic activities, leaving many transportation needs unmet (Babaleye and Greblikaite, 2021). Public transport is more than the transportation of people; it is a collective system where the mass moves together to increase urban productivity and favour sustainable development.

Public transport has been established as an essential system; however, challenges are faced in areas with rapid urban growth, and the available transport infrastructure and services which in turn are not proportional to their growth (Charles et al., 2021). The resulting inadequate public transport systems make it difficult for third-world transit systems to function efficiently (Brata

et al., 2017; Bruner, 2014). Therefore, transportation systems require strong marketing strategies to attract more passengers, keep operations afloat and ensure public benefits, such as decreasing road congestion and environmental impacts (Majid et al., 2022). Transportation managers can use marketing strategies to structure their approach to achieving long-term market positions and to increase customer engagement and brand loyalty in competitive environments where public transportation competes with private vehicles (Chlivickas, 2018). Marketing of a public transportation system thus consists of various types of activities that affect branding, and advertising, the price of a ticket, the methods of targeting a group of customers. What operators can do is segment audiences by demographics and needs, and then create campaigns that are relevant to particular passenger needs, which makes public transit relevant (Coggin and Marius, 2015). Furthermore, strong branding can build trust and confidence in potential passengers, supporting the use of public transport as a reliable and convenient option. In Nigeria, public transport operator facing similar challenges in attracting and retaining passengers. Through strategic marketing, transport company can improve ridership, operational efficiency, and customer satisfaction to compete in a growing and competitive Nigerian transportation market.

### **1.1 Objective of the Study**

- To examine the impact of transport marketing strategies on transport operations

### **1.2 Hypothesis of the study**

H<sub>01</sub>: Marketing strategies have no significant impact on transport's operations.

### **1.3 Scope of the Study**

This study investigated a public transport company in Nigeria, owned by a private entity. This company is called Associated Bus Company (ABC) Plc, located in Lagos State. This study chose ABC Transport Company because of its position in the transport sector and its use of different marketing strategies to attract and retain customers (Romanus, Orji and Chris, 2024). The study was undertaken in Lagos State because it is Nigeria's major commercial hub where high population density, varied transit needs, and a comprehensive setting to assess the effectiveness of transport marketing strategies (Nwoko & Osiki, 2016).

## **2.1 The Concept of Marketing Strategy**

The phrase "marketing strategy" (MS) was first defined using various terminology by various writers. Some early studies, such as Smith (1956) described it as the expression of various marketing tactics, "market segmentation" and "product differentiation." Dean (1951) used the concepts of "skimming" and "penetration" to suggest different pricing, etc. Wind and Lilien (1993) introduced the "6C model," which includes the broad six-factor MS of "customers," "channels of distribution," "competitors," "Company," "Culture," and "candidates for cooperation." The earlier 2C models (Company-Customers) and 3C models were replaced with this six-factor model (Company-Customers-Competitors). Later research by Shaoming, Zou and Cavusgil (2019) identified several vital standardizations of global marketing strategy, including those related to the product, promotion, channel structure, price, the concentration of marketing activities, coordination of marketing activities, participation in international markets, and integration of competitive moves.

## **2.2 Empirical Review**

Chlivickas (2008) and Ramanauskienė (2016) both discuss the importance of marketing strategy, but in different scopes and approach. According to Chlivickas (2008), a marketing strategy is a broad function that helps a business to achieve its business goals and respond to the changing market dynamics. A flexible, adaptive strategy can keep relevance and drive performance across a wide range of conditions, he suggests. Ramanauskienė (2016), however, adopts a more segmented view, arguing that strategic impact can be maximised through targeted market segmentation. Ramanauskienė (2016) suggests that organizations can improve profitability and competitive advantage in each segment by concentrating on certain customer segments and designing strategies for each of them. Chlivickas (2008) sees strategy as an all-encompassing, adaptive framework of competitiveness, while Ramanauskienė (2016) promotes a segmented, resource-based approach. Chlivickas (2008) and Ramanauskienė (2016) both emphasize customer orientation, but the former leans toward adaptability and broad application, while the latter highlights maximizing segment-specific returns, a more specialized view of strategy's role in competitiveness.

Furthermore, Virvilaitė and Šeinauskienė (2016) and Porter (1998) stress that marketing strategy plays a vital role in attaining overall goals of the company, just with a different focus on functionality and competitiveness. Marketing strategy is one of the components of a broader corporate strategy, according to Virvilaitė and Šeinauskienė (2016), and effective strategy is consistent with and supports the company's key objectives. The study asserts that marketing as

a functional strategy should support the overall business strategy and aim at customer satisfaction and market reach. Yet, Porter (1998) argues that marketing strategy should be competitive, focusing on building and maintaining a competitive advantage that he believes is necessary for long-term success. It focuses on offensive or defensive actions to gain a strong market position. In contrast, Virvilaitė and Šeinauskienė (2016) values the alignment of values strategy with corporate objectives, while Porter stresses that values strategy is mainly used as a means to sustain and improve market competitiveness, which reflects a difference in focus between competitive positioning and functional integration.

Nevertheless, Baumeister et al., (2022) and Nguyen and Mogaji, (2022) offer some insights into marketing strategies in public transportation with different focal points. According to Baumeister et al., (2022), public transportation has environmental benefits and that promoting its eco-friendliness can attract potential users. This approach regards marketing as a tool to align transport use with other societal goals, such as sustainability. However, Nguyen and Mogaji (2022) focus on practical, community-based promotional events aimed at increasing public transport awareness and usage, such as free ride offers and public transport priority days. Both studies focus on non-traditional marketing approaches to public transportation, with Baumeister et al., (2022) being more theoretical, highlighting intrinsic benefits such as lower environmental impact, and Nguyen and Mogaji, (2022) focusing on tangible, localized promotional activities to directly influence public behavior.

Additionally, Muchen, Hamdan & Ab-Rahim (2022) and Mavlutova et al. (2023) study the role of technology in transport, but in different ways. In their paper, Muchen, Hamdan, and AbRahim (2022) suggest using a Hicks-Moorsteen index to measure technological change and environmental performance in the road transport sector through a data-driven approach. As a key to improving environmental and technological aspects in transportation, their model supports data analytics. On the other hand, Mavlutova et al., (2023) talk about smart technology deployment in urban transport, emphasizing practical prerequisites such as ICT infrastructure and consumer acceptance. In contrast, Liu et al. (2023) concentrate on metrics for performance improvement, whereas Mavlutova et al. (2023) emphasize the conditions for successful technology adoption in urban transport, including user engagement and available infrastructure for smart technologies integration.

In Nigeria, Oladeinde et al., (2023) and Adeosun and Shittu, (2021) both examine innovation in the context of business strategy but in slightly different ways. Oladeinde et al., (2023)

explore the constraints to innovation in small businesses, which include technical know-how and competitive thrusts that hinder innovation. They stress that due to lack of enough capital and market positioning, small businesses are unable to engage in innovation. On the other hand, Adeosun and Shittu, (2021) talk of disruptive innovation, focusing on how new technologies open up new markets, about the revolutionary effect of innovation on business environments. While Oladeinde et al., (2023) give a grounded understanding of the limitation of innovation especially among the small firms, Adeosun and Shittu, (2021) explore the disruptive potential of innovation and argue that innovation is not just about the availability of resources but also about the shift in the structure of the market itself.

### 3. Methodology

The study was done in a cross-sectional descriptive survey of the Associate Bus Company (ABC) in Lagos State, Nigeria. ABC is a well-known transport company with branches in all the states across the country although its headquarters is in Lagos State, South-western Nigeria. Their services are across both the Island and Mainland sub-regions of Lagos which makes it possible to get a diverse sample that is representative of the various services ABC offers (Olajide & Lawanson, 2022). ABC's Island services are made up of coach and shuttle services while mainland services include haulage and cargo services (Filani, 2012).

The study population included 322 employees of ABC (Field, Survey, 2023). The study was conducted in the company terminals in locations such as Jibowu Terminal, Amuwo Odofin, Ikeja Cargo Outlet, Lekki Ticketing Terminal, Ajah Terminal, Bolade Terminal, and Ikorodu Terminal, which are the major operational areas of the ABC in the state.

Cohran formula was used to extract a sample size of 181 from 322 population. The sample size comprises 181 participants from ABC staff (managers, IT staff, and operators) who were selected through simple random sampling. Data was collected through a questionnaire. The objective of the study was analysed using frequency distribution tables while the hypothesis was analysed using multiple linear regression. The model is as follows:

$$y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + \beta_6 x_6 + \varepsilon$$

Where:

- Y - Transport Operational efficiency
- $\alpha$  - Constant value
- $\beta_{1-6}$  - are the coefficients of independent variable
- $x_1$  - Increased Customer Acquisition (ICA)
- $x_2$  - Improved Customer Retention (ICR)

- x<sub>3</sub> - Revenue Growth (RG)
- x<sub>4</sub> - Enhanced Brand Awareness and Image (EBA)
- x<sub>5</sub> - Competitive Advantage (CA)
- x<sub>6</sub> - Geographic Expansion and Market Penetration (GEM)
- e - the error term.

#### 4. Result and Discussion

##### **Objective: Impact of Transport Marketing Strategies on Transport's Operations**

The research used descriptive statistics (see Table 1) to analyze the effect of transport marketing strategies on the operations of ABC. The study reveals that the respondents had differential impressions about the efficiency of these techniques. In more detail, 28.8% of the respondents were in the category that believed that the transport marketing strategies could increase customer acquisition for ABC while 20.0% strongly agreed. On the other hand, 5.1% were still neutral as 18.1% disagreed that the strategy was effective in creating customer growth. On the question on customer satisfaction and customer loyalty, 34.4% strongly agreed that the marketing strategies that were in place to retain customers was effective in customer retention while 28.8% agreed. However, 6% were still in a state of confusion, 16.3% and 19.1% disagreed and strongly disagreed respectively. This shows that there is majority agreement that customer-focused marketing is about retention, although there is a segment that is still skeptical about this.

Furthermore, the result reveal that 44.7% of respondent strongly agreed while 20.0% agreed with the statement that transport marketing strategies enhance ticket sales and bookings, thus enhancing revenue. 7.4% were still in a state of confusion, while 18.1% and 9.8% disagreed and strongly disagreed with the statement. This suggests a high level of awareness of the contribution of marketing to revenue generation but some level of disagreement on the efficiency of such strategies. When it comes to brand recognition, out of all the participants 33.0% strongly agreed while 35.8% agreed that marketing strategies are crucial in the promotion of brand image of ABC. While 12.1% were neutral, 10.2% disagreed and 8.8% strongly disagreed. This means that everybody seems to agree on branding but with a little disagreement. Lastly, majority of the respondents agreed on competitive advantage as one of the factors.

These findings suggest that marketing initiatives are primarily considered crucial in increasing ABC’s customer base, revenues, brand image, and competitiveness. Nevertheless, the high percentage of neutral and dissenting responses underlines the possible requirement for further enhancement and harmonization of ABC’s marketing strategy to address the stakeholders’ expectations. As stated by Olajide and Lawanson, (2022), essential marketing strategies are crucial for organizational development since they help to satisfy and retain customers and gain a competitive advantage. As Mavlutova et al., (2023) pointed out, such strategies help organizations to build up a unique brand image, which can improve customer loyalty and market position. In addition, as pointed out by Majid et al., (2023), strategic marketing achieves not only the current sales but also the creation of brand value and competitive advantage. In the same way, Brata, Husani, and Ali, (2017) underscore that well-targeted campaigns can change consumer behavior and promote the use of public transportation. The diverse results imply that ABC’s marketing programmes are effective but additional targeting across the customer segments may enhance the effectiveness of the marketing initiatives and improve the strategic position of ABC.

**Table 1: Impact of transport Marketing Strategies on Transport Operations**

S/N	Variables	Strongly Agree (%)	Agree (%)	Undecided (%)	Disagree (%)	Strongly Disagree (%)
i.	Effective transport marketing strategies can lead to an increase in customer acquisition for ABC.	60 (24.0)	62 (28.8)	11(5.1)	39 (18.1)	43 (20.0)
ii.	Marketing strategies focused on customer satisfaction and loyalty can contribute to improved customer retention for ABC.	74 (34.4)	52 (24.2)	13 (6.0)	35 (16.3)	41 (19.1)
iii.	Successful transport marketing strategies can lead to increased ticket sales and bookings, resulting in revenue growth for ABC.	96 (44.7)	43 (20.0)	16 (7.4)	39 (18.1)	21 (9.8)
iv.	Marketing strategies play a crucial role in building and enhancing ABC's brand awareness and image.	71 (33.0)	77 (35.8)	26 (12.1)	22 (10.2)	19 (8.8)
v.	Well-executed marketing strategies can give ABC a competitive advantage in the transport industry.	68 (31.6)	75 (34.9)	22 (10.2)	26 (12.1)	24 (11.2)
vi	Transport marketing strategies can support ABC's expansion into new geographical areas or target markets.	78 (35.8)	62 (28.8)	19(8.8)	24(11.2)	32(14.9)

Source: Data Analysis using SPSS version 22, 2023

## 2. Test of Hypothesis

H<sub>01</sub>: Marketing Strategies has no Impact on Transport Operations

Findings based on the result in Table 2 indicate that R = 0.986, which implies that approximately 98% of the variation in the transport operations is caused by marketing strategies. Also, the R-square is 0.979.

**Table 2: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.989 <sup>a</sup>	.979	.978	.16999

a. Predictors: (Constant), Increased Customer Acquisition, Improved Customer Retention, Revenue Growth, Enhanced Brand Awareness and Image, Competitive Advantage, Geographic Expansion and Market Penetration

Moreover, the explanatory variables are jointly significant at 5% level as captured by F-statistics (1.6033) with a corresponding P-value of the 0.000 as shown in Table 3.

**Table 3: ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	277.971	6	46.328	1.6033	.000 <sup>a</sup>
	Residual	6.010	208	.029		
	Total	283.981	214			

a. Predictors: (Constant), Increased Customer Acquisition, Improved Customer Retention, Revenue Growth, Enhanced Brand Awareness and Image, Competitive Advantage, Geographic Expansion and Market Penetration. Dependent Variable: Transport Operation

Furthermore, Table 4 revealed that five (5) of the six explanatory variables were significant in explaining variation in Social Media Marketing (SMM). This is ICA, RM, EBA, CA and GEM with a t and p values of (-2.722 and 0.007), (26.881 and 0.000), (-8.925 and 0.000), (5.908 and 0.000) and (8.911 and 0.000) respectively. Moreover, one (1) of the variables (ICR) shows no effect on Social Media Marketing (0.561 and 0.576), while the other variables such as Improved Customer Retention, Revenue Growth, Competitive Advantage and Geographic Expansion and Market Penetration exhibit positive coefficient. Furthermore, Increased Customer Acquisition and Enhanced Brand Awareness and Image was found to have negative and significant effect. Therefore, the hypothesis of the study was rejected.

**Table 4: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.066	.053		-1.262	.208
Increased Customer Acquisition (ICA)	-.047	.017	-.051	-2.722	.007

Improved Customer Retention (ICR)	.011	.020	.011	.561	.576
Revenue Growth (RA)	.850	.032	.811	26.881	.000
Enhanced Brand Awareness and Image (EBA)	-.617	.069	-.536	-8.925	.000
Competitive Advantage (CA)	.207	.035	.207	5.908	.000
Geographic Expansion and Market Penetration (GEM)	.602	.068	.540	8.911	.000

a. Dependent Variable: Transport Operation

## 5. Conclusion and Recommendations

The study shows that transport company's operational success is greatly influenced by effective transport marketing strategies, which help increase customer acquisition, enhance brand awareness, and improve revenue growth. The study shows that well-executed marketing not only helps to generate immediate sales but also facilitates long-term competitive advantages and potential expansion into new markets thereby showing the importance of marketing in the operational and strategic growth of transport services.

In light of these findings, the following recommendations are made:

- In light of these findings, the following recommendations are made:
- Transport companies should increase investment in online marketing Channels and expand them using online platforms to create its online presence and reach a wider customer base.
- The fact that content marketing has positive results means that transport companies should continue to create relevant and informative content that meets the needs and interests of the target audience to create loyalty and keep people engaged.
- Transport companies collaborating with influencers are effective ways to expand reach and credibility, as influenced endorsements that align with potential customers are authentic.
- Consistently transport companies should track current marketing trends, and adapt, and refine strategies, as needed, to stay responsive and competitive in the changing transport industry.

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