GLOBALIZATION OF MARKETING FUNCTION: STRATEGIC IMPLICATION ON ENTERPRISE SUSTAINABLE DEVELOPMENT IN SUB-SAHARAN AFRICA

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Abstract
This study evaluated the strategic implication of globalization on marketing function vis-à-vis enterprise sustainable development in sub-Saharan Africa. The study attempted to paint the pictures of the global market and enterprise development within the contexts of competitive and decisive marketing schemes; and simultaneously describe some strategies for entering foreign market. The study revealed that enterprises in sub-Saharan Africa have witnessed phenomenal changes as a result of globalization via trade liberalization and deregulated market economy. The globalization of marketing function, however, has further extended the frontiers for the harmonization of both producers and consumers’ interest; and as well enhanced the linkages of countries through international trade network. The study concluded that globalization of marketing function in sub-Saharan Africa will be driven by competition among the indigenous enterprises. This will not only culminate into the physical presence of foreign enterprises in the sub-region, but the situation in which the African enterprises will do businesses with organizations located outside the continent will also be on the increase. There will also be an increase in the number of sophisticated customers on-shore and off-shore, dictating the pace for quality product delivery and excellent customer services.

Key words: Enterprise sustainable development, Globalization of marketing function, Market deregulation, Sub-Saharan Africa, Trade liberalization.

INTRODUCTION
Globalization of marketing function has created new frontiers for the harmonization of both producers and consumers’ interests (Kotler and Keller, 2006). It becomes essentially imperative for the marketers and marketing practitioners to be well prepared to face new challenges being imposed by the globalization of marketing function, especially in this contemporary regime of fairer trade in goods and services via trade liberalization and deregulated market economy. As a matter of fact, international market is being rapidly transformed by the elimination of geographical restrictions through the deregulation of global market and expansion of functional frontiers through technological innovations which permit the creation of complex webs of contractual instruments and increased marketing activities in the globalized world.

The fact that different cultures and economic systems around the world are becoming connected and similar to one another because of the influence of large multinational companies (MNCs) and improved information communication technologies (ICTs) is a welcome development. The linkage of countries through international trade network, communications and information technology has, therefore, made the world a global village – not an exclusive market crusade of a particular nation or country (Onigbinde and Awolusi, 2013). This implies that business enterprises in Sub-Saharan Africa do not compete only among themselves but also with business enterprises in other countries across the globe. Therefore, competitive pressures arising from the interpenetration of business enterprises, nationally and internationally, as a result of globalization of marketing function have generated the present competitive dispositions of the sub-Saharan Africa’s entrepreneurial institutions.
According to Kotler and Keller (2006), with faster communication, transportation and financial flows via foreign direct investments (FDIs), the world is rapidly shrinking. Product developed in one country – German BMWs, McDonald’s hamburgers, Japanese Suzukis, Mout Blanc pens, among others, are finding enthusiastic acceptance in others. For instance, a German businessman may wear an Armani suit to meet an English friend at a Japanese restaurant, and later returns home to drink Russian vodka and watch an American soap on television. Although the opportunities for companies to enter and compete in foreign markets are significant, the risks can also be on a high side (Ekeke, 2009). Companies selling in global markets, however, really have no choice but to internationalize their operations (Kotler and Keller, 2006).

CONCEPTUAL FRAMEWORK
This paper situates the understanding of global market and enterprise development within the contexts of competitive and decisive marketing schemes.

Competing on a Global Basis
A number of giant multinational enterprises (MNEs), most of them larger than many national economies, have sales that in total, exceed a quarter of the world’s economic activity (Achumba, 2000). For example, Philip Morris is larger than New Zealand and operates in 170 countries. Many companies have conducted international marketing for decades – Nestle, Shell, Bayer, Unilever, Coca-cola, Toyota, Toshiba are familiar to consumers around the world. However, in Africa, South African MTN and Nigerian Glo are making waves in the marketing of telecommunication services offshore. Importantly, some indigenous business enterprises in Nigeria that have attained a status of ‘global firm’ include Zenith Bank Plc, Industrial and General Insurance Plc, GT Bank Plc, UBA, First Bank of Nigeria, Access Bank, Dangote Industries Limited, Oando Plc, Negris, Custodian and Allied Insurance Plc, Globacom Limited, among others. All these indigenous enterprises have taken giant strides to extend the scopes of their businesses to some countries in Africa, Asia and Europe.

It becomes imperative to emphasize that global market competition is more intensifying than ever before. Domestic enterprises that never contemplated competitors suddenly find them in their backyards. Although some indigenous enterprises may want to eliminate foreign competition through protective legislation. However, the better way to compete in a global arena is to continuously improve the quality of products at home and expand into foreign markets afterward. It is against this backdrop that Kotler and Armstrong (2006) refers to a global industry as the one in which the strategic positions of competitors in major geographic or national markets are fundamentally affected by their overall global positions. According to them, a global firm is the one that operates in more than one country and captures production, logistical, marketing and financial advantages in its costs and reputation that are not available to purely domestic competitors.

Global firms plan, operate and co-ordinate their marketing functions on a worldwide basis (Perreault Jr and McCarthy, 2001). However, a company needs not be large to sell globally; small and medium-sized enterprises can practice global nichemanship (Ojo, 2008). For instance, there is a cassava processing firm in Ijebu-Ode, Ogun State, Nigeria that export cassava flour and ‘garri’ in various package sizes to neighboring African countries as well as some countries in Europe and North America. Meanwhile, for a company of any size to go global, it must make a series of decisions (Ekeke, 2009)

Deciding a Global Marketing Scheme
Most enterprises would prefer to remain domestic if their domestic markets were large enough (Achumba, 2000). Meanwhile, managers of these enterprises would not be required to learn other languages and laws, deal with volatile currencies, face political and legal uncertainties, or
redesign their products to suit different customer needs and expectations. Yet, several factors are drawing many more enterprises into the international arena; most especially if the company

- discovers that some foreign markets present higher profit opportunities than the domestic market;
- needs a larger customer base to achieve the economies of scale;
- wants to reduce its dependence on a mono market;
- discovers that global firms do offer better products or lower prices can attack its domestic market. The company might want to counter-attack these competitors in their home markets;
- observes that its customers are going abroad and require international servicing.

However before making a decision to go global, the enterprise must weigh several risks as the local firm might.

- not understand foreign customer preferences and fail to offer a competitively attractive product;
- not understand the foreign country’s business culture or know how to deal effectively with foreign nationals;
- underestimate foreign regulations and incur unexpected costs;
- realize that it lacks manpower with appropriate international experience/exposure;
- not be pre-emptive enough when foreign country change its commercial laws, devalue its currency or undergo a political revolution.

Owing to a conflicting benefits and associated risks involved in global marketing function, enterprises do not often act until some event thrust them into the international arena. It could be a domestic exporter, an international importer or a foreign government that solicits the enterprise to sell abroad or the company is saddled with over capacity and must find additional markets for its goods. It is against this backdrop that Kotler and Keller (2006) remarks that most countries lament that too few of their companies participate in international trade, and this keeps the countries from earning foreign exchange to pay for needed imports. It also raise the specter of domestic companies that are being hurt or taken over by foreign multinationals. For example, in Nigeria, the Consolidated Breweries Plc and Sona Breweries Plc were taken over by an Anglo-Dutch multinational brewing giant – Heineken HBV of Netherland in 2003 and 2012 respectively. Hitherto, Lever Brothers (now Unilever) Nigeria Plc, another Anglo-Dutch multinational, took over Lipton Nigeria Limited in the 1980s.

Moreover, there is no gainsaying that some of the countries in sub-Saharan Africa have been trying to encourage their indigenous enterprises to grow domestically and expand globally. Many countries sponsor aggressive enterprises to export. For instance, the Nigerian Export Promotion Council (NEPC) is saddled with this onerous responsibility in Nigeria. It becomes pertinent to also emphasize that the top managements of indigenous enterprises had begun to pay more attention to global opportunities when they realize that over 15 per cent of revenues come from the foreign markets (Dibb and Simkin, 1994).

Deciding the Markets to Enter

In deciding to go abroad, the indigenous enterprises need to re-define its marketing objectives and policies. What proportion of foreign to total sales will it seek? Most companies start small when they venture abroad. Some plan to stay small, while others have bigger plans. The enterprise must decide how many countries to enter and how fast to expand. The company must decide how many countries to enter and how fast to expand. The enterprise must also decide on the types of countries to consider. According to Kotler and Armstrong (2006), attractiveness to international
market is influenced by the product, geography, income and population, as well as the prevailing political climate, and a host of other factors. They further stressed that the developed nations and the prosperous parts of the developing nations account for less than 15 per cent of the world’s population. Is there a way for marketers to serve the other 85 per cent, which has much less purchasing power? It therefore becomes more imperative to emphasize that a special set of skills and plans are required by the indigenous enterprises to successfully enter the developing markets especially in this contemporary regime of globalized market economy.

The indigenous marketing enterprises, at times, capitalize on the potential of the developing markets by changing the conventional practices to sell their products and services more effectively (Aluyor, 2009). It cannot be business as usual when selling in developing markets. Economic and cultural differences abound; a marketing infrastructure may barely exist in some places; and local competitions can be surprisingly stiff. For example, in Nigeria, indigenous banks have thrived despite strong foreign competition from Citibank Group of United States and Standard Bank Group of South Africa. Besides their high understanding of the local financial services terrain, the Nigeria’s indigenous banks also have vast operational networks, especially in rural areas.

However, smaller packaging and lower sales prices are often critical in markets where incomes are limited (Onwuteaka, 2006). For example, Procter & Gamble (Nigeria) overtook Unilever (Nigeria) as a market leader in the laundry detergent segment when the former introduced 25g and 50g sachets of detergent to the market as against the latter 500g and 1000g. These smaller packages have been a big hit in rural areas in the country. Recognizing that its cost structure made it difficult to compete effectively in developing markets, Procter & Gamble devised cheaper, clever ways to make the right kinds of products to suit consumer demand. The challenge is to think creatively about how marketing can fulfill the dreams of most of the world’s population for a better standard of living. Nevertheless, a western image can also be helpful, as Coca Cola (Nigeria) discovered that its success against hitherto local brands, such as Limca and Goldspot, was merely due to symbolic values of modernity and affluence.

STRATEGIES FOR ENTERING FOREIGN MARKET

According to Kotler and Keller (2006), once an enterprise decides to target a particular country, it has to determine the best mode of entry. Its broad choices are indirect exporting, direct exporting, licensing, joining ventures, and direct investment. These market-entry strategies are evaluated hereunder. Each succeeding strategy involves more commitment, risk, control, and profit potential.

**Indirect and Direct Export**

The normal way to get involved in an international market is through export. Occasional exporting is a passive level of involvement in which the enterprise exports from time to time either on its own initiative or in response to unsolicited orders from outside of the country. Active exporting takes place when company makes a commitment to expand into a particular market. In either case, the company produces its goods in the home country and adapt to the international market.

Companies typically start with indirect exporting by working through independent intermediates. Domestic-based export agents seek and negotiate foreign purchases and are paid a commission. Included in this group are trading companies and co-operative organizations that carry out exporting activities on behalf of several producers and are partly under their administrative control. They are often used by producers of primary products such as fruits and nuts. For example, Co-operative Produce & Marketing Societies (CPMS) used to serve as export agents to their members in some parts of hitherto Western Nigeria to export cocoa seeds, palm kernels,
cashew nuts, among other cash crops. Export management companies, on the other hand, agree to manage a company’s export activities for a fee.

Indirect export has two advantages. First, it involves less investment: The firm does not have to develop an export department, an overseas sales force, or a set of international contacts. Second, it involves less risk: The international marketing intermediaries bring know-how and services to the relationship. For example, SAB Miller, a South African brewing giant, made an entry into the Nigerian beer market through the modality of indirect export. Whether the export is direct or indirect, many companies however use exporting as a means to ‘test the waters’ before building a plant and manufacturing a product overseas (Kotler and Keller, 2006).

Licensing
Licensing is a simple way to become involved in international marketing. The licensor issues a license to a foreign enterprise to use a manufacturing process, trademark, patent, trade secret or other item of value for a fee or royalty. The licensor gains entry at little risk, while the licensee gains production expertise or a well-known product or brand name. According to Kotler and Keller (2006), there are several variations on a licensing arrangement; these include:

- **Contract Manufacturing**: The firm hires local manufacturers to produce the product. For example, in Nigeria, European Soaps & Detergent Limited – an indigenous manufacturing firm produces Dettol antiseptic soap for Reckitt & Benckinser (Nigeria) Limited – a multinational enterprise, which only exist as a marketing company in the country.

- **Management Contracts**: This involves selling a business entity to a foreign consortium of management experts for a fee. For example, R.T. Briscoe (Nigeria) Plc use to solely manage the sales of Toyota brands in Nigeria before the advent of Elizade Motors and Toyota (Nigeria) Limited.

Joint Ventures
Foreign investors may join with local inventors to create a joint venture enterprise in which they share ownership and control. For example, Chevron, Exxon Mobil, Total, Elf and Agip joined forces with the Nigerian National Petroleum Corporation (NNPC) in the operations, management and control of the downstream sector of oil and gas industry in Nigeria (Onigbinde, 2014).

A joint venture may be necessary or desirable for economic or political reasons. The foreign firm might lack the financial, physical or managerial resources to undertake the venture alone, or perhaps the foreign government require joint ownership as a condition of entry. However, a multinational giant might even need joint ventures to crack the toughest market situations that exist in some regions across the globe (Kotler and Keller, 2006).

Direct Investment
According to UNCTAD (2003), since the early 1980s, many countries including those in the sub-Saharan Africa have lifted many of the restrictions imposed on capital flows. As a result, global foreign direct investment (FDI) inflow rose sharply from $57 billion in 1982 to $1271 billion in 2000. The reason for the increased efforts to attract more FDIs stems from the widespread belief that FDI has several positive effects, including productivity gains, transfers of new technology, the introduction of new processes and international production networks (Ayanwale, 2007).

Apart from the submission above, FDI is also expected to bridge the internal resources and saving gap, increase managerial abilities, reduce foreign exchange shortage and improve balances of payment in less developed countries. The need to develop an expectation from the beneficial impact of FDI which constitute one of the sky outcomes of globalization process in the developing nation actually propel many countries in sub-Saharan Africa to support and promote liberalization policies in the various countries (Onigbinde, 2013).
Meanwhile, it should be emphasized that one of the ultimate desires of every economy is to achieve sustainable growth and development. However, the means through which this objective can be achieved are multidimensional. It is against this backdrop that Bello and Oluwatosin (2010) remarks that FDI can encourage the adoption of new technology in the production process through capital spill over. Therefore, direct investment is one of the key mechanisms by which developing countries gain access to resources for capital investment and technologies that support growth.

EVALUATION AND CONCLUSION

Globalization is no longer a matter of choice but rather a part of the operating environment in each economy in the modern world. The enterprises in sub-Saharan Africa have witnessed phenomenal changes as a result of globalization via trade liberalization and deregulated market economy. These have manifested in the enormous volume and complexity of operations, increased technological innovation, and variety of product and service deliveries, growing competition, customer sophistication and business process re-engineering. These developments have not only been driven by technological advances but have also in turn spawned technological developments.

Globalization of marketing function, of course, has further induced a number of developments in the economy of the sub-Saharan Africa. First, it has expanded the frontiers for the harmonization of both producers and consumers’ interests in the sub-region. Second, it has enhanced the linkage of countries through international trade network. Third, it has promoted the philosophy of inclusive market crusade among different countries across the globe. Fourth, it has enhanced the interpenetration of business enterprises, nationally and internationally. Fifth, it has also led to the introduction of automated system of production and distribution of goods and services. Sixth, it has enhanced faster communication, transportation, and financial flows via FDIs. Seventh, it has enhanced the internationalization of many business operations across the sub-Saharan Africa. Lastly, it has generated the present competitive dispositions of the sub-regional entrepreneurial institutions.

Ultimately, globalized entrepreneurial framework has brought new innovations, such as e-banking products, internet banking, mobile banking, electronic cash, electronic wallet, automated teller machine (ATM) and other post-internet electronically-consummated banking and insurance services. This has not only assisted in sustaining the development and progress made so far in the continental financial services’ landscape, but it has also enabled the players in the sub-region to contribute more meaningfully towards the development of the real sector of the continental economy. However, the sustainability of automated payment and clearing system across the continent would further enhance greater efficiencies in money and capital markets’ operations in Africa. This development will also enhance the incubation of more new quality products and improved customer-centered services, and as well create a healthy marketing system that can mitigate the challenges imposed by globalization.

In conclusion, the world is now a global village and countries across the sub-Saharan Africa cannot pretend to be an island. It therefore becomes more imperative to stress that globalization of marketing function in sub-Saharan Africa will be driven by competition among the indigenous enterprises. However, the globalization of marketing function will not only culminate into the physical presence of foreign enterprises in the sub-region, but the situation in which the African enterprises will do businesses with organizations located outside the continent where they do not have branches or offices will also be on the increase.

Finally, in this connection, there would be an increase in the number of sophisticated customers onshore and offshore, dictating the pace for quality products delivery and excellent customer services.
RECOMMENDATIONS

From the evaluation done and conclusion drawn from the conceptual analysis above, the following recommendations therefore become imperative.

- Marketers and marketing practitioners need to be further prepared to face the challenges imposed by the globalization of marketing function.
- To entrench the ongoing regime of fairer trade in goods and services, sustainability of the basic tenets of trade liberalization and market deregulation becomes essentially imperative.
- It becomes more imperative for companies selling in the global market to internationalize their business operations by extending their trade network offshore or forming strategic alliances with some foreign technical partners.
- To initiate or extend export activities, local enterprises in sub-Saharan Africa needed to be involved in marketing exhibition at overseas trade show. With the web, it is not even necessary to attend such an overseas trade show to showcase one’s product or services. Electronic communication via the internet can extend the reach of companies, small or large, to worldwide market.
- Similarly, electronic marketing (e-marketing), which is the modern mechanism for pricing, promotion, buying and selling of goods and services electronically, particularly via the internet, is vogue in transacting international business.
- Indigenous enterprises in sub-Saharan African should be guided to know that the better way to compete in a global market is to continuously improve the quality of product at home, while expanding the foreign market thereafter.
- Meanwhile, a company needs not to be large to sell globally, small and medium-sized enterprises that cross across the sub – Saharan Africa can practice global nichemanship.
- In deciding to go abroad, companies need to redefine their marketing objective and policies. For instances, what proportion of foreign to total sales will they seek?
- Marketing enterprises in sub-Saharan Africa should capitalize on the potential of the developing market abroad by changing their conventional marketing practices to sell their product and services more effectively and profitably.
- Moreover, smaller packaging sizes and lower sales prices are often critical in the developing markets where incomes are limited.
- Indigenous enterprises in sub-Saharan Africa need to use exporting, either directly or indirectly, as a means to ‘test the water’ before building a plant and manufacturing a product overseas.
- Finally, the ultimate desire of every economy, including those in sub-Saharan Africa, is to achieve sustainable growth and development. However, the means through which this objective can be achieved are multidimensional. Therefore, direct investment as one of the key mechanisms by which developing countries gain to access to resources for capital investment and technologies that support growth should be vehemently sustained.

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