

BUILDING COMPETITIVE AND SUSTAINABLE STRATEGIES FOR IMPROVING QUALITY OF SERVICE DELIVERY IN MARITIME ACADEMIC OF NIGERIA, ORON

Akaso, A. A.

Lecturer, Maritime Academic of Nigeria, Oron, Akwa Ibom State

E-mail: danmasanijos@ymail.com

ABSTRACT

Managing of services is unique due to the distinctive characteristics of service offerings. Service organizations must therefore take into consideration these complexities to enable them deliver the expected perceived bundle of benefits to their customers and consumers alike at reasonable margins to their organizations. A descriptive research design method was employed in this study to examine these complex principles and concepts of services marketing, in relation to the Maritime Academy of Nigeria (MAN) Oron, as an educational service provider. The study identifies differentiation as a key strategic element in preserving the College brand image in order to gain sustainable competitive advantage over its competitors in the maritime higher education and training service industry.

Keywords: MAN, service delivery, competition, strategies

INTRODUCTION

Maritime Academy of Nigeria Oron (MAN) was established in 1979, known then as Nautical College of Nigeria, by the Federal Government through Decree (No. 16) Laws of the Federation of Nigeria (CAP 217) 1990. Man is governed by a Governing Council known as 'The Council'. The Council is composed of a Chairman and three other appointed members by the federal government of Nigeria as council members, the Rector of the Academy, one representative of the academic senior staff, one representative each of the government owned relevant parastatals and maritime corporations in Nigeria, and a representative of the Nigerian Navy. The Registrar of the Academy serves as the Secretary to the Governing Council of the Academy (Ajumobi 2006).

The statutory obligations of MAN are the training of all levels and categories of personnel required for operations of the Nigerian maritime and allied industries. The institution offers a broad range of courses covering Nautical Sciences, Marine Engineering, Maritime Transport and Business Studies, at both ND and HND levels, while Boat and Ship Building Technology and Electrical Electronics courses are offered at the National Diploma levels at present. MAN also offers a Postgraduate Diploma in Shipping Technology/Management, Bridging, Upgrading, Preparatory and Mandatory Courses for Certificates of Competency (in accordance with STCW '95). Specialized Seamen Training Courses for the huge Oil and Gas Industry Operators in Nigeria and other maritime related courses are also offered by MAN; MAN Amendment Act (CAP 217) 1990 (Nigeria).

The Academy has a total workforce strength of about three hundred members of Staff. This is made up of 161 senior staff members and 139 junior workers, 61 are senior academic staff while 100 are non-academic senior members of staff. The 139 junior employees are mostly administrative personnel, cafeteria workers, and regimental staff and security personnel (MAN senior and junior staff nominal roll register 2nd quarter 2011). Maritime Academy of Nigeria, Oron has a current cadets and students population of about 1500 (one thousand five hundred) in its 2010/2011 college enrolment register. There are about 1419 regular regimented cadets and about 81 Postgraduate students who are non-regimented students of the Academy respectively (MAN 2nd/4th Semester Examination schedule 17th - 26th February, 2011, p.6).

INTRODUCING THE MARKETING CONCEPTS IN MARITIME ACADEMIC OF NIGERIA

The marketing concepts and related issues are important in both physical products and services. Quester et al (2004) observe that the marketing concept stresses that organizational efforts should be coordinated or integrated, and should focus on satisfying target customer's needs while simultaneously achieving appropriate organizational goals (usually profit for businesses). Cahoon (2006) argues that a service is an experience that is an interactive process involving the consumer, the physical environment created by the service firm, and the service employees; while Edgett and Parkinson (1993) postulate that the marketing of services is sufficiently distinctive from the marketing of physical products to deserve separate treatment. This study examines the marketing concepts and principles in relation to management of service businesses: using the Maritime Academy of Nigeria (MAN) as an example of an organization in the business of providing commercial educational services to the consumers.

Characteristics of Services and Implication to MAN Offerings

Regan (1963) and Edgett and Parkinson (1993) identifies four characteristics that are now commonly cited as the factors that distinguish services from goods: intangibility, inseparability, heterogeneity and perishability. That intangibility implies that a service is experienced; it is rendered; physical ownership cannot occur. Thus, the conceptual boundaries of marketing must be expanded to accommodate this element of services.

Marketing strategies of MAN must therefore; include marketing the Academy with more emphasis on the tangibles associated with its offerings (physical evidence) in order to reduce the perceived risk of their customers. For example, MAN can create a niche for itself, or something concrete like a unique brand image that stands out as a tangible cue, physical evidence which can be easily identify by its customers (cadets) and other participants. Onkvisit and Shaw (1989) in Edgett and Parkinson,

(1993) observe that the development of brand names for services has recently been discussed as a useful method of establishing an image in the market place, while Hoffman and Bateson (2006) argue that a well-known and respected corporate image lowers the level of perceived risk experienced by potential customers and, in some instances, lowers the reliance on personal sources of information when making service provider choices.

Inseparability of Services

Kotler (1982) postulates that a service is inseparable from the source that provides it. It's very act of being created requires the source, whether a person or machine, to be present. To manage this implication, MAN must ensure the right selection and recruitment of both academic and non-academic personnel, and also lay more emphasis on training of contact personnel to ensure the right types of employees are in the right jobs. For example (Academy Registry Staff) or administration employees, library staff, (cadets) support services staff, and indeed all MAN employees should be trained and educated appropriately to handle customers (cadets) and other participants who are consumers of MAN service offerings as valued and respected customers of the institution. Hoffman and Bateson (2006) support this thinking by arguing that critics of service quality have focused on 'robotic' responses by staffs that have been trained in using technology associated with business but not in dealing with different types of customers. That employee's must be trained in 'soft' management skills such as reliability, responsiveness, empathy, assurance, and managing the tangibles that surround the service.

Heterogeneity of Services

Zeithaml, Parasuraman and Bery (1985) in Edgett and Parkinson (1993) state that heterogeneity concerns the potential for high variability in the performance of services. The quality and essence of a service can vary from producer to producer, from customer to customer, and from day to day. These characteristics of services could cause problems to MAN as a high contact service provider. For example, if something goes wrong on the very first day of cadet's orientation into the Academy, it will be too late to institute quality control measures while the potential cadets and student's administration personnel are already in the servicescape. It will be impossible to ask the new cadets to go back to their respective states and countries and come back another day to start the enrolment orientation process afresh. Again, MAN could package the best product for the enrolment orientation day, for the new intakes, but if student administration employees (especially Regimental Staff) tend to be hostile and rude to the new intakes, the potential student's perception of the College may be adversely affected. Hoffman and Bateson (2005) offer customization and standardization as possible solutions to ameliorate this problem, although training of service employees certainly helps reduce the extreme variations in service performance. However, despite all the training in the world employees ultimately

will continue to vary somewhat from one transaction to the next.

Perishability of Services

Zeithaml and Bitner (2003) point out that perishability refers to the fact that services cannot be saved, stored, resold, or returned. Would it not be nice if a bad haircut could be returned or resold to another customer? MAN should strategise in order to accommodate fluctuating demand of its educational services. The Academy could do this by instituting strategies for demand forecasting and creative planning. Hoffman and Bateson (2003) also argue that because of the perishability nature of services, demand can be "guesstimated" but will rarely be exact. Simply stated, consumer demand for many services at any given time is unpredictable, therefore MAN's management must always plan ahead for this unpredictable demand for its service offerings.

In order to manage the impact of perishability on the offerings of MAN, creative pricing strategies can be adopted, and also the Academy can introduce fully-automated delivery system of its educational services. For example, MAN can introduce learning programme online, this will ameliorate the problem of demand and supply; hence the online learning programme can be available in 7 days a week and 24 hours a day. More so, that the Academy is the only Maritime Higher Education and Training (MET) institution accredited by the International Maritime Organization (IMO) to run courses for the maritime, oil and gas industry in Nigeria and by implicating West African South of the Sahara.

Services Marketing Mix

The unique characteristics of services marketing discussed in this study have led services marketers to conclude that they can use additional variables to communicate with and satisfy their customers. Booms and Bitner (1981) argue that in addition to the traditional four P's, the services marketing mix include participants, physical evidence and process of the service assembly. They also observed that the unique marketing problems of service firms include quality control, customer interfaces and fragmented marketing base.

Managing the Marketing Mix by Maritime Academic of Nigeria

MAN can develop strategies to manage the elements of the marketing mix as it affects the operation of the Academy. For example, MAN can improve on its quality monitoring control system in order to retain its brand image notwithstanding its anticipated up-grading to a University status as preparatory discussions are on-going in this direction. The quality and standard of its products (maritime education) will remain the same, thereby sustaining its competitive advantage over its competitors in the maritime higher education and training sector. Woudstra and Powell (1989) support this strategic thinking by stating that "learning institutions operate in an open system; therefore, organizations have more difficulty in maintaining proprietary offerings, and require a sound strategic perspective to gain competitive advantage".

MAN can also introduce competitive pricing of its educational services for both cadets and students on campus and short courses learning students, since quality standard has been assured. Products differentiation could also be introduced and encouraged and motivate current and past graduates of the Academy, employees, and other beneficiaries of MAN service experience to promote its offerings in both Nigeria and overseas by the use of word of mouth communications, publicity and advertisement. Infact, some of them (customers) who really received the perceived bundle of benefits from the service experience of MAN offerings, may become advocates and evangelists of the Academy. Booms and Bitner (1981) argue that in setting prices, the firm must be conscious of the effect price manipulation will have on the customer's perception of quality and value.

MAN must also be conscious of who its customers are, what its service is in terms of customer's benefits, and to what extent of value MAN customers places on the bundle of it offerings. McCarthy (1971 in Booms and Bitner, 1981:50) argues that in order to satisfy customer's wants and facilitates exchange in service organization; the firm must understand the customer's expectations and match these expectations through the actual service experience.

Managing the Expanded Marketing Mix of MAN

In managing the expanded marketing mix, MAN management could package distinctively different products to be delivered in a uniquely improved servicescape to its customers (students) and other potential customers. This again, will lead to MAN protecting and maintaining its distinct brand image thereby ensuring the quality of its products in order to maintain a sustainable competitive advantage amongst its competitors, for example, in Ghana, Egypt, South Africa and globally.

Differentiation strategy should be the method to be used in achieving the above stated strategic objectives. Gilbert (2001) observes that the primary focus of strategy is to create a unique position in the market through provision of goods or services that are valued for their uniqueness or fit to the needs of a particular group of buyers. For instance, the course package of MAN by itself could not provide competitive differentiated advantage, as it is fairly easy for other maritime institutions to duplicate it, either by buying it directly from MAN, or by creating a very similar package. However, when MAN employs the services of highly competent maritime professors, specialised lecturers in various fields, highly skilled academic registry staff, competent cadets' advisors and counsellors added to the existing workforce, a strong and unique bond can be created between MAN and its students. In supporting this report, Woudstra and Adria (2003) opine that this type of unique bond becomes a differentiating competitive advantage when the institution subscribes to a vision of quality, support, service and excellence.

Application of the Modified Servuction Model of MAN

To achieve the desired quality standard and customers (students) and other prospects

satisfaction, the contact personnel and the invisible organizational set-up (senior management), and indeed the entire organization's employees must work cooperatively to deliver the MAN offerings to the customers. The cadets and students of MAN as customers and other participants in the process of service delivery must also play their role well in order to receive the perceived bundle of benefits from the service experience. Lovelock et al (2004) observe that it is obvious that expanded marketing mix new role cannot be carried by one department alone, but rather it is philosophical orientation that must be adopted by the total organization, specifically by the operations, personnel, and the marketing department of the organization. Thus, a holistic approach must be employed by MAN's management if the goals and objectives of its services marketing strategies are to be fully realised.

CONCLUSION

The management of service marketing is distinctive due to its complexities in the inherent characteristics of services. Service organizations must therefore develop sustainable competitive strategies in order to remain in business and also to deliver satisfactory perceived bundle of benefits to their customers and consumers. This study has briefly examined the management and the application of these complex service marketing principles and concepts as it relates to MAN offerings. The study concluded that MAN should adopt product differentiation in order to maintain a sustainable competitive advantage over its competitors in the maritime higher education and training sector of the Nigerian economy in particular and the global economy generally.

REFERENCES

- Booms, B. H. and Bitner, M. J.** (1981). *Marketing strategies and organisational structures for services firms*. In Donnelly, J. A. and George, W. R. (Eds) *Marketing of Services*. *American Marketing Association*, pp. 47-51.
- Cahoon, S.** (2006). *Services and Marketing: Study Guide and Readings, Module 2, Services Marketing Concepts*. Australia.: AMC
- Edgett, S. and Parkinson, S.** (1993). *Marketing for Services industries - A Review*. *Service Industries Journal*, 13 (3), 19-39.
- Gilbert, A. D.** (2001). *The idea of a University: Enterprise or Academy*, Manning Clark Symposium, <http://www.unimelb.edu.au/vc/present/manningclark.pdf>. Accessed 26th October 2005.
- Hoffman, K. D. and Bateson, J. E. G.** (2006). *Services Marketing: Concepts, Strategies & Cases*. Ohio: Thomson/ South-Western, Mason.
- Kotler, P.** (1982). *Marketing for Non-Profit Organizations* (2nd edition). Englewood Cliffs: Prentice - Hall.

- Laws of the Federation of Nigeria** (1990, CAP 217) (Federal Republic of Nigeria) Abuja Nigeria.
- Maritime Academy of Nigeria** (2011). 2nd/4th Semester Examination Schedule of Programmes, Academic Registry Department of MAN, 17th to 26th February, Oron, Nigeria.
- Maritime Academy of Nigeria** (2011). Senior and Junior Staff Nominal Roll For 2nd Quarter of April to June, MAN Personnel Department, Oron, Nigeria.
- McCarthy, E. J.** (1971). *Basic Marketing: A Managerial Approach* (4th edition). In Booms, B. H. and Bitner, M. J. (eds). *Marketing Strategies and organizational structures for service firms*, pp. 50. Homewood, IL: Richard D. Irwin, Inc.,
- Onkvisit, S. and Shaw, J.** (1989). Services Marketing: Image, Branding, and Competition; Business Horizons, Vol. 32, No. 1, in Edgett, S. and Parkinson, S. eds, Marketing for service industries - A review. *Service Industries Journal*, 13 (3), 19-39.
- Quester, P., McGuiggan, R., Perrault, W. D. and McCarthy, E. J.** (2004). *Marketing: Creating and Delivering Value* (4th edition). Australia: McGraw-Hill.
- Regan, W.** (1963). The Service Revolution. *Journal of Marketing*, 27, 3
- Woudstra, A. and Powell, R.** (1989). Value chain analysis: A framework for management of distance education. *The American Journal of Distance Education*, 3 (3), 7-21.
- Woudstra, A. and Adria, M.** (2003). *Organizing for the new network and virtual forms of distance education*. In Moore, M. (ed), *Handbook of distance education*, pp. 531-47, Mahwah, NJ: Erlbaum.
- Zeithaml, V. A. and Bitner, M. J.** (2003). *Services Marketing: Integrating Customer Focus Across the Firm* (3rd Edition). New York: McGraw-Hill, Companies, Inc.