

THE EFFECT OF STRATEGIC MARKETING AND STRATEGIC INNOVATION ON FIRM PERFORMANCE IN THE GHANAIAN OIL MARKETING INDUSTRY: THE MEDIATING ROLE OF SERVICE CONVENIENCE.

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ABSTRACT

This study examined strategic innovation and strategic marketing and their impact on the performance of oil marketing companies (OMCs) in Ghana. The study further examined the mediating role of service convenience on the relationships between strategic innovation and firm performance and strategic marketing and firm performance. The first places all OMCs into two strata (local and multi-national) and performs proportional sampling based on Yamane's formula sample size determination. The Mall-Intercept method was used to collect data from managers, supervisors and attendants of the selected OMCs from five dominant regions of Ghana. Questionnaires were used to collect data from 523 out of about 30,000 filling station managers, supervisors, and attendants. Structural Equation Modelling was used to analyse the data. The result shows a statistically significant effect of strategic innovation dimensions (organizational innovation, marketing innovation, process innovation, and product innovation), and the strategic marketing dimensions (customer-driven and customer-driving) on the performance of oil marketing companies in Ghana. The study further found that service convenience mediates the relationships between all the strategic innovation and marketing dimensions and firm performance in the Ghanaian oil marketing sector. Hence, marketing companies in the downstream petroleum industry must hybridize their marketing and innovation strategies to improve profitability, market share, customer value, and satisfaction. The study further recommends that the management of OMCs create an avenue for services to be delivered conveniently to the customers such as 24/7 self-services and discounted subscriber vouchers. The originality of this study is the theoretical model that offers new strategic insights and perspectives for oil marketing companies by decoupling strategic innovation and strategic marketing to improve customer satisfaction and firm performance. The study also identifies key strategic innovation and marketing constructs that promote the general performance of OMCs. Future studies should increase the sample to enhance the generalization of the study.

Keywords: strategic innovation; strategic marketing; service convenience; price volatility firm performance; oil marketing companies.