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THE CONTRIBUTION OF E- MARKETING TO SERVICE DELIVERY OF AIRLINE OPERATION IN NIGERIA

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Abstract

This study set to examine the influence of e-marketing on sales performance of Airline operations in Nigeria. Data were collected from 100 respondent customers using incidental sampling technique from the purposively sampled eight airline operators at Murtala Muhammed Airport Lagos. Findings showed that internet marketing (85%) is the most used by Airline operators. Furthermore, e-marketing has tremendous advantages in terms of time saving, cost effectiveness and convenience. It is therefore recommended that Airline operators should embark on awareness programmes and training of staff to take maximum advantages of electronic marketing for better Airline operations in Nigeria.

Keywords:E-commerce, E-marketing, Internet, Airport, Airline, Revenue.

1. INTRODUCTION

Air transportation is one of the most important services that offer both significant social and economic benefits. A major player in the air transportation industry is the airline. Current records indicate that there are more than 900 commercial airlines around the world, with a total fleet of nearly 22,000 aircraft (Mohammed, 2004).The increasing number of commercial airline companies has put more pressure on their management to continually seek profits, reduce cost, and increase revenues in a competitive environment that only provides marginal profit.

Before the evolution of Information Communication Technology in airline reservations, the manual reservation system had to be used in selling paper tickets to passengers at the airport and ticketing agent’s office. Unreserved passengers have had little choice but to wait in queues at congested ticketing halls to buy their ticket. This process gave rise to considerable queues, passenger’s discomfort, and at the same time posed a number of operational and administrative problems to the airline industry including system down-time, lost revenue, fraud, cumbersome reporting and accounting, high maintenance cost, Inability to accommodate the pressure that is mounted on the airline by the passengers in getting their seat, wrong allocation of seat number to passengers, error in allocating a seat to more than one passenger, improper keeping of the reservation seat information, and wrong handling of the information that lead to misplacement of

the information. Frequent inconsistencies in the data capture manually could lead to flight under/overbooking of both customer service levels and underutilization of aircraft capacity. The need to counter these challenges posed by the manual reservation system became increasingly imperative as the complexity and demand for and of air travel expanded. (Okeudo and Nwokoro, 2010).

In Nigeria, e-marketing has brought about a fundamental shift in national economies that are isolated from each other by barriers to cross-border trade and investment; isolated by distance, time, zones and language. (Mohammed 2004). Electronic Marketing generates short term feeling of gratitude that has long lasting benefits in terms of both performance and profits. Electronic Marketing offers a significant economy of business resources in comparison with the traditional marketing channels, it provides unique segmentation opportunity; E-marketing is significantly cheaper; besides fixed cost related to it are also minimum. Electronic marketing give values to what customer will get as it makes the operations so easy, effective and efficient and also save more time and cost. Electronic marketing favors more direct marketing to the customer, thus reducing the role of middlemen involvement in any transactions. It also favors offering alternative to customers to choose the way they want to order, pay for, receive, install and even repair the product.

The concept of E-Marketing is to support services with the computing system with high dynamic and open information technology. E-Marketing, also known as doing business without paper, which includes a messaging system, check, pay and product delivery. In this system, electronic data exchange, process communication (computer to computer applications) in the information business is a branch of this system. Trading partners (sellers, buyers or middlemen) global electronic market system meets the Internet. Electronic market is a system that connects computers to each other.

Despite the economic importance of e – ticketing its wide adoption by the Airline players is yet to be evaluated empirically in Nigeria. This study therefore attempts to examine the impact of e – marketing on Airline sales performance and service delivery in Nigeria. The statement of Hypothesis is that there is no significant relationship between e–marketing and service delivery of airline operations.

2. LITERATURE REVIEW

Marketing activities undertaken by learning institutions need to be able to deliver on its objectives to the organizations, given the fact that a firm’s survival depends on its capacity to create value, and value is defined by customers (Day, 1990), marketing makes a fundamental contribution to long-term business success. But despite the importance of measuring business performance there is a little research on the measures used to evaluate marketing performance and effectiveness. On the other hand, when looking to the marketing performance and success measures it is noticed that there are many measures. Recently, in an attempt to organize performance measures Kokkinaki and Ambler (1999) were able to summarize it and established four categories for marketing performance and success measures which were financial measures, competitive market measures, consumer behavior measures, consumer intermediate measures.

Customers and consumers not only acquire information through internet but also can make online purchases by placing orders to desired producers, it provides convenience and time saving for both consumers and producers. Companies can reduce their need of inventory stocks by using the inventory systems. Conducting business in the new digital age will can for a new model for marketing strategy and practice. The internet is revolutionizing how companies create value for customers and build relationships. The digital age has fundamentally changed customers' notion of convenience, speed price, product information and service. Thus today's marketing requires new thinking and action. Companies need to retain most of the skills and practices that have worked in the past. But they will also need to add major new competencies and practices if they hope to grow and prosper in the new environment.

The Internet has brought about the emergence of virtual markets with four primary distinct characteristics, which are real-time, shared, open and global (Mohammad, 2003). The growing rate of ICT utilization particularly the Internet has influenced at an exponential rate, online interaction and communication among the generality of the populace. The shortcomings notwithstanding, most people are connected through their cell phones, home PCs and others through corporate access and public kiosks. The patronage of the Internet all over the world is monumental and has remained on the increase from inception. However, with the enormity of businesses on the Internet, Nigeria is yet to harness the opportunities for optimal financial gains. Virtually all organizations in Nigeria have online presence and Internet access. In fact, it is a status quo. Their goods and services are displayed online but no sales because of poorly embraced payment instrument. Sales are still done the traditional way. Similarly, Internet access is fairly popular among the citizens, particularly for sending mails and sourcing for information.

Furthermore, according to Ayo (2003) in his research the percentage of individuals with payment card is low (36.2%) considering the sample and population used (working-class part-time postgraduate students). The reason for this low result is not unconnected with the economy of the country which is cash-based coupled with the fact that the available cards are mostly ATM cards that are used for settlement of local transactions. Accordingly, the percentage of individuals that is involved in online purchase is pretty low (21%). Considering the level of web commerce participation is generally low, although there are other forms of e-payment through the use of ATM and credit cards in the supermarkets and payment for utilities, which are very prevalent. However, for web commerce, because of the rejection of payment cards that originate from the country, some individuals offer payment services through their international payment cards to consumers for a fee. Furthermore, the available opportunities for e-commerce are very limited considering the number of PC owners, the number of Internet users and the number of available payment cards which are ridiculously low among other things.

Therefore, it is recommended that government and private initiatives be encouraged to improve this sector of the economy. There is need for improved national image on the international arena and an appropriate legislation put in place to guide the operations of web commerce. Similarly, concerted efforts are required for the provision of basic infrastructure in the areas of web presence, Internet access, and e-payment. The entire populace must be encouraged to embrace the e-banking culture as this will in turn reduce the amount of cash in circulation and boost the e-commerce culture.

3. METHODOLOGY

The study was carried out at Murtala Muhammed International Airport, Lagos State. The airport is rated as the largest in Africa and no doubt a virile commercial centre. Likewise, the airport plays host to a significant number of commercial airlines. The sample frame consists of the customers of eight airline companies operating the MMIA route. Purposive sampling technique was used to select the airlines while incidental sampling technique was used to select the staff of the airlines. Data were collected with the aid of structured questionnaire administered on 120 respondents staff members out of which 105 were returned and 100 copies were found analyzable. Qualitative statistical techniques were employed. The descriptive statistics include the use of frequencies and percentages to explain the responses while, correlation was employed in order to establish the relationship between the identified variables

4. FINDINGS AND DISCUSSION

4.1 Electronic Marketing Services of Murtala Muhammed Airport

This section describes the Marketing services provided by airlines at Murtala Muhammed International Airport - Electronic Marketing or Traditional Marketing services and what Electronic Marketing services are available and are patronized by customers.

Table 1: Marketing Services Patronized by customers

Number	Percent	(%)
Traditional Marketing	45	45.0
Electronic Marketing	55	55.0
Total	100	100.0

Source: Field Survey (2018)

It was observed that the Airline Operators in the Airport provides both Traditional and Electronic Marketing services. Regarding the usage of these services, the result revealed that 45% of the respondents prefer to use the Traditional Marketing services while 55% of the respondents prefer to use Electronic Marketing service provided by airlines at the Airport. Further examination revealed that the Airport provides Electronic Marketing services in the form of ATM services, SMS (mobile) Marketing and E-zwich services. The data revealed that 85% of the respondents use the ATM services while 15% do not use ATM services. Further, it was observed that the use of other Electronic Marketing services provided by the Airport is equally high. That is the use of internet Marketing, SMS (mobile) Marketing and E-zwich services, are equally highly patronize by customers. Specifically, while 15% of the respondents do not use Internet Marketing services, 85% use it.

Also, while 40% of the respondents do not use SMS Marketing services, 60% patronize the service. Finally, it was revealed that very few customers do not patronize E-zwich services. The data showed that 23% of the respondents do not use the service while 77% use the service. From the results, it could be concluded that majority of the Airport's customers use Electronic Marketing service and highly patronize the electronic Marketing products offered by the Airport.

Lastly, a total of 85% of the respondents use Internet Marketing services while the rest 15% do not use the service.

Table 2: Use of E-Marketing Services

	Frequency	Per cent (%)
Use of ATM Services		
Yes	82	82.0
No	16	16.0
Use of Internet Marketing Services		
Yes	85	85.0
No	15	15.0
Use of SMS (Mobile) Marketing Services		
Yes	60	60.0
No	40	40.0
Use of E-zwichMarketing Services		
Yes	77	77.0
No	23	23.0
Total	100	100.0

Source: Field Survey (2018)

Table 3: Benefits of E-Marketing Services

	Time Saving/Speed		Cost-Effectiveness		Convenience	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Strongly Agree	48	48.0	36	36.0	40	40.0
Agree	34	34.0	47	47.0	36	36.0
Neutral	10	10.0	10	10.0	15	15.0
Disagree	6	6.0	5	5.0	7	7.0
Strongly disagree	2	2.0	2	2.0	2	2.0
Total	100	100.0	100	100.0	100	100.0

Source: Field Survey (2018)

In the first place, it was revealed that e-Marketing services save time. It drastically reduces time that would have been spent in the Marketing hall to transact business. Specifically,

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48% of the respondents agreed strongly with the statement “Electronic Marketing services saves time” while 34% of the respondents agreed to the statement. In sum 82 per cent of the respondents accepted that electronic Marketing saves time much more than manual Marketing. On the other hand, 8% of the respondents representing disagreed with the statement with 10% remaining neutral.

In examining the benefits of electronic Marketing to customers, the research also sought to find out whether the services are cost-effective. From the responses, it was observed that the introduction of E-Marketing services has been cost-effective for customers who patronize the service. The results showed that 83% of the respondents agreed and strongly agreed that the services offered by e-Marketing have been cost-effective. On the other hand, 7% of the respondents disagreed and strongly disagreed while 10.0 per cent are indifferent. Given the result, it is evident that e-Marketing services are relatively cheap compared to Traditional marketing services.

Further, it was found that, e-Marketing services make Marketing service very convenient for the customers. This view was expressed by majority of respondents. The result showed that 76% of the respondents agreed that electronic Marketing is convenient to use while 9% of the respondents disagree that the services are convenient and 15% could not tell whether the services have been convenient or not. In sum, it is evident that electronic Marketing services have been convenient to customers.

The next item examined was the impact of electronic Marketing on service delivery. The analysis revealed that, e-Marketing services have positively affected service delivery of MMIA Airport. Empirical data showed that, 79 respondents representing 79 per cent indicated that e-Marketing services had a direct positive effect on service delivery of the Airport. However, 21 respondents representing 21 per cent thought otherwise. This result further confirms the positive correlation between e-Marketing and service delivery.

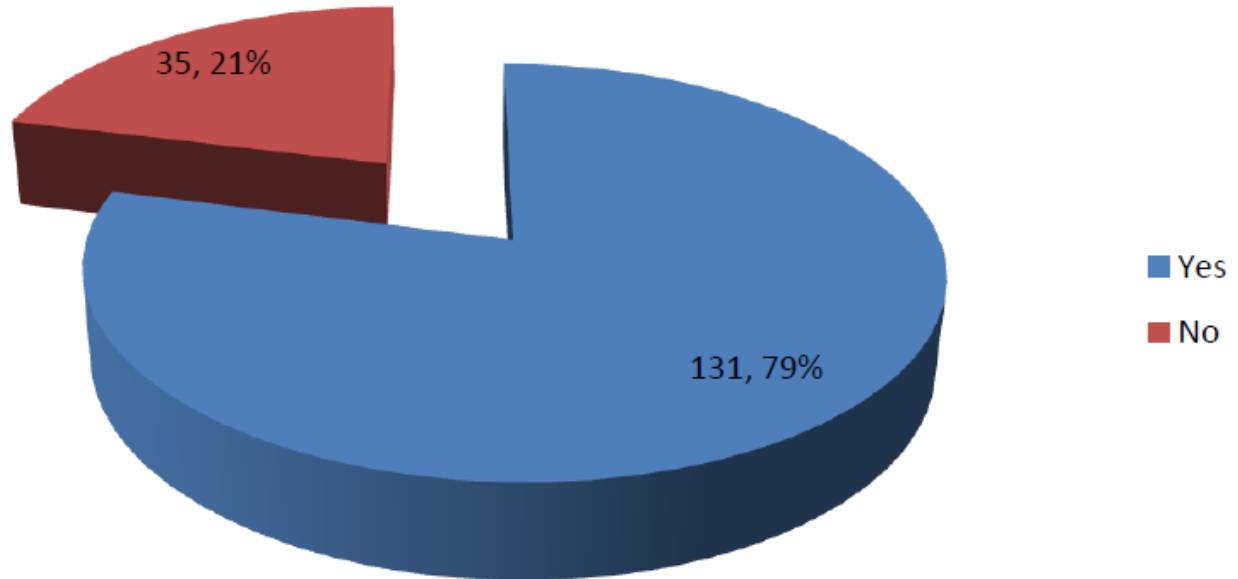


Figure 4.1: Positive Impact of E-Marketing on Service Delivery

Lastly, sought to find out the degree of satisfaction expressed by the customers. In the item, satisfaction was graded as excellent, very good and good and the respondents were requested to indicate their degree of satisfaction. Out of the 100 respondents who were satisfied with the electronic Marketing services rendered by the Airport, 24 representing 24 per cent expressed excellent satisfaction with the service, while 70 per cent said the service is just very good and 6 per cent grade their satisfaction as good. See details in Figure 4.2.

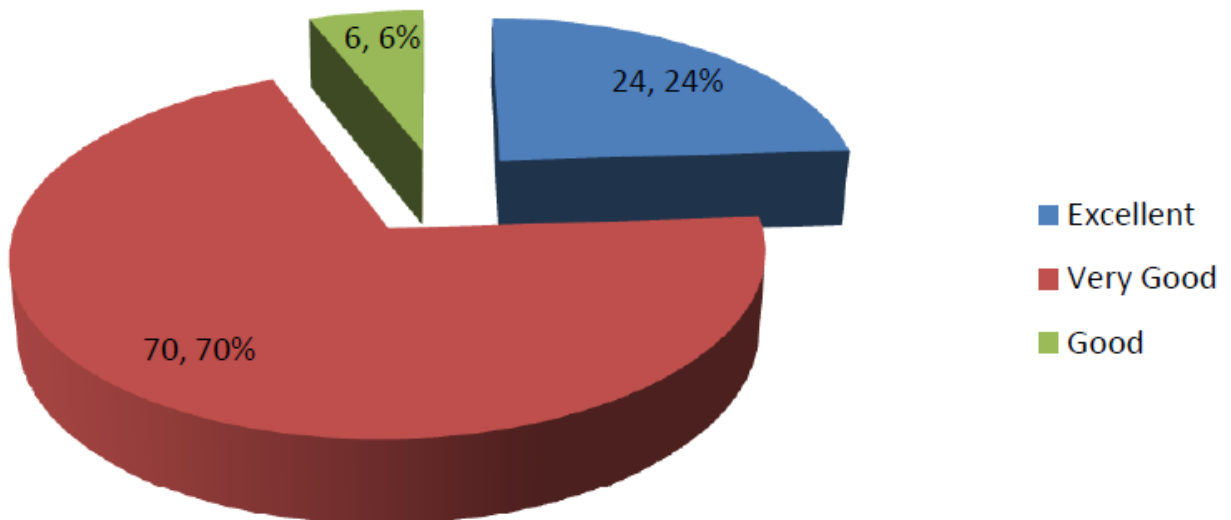


Figure 2: Degree of Satisfaction with E-Marketing Service

4.2 Test of Hypothesis

Table 4.9: Correlation Analysis

		E-Marketing	Service Delivery
E-Marketing	Pearson Correlation	1	.343 (**)
	Significance (2 tailed)	.	.000
	N	100	100
Service Delivery	Pearson Correlation	.343 (**)	1
	Significance (2 tailed)	.000	
	N	100	100

Source: Data Analysis (2018).

In performing the analysis, Pearson Product Moment Correlation was used to establish the relationship between use of electronic Marketing service with service delivery by airline companies at MMIA. The sum of responses of participants on the Electronic Marketing scale represents the score on Electronic Marketing and the sum of responses on the Service delivery scale represents the total score on service delivery. From the correlation analysis, the result revealed a significant positive relationship between service delivery and electronic Marketing [$r=0.34$, $n = 100$, $p<0.05$]. This means that service delivery has improved significantly as usage of electronic Marketing services.

5. CONCLUSION AND RECOMMENDATION

This paper has been able to appraise the contribution of e- marketing to the performance of airline operation in Nigeria. The major E-marketing services offered by airline companies include Use of ATM Services, Internet Marketing Services, SMS (Mobile) Marketing Services and E-zwich Marketing Services. Of these options, internet marketing services is most used; this is followed by the use ATM services. E-Marketing services offer tremendous advantage in terms of Time Saving/Speed, Cost-Effectiveness and Convenience.

The study also determined the nature of service delivery of MMIA before and after the introduction of e-Marketing services. Specifically, the study sought to find out whether the introduction of e-Marketing services have changed the rate of service delivery. The analysis found that, hitherto customers spent several hours before they are attended to. This is because of the long queue and the traditional operations which was slow and inefficient. Therefore, it can be said that service delivery has improved significantly as usage of electronic Marketing services. Airline operators should embark on awareness and staff training to take adequate advantages of e-marketing for effective service delivery

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