MARKETING CAPABILITIES AND FIRM PERFORMANCE OF MAJOR INTERCITY BUS TRANSPORT COMPANIES IN PORT HARCOURT, RIVERS STATE

Chinedu N. Ogbuji¹ & Piabari Nordum¹

¹Department of Marketing, University of Port Harcourt, Port Harcourt, Nigeria

Abstract

The purpose of this study is to analyze the relationship linking marketing capabilities and firm performance of major intercity bus transport companies in Port Harcourt, Rivers State. To test the relationship linking marketing capabilities and firm performance, responses from 70 out of 100 respondents who were selected on the basis of convenience sampling technique of the management staff that work with major intercity bus transport companies in Port Harcourt plying Abuja and/or Lagos routes were used. The descriptive analysis, correlation analysis and multiple regression analysis were used to test the relationship linking marketing capabilities and firm performance. The findings show that marketing capabilities had positive and significant relationship with firm performance. It was recommended that management of major intercity bus transport companies should focus their resources on developing marketing capabilities that create competitive advantage and improve their performance.

A. Introduction

The contemporary business environment is characterized by unending competition which is necessitated by, among other factors, internal and external forces that influence business activities. For intercity bus transport companies to stay abreast of inevitable business competition, they should capitalize on their marketing capabilities in order to deliver value and satisfaction to their customers.

In the transportation industry particularly the intercity bus, it is imperative for companies to identify their marketing capabilities, set priorities in line with customers’ expectations and demand, and be at a position to gain a competitive edge in the market. In fact, by focusing on their marketing capabilities to unmatched customer value and satisfaction, the customer focused intercity bus operators get to gain competitive advantage over other companies. The companies must succeed in building and using marketing capabilities that support marketing strategies which lead to growth and long term survival.

With growing concern for intercity bus operators to achieve superior performance in a complex competitive environment, the roles of marketing capabilities are becoming significant. Compared with other capabilities, marketing capabilities strongly affect firm performance (Krasnikov & Jayachandran, 2008; Nath, Nachiapppan & Ramanathan, 2010).

Furthermore, marketing capabilities help in dealing with the complexity of the market. Marketing capability is defined as the process by which marketing resources, skills, and knowledge are acquired, combined and transformed into value offerings for customers (Vorhies & Morgan, 2005; Day, 2011). Also in this case, marketing opportunities are defined as the process through which the tangible and intangible resources are adequately used to understand the specific needs of the clients, obtaining a differentiated product and a greater brand equity (Day 1994; Dutta, Narashiman & Surendra, 1999, Song, Benedict, & Nason, 2007; Song, Droge, Hanvanich and Calantone, 2005; Yu, Ramanathan and Nath, 2014). The role of marketing opportunities is to meet customer needs and respond to fierce competition by increasing the value of goods and services.

The company develops its marketing opportunities in which it can combine the knowledge and skills of employees with available resources (Vorhies & Morgan, 2005; Yu et al, 2014). The company can improve its ability to discover the market, spending more resources interacting with customers (Narsimhan, Rajiv and Dutta, 2006). Immediately such opportunities develop, competing organizations become difficult to imitate (Day, 1994). Nath, Nachiapppan & Ramanathan (2010) believes that marketing opportunities are one of the most important sources of competitive advantage, and companies use the ability to turn inputs into results based on their marketing mix strategies.

Marketing capabilities of the firm is a complex and multi facet phenomenon (Agyapong,
Some studies argue that marketing capabilities have used different measures. Vorhies, Morgan and Autry (2009) classify marketing capabilities as specified and architectural, while Morgan (2011) classified marketing capabilities into specified, architectural, cross functional and dynamic capabilities - with each of these classifications having their sub units/elements.

Majority of the specialized marketing capabilities studies measured marketing capabilities in terms of the four P’s of marketing namely; product, price, promotion, place (Kambo and Rahman; 2014; Vorhies and Harker, 2000; Tsai & Shih, 2004; Vorhies et. al. 2009; Ngo & O’Cass, 2012; Morgan, 2011). Therefore, this study adopted the four P’s approach to measure marketing capabilities based on the classical marketing mix (Morgan, 2011). Operators of major intercity bus transport companies in Port Harcourt plying Abuja and/or Lagos routes, should focus on various combinations of marketing mix elements. In practice, these elements are ideally combined in a unique manner that adds value to customers. Each of these four P’s capabilities has been acknowledged as important to success in general (Wileman & Jary, 1997; Sharma, Levy & Kumar, 2000). The four P’s are explained as follows:

a. **Product Capability**: it is the process by which companies develop effective products to meet customers’ desires (Kemper, Engelen & Brettel 2011, Murray, Gao and Kotabe 2011, Mariadoss, Tansuhaj & Mouri, 2011)

b. **Price capacity**: the ability to generate income from customers (Dutta, Zbaracki and Bergen, 2003). This helps companies understand the price strategies of competitors and to change the price in a timely manner (Kaleka, 2011, Kemper et al., 2011)

c. **Place or Distribution Capability**: Ability to establish and maintain distribution channels that provide value to the end user (Brettel, Engelen, Muller & Schilke, 2011)

d. **Promotion or Marketing Communication Capability**: This helps companies influence the value of consumers through advertising, personal sales, sales promotion and public relations (Vorhies et al, 2005; Kaleka, 2011; Kemper et al 2011). Advertising and public relations should provide and disseminate related information that can increase mutual understanding and trust and sales promotion - increase short-term sales (Li & Wang, 2006).

Intercity bus transport companies play a significant role in the passenger segment, as this improves social mobility. Intercity bus transport is the most environmentally friendly way, both in terms of greenhouse gas emissions (GHG) and fuel economy. It solves the problem of traffic caused by the excessive use of private vehicles. Intercity bus transport accounts for over 60% of long-distance passenger transport in recent years, is the main mode of long-distance travel (Farsi, Fetz and Filippini, 2007).

Schwieterman (2010) stated that the intercity bus was the fastest growing type of public transport in the Western world from 2007 to 2010. Intercity bus services seem to offer reliable, safe, convenient and better integrated transport services, which will prove to be cheaper than using a private car.

In Nigeria in the early 1970s, intercity buses began to be transported. Currently ABC Transport Company is the main operator of the service. Continuing the flow of people to Port Harcourt and from there for a variety of purposes, there is intense competition between the various intercity bus operators.

In order to compete, intercity bus transport operators must provide marketing capabilities that achieve superior competitive advantage over competitors and enhance attainment of firm performance. Therefore, this seminar paper examined the effect of marketing capabilities on the performance of major intercity bus transport firm in Port Harcourt, Rivers State.

**B. Statement of the Problem**

Reviews of empirical literatures reveal that there are divisions among scholars on the relationship linking marketing capabilities and firm performance. While some scholars support a direct significant relationship linking marketing capabilities and firm performance, other scholars argue that the relationship linking marketing capabilities and firm performance is indirect and not significant.
Thus, the basis of this study is disagreement with the relationships that bind marketing opportunities and stable functioning among scientists, as well as the lack of research on marketing capacity and performance in major intercity bus transportation companies in Port Harcourt, Rivers State. The purpose of this study is to examine to what extent marketing capabilities affect the performance of large intercity bus transport companies in Port Harcourt, Rivers.

Based on the objective above, this work will test the main hypothesis.

**H0:** There is no significant positive relationship linking marketing capabilities and firm performance of major intercity bus transport companies in Port Harcourt, Rivers State.

**Review of Related Literature**

This section highlights the conceptual framework, showing relationship linking marketing capabilities and firm performance in a model. While theoretical framework takes care of theories upon which the study is built, empirical studies in marketing capabilities, transportation and its goal, intercity bus operation and empirical studies.

A conceptual framework is a virtual or written explanation that shows either graphically or in narrative form the main concepts or variables to be studied and the presumed relationship among them (Lee and Wang, 2001). Figure 1 helps explain the relationship linking marketing capabilities (independent variable) using construct; product/service, price, promotion and place while firm performance (dependent variable).

**Figure 1:**

![Conceptual Model](source: Conceptual Model developed by researcher (2017)).

The theoretical framework of the study was anchored on three theories, namely; The Resource Based View Theory, The Capability Based View Theory, and The Dynamic Capability Theory.

**The Resource Based View Theory** of the firm was used to explain how firms allocate their scarce resources to obtain and exploit competitive capabilities. RBV in progress to obtain a superior competitive advantage is the availability of some key resources that have the characteristics of added value for customers, for example, due to lower prices, excellent quality and greater benefits (Cabañero, González Cruz-Ros, 2010); two of which present obstacles to duplication (Collins & Montgomery, 1995); and three were suitable (Amit & Shoemaker, 1993). These resources may be assets such as plant and machinery and intangible assets, such as brand and reputation (Aaker, 2008), and features such as skills creation, training and
dissemination of activities (Mahoney, 1995).

To create economic value, maintain competitive advantages and achieve excellent profitability, the organization requires a wide range of opportunities (Day, 1994). This theory applies to the study, because it helps to understand the importance of identifying valuable, rare, inimitable, and not susceptible to resource replacement and marketing opportunities related to long-distance bus transport operators, and the impact of these opportunities and resources for the company’s performance.

The Capability Based View Theory (CBV), Grant (1991) argued that capabilities are the sources of competitive advantage, while resources are the source of competences. Amit and Shoemaker (1993) has adopted a similar position and suggested that resources do not contribute to sustainable competitive advantages for the company, but to its capabilities. Haas and Hansen (2005) and Long and Vickers-Koch (1995), supported the importance of the capabilities and suggested that the company can gain a competitive advantage by its ability to use its capabilities to perform important activities within the company.

The Dynamic Capabilities Theory argues that the company’s performance is not only related to the resources at its disposal, but also depends on the capabilities with which the resources are acquired, managed and integrated into the company to respect its environmental capabilities for a sustainable competitive advantage (Makadok, 2001). “Capabilities are also dynamic when they enable firms to formulate and implement new strategies to reflect change in the marketing environment, and are also distinguished from other processes that are being performed by rivals” (Ethiraj, Kale, Krishnan & Singh, 2005; Barney & Delwyn, 2001).

From the literature it is clear that the company is not sufficient to own valuable resources, difficult to emulate and non-substitutable, there is also the need for adequate competencies through which these resources will be managed to be at par with changes in the environment, in particular market conditions for excellent performance (Teece 2007 Morgan et al., 2009).

Empirical Evidence shows that the influence of marketing capabilities on firm performance has led to different results. Nath et al. (2010) in their study of 102 logistics companies in the United Kingdom have found significant positive relationships linking marketing capabilities and business performance. In a study of 72 semiconductors, manufacturing companies Dutta et al. (1999), it was revealed that marketing capabilities have a significant impact on the firm performance. Wilden & Gudergan (2015) found that marketing capabilities are positively associated with sustainability in a highly competitive environment. Adeola, Olufemi, Jubril and Peter (2015) in their study on manufacturing companies in Lagos State found a significant relationship linking marketing capability and the effectiveness of the organization. Other scientists who have shown the same results include (Vorhies, Douglas & Morgan, 2005; Song et al., 2005; 2007).

However (Yu et al., 2014) found that marketing capabilities are not related to financial performance and are not mediated by operational capabilities. Others that support indirect relationships; (Driem & Butler, 2001; Brush & Artz, 1999).

Firm Performance

Most forms of marketing activities are done to attract and retain customers; hence non-financial measures are important. Non-financial measures are better predictors of a firm’s long run performance and they help managers monitor and assess their firm’s progress towards strategic goals and objectives (Kaplan & Norton, 2001).

Various researchers have measured non-financial performance differently. Some measure it by looking at the workforce development, product quality, customer satisfaction, on time delivery, innovation, market share, efficiency, productivity, leadership and employee satisfaction (Datar, Kulp & Lambert, 2001; Ibrahim & Lloyd, 2011; Kaplan & Norton, 2001).

Other studies paid more attention to customer and employee satisfaction, customer loyalty, customer acquisition, new product development and market share as non-financial performance indicators to assess firm performance (Tsai & Shih, 2004; Hooley, Greenley,
Customer satisfaction has significant implications for the economic performance of firms through increased customer loyalty and reduced likelihood of customer defection (Gummesson, 2004). Having a process in place to ensure and track customer satisfaction provides valuable information for maintaining customer relationships. Therefore, customer satisfaction is used as a measure of firm performance.

**Relationship between Marketing Capabilities and Firm Performance**

The relationship linking marketing capabilities and firm performance has received increased research attention in recent years (Morgan et al., 2009; Murray, Gao, & Kotabe, 2011; Vorhies et al., 2009; Krasnikov & Jayachandran, 2008). Most of the findings of these studies support the relationship linking capabilities and performance, which is consistent across diverse research contexts (Krasnikov & Jayachandran, 2008). The conceptual justification for this relationship is based on the recognition that opportunities include skills deeply rooted in organizational procedures and practices and represent the accumulated knowledge over the years. As a result, capabilities are difficult to negotiate, imitate or duplicate, offering a sustainable source of competitive advantage (Day, 1994, Teece et al., 1997). In addition, marketing capabilities support companies to effectively implement strategic procedures designed to meet market conditions and achieve specific performance goals (Morgan et al., 2009).

Several researchers have different opinions about the relationship linking marketing capabilities and firm performance. Some argue that the relationship is direct and positive (Day, 1994, Krasnikov and Dzhayachandran, 2008, Nath et al., 2010; Wilder & Gudergan, 2015; Adeola, Olufemi, Jubril & Peter, 2015) while the others support indirect relationships (Priem & Butler, 2001, Brush & Artz, 1999). Others argue that by establishing a direct link between marketing capacity and the firm performance, researchers forget that company performance depends not only on marketing capabilities, but also on other contextual circumstances, such as industry and macroeconomic issues.

**Intercity Bus Operation and Empirical Evidence of Public Transport Services Quality**

The concept of intercity originated from the intercity sector of British Rail and includes long distance travels over 100km between cities, town or regions or states (Kato, Tanishita & Matsuzaki, 2010). Intercity buses are regularly scheduled bus services for the public that operate with limited stops, over fixed routes connecting two or more urban areas not in close proximity. Those who patronize intercity bus transport are likely to be between 12 years and 24 years old or over 60 years and likely to have lower household incomes, college students, recent immigrants, military personnel and recently released prisoners are among the largest intercity bus market patrons; people with the means to choose other modes of intercity travel generally do not ride a bus (Higgins, Warner, Morgan, & Dunham, 2011). Their services rely on passengers fare revenue to cover operating and capital cost and to generate an adequate return on investment to attract capital for growth (Fravel, 2003).

In general, service quality remains a challenge for most public transport organizations due to the complexity inherent in measuring service quality (Zeithami & Bitner, 2000). It is a complex area of study and to measure the quality of service in public transport, in particular, even more difficult the personal nature of service (Mcknight Pagano & Paaswell, 1986; Parasuraman Berry & Zeithami, 2000).

To get an idea of the problem that afflicts the public (intercity bus), the quality of transport services in general is provided by some background studies from the developing and developed world. For example, the studies conducted in Singapore in 2012 showed that there are four important aspects that should be considered in the field of public transport; connections, extent of service, livable cities, and inclusivity, all of which enhances commuters traveling experience (Land Transport Authority 2013). A study conducted in Scotland by the Department of Transportation has revealed over 30 different service attributes: from punctuality and reliability of the service to the cleanliness of the stations. These attributes are considered important for passengers and cause dissatisfaction if they were not met with a
satisfactory level, with public transport organizations deeming it important to try their best to meet passengers’ reasonable needs at all times (Samson & Thompson, 2007).

From a European public transport study conducted in 2009 (Simona, 2010), it was clear that data on the quality of public transport services were uncertain and virtually non-existent. Additional important service parameters included, among other things, availability, service monitoring, travel times, safety and security, and cleanliness of vehicle transport capacity (Simona, 2010).

The studies conducted in Great Britain in 2010 (Gazibara, 2011) have shown that the quality of the service is significant for the public transport of the future. Prioni & Hensher, (2000) pointed out that some service quality indicators can be interpreted at the same time as a supply characteristic and as a direct determinant of transit demand (e.g. timetable frequency maps into waiting time). Hensher & Prioni (2002) further clarifies the need to define a service quality index that adequately reflects the effectiveness of the service in the development of performance-based contracts. In these studies, it is important to note that improving the quality of services always increases customer satisfaction. Some companies stand out from the competition by offering leather seats, free wireless internet, and more legroom and on more occasions, meals and movies.

Priman, (2004) refers to the opposite attitude for Swedish operators investing in information systems, the frequency and construction of travel centers. Furthermore, the opinion was expressed that the quality of the service is important and, therefore, is a key factor in the competition of buses. (Dodgson, Katsoulacos & Newton, 1992 and 1993; Dodgson & Katsoulacos 1988; Bly & Oldfield 1986; & Glaister 1985 and 1986).

C. Methodology

This survey project was designed to study the effect of marketing opportunities on the performance of the major inter-city bus transport companies in Port Harcourt, plying an activity on the Abuja and / or Lagos route. The choice of Harcourt Port was based on the prevalence of transport companies and on the high population density due to the influx of people in and out of the city. Most transport companies loading points are clustered within Waterline/Olu-obasanjo Area, Rumuola Axis, Eliozu Area, Oil Mill/Eleme Junction and Ikwerre Road Axis. Five research assistants were assigned to administer in different areas.

The population of the study is unknown, as such all management staff of intercity bus transport companies operating in Port Harcourt environment plying Abuja and/or Lagos routes was considered. The convenience sampling technique was adopted in selecting samples based on companies’ locations and mode of operations.

A total of 100 copies of the questionnaire were administered out of which 83 copies were recovered, 13 copies were void due to inconsistencies in filling the questionnaire. The total number of copies of questionnaire used for the study was 70, comprising of 15 directors, 35 managers and 20 administrative staff of major intercity bus transport companies. Therefore, the sample size of the study is 100.

The instrument used for collection of information was the questionnaire, mainly designed to elicit information from directors, managers and administrative staff of the intercity bus transport companies in Port Harcourt. The questionnaire was divided into three sections, the first section contained questions about the company and respondent profile, the second section contained questions focused on marketing capabilities, the third section had questions on firm performance. Respondents were asked to respond on a four point Likert Scale ranging from “strongly disagree” to “strongly agree” with values of 1,2,3. And 4 respectively assigned in ascending order.

The content and face validity was used and assessed by the supervisor, a senior lecturer. The instrument was also pretest on managers of other transport companies not considered in the area of study to see whether the question followed the correct sequence.

A reliability test was carried out on the responses to the questions, using Cronbach’s alpha. The result showed a Cronbach’s alpha score of 0.812 indicating a very good fit.
Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>Cronbach’s Alpha Based on standardization items</th>
<th>No. of items.</th>
</tr>
</thead>
<tbody>
<tr>
<td>.812</td>
<td>.812</td>
<td>5</td>
</tr>
</tbody>
</table>

The data collected was analyzed using Pearson’s Product Moment of Correlation (PPMC) and Regression analysis for the test of hypothesis. The regression model of the study is given as:

\[ \gamma = a + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + e_1 \]  

Equation one

Where:  
\( \gamma \) = Firm performance (FIRMPERFORM)  
\( a \) = constant (Intercept)  
\( B_1, B_2, B_3, B_4 = \) regression coefficient  
\( X_1 = \) Product/Service Capability (PRODCAP)  
\( X_2 = \) Price Capability (PRICCAP)  
\( X_3 = \) Promotion Capability (PROMCAP)  
\( X_4 = \) Place/distribution Capability (PLACDISCAP)  
\( e_1 = \) error term

From equation one, Regression equation:

\[ \gamma = a + B_1 \text{PRODCAP} + B_2 \text{PRICCAP} + B_3 \text{PROMCAP} + B_4 \text{PLACDISCAP} + e_1 \]

Table 1: Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Sum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODCAP</td>
<td>70</td>
<td>14</td>
<td>20</td>
<td>1183</td>
<td>16.90</td>
<td>1.364</td>
</tr>
<tr>
<td>PRICCAP</td>
<td>70</td>
<td>14</td>
<td>20</td>
<td>1197</td>
<td>17.10</td>
<td>1.426</td>
</tr>
<tr>
<td>PROMCAP</td>
<td>70</td>
<td>12</td>
<td>20</td>
<td>1158</td>
<td>16.54</td>
<td>2.012</td>
</tr>
<tr>
<td>PLACDISCAP</td>
<td>70</td>
<td>14</td>
<td>20</td>
<td>1214</td>
<td>17.34</td>
<td>1.328</td>
</tr>
<tr>
<td>FIRMPERFORM</td>
<td>70</td>
<td>17</td>
<td>20</td>
<td>1280</td>
<td>18.29</td>
<td>.725</td>
</tr>
</tbody>
</table>

The descriptive statistics as shown in table 1 indicate that the mean value of product capability (PRODCAP) is 16.90 with a standard deviation of 1.364; the mean value for price capability (PRICCAP) is 17.10 with a standard deviation of 1.426. Also the mean value for promotion capability (PROMCAP) is 16.54 with a standard deviation of 2.012 and the mean value of place/distribution capability (PLACDISCAP) is 17.34 and its standard deviation is 1.328. Finally the mean value of firm performance (FIRMPERFORM) is 18.29 with a standard deviation of 0.725. The descriptive analysis was performed on the responses as indicator of their level of agreement with the statement in the questionnaire.

Correlation Analysis

Correlation analysis between the four variables of marketing capabilities and firm performance was done to measure the strength of association between the two variables. The result is shown in table 2.

Table 2: Inter – Item Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>PRODCAP</th>
<th>PRICCAP</th>
<th>PROMCAP</th>
<th>PLACDISCAP</th>
<th>FIRMPERFORM</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODCAP</td>
<td>1.000</td>
<td>.691</td>
<td>.664</td>
<td>.603</td>
<td>.381</td>
</tr>
<tr>
<td>PRICCAP</td>
<td>.691</td>
<td>1.000</td>
<td>.592</td>
<td>.395</td>
<td>.378</td>
</tr>
<tr>
<td>PROMCAP</td>
<td>.664</td>
<td>.592</td>
<td>1.000</td>
<td>.580</td>
<td>.280</td>
</tr>
<tr>
<td>PLACDISCAP</td>
<td>.603</td>
<td>.395</td>
<td>.580</td>
<td>1.000</td>
<td>.062</td>
</tr>
<tr>
<td>FIRMPERFORM</td>
<td>.381</td>
<td>.378</td>
<td>.280</td>
<td>.062</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Summary Item Statistics

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Range</th>
<th>Maximum</th>
<th>Variance</th>
<th>No. of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Item</td>
<td>17.234</td>
<td>16.543</td>
<td>18.296</td>
<td>1.743</td>
<td>1.105</td>
<td>.431</td>
<td>5</td>
</tr>
<tr>
<td>Item</td>
<td>2.046</td>
<td>.526</td>
<td>4.049</td>
<td>3.523</td>
<td>7.699</td>
<td>1.609</td>
<td>5</td>
</tr>
</tbody>
</table>
Correlation is an inferential statistics that describes the magnitude and direction of relationship linking two or more variables. The correlation coefficient (r) ranges from -1 to +1 and the closer the r value to +1, the stronger the relationship between the variables.

The result shows that the correlation between PRODCAP and PRICCAP is 0.691, a strong positive association, the correlation between PRODCAP and PROMCAP is 0.664; another strong positive association.

The correlation between PRODCAP and PLACDISCAP is 0.603, a strong positive association. Also the correlation between PRICCAP and PROMCAP, PLACDISCAP and PRICCAP; PRICCAP and FIRMPERFORM are 0.592, 0.395 and 0.378, all positive association.

The table equally showed that the correlation between PROMCAP and PLACDISCAP; PROMCAP and FIRMPERFORM; PLACDISCAP and FIRMPERFORM are 0.580, 0.280 and 0.062 are all positively associated but only PLACDISCAP and FIRMPERFORM show a very weak positive association in all.

From the correlation analysis, all the marketing capabilities variables showed a positive relationship with firm performance.

**Regression analysis** was carried out to further explain the relationship linking marketing capabilities and firm performance on the SPSS version 21 software. The model summary and coefficient statistics showed the result about the regression model as follow:

\[
\text{FIRMPERFORM} = 15.550 + 0.193 \text{ PRODCAP} + 0.094 \text{ PRICCAP} + 0.034 \text{ PROMCAP} - 0.155 \text{ PLACDISCAP}
\]

Where;

- 15.550 = Constant value of FIRMPERFORM when all marketing capabilities values are equal to zero.
- 0.193 = Coefficient of product capability (PRODCAP). For every unit increase in PRODCAP, we expect approximately 0.193 point increase in the FIRMPERFORM Score, holding all other variables constant.
- 0.094 = Coefficient of price capability (PRICCAP). For every unit increase in PRICCAP, we expect approximately 0.094 point increase in the FIRMPERFORM Score, holding other variable constant.
- 0.034 = Coefficient of promotion capability (PROMCAP). For every unit increase in PROMCAP we expect approximately 0.034 point increase in the FIRMPERFORM Score, holding all other variables constant.
- -0.155 = Coefficient of Place/distribution capability (PLACDISCAP). For every unit increase in PLACDISCAP, we expect approximately 0.155 point decrease in the FIRMPERFORM score, holding all other variables constant.

### Table 3: Firm Performance and Marketing Capabilities Regression Result

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R square</th>
<th>Adjusted R square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R square change</td>
</tr>
<tr>
<td>1</td>
<td>.465(^a)</td>
<td>.216</td>
<td>.168</td>
<td>.661</td>
<td>.216</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>F change</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>df 1</td>
</tr>
</tbody>
</table>

**ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>Df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>7.853</td>
<td>4</td>
<td>1.963</td>
<td>4.488</td>
<td>.003(^b)</td>
</tr>
<tr>
<td>Residual</td>
<td>28.433</td>
<td>65</td>
<td>.437</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>36.286</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) **Predictor’s (constant)** PLACDISCAP, PRICCAP, PROMCAP, PRODCAP

\(^b\) **Dependent variable**: FIRMPERFORM

\(^b\) **Predictors (constant)**, PLACDISCAP, PRICCAP, PROMCAP, PRODCAP
<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficient</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(constant)</td>
<td>15.550</td>
<td>1.240</td>
<td>12.543</td>
<td>.000</td>
</tr>
<tr>
<td>PRODCAP</td>
<td>.193</td>
<td>.097</td>
<td>.362</td>
<td>1.992</td>
</tr>
<tr>
<td>PRICCAP</td>
<td>.094</td>
<td>.080</td>
<td>.184</td>
<td>1.168</td>
</tr>
<tr>
<td>PROMCAP</td>
<td>.034</td>
<td>.058</td>
<td>.094</td>
<td>.589</td>
</tr>
<tr>
<td>PLACDISCAP</td>
<td>-.155</td>
<td>.079</td>
<td>-.284</td>
<td>-1.950</td>
</tr>
</tbody>
</table>

a Dependant variable: FIRMPERFORM

Table 3 shows the results of the analysis. In the first section of the table; the model summary; provides the R values. The R value of 0.465 suggest that the overall correlation of all five (5) variables is about 47%, which is also positive and suggest that the variable are significant for the study. That is marketing capabilities variables influence the firm performance of major intercity bus transport companies in Port Harcourt, plying Abuja and/or Lagos routes.

The R² value of 0.216 shows that about 22% of the variations in Firm Performance is explainable by the four (4) independent variables (marketing capabilities).

The t values for the variables (IV’s) shows that two (2) out of the four (4) IV’s are very significant as their P values are less than and equal to 0.05 (P < 0.05), they are the PRODCAP and PLACDISCAP, thus we reject the null hypothesis (H₀) and accept the alternate hypothesis. There is significant positive relationship linking marketing capabilities and firm performance.

The F-value as 4.488 with a P-value of 0.003, suggest that overall model is best fit and is significant.

D. Conclusion

The results indicate that there exist a significant relationship linking marketing capabilities and firm performance of major intercity bus transport companies in Port Harcourt. This is in line with the finding of Nath et al., 2010; Vorhies et al., 2005; Krasnikor & Jayachandra, 2008; Wilder & Gudergan, 2015; Adeola, Olufemi, Jubril & Peter, 2015; Song et al., 2005; 2007, that have found a positive impact of marketing capabilities on firm performance. Therefore, the management of intercity bus transport companies should focus their resources on developing marketing capabilities that create competitive advantage and improve their performance.

Recommendations

Sequel to the findings and conclusion, the following recommendations are made;

i. The management of intercity bus transport companies should engage skillful personnel, modern buses and adequate service quality as lead to competitive advantage and give customer satisfaction.

ii. They should charge different competitive price range that is reasonable and affordable for different classes of bus services.

iii. They should adopt the use of modern technology in the booking operations and locate offices in areas closer to customers for easy access and takeoff.

iv. They should use the promotional technique to inform, attract and sustain customers.

References


