THE EFFECT OF ADVERTISING ON THE MARKETING OF PETROLEUM PRODUCTS: *A CASE STUDY OF TEXACO NIGERIA PLC*

BY

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JULY, 1998

CERTIFICATION

This project entitled **"The Effect of Advertising on the Marketing of Petroleum Products - A Case Study of Texaco Nigeria PLC"** by **Shuaib Nuhu** meets the regulations governing the award of the Degree of Master of Business Administration (M.B.A.) of Ahmadu Bello University Zaria, and is approved for its contribution to knowledge and literary presentation.

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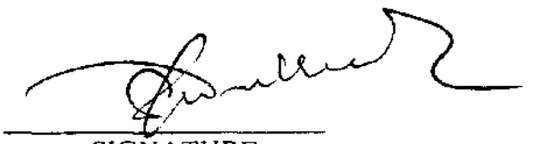
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DECLARATION

I declare that this project has been written by me, and that it is a record of my own research work.

To the best of my knowledge and belief, it has not been presented before for the award of degree.

All materials used were duly acknowledged.



SIGNATURE

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DEDICATION

This work is dedicated to:

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ABSTRACT

The study addressed itself to the effect of advertising on the marketing of petroleum products with particular emphasis on Texaco Nigeria Plc and the study was restricted to the northern part of the Country. The aim was to evaluate Texaco's current advertising strategies and consequently come up with the ideal strategy for the company. Existing literature was reviewed to show the various forms of promotional tools, types of advertising and advertising media. Factors influencing media selection were also reviewed. The benefits and objectives of advertising were discussed.

Questionnaire and interview were used to obtain primary information. Secondary information were derived from records obtained from the company and other related materials.

The findings of this research work showed that the present advertising campaign of the company of study is ineffective. This was attributed to the fact that emphasis was placed on newspaper and billboard. These failed to create the necessary impact because the majority of the target market were either illiterates or poorly educated.

The study revealed that radio and television are the most appropriate media through which Texaco should advertise her products in the north.

CHAPTER ONE

INTRODUCTION

1.1 GENERAL OVERVIEW:

WITH THE ADVENT OF INDUSTRIAL REVOLUTION IN EUROPE, MORE machines were introduced in the production process to boost production of goods and services. This resulted into large amount of goods available for sales.

As would be expected, consumers were exposed to varied products and were required to select products that would give them optimal satisfaction in relation to what they needed and the limited resources available at their disposal.

Companies on the other hand were concerned with achieving high sales, maximizing profit, boosting their image and gaining competitive advantage over their competitors. These goals were not easily achieved based on the fact that every company had competitors who were always out to outdo one another.

The basis of this study is the marketing of petroleum products. Since the discovery of crude oil in Nigeria in the late 1950s at Oloibiri in Rivers State, several companies sprang up to market this lucrative product. Some of these companies are foreign based and include Unipetrol, Texaco, Mobil, Total, National, Agip, African Petroleum, Elf etc.

For any such oil company to excel above its counterparts and competitors, it has to employ certain marketing strategies, to attract the attention and interest of consumers to the products it markets and thereafter retain such customers. All the companies engage

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in this to a certain degree but using Texaco as a case study this project will examine how it is done and the ideal strategies for the company.

Nigeria is abundantly blessed with oil deposit making much attention to be given to the sector. Apart from the major marketers who are mostly multinational companies, there are also some indigenous firms engaged in the marketing of these products.

For the better part of the last two decades, country has witnessed shortage of oil products. Prominent among the reasons responsible for this is the lack of maintenance culture on the part of Nigerian government who fails to carry out constant and adequate maintenance on the refineries. Therefore, anytime there is a major breakdown, the government results to importation pending the time expatriates are invited to come and carry out the repairs. Secondly, the activities of smugglers did not help matters. It is generally believed that petroleum products are under-priced in this country. This makes the products to be smuggled into neighbouring African countries for higher profits.

The menace created by the scarcity of the products cannot be over-emphasized. Firstly, some unpatriotic Nigerians hoard these essential commodities and consequently sell them at black market rates. As if this is not enough, others adulterate petroleum products in order to make abnormal profit.

The burden of these ungodly activities rests on the consuming public who pays high price sometimes for adulterated products. We now live an era where the public view the oil companies as not having the interest of consumers at heart.

It is therefore, necessary for such companies to protect their battered image and win the interest of the consumers. Advertising is the necessary tool through which this can be achieved.

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1.2 PROBLEM STATEMENT

Marketing of petroleum products is still one of the major problems the country is facing despite the fact that Nigeria is one of the leading crude oil producers in the world. This problem is not unconnected with the lack of executive personnel in the area of strategic marketing policies as it relates to petroleum products. This has aroused the attention of key players in the oil industry and hence the need to find lasting solution. Advertising is one of the marketing tools with which an effective marketing can be carried out.

In the light of the above, the following basic questions emerge:

- How effective or otherwise is the promotional strategy being currently employed by Texaco at realising its sales objective?
- Which promotional strategy needs more attention?
- Does the non-use of local languages to advertise Texaco products hinder sales targets?
- What effect will the use of slogan or statement notations have on the customers' demand for petroleum products?
- Considering the country's present socio economic problems is the huge sum being expended on promotional activities justifiable?

This project work attempted to find answers to these questions.

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1.3 AIMS AND OBJECTIVE OF THE STUDY:

The aim of this research project is to study the effect of advertising on the marketing of petroleum products with particular reference to Texaco Nigeria Plc. In other words, it is the aim of the study to see how this variable can aid the company in realising its sales objective.

The project aims at seeing the effects of various media of advertisement such as billboards, radio, television etc on the company's promotional activities. The study also aims at investigating the correlation of advertising and increase in sales, profit maximization, market expansion and generally improved products enhanced by creating awareness among consumers. It is the aim of this research work to assess the impact of advertisement on the cost of production in order to see the rationale behind advertising and other promotional activities.

On a final note, useful recommendations and suggestions for the improvement of advertising of petroleum products toward the enhancement of sales will be proffered.

1.4 SIGNIFICANCE OF THE STUDY

For quite a period of time, there has been an increasing need for advertising. The reasons for this are not far fetched. The increasing level of competition, technological advancement and the volatile nature of the modern economic system, change in taste and preference of consumers are but a few of such reasons. Despite this need for advertising, some view it as exploitative in that it increases the unit cost of a product. This work is therefore necessary to buttress or diffuse such negative views on advertising.

It is equally on record that management do often find themselves at crossroads as to how to use advertising effectively and efficiently as a promotional tool. This research will guide future management decisions regarding promotion and advertising of products especially in the oil industry.

Since the company desires to outdo its competitors and boost its image among the customers in order to achieve high profits, effective advertising techniques are of great significance in the achievement of sales targets.

1.5 SCOPE AND LIMITATION OF THE RESEARCH

This study is restricted to product advertising as opposed to institutional advertising and it does not attempt to cover advertising in all of its ramifications but rather its impact on the marketing of petroleum products.

The study is also limited to the effect of advertising as it affects the marketing of Texaco products and not the other oil companies.

The geographical entity covered by the study is Nigeria and more specifically questionnaires administered were restricted to the northern part of the country.

As part of the limitations of this work is the issue of time which was on the side of the researcher. Equally, the bulk of the respondents that constituted the sample of study were illiterates/semi illiterates that the researcher or his assistant had to assist in filling the questionnaires. The above notwithstanding, a thorough and objective study was carried out.

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1.6 STATEMENT OF HYPOTHESES

The following hypotheses were formulated to give focus to lines of enquiry and act as guide when interview and questionnaires were administered.

1. Advertising stimulates the sales of a company's products.
2. Radio is not the most effective medium for advertising petroleum products in the northern part of Nigeria.
3. The use of Yoruba, Igbo and Hausa as the media of advertising will not help to boost product sales.
4. Newspaper advertisement does not have influence on Texaco customers
5. The present Texaco advertising campaign is not effective.

CHAPTER TWO

LITERATURE REVIEW

2.1 Evolution of Marketing

BEFORE THE SECOND WORLD WAR THERE WAS NOTHING LIKE marketing or marketing management not to even talk of sales management. In those days, for instance, a tailor only made clothes on orders from individuals. Right after the Second World War, many people returned from the war with lots of money and new ideas. Many got married earlier than expected and produced children at younger ages. Some war returnees established businesses and produced goods in abundance to meet the demands that were created by the people. this resulted in more goods than the market needed. The idea of having to make goods to what people would buy arose.

Marketing is defined as "***a total system of interacting business activities designed to plan, price, promote, and distribute want satisfying products and services to present and potential customers.***" (Okeji and Akpan 1989). Martin Christopher et al define marketing as "***the ways in which an organisation matches its own human, financial and physical resources with the wants of its customers.***" Another author, Larry Rosenberg views marketing as "***a matching process, based on goals and capabilities, by which a producer provides a marketing mix (product, services, advertising, distribution, pricing etc), that meets consumer needs within the limits of society.***"

Most advance countries are operating under what is called "Marketing Concept" in recent years. Once mass-production could be taken for granted, attention is directed

from producing what is adequate for most people to producing what is desirable to meet individual needs and requirements.

Thus, the emphasis changed from selling what manufacturers made to making what people will buy. This is what is known as marketing concept.

However, there are four alternative concepts under which organisations or businesses can carry out their marketing activities. Marketing concept is just but one of these concepts. Others are production concept, product concept and selling concept.

The production concept is one of the oldest concepts guiding sellers. Here the management thinks and believes that consumers will favour those products that are available and affordable, and therefore the major task of management is to engage in improved production and distribution efficiency.

Next comes the product concept which is a management orientation that assumes that consumers will favour those products that offer the most quality for the price, and therefore, the organization should devote its energy to improving product quality. The management orientation under the selling concept is that consumers will either not buy or not buy enough of the organisation's products unless the organisation makes a conceited effort to create consumers' interest in the products.

Finally, comes the marketing concept which according to Larry Rosenberg "***is a matter of customer orientation.***" The organisation determines the needs and wants of target markets and satisfaction more effectively and efficiently than its competitors.

From whatever perspective the marketer wants to carry out his marketing activities, there are four variables, the use of which can determine his success or otherwise. These

variables are known as the marketing mix and they are product, price, place and promotion. The marketing mix, popularly referred to as the 4Ps of marketing is a combination of elements which must be linked or mixed together in a unique manner in deriving a market strategy.

The Price element of the marketing mix deals with decision regarding price determination, general and specific pricing policies, supply and demand relationship, and legal restriction.

The product/services element takes into account decisions relating to product planning, branding, packaging and servicing.

Place involves channels of distribution and physical distribution.

The last element which forms the domain of this study is promotion. This element includes decisions relating to:

- Advertising: amount to spend, product and corporate image.
- Personal selling: the extent of the personal selling effort, the selling approaches to be used.
- Sales Promotion: the extent of special selling aids such as gifts, displays which should be directed through the distribution channels.
- Publicity: company's efforts to have the mass media mention the company's message favourably.

Particular attention will be given to the first aspect of this element i.e advertising.

2.2 A GENERAL OVERVIEW OF PROMOTIONAL ACTIVITIES

Product promotion is as old as early Mediterranean trade. Businessmen in ancient Egypt, for example, used to announce the arrival of their merchandise cargo through criers in the streets. During the eighteenth century, with the advent of the Industrial Revolution and greatly increased production, business firms fully began to see the need for effective salesmanship. The first advertising agent in the U.S. came into existence after the civil war. Typically, he bought space in news papers and journals and sold this space to industrial advertisers. Only later did the advertising agent become active in the actual planning and development of a promotional campaign.

Marketing strategies evolve from the marketing mix which comprises product, price, place and promotion otherwise known as the 4Ps of marketing. The essence of the mix is that the marketer should know which features to include in the product to arouse the interest of the consumers, the most acceptable price to attach to it, where to place it for focus and how well to promote the product for higher sales and profit maximization.

J. Stanton (1981) identified several factors needed for effective and efficient implementation of promotion methods and strategies in the modern economy. These, among others, are the physical distance between producers and consumers, the increase in the number of potentials between different industries as well as between individual firms within the given industry.

A. E. Karl (1969) defines promotion of a product as a series of activities that favourably influence the task of selling the product to its customer. These activities may

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be either the advertising (paid promotion) or the publicizing (free promotion) of a product.

Stanton (1981) defines promotion as primarily communication. Promotion also involves the encouragement of consumers/customers in making positive purchase decision toward certain products.

Promotion has its own mix which consists of the various promotional methods used by marketing management. These are advertising, personal selling, publicity, sales promotion and packaging. Personal selling, advertising and sales promotion are the most widely used methods of the promotional mix.

Advertising being one of the most important method of promotion consists of all those activities group - a non - personal, oral or visual, openly sponsored message regarding a product, service or idea. This message called advertisement is disseminated through various media such as Television, News paper, Radio, Billboard etc.

Promotion and advertising methods are crucial variables which a company uses to implement its marketing strategies and hence realise its sales objectives.

Promotion can also be defined as the co-ordination of all seller initiated efforts to set up channels of communication and persuasion in order to facilitate the sale of a product, service or the acceptance of an idea. As an essential activity in marketing, promotion creates awareness and stimulates interest in the product or brand, persuade people and finally sells the product.

The scope and role of product promotion transcends advertising. Advertising is only but one of the many facets of promotion. And promotion in turn is seen as a coordinated activity of the total marketing effort that is based on the marketing concept.

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Product promotion consists of advertising, sales promotion, direct salesmanship, and pubic relations. Advertising by itself does not result in sales, but it facilitates sales because it inform, persuade and remind potential customers. Sales promotion has become more complex and sophisticated than the special sale. Today it involves market research, channel of distribution analysis, and new product development - all in a framework of budgets and long - range plans. Again, sales promotion does not result in sales, but it creates an economic and psychological atmosphere that is conducive to sales. Direct salesmanship does result in sales. Finally, public relations become a part of promotion, because it shapes the company's image in the market. Thus, whereas advertising, sales promotion and direct salesmanship create a positive, that is, sales-oriented, product image, public relations creates the promotional complement-the company image.

An important aspect of product promotion is the media. The function of the medium is to carry a message. This message, because of its assumed ability to enhance company or product images facilitates product sales.

A promotional medium may be direct or indirect in its impact upon a potential customer. It may be personal or impersonal. A direct medium may be a salesman or public relations man talking to a customer; it may also be impersonal such as a letter or a circular mailed to the customer's home. An indirect medium may be a person addressing a large audience of potential customers. Or it may be impersonal such as an advertisement or a news story directed toward an audience.

The selection of media for a promotional program is known as media strategy. Most of the larger companies utilize multiple media usage. The media mix, that is, the

selection of multiple media, is determined primarily on the basis of media effectiveness in reaching the market and media cost considerations.

Sales personnel, telephone solicitors, indeed, every company employee with whom the customer may come into contact, are direct promotional media. The human element of an organisation that these employees represent normally leaves a longer lasting impression on a customer than any impersonal promotional object like a catalogue or a free sample.

The indirect promotional media include periodicals, electronic, outdoor, and transit media. Both direct and indirect media that rely on a person (human element) to promote the product (technical element), all things being equal, facilitate sales to a somewhat greater extent than impersonal media. Therefore, for an impersonal object to achieve maximum effectiveness as a promotional medium, the advertiser will attempt to attach in some fashion of the human element to the object.

The individual factors that determine media selection are the availability of funds and the cost of the medium, the percentage of prospects reached per exposure through a given medium, the size of the of the audience, and a calculated constant for the advertising impact of a given media (A.E. Karl 1969). This has been stated in equation form as follows:

$$\frac{\text{Size of audience} \times \% \text{ of prospects reached} \times \text{Advertising Impact of medium}}{\text{Cost.}} = \text{Marketing impact per promotional Naira}$$

Another question that arises with respect to product promotion is whether to "go it alone" or to utilize the services of an ad agency. This can not be answered in a general

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way. The answer depends upon the human resources and the administrative climate a firm has at its disposal (Karl 1969). According to Karl an agency offers the talents of specialists that a company may not be able to attract and also offers a strictly promotion - oriented climate to its employees, which a company, because of preoccupation with manufacturing or marketing, may not be able to offer.

There are a number of criteria that the advertiser-client may want to take into consideration if an ad agency is to be used. The following questions should be asked:

- Does the agency have experience with the advertiser's products and markets?
- What type of human resources, that is talent, is to be made available to the client?
- What is the agency's financial responsibility and the integrity of the agency's top management and the account executive who will form the liaison between advertiser and agency work?

This last point leads to an important aspect of promotion, namely, professionalism. The importance of professionalism was summed up by Edward Bond, Chief Executive Officer of Young & Rubicam at Pebble Beach in 1968 as follows:

> ***Agencies will have to earn the professional standing they demand. I think that advertising prepared by recognised agencies will reach higher standard of excellence, credibility and truthfulness in the future-not only because the public will demand it, and because the government will force us - but because we, ourselves, will want to. We will want to, not only for moral reasons, but because it's good business.***

2.3 TYPES OF PROMOTIONAL ACTIVITIES

Promotion involves all the tools in the marketing mix whose major role is persuasive communication. (Kotler 1988). Marketers rely on promotional activities for the purpose of communicating with customers. As earlier mentioned, promotional activities comprise advertising, direct salesmanship, sales promotion and publicity.

ADVERTISING

In the words of Michael J. Baker (1979) advertising is ***"any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsors"***. It consists of those activities by which visual or oral messages are addressed to select public for the purpose of informing and influencing them to buy products/service or indite favourable ideas, person, trade marks or institutions.

Advertising may take many forms which include magazines and newspaper space, radio and cards, catalogues, directories, circulars, billboards etc. It can be used for such diverse purpose long-term build-up of a particular brand, information dissemination about a sale, service or event. Announcement of a special sale and advocacy of a particular caution.

Message channelled through advertising is non-personal since it is aimed at large groups rather than at individual consumers and it usually uses basic appeals e.g. sex, prestige, esteem, hunger etc to obtain the receiver's attention.

Advertising has the advantage of being able to reach a large audience at a lower cost and it can be conveyed to the audience many times and reinforced through different media. The draw back of this tool is that feedback from receivers to source is relatively slow.

DIRECT SALESMANSHIP

Also known as personal selling is the oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales. The purpose of personal selling is to bring the right product into contact with the right consumers and to make certain that ownership transfer takes place. It takes several forms including sales calls by a field representative, assistance by a sales clerk, an informal invitation from one company executive to another etc.

Direct salesmanship is employed for the purpose of creating product awareness, stimulating interest, developing brand preference, negotiating prices and other terms, closing a sale and providing post transaction reinforcement. It is the most effective tool of certain stages of the buying process, particularly in building up buyers' preferences conviction and action.

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The distinctive qualities of personal selling are:

(a) **Personal confrontation**: Immediate and interactive relationship between two or more person thereby affording each party to observe the other at close quarters the characteristics and needs of the other.

(b) **Cultivation**: All kinds of relationship ranging from a matter of fact relationship to a deep personal relationship can be established.

(c) **Response:** Makes the prospect feel a sort of peculiar obligation for having listened to the sales talk.

SALES PROMOTION

This consists of those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and exhibitions, demonstrations, coupons, free samples, premiums and various non recurrent selling efforts (Kotler 1988).

Sales promotion comprises a wide variety of tactical promotional tools of a short - term incentive nature designed to stimulate the target market response. It may be directed at consumers in the form of consumer promotions, or middlemen in the form of trade promotions.

Sales promotion is used to:

(a) Increase sales of a product especially at those times when normal sales are sluggish.

(b) Motivate consumers at the point of purchase;

(c) Increase sales over a short period of time;

(d) Periodically clear goods in a store before inventory taking and restocking;

(e) Spur sales to intermediaries and industrial buyers and

(f) Introduce a new product.

PUBLICITY

This is "***a non-personal stimulation of demand for a product, service or business unit by planting or obtaining favourable presentation of it in radio, television, or stage that is not paid for by the sponsor***" (Kotler P.19). In other words, publicity is information about a company and its products that is conveyed to the public by the mass media because such information is news worthy.

Publicity is used to promote various brands, products, persons, places, ideas, activities, organisations and even nations. It is often used to launch new products and brands, as well as to rekindle interest in nature brands.

Publicity is image building done by an organisation not necessarily a profit oriented business firm and has in many cases created a memorable impact on public awareness that advertising alone could not have accomplished or accomplished at a low cost. Message gotten from this source is easily more believed by the audience than when it came from a sponsor since the medium has little to gain by taking the position stated in the news item.

2.4 HISTORICAL PERSPECTIVE OF ADVERTISING

The history of advertising is as old as the history of mankind, ranging from primitive personal means of communication medium to modern stage of impersonal communication medium. This was buttressed by Okigbo (1990) when he remarked that "***the practice of advertising is as old as man***". In a similar vein H.P. Bride in his book titled "Practical Advertising" agreed that "***advertising is as old as civilization itself***". Klepper (1979) also rightly observed that "***the urge to advertise seems to be a part of human nature evidence since ancient time***". In the light of this, advertising which is an impersonal means of communication evolved from personal process.

The developmental process of advertising is synonymous with the way mankind gets its entertainments, information and orientation before the advent of electronic age. News and other information were similarly, transmitted through face to face communication. Travellers, and merchants transmitted news to the general public in this manner. This was summed up by Okigbo (1990) that "***the practice of advertising in its earliest forms used by early craftsmen was through town crier***". As Dirksen et al (1977) put it, "***the town crier is an advertising man who broadcast his advertising copy by walking up and down the streets shouting information about the wares of his employer***".

In ancient times it was common practice to advertise by word of mouth or by display of goods. For instance, the town crier of ancient Greece and Rome who originally proclaimed the affairs of state later announced news items, ship arrivals, cargoes carried on ships, the names of merchants having these goods for sales and the sales of wares in general.

In the olden days when cities were fortified by high walls, the city gates were

usually the natural places at which merchants assembled to display their wares. When fortifications no longer existed, a market place was established in the centre of the city where merchants displayed their wares. The practice of displaying merchandise in the windows of shops and, in a more extended way, through out the stores, developed from this custom.

It is usual to see a relic of the ancient method of calling attention to goods. These signs display something symbolic of the business of the particular advertiser. For instance, a large clock serves as the sign of the jeweller. This form of advertising were necessary in the early periods because of the high level of illiteracy.

Written advertisement was another known advert that dates back to ancient Thebes. In this, a scribe advertised for the return of a run away slave. In ancient Rome, advertisement were placed on the walls of houses. This was achieved by whitening a portion of the wall and then placing the adverts by writing or carving them on the walls.

The next stage of advertising came with the industrial revolution. This brought about the printing press and with printing came books, newspapers, magazines, journals etc. These media gradually assumed the function of providing information. At this stage, communication was beginning to be mechanised to the extent that the face to face nature of communication was lost. Another important development was the emergence of signs acting as visual expression of the tradesmen's function as well as means of locating the source of goods. This was followed by the development of posters, hand bills and pamphlets as advertising media.

At a much later time, productive capacities outweigh the population's ability to buy

the products resulting in more goods and services that could not easily be sold by their producers at preferred prices. And consequent upon the arrival of electronic media, the idea of face to face advertising gradually diminished. The use of salesman came about as follow up in locating potential consumers.

2.5 BASIC CONCEPTS OF ADVERTISING

Advertising means different things to different people and many things to many people. The word is derived from the Latin word "Adverrtere" meaning to turn (the mind) to. Broadly speaking, advertising does turn the attention of the public to a commodity or service and it can therefore be concluded that anything that turns attention to an article or service may be called advertising. To be more elaborate, advertising is usually considered as any form of paid public announcement intended to aid directly or indirectly in the sale of a commodity of service.

Despite the existence of the various definitions of advertising, there seems to be convergence of opinion as to what advertising is all about. For the purpose of this research work, the definition offered by Wright et al (1978) shall be adopted as a working definition:

"Any paid form of non personal presentation and promotion of ideas, goods, or services by an identified sponsor".

However lucid this definition may seem, it is still necessary to shed more light on the major phrases.

1) **Advertising is "paid form"**: Advertising is published or broadcast because the advertiser has purchased time or space to tell his story. This is in contrast to publicity where products or services are mentioned favourably in the media but does not attract any payment. The item appears because it is presumed to provide information or entertainment for the audience.

2) **Advertising is "Non personal"**: It is non personal in the sense that advertisement, visual, spoken or written are directed at a mass audience and not directly at individual as it is the case in personal selling. Advertising is done through intermediaries such as newspapers, magazines, radio, and television.

3) **Advertising presents "ideas, goods and services":** Advertising is purposeful in the sense that it aims at presenting an idea, good or service to the audience.

4) **It has "an identified sponsor"**: Advertising has an identified sponsor or originator who can be traced if the need arises. This is very much unlike publicity whose source is usually unknown.It may be worthwhile to take a look at other definitions of advertising as offered by experts in the field. Littlefied and Kirk Patric (1970) in their book "Mass communication in Marketing" define advertising as ***"mass communication of information intended to persuade buyers so as to maximize dollar profit"***. It is mass communication because it is intended to reach large group of buyers. The advertisement should be beneficial to buyers and it should guide them to a more satisfactory expenditure of their money.

Reichaert (1977) a one time head of Ted Bate & Co., an ad agency sees advertising as ***"the art of getting a unique selling proposition into the heads of most people at the lowest possible cost"***. According to him the overall procedure of deciding what message

to advertise, where and to whom to advertise, how to express it, and how much to invest in each step is not and probably never can be exact science.

Frank Jerkins (1985) in his book **Advertising** "says: ***"advertising presents the most persuasive possible selling message to the right prospects for the product or services at the lowest possible cost***". Advertising may cost a lot of money but that cost is justified if it works effectively and economically.

2.6 TYPES OF ADVERTISING

The various types of advertising are:

(a) **Institutional advertising:** Institutional advertising is ***"designed to create a proper attitude towards the seller and build goodwill, rather than to sell a specific product or service."*** (William J. Stanton 1981). It is sub-divided into.

- **Patronage**:- Gives information about the advertiser's business.
- **Public relation**:- Gives information about the advertiser's role in the community.
- **Public service**:- shows the advertiser as a good citizen.

(b) **Competitive advertising**: This aims at increasing the sales of a particular commodity at the expense of similar products. This form of advertising is common where there are a number of competing branded commodities. Consumers are persuaded to believe that only the advertised brand can genuinely meet their need. The slogan "we are truly the first" associated with First Bank Nigeria Plc is meant to convince customers and prospective customers that First Bank is first when it comes to banking services.

(c) **Informative advertising**: This, according to D.J. Anderson (1981) is designed to informed the public about the existence of particular goods or give information about their quality. A particular brand of matches has the inscription "it is water proof". This is a quality that is lacking in other brands and hence consumers are rightly informed.

(d) **Persuasive advertising:** *This is aimed solely at persuading people to buy the commodity being advertised.*

2.7 TYPES OF ADVERTISING MEDIA

As pointed out earlier in this study advertising medium is the means or conveyance by which the sales message is carried to prospective customers. Generally, no single medium will suffice in reaching all potential customers and, as a result, it is often necessary to use a combination of several media in an advertising campaign (Dirksen et al 1977).

Dirksen et al classify advertising media into 12 principal classes as follows.

(1) Newspaper } (a) Metropolitan
Daily
Morning
Evening
Sunday

2) Magazines} (a) Consumer
i) General
ii) General with specialised interest

iii) Women's magazines

v) Home and shelter magazines.

(b) Industrial and trade

(c) Services and Professional journals

(d) Technical Journals

(e) Farm Publications

3) Television} (a) Network

(b) National Spot

(c) Local

4) Radio} (a) Network

(b) National Spot

(c) Local

5) Direct Mail

6) Outdoor Advertising} (a) Bill Boards
(b) Signs

7) Transit Advertising

8) Motion Pictures

9) Point-of-Purchase Displays

10) Specialty Advertising

11) Containers

12) Miscellaneous (programs, directories, timetables, house organs, annuals, menu cards, registers etc.

Some of the above media will now be discussed bringing out the merits and demerits of each.

1) **Newspapers advertising**: Newspapers are flexible and timely. They can be used to cover the nation as a whole, one city or several urban centres. It can be cancelled on a few day's notice or inserted on one day's notice. It can give the advertiser an intense coverage of a local market because a vast number of people read newspapers. Circulation cost per prospect are low. However, ***"the life of a newspaper advertisement is very short***". (Stanton 1981).

2) **Magazines:** This is desirable when high quality printing and colour are used. It can be used to reach a national market at a relatively low cost per prospect. Through the use of regional editions of national magazines or special interest magazines an advertiser is able to reach a selected audience with a minimum of waste circulation. Magazines are usually read in more leisure fashionable manner, in contrast to the haste with which other part media are read. The arguments against this medium are its inflexibility and the slow rate with which it gets to the market.

3) **Direct mail**: This is probably the most personal and selective of all the media, because it reaches only the market that the advertiser wishes to contact. it attracts its readers because it doesn't contain unnecessary articles or other editorial matters. The cost of direct mail per prospects reach is quite very high compared to other media. The limitation of this medium is the difficulty of getting and maintaining good mailing lists.

4) **Television**: Probably the most versatile and it makes its appeal through both the eye and the ear, products can be demonstrated as well as explained. It offers considerable flexibility in terms of the geographical market coverage and the time of message presentation. However, television is an expensive medium. The message is not permanently recorded for the message receiver. Thus, the prospect who is not reached the first time and subsequent time before the final shooting of the advert will be lost forever as far as that message is concerned.

5) **Outdoor advertising**: This is flexible and low cost because it reaches virtually the entire population. It tends itself nicely to widely used consumer products that require only a brief selling statement. If the product is not a widely used consumer good there will be a great deal of circulation waste. Examples of outdoor advertising are posters, painted displays and electric spectaculars.

6) **Transit Advertising**: Is the term used for all types of advertising signs on or in trains, subways, street cars, buses, taxicabs and other such public transportation vehicles, or the stations from which they operate.

7) **Point-of-Purchase advertising**: Includes all advertising materials - signs and displays - placed in, on, or around retail stores (excluding the labels, packages, or containers of the merchandise itself).

8) **Exhibits and trade shows**: This is the only one where the product can be made available for actual inspection and demonstration, and where the prospects come to the place of the advertising so that the advertiser's sales people can sell the

product's features on the spot.

9) **Specialty advertising**: An advertising specialty is a useful product with an advertising message imprinted on it. It is usually distributed to customers and prospects by businessmen to promote goodwill, with no specific obligation attached. Examples include advertising novelties, calendars, executive gifts etc.

10) **Screen advertising**: Some advertiser use short motion-picture films shown in regular movie houses as part of their advertising program.

11) **Directories**: These are published by directory publishers, magazines, trade associations, chamber of commerce, and city, state, and federal government agencies. Most of these directories are published to serve the trade, industrial, and professional fields.

12) **Sampling**: A procedure by which a sample of the product is given to prospective consumers so that they can test the product, on the assumption that the product "will sell itself" if once used.

13) **House Organ**: This is a magazine or bulletin published by a company and sent to its dealers, customers, or employees for the purpose of promoting goodwill, increasing sales, or for moulding public opinion.

14) **Packages, labels and inserts**: Packages serves as a means of carrying a message about the product. Although package insert does not reach as many people, since normally seen only by the actual buyers and users, it still presents an opportunity to get a message across to the prospect.

15) **The Radio**: The chief feature of radio as an advert medium is that it depends

solely on the spoken word. Thus, the listener can hear the programs and the commercials while doing other things, such as driving a car. It does not require the effort and concentration require by other media. And the human voice is probably the most natural way for people to communicate with each other. The human voice has a warmth and persuasiveness in conveying a message that can be most effective. Also, radio can and does reach almost everybody. Virtually every home and most automobiles have radios, and many individuals have a portable set. People can listen to radio at almost any time and any place, regardless of their other activities. Hence, radio can reach a mass market.

Radio is a selective medium in the sense that the advertiser can advertise in only those markets he desires. He can vary his messages, and the intensity of coverage of different markets to meet local conditions. Radio is also flexible and timely. The advertiser can run as many commercials in an area or during a period of time as he believes desirable. Radio advertising is much less costly than most of the advertising media. The limitation of radio as a medium is that the message that radio delivers is a perishable one. If the person is not listening to the advertiser's message at the time it is broadcast, it's gone forever. Secondly, it is impossible to illustrate the product.

2.8. MEDIA SELECTION

There are a lot of factors that influence the decision of the advertiser with regard to media selection. Some of these factors are discussed below.

a) **The Product**: The product, to a large extent, determines the media that shall carry the advertising message. Certain individual media will not take advertising for certain classes of products. For instance, some family type of magazines do not carry liquor advertising. Also, legal restrictions may prohibit use of certain media by advertisers of specific items. The general character of the product also may strongly influence the type of media used. That is, if the product has a certain image, certain media may be appropriate to maintain or develop that image, whereas other media may tend to diminish or distort this image.

b) **The potential market**: The characteristics of the potential market can also influence the media selection. This is true because the objective of selecting media is to find a vehicle that will carry the message to the potential buyer most economically and effectively. If the product is one which goes to a limited and easily identified segment of the market, the problem of media selection may not be too complex. Therefore, the advertiser should always identify his customers as accurately as possible in order to select a medium that will carry an effective message to them most economically.

c) **Extent and type of distribution system**: It is unwise to advertise a product to consumers and create a desire to buy the product when it is not possible for the interested consumer to find the product in the outlets where he normally buys. Therefore, an advertiser with regional distribution normally cannot use national radio or television or national magazines economically.

d) **The objectives of the Campaign**: The decision on media may be influenced by

what the advertiser hopes to achieve with the particular campaign of advertising. Where the objective of the advertising campaign is primarily to influence consumers, the factor of the potential market is of primary importance. In those cases where the objective is to gain distribution in an area where distribution is weak or where the advertiser now has no distribution, the advertiser must consider the media which will be of maximum value in achieving the dual purpose of influencing the consumer and the potential dealers. Also if the objective is to create a certain image of the product in the minds of consumers, the media selected should have the status to help develop and sustain that product image.

e) **The type of message or selling appeal**: If it is believed that fine colour illustrations are significant in the effectiveness of product advertising, then magazines are the first choice as a medium, since their quality of colour reproduction is generally superior to that in newspapers. If the feeling of timeliness and news worthiness is an integral aspect of the appeal, newspapers, radio and television are particularly suitable media.

f) **The budget available**: This has to do with the amount of funds available for advertising. If, for instance a product might be one for which actual demonstration would be highly desirable, as would the prestige of a quality network television program at a prime evening hour, but yet the advertiser would be unable to sponsor (or even cosponsor) such a program because its cost exceeded his total advertising budget, he would have to forgo this medium and seek for an alternative.

g) **Competitive advertising**: The advertiser can determine the relative evaluation of

the different media of competitors by analyzing expenditure pattern in the various media. Unless there are good reasons to select other media, many other advertisers normally will follow the industry pattern. One of these reasons can be that the advertiser's budget is so much smaller than that of the competition that he feels his advertising would be overwhelmed in those media being used by competitors.

h) **The characteristics of the media**: The factors involved here are the circulation or coverage of the media, the audience reached, relative cost etc.

2.9 OBJECTIVES OF ADVERTISING

Charles D. Scheme and Reuben M. Smith (1987) state that "***like the marketing programme itself, the advertising management process begins with the establishment of goals.***" Basically, the goals of advertising is to stimulate exchange. The objectives of advertising can be seen under the following headings:

(a) **Sales Objective**: Sales oriented advertising objective are consistent with the general advertising goal of stimulating exchange. Advertising is the fastest way to inform a large market that a new product or an improved product exists or is still available. Advertising also attempts to increase sales by informing and persuading the market about new uses for and existing product, thus increasing the consumption of that product. Some marketers use advertising to simply maintain brand loyalty among consumers. ***"If it's not Panadol, it can never be panadol"*** is a good example in this direction.

(b) **Sales force assistance objective:** Often advertising is used to support a sales

person's call or to uncover potential customers. It asks the receiver of the message to contact the marketer for additional information or to make an arrangement for salesperson's visit. Hence, advertising reinforces the appeal offered by a salesperson or emphasises the direction of the overall advertising campaign.

(c) **Image-building Objective:** Companies often initiate institutional advertising to improve their image within the overall market. Such advertising may be targeted towards consumers or towards intermediaries within the trade. Slogans like ***"making Nigeria a better place to live in"*** helps to create a positive image.

2.10 BENEFITS OF ADVERTISING

This will be discussed under three dimensions.

(1) **Benefits to the seller**: The seller benefits by advertising because the buyer is informed of his product. Advertising may redirect a demand from one category of goods to its substitute. It can also help the seller to obtain the loyalty of the consumer to his particular brand. This is very important to the seller as Wirsig said: ***"The ultimate in brand loyalty takes the form of brand insistence, in which case the customer will refuse to buy any but a particular brand ....."***

(2) **Benefits to the buyers:** It gives the consumer facts and news about products, thus affording him the opportunity to make a wise buying decision. The consumer can make comparisons between products at his leisure, and can thus make more intelligent purchases. Purchases of industrial goods often look to suppliers's advertisements in business newspaper to keep them abreast of the latest technological advances.

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(3) **Benefits to the media:** The mass media whether print or electronic provides a wealth of information, instruction and entertainment at little or no cost to the public. Therefore, to continue to publish or transmit and to meet his cost of publication, the publisher must depend upon advertising to help pay his bills.

2.11 HISTORICAL BACKGROUND OF TEXACO NIG. PLC

Texaco Nigeria Limited was incorporated in 1969 under 100 percent ownership of Texaco Africa Limited. It first marketed petroleum products in Nigeria in 1913 operating as a branch office of the Texas Petroleum Company. Distribution was handled initially through two general trading companies, Companie Francaise de L'Afique Occidentale (CFAO), and United Trading Company (UTC).

Subsequently, C.F.A.O distributed Texaco products on an exclusive basis, until, in 1964 when the newly named Texaco Africa Limited took over direct marketing through petrol service stations acquired from C.F.A.O.

The 100 per cent ownership of Texaco by Texaco Africa Limited were later transferred to the Texas Petroleum Company, itself owned 100 percent by Texaco Inc. To comply with the provisions of the Nigerian Enterprises Promotion Decree in 1979, 40 per cent of Texaco Nigeria Limited's shares were offered for sale to Nigeria citizens and associations. Again in compliance with another Federal Government directive, the company at its 1991 Annual General Meeting changed its name to Texaco Nigeria PLC.

Texaco Nigeria PLC went into manufacturing business in Nigeria with the

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commissioning of its Apapa installation in 1968. It was initially built to provide lubricant blending capability together with office and warehousing.

After the 1968 installation at Apapa plant, another three plants have since been added. These are:

(i) Texaco Continuous Grease Unit which is the first of its kind, not only in Nigeria, but also in West Africa.

(ii) The Plastic Manufacturing Plant which provides packages for Texaco's products.

(iii) The Petroleum Jelly Plant which serves as raw materials for Nigeria's cosmetic industry.

For many years, the Texaco Continuous Grease Unit was the only grease manufacturing unit in Nigeria and it has contributed immensely in the saving of scarce foreign exchange for the country.

The Petroleum Jelly Plant which also forms part of the Apapa installation was estimated at about _10 million then. With commissioning of the Petroleum Jelly Plant, Texaco has again set the pace for other companies in the petrochemical industry in the area of backward integration.

Texaco Nigeria PLC has a liquified petroleum Gas (LPG) plant in Warri and is a member of the Joint Hydrant Refuelling Installation at the Murtala Muhammed Airport, Ikeja. The company also holds equity in the Joint Aviation facilities in Kano. These two areas of operations have improved tremendously over the years with the acquisition of modern LPG trucks and refuellers respectively.

Today, Texaco Nigeria PLC has a large chain of petrol service stations throughout the 30 states of the federation. Many of these have been, and are being built to meet the demanding standards of motorists of today. Most of the petrol service stations have featured Texaco's modern marketing image known in Texaco as "System 2000". These striking designs in the company's house colours of red and black, have made considerable contribution to the company's marketing efforts.

Star Mart, a convenience store concept, is another marketing strategy adopted by the company. The Texaco star mart gives motorists and other customers opportunity of buying items of day to day use.

Texaco pioneered the sponsorship of Junior Lawn Tennis in Nigeria. The aim is to "Catch tennis players young" and the annual championship has been accorded the stamp of recognition by the International Tennis Federation (ITF). It attracts young tennis players both within and outside Nigeria and it has been the springboard for launching many Nigerians tennis stars into the limelight.

Texaco remains the sole sponsor of the annual golf competition at Laminga Golf Club of Jos for twenty eight years while it co-sponsors the Nigerian Open Golf Championship at the Ikoyi club, Lagos and it chips in support annually towards the Nigerian Polo Tournament. Other sponsorship programmes are implemented on ad hoc basis.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION:

EZEJELUE AND OGWO (1990) DEFINE RESEARCH AS *"A SCHOLARLY OR scientific, as well as diligent investigation or enquiry in seeking facts or principles. It is a systematic approach for providing answers to questions"*. The more clearly and thoroughly a problem and its many ramifications are identified, the more adequately the study can be planned and carried out to a successful completion through the adoption of appropriate strategy or method which in the words of Hawkin, ***"covers the selection of suitable methods of data collection and methods of data analysis."***

In the light of the above, this chapter endeavours to explain the sources used for data collection and the techniques used for their analysis and thereafter explains the population and sample of the study.

3.2 SOURCES OF DATA COLLECTION

Data collected in the course of any research work are not an end in themselves, that is to say that they are not the end of the research findings. They only serve as means to an end and their collection is very important without or the absence of which might jeopardise the effort of the researcher. The two widely known approaches to the collection of information - primary and secondary sources - were used for this work. Each will be explained in turn.

3.2.1 PRIMARY SOURCES OF DATA COLLECTION

Primary data are original information gathered specifically for the current investigation and has not been used before for any other study. In an attempt to have a detail knowledge of the study the researcher combined two techniques of gathering data which were the questionnaire and interviews methods.

(a) **The Questionnaire:** Ezejelue and Ogwo (1990) define the questionnaire as "***a device for obtaining answers to relevant research questions from a sample of respondents by using a form which the respondent usually fills out himself.***" The study was carried out by the use of questionnaire on customers based on a sample size of about 100 people. These customers were car owners such as commercial vehicle drivers, private car owners and official car drivers. 93 copies of the questionnaires were filled and returned out of which 3 were incorrectly filled and thus rejected. Prior to administering the 100 copies of the questionnaire, a sample of 5 copies were administered to test its efficacy. The necessary adjustment and correction were done on receipt of the samples.

(b) **The interview method:** This method "***in the research context is a conversation between the researcher or his agent who is the interviewer, and a respondent with the aim of eliciting certain research-relevant information from the respondent,***" Ezejelue and Ogwo (1990). Those interviewed were officials of the company of study and its competitors who preferred to be anonymous for personal and /or official reasons. The response of the interviewees as expressed during the interview session were personal views and do not in any way represent the general view of the company. The views of customers were equally sought on some issues.

3.2.2 SECONDARY SOURCES OF DATA COLLECTION

Secondary information are information that has been collected by persons or agencies or committee for purpose other than the solution of the problem at hand. As a general rule no research project is conducted without a search of secondary information because of the benefits that could accrue from it. Secondary information falls into two categories, the dividing line being whether it is available within the company or must be obtained from outside sources. That which is available within the company is called internal secondary data which comes in the form of seminar papers and write-up by marketing executives of Texaco. The data from external secondary source were gathered from textbooks, newspapers, journals, magazines etc.

3.3 POPULATION OF STUDY

The population relevant to this study can be considered to be all those that consume petroleum products namely petrol, oil lubricants, greases, kerosene, diesel and several others. The most relevant section of the population on which the study was based was restricted to those who consume oil products manufactured by Texaco Nigeria Limited.

Generally the population is spread all over the country but the scope of study was limited to the northern part of the country.

3.4 SAMPLE OF STUDY

Taking the whole population into account, the number of people who buy and use petroleum products would run into several millions. For the purpose of this study, therefore, a sample of the population was taken to reduce it to a manageable proportion. This is because it will amount to a futile effort to attempt to study the entire population. The sample size of study is based on 100 respondents who use petroleum products. The 100 respondents were selected with the use of simple random technique. The questionnaires were administered at filling stations owned by Texaco, all in Kaduna and Zaria metropolis.

3.5 METHOD OF DATA ANALYSIS

The data obtained in the course of this research work were analysed by the use of frequency and percentage distribution methods. In interpreting the data resulting from the tables, each factor was discussed based on the individual strength of its percentage. No attempt was made to categorise them into significant or insignificant factor.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION

THIS CHAPTER PRESENTS AND ANALYSE THE DATA GENERATED IN the course of the research. As already indicated, simple percentages and frequency distribution were used in presenting the data acquired from respondents for easier interpretation and understanding. This is done in two stages. The first stage is to identify the general characteristics and the second stage has to do with the test of the stated hypotheses with the aid of the results acquired from the frequency and percentage tables.

Before this is done, it's logical to take a quick look at the company's sales problems as identified by the company's marketing executives. These were obtained from seminar papers and write-up obtained from the company.

4.2 THE SALES PROBLEMS OF TEXACO & POSSIBLE SOLUTIONS

In 1996, a committee of nine members consisting of Texaco marketing executives, was set up to look into the sales problem of the company. These marketing executives (hereafter referred to as "the committee") evaluated the promotional strategies being used up to that time and made recommendations for improvement. This work shall endeavour to summarized the report of these marketing executives as brief as possible.

Since these executives were writing from the position of an insider, the views contained therein would not be upheld until the findings of this researcher can support them.

According to the marketing executives, Texaco Nigeria Ltd has encountered several problems in the sale of its products in connection with the promotional strategies used.

The write-up encompasses the evaluation of the effectiveness of Texaco Nigeria Limited advertising and sales promotion campaign; the determination of the effect of the existing advertising program on both the company's image and product performance, enquiring about the competitive advertising practices; identification of public perception of the company's role in the society (social responsibility) and the possible necessary improvements in the company's advertising programmes.

In a dynamic petroleum marketing business which is characterised by various economic and marketing factors, it is not enough to rely on high quality products in offering better sales services, the consumers have to know the importance of possessing such a product.

According to Texaco ***"What is really pertinent is convincing customers to buy a particular product because of the differential advantage or benefit that cannot be found anywhere else".***

A company has to know its market target first, then design a communicative strategy on how to relay the required message.

If after going through this expensive and time consuming exercise to develop an advertising and sales promotion campaign and the advertiser fails to communicate the message effectively to the target audience, the resources are not only wasted but valuable selling opportunities lost and competitors given an edge.

In order to prevent this from happening, the marketing executives committee was given the task of the evaluation of the effectiveness of the company's advertising and sales promotion strategy in order to achieve the desired competitive advantage, increased sales and earnings.

TEXACO'S MARKET SURVEY

According to the company there seems to be an increased awareness of the role of advertising and sales promotion towards the achievement of the company's strategic plan. This was reflected in the increase in advertising and sales promotion since 1985.

In carrying this study, of about 500 questionnaires distributed only 420 were recovered and were analysed. From the analysis of the 420 questionnaires it was easily identified that Texaco's primary market target are commercial drivers with minimum education because they constitute 60% of the respondents. The remaining 40% constitutes private vehicle owners who are averagely educated and above.

The result of the survey has clearly indicated that only 20% of Texaco's market target have occasionally seen or heard the company's advert. This is a major problem which has to do with ineffective communication.

This also proves that Texaco's primary target has not been effectively reached by the current advertising campaign.

It was strongly recommended by the committee that a thorough study of Texaco's market target be carried out with special interest to the culture of the people it wants to sell its products to.

The culture involves their life style, religion, level of understanding, the media where they could be effectively reached and people or things likely to influence their behaviour or inspire them in purchasing. After due consideration of these ideas then an effective advertising strategy can be developed.

The result of the study was to be used in guiding future management decisions such as price increase, introduction of new product line and other major marketing decisions likely to affect Texaco's primary market.

MEDIA SELECTION

The current Texaco Nigeria Limited's advertising campaign attempts to reach the market through the following media:-

(a) Bill boards

(b) Newspapers

(c) Radio

The responsiveness of the market to the company's advertising campaign through the above media indicated that only 20% of the total sampled customers could recall seeing or hearing Texaco's advertising through the combination of these media. The survey reveals that commercial vehicle drivers are the major consumers of the company's products. "As these drivers are not well educated, the impact of the advertisement is very minimal due to their level of education".

Billboard messages, the committee gathers do not seem to arrest the attention and arouse the interest of those drivers because of their personalities and nature of work. A few other respondents only recalled hearing the message occasionally on the radio. It is

noted that if the frequency of the message is increased and the timing is right, many of the respondents might still conveniently recall. All the respondents indicated that they have neither heard nor seen Texaco's message on the television screen.

As several thousand people in the market can be reached through the television medium, the committee strongly recommends the use of television for effective coverage.

THE ADVERTISING MESSAGE

Since only 20% could recall hearing or seeing Texaco's advert, there is a need to improve on the current advertising campaign through effective advertising message. This should be meaningful, specific, concise, humorous, repetitive and exciting.

The current message is rather more informative of the product than stimulating demand for the product. To have the desired positive impact, the execution of the message must be improved upon as follows:

(1) The right choice of the effective and stimulating letters, words, symbols, jingles that will stimulate demand for the product that is, highlights of products benefits.

(2) The message must relate to need satisfaction

(3) The message must gain attention of the prospective consumers.

(4) It must arouse interest and create desire or conviction to purchase.

(5) It must also motivate action.

CORPORATE IMAGE

Result of survey conducted reveals that Texaco enjoys favourable image. The committee strongly recommends that Texaco increases corporate advertising which

emphasizes her social conduct such as regular donation to charitable organisations and youths sports sponsorship. This in effect supplement product advertising and help to maintain favourable attitude towards Texaco's image.

COMPETITIVE ADVERTISING

In this case Texaco evaluates how much expenditure of the company's total revenue is used up in advertising as regards the other competing firms.

The lull in demand for goods and services as a result of the poor state of the economy has necessitated competing companies to review upward their advertising budget.

Out of the six major marketers approached, only three provided relevant information regarding their advertising practices. These are Mobil, National Oil and African Petroleum.

MOBIL.

There has been a sharp increase in Mobil's advertising budget. At the year of study, the amount spent represents about 59% over the previous year. The combination of television, radio and newspaper were used but emphasis was on television.

The theme of Mobil's advertising message is centred on product qualities and needs satisfaction. The distinct layout of Mobil's outlet with superb illumination and convenient min-mart attempt to arouse consumers' desire to patronize Mobil. Its corporate advertising also highlights social responsibility.

NATIONAL OIL

National advertising budget for the same period represents 106.3% over the previous year.

The message focuses on multiplicity of product lines. It also motivates consumers to patronize through the use of television and radio in particular.

AFRICAN PETROLEUM (AP)

It has been revealed through the survey that respondents identify Super-V engine oil with AP due to their exposure to AP enviable leading position in National lube sales. This is a clear manifestation of its strong commitment to advertising. AP is actively involved in sponsoring Network television programs with intermittent product advertising. It also employs the use of radio, newspaper and Bill boards.

TEXACO

The current advertising practice in Texaco is product oriented using Billboards, Newspaper media. However, the survey reveals little awareness of Texaco's advertising efforts.

There is no current record of substantial involvement of Texaco corporate advertising program.

As a result of the findings and comparison of Texaco's advertising campaign with competition, the committee suggests the following appropriate strategies aimed at improving Texaco's market share and favourable corporate image.

Texaco, in an attempt to stimulate demand and increase sales made use of some other important promotional methods namely sales promotion, and other sales promotion methods.

SALES PROMOTION

The committee recommends to management to make yearly provision for sales promotion in order to boost dealers moral and enhance sales. Accordingly, this program needs to be initiated by the Resale Department in collaboration with the Area offices.

USE OF COUPONS

The use of coupons is recommended in order to promote trial and repeat sales. The modalities of its success is expected to be a joint effort of both Resale and Area Offices.

SPECIALTY ADVERTISING

This is another sales promotion medium which includes give away premiums carrying an advertising message. It is strongly recommended as a way by which Texaco can draw attention to her products. It has been proved that the provision of free advertising merchandise like calendars, lighters, pens and other forms of business gifts can produce some psychological inducement to customers and potential customers.

The committee unanimously concludes that the low level of awareness of the respondents surveyed clearly indicates that Texaco advertising program has been very poor. Therefore, the committee proposes certain steps towards improving Texaco's advertising program as follows:

The need to set up a section in the Resale Department that will be responsible for advertising and sales promotion programmes whose tasks would include:-

a) Formulation of advertising objectives

b) Annual advertising budget determination with management

c) Effective media selection

d) Initiation and implementation of advertising and sales promotion program with the sales force.

e) Effective monitoring of both Texaco and competitive advertising programmes

f) Effective participation in Trade Fairs and Seminars.

The public relation section is to perform important function of building a strong identity for the company and favourable goodwill.

4.3 ASSUMPTIONS

Two basic assumptions were made for this study. This is because if the scenario does not hold, consumers' buying decision will no longer be a matter of choice.

1) That there is no scarcity of petroleum products. In the current dispensation where fuel scarcity has brought untold hardship, consumers are forced to buy from wherever they can get it. In that case, advertising ceases to play any significant role.

2) That there is no legislation restricting consumers to where they should buy from. It would be recalled that during the Babangida administration, private vehicles

were restricted to certain filling stations while commercial vehicles were restricted to others in the name of price differentiation.

4.4 DATA ANALYSIS AND INTERPRETATION

In the problem analysis of Texaco write-up earlier stated in this chapter, there exist some correlations to the findings of this research work. These form part o the analysis of study, and they are:

a) The ineffectiveness of some of the advertising methods such as newspaper advertisements which do not have any effect on some of the customers especially the illiterates.

b) There is no use of slogans or statement notations for identifying the products.

c) The problem of not using local languages to advertise the company's products hinders sales because the company can not communicate effectively to the target market.

d) The less educated constitute the bulk of the target market.

e) Texaco's present advertising campaign is not effective.

TABLE 1: AGE OF THE RESPONDENTS

AGE	FREQUENCY	PERCENTAGE
Below 20	12	13.33%
20-30	37	41.11%
31-45	31	34.44%
46-55	6	6.67%
Over 55	4	4.44%
TOTAL	90	100%

Table 1 above shows the age distribution of the respondents.

TABLE 2: DISTRIBUTION BY EDUCATION

EDUCATION	FREQUENCY	PERCENTAGE
Below Primary School	41	45.6%
Below Sec. Sch.	28	31.1%
Sec. Sch. - University	17	18.9%
Above University	4	4.4%
TOTAL	90	100%

Table 2 shows the educational distribution of the respondents.

EDUCATIONAL DISTRIBUTION OF RESPONDENTS

The educational level of the respondents were grouped into four out of which the respondent was to choose only one. The reason for these groupings was to enable the researcher determine the percentage of Texaco target market that are illiterates/poorly educated on one hand and those that are averagely educated and above on the other hand. For the purpose of this research illiterates are considered to be those who had not attained

the elementary education while the poorly educated are those that had not fully attained secondary school education. Those within the first two groups (i.e below primary school and below secondary school) fall into category one. Category two comprises the two other groups. From the result of Table 2, out of the 90 respondents, 69 people representing about 76.7% are illiterates/poorly educated. This is not too far from the findings of the marketing executives' 60%. We can therefore, conclude that the target market of Texaco are illiterates/the less educated people of the society. The reasons for this variation may be that while the Texaco Study was carried out in Lagos, this study was carried out in the northern part of the country.

TABLE 3: DISTRIBUTION IN ACCORDANCE WITH THE OIL COMPANY MOSTLY PATRONIZED BY RESPONDENTS

COMPANY	FREQUENCY	PERCENTAGE
NATIONAL	22	24.44%
UNIPETROL	15	16.66%
TOTAL	23	25.55%
AFRICAN PETROLEUM	4	4.44%
MOBIL	17	18.88%
TEXACO	9	10%
TOTAL	90	100%

Table 3 illustrates the oil company mostly patronized by respondents. The reason deduced for the distribution will be analysed later in this chapter.

OIL COMPANY MOSTLY PATRONIZED BY RESPONDENTS

Under this, six options (i.e six major distributors) were available out of which the respondents were to choose only one. As shown in Table 3, Total recorded the highest patronage of 25.6% and National came second with 24.4% Mobil recorded 18.9% and Texaco recorded only 10%. Part of this development may be connected with the heavy advertising campaign engaged in by National and Mobil as shown by the Executives' write-up. Records from Total were not available for comparison.

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TABLE 4: DISTRIBUTION IN RELATION TO WHY CONSUMERS PATRONIZE PARTICULAR STATIONS

REASON	FREQUENCY	PERCENTAGE
QUALITY OF PRODUCT	36	40%
GROUP INFLUENCE	18	20%
PRICE OF PRODUCT	7	7.8%
ADVERTISEMENT	29	32.2%
TOTAL	90	100%

Table 4 illustrates the reasons that attract the various respondents towards the patronage of the oil companies of their choice.

FACTORS THAT INFLUENCE CONSUMERS' CHOICE OF STATIONS

Customers were given four alternatives out of which they could choose only one. Quality of product, as shown in Table 4, recorded the highest point with 40%. Advertisement came with 32.2%. Group influence recorded 20% and price of product came last with only 7.8%. With this distribution, one could possibly explain why African Petroleum, despite it's heavy advertising - as shown in Texaco's write up - enjoys only 4.4% patronage. Hence, advertising is not the most dominant factor to consider when making buying decision. However, the 32.2% recorded by advertisement goes a long way to stress the importance of advertisement. Group influence recorded 20% which is not a poor record under this circumstance. The researcher interviewed some customers as to why group influence could be such a strong factor. The response shows that those who have tested a product can easily and do influence others.

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It is rather surprising that the price of product recorded only 7.8%. The researcher investigated deeply into knowing the reasons for this development by interviewing some customers. Two reasons were advanced:

a) That prices do not differ significantly. For instance, the prices of petrol, kerosine, diesel etc are almost the same with the exception of those stations that adjust their meters to run faster. These awkward practice can not be associated with any particular oil company.

b) The second reason can be summed up by the reply I got from one of interviewees. His words, which were in pidgin English, went thus: "Make I buy cheap engine oil to knock down my engine?".

TABLE 5: DISTRIBUTION WITH REGARD TO INFLUENCE OF ADVERTISEMENT ON CHOICE OF PRODUCT.

	FREQUENCY	PERCENTAGE
YES	62	68.9%
NO	4	4.44%
TO AN EXTENT	24	26.66%
TOTAL	90	100%

This table illustrates the influence of advertisement on choice of product by respondents.

INFLUENCE OF ADVERTISEMENT ON CHOICE OF PRODUCT

Respondents were given three options. About 70% answered in the affirmative, as shown in Table 5. 26.66% agreed that advertisement influences their choice to some

extent. This constitutes those that would take some other factors into consideration after seeing or hearing the advert. Only 4.4% would not be influenced by advertisement when making buying decisions.

TABLE 6: DISTRIBUTION IN RELATION TO SUPPORT FOR ADVERTISEMENT.

	FREQUENCY	PERCENTAGE
YES	76	84.44%
NO	14	15.55%
TOTAL	90	100%

Table 6 illustrates respondents interest for Advertisement.

SUPPORT FOR ADVERTISEMENT

Table 6 shows that 84.4% of the respondents were in support of advertising despite the fact that it adds to unit price of a product. A sales officer of Texaco reiterated this position by saying that advertising is the medium through which customers are informed of new products and product's features. The support for advertising is demonstrated in Table 4 where advertisement ranked second as the factor that influences patronage. 15.6% were against advertising. This may represent the view of those who believe that cost should be reduced to the barest minimum.

TABLE 7: DISTRIBUTION WITH REGARD TO CHOICE OF LANGUAGE FOR ADVERTISEMENT.

LANGUAGE	FREQUENCY	PERCENTAGE
LOCAL LANGUAGE ENGLISH	86 10	88.88% 11.11%
TOTAL	90	100%

Table 7 illustrates the preference of respondents with respect to choice of language for advert.

THE USE OF LOCAL LANGUAGE AS MEDIUM OF ADVERTISEMENT

There was a strong preference for the use of local language for advertising petroleum products in the northern part of the country as evidenced in table 6 with 86 respondent in affirmative. This represents about 88.9% of the respondents. 11.1% favoured English language. This development may not be unconnected with the fact that majority of the respondents are either illiterates or poorly educated as earlier shown. (see table 2).

TABLE 8: DISTRIBUTION IN RELATION TO REMEMBRANCE OF TEXACO ADVERTISEMENT.

	FREQUENCY	PERCENTAGE
YES NO	56 34	62.2% 37.8%
TOTAL	90	100%

Table 8 explains effect of TEXACO advertisement on respondents.

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TABLE 9: DISTRIBUTION OF MEDIA IT IS HEARD OR SEEN FROM

MEDIA	FREQUENCY	PERCENTAGE
NEWSPAPER	5	5.6%
TELEVISION	13	14.4%
RADIO	12	13.3%
BILLBOARD	26	28.9%
NIL	34	37.8%
TOTAL	90	100%

Table 9 states the various responses of the respondents to the media they heard or saw the TEXACO advert from.

TABLE 10: DISTRIBUTION IN RELATION TO HOW OFTEN THE TEXACO ADVERT IS HEARD OR SEEN

	FREQUENCY	PERCENTAGE
VERY OFTEN	12	13.3%
OCCASIONALLY	38	42.2%
ALL THE TIME	6	6.7%
NEVER	34	37.8%
TOTAL	90	100%

Table 10 shows the rate at which TEXACO advert is heard or seen.

ADVERTISEMENT POWER OF TEXACO

This will be analysed using Tables 8, 9 and 10. 62.2% remembered ever seeing or hearing Texaco Advert. This is in contrast to Texaco's study of only 20%. It is possible that the management heeded the recommendation of the committee and beefed up her advertising campaign thereby increasing awareness. It is important to point out here

that seeing or hearing of adverts is not enough indication that the ad message has been put across. The fact that 37.8% have never seen or heard of any Texaco advertisement means that a lot still has to be done in this regard.

Newspaper recorded the worst performance of only 5.6%. This shows the ineffectiveness of this medium. Television, which has not been in use before the Texaco study, came second to Billboard. This is an indication that the company has beefed up her efforts in that regard,

However, Billboard recorded the highest performance of 28.9% again in contrast to Texaco's study. This aroused the interest of the researcher for further study. More especially as the majority of the respondents were either illiterates or poorly educated. The people interviewed as to how they could recognize the Billboard as Texaco's said it was made possible by the company's logo which is a big star with the letter T.

The frequency at which Texaco advert is heard or seen indicates that 34 people have never seen/heard it and 38 people saw/heard it occasionally. This is an indication that 80% of the market have not been communicated with effectively. This is in line with the findings of Texaco that there has been ineffective communication. There is a strong indication that the 6.7% who claimed to see or hear Texaco advert all the time live close to where Texaco's Billboard is mounted. Table 9 offers more explanation on this.

TABLE 11: DISTRIBUTION WITH REGARD TO PRODUCT IDENTIFICATION WITH ITS SLOGAN.

	FREQUENCY	PERCENTAGE
YES	90	100%
NO	0	0%
TOTAL	90	100%

Table 11 illustrates the ability of customers to identify a product with its slogan.

IDENTIFICATION OF PRODUCT WITH ITS SLOGAN

Table II indicates that 100% of respondents could recognize or identify products based on their slogans. This is not too surprising if we refer back to Table 9 where customers could recognize billboards as Texaco's with the help of symbol or logo.

Therefore, slogan is an important element of advertising. This is more so as the bulk of the customers are not adequately educated.

TABLE 12: DISTRIBUTION WITH REGARD TO ADVERTISEMENT POWER OF VARIOUS COMPANIES AS IN QUESTIONS 14 AND 15.

QUESTION	NATIONAL	UNIPETROL	TEXACO	AP	TOTAL	MOBIL	OTHERS	TOTAL
14. Which oil Company is most advertised	24 26.7%	8 8.9%	12 13.3%	8 8.9%	20 22.2%	18 20%	0 0%	90 100%
15. Which oil Company is least advertised	0 0%	40 44.4%	18 20%	32 35.6%	0 0%	0 0%	0 0%	90 100%

Table 12 shows the oil Company that is most and least advertised as perceived by the respondents.

ADVERTISEMENT POWER OF THE VARIOUS COMPANIES

Table 12 illustrates the impact of advertising of the various companies on consumers. The ranking comes in the order of National, Total and Mobil being the most advertised. Unipetrol is recorded as the least advertised of all the companies.

TABLE 13 DISTRIBUTION WITH REGARD TO RESPONDENTS' CHOICE OF TEXACO.

REASON	FREQUENCY	PERCENTAGE
QUALITY PRODUCT	24	26.7%
ATTRACTIVENESS OF STATION	15	16.7%
PRODUCT AVAILABILITY	22	24.4%
ADVERTISEMENT	7	7.8%
SATISFACTORY SERVICES	22	24.4%
TOTAL	90	100%

Table 13 illustrates the reasons responsible for respondents' choice of TEXACO.

TABLE 14: DISTRIBUTION IN RELATION TO WHY CUSTOMERS DON'T PATRONIZE TEXACO.

REASON	FREQUENCY	PERCENTAGE
POOR SERVICES	15	16.7%
DISCOURTEOUS ATTITUDE OF ATTENDANT	0	0%
UNATTRACTIVE STATION	46	51.1%
INCONVENIENT LOCATION	19	21.1%
TOTAL	90	100%

Table 14 illustrates reasons responsible for poor patronage of TEXACO.

FACTORS THAT INFLUENCE CUSTOMERS' CHOICE OF TEXACO

Table 13 shows that quality product recorded the highest point of 26.7%. Coming next were product availability and satisfactory services of 24.4% each. Attractiveness of station recorded only 16.7% showing that the company has to improve in that area. The fact that advertisement recorded the least point of 7.8% further buttressed the point that Texaco is not communicating. This is another indication why Texaco enjoys poor patronage. Refer back to Table 3.

Table 14 is a corollary of the findings in Table 13.

TABLE 15: DISTRIBUTION IN RELATION TO THE MEDIA METHODS SUGGESTED SUITABLE FOR TEXACO.

QUESTION	TELEVISION	RADIO	MAGAZINE	NEWSPAPER	BILL BOARD	TOTAL
18. Which medium do you consider most effective for advertising oil product	28 31.1%	36 40%	5 5.6%	6 6.7%	15 16.66%	90 100%

Table 15 shows the suggested media considered most effective for advertising TEXACO products.

SUGGESTED MEDIA FOR TEXACO

Under this, six options were given out of which only one could be chosen. The options are television, radio, magazine newspaper and billboard. The highest score of 40% recommended radio. This is followed by television with 31.1%. This is in line with the recommendation of the Texaco executives. This development may partly be explained if we appreciate the fact that

majority of the respondents are either illiterates or poorly educated who would prefer to listen (or watch) to radio and (television) than to read newspaper, magazine or billboard.

The ineffectiveness of magazine and newspaper are illustrated by this Table.

TABLE 16: DISTRIBUTION IN RELATION TO RESPONDENTS' POSSESSION OF RADIO OR TELEVISION SET.

	FREQUENCY	PERCENTAGE
RADIO ONLY	37	41.1%
TELEVISION ONLY	20	22.2%
BOTH RADIO & TELEVISION	30	33.3%
NONE	3	3.3%
TOTAL	90	100%

Table 16 illustrates respondents' possession of Radio or Television set.

POSSESSION OF RADIO OR T/V SET.

This enables us to know the number of people that could be reached through radio or television. Table 16 shows that 3.3% would not be reached through either radio or television, whereas 41.1% could be reached through the radio and 22.2% through television. Therefore, 99.6% of the market could be reached when the two media are combined.

TABLE 17: DISTRIBUTION IN RELATION TO FREQUENCY AT WHICH RESPONDENTS LISTEN TO RADIO.

	FREQUENCY	PERCENTAGE
FREQUENTLY	85	94.4%
OCCASIONALLY	5	5.6%
NEVER	0	0%
TOTAL	90	100%

Table 17 illustrates the frequency at which respondents listen to radio.

TABLE 18: DISTRIBUTION IN RELATION TO FREQUENCY AT WHICH RESPONDENTS WATCH T.V.

	FREQUENCY	PERCENTAGE
FREQUENTLY	42	46.7%
OCCASIONALLY	47	52.2%
NEVER	0	0%
TOTAL	90	100%

Table 18 illustrates the frequency at which respondents watch T.V.

FREQUENCY AT WHICH RESPONDENTS LISTEN TO RADIO OR WATCH T/V.

Possession of radio or television is not enough to judge the efficacy of these media of advertising, but rather the frequency at which respondents utilize them. Tables 17 and 18 explain this.

94.4% listens to radio frequently while only 5.6% listens to it occasionally. For television 46.7% watches it frequently while 52.2% watches it occasionally. Even the 3.3% (Table 16) who

never possess either radio or television never responded to the contrary. Some reasons could be deduced for this positive attitude towards radio.

Firstly, radio set is portable. Secondly, almost all automobiles have radio set. Thirdly, an Hausa man is by orientation addicted to radio. Since this study was restricted to Kaduna and Zaria, it is therefore not surprising to notice the positive response.

Television, on the other hand, could only be watched by evening times by most drivers because of the nature of their work. At the end of the day's work the driver may be exhausted and tired. Hence, it is just correct that he watches the T/v occasionally.

Personal selling as a promotional tool has not been used by Texaco. With the competitive nature of the market, various promotional strategies have to be combined to outdo competitors. Personal selling is one of such strategies that the company can effectively use to achieve her objectives. Most of the respondents spoke in favour of personal selling, the reason given for their position was that through personal selling the company's salesman would be able to point out the features of the products.

Sponsoring of television programmes also finds favour with the respondents. This can be programmes transmitted in Igbo, Yoruba or Hausa languages or sporting activities. The effect of this will be high since most people endeavour to watch such programmes.

4.5 TEST OF HYPOTHESES

HYPOTHESIS 1.

Advertising does not stimulates the sales of a company's products.

In testing this hypothesis, tables 3,4,5,6 and 12 will be used.

Table 3: Distribution in accordance with the oil company mostly patronized by respondents. Total had the highest score of 25.6% and national followed with 24.4%.

Table 4: Distribution in Relation to why consumers patronized particular stations Quality of product scored 40% followed by advertisement with 32.2%.

Table 5: Distribution with regard to Influence of Advertisement on choice of product. 68% of the respondents agreed that advertisement influences their choice of product.

Table 6: Distribution in relation to support for advertisement. 84.4% responded yes to the above.

Table 12: Distribution with regard to advertisement power of various oil companies. National and Total had the highest scores of 26.7% and 22.2% respectively as the most advertised.

VERDICT

In spite of the fact that advertising adds to cost, most of the respondents still strongly supported this marketing tool. Secondly, majority of the respondents agreed that advertising can and does influence their choice of product. As for the factor that attracts respondents to particular stations, advertisement enjoys a high score, though coming second to quality of product. The above reasons are necessary ingredients that can boost sales. For confirmation of this, Total and

National, which the respondents perceived to be the most advertised, are the two oil companies that enjoys the highest patronage.

Based on the analysis above, we can accept the alternative hypothesis that advertising stimulates the sales of a company's products.

HYPOTHESIS 2

Radio is not the most effective medium for petroleum products in the northern part of the country.

Tables 15, 16 and 17 will be used to test this hypothesis.

Table 15: Distribution in relation to the media method suggested suitable for Texaco.

The highest score of 40% of the respondents recommended radio as the most suitable medium for advertising.

Table 16 Distribution in relation to respondents' possession of radio or television set.

41.1% of the respondents possess radio sets and 33.3% possess both radio and Television meaning that 74.4% possess radio sets.

Table 17: Distribution in relation to the frequency at which respondents listen to radio.

94.4% of the respondents claimed to listen to radio frequently and none of the respondents do not listen to radio at all.

VERDICT

Since most of the respondents do not only possess radio sets but listen to radio regularly, then the best avenue to "catch" them is through the radio which they have equally suggested as the most suitable for the company.

In the light of the above, we can accept the alternative hypothesis and reject the null hypotheses.

Radio is the most effective medium for advertising petroleum products in the northern part of Nigeria.

HYPOTHESIS 3.

The use of Yoruba, Igbo and Hausa as the media of advertising will not help to boost product sales.

Tables 2 & 7 will be used to test hypothesis 3.

Table 2 Distribution by education.

This distribution shows that 45.6% of the respondents' educational level is below primary school while 31.1% below secondary school. For the sake of this research work these people i.e 76.7% are poorly educated.

Table 7: Distribution with regard to choice of language for advertisement.

88.9% of the respondents stood in favour of local language eg Hausa as against the 11.1% that stood for English language as medium of expression.

VERDICT

Since the bulk of the target market are illiterate/poorly educated, it is just natural that they would prefer to hear adverts in their languages as against English language which will not convey the advert message adequately. It has been pointed out earlier that advertising influences sales. Hence, adverts in Igbo, Yoruba & Hausa will help get the message across and invariably boost sales.

Therefore, the alternative hypothesis should be accepted and the null hypothesis rejected. The use of Yoruba, Igbo & Hausa as the media of advertising will help to boost product sales.

HYPOTHESIS 4

Newspaper advertisement does not have influence on Texaco customers.

We shall consider tables 2 and 15 for testing of hypothesis 4.

Table 2: This shows that 76.7% of the target market are illiterates or not adequately educated.

Table 15: Shows that 6.7% recommended newspaper as the most suitable medium of advertising Texaco products. This is to say that 93.3% were against newspaper.

VERDICT

If 93.3% of the target market are against newspaper, one then wonders who the newspaper adverts are targeted at. Obviously not the 76.7% who can neither read nor write adequately. Newspaper, therefore, as a medium of advertising petroleum products will have little or no influence on the consumers.

The null hypothesis is accepted thereby rejecting the alternative hypothesis.

HYPOTHESIS 5

The present Texaco advertising campaign is not effective.

To test this hypothesis, tables 3, 4, 5, 8, 9, 10, 12 and 15 will be used.

Tables 3, 4, 5 & 12 (already explained) shows that advertising has a major influence on

consumers and that consumers perceived Texaco to be poorly advertised hence explaining the reasons why it enjoys a poor patronage of only 10% as against Total's 25.6%.

Table 8: Distribution in relation to remembrance of Texaco advertisement.

62.2% signified that they could remember and 37.8% could not. For purpose of remembrance alone, this is not a poor mark. However Table 9 has more to offer.

Table 9: Distribution of media it is heard or seen from.

While 37.8% had never heard or seen Texaco advert, 28.9% claimed they saw it on billboard.

Table 10: Distribution in relation to how often Texaco advert is heard or seen.

Out of the people that have heard/seen the advert, 42.2% represented those that only heard/seen it occasionally.

Table 15: Distribution in relation to the media methods suggested suitable for Texaco.

Radio and Television, which enjoyed the strongest recommendation of 40% and 31.1% respectively, are not being adequately utilised.

VERDICT

With respect to the above findings, Texaco is seen not be communicating effectively. Even the 62.2% who claimed to have seen or heard the advert might have done so through billboard as depicted in table 9 (28.9%). Therefore, since majority of these people are illiterates or semi-illiterates, it can be concluded that the contents of the adverts convey little or no message to them. We can draw a conclusion at this point. 37.8% had never heard Texaco advert and 42.2% only heard it occasionally, meaning that 80% of the target market are not adequately communicated to.

On this basis, it is a truism that Texaco's present advertising strategy is ineffective.

Here the null hypothesis is accepted while the alternative hypothesis is rejected. The present Texaco advertising campaign is not effective.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

THIS STUDY HAS THOROUGHLY EXPOUNDED ON THE EFFECT OF advertising on the marketing of petroleum products. The present advertising strategies of Texaco were evaluated to determine their effectiveness or otherwise in realising the company's objectives.

Advertising creates positive company image, informs customers/prospective customers of a new product or its attributes and consequently persuade them to buy. This is achieved when the advertisement is channelled through the appropriate medium where the target market can be reached at a minimum cost, yet creating the necessary impact. There abound several advertising media through which this can be achieved. These, among others, include radio, television, newspaper, magazine, direct mail, outdoor advertising, specialty advertising, motion pictures and containers. The choice of a particular medium by a company is influenced by the type of product to be advertised, the potential market, objectives of the advertising campaign, the budget available, extent and type of distribution system etc.

However, the situation at Texaco Nigeria Plc is not very encouraging. The current advertising campaign attempts to reach the market through billboards, newspapers and radio. Considering the fact that majority of the target market are not educated at all or at best poorly educated, newspaper and billboard as media of advertising render the advertisement ineffective. The effect of this is the poor patronage that Texaco enjoys from the consuming public.

This study shows that radio and television constitute the best media through which consumers could be effectively and efficiently reached in the northern part of the country. More so, the advertisement will create the needed impact when Hausa and/or "pidgin" English are used as media of expression. Be the case as it may, other promotional activities would act as necessary catalyst to effective marketing of petroleum products.

5.2 CONCLUSION

Undoubtably, advertising is a means through which a marketer can put his lofty dreams into reality. A market challenger or follower can become the market leader if he employs this technique more effectively and efficiently than his competitors. It is worthy of mention here that advertising does not operate in a vacuum. Hence, it must be blended with other promotional tools in the right proportion to yield positive results.

When designing an advertising package, the marketer must bear certain things at the back of his mind if he wishes to succeed. The culture of the people to whom he wants to market his products must be thoroughly studied. Values, norms, wants, beliefs and the peoples' lifestyle should be adequately x-rayed. This will enable the marketer to utilize the best communication method through which the advertisement will penetrate the minds of the consumers thereby creating awareness, attention and attraction towards the purchase of the company's products.

Suffice it to say that in a competitive environment like the petroleum industry, marketers hardly survive without embarking on advertising. While advertising is almost a necessity, the cost associated with it is something to be dreaded of. For instance, a full-size page of newspaper ad costs N49,500 (see appendix 3). If the ad runs for once a month in one calendar year, the cost to the company stands at N594,000, *ceteris paribus*. In this vein, the advertiser must ensure that he strikes a balance between the cost he expends on advertising and the benefits derived thereof. It may not be a bad idea to follow the industry pattern when designing a comprehensive advertising campaign. But it should be known that in a dynamic business environment, the saying, ***"what is sauce for the goose is sauce for the gander"*** may not always hold water. Therefore, the end must always justify the means.

The last thing, but obviously not the least, to remember is that we are in an era where

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people forget too fast because we are bombarded with many messages daily. Experience has proved the need for constancy in marketing by running advertising once a week for thirteen weeks. After that period, 63% of the people surveyed remembered the ad. One month later, 32% recalled it. Two weeks after that 21% remembered it. That means 79% forget it.

If after investing a colossal amount in aggressive advertising the marketer is tempted to stop for a while, that marks the time he starts to dig the bottomless pit in which he intends to permanently bury his business outfit.

5.3 RECOMMENDATION

In view of the findings of this research work as analysed in chapter four, the following recommendations are proffered for Texaco Nigeria Limited. It is hoped that when these recommendations are implemented, the sales problem of Texaco will become a thing of the past.

1) The use of radio as a medium of advertising is strongly recommended for Texaco especially in the Northern part of the country. While this is also true for television, the use of newspaper and magazine should be reduced to the barest minimum. This recommendation is on the premise that the target market is prone to radio and television than it is to newspaper or magazine. Secondly, it is cheaper to use radio and television in comparison with newspaper or magazine (see appendix 3).

2) The choice of language for running adverts is also to be critically looked into. The researcher is of the view that the three major languages (Hausa, Igbo, & Yoruba) be employed as media of expression. While restricting each to its region, pidgin English could be used to supplement them occasionally, for the benefit of those who don't speak any of the languages. The researcher believes that in the Southern part pidgin English may be used alone since a good proportion of the people are averagely educated.

3) Slogans, tunes, lyrics and sounds to classic Nigerian songs should be utilized in the advertisement for easier comprehension of the message(s), just like Mobil's "Make it Mobil, Mobil super, Mobil na wa". This tune can inspire a prospective customer to buy and once he tries the product and it satisfies his needs, he automatically becomes a regular customer.

4) The company should engage in sponsoring television programmes that are in popular demand. For example, the coverage of World Cup, Olympics and some drama series can be sponsored in which Texaco adverts will be shown intermittently. In order to reduce cost, it may be wise to co-sponsor some of these programmes with other advertisers.

5) The company should also endeavour to introduce incentives when selling her products. For example, the 5-Star services once engaged upon by the company should be revived. These include checking the various components of a car and informing the driver whether he needs engine oil, water for the radiator, distilled water for the battery, oil fort the tie rods and cleaning the windscreen.

6) While invigorating the advertising strategies, other aspects of promotion should be given adequate consideration. For instance, personal selling would be a welcome development since this receives favour with respondents.

7) Unattractiveness of filling station is among the reasons that wanes patronage. The company should do its homework in this regard and if possible change its dull colour for a captivating one.

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APPENDIX I

LETTER TO RESPONDENT

Institute of Administration
Ahmadu Bello University,
Zaria.

Dear Respondent,

Please, the questionnaire over leaf is addressed to you. I would be very grateful if you supply the necessary information.

The information is to be used in a research thesis being carried out by me as a requirement for the award of MBA.

- Assume that there is no fuel scarcity as it is presently before filling the questionnaire.

While hoping that an honest response will be received from you, I promise to use the information purely for research purpose.

Thanking you in anticipation.

Shuaib Nuhu.

APPENDIX 2

QUESTIONNAIRE ADMINISTERED ON CUSTOMERS.

1) What is your age range.

( ) Below 20 ( ) 20-30 ( ) 31-45

( ) 46-55 ( ) over 55.

2) What is your marital status.

( ) Single ( ) Married ( ) Divorced

3) Do you use petroleum products (if no don't continue).

( ) Yes ( ) No.

4) What is your educational level.

( ) Below Primary School

( ) Below Secondary School

( ) Secondary School - University

( ) Above University

5) Which oil company do you patronize most?

( ) National ( ) Unipetrol ( ) Texaco

( ) African Petroleum ( ) Mobil ( ) Total

6) What reasons accounts for your patronage of a particular oil station?

( ) Quality of Product ( ) Group Influence

( ) Price of Product ( ) Advertisement

7) Does advertisement influence your choice of product?

( ) Yes ( ) No. ( ) To some extent.

8) Bearing in mind that advert increases product price, do you still support the advertising of petroleum product?

( ) Yes ( ) No.

9) Would you prefer advert to be made in your local language or English language?

( ) Local language ( ) English Language

10) Can you remember ever seeing or hearing any Texaco advert?

( ) Yes ( ) No.

11) Through which media did you see or hear it?

( ) Newspaper ( ) Television ( ) Radio

( ) Billboard ( ) Others

12. Do you usually identify a product with its slogan?

( ) Yes ( ) No

13) How often do you hear or see Texaco advert?

14) Which oil company is most advertised?

( ) National ( ) Unipetrol ( ) Texaco ( ) AP

( ) Total ( ) Elf ( ) Others

15) Which oil company is least advertised?

( ) National ( ) Unipetrol ( ) Texaco ( ) AP

( ) Total ( ) Elf ( ) Others

16) Why do some customers favour Texaco?

( ) Quality of product ( ) Attractiveness of stations

( ) Product availability ( ) Advertisement

( ) Satisfactory services.

17) Why do others never patronize Texaco?

( ) Poor services ( ) discourteous attitude of attendants

( ) Unattractiveness of station ( ) inconvenient location

18) Which media do you consider most effective for advertising oil products?

( ) Television ( ) Radio ( ) Magazines

( ) Newspaper ( ) Billboards

19) Do you own a radio or Television set?

( ) Radio only

( ) Television only

( ) Both Radio and Television

( ) None.

20) How often do you listen to radio ?

( ) Frequently ( ) Occasionally ( ) Never

21) How often do you watch television?

( ) Frequently ( ) Occasionally ( ) Never

22. Do you think that Texaco as a company should engage in the use of personal selling as a promotion strategy? If yes give reason(s).....

.....

23. Do you advise Texaco to engage in the sponsoring of television programmes as an advertising or promotional strategy? If yes give reason(s).

.....

KASHIM IBRAHIM LIBRARY.

APPENDIX 3

ADVERTISEMENT RATES OF VARIOUS MEDIA

(AS AT OCTOBER, 1998)

1. RADIO

TIME (seconds)	AMOUNT (#)
30	917
45	1,355
60	1,838

Source: Harisu Al-Hassan FRCN, Kaduna

2. TELEVISION

TIME (seconds)	AMOUNT (#)
30	819
45	955
60	1,092
Program sponsorship	
30"	8,360
60"	15,230

Source: NTA Kaduna

3. NEWSPAPER

SPACE	AMOUNT (#)
Full page	49,500
½ Page	24,750
¼ Page	11,550

Source: Mustapha Mamman, NNN Kaduna.

AHMADU BELLO UNIVERSITY

DEPARTMENT OF BUSINESS ADMINISTRATION

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Sole Administrator:-
Major General Mamman Kontagora (Rtd)

Head of Department:-
A.M. Abu-Abdissamad
MBA, B.Ed. (Maths), LDME (A.B.U.)

INSTITUTE OF ADMINISTRATION
P.M.B. 1013
ZARIA, NIGERIA.

Your Ref: _____

Our Ref: _____

Date: 12th August, 1998

TO WHOM IT MAY CONCERN

LETTER OF INTRODUCTION

Mal/Mrs/Miss/Mr. SHUAIB, Nuhu

has completed the course work leading to the award of the Degree of Master of Business Administration (MBA) in this University. He/She is currently undertaking a research study entitled

The Effect of Advertising on the Marketing of Petroleum Products: A case study of Texaco Nig. PLC

For this purpose, we urge you to assist him with the necessary data and information he requires . The department has given instruction to the students that data and information so obtained should be kept in strict confidence and should be used only for the purposes of research.

We would be very pleased if permission is granted and the above named student given as much assistance as possible.

MAL. SANI A. ABDULLAHI,
Co-ordinator, MBA Programme
For: Head, Department of
Business Administration

COORDINATOR
MBA PROGRAMME
DEPT. ADMIN.