MARKETING PROBLEMS

OF

THE NATIONAL ELECTRIC POWER AUTHORITY (NEPA) NIGERIA

BY

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TITLE PAGE

THE MARKETING PROBLEMS

OF

THE NATIONAL ELECTRIC POWER AUTHORITY
(NEPA) NIGERIA

DEDICATION

To my Daughter, SERAH
AND
my son BITRUS

DECLARATION

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BALAMI, ARHYEL HALIDU July, 1994.

CERTIFICATION

This project report entitled THE MARKETING PROBLEMS OF THE NATIONAL ELECTRIC POWER AUTHORITY, NIGERIA, by BALAMI, ARHYEL HALIDU meets the regulations governing the award of the degree of MASTER OF BUSINESS ADMINISTRATION (M.B.A.) of Ahmadu Bello University, and is approved for its contribution to knowledge and literary presentation.

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ABSTRACT

The marketing activities of the National Electric Power Authority (NEPA) has been appraised in this work. It is aimed at identifying those marketing problems that affect the efficiency and profitable operations of the authority. The interest of the author stems from the fact that the National Electric Power Authority generates about 6,000MW but puts the total maximum national requirement at 2300MW, leaving a balance of 3700MW awaiting marketing. Yet, surprisingly, a larger part of the country is still left in the dark while the authority cries for funds to carry out its operations.

To carry out this work, the questionnaires, guided interview and observation methods were used. the respondents include staff of the Authority and consumers of its product (electricity). Facts were gathered from the respondents and analyzed, and the following revelations were made as the marketing problems of the authority.

(i) Narrow view of the marketing concept

(ii) Authority's view of its product quality

(iii) Lack of authority's real competitors in the electricity industry

(iv) Neglect of the use of advertising and sales promotion

(v) Ineffective distribution system and

(vi) Lack of good marketing information system.

These revelations led to the conclusions that the National Electric Power Authority has a narrow view of the implications of the modern marketing concept and hence, its inability to generate enough funds that will help the Authority to improve its present state.

It has, therefore, been suggested that this mill-oriented thinking and action should give way for a more marketing-oriented approach. In order to achieve this, the following were recommended:-

(i) an adoption of the implications of the modern marketing concept

(ii) an introduction of comprehensive marketing information system

(iii) need for constant product innovation

(iv) the encouragement of vertical integration in the authority through attempts of having control of its raw materials and production of spare parts or encourage their manufacture.

(v) encourage export-oriented marketing system

(vi) imbibe maintenance culture and devise efficient machinery for revenue collection.

(vii) need for advertising and promotional supports

(viii) reduction of government interference in the commercialized NEPA for more efficiency

A more efficient and profit-oriented National Electric Power Plc. will then result, which will imbibe the marketing concept necessary for effective realization of the current goals of the organization

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ABBREVIATIONS

KWH	-	Kilo Watts Hour
MW	-	Mega Watts
NEPA	-	National Electric Power Authority
REB	-	Rural Electrification Board

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CHAPTER ONE

1.1 GENERAL INTRODUCTION

Of all the conceivable problems of the National Electric Power Authority (NEPA) militating against its normal running and profitability in this country, the Authority - consumer relationship is the one that gives the author the greatest concern in relative terms. This is because the authority - consumer/customer relationship determines to a great extent the sustainability of such an organization. The establishment and maintenance of such relationship is the activity of the marketing department of the organization and the success of which depends on the right marketing approach and the realization that consumer needs, now, extend beyond the generic product itself to the totality of product offers.

The purpose of marketing is to create awareness, provide satisfaction to the customer/consumer and to hold one's own in the market. It is among the hardest tasks of an enterprise, but it is important for management to note that, if it fails or only partly succeeds with its marketing policies then all proceeding activities and efforts will be partly or entirely in vain.

Marketing involves the searching for and the creation of new markets by paying attention to new styles and new habits of living which implies the capacity to think backwards from the dynamic market place to the mill and

adapt business management accordingly (Nwosu, 1983). Unfortunately, marketing seems to be carried out in a rather loose and unprofessional manner in the National Electric Power Authority. This situation will definitely have a serious effect on the revenue generating capability and the overall efficiency of the authority. Infact, it is this issue that has been of particular interest to the author, thus, the choice by the author to look at the marketing operations and problems of the National Electric Power Authority in Nigeria and to make recommendations that will ensure long-time survival and growth of the authority.

Consistent with Peter Drucker's belief, the author shares the same, that hard time should bring out the best in a manager that worth his salt. A business is created and managed by people and not economic forces. Economic forces set limits to what management can do; they create opportunities for management action. But they themselves do not determine what business is or what it does. It is then a matter of serious concern that our entrepreneurs should sit and wait for favourable economic conditions, ready markets and advantages government fiscal policies in order to operate.

Electricity Industry plays a leading role in the industrial development of may countries. NEPA as an organization provides the largest employment to the

citizens of this country. People of diverse professional background and cadres are employed while a large number of the citizens enjoy some of the social responsibilities provided by the organization.

As civilization sets into this part of the world, the use of electricity has turned out to be a necessity, such that, without it, some activities will virtually be brought to a halt. However, while electricity could play such a role in our lives, today in the same nation, some people do not have this opportunity nor do they know its relevance to the socio-economic development of the nation. This means that a lot remains to be done in the form of creation of awareness and in the upliftment of the standard of living of such category of the citizens.

Infact, this is the Authority's responsibility which could be achieved through its marketing department. The Authority is expected to improve its management efforts for efficiency, educate consumers on the use of electricity, how it operates, what it can do and what it cannot do, so that the public is made much more informed as to the use of the commodity for mutual benefits, thereby encouraging the socio-economic development of the nation. But because such initiative could not come from NEPA, the Babangida Administration had to formulate the rural electrification policy of extending electricity to various parts of the country to uplift the standard of

living of Nigerians.

1.2 Statement Of Problem

Generation of electricity by the National Electric Power Authority (NEPA) in this country is from a good mix of hydro and thermal power stations, with a perfect inter-connection into the National Grid System. With an installed generating capacity of 6,098 megawatts and a total maximum energy demand of only 2,300 megawatts (Macaulay, 1992), one would be tempted to ask questions like what does NEPA do with the over 3,000 megawatts generated? Why are there still power failures in this country? And why do some industries prefer to use their generators instead of hooking to the National Grid?

1.3 Objectives Of The Study

Macaulay (1992) observed that the Authority is plagued with numerous problems which unfortunately have turned into a vicious circle. It is, therefore, the purpose of this work;

(1) to identify those marketing problems, if any, which stand on the way to progress of the National Electric Power Authority in Nigeria; and

(2) to make recommendations for improving the marketing operations of the Authority so that the Authority can remain afloat, provide efficient, reliable and even make profit in spite of the numerous problems of the Authority.

1.4 Scope of the Study

NEPA is currently a monopolistic organization in Nigeria. It therefore, enjoys the advantages of a monopolistic organization. It also experiences some problems as will be expected. However, this study will only make attempts to focus on the problems in the organization as it relates to the problems experienced as a result of the application of the marketing concept or its lack of it.

In order to see the applicability or the extent of success to which the marketing concept have been applied and achieved, some assumptions need be made.

1.5 Assumptions

These assumptions stand to be proved right or wrong as attempts in this work are made to test the applicability of the concept.

1. There is a total neglect of the implications of the modern marketing concept or techniques in the marketing operations of the National Electric Power Authority in Nigeria, hence their inability to generate enough fund through the organization.
2. That the orientation of the organization is such that, it is not generating good ideas to ensure success like their foreign counterparts in terms of marketing expertise.
3. That the present state of the organization could be improved upon if proper attention is paid to the

application of the marketing concept.

1.6 Research Methodology and Limitations

The methods adopted in this study are with the sole aim of diagnosing and making sound recommendations that will assist in providing more customer satisfaction and improve the state of the organization. These methods include:-

(i) Questionnaires

(ii) Guided Interview

(iii) Observation

A comprehensive questionnaire was drawn up (see Appendix 1) and distributed to the respondents. These questionnaires were duly completed and returned. This method was found to be very important as the bulk of the facts used in this work were obtained from this technique. The guided interview involved consumers, staff in Generation, Transmission Distribution and their Training Staff. This was found necessary in order to know the value attached to marketing concept as a whole in the organization and to know their plans with regards to marketing concept as viewed by the various sections of the organization.

Limitations

The techniques employed in this study as stated above have obvious limitations. these limitation can be described in general terms as research biases. In the personal interview, for instance, many of the consumers think that

the researcher is either a security agent or a NEPA staff and were not very willing to volunteer information with regards to how they feel about NEPA attitude towards them. In many cases information and statistical figures required from, them were said to be, as a matter of policy, confidential and could not be made available. This observed behaviour of the respondents could only be said to be human as they volunteered information only to the extent that they know would not commit themselves or attract changes in tariff by the organization.

The questionnaires, can be said to be infallible. Some of the questions were answered only after detailed explanations were made by the researcher, while others were fully understood by the respondents but they failed to give the true positions. Thus, gaps existed which were only filled through the guided interview.

1.7 **Definition of Terms**

For a good understanding of the subject matter particularly in the context of this work, the following terms are relevant especially in determining the validity of the assumptions made above.

(a) Marketing concept

(b) The Scope of marketing

(c) Ingredients of market success

(d) Contribution of marketing to economic development

(e) The application of the marketing concept.

(a) **Marketing Concept**

In order to understand this marketing concept, the term marketing should be well understood. Infact, many experts in the field of marketing, including other groups of scholars, have defined marketing in various ways.

The American marketing Association (1968) defined marketing as "The performance of business activities that direct the flow of goods and services from producers to consumers or users"

Kotler (1980) defined marketing as getting the right goods and services to the right people at the right place, at the right time, at the right price, with the right communication and promotion.

McCarthy (1968) defined marketing as the performance of business activities that direct the flow of goods and services from producers to consumers or users in order to satisfy customers. Baker considered marketing as a mutually satisfying relationship. He defined marketing as a process of exchange between individuals and/or organization which is concluded on the mutual benefit and satisfaction of the parties.

Large mass-production system requires mass distribution. Marketing is important because our society depends on the production and distribution of vast quantities of goods and services. Thus, unless activities take place between the products and the consumers, the entire economy would

stand still.

The origin of marketing is traceable to human needs and wants. People everywhere must have food, clothing and shelter. By simplifying the exchange transaction, marketing makes it easier for people to maximize or optimize their satisfaction. Through marketing activities, there has been rapid development in man's physical, mental, moral psychological, political and socio-economic well-being. Modern inventions, discoveries and developments in standard of living of people owe a great deal to the development in the marketing system. Business people all over the world have recognised that marketing is vitally important to the success of a firm. Infact, industrial and agricultural productions tend to rise with an increase in marketing activities. As a result of these, a new way of looking at business has emerged, namely, the marketing concept. The marketing concept is based on three fundamental beliefs:-

1. All company planning and operation should be customer-oriented.
2. Profitable sales volume should be the goal of a firm and not just volume for the sake of volume alone.
3. All marketing activities in a firm should be organizationally co-ordinated.

The marketing concept is a philosophy of business that

states that the consumer's wants and needs satisfactions are the socio-economic justification for a firm's existence. It underscores that all company activities must be geared towards the satisfaction of the consumers' wants and needs and at the same time making a profit.

(b) **The Scope of Marketing**

Recalling the various definitions of marketing above, it could be seen that the term does not include activities involving a significant change in the form of goods. Thus, stating it differently, marketing does not include the task of manufacturing, or production and agriculture which result in the goods themselves. However, the definitions of marketing do not exclude a wide variety of activities performed either before the goods are ready for the manufacturer to sell them or after they are sold. Thus, such activities as product planning and marketing research which take place long before a good is put into production are still marketing activities. Furthermore, the marketing task is not necessarily completed when the customer makes a purchase but repair service and other activities which can ensure customer satisfaction with the goods purchased are important marketing activities (Osuala, 1988).

(c) **Ingredients of Marketing success**

A pre-requisite to marketing success is the design of a good marketing plan that reconciles the company's

resources with company objectives and opportunities. The effective planning requires the full understanding of the marketing environment, imagination and perhaps most important, a detailed knowledge of your product. According to Dalrymple and Parsons (1976) "marketing planning is a creative activity where the elements of the marketing mix are manipulated for specific products and services with the intent of maximizing sales and profits". Philip Kotler (1972) is of the view that formal planning is the key to corporate survival in a world of rapid social changes and intense competition, and that firms which do little formal planning often times do not make the best use of their opportunities and resources and may be the most vulnerable to changing markets.

Martin Oworen (1980) therefore observed that any firm seeking to grow and prosper in a rapidly changing environment such as ours, must consider the following as the main ingredients of marketing success.

(a) Strategic location and measurement of consumer demand;

(b) Translation of that demand into satisfactory products or services and

(c) Development of a plan for making the products or services available to the consumers and for keeping actual and potential consumers informed of the capability of the products or services to solve their

problems.

(d) A successful plan implementation which involves:

(i) the careful designing of the organisational structure and their relationships; and

(ii) ensured adequate management behaviour through the setting of realistic standards, measurement of performance against standards, provision of rewards and incentives; maintenance of controls; modification of plans as and when necessary and the provision of the right kinds of leadership.

The final analysis of marketing effectiveness is marketing planning, implementation, control, co-ordination and some effective feed back mechanisms. The feedback mechanism is very essential in determining areas requiring adjustments in order to measure-up with the changing market situations.

(d) **Contribution of Marketing To Economic Development**

Marketing contributes to economic development in the following ways.

(i) Aiding industrial growth, marketing provides the linkage between the producers and consumers which results in the flow of goods in an economy.

(ii) Lowering prices. A good marketing system brings

about industrial growth and expansion by making profitable sales possible. The re-investment of the profits made can result in mass production and the subsequent lowering of prices.

(iii) Regulating the economy. Marketing is very essential in regulating a nation's economy. Marketing helps in the equitable distribution of resources by transferring capital from one sector of the economy to the other.

(iv) Creating and servicing demand. Firms tend to broaden their product lines and create awareness in an attempt to compete favourably with their competitors. In the process consequently, consumers are provided with a variety of goods and services which satisfy their wants and desires.

(v) Aiding technological progress and innovation: Marketing stimulates technological innovations and improvements in products and services. Firms must innovate in order to meet the needs of consumers and withstand their competitors.

(vi) Improving quality of products. Firms are in tne habit of improving the quality of their products in order to make them perpetually acceptable to consumers. This is usually done in an attempt to retain their customers and to attract new

ones.

(vii) Providing employment. The performance of the various marketing functions is a source of employment. Marketing brings about an increase in demand which in turn stimulates industrial expansion there by providing jobs to millions of citizens.

All the above highlight the economic role of marketing generally. However, the type of activity carried out by particular firm determines the roles it can play in the economic development in that country or part of that world.

(e) <u>The Application of Marketing Concept</u>

The marketing concept is a philosophy that has application in all exchanges, not only in profit-oriented business transactions, by recognizing the needs and wants of other people in even their day-to-day non-profit-oriented activities. Thus, successful and healthy organization is one that recognizes consumers desires and adjusts its activities to meet those needs and wants (Osuala 1988).

CHAPTER TWO

2.1 MARKETING OF SERVICES

In business, services are referred to as activities, benefits or satisfactions which are offered for sale or are provided in connection with the sale of goods (Schewe and Smith, 1980). And a product is defined as a set of tangible attributes of the good, services, person, place or idea that is being exchanged(Schewe and Smith,1980). Marketing as defined earlier have been put in various ways by many experts. The American marketing Association (1980) defined marketing as the performance of business activities that direct the flow of goods and services from producers to consumers or users.

Thus, marketing of services will involve getting the right services to the right people at the right place, at the right time, at the right price with the right communication and promotion (Kotler, 1990). The marketing of services therefore involves more or less the same principles as the marketing of other products (goods) with only slight differences in their approaches.

The marketing of products like most other activities involves planning. In general, planning is an essential ingredient of efficient management decision-taking. Marketing planning in particular therefore, is concerned with identifying market needs and satisfying them at a profit. To meet these objectives a marketing planning

framework can usefully be established consisting of the following steps.



Figure: 2.1 The Marketing Planning Framework.

Step 1 **Background Analysis**

The market plan begins with a detailed situation study of the product. The aim is to identify and define the current and potential problems and opportunities facing it. The first component of the study should be a historical analysis showing the factors that have shaped its performance. Factors studied in detail will include sales, profits, cash flow, the structure of the market, the influence of inflation and economic activity, sources

of sales, distribution network and competitive strategies. The second component is the forecast of the performance of the product, usually over the next five years. Finally conclusions from the analysis are drawn concerning potential problems and new opportunities foreseen from gaps in the market.

Step 2: **Quantitative Objectives**

The background analysis should permit meaningful goals to be established for sales, profit contribution, cash flow and return on investment over the next five years. These goals must be precisely quantified if they are to form an unambiguous basis for control. The objectives should also be drawn up at the division or corporate level for new initiatives (Mctavish and Maitland, 1980).

Step 3: **Marketing Strategy**

The strategy has three components. First, the description of the target market - which segment of the market the product is aimed at. Second, the differential advantage or core strategy which is going to attract that segment (e.g. lower price, quality, performance). Finally, the strategic focus - how is profit performance going to be attained; via the segmentation, market expansion, market penetration or productivity gains.

Step 4: **Action Programme**

The marketing strategy provided the guidelines for the marketing tactics or action programmes. This consists of

a detailed specification of the marketing mix necessary to implement the strategy statement and the means of pulling the mix into action. The later will include organisational responsibilities and a decomposition of strategy into a sequence of time-phased activity plans - when /to move into new markets, commence advertising, acquire resources, etc.

Step 5: **Budgets**

The marketing budget summarizes in a series of financial statements the sales forecast, cost projections and resources requirements, which are the outcome of the planning process. It shows in detail for the forth coming year and in more aggregate terms for the next five years the profit contribution and cash flow expected from the product/service. It serves as a focus for the plan and a basis for co-ordination and control.

Step 6: **Control**

The budget provides the mechanism for effective management control in the large or decentralized organization. The budget incorporates standards for performance over clearly defined time periods. Effective exception reporting procedures can then trigger management attention and focus action on prcblems areas. It has been suggested however that where among other things, the firm faces fairly less competition as in the current case of the National Electric Power Authority, a relatively low degree of

environmental uncertainty; the pressure to indulge in formal planning exercise is reduced (Saunders and Tuggle, 1977).

On the other hand, all managements will, in the discharge of their marketing function, want to take advantage of future opportunities, avoid threats, and allocate long-term capital investments efficiently, all of which imply a degree of planning with the aim of maximizing their profit (Mctavish and Maitland, 1980).

Having discussed the marketing planning framework as necessary steps towards the successful marketing of any product. Services by the definitions given above are clearly one category of products which will need to be differentiated from other products at this point so that the principles underlying its marketing activities will be understood and appreciated as compared to the marketing of other goods.

In fact the recognition and growth of services as one category of products became more obvious and so great during the World War II. Then some marketers see the United States as having the world's first service economy. Now, although goods and services both attempt to satisfy consumers' wants and needs, important differences still exist between these two classes of products.

It has been suggested that products form a continuum which ranges from pure goods (say automobiles) to combination's

of goods from services (automobile rentals) to pure services (automobile repairs). The question that arises is that within this continuum, how can one distinguish between goods and services?

In an attempt to answer this question, four characteristics have been found to be very useful in this regard.

(1) Tangibility

(2) Perishability

(3) Standardization

(4) Buyer participation in terms of product formulation and distribution.

With regards to the four characteristics above, goods tend to be tangible, nonperishable, standardized, and low in buyer participation. Services on the other hand tend to be just the opposite, intangible, perishable, nonstandardized, and high in buyer participation (Schewe and Smith, 1980). In the provision of satisfaction to consumers, services in general rely on direct action to be performed by the marketers, whereas goods rely more on materials objects created by the marketer. Each of the four characteristics above tries to distinguish between goods from services from the idea, that, services as actions while goods as objects.

1. A product tangibility refers to the degree to which it provides satisfaction from features which can be

perceived physically through sight, sound, touch, taste or smell. Thus, a bar of soap is highly a tangible good. On the other hand, the services of a plumber, driving school or a tax accountant cannot be perceived by examining the same kind of physical cues. Thus, by the definition given above they are intangible.

2. The second feature that distinguishes goods from services is perishability, that is, the degree to which a product can be stored. The satisfaction provided by the services cannot be stored, e.g. a room at a holiday inn relies on a time-related action between buyer and seller, that is, a room can stand vacant for a night or when a jet takes off with empty seats, the satisfaction that such product could have provided is lost forever. The satisfaction derived from a good, however, tends to be less time-dependent, for example, a soap, deodorants or shirts can be stored unlike services.

3. Standardization:

A good, such as this textbook can be produced with highly uniform quality on an assembly line. Whereas services often depend on an action by the marketer to create utility, and so, they tend to be non-standardized. Most services are not produced in assembly-line fashion as goods. Thus, on a given day

the quality of service from a lawyer, or a mechanic or a sports team can vary (Schewe and Smith, 1980).

4. Buyer Participation:

Here, there tend to be a gap between the production, marketing, and marketing of goods, while services tend to occur within a single time frame. Thus, the buyer of s service is often involved in the formulation and execution of the service. But a good is produced in a factory and then distributed to buyers for consumption in a different time and place. in contrast, services tend to be produced, distributed and consumed with less separation in terms of time and place.

It is worth noting that the idea that services rely on actions to provide that services whereas goods depend on material objects leads to important distinctions between these two categories of products. However, it must be borne in mind that these distinctions are not always clearcut. For instance, an automobile rental agent may rely on a combination of both goods and services to provide satisfaction. Marketers must, tnerefore, be prepared to deal with these characteristics and use them in creating a unique bundle of utility that satisfies market needs.

2.2 Products In The Broad Sense

As seen earlier, product has been viewed traditionally as the good or service that is exchanged. This definition includes many things - citizens band radios, razor blades, plastics, food items, hair styling, medical care, land scape services, babysitters and dry-cleaning. And though such a list would seem endless, the marketer's viewpoint of what constitutes a product has been broadened since the 1960's to include many things besides goods and services. Marketers now also market people like the actors, athletes, politicians, teachers and even students. Marketers also market places, e.g. a glance at the travel section of a newspaper will provide numerous examples of advertising that promotes places to visit. Marketers market ideas, both pro and con. Physical fitness, energy conservation and regular medical check-ups have been encouraged, while smoking, litter, and child abuse have been discouraged. marketing now can as well be used to promote both companies and non-profit organization's as products. And perhaps the most significant contemporary roles of marketing are its non-business applications. Marketers now give advice to Churches about how to increase membership, to charities about how to raise money and to art museums and symphony orchestras about how to attract patrons. The marketing of nations is yet another

contemporary application of marketing. Nations mount international campaigns to communicate important points about themselves to the citizens of the same or other countries.

Product Classification

Having shown what product is in its broad sense, more meaning could be given to it by making its classifications. Because new products are identified, developed, discovered, invented or born every day and that each of these products demands a unique marketing mix, it has been found useful for marketers to classify products into groups that share common characteristics and can be marketed similarly.

For instance, one way to classify products is to divide them into durable and non-durable categories. Another way is to classify products into perishable and non-perishable. Products can also be classified as necessities or luxuries. Necessities are items that are essential, while luxuries are products that match wants more than needs. Marketers are however more interested in classifying products on the basis of their sensitivity to price, that is, some items' demand is price elastic (demand for them is very sensitive to changes in price), while for others demand is price inelastic (demand does not vary much with changes in price) (Schewes and Smith, 1980). This price sensitivity has led dealers to use

rebates as means of encouraging exchange. On the other hand, demand for such products as bread and milk is price inelastic. That is, these products tend to sell at the same rate no matter what the price. While the above classification systems of durable-non-durable, perishable-non-perishable, necessity-luxury and elastic-inelastic are all useful ways for marketers to view products, the most important classification system which the marketer focuses attention, as should all marketing -on the product's buyer. According to this classification system, consumer products are destined for use by ultimate consumers, while industrial products are used in the production of still other goods and services, and the third in this classification are services (Schewes and Smith, 1980).

2.3 Marketing Service As a Product

As pointed out above, there are three basic types of products. The characterization of each product plays an important role in its marketing approach. The three types of products are:

(1) Consumer goods

(2) Industrial goods

(3) Services

However, the classification of such products cannot be clear-cut and therefore some products could fall in all the three categories. Paint is a good example. It can be purchased by both consumers and industrial companies and

it can also be part of the services offering given by house decorating company (Westwood, 1990). The characterization of each of the products will now be considered in order to appreciate the type of marketing principle applied in each case.

2.3.1 Consumer Goods

The consumer markets are characterized by having a larger number of customers. By the very nature of consumer goods they are usually items that are mass produced in identical form. There are two basic types of consumer goods namely fast-moving consumer goods and consumer durable. Fast-moving consumer goods are sometimes called convenience goods. They are items such as food, tobacco, cosmetics that have a quick turnover and tend to be quickly consumed (Westwood, 1990). Consumer durable on the other hand are items such as cars, furniture and electric gadgets which are less frequent purchases that will be used by the customer for a long time. The consumer is normally taken to be the end-user who may or may not be the actual customer who purchases the goods. Within the consumer goods industry different marketing techniques have been developed for fast-moving consumer goods and for consumer durables. For example, a car manufacturer may wish to convey to the customer the fact that its make of car will not rust for seven years, but a chocolate manufacturer would not want customers to remember that its chocolate

bars have a shelf-life of seven years.

Most consumer markets are segmented, i.e. there are markets within markets. Consumers can be classified by characteristics such as their age, sex, socio-economic group or occupation. These characteristics have bearing on the type of television programmes they will watch and the news papers they will read. Thus, since it is expensive to advertise and sell on a national scale, it is important for companies to know which type of customer is likely to buy their product and therefore target their advertising accordingly.

For consumer goods it is easy to find out what types of customers are likely to buy a particular type of product and to find out what type of advertising is most likely to reach these customers by using market research techniques. The supply chain for consumer goods is often quite long (Westwood, 1990). Figure 2 shows the supply chain for a breakfast cereal. It shows that the bulk of the advertising would be aimed at the customer and the consumer.

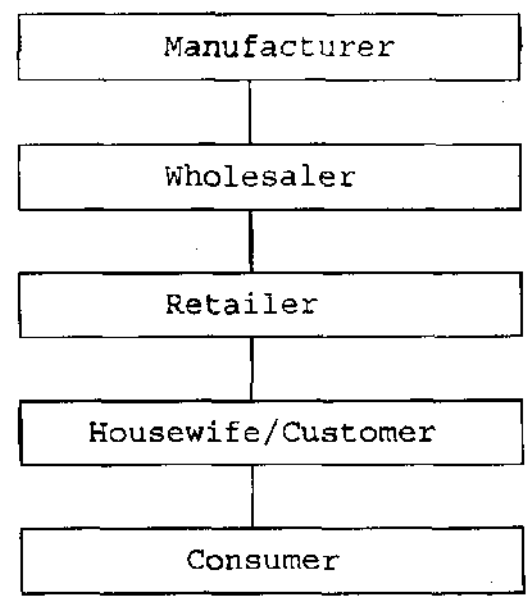


Figure 2.2 Supply chain for breakfast cereal

2.3.2 Industrial Goods

Industrial goods are any goods sold by industrial companies to manufacturers, suppliers, contractors or government agencies (Westwood, 1990). The goods would normally be incorporated into other products, used within the company's won business or resold. The industrial goods can be a raw material, components or capital goods. The ultimate consumer of the final product probably has little interest in the raw materials or components used in its manufacture. The same principles of marketing consumer goods apply to the industrial goods. However, it is more difficult to apply these principles in industrial markets, because information about industrial markets is no so easily available as that about consumer markets. This is because industrial markets are more specific. Companies involved therefore would have

to commission market research individually. This is unlike in the consumer goods marketing where the customers who buy chocolate bars would be the same customers who may buy soap bars such that the same market research information could be of use to companies selling both of these products. It is however important to note that, the demand for industrial goods ultimately derives from the demand for consumer goods, because the users of industrial goods are usually manufacturers of consumer goods.

It is however, an accepted fact that the marketing of industrial goods and particularly the marketing of capital goods is more difficult than the marketing of other types of products, because there are fewer individual customers and each industrial market has its own specific characteristics (Schewes and Smith, 1980). The supply chain in the sale of capital goods is shorter than the supply chain in selling consumer goods and the number of individual customers for the product is considerably less (Mctavish and Maitland, 1980). And because of the diversity and complexity of markets for industrial goods, there is not as much outside expertise as in the consumer sector and companies need to rely heavily on their own employees for market information or interpretation of outside information. An advantage of the industrial sector however, is that, the number of key players and competitors in any particular industry is usually small (Westwood, 1990).

2.3.3 Services

The third basic type of product is a service. By this it is not meant the customer service that most reputable companies supply with their products, but a service as a product in its own right.

Services range from financial services such as banking and insurance to cleaning windows and carrying out electrical supplies and repairs. They differ from consumer and industrial goods in that in a service industry, there is no tangible product and the product has no shelf-life. This is an important fact, which influences the way in which services are marketed.

In a typical service company, many of the functional activities are different from those in a manufacturing company. As there is no product, there is no need for warehousing, distribution or quality control functions. In such a typical service company, there is also no need for engineering, research and development, purchasing or production departments. But since product is being sold, a service company must still have finance, operations, sales and marketing functions (Westwood, 1990).

Since the product has no shelf-life, a service organization must be able to get continuity of work. Because there is no actual product, the advertising used to promote services is different from that used for consumer or industrial goods. Service organizations sell the benefits of their service as

their product.

In marketing service, your marketing needs, to at least produce better sales to facilitate profits and growth (Westwood, 1990). You need to also maximize the volume and quality of customer contacts, by attracting more, converting more, satisfying more and making better contacts. The means of achieving this have been identified to include:

1. Improving contacts with existing customers
2. Improving contacts with known potential customers who do not use the service
3. Identify and make contact with new potential customers.

Important to the marketer of service is to realize that because a service is not a tangible product, it is easy for your potential customers to be confused as to what you are really offering. This will in turn make you to consider - what your service really is, and make comparism as to:

(1) What you currently think of your services

(2) What your buyers know your services are

(3) What your non-buyers think or know your services to be.

Thus, success in the service sector is dependent on your image and reputation. Advertising, direct mail and personal contact are therefore all important (Westwood, 1990).

Although in all industries total profit and profit margin are well emphasized right in their marketing planning, the service sector is particularly affected. This is because large industrial manufacturing companies have large

overheads to be recovered and that even marginal business which shows no profit at least recover overheads. In the service sector, the labour costs are usually large. Hence, there is need for you in the service sector to consider ways of turning away marginal business and maximizing more profitable business (Westwood, 1990).

Like the example of the point given above, electricity which is the product of NEPA could as well fall into all the three categories of products as consumer good, industrial good and service. As a consumer good, most households act as the end users of NEPA's product (the electricity). As an industrial good, many companies use the electricity supplied to them for use in the manufacture of other products or goods for resell to customers/consumers. While as a service, NEPA could be employed to electrify an industry or town. Thus, the marketing techniques employed in the marketing of the three basic types of products have to be carefully selected and accordingly applied for the marketing of electricity as the product of NEPA.

CHAPTER THREE

3.1 THE DEVELOPMENT AND STATE OF ELECTRICITY SUPPLY IN NIGERIA

The electricity corporation of Nigeria (ECN) had been responsible for the provision of electricity in the country. However, the actual history of electricity generation in the country dates back to 1951, when the growth of industries coupled with a rapid urbanization at the time prompted the demand for electricity which was rising faster than the supply. Consequently, the former electricity corporation realized that a large and cheap source of power must be found to satisfy the growing demand. The ECN., therefore, embarked on hydro-electric investigations of the River Niger upstream of Jebba, in 1951 (Bodunrin, 1992).

In 1953, the Federal Government of Nigeria commissioned the Netherlands Engineering Consultant (NEDECO) to carry out a hydrological survey of the Niger and Benue rivers. Four years later, the former Northern Nigeria Government and the former Electricity Corporation of Nigeria jointly authorised an investigation of the hydro-electric potentials of the River Kaduna at Shiroro Gorge by Alexander Gibbs and Partners in collaboration with Messrs Preece, Cardew and Ride.

In 1959, the National Economic Council of Ministers accepted the recommendation and the project committee authorised the various consultants to proceed with detailed investigations of the Niger project. the consultants report published in

May, 1961 recommended that a first dam should be built at Kainji, some 102.04 kilometers upstream of Jebba. This according to the report would provide sufficient electric power for many years, improve navigation through flood control, and allow large areas of land downstream of Jebba to be cultivated. Thus, series of meetings and resolutions between 1951 and 1961 were made. The subsequent acceptance and approval by the Federal Government in 1962 led to the commencement of the construction work of the Hydro Power Station in Kainji.

3.1.1 HYDRO ELECTRIC POWER STATION

The physical construction of structures and installation of machineries of the hydro electric power station at Kainji began in 1964 and the work was concluded in 1968. At the commencement of operations in 1968, only four units generating a total of 320MW were installed. In 1970, two generating units of 100MW each were installed and commissioned. a further two units generating 120MW each were in 1978 installed, making on the whole, a total installed capacity of 760MW at the Kainji Hydro Electric Power Station (Macaulay, 1992).

In an effort to fully exploit the potentials of River Niger, the Electricity Corporation of Nigeria in 1951 also embarked on an indepth tour and examination of other possible sites for the development of hydro electric power. Thus, in 1958, Balfour Beatly and Company Limited and Netherlands

Engineering Consultants intensified their operational study of the dam sites. Their recommendations were accepted which later formed the basis for the construction of the Jebba Hydro Electric Power Station.

The Jebba Hydro Electric Power Station is made up of six turbines of 90MW each. And at full firing, the station can produce 578.4MW of electricity.

The Shiroro Hydro Electric Power Station is the only Hydro Power Station in the country not on River Niger. This is a strategically located Hydro Electric Power Station sited on a high point of Shiroro Gorge on the Kaduna River, a few kilometers from Minna, Niger State. It is one of the newly established power stations. Although construction work started in the early 80's, it was not commissioned until in May, 1990.

As a new power station, the Shiroro power station was built with modern specifications to match the current trend of technological development in the electricity industry worldwide. The power station has modern control room equipped with swith-yard facilities which enhances the necessary step down and subsequent exportation of generated electricity into the National Grid. It is capable of generating 600MW of electricity at full utilization.

3.1.2 THERMAL POWER STATION

The inccessants demand for electricity which is a typical phenomenon of all developing nations informed the government

to yet look into other sources of generating more but relatively cheap power supply. Thus, thermally generated electricity was identified, which uses natural gas as the major input.

In 1963, the Afam Thermal Power Station was built. It is located in Afam on the outskirts of Port-Harcourt, Rivers State. The Afam Power Station is one of the earliest stations built and managed by the National Electric Power Authority. The choice of Afam as a location of the Thermal Power Station was because of the relatively cheap and available Natural Gas in the region. As at today, an installed capacity of 696MW has been achieved through three extensive expansions of the power station.

The Lagos Thermal Power Station was built at a time of unprecedented demand for electricity by consumers nationwide. The desire to meet the appreciable increase in demand for electricity by residential, commercial and industrial consumers informed the conception and construction of this power station. This bold step taken later turned out to be an enviable significant achievement for the National Electric Power Authority.

The Lagos thermal Power Station is not only one of the most modern power stations, but it is also said to be the biggest in African with a generating capacity of 1,320MW, reequipped with a central control room which has both manual and automatic devices for regulating the operational activities

of the various units. The station has protection services specially built into the plant such that, the plant and its switch-yard are isolated from the rest of the system in case of severe disturbances in the National Grid. The plant is strategically located, fortified with sprinklers and hydrant systems supplied from the nearby lagoon to ensure adequate protection against fire.

As observed earlier, a peculiar characteristic of growing, developing nation is the rising demand for electricity. Thus, around the 80's, the conception and construction of another thermal power station was carried out, after a series of studies, at Sapele, Ogorode, Delta State. This power station is capable of generating 720MW at full capacity and it utilizes high pour fuel oil for its operations. The oil used is supplied to the station through a small jetty at the power station. It can alternatively use natural gas.

The pressure of heavy industries in the Delta region like the Aladja Steel Complex and the Nigerian National Petroleum Corporation prompted another siting of another power station at Ughelli so that it could reduce the heavy demand from the National Grid. Another factor that enhanced the choice of Ughelli was the availability of the cheap natural gas which the thermal power station uses. At the peak of its operation, the Ughelli Power Station could generate 600MW of electricity. The power station was commissioned on 12

March, 1991.

3.2 NATIONAL ELECTRIC POWER AUTHORITY (NEPA)

NEPA came into being in 1972, after the Federal Military Government decided to merge the Electricity Corporation of Nigeria and the Niger Dams Authority into a single body to avoid duplication of resources in the two organizations. Consequently, a Decree merging the two organizations into the National Electric Power Authority was promulgated with effect from 1st April, 1972. The decree stipulates that the authority is to develop and maintain an efficient, co-ordinated and economical system of electricity for all parts of the federation. It is this decree that this write up will try to address as to how much of the above objectives have been achieved and/or what efforts have so far been made.

3.3 STATE OF THE ELECTRICITY INDUSTRY IN NIGERIA

Presently, NEPA has an installed generating capacity of 6,098 megawatts that meets the nation's total maximum energy demand of 2,300 megawatts. Generation of electricity is from a good mix of hydro and thermal power stations, with a perfect inter-connection into the National Grid System (Bodunrin, 1992).

As a government parastatal, NEPA's operations are seriously hampered due to several government directives. And in order to reduce this anomaly, the authority was partially commercialized in 1990. NEPA's operation is broadly divided

scenario, the generating capability will meet the national power demand (Bodunrin, 1992).

The present installed capacity is about 6000MW hydro and 4000 MW thermal. In order, therefore, to plan for the load growth and optimize control of power flow, the construction of additional hydro plants to maximinse the benefits of their low operating cost at different locations of the country, is believed, to save the country in the future.

Caven, (1992) observed that the electricity industry in this country is expanding at a gigantic rate and that it is imperative that adequate attention be paid to the prospects of the industry by planning ahead.

Presently, the annual growth rate of electricity consumption in Nigeria is about 6% per annum (Caven, 1992). He pointed out that it will be reasonable to expect increasing growth in electricity consumption between now and the year 2000, if we are to approach the standard of living in the developed countries and improve upon the industrial capacity of Nigeria. He further observed that the annual growth rate of electricity consumption in Nigeria is even going to be higher going by a recent publication that the annual energy consumed per capital in some countries as given below:

COUNTRY	ENERGY CONSUMED PER CAPITAL/ANNUM (kwh)
United States of America	10,319
France	5,747
South Africa	3,850
United Kingdom	3,457
Brazil	1,296
Zimbabwe	542
Egypt	573
Nigeria	150

Table 3.1: Energy consumed per capital/annum (KWH)

The values above are obtained when energy consumed is divided by the population. This shows a very low value in the case of Nigeria, indicating a large percentage of Nigerians are not enjoying electric energy.

This is believed to be the reasons behind the Babaginda's Administration which embarked upon the laudable rural electrification policy of extending electricity to various parts of the country to uplift the standard of living of Nigerians in both urban areas and the rural communities (Caven, 1992).

3.3.2 **TRANSMISSION**

All the power stations are interconnected through a web of networks known as the National Grid. The delivery of power through the National Grid to the primary points of distribution is referred to as transmission. Transmission involves several transformers, sub-stations and thousands of kilometers of transmission lines supported by steel towers, (Bodunrin, 1992).

PROSPECTS FOR EXPANSION OF THE TRANSMISSION GRID

The national transmission grid is composed of several long radial 330KV and 132 KV transmission lines with few mesh networks (Caven, 1992). Consequently, tripping of some of these lines result in black-out over wide areas because alternate routes for power flow are not available.

There is urgent need, therefore, to construct additional 132KV transmission lines and associated substations, to improve power supply to especially some of the newly created state capitals and to the local government headquarters. Similarly, several 33KV sub-transmission lines and associated injection substations have to be constructed to reinforce the existing distribution networks. The lines are believed, when constructed to re-enforce the national grid and provide mesh networks very essential for the stability and security of the power transmission (Caven, 1992).

Caven 1992 said that about 180KM of 330KV and 2000KM 132KV transmission lines are expected to be constructed before the

year 2000 if financing is possible. It is also envisaged that the expansion of the national grid will be associated with a computerized national control center equipped with modern remote control and monitoring facilities with an upgraded communication network.

3.3.3 **DISTRIBUTION**

The activity in the Distribution Section starts at the point when the high voltage supply from the transmission substation is further stepped down to domestic voltage of 230/400V. Bodunrin, (1992) observed that it is necessary for the distribution sub-sector which the public holds as the mirror image of NEPA, to deliver steady and uninterrupted power supply for sales to customers in order to improve energy sold in KWH and cash (N). This according to him is because frequent power failure does not only reduce energy sold but also demoralizes customers in settling their bills and encourages unconcerned attitude to vandalize NEPA properties.

The relevance of the performance of the Distribution sub-sector to revenue collection cannot be over emphasized. It is therefore, believed that if revenue collection improves especially those due from governments, parastatals and the military, the distribution sub-sector will itself improve and consequently improve the efficiency of the organization as a whole.

3.3.4 **SALES**

The sales sub-sector of the National Electric Power Authority came into existence when the World Bank Assisted Rehabilitation Programme, aimed at improving the Authority's energy supply situation commenced the commercialization of the authority in 1990. In realization of the vital role that the sales sub-sector could play in the commercialized NEPA, it was raised to the same level as that of the distribution sub-sector.

With the changes in the organization's structure above, greater emphasis was placed on sales of energy and revenue collection. For efficiency, more scientific approaches were evolved in the collection of the revenue. Meter readers were deployed on planned routes and journey cycles. Targets were then set for District Commercial managers (Bodunrin, 1992).

Data pre-1990 could not be obtained. However, those of 1990 and 1991 as published in NEPA review are shown below:

1990/1991	Cash Collection/Target	
	'000	'000
TARGET	N3,003,600	N2,958,801
ACHIEVEMENT	2,019,066	2,268,007
VARIANCE	894,534	690,796
% ACHIEVEMENT COLLECTION	67.2%	76.7%
GROWTH	-	+284,941
% GROWTH	_	+12.33%

Table 3.2: Revenue Collection Historical Data.

The above shows that the sales sub-sector made an improvement of +12.33% or N248,941.00 over its cash collection achievement for the year 1990.

Bodunrin (1992) explained that except for the problems militating against the efficient and effective performance of the organization, the above figure could be said to be good. There is, however, plenty of room for improvement. Some of the numerous problems which have plagued the

authority and have almost turned out to be a vicious cycle according to Macaulay (1992) include:

(i) Many of NEPA's power plants are due for rehabilitation

(ii) That over 90% of power inputs are imported

(iii) That there is serious lack of commitment on the part Nigerian manufacturers to manufacture electrical and power plant parts locally.

(iv) High exchange rate of the naira to major foreign currencies

(v) There is inadequate supply of meters

(vi) High cost of fuel and lubricants, resulting in high running operational cost.

(vii) Low tariff charged

(viii) Huge debt by the private and public sectors

(ix) Lack of commitment on the part of government organizations and the military to settle their outstanding debts and their unwillingness to settle bills as and when due.

(x) Lack of effective sales machinery in NEPA for prompt revenue collection, even if it is only that of the private sector.

(xi) Theft and vandalization of NEPA technical equipment

(xii) Inadequate funding.

Inspite of the enormity of the problems confronting the authority, Bodunrin (1992) insists that, there are still bright prospects for the future improvement in the

operations and revenue generating capacity of the organization. He puts his claims to the availability and improvement of the following:

(i) **Management Staff**

That to him, there is an abundance of the high management staff in the employment of NEPA. And, that, if this category of staff are properly harnessed and motivated, they are invaluable "assets" for organisational development in the short and long term.

(ii) **The Product**

That, the product of NEPA, which is the electricity, is readily acceptable to its customers, and that it is in high demand.

(iii) **Customer Population**

That, there is a prospect for a tremendous increase in customers population, which consequently will provide a capacity to generate more revenue in the near or immediate future.

(iv) **External Assistance**

There are also prospects for some financial and technical assistance from the World Bank and other Bodies.

(v) **Salaries**

That the recently reviewed salaries, wages and benefits of NEPA employees which fall in line with its new stance as a commercialized organization will motivate

and most likely cause an increase in the level of productivity.

3.4 USES OF ELECTRICITY

The uses of electricity and the role National Electric Power Authority plays in its provision, in this country, makes the organization to be tagged as the 'heart beat' of the nation. Electricity play so large a part in the modern world generally that it would be difficult to imagine life without it. In fact, energy generated by hydro-electric and nuclear power stations are transmitted cheaply to big towns and industrial areas and its distribution in country districts eases the labours of farmers and diarymen. The advantage of electric energy is the ease with which it can be transferred to light, heat, and other forms of energy (Abbott, 1977). In most homes, radio and television sets are regarded as necessities while electric light is taken for granted almost every where. People appreciate the cleanliness and convenience of electric heating and cooking, and their daily toil is lightened by electric, washing machines, polishers and vacuum cleaners. The well equipped house may have more than a dozen items of electrical equipment, ranging from the refrigerator to the electric razor. The high passenger transport problem in many of the big cities of the world have been solved by the use of the underground electric railways. Also the replacement of steam by electric power in factories makes for a cleaner atmosphere (Abbott, 1977).

3.5 PROBLEMS OF THE NATIONAL ELECTRIC POWER AUTHORITY

Under the new dispensation of being commercialized, the authority is expected to generate adequate revenue so as to be able to pay all its bills and pump some money into research and development and still declare some profits. Unfortunately, the authority is plagued with numerous problems which are now militating against the realization of the above objective (Macaulay, 1992). These problems include:-

i. Overdue maintenance of the Power Plants. Many of the Power Plants were overdue for maintenance even before the commercialization exercise, such that most of the plants are due for rehabilitation. This has been too heavy for the authority, which has been trying to tackle the problems gradually. This accounts for the power shedding currently observed in some parts of the country.

ii. **Heavy Reliance on Imports**

The heavy dependence of the authority on imported materials for its operation makes it to suffer all the problems associated with importation. As at now over 90% of power inputs are imported by the authority. This problem can be very serious especially when observed that there is a total lock of commitment on the part of Nigerian Manufacturers to manufacture electrical and power plant parts locally. The

manufacture of such will aid in conserving our foreign reserve and make us master of ourselves or reduce panics in times of external threats.

iii. **High Exchange Rate**

The authority as a business concern imports materials for its operations. Thus, the high exchange rate of the Naira to major foreign currencies seriously affects its operating costs.

iv. **High Running Operational Costs**

The high costs of materials like fuel and lubricants results in high running operational costs. These affect activities like the provision of meters which are required for billing customers.

v. **Tariff Charges**

The tariff charges are determined by the government. The low tariff charged as a result of subsidy by government hampers the efficiency of the authority which requires money for its operations.

vi. Huge debts by the private and public sectors. There is the serious lack of commitment on the part of government organization and the military to settle their outstanding debts and their unwillingness to settle their bills as and when due. Although the private sector is better, it appears to exhibit the same tendency.

vii. lack of effective machinery for control. the authority

lacks effective machinery for determining the amount of electricity distributed to an area and to aid in effective sales. The authority also lacks machinery that would enable prompt revenue collection even if it is only that of the private sector since the government establishments are quite unwilling.

viii. **Theft and Vandalization of NEPA's Technical Equipment**

Over the years a lot of NEPA's technical equipment have been vandalized which cost the authority some large amount and time to replace for normal functioning. This is a big problem that if it persists will cripple the authority thereby destroying the electricity industry in the nation.

ix. **Inadequate Funding and Pricing Policy**

As a government parastatal, NEPA is expected to be well funded so that it can carry out its operations effectively, this has not been the case, there have always been inadequate funding of the authority. Coupled with the pricing policy that exist in the authority, whereby the government fixes what should be charged without due regard to the cost involved in its production. This compounds the problems of the authority thereby rendering the authority ineffective in its operations.

x. NEPA workers being part and parcel of the Nigerian system have a large number of uncommitted staff. there

are also serious management problems ranging from general indiscipline to fraudulent attitudes by a large number of the management staff.

CHAPTER FOUR

4.1 ANALYSIS OF DATA

This chapter will attempt to analyze the information received from respondents as demanded during the course of this study. The analyses will be made under the following headings:- The Authority's goals and marketing objectives or goals, the product component; the price component; the distribution component and the marking information systems. it is hoped that by this approach, it will provide for charity and relevance in the identification of factors that affect the application of the marketing concept in the electricity power industry in Nigeria.

4:1:1 Company Goals And Marketing Goals

At the outset, it should be stated that although some authors distinguish goals from objective, in this write-up they will be considered the same. this is because,while, difference could be drawn between the two, a clear distinction is not uniformly followed (Bediean 1986). Consequently, these terms are generally used interchangeably in both academic and business circles. Objectives are those ends that an enterprise seeks to achieve by its existence and operations (Bedeian, 1986). An objective has essentially two characteristics:

(1) There are predetermined.

(2) that objectives describe future desired results towards which present efforts are direction.

It is also important that besides the grasping of the nature
of objectives, the distinction between official and operative goals be understood. While official goals are the general aims of an organisation as expressed in its corporate charter, annual reports and public statements, the operative goals of an organisation reflect the actual intention as disclosed by its operating policies. Thus, this partly explains why in the course of this work, research methods like the use of questionnaires, personal interviews were employed, so that the operative goals or actual intention of the organisation could be obtained for proper evaluation of the organisation (Bedeien,1986). The questionnaires prepared for this study were distributed to all concerned. Interestingly, a great similarity in almost all their responses were obtained. Where differences in answers exist, will, where necessary, be made know. When asked to indicate NEPA's main objective, the following responses were given in descending order of priority:

(a) to stimulate socio-economic development of the nation

(b) to produce cheap electricity to the populace but at a profit.

(c) to render social services to the nation

These objective as indicated by the respondents

appeared sound and lofty. We shall, however find out later whether the activities of the organisation are actually geared towards achieving these objectives or not. On further questioning through personal interviews, it became obvious that the provision of cheap electricity at a profit is the present main objective of the organisation and that the rendering of social services and the stimulation of socio-economic development of the nation were considered as strategic options.

In keeping with these objectives, the National Electric Power Authority directed its attention in the search for cheap sources of electricity as indicated by siting the generating stations along the river Niger and Kaduna river for hydro-electricity as the cheapest means of obtaining electricity. Still, in an effort to obtain cheap sources, the gas which is being flared off as byproduct in the production of other petroleum products was employed in the generation of more electricity. In further pursuit of this objective, the electricity generated is being directed largely to major towns, like Lagos, kano and Portharcourt.

As a social service: It is true that the provision of electricity in this country cannot be said to be based entirely on a set of criteria but rather, the provision

and distribution of electricity has largely been politically motivated. Thus, either as a result of bargaining with loyal politicians or based on who is in a position to influence the availability of the electricity for a particular area, are the surest ways of obtaining electricity in Nigeria. Thus, although a huge amount of electricity is being generated in this country, a larger part still remains unconnected to the National Grid. To substantiate this point further, the reader is made to know and make judgement, as to whether it is true that all those areas in the country which are still using Rural electrification Board (REB) or completely unelectrified are either politically weak or have no body from that area in top position representing their interests.

As a result of the type of objective set out and the activities involved in their realization, the state of the electricity industry in this country, NEPA, can only be said to embark on the undifferentiate type of marketing as strategy. By this strategy, the Authority claims to save cost since the whole market is treated as an aggregate. The factors responsible for the selection of the undifferentiated type of marketing strategy according to the respondents are economic, social and political.

The Authority, NEPA adopts a mixed form of the product, function and market oriented marketing. In addition marketing and sales planning, advertising and distribution

are considered to be under the marketing manager, but product development (production) is considered entirely not a function of the marketing manager.

The interesting revelation in this study is that only, the distribution and sales are the only activities under the marketing department with the marketing executive little or no authority over other department in bringing abut co-ordinated marketing.

4:1:2 Product Component

The National Electric power Authority is a mono product organisation and enjoys the monopoly of this product market. Therefore, the consideration of the quality of product do not affect much of the strategic existence of the organisation. However, electricity as the product produced and sold by the organisation needs detailed consideration. The electricity could be classified as a consumer product/Commercial/Industrial product or service. As an industrial product, it stems out from the fact that, it is a derived demand product, that it, some industries rely on and use it for the production of the goods and services they send into the market. Thus to Engr. Usman Sa'ad the product of NEPA, the electricity, will boost commercial and industrial activities and encourage foreign investors to respond positively by investing in the country,which according to him, will bring about the much needed economic transformation of the entire country.

It is also a consumer product, when used in residential and other areas where the end is for the satisfaction of the consumer, as used in homes for cooking,ironing,refrigeration,washing, grinding,operating electronic gadgets and the provision of light. In any case, whether consumer or industrial, it is important to bear in mind that products are made for the market and the aim should be to obtain maximum benefits from serving present and potential users of the products. As a service, NEPA, may be required to electrify a whole company or even a town.

Before December, 1968, the Electricity Corporation of Nigeria was responsible for the supply of electricity in the country. It used Diesel as the source for generation. This was soon discovered that, it was not only costly but that a larger and cheaper source must be found. In order therefore, to meet the growing demand, the corporation carried out a hydrological survey which gave birth to the present hydro-electric power stations, which use water as the major raw material. This was really found cheap, but in order to ensure stability of power supply, a further research into the use of the Liquified Natural Gas (LNG) was embarked upon which increased the number of power generating stations from three to the present number seven (7). The LGN is obtained during the process of producing other petroleum products.

With the above break-through, the amount of electricity increased and somehow stability in power supply has most importantly been improved. Thus, the frequent power failures observed over this period may not be from the generating stations but most probably from the transmission and/or distribution stage.

Most of the respondents put the generating capacity of the stations to between 60 - 80%, and that the major problems of the generating stations lack of maintenance as a result of non-availability of spare parts. Infrequent, is the problem of water level in the case of the Hydro-Power Stations. While the Thermal Power Stations as observed of recent could not generate much due to lack of the LNG and other petroleum products used in the generation of electricity.

4.1.3 Pricing Component Mix

The price of a product is simply the rate at which it can be exchanged for another product or service (McTavish and Maitland, 1980). Products have prices because they are useful and because they are not ininfinite supply, their prices, therefore, are determined by the prevailing conditions of usefulness and scarcity which are relevant to them.

Although pricing appears simple, it poses a serious problem to managers as the setting of prices for his

product must be resolved which consequently may determine the acceptability of a product in the market. The problem in making such decisions of pricing usually arise from lack of adequate information on both the demand and costs. Despite this problem the marketing manager must find a price that will sell the product and still contribute to the profit of the firm (Nwosu, 1983).

Pricing in the National Electric Power Authority is neither cost-oriented nor market-oriented but based on the prevailing government policy. Mctavish and Maitland (1980) said that Government make pricing decisions at certain points or areas in time where price is seen to be a crucial factor in the attainment of strategic corporate objectives. Usually price strategy stems from the overall objectives of the organisation or on which the organisation is established. The National Electric Power Authority (NEPA) was by the degree establishing it, to generate and distribute electricity by all available known means to all parts of the Federation only to break even, that is, to recoup cost only. That is, by its establishment it is not a profit oriented organisation. Nevertheless, there was an embargo placed on it, that is, no right to increase its tariff without Government approval. These limiting factors call for costs awareness and financial technique as to execute its operations. This eliminates all the kinds of pricing techniques where

profit maximization is seen as the ultimate objective of the firm.

In an ideal business concern where profit maximization is the sole or one of the objectives of the firm, the need for keeping final product as low as possible is sought for, objectively, bearing in mind price control agreements, market situation and competitors prices, the costs of such factors as labour, raw materials, overhead, and equipment are so considered that such firms cannot price their products below their costs.

The pricing policy of the NEPA as at now (1994) is in slight variance with the objectives of the state policy on privatization and commercialization. This emphases that the management efforts should be focused properly guaranteeing self reliance. The policy is specially expected to:-

1. Re-orientate the enterprises for commercialization towards performance improvement, viability and overall efficiency.
2. Ensure better return on public sector investment in commercial enterprises.
3. Remove absolute dependency of parastatals on the government treasury for funding.

Therefore, one can still say that, the primary objective of this state policy initiative is to promote an efficient (profitable) management of state commercial oriented

businesses. However, the limiting factor to the realization of the above is the fact that any price increase, by the organization must be approved by the government which also considers the organization as providing social service required for her strategic developmental growth.

Thus, the pricing of NEPA product the Electric Power, especially before the commercialization was only a state policy matter. With the present commercialization exercise, it is hoped that realistic pricing will be introduced. This will to reduce the problem of the organisation considerably especially when the organisation eventually adopts the conservative approach of pricing based on costs or the more flexible market share approach.

4.1.4 Promotion Component Mix

To the extent that the business concern indulges in sale promotion of one sort or another. These activities in similar fashion to the product, price, and distributive channels, must 'fit' into the total marketing mix so as to make the most effective contribution possible to attaining the firm's marketing goals (Mctavsh and Maitland, 1980). At the same time in the area of promotion, in that it calls for co-ordianting different activities (e.g Sales representative and advertising) presents its own 'mix' problem - that is, the elements of the promotional programme must be balanced. The major various sales

promotional methods are:- personal selling, advertising, promotion, public relations, branding and packaging and exhibitions - these form the basis of what can be termed as the firm's influence tactics in a market.

The respondents agreed that the sales promotion is important but could not say to what extent it contributes to the organisation. However, the respondents from the Public Relations Department of the organisation as it is called here, put the roles of the public relations in NEPA as to ensure that the consumer of electricity enjoys good services by way of adequate and uninterrupted power supply, prompt and correct billing, as well as provision of adequate information on NEPA services, among others. They went on to say that, they ensure that consumers of electricity are aware of the need to settle their bills promptly and the consequences of non-payment of bills, need for the public to protect NEPA property from theft and vandalisation as well as to desist from illegal connection and over-loading the electric power system (Macualay, 1992). In other words the public relations in NEPA claims to plan, establish, sustain and maintain mutual trust between the Authority and the customers to ensure that the business booms.

On further questioning through personal interview the Public Relations Department claims to embark on the following:-

1. Sponsor Television and Radio drama series on NEPA focusing on payment of bills etc.
2. Have concluded arrangement on the provision for News on NEPA to reach readers and listeners as media-orginated reports so as to give more credibility.
3. Sponsor Television and Radio Programmes where burning issues on NEPA will be discussed.
4. Improve the composition of the consumer consultative councils with a view to ensuring greater and balanced representation from the cross-section of the consumers of electricity.
5. Intensify internal public relations activities through the resuscitation of the house journal which is the main medium of communication between the staff and management. This according to them is with the view to communicate suggestions decisions and plans of action to the various segments of the work-force. In addition, the Public Relations of NEPA is considering the production of special consumer news.

The National Electric Power Authority has been participating in trade fairs, ut none of the respondents could wht contributions it has so far made. This may not be unconnected with the fact that the Public relations department have not been given a recognisable concern to perform such desired function.

The respondents all filled that, diaries and calenders are

the major materials they use for their customers.

However, on further questioning, even the diaries and the calenders are usually shared to workers with the exception of a few lucky customers and other top government workers in other organisations. A substantial amount over N1,000,000.00 have always been allocated for the purpose but a lot is left to be desired.

Majority of the respondents believe that sales promotions have not at all increased sales and/or that, even, if such increase has been made it appears difficult to estimate.

4:1:5 Distribution Component Mix

Distribution is essentially about marketing products available in their markets. It is simply put as getting the right product, to right place, at the right time (Osuala, 1988). It is important to recapitulate the definition of physical distribution as given by the National Council of Physical Distribution Management as: "The term describing the integration of two or more activities for the purpose of planning, implementing and controlling the efficient flow of raw materials, in-process inventory and finished goods from point of origin to point of consumption. These activities may include customer services, demand forecasting, distribution, communication, and transportation etc.

Due to the nature of the product of the National Electric Power Authority, that is, the electricity, the means by

which the product is being moved from the original producers to the customers/consumers is very complex and technically carried out that NEPA does it. As stated earlier the process for the provision of electricity requires generation, transmission and distribution. Thus, the electricity generated by NEPA is not sold to distributors, but is transmitted by the transmission sector to the distribution sector, all under the same organization which distributes the electricity to the various customers of the product.

The major objective of the distribution system of NEPA is to provide efficient and satisfactory service to customers. It was also shown that the performance of the distribution as a sub-sector plays an important role in the revenue collection of the organization (Bodunrin, 1992). This is attributed to the fact that the distribution sub-sector needs to deliver steady and un-interrupted power supply for sale to customers in order to improve energy sold in kilowatts hour (KW/H) and cash. This has been shown that it tends to demoralise customers in settling their bills, thereby depriving the Authority from raising the required revenue for its operations (Bodunrin, 1992).

On why the amount of electricity generated in the country is large compared to the actual requirement of the nation and, if blame should be placed on the distribution sector

alone, generated controversies. While some respondents claim that government did not make provision for the supply of electricity for some areas of the country yet, others said that majority of them (staff) in the distribution and sales are busy sabotaging the efforts of the government by non-remitting some of the revenue generated, thereby making it difficult for the Authority to make available enough transformers for the areas that require them. Others, however, are of the opinion that non-availability of electricity in some areas of the country is due to non-availability is due to non-viability of such areas in terms of revenue generation. So far over 60% of the nation is electrified.

4.1.6 Marketing Information System

Marketers can benefit considerably if they possess relevant information about their product and the market. Such information aid in managerial decision making. Marketing research provides inputs into marketing information systems. Most of the respondents including NEPA staff did not know that the organisation has a Research and Development Department. All that were observed were training centres in some of the generating stations. The centres only train the authority staff to handle their machines and operations but do not embark on researches.

The National Electric Power Authority only trains its staff locally within the organization or at best in the universities to the degree level only. Thus, by this design, it shows that the Authority is not only interested in research and development now but also even in the future.

There is no formal study of the marketing needs and preferences in NEPA. The conception and the establishment of the two different sources of power generation by the authority come as a result of the formation of committees with subsequent invitation of foreign consultants firms by the Federal Government. The realization for the need for a large and cheap source of power along the River Niger was conceived by the Electricity Corporation of Nigeria (ECN) which NEPA inherited.

The Research and Development is not only required by the Authority for other possible sources of energy but even for the modification of the existing ones and in the area of the production of spare parts.

4.2 FINDINGS

4.2:1 Application Of The Marketing Concept In NEPA

It was not until 1990 when the government came up with the objectives of the state policy on commercialization of the National Electric Power Authority that the authority started to consider marketing activities that will enhance performance. The primary objectives of this state policy

initiative is to promote an efficient (profitable) management of state commercial oriented businesses.

Just as Industrial and agricultural productions tend to rise with an increase in marketing activities, the authority tries to apply the marketing concept in order to meet the challenges ahead of it. The marketing concept is fundamentally based on three beliefs.

1. That all company planning and operations should be customer-oriented.
2. Profitable sales volume should be the goal of a firm and not just volume for the sake of volume alone.
3. That all marketing activities in a firm should be organizationally co-ordinated.

According to Nwosu (1983) the marketing concept is a philosophy of business which states that the consumer's want and needs satisfactions are the socio-economic justification for a firms existence. In order for NEPA to imbibe this concept and to enable it generate adequate revenue so as to be able to pay all its bills and pump some money into research and development which has been lacking, the authority identified the following as basic ingredients for improved sales.

(i) Quality of goods/services

(ii) Availability of goods/services

(iii) Reliability of goods/services

(iv) Delivery of goods/services

(v) Competitive pricing

(vi) Attractive mode of payment

Coincidentally, the National Electric Power Authority in Nigeria happens to be in a 'seller market' and again enjoys the monopoly of the electricity industry market. The 'seller market' presupposes that supply is limited, low or no competition between producers or sellers, and high competition between buyers of the product or service. Thus, the concept that the consumer is king and the producers are servants is to a large extent disregarded in the National Electric Power Authority. The fact however that the revenue generated by NEPA is still poor today made them to conclude that their distribution net work is faulty with ineffective revenue collection machinery.

With this background in mind, it will be necessary to, now, consider the various factors that hindered the application of the marketing concept in NEPA. The following have been identified.

1. Narrow View Of The Marketing Concept

The study revealed that the precepts of the modern marketing concept are not yet adopted in the activities of the National Electric Power Authority in Nigeria. This is to say that NEPA has not yet embraced the philosophy of the marketing concept. For instance, this study revealed that marketing in NEPA is regarded as function of the distribution and sales only. The managers from this

sector, therefore, have little or no authority over other functional areas in ensuring co-ordinated marketing. Philip Kotler defined the marketing concept as 'a customer orientation backed by integrated marketing aimed at generating customer satisfaction as the key to satisfying organizational goals. This definition indicates that 'customer orientation' points to the fact that the new idea of marketing and its application shows that management must start with the consumer's needs and desires in so far as they can be ascertained in advance of production and followed through with activities which aid the consumer in getting value from products which he has purchased.

A second important factor of the marketing concept is integrated marketing', which means that the creation and retention of the consumer - the basic functions of marketing - are the sum total of stimuli managed by all the company departments through their own activities and decisions. Therefore, concern and responsibility for operational purposes, must permeate all areas of the business enterprises. In the National Electric Power Authority, the marketing managers have no hand in product development; it is said to be the function of the production engineers (Managers).

The National Electric Powever Authority is best described as product oriented. It has no dynamic and aggressive

marketing operations. This is largely believed to account for the failure of the authority to generate enough funds to enable it keep its head above the economic water. The right application of the marketing concept requires that all activities must be geared towards the satisfaction of the consumer's wants and needs and at the same time making a profit.

2. Poor Product Quality

The product of NEPA, that is electricity, is readily acceptable to its customers, and it is in high demand (Bodunrin, 1992). While the above sounds good, it is imperative for any business concern to form the habit of improving the quality of their products in order to make them perpetually acceptable to consumers. This is usually done in an attempt to retain their customers and to attract new ones. Thus, a great majority of firms enhance the quality of their products.

NEPA has been enjoying the monopoly of the Electricity Industry, but in the recent times many organisations and individuals started looking for other alternative sources of power supply. This condition has been called by the poor quality of power supply by NEPA. The supply of electricity by the authority is now very erratic that it becomes very difficult for firms to estimate time for carrying out their operations. The fluctuation of the electricity by NEPA, has caused a lot of damages to

machines and electronic gadgets that many have almost been compelled to look for other sources. Thus uninterrupted and stable power supply is what customers of NEPA require for their satisfaction if the marketing concept is to be properly applied in the organisation.

The poor supply of electricity does not only hinder the full application of the marketing concept, but it also makes customers to refuse to settle their electricity bills and lowers revenue generation thereby making the authority unable to pay its bills and still cperate normally (Bodurin 1992).

Lack Of Competitors In The Industry

Market competition is the cornerstone of managerial capitalism. For although, costs set the floor for the price and used most often to determine the last price, and demand sets the upper level, or ceiling for the price, price setters have to also consider the prices of alternative bundles of satisfaction that buyer's might choose. Most often, those alternatives are the products offered by competitors. Thus, market place pressures can easily eliminate any enterprise that remains oblivious of its competitors (Bedcian 1987). This can be very serious, when it is realised that, some new products can satisfy needs that were never taken care of in the same manner. The National Electric Power Authority has no recognisable competitors in the electricity industry. These does not

however mean that the organisation should not pay serious attention to the five forces that can shape market place competition. These forces include:-

a. The relative power of customers
b. Relative power of suppliers
c. Threat of new entrants
d. Rivalry among existing enterprises and
e. Threat of substitutes

Thus, in the absence of all the above forces against the authority's existence, the organisation deems it unnecessary to imbibe the new marketing concept which recognises the customer as king and that all activities are oriented to the satisfaction of the customer.

It is therefore, unfortunate that the beneficial part of competition, in the electricity industry, is virtually lacking. Such benefits of composition include enterprises position. It has also been realised that competitors can stimulate an industry's overall growth by sharing the cost of market development required to standardise a new technology, and lending legitimacy to an industry. Competitors can also serve as motivators. And infact, it has been observed that a healthy competition can be a strong impetus for reducing costs, improving goods and services, and keeping pace with technological developments.

In any business concern therefore, it has now been

established that competitive pressures are extremely influential in setting prices for products. Thus, for most price setters, price determination requires a solid understanding of the complete costs of the product and an indication of what consumers are willing to pay for the product. Marketers then must temper these two inputs with information about competitors prices. This, may to a large extent explain why the marketing concept have not been applied in NEPA, being an organisation operating in such a typical seller market.

4. Capital Intensive Nature Of The Industry

Electricity generation, transmission and distribution require huge capital out lay that individuals and organisations especially in developing country like Nigeria cannot finance. While investments in such projects could be very important and probably rewarding in the future of its establishment, people are uninterested in the area because, the requirement of electricity is generally low. Industries which require them are few and only a few major towns of the country have the industries that can use appreciable quantity of electricity of commercial value. The scattered nature of the few industries requiring electricity supply makes its transmission and distribution very expensive. Government should orient the National Electric Power Authority's power supply as a social service and therefore heavily

subsidize the product necessary for the stimulation of socio-economic development of the country. This makes it very difficult for foreigners to invest in such projects. Thus, in realization by government of the heavy burden caused by such establishements coupled with lack of interest by foreign investors led to the recent commercialization and privatization of such establishments.

5. Commercialization Of The National Electric Power Authority

The recent privatization and commercialization of public establishments is a state policy aimed at commissioning a dual programme of public disengagement from commercial enterprises (Zabadi, 1992). In privatization which does not affect NEPA as at now, the ownership and management of one-time government concern is transferred to the private sector through public sale as shares. While enterprises which are privatized are such companies which produce consumptive goods and would be 100% owned by the private sector, enterprises identified to be commercialized are those that provide essential goods and which are also expected to be better managed to make profit (Zabadi, 1992).

Although the primary objective of the state policy on the commercialization of NEPA is to promote an efficient (profitable) management of state commercial oriented business. A lot is however, left to be desired in terms of

its operations and other activities, if this, objective must be achieved. One of such activities which must be looked into, is the marketing approach of the Authority. This is because, although, the decree establishing the Authority empowered it to discontinue supply to a customer should the latter default in prompt settlement of electricity bills, modern approach to business (marketing) requires that the customer must see and be satisfied with what he has to pay for. Thus, under the present commercialized NEPA, the Authority must find a way of introducing the marketing concept, which is believed to be more useful than the disconnection approach which never worked. This is because even when the disconnection approach works as in the case of individuals, and some organizations, government establishments like the ministries, military and other parastatals do not settle their bills and yet they consume the bulk of the electricity generated by NEPA. Therefore, while the commercialization of the Authority is a welcome idea, the undue interference by government must be stopped and aggressive but clear business activities be objectively embarked upon.

5. Total Neglect Of The Use Of Advertising And Sales Promotion

Advertising and sales promotion are integral part of marketing communication mix designed to inform the public

about a particular product or service and to create a good public image for the company. In a competitive economy, advertising and sales promotion have often times swayed many consumers in favour of the organization that realises its importance and has effectively used them as marketing strategies.

Unfortunately, the National Electric Power Authority (NEPA) does not realise the importance of advertising and sales promotion in modern marketing. There is a total neglect of the use of these communication services in their marketing operations. There are of the opinion that if one makes a better mouse trap, customers would beat a path to his door. What is unknown to the Authority is that even the best mouse-traps cannot attract the consumer if they do not know about them.

This is the situation in the National Electric Power Authority. Hardly does NEPA advertise and neither does it effectively employ the public relations department to create awareness and the relevant public relations necessary for enhancing the financial position of the Authority. Less is spent on public relations, thinking that, the product will sell itself. Meanwhile, unlike other products, electricity has a number of uses which many people do not know. It also has advantages over available alternatives. It will require the public relations department of the Authority to work hard and

bring out clearly to the public such uses and advantages. For example many people still believe that the use of firewood is better and cheaper than the use of electricity for cooking purposes. This may not be true and more so that the use of electricity in cooking will avoid the serious problem of pollution by firewood.

7. Ineffective Distribution Systems

The aim of every industrialist is to move all his finished goods in an effective and efficient manner. The selection of the channels of distribution to be used for effecting the movement of the goods to the consumer is a marketing responsibility which will now set the pattern of the distribution process. However, in the National Electric Power Authority, being a technically or service oriented organisation, the provision of electricity is made in three steps as earlier explained. The electricity is generated (Generation Sector), transmitted (transmission sector) and distributed (distribution sector). These sectors manage their own affairs but cannot be said to be independent of each other. In an ideal business situation the three sectors are suppose to be co-ordinated by the marketing department being the area that interprets the requirement of the consumers.

Currently the National Electric Power Authority, generates 6000 mega watts (MW) while the maximum national demand stands at 2300MW. This is transmitted from the power

stations through a web of net works known as the national grid. It is the delivery of the power through the national grid to the primary point of distribution that is referred to as the transmission. At this point the high voltage supply from the transmission substation is further stepped down to domestic voltage of 230/400 volts (Bodunrin 1992).

The distribution work in NEPA therefore starts from this point. Which is very important because it represents the public image of NEPA. It is also very relevant to the revenue collection of the organisation. It is therefore necessary for this sub-sector to deliver steady and un-interrupted power supply for sale to the customers. This sector is seen as ineffective as frequent power failures tend to demoralize the customers in settling their bills. It was only in 1990 after the commercialization that a separate sales sub-sector was created (Bodunrin 1992). But even the sales sub-sector did not prove to be very effective as the collection of revenue has always been a problem. Because effective collection techniques have not been identified and followed, loopholes abound, which limit the revenue that could be realised. Most of the time people stay for years without settling their bills. Illegal connections are not identified and even where identified, the staff and the consumers have been found to collude to defraud the organisation.

These problems in the distribution and sales sector could be reduced or even avoided if the government could direct the authority to work strictly on targets based on the amount of electricity sent to a particular area or better, privatize at least the distribution and sales sub-sectors so that proper accountability and general change of attitude be achieved.

8. Lack Of Good Marketing Information System

The ineffectiveness of the distribution system partly as a result of the inability to deliver steady and un-interrupted power supply for sale to consumers is largely as a result of inadequate information system.

The National Electric Power Authority does not have a well developed programme aimed at determining the expected population and subsequent electricity demand increase. Thus, most of the time the lines become heavily loaded that shedding of current is experienced. Machines or Units are also run without regard to when last maintenance was carried out and as a result such units explode thereby constituting serious problems which consequently throw the affected areas in total darkness.

In order to satisfy the customers consumers of NEPA product, there is the need to constantly embark on researches and also carry out routine maintenance so that the frequent black-out could be minimized or even totally wiped-out.

9. Government Policy On Pricing

One of the most serious problems as advanced by the management of the National Electric Power Authority for the poor revenue generation is the fixing of the charges for electricity by government. For although the government have empowered the Authority to discontinue supply of electricity to a customer should the latter default in prompt settlement of his bills, and have even currently partially commercialized the authority in 1990, the government still insists that the authority have to first seek for approval before adjustment in charges for the product.

The management considers the price charged for a Unit of electricity to be far below the cost of its production. The current prices therefore are considered as unrealistic and subsequently have effects on the efficient running of the operations of the authority. The management under the commercialized NEPA is therefore agitating for a cost-oriented approach to the pricing of the electricity sold to the public.

4.3 Research Assumptions Re-visited

In the first chapter of this work certain assumptions were made which need to be certified right or wrong in the light of the research findings in the preceding sections of this chapter. It might be necessary, at this point, therefore, to review these assumptions vis-a-vis the

problem in question so far identified.

The work assumed, in the first place, that there is a total neglect of the implications of the modern marketing concept in NEPA, hence its inability to generate enough funds, that should enable it to remain above the water. Throughout the research findings outlined in this chapter, this basic assumption has been proved right.

The first problem identified in this work is the fact that the National Electric Power Authority has not embraced the philosophy of the modern marketing concept which has as its cardinal points 'Consumer orientation backed by 'integrated marketing.' Integrated in the sense that marketing is a general management function in which there is an intelligent adaptation and co-ordination of product, price, promotion and place to build a strong exchange relationship with customers.

Marketing is regarded in the National Electric Power Authority as the marketing manager's function in isolation of the other functional departments. The co-operation of other departments is needed, to have the right product, quality, at the right price, and place and back up with the right promotion. Moreover, NEPA has been operating for years without paying special attention to research and development. In the absence of researches of any kind, a sound decision cannot be made, rather, blunders and losses are encountered. Therefore, unless market research and

investigations are undertaken, most companies are likely to remain in general ignorance as to how, when, where and why their products are used by whom (Nwosu 1992).

The National Electric Power Authority has incidently found itself in this syndrome. NEPA therefore, not been able to co-ordinate its activities such that even when its generation and transmission sectors appear to be performing well, the distribution and sales hardly can account for the amount of electricity sent to them. This shows that a sort of confusion exist which appears to be distorting the system to the dissatisfaction of the customers thereby affecting the corporate objectives of the organisation.

It can therefore be inferred from the above that NEPA is not generating enough idea needed to enhance its financial position, such that it can stand on its own without debt or government assistance. By research and development the Authority would be able to identify cheap and even cheaper source of power, efficient mode of distribution and sales thereby generating enough funds for its operations and probably more profit for further development.

C H A P T E R FIVE

RECOMMENDATION, SUMMARY AND CONCLUSION

In the last two chapters the presentation and analysis of the marketing operations of the National Electric Power Authority (NEPA) have been made. It has therefore been possible to identify the teething marketing problems which impede further accomplishment of the Authorities organisational and marketing objectives. Thus, based on the foregoing, recommendations are hereby made in this chapter as panacea for the marketing problems of the Authority. The recommendations given below are, however, not claimed to be exhaustive, but it is strongly hoped that if carefully implemented, will go a long way in improving the consumer/Authority relationship, profit return for the Authority, and the general image of the Authority.

5.1 Adoption Of The Implication Of The Modern Marketing Concept

While a large number of firms believe that they are applying the marketing concept, the actual thing is that, they only succeed in its partial implementation if at all. This is because most managers become preoccupied with techniques e.g. market research and forecasting, at the expense of securing desirable changes in managerial attitudes. In the case of the National Electric Power

Authority, it has been shown that there is no purposeful contact between the Authority and the consumer; marketing is regarded as the marketing manager's function; and there is no purposeful and special adaptation of the product, price promotion and distribution necessary for building a stable exchange relationships with the consumers. It is only product oriented.

In chapter one, it has been pointed out that the basic philosophy of the marketing concept is that the consumers' wants and needs should be the pivot for all activities of the firm. Adoption of the concept, therefore, refers to how much the company has embraced the concept's philosophy implications for business management. One of the key steps in adopting the marketing concept in an organization is the development of a complete internal educational and communications system. The specific organisational methods for incorporating this philosophy into actual business practice are viewed as the implication of the concept. Therefore, co-ordination among the various departments of an organization is a pre-requisite for implementation of the marketing concept. It is very important to note that the various departments are all working for the same purpose of satisfying the consumer. The marketing concept therefore should not be seen as a conglomeration of distinct activities only, but should be treated as a co-ordinated and integrated system of related

functions and placed under the top marketing executive, who should be able to work with and through the other top executives of the same other organizations. According to McNamaro (1972) the marketing concept replaces the functional fragmentation of corporate activities with the integration of all business functions oriented towards market requirements. The concept therefore, if carefully applied can increase sales by opening more markets through enlightenment and creation of more uses of the product by present and potential consumers.

5.2 Introduction Of Comprehensive Marketing Information System

There is a total neglect in the National Electric Power Authority of the use of marketing research to gather relevant information, on the consumer feelings and preferences and changing market situation, for product planning and development decision.

In the commercialized NEPA where efficiency is required more than ever before, aggressive information should be sought for by adopting a comprehensive marketing information system which will enable it to make realistic estimate of consumer demand. Such demand estimate should be translatable into a development plan for making the electricity available to the consumers with more efficiency. The information system should also be able to provide the actual and potential consumers constantly of the capability of electricity in satisfying their needs.

It is very important to note that, profitability and long-term growth and survival of business concern largely depend on the relevant market information it can generate and us.

Armed with the relevant data of the right quality and quantity, the National Electric Power Authority will be able to effectively plan activities that can be used to price, promote and distribute electricity for the full satisfaction of its consumers. It should also be appreciated by the authority that there are constant technological, social and economic changes which in turn lead to changes in demand of its product, processes and management of the organisation in order to meet the prevailing state of affairs of the industry.

Chenevix-Trench (1972) said that "information system do not exist just for the benefit of those who design and make them. In a purposefully managed business, the management of information goes right to the heart of affairs. It can make much of the difference between success and failure". Without relevant information, an organization does not exist. There will be no framework within which to manage, take decision, or justify expenditure.

5.3 Need For Product Innovation

One of the keys to success in any business is innovation. for the purpose of this work, it will be defined as the

recognition and exploration of a new consumer wants or the introduction of new product or techniques of operation by a firm. Innovation checks the emergence of competitors and also tries to provide more satisfaction to consumers. A progressive firm will innovate to ensure that its economic position is enhanced by gaining more control of the market.

The National Electric Power Authority has over the years been non-innovative. They have always continued with the same old machines, use the same sources of generating electricity and the same way of transmission and distribution of its product. It is expected that with the number of years of the existence of NEPA, that a lot of improvements in terms of provision of other sources of electricity generation, transmission and even distribution should have been made. Other new uses of electricity could also be introduced e.g. the replacement of gasoline in some automobile train with electricity. It is important to note that marketing plays the leading role in the idea generation of product innovation and in the creation of new uses of a product.

5.4 Vertical Integration

The problems of the National Electric Power Authority clearly show how vulnerable the Authority is to failure as a result of limited resources. The situation could however be improved upon through vertical integration. A

large organization like NEPA and the role it plays calls for the vertical integration as a strategy for its very existence against threats.

The Authority could within the limited resources available at its disposal embark on a gradual production of some spare parts, transmission and distribution equipments like transformers, meters, which presently are almost all imported. Luckily for the Authority, the major raw materials for both its hydro power stations, where water is the major raw material and the thermal power stations which use gases for the generation of the electricity are both locally available. What the authority will however require is the absolute control of these raw materials. In the case of the hydro power stations, the Authority can only boost of complete control of Shiroro dam which have its supply of water from River Kaduna. The origin of the river is within the country such that the fear of another country trying to interfere with its water supply does not arise. River Niger which supplies the Kainji and Jebba power stations originates from another country i.e Niger Republic which on many occasions have tried to dam the river for the purpose of irrigated farming. This action if taken by the Niger Republic government will interfere with the generating capacities of these stations or may even render them useless as there would not be enough water to turn the turbine for power generation. This is

because, unlike damming the river for power generation in which the used water could still be used downstream, the water conserved for the purpose of agriculture is diverted and distributed to the farms where they sink into the ground or get evaporated thereby leaving the downstream dry or with amount of water which cannot be effectively used for power generation. Thus, it is recommended that since electricity generated from the Hydro-power stations are cheaper and more reliable than any other source, attention should be paid more in the future to Rivers where the country has absolute control than those which could be tampered with by other countries. Areas worth considering for the purpose of power generation may include Jos Plateau and the Mambila Plateau.

The other power stations in the country use gases produced by the Nigerian National Petroleum Company (NNPC) for electricity generation. This is a great advantage to the country, however, NEPA as an organisation needs to come into a mutual understanding with the NNPC in terms of the production of such gases. If such an agreement can be made, the National Electric Power Authority, will have more control of the Natural Liquid gases thereby be in a better position to plan the use of this vital raw material for it oparation.

Whatever arrangement or agreement that the National Electric Power Authority may want to have, it should

direct its attention more towards greater control of its raw materials for proper planning of its operation thereby maintaining more stability in the provision of electricity to its numerous customers. The authority should also encourage Nigerian manufacturers to manufacture electric power plant parts locally. This will help in conserving the foreign exchange of the country and make it master of its own.

5.5 Encourage Export-Oriented Marketing System

In the present world no country would like to stay in isolation but rather tries to relate with other countries for comparative advantages thereby enhancing its socio-economic development. Nigeria like other countries cannot have everything and therefore imports those things it cannot produce. Though Nigeria is described as an import-oriented nation, the truth still remains that all nations import one thing or another especially raw materials necessary for the production of goods for local consumption by that nation or export to other countries. The National Electric Power Authority presently imports about 90% of its operating components. This importation requires foreign exchange which must be generated by the country. In the commercialized NEPA therefore, it will be expected that the organisation should at least generate that amount required for the importation of such inputs. In order to do this, the marketing executive of the

organisation should do everything possible to raise that much through the aggressive marketing of the product to other countries, that require it.

Thus, considering the quantity of electricity generated by the power stations in this country which stands at about 6,000 mega watts and the quantity requirement of only 2,300 mega watts for the whole country, it will be strongly recommended that a market for the 3,700 mega watts differential be sought for in other countries which will require and can afford it. This will involve marketing negotiations with neighbouring countries and the establishment of a suitable distribution system which will favour foreign exchange earning for Nigeria.

This arrangement could only work if a competent marketing executive is engaed and empowered to carry out the designated functions in a well established marketing department. This is very important because the present set up in NEPA is yet to be desired. This is because the marketing executive should be seen to work with the other executives and through them for the achievement of the marketing objectives and consequently attain the whole organisational goal. The export-oriented NEPA recommendation is very important because the government policy on commercialized NEPA did not suggest hiking of the electricity charges but rather encouraged marketing activities aimed at ensuring more efficiency and less

dependence on government treasury for funding. This is a direct challenge to the marketing executive who is expected to find a more efficient mode of generation, transmission and distribution. He is also expected to find new markets and devise efficient ways of revenue collection.

Thus, by exporting the product of NEPA, the electricity, to other countries, the Authority will in a sense realise enough to import the required inputs for its operation. Any excess that may be earned as a result of the export, could as well be used in improving the overall efficiency of the Authority through a good marketing plan. In the export-oriented NEPA, the application of the marketing concept will be highly desirable. This is because unlike the way Nigerians look at the organisation as a social service, the importing countries will require a real satisfaction for their money. Thus, the frequent black outs, fluctuation of current which could damage electric gadgets must be minimised, while the whole activity be tailored towards the satisfaction of the customers.

56 Imbibe Maintenance Culture And Devise Efficient Machinery For Revenue Collection

We discovered earlier that some of the machines used by the Authority are obsolete while others are just left working until they breakdown. We also discovered that no accountability is made for the amount of electricity

distributed.

Organizations applying the marketing concept must imbibe the maintenance culture such that problems hardly occur as a result of frequent check-ups as the machines may require. The importance of the maintenance culture is not only to avoid damages to the machines leading to costly purchase of another one but also for the fact that poorly maintained machines cause the frequent black outs and fluctuation of the current which not only damage the property of the consumer/customer but also discourage the customer from settling his bills as and when due.

Thus, the improper maintenance of machines can be too costly and infact even hampers the operation of the organisation. The dissatisfaction of the customer may even make him to look for substitutes thereby reducing the total earning of the authority. A more efficient machinery whereby each unit of electricity distributed and consumed could be obtained, such that, there would not be losses of any kind could be achieved through a means of advance payment. This advance payment can be made possible by asking whoever wants to use the product to deposit a certain amount and at a point before the amount deposited gets exhausted the customer will be served reminder notice. If yet he does not pay, but the deposit made equals reconnection fee only, then disconnection notice will follow then disconnected. With this

arrangement, the organisation will always have enough to keep his customers satisfied and at the same time be uncheated. This may mean more efficiency of the Authority, thereby encourage the customers to settle their bills with less trouble.

5.7 Need For Advertising And Promotional Supports

When all the recommendations are set and put in motion, there is a need for advertising and promotional supports. These will impart knowledge of the product of the Authority to both its present and potential consumers. Unfortunately, the Authority exhibits a total neglect of the use of advertising and sales promotion. The assumption of the organisation is that the product of the authority will sell itself and therefore does not require them. Unfortunately nothing sales itself, not even the most venerable and tantalising of a commodities-sex. According to Levitt (1974), it has to be embellished, elaborated, amplified, enriched, perfumed, styled, corsetted, coloured and consumed. The electricity, if given the right advertisement and promotional support will find new uses. Some people do not use it because they do not know what it can do or how to use it. The belief in the organisation is that electricity is readily acceptable. but the serious contradiction is that why is it that about 6000 megawatts are generated but only 2,300 megawatts are consumed yet a larger part of the country

are still in perpetual darkness.

The only reason one may advance is that a lot of enlightenment and marketing activities are required to find market or used for the excess energy. Thus, advertising is needed in the National Electric Power Authority to bring about a change in the state of mind of the Nigerian public towards the use of this vital product. Advertising is also required in the neighbouring countries which do not have electricity, lack of the knowledge of what it is and what it is not. it cannot be in the interest of the Authority to ignore the use of advertising and sales promotion in their marketing programmes.

It is very important that the National Electric Power Authority embarks on aggressive marketing especially advertising and promotion campaigns as these will enhance the financial position and image of the organisation, with a consequent positive effect on the socio-economic development of the entire nation.

5.8 Reduction Of Government Interference In The Commercialized NEPA For More Efficiency

As a government parastatal, NEPA's operations are seriously hampered due to several government directives. In order to reduce this anomaly, the Authority was granted partial autonomy as a Quasi-commercialised organisation. This gave the Authority more powers, however, it still remained under the control of the government, hence, the

Authority could not take drastic and far reaching measures necessary to improve its revenue generation. For example, the pricing policy of the Authority is legislative rather than cost or market oriented. It is legislative because the government fixes the prices of electricity to consumers regardless of the costs involved in its production or the satisfaction the consumer derives out of the product.

While this government action can be interesting to the citizen in the short run, it could be dangerous in the long run. This is because, in the long run, the authority will experience lack of funds to run the organisation resulting in the bread down of the plants and the inability of the authority to provide necessary things like transformers or even minor things like the meters used by the individual consumers. This point can be made more obvious when one looks around and discovers that inspite of the large quantity of electricity generated a larger part of the country is still left in the dark. the combined outputs of the generating stations in this country is about 6,000 megawatts, while the maximum demand stands at only about 2,300 megawatts. This means that a balance of about 3,700 megawatts is still available for distribution to those areas which lack it. And since the government cares for all but have not been able to provide some areas with electricity, shows that there are no

enough funds with the authority whose primary objectives is to generate, and distribute electricity to all parts of the country.

Government, therefore, having observed this reality, decided to grant partial commercialisation of the authority for more efficiency. However, this efficiency cannot be achieved without the authority taking some drastic measures required to strengthen the revenue generation of the authority. In order to take these drastic measures for efficiency, government must interfere less with the pricing of the authority's product, the electricity. Government may however, play a monitoring or moderating role by auditing the activities of the Authority, through checking unrealistic awards of contracts like inflated contracts, over invoicing and other forms of mismanagement. Government should also give out some shares but not controlling shares to individuals. Such shareholders who should have equal amounts of shares will appoint their own directors and management staff for easy probity. Government can then encourage cost-oriented approach of pricing. By so doing it is here assumed that unrealistic costing like inflated contracts, and over invoicing are avoided, thereby cutting the production costs low and affordable by the larger society. This may not be very easy, but with the application of appropriate ways of inculcating discipline in the society, apart from

the available checks and balances inherent in the commercialized NEPA, it will be possible.

By this arrangement, government would seize to appoint or be involved in the appointment of people into key positions of the organisation to reduce undue interferences and improve the operations and the overall efficiency of the organisation. The new organisation may then bear the name National Electric Power (NAP Plc), Nigeria.

SUMMARY

The work has dealt primarily on the marketing activities and the application of the marketing concept in the National Electric Power Authority (NEPA) Nigeria. Before delving into this it was necessary to make certain assumptions about the Authority to the effect that there is an absence of the application of the modern marketing concept in their marketing operations giving rise to its present state. For the purposes of comparison necessary for looking at the implications of the marketing concept, certain factors that make for marketing success as a background to some of the revelations were made in this work.

A brief description of what the product, electricity, is about and the various generating stations were made. The operations of the different sources of electricity in the country were also discussed. The various sectors of the National Electric Power Authority and their functions were considered as necessary background for understanding the internal state of the Authority. The introductory part of the work also points out objectives of establishing the Authority and the environment within which the authority operates.

The National Electric Power Authority (NEPA) came into being in September, 1969, after a merger of the

Electricity Corporation of Nigeria and the Niger Dams Authority, by the Federal Military Government of Nigeria. Consequently, the Decree merging the two organisations was promulgated with effect from 1st April, 1972. The Decree stipulated that the Authority is to develop and maintain an efficient, co-ordinated and economical system of electricity for all parts of the Federation. Hydro-electric power was identified as a cheap source of electricity and the Authority started with the construction of Hydro-electric power stations at Kainji and later on at Jebba and Shiroro in order to obtain an integrated power system. The Authority was soon to realise that the supply could be frustrated by the level of water in dams and therefore started construction of thermal stations at Sapele, Ughelli and Lagos. The thermal power stations used liquified Natural Gas, a by-product, obtained during the production of other petroleum products.

All the power stations are inter-connected through a web of Network known as the National Grid. The delivery of power through the national grid to the point of distribution is referred to as Transmission. It involves several transformers, sub-stations and thousands of kilometres of transmission line supported by steel towers, Delivery of steady and un-interrupted power supply for sale to customers is carried out the by distribution and

sales sub-sectors.

Analysis of the marketing activities of the National Electric Power Authority with a view to identifying those areas where changes need to be made for improved performance, concerns the component mixes of the four P's of marketing-product, price, place and promotion were discussed. This gave an insight into the strategic combinations and adaptations of these marketing elements in the marketing operations of the National Electric Power Authority.

The teething problems of the National Electric Power Authority which hampered the realisation of the Authority's goals/objectives were discussed. One of the problems identified is the Authority's inability to embrace the philosophical implications of the modern marketing concept which calls for integrated marketing and an intelligent adaptation of the four P's in the firm's effort in the retention and creation of present and potential consumers respectively. Others include lack of competition in the electricity industry, ineffective distribution system, neglect of advertising and sales promotion, and the lack of good marketing information system.

These problems paved the way to re-visit the assumptions earlier made about the marketing operations of the Authority. All of them confirmed the assumption that the

National Electric Power Authority has not embraced the modern marketing concept which calls for consumer orientation as a corporate philosophy, permeating the company's total outlook.

In view of the identified marketing problems of the Authority, recommendations were made to the effect that, if considered and effectively implemented will result in the fuller realisation of the Authority's objectives.

The recommendations made include:-

1. The application of the modern marketing concept.
2. Introduction of comprehensive marketing information.
3. Product innovation
4. Encouragement ofVertical integration in the Authority.
5. Encourage export-oriented marketing system.
6. Embarking on advertising and promotion to enhanced revenue generation.

CONCLUSION

This work attempted to look into the marketing operations of the National Electric Power Authority, and the role of such marketing activities achieving the Authority's goals. This has called for an analysis of the Authority's internal and external marketing environments. Factors identified to inhibit the fuller achievements of the Authority's objectives were considered and recommendations made to remedy them in order to improve the efficiency of

the organisation. It has been found necessary now that the traditional patterns of the mill-oriented thinking and action, wherever still practised or applied, must make way for a marketing-oriented approach. To achieve this a periodical assessment and critical evaluation of the products are required. A market oriented approach compels firms to try to define their markets in accordance with the functions of their products and hence not only on the bases of their technical nature and composition. By doing so a better insight is gained into the nature of competition in those markets, as to the functions of the product; its utility and emotional values linked up with the fundamental need of customers, which they seek to satisfy.

Thus, the National Electric Power Authority, must be thinking of marketing operations rather than the product which can be improved upon by the marketing operations thereby improving the overall organisational state. The role of a good marketing executive is not foist on an unwilling public the goods its company produces, but the opposite. He should analyze and research into the public needs, find their basic desires understand their hopes and ambitions and then provide satisfaction for those desires in the shape of carefully created products.

Finally, the consumer ultimately determines the success or failure of a company. Thus, the activities of the

Authority should be directed to the satisfaction of the consumers. This concept if appreciated and applied in the National Electric Power Authority, will not only satisfy its present consumers and make them to settle their bills as and when due, but will go a long way in sourcing of more of its products, create awareness among those who do not use their product (potential consumers), find new uses of the electricity thereby creating more demand of the product with the consequent improvement in the revenue generation and improved efficiency of the Authority.

The National Electric Power Authority presently generate a total of about 6,000 MW and has found market for only 2,000 MW. The right marketing executive is therefore required to find markets for the of the 4,000 MW available for sale.

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APPENDIX I

Department of Business Admin.,
Ahmadu Bello University,
Zaria.

Date.....

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Dear Respondent,

REQUEST FOR ASSISTANCE IN PROJECT WORK

I, Balami A. Halidu, undertaking a masters programme in Business Administration at the Ahmadu Bello University, Zaria would like to solicit for your co-operation and support. I shall indeed be very grateful if you can spare some time to carefully supply the answers to the attached questionnaires.

The project is intended to look into the marketing problems in the National Electric Power Authority (NEPA). It is intended that upon successful completion of the study, some possible positive suggestions would be proffered with the sole aim of improving the activities of the authority.

It is my sincere promise that the answers obtained will be treated with strict confidence and used only for this academic exercise. A copy of the work will be made available to you if you so desired.

Thank you for your anticipated co-operation.

Yours faithfully,

(Sgd)
Balami A. Halidu

M.B.A. RESEARCH QUESTIONNAIRES ON
"THE APPLICATION OF MARKETING CONCEPT"
IN THE NATIONAL ELECTRIC POWER AUTHORITY (NEPA),. NIGERIA

(1) GENERAL:

1. The Authority's main goals/objectives are:-
   (a) To maximize profits
   (b) To provide efficient, economic and stable supply of electricity to all parts of the country
   (c) To satisfy customers
   (d) To render social services thereby stimulating the socio-economic development of the nation
   (e) Any others (Please number them in order of priority)
2. The organization's marketing objectives are:-
   (a) A rapid growth in total sales
   (b) A high level of consumer satisfaction
   (c) To maintain large market share or monopoly of the electricity industry in the country
   (d) To create more awareness in the use of such power source and discourage the use of fire wood thereby conserving our forests
   (e) All of the above (Please number them in order of priority)
3. Which of the following marketing strategies is applied by the authority?
   (a) Differentiated marketing (Separate programmes for several segments)
   (b) Undifferentiated marketing (Treating the market as an aggregate)
   (c) None of the above
4. Which factor(s) do you think suggest the choice of the marketing strategy selected above?
   (a) Economic

(b) Political
(c) Social
(d) All of the above

5. How do you classify the organization's marketing approach?
   (a) Product oriented
   (b) Function oriented
   (c) Market or Customer oriented
   (d) A mixed form of a & c
   (e) A mixed form of b & c
   (f) A mixture of all three above

6. What contribution do you think the marketing/sales department make to the whole organization?
   (a) Substantial
   (b) Reasonable
   (c) Little

7. What contribution does the Distribution/Sales executives make in Generation and Transmission?
   (a) Substantial
   (b) Reasonable
   (c) Little

8. How is the marketing/sales department regarded relative to the other departments?
   (a) Most important
   (b) Equally important
   (c) Not that important

9. How is the marketing/sales activity function regarded in NEPA?
   (a) As a General Management function
   (b) As a Marketing/Sales Manager's function
   (c) Others (Specify)_____

10. What do you consider to be responsible for the frequent black-outs experienced in this country?
   (a) Carelessness of some of the NEPA staff
   (b) Lack of proper maintenance of plants

(c) Natural or Technical faults

(d) A mixed form of a & b

(e) A mixed form of a, b & c

11. List the various sectors/departments that exist in NEPA as anorganization.....

(2). GENERATION

1. What is the average percentage production of the plants in the last 5 (five) years?

(a) 80 - 100%

(b) 60 - 80%

(c) 40 - 60%

(d) 20 - 40%

(e) below 20%

2. What generation problems have you faced within the past five (5) years.

(a)

(b)

(c)

3. What do you think, if provided, will substantially improve the generating capacity of the plants

(a)

(b)

(c)

4. Which of the two is cheaper to establish and maintain?

(a) Thermal

(b) Hydro Power Stations (Please tick as appropriate)

5. Could the establishment of the two different power sources be a mistake by government? YES/NO

6. Briefly explain your answer in question 5 above

.....

.....

.....

7. What is the total power generation by NEPA in Megawatts?.....

8. What is the actual electricity requirement of the nation in Megawatts?.....

9. What in you opinion happens to the differential in MW between 7 & 9 above

(3). PRODUCT

1. How do you see the acceptability of the product of NEPA, that is, the Electricity?
   (a) Readily acceptable
   (b) Reluctantly because there are no alternatives
   (c) Acceptable because it is cheap
2. How is the demand for the product?
   (a) In high demand
   (b) Moderate
   (c) Low
3. What is the average production of the product (electricity) by NEPA in Megawatts?.....
4. Some of the major production problems encountered include:

(a) The equipment are obsolete ☐

(b) Non-availability of spare parts ☐

(c) Government red tape in approving and obtaining of foreign exchange ☐

(d) Lack of skilled manpower in the Authority ☐

(e) Lack of spare parts ☐

(f) The general low productive nature of the Nigerian worker ☐

(4). PRICING

1. The pricing policy of electricity in NEPA
   (a) Cost-oriented
   (b) Market-oriented
   (c) Creditor demand-oriented
   (d) Based on government policies
2. What were your sales figures for the past five years?
   (a) 1993
   (b) 1992
   (c) 1991
   (d) 1990
   (e) 1989
3. Who are your real competitors?
   (a) Those selling electricity generating plants
   (b) The rural electrification boards
   (c) Both of the above
   (d) No recognizable competitors yet
4. How do you see the coming in of a competitor?
   (a) A real threat
   (b) An opportunity to improve on the present standard
   (c) Will have no effect at all
5. Would you suggest that the price of electricity as charged by NEPA be:
   (a) Increased
   (b) reduced
   (c) left as it is
   (d) None of the above
6. How do you consider the effect of legislation on pricing decisions?
   (a) Always negative
   (b) Positive
   (c) Must be carefully considered in any pricing decisions.
7. What would you consider as the most important aims of the

pricing policy:

(a) Rapid cost recovery

(b) Marked share improvement

(c) Satisfactory return on capital employed

(5). PROMOTION

1. How do you regard promotion and public relations in the organization?

(a) They are very important

(b) They are just there to provide employment as a government concern

(c) They constitute problems to the organization as the product/service of the organization does not require them

2. What media do you use for advertisement?

(a) Radio

(b) Television

(c) Printed papers

(d) All of the above

(e) None of the above

3. What promotion and/or public relations means do you use?

(a) Sales representatives

(b) Diaries and Calendars

(c) Journals

(d) Nothing, because they are not necessary

4. Have you been participating in trade fares?

(a) YES/NO

5. Mention some of the benefits you achieved by participating in such trade fares

6. What is the average amount spent by NEPA on promotion and public relations for the past 5 years

(a) Above N1,000,000.00

(b) Above N50,000,000.00

(c) Above N20,000,000.00

(d) Below N20,000,000.00

7. How much do you think halve sales promotion and public relation contributed to sales in the last 10 years?
   (a) Substantially
   (b) Moderately
   (c) Very little
   (d) Not at all or cannot be estimated

(6) DISTRIBUTION AND SALES

1. The marketing strategy of NEPA (Distribution and sales) involved
   (a) Selection of market targets
   (b) The selection and manipulation of the appropriate marketing mix to improve sales
   (c) Both a & b
   (d) No need of devising strategies as the product sales itself
2. What limits your sales capacity?
   (a) The amount of electricity available
   (b) The number of people interested are few
   (c) The number of transformers and meters available to customers are limited
   (d) All of the above
3. What factors do you think is responsible for the poor revenue generation of the organization
   (a) Not all people using the electricity pay their bills
   (b) The distribution and sales department is not well organized/competent to perform the required function
   (c) Mismanagement within the organization has reached an unprecedented level that a lot is lost
   (d) Connivance of staff with consumers making it difficult to recover the total sales
   (e) A form of mixture of the above
4. How does the organization regard government establishments in terms of customer relationship?

(a) Good customer

(b) Bad customer

(c) Depending on the management of such public establishment

5. What informs the siting or extension of electricity to a particular place?

(a) Market demand

(b) Political action

(c) A mixed form of the above

6. Do sales managers work on targets YES/NO

7. How are the sales managers evaluated?

(a) By the amount of money he realizes

(b) By the number of problems he causes in his work place

(c) By the type of written reports he submits or filed against him

(d) By the informal returns he makes to his/her boss

8. Do you think that there is need to have a separate government agency or private organization to perform the distribution function? YES/NO

9. Do you support the commercialization of the authority? YES/NO

10. What of privatization? YES/NO

11. Briefly explain reasons for your answer to question 9 and 10 above.