MARKETING MANAGEMENT; AN INDUSTRIAL PERSPECTIVE:

A CASE STUDY OF AREWA TEXTILES PLC, KADUNA.

BY

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A Project Submitted to the Post-Graduate School, Ahmadu Bello University, Zaria, in Partial fulfilment of the requirement for the Degree of Master of Business Administration.

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CERTIFICATION.

This project titled: "Marketing Management; an industrial perspective : A case study of Arewa Textiles Plc" by Musa Kareem Abdul meets the regulations governing the award of the degree of Master in Business Administration (M.B.A.) of the Ahmadu Bello University, Zaria, and is approved for its contribution to knowledge and literary presentation.

Internal Supervisor	Date. 8/6/99
External Supervisor	Date.
Head of Department	Date. 18/11/00
Dean Post-Graduate School	Date. 06/11/03

DECLARATION.

I hereby declare that this project has been composed by me and that it is a record of my own research work. It has not been presented in any previous application for a higher degree by anybody. I have duely acknowledged individuals whose work aided my research. The various sources of information, quotations and references are indicated by a list of references. Any errors in the scripts are entirely mine.

Musa Kareem Abdul — Date. 7/6/99

Major Supervisor — Date. 8/6/99

DEDICATION.

This work is dedicated to my parents Mr Suleiman Musa and Mrs Hafsat Musa, the entire Musa family and Col. Maharaja Mamudu for their support and encouragement both morally and financially in the course of my study. Although words cannot adequately express my appreciation, this is to show, they can never be forgotten. Thanks a million!.

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The following people deserve mentioning either because of their inputs and assistance in the course of writing this project or because of their sustained interest in my success and general well-being.

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ABSTRACT.

The Nigeria Textile Industry has been bedeviled by a number of problems in recent years. In an attempt to analyse these problems this research used Arewa Textiles Pic, one of the major players in the Industry, as a reference point. Based on the review of literature, the study was conducted to examine how Arewa Textiles Pic, Kaduna, understands and applies marketing management function in its operations.

The findings of this research study through the administration of questionnaire and oral interviews of some management staff of the company, its distributors, dealers, agents and retailers show that Arewa Textiles has some deficiencies in the marketing management functions of its operations. In addition, the study reveals that other factors which includes competition from cheaper and superior imported/smuggled textile materials, rising costs of labour and raw materials, unfavourable government policies, insufficient credit facilities among others are responsible for the present unfavourable business climate.

In the light of the findings, a number of useful recommendations were made: That the company should undertake an extensive review, replacement and modernisation of its machinery and equipment to enhance product quality and competition in the textile industry; To embark on product diversification in favour of ready-made garments and knitwear materials; To maintain an effective and efficient technical and market intelligence units in order to compete favourably with imported/smuggled textile materials; That government should embark on cotton improvement scheme to facilitate the provision of high quality seeds and other inputs to cotton farmers as well as an effective cotton grading system to

guarantee the quality of cotton that goes to the market; And that people in leadership positions should demonstrate the desireability of patronising locally produced textile materials by their appreciation and public use of locally produced textile materials in their dressing, house furnishing, among others.

TABLE OF CONTENTS.

PROJECT TOPIC : MARKETING MANAGEMENT ; AN INDUSTRIAL PERSPECTIVE : A CASE STUDY OF AREWA TEXTILE PLC, KADUNA.

Title page.		i
Certification.		ii
Declaration.		iii
Dedication.		iv
Acknowledgment.		v
Abstract		vii
Table of contents.		viii
	CHAPTER ONE : INTRODUCTION.	
1.1	Introduction : The Nigerian Textile Industry - An overview.	1
1.2	Statement of the problem.	3
1.3	Objective of the study.	4
1.4	Significance of the study.	4
1.5	Scope of the study.	5
1.6	Research methodology.	5
1.7	Limitation of the study.	6
1.8	Definition of relevant terms.	7

CHAPTER TWO : LITERATURE REVIEW.

2.1 Related concepts in marketing management. 12

References. 35

CHAPTER THREE : RESEARCH METHODOLOGY.

3.1 Research design. 38

3.1.1 The case study method. 38

3.1.2 Use of case study method. 38

3.1.3 Advantages and disadvantages of the case study method. 39

3.2 Formulation of questionnaire. 40

3.2.1 Advantages and Disadvantages of Questionnaire Method 41

3.2.2 Questionnaire Studies Classified by structure and disguise 42

3.3 Questionnaire administration and sample population. 43

3.4 A brief review of researches on the Nigerian Textile Industry. 44

CHAPTER FOUR : DATA PRESENTATION AND ANALYSIS.

4.1 A brief History of Arewa Textiles Plc, Organisational Structure and Information system 48

4.2 Organisational Structure of Arewa Textiles' Commercial Department 51

4.3 Arewa Textiles Product Market 53

4.4 Marketing strategy in relation to products, price, promotion and distribution 55

CHAPTER FIVE : CONCLUSION AND RECOMMENDATION.

5.1 Conclusion. 67

5.2 Recommendation. 69

Bibliography. 74

Appendix. 77

CHAPTER ONE

INTRODUCTION

1.1 THE TEXTILE INDUSTRY IN NIGERIA - AN OVERVIEW

The Nigerian Textile Industry belongs to the so-called first generation industry in Nigeria. The industry is about thirty-one years old. It is the third largest in Africa, next only to Egypt and South Africa. Arewa Textiles Plc, Kaduna, is one of the pioneer textiles companies in Nigeria. The company was incorporated in 1963.

Textile industries are spread across the federation of Nigeria. They are located in such notable cities as Lagos, Kaduna, Kano, Aba and PortHarcourt. Textile industries are also located at Asaba, Funtua and Gusau, Ado Ekiti and Jos. Lagos has the highest number of Textile factories. Kaduna however, has the largest and oldest integrated mills in the sense that they engage in spinning, weaving, printing and finishing processes. Examples of integrated factories in Kaduna are the United Textile Plc and Arewa Textile Plc. The industry has the potential of employing as many as 250,000 work force.

Kaduna is often referred to as a "Textile city" because big integrated mills are located in the city. Arewa Textile Plc, the focus of this research study, is one of the big integrated mills. Kaduna city also hosts the headquarters of the Textile workers union. Next to Kaduna is Lagos, which presently has 69 out of about 111 mills whose workers belong to the Textile workers union (see Appendix 1). The mills in Lagos are mostly small and unintegrated single-process-plants when compared to those in Kaduna. However, there are also few big mills in Lagos which also employ relatively large number of workers and engage in all

production processes. Example include Nichemtex Plc, Afprint Plc and Specomill Textiles.

The industry is capable of producing some estimated 1.4 billion different pieces of textile products. These include African Prints, Shirtings, bedsheets, furnishing fabric, towels, embroidery lace, garments, table and bed linen, guinea brocades, wax prints, Java prints, jute and fishing nets. The manufacturing process involves spinning, weaving, knitting and finishing. Processing include washing, glacing, dyeing, printing and drying transformed into finished cloth and embroidery.

Technology and management are mostly foreign. While technology comes mainly from Europe and Japan, ownership and management are largely of Asian origin, notably Chinese, Indians, Japanese and Lebanese. The big integrated mills have Indian and Chinese management.

The industry grew and prospered until late 1970's through the early 1980's. It has been declining ever since due to a combination of factor such as competition from cheaper and superior imported/smuggled synthetic-cotton blends of textile products, non-competitiveness of the local industry, lack of management initiative, resourcefulness and foresight, rising costs of labour and raw materials etc.

In 1997, there were about One Hundred and Eleven (III) Textile establishments in Nigeria locationally distributed as shown on table 1.1 below, Lagos zone led in the number of textile establishment followed by Kaduna and Kano zones.

TABLE 1.1

DISTRIBUTION OF TEXTILE PLANTS IN NIGERIA BY ZONES.

LOCATION	NUMBER OF TEXTILE PLANTS
LAGOS ZONE	69
KADUNA / JOS / ZARIA ZONE	18
KANO ZONE	16
EASTERN ZONE	8
TOTAL	111

Source: ***Trade Union Educational Handbook Published by National Union of Textile and Garment Workers of Nigeria*** **(NUTGWN) 1997.**

1.2 STATEMENT OF THE PROBLEM

The textile industry in Nigeria is presently plagued with dwindling sales and slump conditions after the boom of the 1970's . This research study, therefore, stemmed from the apparent conflicting causal factor of the present state of affairs in the industry. To analyse this problem, the study tries to examine the existing state of Arewa Textiles Plc in relation to its marketing management strategies. Furthermore, the research is also concerned with the study of how far Arewa Textiles Plc has actually put into practice the various elements of marketing most commonly found in theory and whether those that have been applied have had appreciable impact on the performance of the marketing functions of the company.

1.3 OBJECTIVE OF THE STUDY

The general objective of this research study is to assess the extent to which Arewa Textiles Plc applies the marketing management philosophy when marketing its products.

The specific objectives are as follows;

1. To examine the customer philosophy, strategic orientation, marketing information system and operational efficiency of the company.
2. To examine the strategies pursued by the company in respect of product, pricing promotion and distribution.
3. Effort would also be made to interview the company's distributors and final textile users to determine the effectiveness of the company at these levels.
4. To ascertain the impact of textile importation / smuggling on the Nigerian textile industry and market in general and the effects on Arewa textile Plc fortunes in particular.
5. To examine the ways the entire marketing management function is organised.

1.4 SIGNIFICANCE OF THE STUDY

A study of this nature enables interested parties appreciate the marketing management philosophy being pursued by Arewa Textiles Plc and its overall impact on the sales fortune of the company. In addition, it enables the researcher make useful recommendations, where necessary, towards enhancing the operational efficiency of the company in order to compete favourably within the industry.

1.5 SCOPE OF THE STUDY

The study is on the marketing management strategies pursued by Arewa Textiles Plc with particular reference to product, price, promotion and distribution. Arewa Textiles Plc is selected because of its proximity to the researcher's institute of learning and more importantly, for the fact that it is one of the major textile companies in Northern Nigeria.

The study focuses on the marketing aspect of the company. In discussing the dimensions earlier enumerated the main aim will be identifying the deficiencies or inappropriateness of the marketing management functions in use with a view to profer some recommendation that might eventually help the company to better manage its marketing functions and subsequently it's corporate objectives.

1.6 RESEARCH METHODOLOGY

To ensure a proper collection of data and to facilitate this research study, the researcher made use of both primary and secondary methods of data collection.

The Case Study method of research was used to obtain primary data for both interview and questionnaire. The choice to use personal interview was unavoidable on a topic of this nature that touches on attitudes, behaviours and responses of distributors, retailers and consumers as well as the attitudes and behaviours of personnel of the production and marketing/commercial departments. Besides, because marketing is a dynamic business activity one has to use a dynamic research approach to obtain the required data for research study.

Furthermore, the researcher perceived personal interview as a method that allow the application of one's initiative in probing into the minds of respondents for data required. In using the personal interview the Researcher alone interviewed all the people selected.

The decision to incorporate the use of questionnaire as one of the survey research method used for obtaining primary data was guided by the fact that a lot of officers to be interviewed are mostly very busy during the official working period. During such times it is always difficult to get some of them for any interview purpose. Therefore, such busy officers are designed to be reached using the questionnaire. This, of course, gives them the opportunity to respond to the questions at their appropriate convenience and at a relaxed atmosphere. The questionnaire approach is also intended to get the cooperation of people who usually do not want to be identified with their responses not because they are incorrect but do not just want such publicity which they sometimes think is risky to them because of their position. It also offers opportunity to respondents to sincerely respond to the questions before them without any fear for who is watching or listening to them.

1.7 LIMITATION OF THE STUDY

All research work, espccially of this nature do have their limitation. The most serious handicap to this study was data collection. Most internal secondary data asked from the company were either not released or were not available. Thus, most data collected were approximates as officers interviewed, for some company policies, were not willing to release exact figures.

Furthermore, the marketing mix programmes of the company are not well organised to facilitate the extraction of records. For instance, it was difficult to know how much was spent on promotion anually. Financial constraint also limited this study to Arewa Textiles Plc only out of about 18 Textiles Companies in Kaduna/Jos/Zaria Zone. On the whole, there was time constraint.

1.8 DEFINITION OF RELEVANT TERMS

Business Administration, like every other discipline, has terminologies used by Business managers, management scholars and students alike. Such words/terms are used to convey ideas and for expression purposes. But it is pertinent to define these words/terms to people outside the field of Business management.

Some of the terms are as follows;

(a). MARKET

A market consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want.

(b). MARKETING

There are as many definition of marketing as there are scholars of marketing. What seems a consensus definition is: marketing is the performance of business activities that direct the flow of good and services from the producer to the consumer or users.

(c). MARKETERS

A marketer is someone seeking a resource from someone else and willing to offer something of value in exchange. The marketer is seeking a response from the

other party, either to sell something or to buy something. In other words, a marketer can be a seller or a buyer.

(d). MARKETING CONCEPT

Marketing concept is the philosophy of business or management attitude which maintains that the focal point of the entire firm is the customer. The concept calls for a customer orientation and this can be expressed in the following form;

i. The customer is the king; what the customer wants, he gets.

ii. The customer is at the top of the organisation chart in terms of importance.

(e). MARKETING MIX

An organisation's bundle of utility which consists of product, price, place and promotion is called the marketing mix. This is the unique combination of controllable variables that a given marketer offers to customers. A marketer's objective is to create a marketing mix that provides greater satisfaction than a competitor does. The key to building the best marketing mix is knowing the desires of the people to be served. And the key to success lies in applying the philosophy of the marketing concept to the development of the marketing mix.

(f). DISTRIBUTORS

This refers to wholesalers of various types of products who make exchange for the purpose of resale or business use. They are merchant intermediaries who fake title to products.

(g). INTERMEDIARIES

This refers to independently owned business concerns that help move products from producers to the ultimate consumers. Merchant middlemen take title to the goods while agents don't.

(h). SELLER'S MARKET

This situation occurs in terms of shortage of goods and services. There are more buyers than sellers and thus demand exceeds supply.

(i). CHANNEL OF DISTRIBUTION

The channel of distribution is the path of movement of title from the producer to the consumer or user. Many parties are involved depending on the type of channel, product, distributor, agent, wholesaler or retailer and the consumer or user.

(j). ORGANISATIONAL EFFECTIVENESS

This is the ability to mobilize and utilise resources, both human and materials, optimally to achieve set goals, provide satisfaction within and outside the organisation while developing and adapting to the business environment through time.

(k). MARKET SHARE OF A PRODUCT

The market share of a product is the ratio of one company's sales to total industry sales, on either an actual or potential basis.

(l). THE MARKETING PROGRAM

This gives the complete bundle of utility a marketer offers to the market place. The marketing program comprises a list of events or tasks that marketers perform to provide the satisfaction they wish to exchange in the market place. These task are carefully organised into four major phases;

1. Planning and information gathering
2. Developing the marketing mix
3. Integrating the marketing mix, and
4. Controlling the marketing program.

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CHAPTER TWO

LITERATURE REVIEW

2.1 RELATED CONCEPTS IN MARKETING MANAGEMENT.

Philip Kotler[1], in his Book "MARKETING MANAGEMENT : Analysis planning, Implementation control", is of the view that for marketing managers to carry out their responsibilities, they go through a process called the marketing management process. Kotler defines the process as follows;

"The marketing management process consists of analysing marketing opportunities, researching and selecting target markets, designing marketing strategies, planning marketing programs, and organising, implementing, and controlling the marketing effort"[2].

Philip Kotler went ahead to conclude that one of most important output of the marketing management process is the Marketing Plan. He described marketing plan as having several sections, varying with how much detail top management wants from its managers. According to Kotler, most marketing plans, particularly product and brand plans, have the following sections: "Executive Summary, Current Marketing Situation, Opportunity and Issue Analysis (Swot), Objectives, Marketing Strategy, Action Programs, Projected Profit-and-Loss Statement, and Controls"[3].

William J. Stanton in his book "Fundamentals of Marketing" refers to Marketing Management as Marketing concept in action[4] . According to Stanton, the management process as applied to marketing consists basically of (1) Planning a program, (2) Executing it, and (3) Evaluating its results. The planning stage includes setting the goals and planning how to reach them. Execution

includes forming and staffing the marketing organisation, and directing the actual operations of the organisation according to the plan. The evaluation stage is a good example of the interrelated continuing nature of the management process. That is, evaluation is both a look back and a look ahead. William Stanton went ahead to analyse the planning process. According to him, "the first step is the situation analysis. In this stage, management makes a thorough analysis of the company's existing situation - it's markets, it's competition, the product, the distribution channels, and the promotional programs. The process continue with management determining the firm's objectives. Then the appropriate strategies and tactics are selected to reach these goals. Periodically the operating results should be evaluated. Each marketing plan that emerges as a final result of this process should appear in detailed written form"[5].

E. J. Kelly[6] in his book "Marketing Planning and Competitive Strategy" refers to planning based on research and designing to achieve both customer satisfaction and corporate objectives as a basis to the marketing concept. An integrated marketing strategy rests on management philosophy that is based on planning. Planning according to Kelly, should precede market action and should cover the business tasks that must be carried out before a programme is made operational. In formal marketing planning the key management concepts here is the idea that concrete marketing objectives should be defined and programme of action designed to achieve them. Planning is not a luxury appendage of marketing, but a managerial element that is indispensable for the survival, growth, and profitable operation of the firm[7] .

From the foregoing one can conclude that formal marketing planning

should be an integrative process which blends corporate goals and resources with information on opportunities external to the firm. The object of planning should be to develop creative and innovative policies to guide corporate efforts in the market place. Successful planning involves combining effective management and creative leadership to achieve marketing excellence and corporate goals. Marketing planning includes the continuing managerial and technical activities and involves assessing areas of marketing opportunity, determining the marketing mission and goals, developing and co-ordinating marketing action programmes and evaluating and adjusting all market - related programmes.

Henri Fayol[8] in his work "General and Industrial Management", divided the field of administration into the elements of forecasting and planning, organising, commanding, co-ordinating, and controlling. He defined planning as both forecasting and providing a means of examining the future and drawing up a plan of action. A plan of action, according to Fayol, encompasses the goal, the line of action to be followed, the progressive stages and method.

T. Levitt[9] in his "Marketing Myopia" contended that management is responsible for the failure when the growth in an industry is slowed or stopped. He asserted further that in every floundering growth industry there was a self-devicing cycle of great expansion and undetected decay accompanied by the following four conditions;

(a) A belief that growth is assumed by an expanding and more affluent population.

(b) A belief that there was no competitive substitute for the industry's major products.

(c) Too much faith in mass production and in the advantages of rapidly declining unit costs as output rises.

(d) Preoccupation with a product that lent itself to carefully controlled scientific experimentation, improvement and manufacturing cost reduction.

Every major industry, Levitt continued, was once a growth industry. But some industry that were riding a wave of growth enthusiasm were very much in the shadow of decline. Others which were thought as seasoned growth industries have actually stopped growing. In every case the reason growth was threatened, slowed or stopped was not because the market was saturated. It was because there had been failure of management[10].

It is, therefore, the researcher's belief that failure of any business organisation was the responsibility of the executives, for in the final analysis, they dealt with broad aims and policies of the organisation. Most executives define their business wrongly, instead of being customer oriented, they are product-oriented.

Before 1933, economists who analysed the problem of demand largely confined their attention to the price instrument. They maintained that under conditions of constant tastes, incomes and technology, full information and utility maximisation, the quantity of demand per unit would tend to vary inversely with the price. The concentration of economists on the price instrument was due to a number of factors, these include the following :

(a) Their interest in investigating and demonstrating the advantages of a free enterprise system based on the free movement of price to adjust

differences in demand and supply levels.

(b) The fact that price at one time had been the major marketing factor, before branding, advertising, product differentiation and other modern marketing practices came into being.

(c) The fact that price was so much measurable, and consequently tractable relative to other marketing variables in a formal analysis[11].

Much of the concentration on price represented a cultural lag, because advertising, branding, product differentiation and personal selling had been significant demand stimulants for several decades.

In 1933, two treaties were written that increased the scope and relevance of formal economic analysis for market problems. The first book was written by professor E. H. Chamberlin[12] and the second by J. Robinson [13]. Both economists pointed out that there were forms of competition taking place in the modern world that were intermediate between the two prevalent economic models of pure competition and pure monoploy.

Chamberlin postulated an intermediate market structure called monopolistic competition in which there were many firms and each had some control over its demand because of product differentiation, either real or imagined. In the case of pure competition, on the other hand, it was assumed that all buyers saw the product as identical (as a commodity) and, therefore bought only on the basis of price. This meant, therefore, that some market price developed " cleared the market". No firm charged more than this price and sold anything, nor did any firm care to sell at less than this price since it could sell all it had at the going price. But if the firm was able to create quantity style, or

feature differences in its products or employ advertising or personal selling to establish a psychological preference for its brand over other brands, the firm gain control over the price it charged.

Apart from introducing the model of monopolistic competition Chamberlin also analysed how the firm would handle the two new marketing instruments that he postulated, in addition to price. The first is combining all aspects of the product offering, including quality, packaging, and service. The second instrument he called "selling cost", which included advertising, salesmen's salaries and promotional allowances. He made use of graphical analysis to show how two or three of the marketing instruments could mutually and optimally achieve the desired result.

Robinson, was primarily concerned with variations of the monopoly model. Using geometric analysis, she defined the theory of price discrimination, showed the influence of monopsony (buyer monopolies), and so forth.

Philip Kotler[14] , a well-known researcher and author of many books in marketing refers to marketing decision variables as "marketing policy instruments", "parameters of marketing action", "sales tools", "factors of marketing". These, according to Kotler, refer to all variables under the firm's control that can affect the level of demand : They are distinguished from environmental variables, the latter, also affect demand, but not within the control of the firm.

Kotler maintained that marketing decision variables differ from each other in several ways. They differ in their degree of divisibility, that is the extent to which the marketing resource is available. Advertising, for instance, can be

purchased in various amounts. Marketing decision variables differ in their degree of modifiability, trade allowances, for example, are highly modifiable in the short run; sales force size is less modifiable; and the number of products in the line is even less modifiable. Marketing decision variables differ in their degree of dimensionality. A price change is closer to a unidimensional concept, whereas as change in advertising effort can refer to a change in the frequency or size of adverts, the media used or the copy. Finally, Kotler maintained that marketing decision variable differ in their immediacy of effect. While sales promotions tend to have their effect immediately, corporate advertising has effect in the more distant future.

Taking cognisance of the assertions above, one can conclude that depending on the situation, the marketing manager must blend these variables properly into a marketing mix in order to achieve and enhance the overall corporate objective.

E. J. MacCarthy[15] sometimes ago popularised a four -factor classification of marketing decision variables which he called the "4ps" :

(1) Product.

(2) Price.

(3) Promotion.

(4) Place i.e. channels and logistics of distribution.

The researcher, therefore, found it analytically convenient to work with these four variables because they summarise succinctly the major ways in which the firm can influence sales.

The four variables can be explained as follows :-

I. **PRODUCT.**

William Lazer[16] defined product "as an entire offering that a company makes to a market place, as perceived by customers". Product strategy is both a component and a determinant of the marketing mix. Product has a great influence on the other elements of the marketing mix : price, promotion and distribution. No marketing decision is properly made without an appraisal of product policy.

Harper W. Boyd Jr., and William F. Massey[17] considered the following factors influencing product strategy of any firm.

(a) **Impact on present product.**

Ideally, any new product should enhance the sales and profitability of the company's total line. Theoretically this would occur because of the small marginal marketing and overhead costs associated with its production and sales and because the new product is not a substitute for existing ones. But such ideal situations do not always prevail and the firm must analyse the "addition" carefully so as to determine whether or not it seriously affects the sales of current product.

(b) **Cyclical fluctuations.**

If a firm already has products that have seasonal demand peaks, it will ideally strive to generate new products that will use those company resources that are relatively idle during the remainder of the year. It is also desirable to have new products that are not affected by changes in the business cycles or that are affected in an opposite way from existing product. This reduces the degree of risk faced by the firm.

(c) **Raw materials.**

If the company has any control over its sources of supply, this should have some bearing on it, products strategy. At the very least, the company should adopt a new product strategy that involves dependence on raw materials that are not readily available or are highly vulnerable to strikes or weather.

(d) **Channels of distribution.**

It is highly advantageous if the new product can be sold through the company's existing channels and if the company has good relations with these channels.

(e) **Research and development.**

To develop and maintain a strong Research and Development operation is difficult and expensive. Thus, it is a substantial advantage if the company can use it's present research base to develop the new product.

(f) **Manufacturing.**

Manufacturing facilities and know-how represent important resources. If the new product can utilise such resources, benefit obviously accrue. Company engineers are often of great value in helping with the design of these machine.

(g) **Investment required.**

This resource commonly determines what the competitive picture will eventually look like. If a large investment is needed, a relatively small number of firms are likely to dominate the industry. Obviously, if investment requirements are low, then entry is "easy" and the industry is

apt to be made up of a large number of small firms.

(h) **Technical and marketing skills.**

The company must also consider the kinds of people required for successful new-product development. If the firm adopts a product strategy calling for high research and development skills, it must either have such personnel or be able to obtain them. Too often, a firm simply assumes that it can buy such people and fit them quickly into a group with good results. Of critical importance is the presence of a management team that can cope with change and handle the kind of new decision that the new business will entail.

In the final analysis, a product strategy must be stated clearly and agreed upon by those responsible for new product development.

Eugene J. Kelly[18] identified factors influencing product development as urbanisation, leisure, competition, income, styles, tastes, automobiles, informality and convenience. These, according to him, have led to the emphasis on product form, readiness, packaging, combination, and selection convenience.

2. PRICE.

Lazer[19] defined price " as the amount paid to purchase something or a monetary summation of the conditions that give value to a product or service".

Pricing on the other hand has been defined by E. Raymond Covey as " the art of translating into qualitative terms (i.e. Naira, Dollar, Pounds sterling etc.) the value of a product to customers at a point in time". The notion of value in this case is subjective and is basically determined by the customer, value may be

concrete, such as the cost savings of replacing worn-out shoes with a new pair. It may be tangible, such as the owner's pride in having a machine or car. The same product may have different value for two different customers or for the same customers overtime. For example owing a house may not interest a young person of 18 years old, but by the time person reaches 30 years of age, he or she's concern for a personal house will be more.

SITUATIONS THAT NECESSITATE PRICING DECISIONS.

Certain situation give rise to pricing decisions. These include the following:-

(a) When a company want to introduce a product or enter a new market with an old product.

(b) When cost, demand, inflation render old prices inadequate.

(c) When competitors initiate a price change.

(d) When the firm produces several products that have interrelated demands and / or cost.

MAJOR PRICING DECISIONS.

Decisions on price are made in three major areas, namely :-

(a) What are the firm's pricing objectives ?

(b) What are the pricing policies ?

(c) What are the pricing procedures i.e. how are prices to be administered?

i. **Pricing objectives.**

(a) Sales objectives.

(b) Profit objectives.

(c) Competitive objectives.

ii. **Pricing policies.**

Pricing policies represent guidelines or rules which marketers follow when making strategic and tactical pricing decisions. They are general rules intended to keep an organisation's decision in line with it's objectives. Pricing policies should therefore result in a conscious pricing setting that helps the firm to reach its objectives.

General pricing policies are:-

(a) The skimming policy - setting a high level price.

(b) The penetration pricing - setting low level price.

(c) The prestige pricing policy - high price status.

(d) The price leader policy.

(e) The customary policy - low or high as the case may be.

(f) The survival policy - policy out of business or for staying in business.

BASIC PRICE DETERMINANTS.

Basically price may be determined by one or more combination of the following factors.

(a) **Buyer demand :**

The traditional law of demand states that price reduction generates demand increases and price increases generate demand reduction, all others things being equal. However, not all products display this relationship. For some prodcut the reverse is the case. Prices sometimes

may reflect quality and other factors such as status, etc.

(b) **Competition.**

In a perfect competition market the interaction of the forces of demand and supply determines the price. The monopolists in most cases set their price without regard for demand.

(c) **Cost.**

Prices are set to cover cost of producing and marketing the product. Costs are normally the major determinants of product prices. Normally costs is established and a fixed percentage of mark-up to costs is added.

(d) **Economic climate.**

Raw materials and finished goods shortages create special problem for marketers. Pricing during period of inflation also requires special attention. These situation also create added costs of production and this must be reflected on the prices charged. Also, government fiscal/ taxation policy etc.

(e) **Legal and ethical constraints.**

This set limits to the decision makers on pricing. These normally come from anti-trust laws (i.e. laws that prevent unfair competition and the establishment of regulatory bodies) such as price control Board.

The ethical constraints borders on what price is judged reasonable or unreasonable. The problem is in determining at what point prices become unreasonable. Societal "out cry" is often seen as indicative of unreasonableness.

Also, the activities of consumerism groups may point to a dissatisfaction with price and other marketing mix elements.

- Consumers' behaviour perceptions.
- Channels of distribution - stages mark-up discount.
- Research and development costs.

iii. **Pricing procedures.**

There is a wide spread agreement that actual price setting should be based on three factors:

(a) Cost.

(b) Demand.

(c) Competition.

Based on the above factors, there are three major pricing procedures.

1. **Cost -oriented pricing procedure.**

By this, prices are set on the basis of costs. Among some of the method under cost-oriented pricing is Mark up pricing and Cost-plus pricing. In all this cases price is determined by adding some fixed percentage to the unit cost. Retailers use mark-up. Another cost-oriented pricing is the Target pricing. By this, the firm determines the price that would give it a specific target on return on its total costs at a given standard volume.

2. **Demand-oriented pricing.**

This calls for setting a price based on consumer perceptions and demand intensity rather than on cost. Types of demand-oriented pricing are :-

a). Perceived values pricing : This has to do with what customers perceived the value of the product to be.

b). Demand -differential pricing or price discrimination: This is a situation where a product or service is sold at two or more price that do not reflect a proportional difference in marginal cost. It takes various forms e.g. Product form basis, and on Customer basis - different customers pay different prices for same product. It could also be on Place and Time basis.

c). Competition-oriented pricing: This is a situation where prices are charged based mainly on what competitors are charging. The price charged may not necessarily be the same with competitors prices. The company may on the basis of competition decides to keep its prices lower or higher than competitors.

Among the types used under this procedure are :

i.) Going-rate-pricing - usually for the industry.

ii.) Sealed Bid pricing - charged based on what competitors are likely to charge.

PRICE - QUALITY STRATEGIES.

PRICE.

Quality	High	Medium	Low
High	Premium strategy	Penetration strategy	Super value for money strategy
Medium	Over pricing strategy	Average price quality strategy	Value for money strategy
Low	Hit and run strategy	Shoddy Goods strategy	Cheap Goods strategy

Using these strategies will depend on:-

1. The market segment targeted with the product or service.
2. Stage of the product life cycle (PLC). Pricing is a sensitive and complex decision area affecting sales, costs, and profits for both industrial and consumer goods.

For consumers, price reduction and increases have a symbolic meaning. A customer may associate a price reduction with a reduction in quality, the anticipation of new models, or poor market acceptance. Higher price may indicate better quality, a good image, and good value. Customer perceptions of prices is very important.

From the foregoing, it could be deduced that no single pricing programme is suitable for all firms, since the complexity of pricing situations vary by product, cost, demand, and industry structure, and prices must relate to objectives, information, knowledge of alternative policies, strategies and adjustment.

3. PROMOTION.

According to Philip Kotler[20], "promotion stand for the various activities the company undertakes to communicate it products' merits and to persuade target customers to buy them". The communication process according to Lazer[21] is concerned with the dissemination of stimuli and their perception, impact, use, and effectiveness. Marketing communications have meaning to the extent that individual's predisposition and experience permit him to see, hear or read them.

Effective market communication requires an integrated promotional system that reaches from primary product to ultimate consumer. Communications

flow to markets through long complex channels that include manufacturers, retailers, wholesalers, consumers, agencies and media. Each unit can break the chain or pass on the information as it sees fit. The amount and quality of information, therefore, depends on the channel.

Any marketing communication should therefore serve four basic management purposes :

(a) Should bridge information gaps existing among manufacturers, middlemen and consumers.

(b) It should help coordinate the promotional activities of the total marketing system to achieve a coordinated thrust.

(c) It should help adjust the system to customer and consumer requirements.

(d) It should help in adjusting the product to customers need.

The target of marketing communication is to get people or market to progress from a state of unawareness, or even negative reaction to one of positive action.

THE PROMOTION MIX.

According to Philip Kotler[22] the marketing communications mix (also called the promotion mix) consists of four major tools.

(a) **Advertising.**

This is any paid form or non personal presentation and promotion of ideas, goods or services by an identified sponsor. The media for this form of communication could be through Television, Newspapers, Periodicals, Cinema and Commercial radio advertising.

(b) **Sales promotion.**

This is a form of short-term incentives to encourage purchase or sale of a product or service.

(c) **Publicity.**

This is non personal stimulation of demand for a product, service or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it upon radio, television or stage that is not paid for by the sponsor.

(d) **Personal selling.**

This has to do with oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.

Communication goes beyond the specific communication / promotion tools listed above. The product's styling, its price, the package's shape and colour, the salesperson's manner and dress - all communicate something to the buyers. Therefore, the whole marketing mix, not just the promotional mix, must be orchestrated for maximum communication impact.

4. INSTITUTIONS AND CHANNELS.

A channel of distribution is a path traced in the direct or indirect transfer of the title to a product as it moves from a producer to ultimate consumers or industrial users[23]. Every channel of distribution contains one or more of these "transfer points", at each of which there is always either an institution or a final buyer of the product. In the process of marketing, legal title to the product always

changes hands, at least once.

The following are channels of distribution in common use :

a.) **Direct to consumer or user.**

This type of channel is used in marketing many types of industrial goods. There are several reasons for this. Many industrial product have markets composed or relatively few potential users. The users of particular types of industrial products tend to be clustered in only a few market areas. Some industrial product have special servicing and installation requirements which the manufacturer can best provide.

b.) **Indirect distribution through agent middlemen.**

Some producers use agent middlemen as intermediaries between themselves and the next level of distribution. (These middlemen, generally operate the wholesale level). In the marketing of manufactured products, both industrial and consumers goods, agent middlemen are used usually, though not exclusively, by manufacturers who want to rid themselves of much of the marketing task. A manufacturer's entire output may be turned over to one or a small number of agent middlemen for marketing, in which case the manufacturer's distribution channel problem is reduced to that of selecting and persuading certain agents to serve as his representative.

When agent middlemen are used they negotiate the transfer of legal title to the producer's merchandise with institutions active on the next level of distribution. In the case of consumer goods, these negotiations are carried on with either merchant wholesalers or retailers

or both.

c.) **Manufacturer to retailer to ultimate consumer.**

This is one of the most common distribution channels used for reaching the consumer market. Manufacturers using it generally have some compelling reason for avoiding wholesale middlemen. This is because their products may be perishable, either physically or fashion-wise, hence speed in distribution is essential.

Manufacturers distributing their products directly to retailers must be able to finance the inventories that would otherwise be carried by merchant wholesalers.

d.) **Manufacturer to merchant wholesaler to retailer to ultimate consumer.**

This consumer goods channel is often referred to as the traditional or "orthodox" distribution channel. A manufacturer finds it suitable under some or all of the following ;

(i) The manufacturer has a narrow product line.

(ii) He is unable to finance distribution direct to retailers or can put the necessary funds to more productive use elsewhere.

(iii) Retail outlets are widely dispersed.

(iv) Wholesalers are able and willing to provide strong promotional support or the product does not require such support.

(v) The products are staples, not subject to physical or fashion deterioration.

(vi) The manufacturer's advertising to ultimate consumers exerts a strong pull in causing retailers to stock the product.

e. **Manufacturer to merchants middlemen to industrial user.**

This distribution channel is used by many producers of such industrial items as small tools and other standard pieces of equipment. Merchant middlemen serving the industrial market, through their operations in many ways resemble those of consumer goods wholesalers, sell directly to industrial users. It is pertinent that manufacturers re-evaluate their channels of distribution on a regular basis.

THE PHYSICAL - LOGISTIC FUNCTION.

According to Donald Bowersox[24] "physical distribution management can be defined as the responsibility to design and administer corporate system to control the flow of raw materials and inventories".

Because manufacturers generally reach final buyers through intermediate distribution levels, they cannot completely control physical distribution. They must therefore try to obtain optimal performance of the total distribution system by finding effective ways of coordinating inventory policies and practices with those of other channel members.

A. **Physical distribution efficiency and profit.**

Grains in physical distribution efficiency should be accompanied by improvements in net profit. Estimates show physical distribution costs account for as much as one- third of the manufacturer's selling prices and from one-fifth to one-fourth of the prices paid by the final buyer[25] . Marketing management is profit oriented management, hence any activity that accounted for so much of total costs should be prime target for management's efforts to secure more efficient performance.

B. **Decision on size of inventory.**

Inventories may be thought of as input - output systems, with inventory additions being the input and inventory substraction the output. Therefore, in deciding on inventory size, management must determine both how high the inventory should be allowed to rise as well as how it should be allowed to fall. In setting the upper and lower control limits, there are both sales and costs considerations. Such decision on inventory size, therefore, depend upon accuracy in sales forecasting. The more accurate the sales forecast, the greater the opportunity for maximising gains from economic inventory operation. In other words, there should be an efficient and effective inventory management.

C. **Decision on storage and inventory location.**

Decisions on storage and inventory location are closely linked to inventory size. Physical distribution costs are incurred as a result of both types of decision, so each should be made only after a consideration of the other. Bearing in mind that customer service must be maintained at an acceptable level, the objective should be to obtain the lowest total cost of physical distribution

possible.

One other problem is that of deciding the number and location of warehouses. Such a decision is effected by several important variable including customers' buying patterns and delivery expectations, foreign rate structures service characteristics of alternative transportation media, warehouse operating costs, location of factories, production capacities and product mix of individual factories, and costs of building or renting suitable warehouses in different location.

It is possible to gather statistics and related information on each of these variable but there is a staggering number of possible combination, which may be made up of many sets or some complex, and to some extent inter-related variables.

D. **Decision on modes of transportation.**

Decision on modes of transportation are related to both decision on size of inventory and those on storage location, which are themselves inter-related. No one of these decision, should be made without first considering the possible effects on the others. Decisions on modes of transportation should be made with the goal of optimising the efficiency of the total physical distribution system.

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CHAPTER THREE

RESEARCH METHODOLOGY.

3.1 RESEARCH DESIGN.

To ensure a proper collection of data and to facilitate this research study, the researcher made use of both primary and secondary methods of data collection. The study tries to draw it's materials from both intensive literature search as well as on the basis of the case study method. The data based on the latter was collected from Arewa textiles plc the objective was to find out the "state of the art" as far as the marketing management function by the Arewa textile mill is concerned.

3.1.1 The case study method.

The term "case study" usually refers to a fairly intensive examination of a single unit, such as a person, a small group of people or indeed a single company. Case studies involve measuring and studying what is there and how it got there. In this sense, it is historical. It can enable us explore, unravel and understand problems, issues and relationships. It cannot, however, allow us to generalise. That is, to argue that from one case study the results, findings or theory developed apply to other similar case studies.

3.1.2 Use of case study method.

Case study are of particular value in marketing when one is seeking help on problem in which interrelationships of factors are involved and in which it is difficult to understand the individual factors without considering their

relationships with each other. Probably, more than anything else, the marketer would like to know why people buy or don't buy his products. The case study method, using what is known as dept interview, serves as one of the methods of studying such a problem.

3.1.3 Advantages and disadvantages of the case study method.

The major advantages are :-

(1) Inferences are obtained from the study of an entire situation, an entity, rather than from the study of one or several selected aspects alone.

(2) A case study is a description of a real event or situation, whereas a statistical study involves abstraction from real situations. For instance, an average may be typical of a large group but not descriptive of a single unit in the group.

(3) More accurate data are obtained, probably as a result of the longer, more intimate association of the researcher and the respondent, the greater rapport that is normally developed from the two, and to reduce reliance on formalised questions and answers as in a study which is of an exploratory type.

The disadvantages of the case study method are :-

(1) Owning to a single or a number of cases examined, this method does not allow us to generalise or establish the reliability of findings.

(2) The method is also inefficient in researching situation which are already well-structured. That is where important variables have been identified.

(3) The method is a time-consuming approach. It is extremely useful in

exploratory studies where the main interest is in developing a rich variety of suggestion.

3.2 FORMULATION OF QUESTIONNAIRE.

To facilitate the case study method an exhaustive questionnaire of the structured, non-disguised type containing forty-one questions was prepared for collecting data from Arewa Textile Plc. Information was not only collected at the level of the company but also from the relevant distributors and dealers or retailers. An eighteen questions questionnaire was used for this purpose. Besides, structured approach probing wherever found necessary was also used for collecting the required information from the above sources.

In marketing, it is often said that the customer is the king. He is the provider of funds to both the company and the channels, or the arbiter of their fortunes. This, therefore, makes the customer a veritable source of information. A well structured non-disguised questionnaire was administered on the company's customers. Probing questions were also used by the researcher to add to the information required.

Personal interview method of communication was used in all the above cases for collecting information from these sources. The number of questions to be asked from each of these sources was deliberately kept limited in the context of the requirement of the study to motivate the respondents to whole heartedly cooperate in the collection of the desired information.

Secondary sources of information were also employed by the researcher in analysing the marketing strategies of Arewa Textiles Plc.

3.2.1 Advantages and disadvantages of the questionnaire method.

The questionnaire is a device for obtaining answers to research relevant questions from sample of respondents using a form which the respondent fills himself. The questionnaire question are presented with exactly the same wordings, and in the same order, to all respondents.

The advantages of the questionnaire are :-

(1) Versatility :- Almost every problem of marketing research can be approached from the questionnaire stand point. Every marketing problem involves people. Therefore, ideas relative to the problem and its solution can be obtained by asking these people about the problem. Many problems can be asked only by questioning. Knowledge, opinions, motivations, and intentions are usually not open to observation. Except where records have been maintained past events can be studied only through the questionnaire method.

(2) Speed and cost :- Questioning is usually faster and cheaper than observing. Interviewers have more control over their data gathering activities than observers. As a result, less time is typically wasted in a questionnaire study. Some events that take place over a period of time such as the number of trips to the supermarket in a week, would require lengthy observation, but a question on this behaviour can be answered in a few seconds. In some cases, however, this advantage of the questionnaire may be negligible.

The disadvantages of the questionnaire are :-

(1) Unwillingness of respondent to provide information:- In most interviews,

the interviewer naturally counts on the politeness and good nature of respondents to secure their cooperation. There are cases in which potential respondent refused to grant time for interviews or deliberately refuse to answer some specific questions.

Various methods of ameliorating this problem was developed. One of such methods is the assurance given to the respondent that the information will be held in confidence and would in no way be related to the individual. This may reduce refusals when data are particularly personal or of value to competitors.

(2) Inability of respondent to provide information :- Despite a willingness to cooperate, many respondents are unable to give accurate information on question which the marketer would like to ask. Many motivations, for example, are largely subconscious. Current procedure of motivation is attempting to obtain the information indirectly by asking question which can be answered and which, by their pattern, indicate motivation.

In other cases, respondents cannot furnish information because they are unable to remember the facts desired or because they never knew the facts. It is important, therefore, to ask people only those questions they are qualified to answer. As stated earlier the type of questionnaire used for the purpose of this study is the structured, non-disguised type.

3.2.2 Questionnaire studies classified by structure and disguised.

Questionnaire studies can be conducted either with or without formal list of questions. When no formal questionnaire is used, the interviewer adopts his

questioning to elicits responses by indirect method such as showing pictures on which the respondent comments. When a questionnaire flows a prescribed sequence of questions it is referred to as structured study while the other is non-structured. Questionnaire can be constructed so that the objective is clear to the respondent (non-disguised), or they can be constructed so as to disguise the objective.

There are three methods of communicating with the respondents, viz; personal, by mail and telephone. In this study, as mentioned earlier, the researcher, for obvious reasons employed the personal method of communication.

3.3 QUESTIONNAIRE ADMINISTRATION AND SAMPLE POPULATION.

The questions were personally administered by the researcher because of the specific nature of the study, i.e; the use of the case study method approach. The Distributors, Dealers, or Retailers were selected only from the Kaduna, Zaria, Kano, Jos, Sokoto areas. This was done because of the limitations of both time and money. For similar reasons, questionnaires were administered only on those customers who were residing in the above listed towns.

The researcher did his best to remain as objective as possible in collecting information from the above sources as well as in analysing it.

Secondary sources of information about Arewa Textile Plc was also collected and employed in analysiing it's marketing management function.

3.4 A BRIEF REVIEW OF RESEARCHES ON THE NIGERIAN TEXTILE INDUSTRY.

As far as empirical investigation and published information are concerned, not much research has been conducted on the problems of the textile industry in Nigeria. It is very unfortunate that this important industry that employs a sizeable number of the populace has not been given a pride of place and the attention it deserves. However, Umesi Godfrey[1], in an earlier research work on "the state of the textile industry" cited two weaknesses of the industry in competing with it's overseas competitors. One was the lack of sufficient market information on the changing customer tastes especially in the segmented market for the young generation. The second source of weakness, according to Umesi concerned management. His study showed that the companies within the industry have varying degrees of management skills. While some are efficient and capable, others are simply paternalistic in every respect of managements. In another study, Dr. Ugbolue[2] concluded that :

"The present complex system of marketing and distribution which tended to prevent the mills from getting their products in to the market place was most distressing"[3].

Furthermore, Dr Ugbolue contended that the major problems of the textile industry included insufficiency of raw materials due to the decline in the production of cotton in the country. He also identified the technological know-how, and high labour turn over rates as major problem faced by the textile industry.

A study that comes closest to the above is that conducted by the Business

and Projects Consultancy Division, Nigerian Institute of Social and Economic Research, (NISER)[4].

In their report, they concluded that : "A number of problems currently faced the Nigerian Textile Industry, including shortages of raw materials and consumable stores, product quality, marketing problems smuggling etc"[5]

In another study Abu Gidado[6] posited that Nigeria had litle or no statistical data which was necessary in planning, especially in planning marketing strategies coupled with lack of data, was lack of Urban or Rural central planning and that even where the plan existed strict adherence to it was not done.

Nat Amogu[7], in an article entitled "weathering the storm of textile liberalisation", observed that the future of most local textile manufacturing companies have witnessed serious decline in the wake of the difficult economic environment under which they operated. He contended that the most recent economic policy which has worsened the plight of the industry was the removal of the ban on importation of textile products by the Federal Government. This development, according to him, "might grind their businesses to a halt[8]".

Relatively, the chairman of Nigerian textile manufacturers association, Mr Victor Eburajolo[9] observed that the industry has retrenched about 60,000 workers in the last two years (1996 - 1998). Eburajolo disclosed that about 15 textile firms had closed shops in the last three years, while a few existing ones were grappling with the very harsh economic environment[10]. The chairman erumated the enormous problems that had bedevilled the sector saying that the industry noted for its catalystic role in industrial development of even the advanced economics, had been rendered docile. Eburajolo, who is also an executive director of Afprint

Nigerian Plc, noted that the cost of providing infrastructure was about 37 per cent of production cost in textile firms, and with the deplorable state of infrastructure in the country especially the persistent fuel shortage, the situation would worsened[11] .

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CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 BRIEF HISTORY OF AREWA TEXTILES PLC ORGANISATIONAL STRUCTURE AND INFORMATION SYSTEM

Arewa Textile Plc was incorporated in 1963 with registration number 3364 and commenced production in April, 1965. The company came into existence as a joint venture between the Government of Northern Nigeria represented by New Nigeria Development Corporation (NNDC) and Overseas Spinning Investment Company Ltd made up of Nine leading Japanese Spinners, International Finance Corporation and Thirty-three Nominees Co. Ltd.

At inception the company had 400 Looms and 10,000 Spindles with an authorised share capital of 700,000 Pound Sterling or ₦1.40m. The authorised share capital has been increased over the years and presently the company's authorised share capital is ₦100,000,000 made up of 50,000,000 ordinary shares of ₦2.00 each. The company's share capital is beneficially held as follows:-

	Organisation	**% Shareholding**
1.	Overseas Spinning Investment Company Ltd (OSIC)	49.55
2.	International Finance Corporation	7.32
3.	Kuwait Investment Co. Ltd (KIC)	0.73
4.	Northern Nigeria Investment Ltd	5.62
5.	Staff of Arewa Textile Plc	21.17
6.	Other Nigeria Shareholders	15.61
		100.00

The company's principal products at inception were baft and white shirtings. Later African Prints, Polyester and dress prints, Super Print, Java Prints came on stream.

ORGANISATIONAL STRUCTURE

Arewa Textiles Plc is headed by a Managing Director who is also the Chief Executive Officer of the company. The Managing Director is assisted by a General Manager who doubles as an Executive Director. The organisational structure of Arewa Textiles is divided into seven functional areas namely; Administration, Special Duties; Commercial, Finance, Printing, Spinning and Weaving, Finishing and Engineering Departments. Each Department is headed by an Assistant General Manager.

Generally, given the variations in corporate resources, the products the company manufactures and the various market it serve, it is quite clear that there can be no single organisational structure of universal or even national applicability. However, despite the infinite variations in degree, the fundamental organisational choice revolves around grouping activities by product or by function.

Organisational theorists have traditionally suggested that the appropriate structure should be on the basis of three criteria as follows;

1. The approach that permits maximum use of special knowledge.
2. The approach which provides the most efficient utilization of machinery and equipment.

3. The approach which provides the best hope of obtaining the required control and co-ordination.

Walker and Lorch[1], feel that these traditional criteria ignore the trade-off between functional specialization and difficulties of co-ordination, and product specialisation which promotes collaboration between specialists but tends to lose identification with functional goals. They, therefore, suggested two useful generalisations, viz;

i). Where a company performs a routine and repetitive task, the functional type of structure is appropriate. In such cases, integration can be achieved through plans, and conflict resolved by hierarchy.

ii). The product organisation is more appropriate where the task involves problem solving like dealing with situations.

It is pertinent to point out, however, that most companies are faced with a combination of both routine and problem solving. Thus, most firms find it necessary to adopt some form of compromise.

The Arewa Textiles Plc organisational structure is functionally based as shown in figure 4.1 below:

AREWA TEXTILES PLC - ORGANISATION CHART

MANAGING DIRECTOR/CHIEF EXECUTIVE

INTERNAL AUDIT

GENERAL MANAGER
EXECUTIVE DIRECTOR
COMPANY SECRETARY (AGM)

GENERAL AFFAIRS/PUBLIC RELATIONS

AGM ADMIN	AGM SPECIAL DUTIES	AGM COMMERCIAL	AGM FINANCE	AGM PRINTING	AGM SPINNING & WEAVING	AGM (FINISHING & ENGINEERING)	
PERSONNEL	IMPORT EXPORT	MARKETING	ACCOUNTS	PRINTING		FINISHING	ELECTRICAL
TRAINING SECTION	COTTON	SALES	COMPUTER		SPINNING	FINISHING MAINTENANCE	BOILER
RECREATION SECTION	LAGOS OFFICE	DESIGN CENTRE	BUDGET PLANNING	PRINTING MAITENANCE		PRODUCT CONTROL	
WELFARE SECTION	KANO OFFICE	RESEARCH	WAGES	ENGRAVING	WEAVING	INSPECTION	WORKSHOP
	PURCHASE		COST ACCOUNTS				

4.2 ORGANISATIONAL STRUCTURE OF THE COMMERCIAL DEPARTMENT

The Commercial Department is headed by an Assistant General Manager (Commercial). The Commercial department is divided into three major functional sections, namely; Sales, Marketing/Research and Design sections. Each of these sections is headed by a manager who reports directly to the Assistant General Manager (Commercial). The organisational structure of the commercial department is shown in figure 4.2 below:

Fig. 4.2

THE ORGANISATIONAL STRUCTURE OF THE COMMERCIAL

DEPARTMENT OF AREWA TEXTILES PLC



In practice the marketing department of any company maybe organised in one of the following ways;

i. Functionally - oriented;

ii. Product - oriented;

ii. Market/Customer - oriented;

v. Regionally - oriented;

/. Functional/Product orientation;

/i. Functional/Market orientation;

vii. Functional/Regional orientation.

Although Arewa Textiles Plc does have a market/research department, but placing the sales and marketing/research manager under the Assistant General

Manager (Commercial) shows how little the emphasis Arewa Textile places on this important department. Furthermore, although the sales and Marketing/Research Manager have officers reporting to them, they unilaterally take decisions on what is to be done and what is not to be done as far as the routine sales/marketing decisions are concerned.

As far as marketing planning and information systems are concerned, there is no single officer responsible for such functions. There is no evidence from the operations of Arewa Textiles Plc that the marketing effort is being planned and marketing control being used to ensure that the company's objectives are achieved. In spite of the fact that there exists a marketing/research unit, the philosophy of marketing concept is not adhered to strictly. In fact, production is based mainly on designs submitted by distributors or on hunches and guesses.

4.3 AREWA TEXTILES PLC PRODUCT MARKETING

The principal products of Arewa Textiles, that is, Super Prints, African Prints, Java Prints, White Shirtings etc are marketed country wide. Kano is regarded by a majority of retailers in the North as the home of Textile materials. Other places are Lagos, Onitsha and Ibadan.

The target market segment of Arewa Textiles product appears to be for both the low and high income earners. The low income earners would easily go for low priced items for mass consumption such as the company's white shirtings, though the demand for white shirtings is very low. The high and middle income earners preference is now for lighter and finer cotton, cotton/polyester. Thus Arewa Textile also has on stream of super prints, African prints, java prints.

However, Distributors of Arewa Textiles Plc complained about high turnover rates of designs brought by foreigners, especially the Lebanese to the detriment of the local distributors. This is further complicated by the fact that Arewa Textiles, Plc depended on its distributor for producing such designs as are likely to sell fast in the market. These foreigners have access to the fashion centres of the world where they can obtain information and design.

It is therefore important that Arewa Textiles Plc recognises that Nigerians view cloth as socially important and they are discerning consumers. They generally have a high interest in clothing which include given great attention to the process of dressing, of owning, wearing and displaying fine clothes and building up an extensive wardrobe.

In general, one can say that the Nigerian consumer is a person of taste who knows what he/she wants and who is usually prepared to pay the price for a product, provided the material is of the desired design and the right tone or colour.

Some of the fast moving items in most of the Nigerians markets are wax block printed textiles, and not baft or shirtings. Incidentally most consumers have a way of identifying such good quality prints including dye fastness and "Guaranteed Real Wax" have become a measure of quality cloth.

Successful textile production is measured by sales figure. Successful sales depend on components of the textile design itself (including technical excellence) timing, and the strategic influence of the market women. Some of the products of Arewa Textiles Plc such as baft and shirtings are becoming unpopular in the market presently. Baft for instance, is mainly used as lining for pockets of

sewn garments etc Drills (green and white) and shirtings are sold seasonally when school children are about to resume for the Academic year or in smaller quantities within the academic year.

With this kind of unfavourable situation facing Arewa Textiles Plc and the Textile Industry in Nigeria, in general and with the additional cost implication of overhauling most of the mills it may be worthwhile to consider other alternative method of fabric production.

MARKETING STRATEGIES IN RELATION TO PRODUCTS. PRICE. PROMOTION AND DISTRIBUTION.

PRODUCTS

Super Prints, African Print, Real wax, White Shirtings are the major products of Arewa Textiles Pic. Majority of its orders come from its distributors and governmental agencies while the rest are marketed country-wide.

This study revealed that printed materials now dominate the textile market to the tune of 70-80 per cent of sales, while other products such as baft, shirtings etc account for the rest.

Arewa Textiles is acknowledged by distributors as one of the leaders in African print, super prints and Real wax, with claims by some customer that the Real wax prints, super prints are superior to those from some of its competitors such as Kaduna Textiles Mills. The same customers, however, acknowledges the superiority of United Nigeria Textiles Plc prints over those from Arewa Textiles Plc.

The products of Arewa Textiles Plc face intensive competition from smuggled/imported textile materials. Products are basically means of solving problems for buyers and sellers. Therefore, physical environment, biological, technological and cultural forces change them. The very perception and interpretation of the environment developments by customers create product opportunity.

Arewa Textiles Plc is fraught with so many dangers in terms of loose governmental protection, increased custom duties or raw materials, inadequate encouragement/ incentive, and smuggling of both garments and cloth.

Another problem confronting the company is high production cost. The cost - adding elements include;

(i) Continued rise in wages and fringe benefits without an equal or commensurate increase in productivity.

(ii) High cost of energy and other utilities.

(iii) High excise duties on finished goods.

(iv) High import duties on imported raw materials.

All these problems notwithstanding it is evident from this study that there is enormous room for growth in this important industry. Consumers are willing to pay high enough prices, provided the fabric is good.

The researcher has elaborated more on those parameters which in his opinion will help Arewa Textiles Plc in particular and the textile industry, in general overcome the present unfavourable business climate and at the same time compete effectively with foreign textile materials. These parameters are quality and design of equal importance is the issue of product diversification. Product

diversification becomes of utmost importance because majority of textile mills produce the same product for the same market.

QUALITY CONTROL

Although Arewa Textiles Plc has a quality control unit, it is not being effectively and efficiently utilised to achieve organisational goals in terms of being the best in superior quality prints in the industry. Quality control is concerned with the evaluation of test data and their application to the control of the textile product process, raw materials, intermediate and final products. An effective quality control scheme should include a testing programme involving the performance on a periodic basis of certain routine tests designed to measure the characteristics of the raw and processed materials. The control desired should be aimed at meeting:

i). Market requirements or standards e.g. meeting the requirements for width, ends, and weights etc for certain common fabrics.

ii). Consumers needs or demands e.g. forecasting consummers' need for wear or for dye fastness.

iii). The need for improving the ratio of quality to cost.

To effectively control the quality of production in the mill there are three possible approaches;

i). To check and confirm that the raw materials coming into the mill satisfy mill's requirement,

ii). Availability of quality control personnel to conduct spot checks or products in the production line and follow this up with laboratory tests to confirm product classification.

iii). To allow an independent body to assist in quality control since most manufacturing establishment find it difficult to locate faults probably due to lack of skilled quality control personnel, lack of testing equipment or even concentration on profit maximization.

Arewa Textiles Plc also complained that the quality of the local Nigerian cotton is a major factor in the company's product quality. Nigerian cotton is of the short staple variety and, in terms of international standards, is equivalent to American Strict middling (2.7 cm). There are three grades of cotton - NA1, NA2, NA3. Each grade is further divided into three categories A, B, and C. For example, NA1A, NA1B, NA1C. About 90% is international and, using American Cotton as a basis, each grade and category carries a premium or discount in international market. Spinners can use any grade and category depending on their technology and desired end-product.

The cotton seed currently planted in Nigeria originally came from U.S.A, via East Africa. They have been selected, grown and multiplied to the current type J.2b. Research revealed that these seeds are becoming weaker and weaker. Thus, if yields are going with better quality cotton lint, it is important that fresh seeds with higher potentials be imported, selected, grown, multiplied and distributed to farmers for planting.

To this end more research is being carried out to improve the seed yield and quality of the cotton by the Nigeria Cotton Board in conjunction with Research Institutes. It is hoped that when the cotton rehabilitation programmes is fully implemented, the Board will be in a position to supply all the necessary raw cotton requirement of the textile mills.

DESIGN

Distributors of Arewa Textiles Pic complained about the high turnover rate of designs brought by foreigners especially the Lebanese, to the detriment of the local distributors. This study reveals that specific colour of preferences by customers for diferent groups of people within the country are fairly stable over time with changes occurring in motive and not in colour. For example, the traditional colour preferences among the Yoruba are deep blue, red (marron) and bege tones. The Ibos seem to prefer green, yellow and orange, whereas the Hausas wear plain coloured fabrics which are white and pasted hues.

MOTIF PREFERENCES

Many motif preferences are also culturally distinct. Many categories include motifs centred on people, animals and plants. Evidence abounds that Nigerians are predisposed through socialisation to perceive life - oriented symbols, and thus show a preference for a range of motifs in fabrics designs in the form of human hands, feet, birds, flowers, vine etc. Foreign textiles manufacturers have responded to these preferences and are therefore sending certain motifs exclusively to Nigeria.The popularity of a design is the result of the totality of the culture, language, geography and environmental conditions of the people. This fact must be borne in mind by Arewa Textiles Pic and by potential designers for the Nigerian environment.

CASHIM IBRAHIM LIBRA P*

PRICE

With regards to pricing, the company determines its pricing objectives and sets it on the basis of cost. That is, the company adopts a cost-oriented approach to pricing. During the current period, the company has raised upwards the prices

of its products due to inflationary conditions including increased cost of raw materials and labour. A price comparison of Arewa Textiles Super print vis-a-vis some competitors in the industry as at September 1997 is shown in Fig. 4.3 below:-

FIG. 4.3 SUPER PRINT COMPARISON

Name of Company	Production Capacity Million/m	22nd May, 1997			26/Sept. 1997 (>/αT)			
		List Price	Discount %	Actual Price	List Price	Discount %	Actual Price	Market Price
Afprint	2.0	540	10	490	499	~5%	499 ~475	510 ~500
Raliance	1.2	520	10	468	490	~5%	490 ~465	500 ~490
Sunflag	0.6	-	-	-	480	-	480	470
Kaduna Textiles Ltd	0.6	493	6	465	477 477	- -	477 457	480 ~420
Bhojson	0.9	535	12	471	490	~5%	490 ~470	500 ~450
Asaba Textile Mills	1.0	-	-	-	428	-	428	410
United Nig. Textiles Ltd	1.5	550	-	550	550	-	550	560 ~550
Dangote	1.0	589	10	532	-	-	Higher Side	
Arewa Super	0.8	531	0-5%	531 504	531	~7%	531 ~450	540 ~450
Prestige	0.4	487	0-5%	487 463	487	~7%	487 ~453	490 ~420
New Price								
Arewa Super		531	~9%		531 ~483		530 ~500	
Prestige		472	~9%		472 ~430		480 ~430	

Source: Commercial Department, Arewa Textiles Plc. Kaduna.

However, price variations exist for the retail outlets, from market to market and even within the same state depending on the size of the market and

its proximity to the state capital. These differences in prices between the state capitals and the rural areas could be attributed to transportation costs.

PROMOTION

Little or no effort is being made by Arewa Textiles Plc to get in touch with consumers. This is a major problem among textiles manufacturers in Nigeria. Arewa Textiles deals with very few of its dealers. The company does not know where the majority of its dealers are, as the dealers are the distributors **customers.**

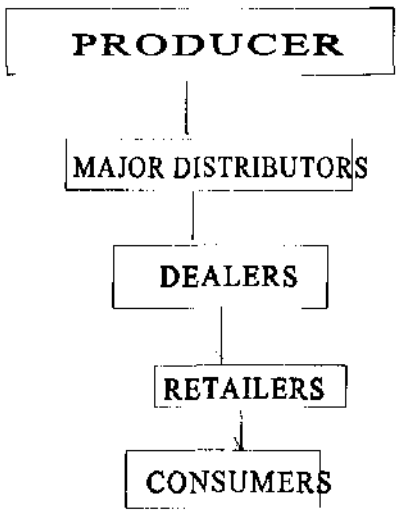
As mentioned earlier, the purpose of marketing communication is to get people or markets to progress from a state of unawareness or even negative reaction to one of positive action. As a result of the strategy adopted by Arewa Textiles Plc promotion is left entirely to the wholesalers and retailers for their respective designs. Unfortunately this job is not done beyond mere display lights in shop front. Even in store display, Arewa Textile products are sandwitched between conspicuously displayed imported products.

It is important to mention, however, that the recent cash and volume sales discount being granted to distributors by the company is a good promotional strategy that will go a long way to increase the company's turnover. In addition, some management staff informed this researcher that Arewa Textiles is considering the possibility of opening retail outlets in major markets in Nigeria. If implemented, it will serve as an avenue for a feedback mechanism between the company and its customer in addition to selling the company's products at reduced rates thereby enhancing sales.

DISTRIBUTION

The distribution channel of Arewa Textiles Plc is unavoidably long and leads to inflated costs (to the consumers) of the materials. The distribution channel is shown in Fig. 4.4 below:-

AREWA TEXTILES PLC DISTRIBUTION CHANNELS



The channel of distribution is fairly good at the moment because the company sell all that is produced and there is not much stockpiling. The reason for this may be because they most of their products "on order". Major distributors now submit designs that are produced for them and for which they pay. So evacuation is no problem. The distributors take the products back to their bases in Kaduna, Kano, Onitsha and Lagos, and distribut to their agent at minimal cost. Also, distributors have dealers who take the materials in large quantities from them. They cannot afford to deal with retailers who may not have the resources to purchase in large quantities. Distributors again, cannot keep a particular design for longer than necessary by selling in small quantities because the market demand may charge suddenly and the design may not sell again. Besides, the

dealers are considered closer to the retailers in terms of business relationship. This makers the dealer very important in the distribution channel.

1. **DISTRIBUTION / DEALERS / RETAILERS**

These are appointed by Arewa Textiles Plc to act as the distribution agents for its product. The condition for granting distributorship to individuals or companies include good financial standing and willingness to buy all the company's products.

Major distributors are concentrated in Kano, Lagos, Onitsha and Kaduna. The concentration of distributors in these cities shows that there are major textile markets in the country. It was discovered that customers from other states usually go to any of these cities for their supplies of textiles materials. Distribution of agents depends to a large extent on the large extent on the textile market and the location of the producer.

Distributors are regarded by Arewa Textile Plc as the main actors in the textile market because it is they (the distributors) that keep the market alive, with new designs from time to time. The distributors are also regarded as the "risk takers" in that they invest their money in developing and printing a design which the market may or may not accept.

Distributors sell their products directly to dealers and not to retailers. Their reason for operating this way is to avoid unnecessary tying down of their money by selling to retailer who purchase in small quantities. They also feel that the materials could be more effectively distributed if they sell to the dealers who are closer and better placed to serve the retailers more effectively.

Distributors also recommend prices to dealers, but there is no system of

policing prices charged by dealers.

The major task of promoting the company's product is entirely left in the hands of dealers and retailers who are usually in constant touch with customers.

Many distributors, however, complained of unreliability of supply and also accused the company of sometimes producing a materials different from the original design and that such various are forced on them (distributors).

2. DEALERS

These are those that buy directly from the distributors. Dealers are classified as big or small by the distributors depending on their financial standing and ability to purchase. The dealers sell in pieces to the retailers and other customers. Majority of the dealers interviewed complained of favouritism by the distributors in the distribution of Arewa Textile products.

3. RETAILERS

Retailers are those who sell the materials in pieces to the customers. They range from the hawkers on the street to those that sell in shops. Retailers buy from the dealers only and not from the distributors as they cannot afford to buy in large quantities of textile materials at a time. The frequency of their purchase depends to a large extent on the economy, season, quantity and design of the materials.

Demand for textile materials in Nigeria is found to be seasonal, especially during festive periods such as Sallah and Christmas. At these periods purchases by retailers are frequent and their profit margins are higher. Many retailers sometimes have to sell at cost or at a marginal loss to avoid tying their capital down on unsold stock.

Retailers are of the opinion that Arewa Textiles products cannot compete favourably with imported/smuggled textiles.

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CHAPTER FIVE.

CONCLUSION AND RECOMMENDATION.

5.1 CONCLUSION.

The study indicates that there is a large actual and potential market for textile in Nigeria, and that the situation will remain very much so into the 21st century and probably much longer. At least over 400 million square metres of textiles are still being imported/smuggled into the Nigeria Textile market annually and this account for between half and two-thirds of total annual consumption. Given improved production efficiency and improved quality of fabrics, the local textile industry can look into the future with optimism.

The inability of Arewa Textiles Plc to compete favourably as a market leader in the textile industry is caused by the following factors :

(a) The firm was found to have relegated promotion to the background. This task is left entirely to wholesalers and retailers. It was found that neither the wholesalers nor the retailers have the ability or knowledge to discharge this duty effectively and efficiently.

(b) The machinery being used by the company needs over-hauling. This is to improve product quality. The machinery being used by the company are becoming too old and this results in constant breakdown with attendant costs and loss of production hours.

(c) Arewa Textiles does not have a textile technical and market intelligence unit. Besides, the firm quality control unit is not being efficiently and effectively utilised to continuously monitor and ascertain the prevailing and changing consumers tastes. In the absence of effective research and

market intelligence units, production is mostly based on designs submitted by the company's distributors. Otherwise, production is based on hunches and guesses.

(d) Some product of Arewa Textile Plc such as white shirting are hardly doing well in the market. This may be attributed to the impact of relatively cheap and good imported ready made garment and the relatively high labour cost of making a dress.

(e) The present energy crisis and subsequent breakdown of other utility service throughout the country did not help give encouragement to the industrial sector which Arewa Textile Plc belongs.

(f) The firm has a fairly good distribution system at the moment. The company sells all it produces and there is not much stockpiling. This may be because the company produce mainly "on order". Distributors submit designs that are produced for them and for which they pay. So evacuation is no problem.

(g) A major constraint in the textile business is the uncontrollable influx of cheap fabrics into the country accompanied by unprecedented incidents of smuggling and dumping to the detriment of the local industry.

(h) Added to the picture above is the recent scarcity of cash flow due to lighter squeeze on the financial market. With about twenty-six commercial and merchant banks liquidated so far and many more still struggling to meet the deadline for increasing share capital by at least 500% on or before 31st December, 1998, the quest for funds becomes highly competitive. In addition, the Naira has not stabilised, thus shifted

trade advantages in favour of foreign markets.

5.2 RECOMMENDATION.

a. It is recommended that Arewa textile Plc should undertake an extensive review, replacement and modernisation of its machinery and equipment to enhance product quality and competition in the company's market segment.

b. Although all the textiles firm like, Arewa textiles Plc, whose product are over 70% African, super or wax prints are doing well, the problem remain that all these firms are producing the same products for the same market segment. The implication is that the market has become progressively more competitive even among local textile manufacturers. It becomes imperative, therefore, for Arewa textile to consider an extensive product diversification as a marketing strategy to capture a better share of the textile market. Furthermore, the company should consider a shift in product-mix in favour of ready made garments and even knitwear materials.

The issue of product diversification re-emphasises the researcher's recommendation on the need to replace and update machinery and equipment for production. Technology is involved in the change of product- mix. Machinery for production of good quality ready-made garments, knitwear material etc require more up-to-date equipment that are not available at Arewa textiles Plc.

c. Arewa textiles can not compete favourably with imported/smuggled textile goods in the local market without maintaining an effective technical and market intelligence unit. Such a unit will maintain continuous research on both the technical, texture and qualitative aspect of textile production with a view to

continuously improve in quality and keeping abreast with global technical progress in the industry.

The market intelligence section should monitor, on a continuous basis, the ever changing textile tastes of Nigerians to be able to make market projections on what type of textile products could be produced. The findings of both the technical and market intelligence sections should be able to provide the firm with sufficiently well based information to guide production and to stay viable and competitive. Although certain products are now moving and doing well in the market, they may not always continue to do so. It is only through effective research that changes could be detected when due and in what direction.

d. Closely related to effective research unit is the absolute necessity of a viable and dynamic quality control units, including laboratories to monitor tests and evaluate products to ensure that they meet acceptable standard before being sent to the market.

e. This research reveals that Arewa Textiles Plc mainly produce "on order" design submitted by it's distributors. The result is that the company sells almost what it produced. Although it is said that the textile market is in a slump, but many big distributors, dealers, agents and retailers complained of the difficulties and even impossibility of getting supplies from the textile firm.

While it is not recommended that Arewa Textiles set up a textile distribution company, it is suggested that the firm take a few more risks to design and produce more of its own design based on market surveys of consumers tastes in addition to those submitted by the company's distributors. The company can then sell it's design to the host of dealers who now complain about not getting

adequate supplies.

f. As mentioned earlier, smuggling greatly hampers the development of the textile industry in Nigeria. An effective fight against textile smuggling must come from the local textile industry itself. This is by way of improving the quality of locally manufactured products so that they become comparable to and compete favourably with their smuggled/imported foreign counter parts, both in quality and price.

In this regard it is necessary for the firms to set up an effective and efficient research units on departments - particularly market intelligence units - to study the trends in textile taste, marketable designs etc, so as to have a market base and taste for their products. The era of the sellers market, even in textile materials, is past in Nigeria. Even without competition from foreign imported/smuggled textile products, competition among the over 100 textiles firms themselves requires serious and sustained market research to carve a niche in this increasingly competitive market.

Furthermore, while government has through legislation did most of what it can do to minimise, if not completely arrest smuggling, the recent lift of the ban on importation of textiles into the country will not urgur well for the local industry. In addition, the instrument for the enforcement of the anti-smuggling law - the custom preventive service - is hopelessly weak. This weakness derives largely from the relatively low moral fibre of the Nigerian. The existing laws and legal / administrative procedures need re-examination and review to facilitate the prosecution of suspected custom officials found to be abetting smuggling or smugglers. The paradoxical fact must be stated that although our society is a large

one, it is at the same time a very small one in which much is known about every individual within it. There is hardly any secrets and most rumours turn out to be actual facts. Until such drastic measures are imposed, our custom service will remain a window dressing and smuggling will escalate rather than abate.

Government should embark on cotton improvement scheme to facilitate the provision of high quality seed and other inputs to cotton grading system to guarantee the quality of cotton that goes to the market. In the long run the scheme would enhance the acceptability of the produce in the export market thereby enhancing the growth of the non-oil export sector of the Nigerian economy.

Realising the desired results from the foregoing recommendation is highly dependent on GOOD MANAGEMENT. A competent, committed and forward-looking management team counts a lot in the progress of a business. A closer re-appraisal of the partnership groups should also be undertaken with a view to making changes where necessary.

Finally, with the current campaign for national reconciliation, Nationalism and patriotism. People in leadership position have to show demonstrable examples of pride and leadership in their appreciation and public use of locally produced textile materials in their dressing house furnishing, among others if the leadership really want to convince anyone about the desirability of patronising locally produced textile materials. Presently, those at the helms of affairs have left the impression on the Nigerian populace that laws, regulations and slogan about smuggling and the need to use locally produced products are not made for the leaders and bureaucrats but for the ordinary and poor citizens who cannot afford foreign textile materials. Thus demonstrable effect would produce

a tremendous impact, and promises a prosperous future for the local textile industry.

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APPENDIX .A.

LIST OF TEXTILE COMPANIES.

KADUNA/ JOS / ZARIA AREA :

Arewa Textile Plc
Kaduna Textile Limited
Nortext Nigeria Limited
Finetex Nigeria Limited
Blanket MFG.CO. Limited
Chellco IND. Limited
Funtua Textile Limted
Unitex Limited
Zamfara Textile Ind. Limited
Zaria Industries Limited
Mark Texiles Limited.
Jos Fibre
Cotton And Agri. Processing
Propect Textile
United Textile Plc
SuperTex Limited
Haco Textiles
Polyfibre Ind. Limited.

KANO AREA :

Bagauda Textile Mill
Gaskiya Textile Mill
Unversal Textile Industries
Holborn Nigeria Limited
Intergrated Fibre
Northern Textile MFG. Company
Fahid Dayekh and Comany
Dangote Textile Industries
Braiding MFG. Co. Limited
Brocade MFG. Co. Limted
Kano Textile industries
Terrytext Nigeria Limited
United Agro Ventures
Lakhi Tex. Industries
Ila Ind. Limited
Nornit industries

EASTERN AREA :

Abatex Plc.
Horizon Fibre Plc.
Stretch Fibres.
Nikko Industries.
General Cotton Mill.
Asabatex Mill Limited.
Belhope Industries.
Delta Pack.

LAGOS AREA :

Westex Industries.
Hong Kong Synthetic Fibre.
Royal Spinners.
First Spinners.
K. Issardas.
Five Star ind.
International Tex. Ind.
Nigeria Braiding.
Aflon Ind.
Afprint Nig. Plc.
Elite Textile Ind.

Lucky Fibre Nig. Limited.
Woollen & Synthetic.
Odua Textile Industries.
Arcee Textile.
Spintex Mill Limited.
G.D.M. Textile..
Goldstar Industries.
Daje Plastics
Abel Abu
Vinkay Industries
A. D. Gulab
Bhojsons industries
Bagco
Enpee Ind.
Globe Spinning
Textlon Ind.
Nig. Weaving & Processing
Alkem Nig. Limited
Nig. Fishing Net
Nelco Limited
Ijora Tex. Mills
Nig. Synthetic Fibres
Nwespinner Limited
United Spinners
Swantex Mills
Central Bags
Nitol Tex. MFG.
Textile Specialities
Sunflag Industries.
Dalamal Tex. Mills

Mayfair Spinning.
Madhu Industries.
Jaybee Indusries.
Nichemtex Plc.
Atlantic Text. MFG.
Century Polyester.
Bakholon Nig. Limited.
Coast West Africa.
Nigeria Textile Mills.
Reliance Textile.
Kay Industries.
Speco Mill Textile.
West Coast Weaving Works.
Eurosports wear.
Rekha Synthetic.
Wab Terry Limited.
King Carpet.
Enicee Textile.
Mabol Ind. Services.
Aswani Textile Ind.
Varaman Ind.
Emar Textile.
Shriram Ind.
Nigerian Ropes.
Emar Textile.
Shriram Ind.
Nigerian Ropes.
Haffar Industries.

APPENDIX B.

QUESTIONNAIRE ON MARKETING STRATEGIES OF AREWA TEXTILE PLC.

1. Year of Establishment.
2. Major share-holding :-
   (a) Government Institutions (b) General Public
   (c) Any other please specify.
3. Number of Employees.
4. Do you plan your marketing function ?
   Yes No
5. If answer to the above is 'Yes' please specify the time duration of the plans ?
   (a) Yearly (b) Medium term plans for two to three years,
   (c) Long-term plans for five or more years.
6. Does your company prepare corporate plans ?
   Yes No
7. If answer to the above question is 'Yes' are your marketing plans prepared in the context of your corporate plans ?
   Yes No
8. Do you segment your market ?
   Yes No
9. If'Yes'on what basis?
   (a) Regional Basis (b) Customer Basis
   (c) Any other please specify.
10. Who is incharge of the Marketing Function ?
   (a) Committee (b) Other functionary, please specify its members.
11. Does your company have a system of collecting information both primary and secondary for decision making purposes ?
   Yes No
12. Does your company conduct marketing research ?
   Yes No

13. If answer to the above question is 'Yes', please list the marketing researches conducted by company during the last two to three years.

14. What is the designation of the person who heads the Marketing/Sales Department in your organisation ?

15. Who are the other important functionaries in the Marketing Department ? Please check.

(a) Marketing Reaserch Manager (b) Sales Manager

(c) Advertising Manager (d) Product Manager

(e) Others, please specify.

16. What are the basic qualifications of the above marketing functionaries ?

17. Do you have a Research and Development Department ?

18. If 'Yes', what are its major functions ?

19. Do you have a quality control department ? Please check.

Yes No

20. If 'Yes', what are its major functions ?

21. Please specify your major product lines and average yearly production and sales for each product line :

Product Line	Average Yearly Sales.

22. Which are the major regions/ states in which you sell your product ?

23. Please list three or more of your fast selling items and also the most recent cost of production for each of such items.

Major Selling Items	Average Cost of Such Items.

24. Please also list the percentage market share in respect of each of the above main selling items.

25. Who are your major competitors ? Please specify their names.

26. What approach do you use for fixing the prices of your products ? Please check.

(a) Cost-Oriented approach (b) Demand-Oriented approach

(c) Competition-Oriented approach (d) Any other, please specify.

27. Do you recommend selling prices to you intermediate buyers (wholesaler, retailer etc.) i.e the prices at which your products are to be sold ?

Yes No

28. If answer to the above question is 'Yes', do you take steps to ensure that the recommended prices are observed by the intermediaries ?

Yes No

29. If 'Yes', what is the system of 'policing' which you use ?

30. What channel(s) do you use for selling your products to your final customers ? Please check.

(a) Through brokers (b) Through Distributors, Dealers and Retailers

(c) Through Dealers and Retailers (d) Through Retailers

(e) Any other, please specify.

31. Please give the approximate number of channel(s) used by you in marketing your products.

Distributor Dealers Retailer Any other.

32. What factors if any do you take into consideration in selecting your distributors? Please check.

(a) Financial Resource (b) Physical facilities like storage etc.

(c) Past experience in selling similar products etc

(d) Any other, please specify.

33. Are you satisfied with the functioning of your Distributors and Dealers ?

Yes No

34. If 'No' in what respect are you dissatisfied ? Please specify.

35. What method(s) do you use for promoting your products ? Please check.

(a) Through Personal Selling (b) Through Advertising

(c) Through Sales Promotion.

36. Which of the following media do you use to advertise your products ? Please check. Also rank the first three of them in order of their importance by marking them as I, II and III.

(a) Television (b) Radio (c) News Papers

(d) Magazines (e) Bill Boards (f) Any other, please specify.

38. What technique(s) do you use for controlling your marketing functions ?

39. What are the important problems that your company is currently facing in selling its products?

40. What method(s) are you using or intending to use to solve these problems.

41. How would you describe your over all marketing performance ? Please check.

(a) Excellent (b) Very Good (c) Fair (d) Poor.

APPENDIX C

QUESTIONNAIRE FOR USE ON DISTRIBUTORS / DEALERS / RETAILERS IN THE CONTEXT OF STUDYING THE MARKETING STRATEGIES OF AREWA TEXTILE PLC.

1. Name.
2. Year of Establishment.
3. What is the form of organisation of your undertaking ?
   - (a) Sole Trader
   - (b) Partnership
   - (c) Private Limited Liability Company
   - (d) Public Limited Liability Company
   - (e) Any other, please specify.
4. What is your annual turn-over ?
5. Number of Employees.?
6. Do you distribute Arewa Textiles Plc products ?
   - Yes
   - No
7. For how long have you been Arewa Textiles Plc distributor ?
8. When do you get your supplies from Arewa Textiles Plc.?
   - (a) Monthly
   - (b) Quarterly
   - (c) Any other, please specify.
9. Do you carry only Arewa Textiles Plc products ?
   - Yes
   - No
10. What other products do you carry ? Please specify.
11. On what basis do you decide about the size of the order for the supply of Arewa Textiles Plc products ? Please check.
    - (a) Trade Discounts
    - (b) Cash Discounts
    - (c) Credit Facilities

(d) Exclusive Distributorship for a particular area

(e) Return facilities

(f) Any other, please specify.

12. How do you sell you products ? Please check.

(a) Through Retailers

(b) Directly to Customers.

13. How do you set prices for your products ? Please check.

(a) Cost-Oriented

(b) Demand-Oriented

(c) Competition-Oriented

(e) Any other, please specify.

14. Do you recommend prices at which your products are to be sold by retailers ?

Yes

No

15. How do you ensure that these price are observed ?

16. How do you promote your products ?

17. What are the important problems that you encounter with Arewa Textiles Plc ?

18. What are your expectation from Arewa Textiles Plc. ?

APPENDIX D

QUESTIONNAIRE FOR USE ON CUSTOMERS IN THE CONTEXT OF STUDYING OF MARKETING STRATEGIES OF AREWA TEXTILE PLC.

1. Name.
2. Occupation.
3. Marital Status.
4. Number of children.
5. Do you have dependent relatives ?

   Yes

   No
6. Where do you buy cloth needed for different purposes ?
7. How much per month do you spend on cloth ?
8. Who takes decision on what brand or types of materials should be bought for use in the household ? Please check.

   (a) Self

   (b) Wife

   (c) Children

   (d) Jointly - by husband and wife

   (e) Jointly- by husband, wife and children.
9. How frequent do you purchase textile products ?

   (a) Monthly

   (b) Quaterly

   (c) Seasonaly

   (d) On Festive Occasions

   (e) Any other, please specify.
10. Are you aware of Arewa Textiles Plc products ? Yes No
11. If answer to above question is 'Yes', do you buy these products ? Yes / No
12. If answer to a question No 10 above is 'No' what is / are your reason(s) for not buying Arewa Textiles Plc products ?
13. What are your expectations from Arewa Textiles Plc ?