APPLICATION OF THE MARKETING CONCEPT IN THE PETROCHEMICAL INDUSTRY: A STUDY OF KADUNA PETROCHEMICAL COMPANY LIMITED.

BY

ALLI, MAJIYEBO MARY [MRS]

SEPTEMBER, 1999.

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BEING A PROJECT WORK SUBMITTED TO THE POST-GRADUATE SCHOOL, AHMADU BELLO UNIVERSITY, ZAR1A, KADUNA STATE, NIGERIA IN PARTIAL FULFILLMENT OF THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION [M.B.A].

Department Of Business Administration,
Faculty of Administration,
Ahmadu Bello University, Zaria.

SEPTEMBER, 1999.

CERTIFICATION

THIS IS TO CERTIFY THAT THIS PROJECT TITLED

"APPLICATION OF MARKETING CONCEPT IN THE PETROCHEMICAL INDUSTRY: A CASE STUDY OF KADUNA PETROCHEMICAL COMPANY LIMITED".IS WORTHY OF ACCEPTANCE IN PARTIAL FULFILMENT OF THE AWARD OF MASTERS OF BUSINESS ADMINISTRATION [M.B.A] DEGREE.

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External Examiner Professor Usman A. Zahradeen.	3rd July 2000 Date.
DEAN, POSTGRADUATE SCHOOL	20/9/02 DATE

DEDICATION

This project is dedicated to my Lord and Saviour Jesus Christ who has given me the grace to do this course and my dear husband Mr. Robert E.Alli.

DECLARATION

I hereby declare that this project has been written by me based on my research findings and I am responsible for any errors either of omission or commission.

Also, all materials used in the study have been duly acknowledged in the reference.

Mary Majiyebo Alli [Mrs]
Name of student

Signature

30/1/99
Date.

ACKNOWLEDGEMENT

I wish to express my thanks and appreciation to all those who contributed financially, morally and prayerfully in other for me to complete this project.

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God bless you all and keep you. Amen.

Mary Majiyebo Alli [Mrs.]

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ABSTRACT

This research study was carried out with the intention of unearthing the extent to which the petrochemical industry understand the marketing concept, the degree to which they have adopted it and its impact on their overall operations.

The industry of recent has become one of the major sectors of the entire Nigerian economy, and hence its level of performance is of great interest to the entire Nigerian population. Also, the trend of economic events in Nigeria, clearly shows that, it is only companies with good strategies can survive the anticipated future competition. Therefore, the industry must formulate and implement strategies that will help it survive now and in the future. To achieve this, the marketing function offers strategic moves that businesses need to adopt. In order to achieve this, objectives, marketing orientation has to be applied to the organisation.

The study intends to verify the application of the marketing concept in the petrochemical industry, using the Kaduna Petrochemical as a case study, and make possible recommendation on where there is need for such. The extent of the application of the concept will also be verified, then finally, the relevance of the concept will be exposed.

The study is divided into five chapters. The first is the introduction, followed by chapter two, which is the review of related literature. Chapter three contains the research methodology used. Chapter four has the data presentation and analysis along with testing of the hypothesis. The last chapter, that is chapter five gives the summary, conclusion and recommendations.

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CHAPTER ONE

1.0 INTRODUCTION

There are various definitions of marketing. However, all of them emphasize the central role of the customer in the successful operation of an enterprise.

According to the London Institute of marketing (1980), "Marketing is the management of a process responsible for identity, anticipating and satisfying customer requirements profitable".[1]

William J.Staton argued that " Marketing is a business philosophy which states that the customers wants satisfaction is the economic and social justification of a firms existence"[2].

The above definitions of marketing all point to the economic aspect of the marketing concept and the integrated marketing. The Marketing Concept is a philosophy of business, which states that the customers' wants- satisfaction is the economic and social justification of a firm's existence [2]. The central focus of the concept is the consumer whose needs and wants the marketer strives to satisfy in order to achieve the ideals of the organization. The customer or client is the foundation on any enterprise whether public or private. The satisfaction of the customer's needs and wants is of primary importance to such organization.

The Nigerian National Petroleum Corporation (N.N.P.N) with the Kaduna Refinery and Petrochemical Company (K.R.P.C) as a subsidiary was created to ensure the local production of some basic and intermediate feedstock for processing into various end-use applications. The petrochemical sector, also called the linear Alkhyl Benzene (LAB) was commissioned in 1988 for production of linear Alkhyl Benzene, Heavy duty Allkylates,

Kero solvent and Benzene. Prior to the commissioning of the LAB plant in 1998, all the petrochemical products of the LAB plant were being imported by the local industry to enable them carry out their production.

Nigeria, being on the threshold of a major industrial growth, sustained by a large and rapidly expanding domestic market, large-scale consumption of petrochemical and allied product is bound to constitute an important ingredient of such growth.

Nigeria National Petroleum Company (N.N.P.C) helps to contribute to this development by ensuring the ready availability of basic and intermediate feedstock for the various end – use of petrochemical applications. [3] this in the long – run will save foreign exchange and effect a diversification of the economy, thus providing a wider economic base that will allow a fuller exploitation of the country's human and material resources. Three major industrial sectors of the economy have to move hand for the rapid development of a nation's economy: via Agriculture, Iron and steel, and heavy petrochemical/chemical industries. These three sectors act as industrial multipliers because of the role they play in catalyzing almost all arms of an industrial economy. They have a direct influence on the standard of living of the individuals and the nation as a whole. The development of the petrochemical plant will greatly reduce (if not, eliminate) import bill on related primary and intermediate raw materials, or offer a wide scope of opportunity for favorable competition in the world export market e t c.

1.1 HISTORICAL BACKGROUND:

Due to the public outcry of the Federal Government of Nigeria to harness the tremendous quantities of associated natural gas, especially methane, which accounts for 85% of the total gas being flared in the process of oil production, the government commissioned an American Company Arthur D. Little incorporation to study the viability and feasibility for a petrochemical industry in Nigeria. This company Arthur D. Little underestimated the extent of the Nigerian market and concluded that a complex based on hydrocarbon feedstock was not economically viable and thus would not constitute a profitable Venture [4].

Though, the Second National development plan was merely identified as a " chemical complex it was allocated =N= 28.2 billion and it was argued that the complex is aimed at broadening the industrial base of the economy. And to promote a better use of the country's mineral resources like natural gas and petroleum".

Another feasibility study was then undertaking by Messer's Foster Wheeler, a company in the United Kingdom on behalf of the Government through the Federal Ministry of Industries in 1972-1973. Their reports concluded that the economic viability of the project is dependent upon finding an outlet for the highest naturals gas component METHANE that is being flared. The report also assumed that gas was to be the only feedstock. The non-consideration of other alternative feedstock proved to be the undoing of the Messrs.Foster Wheeler's report.

In the third National Development plan (1975-1980), the government stated the time of the take off of the complex for 1978 and made allocation of =N= 300 million for the project. The government also appointed a technical adviser for their projects, called

chemical system of the United Kingdom. Chemical system made a detailed study of the project and produce a report on different aspects of the projects as follows: -

- Project implementation
- Nigerian market potential
- Process review
- Recommendation plant sizing
- Selection of chemical partners
- Review of process plant e t c.

In 1978, the petrochemical project was to transfer from ministry of industry to the Nigerian National Petroleum Company (N.N.P.C). Following this development, a three-phase program of implementation was devised by the N.N.P.C based on the economic climate of the country. The three-phased program of implementation was adopted because of the huge financial resources and a high level of technical manpower that it involves.

Phase one is the polypropylene [polymer], carbon, black and detergent or linear Alkyl Benzene (LAB), which were billed to use the by-product of the Warri and Kaduna Refineries respectively for their production. The phase two is the olefin-based complex and main heart of the petrochemical project. The third phase is to concentrate and Aromatic petrochemicals principally synthetic fibers.

The Kaduna Refinery provided kerosene and reformates feedstock for the LAB plant while the Warri Refinery provided the propane gas and deconted oil feedstock for the polypropylene and carbon plants.

In 1979, both N.N.P.C management and the Federal Government approved the phase 1 project and appointed BEICIP of France as consultants and two Engineering contractors and three Technologists to ensure the take-off of the phase one project in 1979.

The Technologists were: -

1. UOP for L.A.B plant
2. Phillips for carbon black
3. Dart-El poso for polypropylene plant.

The Engineering contractors were: -

1. Lumus of U.S.A for the carbon black and L.A.B
2. Techrimont of Italy for polypropylene.

The implementation of the phase two projects was deferred to the 4th National Development plans of (1980-1985). When it was assumed that the phase one would have been completed. The project cost estimate for phase two was given as =N=900 million but a planned allocation of =N= 340 million was provided and the balance was expected from external financing. The fourth National Development plan allocated only

=N= 10 million to the phase three project.

Due to delays in implementation, the phase one project spilled into the 5th National Development plan as production only started in 1988. The phase ii and iii have now been merged as the Eleme project planned to be executed in two stages.

The first stage would produce olefins, polypropylene and polyethylene.

The products and plant capacities of the phase one project are shown below.

		ANNUAL PRODUCTION	PLANT LOCATION
S/NO	PRODUCTS	[MT]	
1	Linear Alkyl Benzene	30,000 metric tonnes	Kaduna
2	Benzene	15,000 metric tonnes	Kaduna
3	Heavy Alkylate	2,700 metric tonnes	Kaduna
4.	Kero-Solvent	38,000 metric tonnes	Kaduna
5	Polypropylene	35,000 metric tonnes	Warri
6	Carbon black	18,000 metric tonnes	Warri

Source: - *Petrochemical and Nigerian Economy, Lagos June 1981 O.Lolomari. N.N.P.C*

With the creation of twelve subsidiary companies, some wholly owned by the N.N.P.C., while others are jointly owned between N.N.P.C and foreign and local private investors, the L.A.B plant which was hitherto on its own was merged with Kaduna Refinery to form the Kaduna Refinery and the Petrochemical company limited (K.R.P.C). The Petrochemical division is a sector in the K.R.P.C being managed by an Executive Director operations (petrochemicals). The organizational structure suggests that the appropriate structure should be decided on three major criteria namely;

Chapter 1: - The approach that permits maximum use of special technical knowledge and management skills.

Chapter 2: - The approach that provides the most efficient utilization of machinery and equipment

Chapter 3: - The approach, which provides the best type of obtaining the required control and coordination.

The Chief Executive of the K.R.P.C. is the Managing Director, who is responsible to the board of Directors. The Board of Directors is the highest decision-making and formulation body in the organization and they make major and basic policy of the company. They are in charge of polices relating to price fixing, promotion, product decision and even the distribution decision of the organization.

The Chief Executive is the body responsible for the execution of the polices formulated by the board of directors. The executive directors is headed by the chief executive who is by definition the Managing Director and is having three other Executive Directors working under him. The other directors are directly responsible to the managing director.

The executive directors are for services, petrochemicals and refinery. The Executive Director (Services) is responsible for all the refinery, legal and insurance, and administration and personnel, technology, corporate planning and development.

The Executive Director (operations) for petrochemicals looks after fire and safety, production programming and control, production division, sales and marketing, Engineering and technical services in maintenance and stock control of the organization.

Finally, the executive Director (operations) for refinery is responsible for all the operation of functions like his counterpart in the refinery sector of the K.R.P.C.

The only difference here is that the marketing or the refinery products are handled by the Pipeline products and Marketing Company (P.P.M.C.), while the sale of petrochemical products are handled by the petrochemical itself by her own Managing director.

In the diagram, the marketing department is headed by an officer under whom there is the I/C Export, sales supervisor and the I/C Import all responsible to him. The secretary is also directly responsible to the head of the marketing department.

Hitherto, the sales and the marketing of the petrochemical products were handled by the P.P.M.C., which is in –charge with the responsibility for marketing and distribution of both petroleum and petrochemical products. With the creation of the post of an Executive Director (operations) for the petrochemical sector, the sales and marketing of the petrochemical products are now to be handled by the petrochemical itself. For now, there is basically a relationship between the petrochemical sector and the P.P.M.C. [7]

1.2 STATEMENT OF THE PROBLEM

There is a disparity between the advanced economies in terms of the degree of understanding, acceptance, and adoption of the " marketing concept" to business as compared to the developing economies. To an overwhelming degree, our firms are yet to come to terms with the relatives of the "new marketing."

One among the industries operating in the Nigerian business environment is the petrochemical sector under the N.N.P.C. A simple assessment of the petroleum industry indicates that it is averagely performing well. But when a further analysis is done considering the resources available to it, there is an indication that the industry can do better than what it is currently achieving.

It is clear that the problem in the petrochemical industry is its low performance level, which indicates that there is a high level of inefficiency and ineffectiveness in the sector. What could then be responsible for this low performance?

The operation of the marketing in the industry seemed to be effective in mobilizing customers and retaining them. Does this means that the marketing concept has not being fully operational in their marketing activities? Does the organization understand and appreciate the concept? Do the petroleum and petrochemical companies in Nigeria have the appropriate marketing or organizational set-up necessary for the application of the marketing concept? Are petroleum companies not adhering to the marketing concept? Has non-adoption of the concept had any corresponding negative effect their performance?

This research intends to expose the industry to the marketing concept and to discuss and recommend how its application can be possible even now. This is aimed at helping the industry maximize its resources, profits as well as improving the Nigerian economy to the benefit of all Nigerians.

1.3 HYPOTHESES.

On the basis of the problems identified, the following assumptions can be made: -

-1-: H0: No petroleum and petrochemical company in Nigeria have the appreciate marketing or organizational set-up for the application of the marketing concept.

H1: All petrochemical and petroleum companies in Nigeria have the appreciate marketing or organizational set-up necessary for the application of the marketing concept.

-2-: H0: No petrochemical and petroleum company in Nigeria is adhering to the marketing concept.

H1: All petrochemical and petroleum companies in Nigeria are adhering to the marketing concept.

-3-: H0: Non-Adoption of the marketing concept has had "NO" corresponding effect on the petrochemical industry's performance.

H1: Non- Adoption of the marketing concept has had a corresponding negative effect on the petrochemical industry's performance.

1.4 AIMS AND OBJECTIVES OF THE STUDY

The study's main objective is a critical examination of the general issues relating to the marketing concepts, its application and benefits to business and petrochemical sector in particular.

Specially, the study involves a general assessment of the petroleum industry in Nigeria in relation to the marketing concept practicability. To clarity the major objectives the following will be considered: -

- ❖ The study intends to expose the relevance of the marketing concept to the petroleum industry in Nigeria as well as to find out if they have the organizational set-up, structure or condition necessary for applying the marketing concept.
- ❖ To determine the problems involve in the application of marketing concept in the petroleum industry.
- ❖ To provide possible recommendation and solutions based on the research findings to the problem identified in the study.

1.5 PURPOSE OF THE STUDY.

The purpose of this study is to verify the extent of the application of the marketing concept by the petroleum industry by unearthing whether the petroleum industry actually understands the meaning of marketing concept.

It will also find out whether the petrochemical sector in Nigeria applies the marketing concept or not. If they do, to what extent is the concept being applied in the operation of their organization?

1.6 SCOPE OF THE STUDY

This study is limited to the marketing operations of the Kaduna Refinery and Petrochemical Company. It will examine the extent of the application of the marketing in the Kaduna petrochemical company, a subsidiary of the N.N.P.C. This will also look into how the organization considers the interest of the consumers in the discharge of their business.

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LIMITATION OF THE STUDY

This study is limited to the marketing operations of Kaduna Refinery Petrochemical Company only and not to the entire petrochemical industry in the country. Thus, there are few limitations as to any other research. To this end, this research could not be generalized to the entire petrochemical industry in the country.

a. Data are form seminar papers presented before the take of the petrochemical project and most of the information was based on projections, predictions, and estimates.

b. Some key management staffs were not keen in disclosing some facts considered unimportant by them.

c. Also the customers responses sampled in the study may not be useful for serious generalization because of individual perception and also because of their number.

d. Finally and most importantly is the cost and time factor since one had to make several visits to the company and clients of the company. The timing is also too short to conduct a very comprehensive research on this field.

   And if a more comphrensive research is needed, then other petrochemical industries like Warri etc may have to be researched into and compare results evaluated.

1.8 DEFINITION OF TERMS.

Any systematic treatment of a subject should begin with a definition of terms, so that everyone may be able to comprehend what the object of inquiry is all about.

The following are some of the terms that will be used in this research work.

MARKETING: For the purpose of this study, marketing may be defined as an exchange process involving willing consumers and producers, that is marketing is adjusting the total activities of a business to the needs of customers[8].

MARKETING CONCEPT: It is a marketing philosophy, which states that the customers' wants- satisfaction is the economic and social justification for a firm's existence [9].

PETROCHEMICAL PRODUCTS: Petrochemical products refers to the end products of crude-oil that has undergone further chemical processing after premium motor spirit (p.m.s) i.e. petrol has been extracted from the crude –oil. These products are: - Linear Alkyl Benzene: Benzene; Heavy Alkylates and Kero-solvent [10].

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 THE MARKETING CONCEPT

Stanton's definition of market as quoted in page one, pointed out the economic aspect of the marketing concept and integrated marketing. Apparently, marketing start from the introduction of a product idea and does not end until the customer's wants are fully satisfied.

No matter the nature of business organization, whether public or private, there is the need for the philosophy of marketing concept in that organization. In order to achieve increasing market growth and market share, profitability and stability of the business, the philosophy of the marketing concept must be implemented.[10].

An explanatory definition may be that the marketing concept is a complete managerial philosophy aimed at mobilization, utilization and control of total corporate effort with the aim of providing consumers satisfaction in such a way as to enhance profit position of the organization.

Phillips Kother, believes that the marketing concept of an organization is a matter of customer orientation. The organization determines the needs and wants of target markets and adopts itself to delivering the desired satisfaction more effectively and efficiently than its competitors.

This implies that an organization: -

- ❖ Must find out not only NEEDS but WANTS.
- ❖ Must adopt right at the beginning and not at the end of the production process; that is every adjustment, both in name or slogan, or in machinery or men must be the adopted to the need of the customer right from the beginning.
- ❖ Effectively and efficiently have to do with profitability and met objectives, which will keep the organization in business to serving.

BERKOWITZ,E.N. accepts that the marketing concept has become popular, but that its implications are not always understood [13].

Another author, McTavish, holds the view that the marketing concept appears attractive in theory but very difficult to implement.

One cannot therefore, seek instant solution from it because of the difficulty of marrying the theory of practice[14].

- As a result, most managers spend a lot of efforts on techniques such as market research and forecasting, but fail to realize the huge benefits or gain that accrue from changed managerial attitudes.
- The net result is that the marketing concept becomes partially implemented if at all.

In fact Berkowitz strongly believes that renaming a sales by a marketing department may look good on a chart for the director or annual reports but it accomplishes little except by both the viewer and the manager [15]. Also management of people on the organization chart will accomplish little. It is the individual who is oriented not the company.

The marketing concept simply put, is a matter of consumer focus or orientation that sees the satisfaction of consumer needs as the key to satisfying organization goals. A marketer

should ensure that the products are accepted to the buyer as an offering or want satisfaction with all its ramifications such as quality, packing, price, and color warranting service e t c.

2.2 MARKETING OF PETROCHEMICAL PRODUCTS

Marketing has been defined by and authority in marketing: William J Stanton as :-

- Finding out what consumers wants,
- Then planning and developing a product or service that will satisfy those wants
- Then determine the best way to price, promote, and distribute that product or service

Taking cognizance of the above definition, marketing does not mean just selling alone as marketing activities starts from the genesis or idea generation about the product formulation. There are three main facts in the definition i.e. finding out what consumers want planning and developing a product to satisfy those wants and the determination in the best way to price, promote, package and distribute that product or service. In order to discuss effectively how the marketing of the petrochemical product is carried out, three main faces of the above definition shall be carried out.

FINDING OUT WHAT CONSUMERS WANT:

To find out what consumers needs or wants are: It entails some element of research to enable one to know what is presently offered or available and also to know whether there is any dissatisfaction or to identify a new need that has not been satisfied for the organisation to develop a product to satisfy it.

There was a need for setting up a petrochemical complex in Nigeria because of the public outcry about the enormous waste of resources involved in flaring of associated material gas in oil production which could be harnessed and transformed into petrochemicals.

Prior to 1988, the manufacturing industries in Nigeria were importing all their basic an intermediate feedstock for processing into various end-use applications.

The setting up of a petrochemical company will ensure the local production of the feedstock for the manufactures and so will lead to the diversification of the economy and a saving of foreign exchange.

PLANNING AND DEVELOPING A PRODUCT TO SATISFY THOSE WANTS

After the consumer wants has been identified which is now the desire for the local production of some petrochemical products as basic and intermediate feedstock, the next thing is to satisfy those wants. Due to the public outcry against the flaring or natural gas and the amount of foreign exchange spent on importing petrochemical products. the Federal Government saw the need to embark on setting up her own petrochemical plant.

In 1968, the American Company Arthur D. Little was commissioned by the federal government to study the feasibility for a petrochemical complex in Nigeria. Also, the 1970 –1974 second National development plan has the petrochemical project included in it [17].

In 1972-1973, Messrs. Foster Wheeler U.K Limited on behalf of the Federal Ministry of Industries carried out another feasibility study. And finally in the third National Development plan of the 1995-1980,the Federal Government appointed a technical adviser, "Chem System of United Kingdom" to look at the petrochemical project in details and write a report on its implementation, Nigeria market potential, process review recommend plant sizing and selection of technical partners [18].

All the above were some of the steps undertaking by the Federal Government for planning and development of the petrochemical products to satisfy the local demand for them.

DETERMINING THE BEST WAY TO PRICE, PROMOTE, PACKAGE, AND DISTRIBUTE THE PRODUCT OR SERVICE.

The main product of the Kaduna Refinery and Petrochemical Company is linear Alkyl Benzene [LAB] and other by – products are Heavy Alkylates, Kero – Solvent and Benzene. The pricing procedure used in establishing/setting the price for their product is called the NET-BACK pricing formula. The net-back pricing is an international standard for pricing of international products based on the European prices .The net-back pricing formula takes into account the following landing price, free on board (F.O.B) prices in Europe, Freights, Local charges e t c.

In a nutshell, the price of the product is either free on transport (F.O.T) plant site in Kaduna or free on board (F.O.B) Lagos. All the prices are subject to periodic reviews.

For the promotional activities, advertising and selling are done through the organizing of seminars, attending of trade fairs, visits to industrial sites of consumers (manufacturers) and offering of personal/professional advise to manufacturers on the product formula and specification.

Since the products are in liquid form and also feedstock's, packaging is not done except for Toluene which is a new addition to the product lines that is packaged in tin drum. They are transported in drum for the Toluene. Normal trucks and Iso- container are used for transporting LAB, Kero-solvent, Heavy Alkylate and Benzene.

There is the need to explain the relationship between the petrochemical sector and pipelines and product marketing company [ppmc]. Hitherto, the sales/marketing of the petrochemical product was handled by the P.P.M.C until 1992,when it was now to be done by the petrochemical sector itself through the creation of an office of Executive Director Operations (petrochemicals) to head all petrochemical sector's activities

The practice of marketing in the petrochemical sector can therefore be seen from the analysis of the main facts of William J Stanton's definition of marketing.

2.3 RELEVANCE OF THE MARKTING CONCEPT TO THE PETROCHEMICAL INDUSTRY.

The petrochemical industry in general and the petroleum sector in particular have lagged behind in accepting the relevance of the marketing concept to their organization because of a number of reasons; some of which are as follows: -

The demand for the petrochemical products of the LAB plant is far greater than the supply as the plant is sometimes shut-down for Turn-Around maintenance (TAM), for ullage problems and also due to other operational reasons. Infact, the petrochemical company is operating bellow full capacity because of the above reasons.

Another reason for the slow acceptance of the marketing concept is that the company operates in a monopoly market in which it is the only settler and so it can do and undo.

Another factor is that the management of the company is not aware of marketing concept, as they are less sophisticated about marketing generally.

The Petrochemical sector of the NNPC is the only authorized body by legislation producing linear Alkyl Benzene (LAB) and its by-products.

The concept is however relevant to them, to enable them effectively and efficiently achieve their stated organizational objectives.

According to Jolson, the marketing concept "is the cornerstone of every business" Hence, it is relevant not only in private enterprise, but also to the Petrochemical sector. The relevance of marketing concept to private organizations has long been recognized and appreciated by practitioners.

The relevance of the marketing concept to the Petrochemical industry lies in the new approach to management by HAMBAGDA, which states that management "demand the use of modern scientific planning and problem solving techniques."

He also stated that marketing concept is the marketing plan, the plan of action, control, objectives and follow up progamme." In this regard, there are new implications in the marketing concept which are of relevance to the Petroleum industry in general and the petrochemical sector in particular, namely, planning and developing a strategy and systematically and scientifically selecting among available alternatives to provide customer satisfaction.

For the petrochemical sector to shift from the selling orientation stage, which it is currently operating now, to a marketing oriented stage, marketing concept is very essential as competition may set in, in the future. For now, the petrochemical sector is still a monopoly, but there is no guarantee that this scenario will continue like forever.

A situation of a seller's market, which is favoring the petrochemical sector now, may change so the company will have to adjust to the changing needs of the society.

Marketing concept is relevant to the petrochemicals sectors in the ways: They need the application of the concept to operate at a profit in order to be able to attract more

YASUIM IBRAHIM

investment from the public and or the government. Secondly, the marketing concept is useful to enable them sell their products or services to their customers.

From the foregoing, it can be seen that marketing concept is very relevant to the entire petroleum industry. Peter F.Drucker, in his book "Management : Tasks, responsibilities and practices," rightly observed that the aim of the marketing concept is to make selling superfluous , to know and understand the customers so well that the services to fit them and sell itself, Real marketing should result in a customer who is ready to buy. Hence, to ensure survival and growth, the petroleum industry and the petrochemical sector should accept and practice the marketing concept in order to attract and retain more customers.

THE IMPORTANCE OF PETROCHEMICAL PRODUCTS TO THE NIGERIA ECONOMY.

Petrochemical products are very important in numerous ways to the various sectors of the Nigerian economy. Some of these sectors are: -

- **Agriculture**
- **Building and Construction industry**
- **Automotive industry**
- **Pharmaceuticals**
- **Apparel**
- Creation of employment opportunities
- Others applications.

In other to be able to appreciate the impact of the marketing concept in the petrochemical industry. its relevance to other sectors of the economy is listed above shall be discussed one by one.

2.4.1 AGRICULTURE

Petrochemical products have multiple use in agriculture up to an extent they are regarded as the main back bone of any agricultural revolution; especially in the developed countries which also applies to the developing countries. Petrochemical products are used in the production of fertilizer, irrigation pipes, insecticides and herbicides that are used in agricultural operation. Also storage and food preservation problems which destroy up to 30% to 40% of Nigerians agricultural produce very much rely petrochemical products for solution.

The petrochemical industry generates the basis for the synthesis of Ammonia on which the productions of nitrogenous fertilizer are entirely based. It is used for plant nutrition, plant propagation and soil rehabilitation.

Irrigation, pipes, silage shelters, containers and rigid sheets are all made from petrochemical products. PVC-Plvinyl Chloride and HDP-High density polyethylene. 40% plastic used in agriculture are in form of film for green house covering mulching, water conservation e t c, which are made from low-density polyethylene [LAPE].

For food preservation, and protection, insecticides, fungicides and herbicides are derived from chlorinated petrochemicals. Chemicals like benzoic acid are also used for preserving foods in the canning industry. For storage facilities, thousands of tons of plastics are used for refrigeration, vessel, and refrigerated wagon etc. Also the distribution of food materials in commercial quantities is not possible without large-scale packaging with plastics. Packaging materials are also used in ever increasing quantities for general consumer goods of all kinds.

From the foregoing, it can be seen that no meaningful agricultural revolution can take place without massive inputs from the petrochemicals sector, if not, import of those products, which act as a drain on the nations foreign reserves.

2.4.2 BULIDING AND CONSTRUCTION INDUSTRY

The use of petrochemical in the building and construction can be grouped into permanent fixtures and household goods.

i. Permanent fixtures:- Petrochemical are useful in the following permanent fixtures in the building and construction industry, floor tiles electrical insulation pipes and conduits, ceiling tiles, woods and bathroom facilities.

   For floor tiles, plasticised resin is used in making floor tiles, about 40% resin is used in building. Also all insulating materials used in electrical fittings in houses like cables, switches, wires and bulbs have their base origin from petrochemicals.

   Modern pipes and conduits used in water supply, waste disposal, electrical and telephone wire in the manufacture of ceiling tiles decoration, paints and vanishes preservation and treatment of woods to make them have greater resisting and better insulation than ordinary woods.

   Also, there is a good content of petrochemical product resin in the manufacture to toilet covers, sinks and basins, shower caps, bath tub shower houses and other sophisticated bathroom equipment. It is also to be noted that, in the construction industry, there is a recent development where rubberized asphalt and civil engineering fabrics have established their importance in the construction of durable roads.

ii. Household Goods: Products such as carpets, chairs, mattress, pillows and constitute foam are all products of petrochemical, like softness of any of the above products depends on the amount of foam i.e. a petrochemical product it contains. Electrical appliances like refrigerator, air-conditioners, television, cookers, vacuum cleaners, washing and dish washing machine and electric fans, all have some petrochemical contents in their manufacture. Kitchen cups. Buckets, jerry cans, water cans, water bottles e t c are made from plastics, a petrochemical product material. Many utensils found in sauce pans, frying pans. electric iron, sole plates, modern grilles, egg boilers and coffee percolators, the coating prevents burns and sticking on the utensils.

2.4.3 AUTOMOTIVE INDUSTRY

A minimum volume of 25% of an average car like Peugeot [PAN] and Volkswagen is made of polymers. The petrochemical derivatives include materials used in upholstery seats and chains, tyres, battery casing, padding insulator, fascia panels, grilles and other components. Rubber compounds reinforced with petrochemicals like carbon black and synthetic rubbers are used to manufacture the superior quality vehicle tyres of today.

With the existence of a viable petrochemical industry; most of these materials could be made locally, giving added value to present cars from our assembly plants.

2.4.4 PHARMACEUTICALS

The wide range of petrochemicals end-use material for the common man penetrates also to the critical areas of life namely the field of medicaments.

- Medicaments
- Personal Hygiene

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- Cleanliness and Cosmetics

Most pharmaceutical industries are based purely on petrochemical derivations for the synthesis of drugs. Tablets and capsules, when directly synthesized are bounded together with petrochemical products.

Apart from glass, which does not reach with synthesized drug, plastics and films from petrochemical products are the only alternatives for packaging of drugs in the pharmaceutical industry.

Disposable syringes are made from plastics, also from plastic from polypropylene, are beakers, measuring cylinders, trays e t c polypropylene is used because of it's ability to autoclave sterilized and its resistance to various medical solutions, acids and bases ant it low cot and ease of fabrication.

In medicine, apart form drugs, a surgical stitching, surgical dressing and unplanted materials, which are not rejected by the human body; are all from petrochemical products. The entire disinfectants are manufactured from petrochemicals.

Most cosmetics cannot even be stated without resorting to petrochemical either as direct feedstock or the extracting solvent for the active material. It is also virtually impossible to think of modern quality soap without petrochemical. The same goes for detergent for textiles and domestics hygiene. It is worth noting of the effort being made around the country about health care delivery. This would be very expensive if the country has to depend on the already rising import bill on pharmaceuticals. Import bill for 1979 alone amounted to =N=200 million. Linear Alkyl Benzene all used for the production of powdered and liquid detergents.

2.4.5 APPAREL.

Much of the present productions of textiles in Nigeria is based on natural fibres like cotton. However, textiles manufactured from cotton alone with a blend with synthetic fibres have now become archaic and obsolete. Quality textile materials which sere hitherto imported into the country were made with a blend of synthetic fibres.

Soles of shoes and leather clothe are made from PVC and adhesives used in the shoe industry; all of which are from petrochemicals. Nylon. Fabirics are also very common petrochemical synthetic fibres. Linear Alkyl benzene and other surfactant chemicals are made from linear Alkyl Benzene from petrochemicals.

Petrochemicals supply thousands of synthetic dyes in an unlimited number of shades of textiles and essential auxiliaries for processing textile materials. An example of the effect of petrochemical blending of textiles fibres and the effect of dyes is seen in the MAD rush for lace and dutch pairing materials by Nigerians. Apart from the blending given to the textile material itself the outrival brighteners [petrochemicals] used for the finishing the fibers give the textile fabrics fast colours that are very attractive to the eyes for the consumers.

2.4.6 EMPLOYMENT OPPORTUNITIES

Parallel to the stimulation of other industries, the widespread application of petrochemical effectively creates a lot of jobs in some specific industries. The sector benefiting most from these indirect generations of employment are agriculture, textiles, plastics, construction, mechanical industries, [cars, electronic e t c], services, transport and consumer goods industry. The international labour organisation [ILO] drew the conclusion that; the development of petrochemicals lead to a general growth of all the sectors of the economy.

It has also been recognized that, the petrochemical industry in developing countries leads not only to increasing production output and capacities but also to decreasing the technological gap and other differences in the manpower structure between developed and developing countries.

Petrochemicals is a high science-technological and skill intensive industry which provides excellent training ground for high – level manpower required for a self sustained industrial growth and developments.

In the Philippines, one new job in the petrochemical sector creates five to six jobs in other industries while in Mexico, the ratio is as high as one to fourteen [1:14]. The world average for a developing country is 1:7 jobs. Below is a table showing the approximate estimate of job generation in other industries in developing countries

APPROXIMATE ESTIMATE OF JOBS GENERATION IN OTHER INDUSTRIES IN DEVELOPING COUNTRIES.

	1976-1980	1980-1985	1985-2000
New jobs expected to bb generated in other industries owing to the development of petrochemicals	378,000	1,044,610	8,085,700

Source: *UNIDO.*

2.4.7 OTHER APPLICATIONS

Other areas of petrochemical application also exist, apart from the ones discussed above. An example is the chlor-alkali derivatives that find extensive application in the water works, inorganic chemicals industry and metal processing industries.

The pulp and paper industries consumer is a great deal of petrochemicals. Paper made out of natural cellulose is good enough only for the newsprint of low quality paper. For letter quality glossy papers, it must be blended with petrochemical products. Methanol, ethanol.

Benzene and Acetone are petrochemical products used and classified as industrial solvents.

2.5 INVESTMENT OPPORTUNITIES IN THE PETROCHEMICAL INDUSTRY

A major element of government policy is to encourage private local and foreign investment in the Nigerian oil, gas and petrochemical industry. The then president, General I.B. Babangida (Rtd), while commissioning the LAB plant in Kaduna, on March 21,1988; declared "only concerted efforts by all concerned to improve our reserves of petroleum, though speculative exploration programmes can guarantee a brighter future for the oil industry".

On down stream petrochemicals; the president said" ..... Whereas the phase one of the petrochemical is financed by the federal government entirely, either through direct financial contribution or loans from foreign countries, the phase two will be financed mostly through direct investment by local industries and institutional investors as well as through joint venture participation by foreign interest".

LAB, which is the basic material for the production of powdered and liquid detergent required to undergo a one step process to sulphuric acid before it, can be used for detergent formulation. The process of converting LAB to sulphuric acid is known as sulphonation, which is an obvious gap between detergent manufacturers and LAB producers that need to be filled by a businessman. There is only four-suplhonation plant

in Nigeria, which should hardly produce all the sulphuric acid, required. There is also an export market for sulphuric acid in Europe and Asia and other west African sub-region. There is virtually one of more business opportunity for any businessman in either the downstream or upstream sectors of the petrochemical industry.

In the upstream sector, investment opportunity exist in the areas of surveys and mapping which are very necessary before meaningful exploration can take place. There is also opportunity in the civil engineering works, particularly in the areas of separation of drilling location, construction of mud pits. Businessman can also supply items like chemicals, cements, sand, gravels, iron rods, roads-mat, timber e t c. Opportunities also exist in the areas of petrochemical products, transportation and storage. Investors can construct and maintain storage tanks and procure iso-tankers and other trucks for the lifting and transportation of petrochemical products.

Very few indigenous companies are participating in the upstream activities of the petrochemical industry because of the level of capital it require particularly in foreign currency. Local investors in partnership with overseas technical partners willing to provide financial backing stands a very good chance of profitable participation in this area.

In the upstream sector, investment opportunities exist in the manufacture of special products that are contingent upon petrochemical products such as: -

- Detergent and shampoos manufacture
- Industrial and food grade solvents
- Insecticides
- Tyres, pigments, polishes e t c

- Bituminous based water damp-proof building material such as floor tiles, rubber products, tarpaulin e t c
- Foam and mattresses manufacture

In fact, the establishment of the petrochemical industry in Nigeria was aimed at providing basic and intermediate feedstock for various end users to produce key products like fertilizer, plastics, detergent, synthetic firbres e t c. These materials are to facilitate the growth of agriculture, construction and automotive sector of the economy. Competent and reputable business organisation are invited by the NNPC to go into business ventures that will enhance a healthy growth of the petrochemical industry to offer consultancy services to entrepreneurs who requires some help on how to do business with them.

Carbon black is used for the manufacture of tyres rubber products, pigments printing inks, polish e t c. while linear Alkyl Benzene is the active agent for the manufacture of detergent and shampoos.

Polypropylene is the main raw material used for the manufacture of injection moulding, fibre extrusion, shipping sacks, prayer mats, carpet underlay and cloth wrappers.

NNPC sells directly to the manufacturers (end users) in the domestic except for kero-solvent that is sold through distributors.

Companies with the technological know-how can undertake turn-around maintenance of the petrochemical plants where NNPC spends a lot of billions of naira every year.

As at the time of this research work many sections of the company is still undergoing turn around maintenance (TAM), so these sections are not functioning now.

In sum. it should be noted that investment opportunities exist in both the upstream and downstream sectors of the petrochemical to be explored by businessmen/investors either individually or in partnership with foreign investors.

2.6 APPLICATION OF THE MARKETING CONCEPT IN THE PETROCHEMICAL INDUSTRY.

The marketing concept has been defined as a matter of consumer focus that satisfies organizational goal by first satisfying consumers' needs. In order to satisfy consumer needs effectively so as to lead to the achievement of organizational objectives e.g. profit. It also needs to provide the goods and services that are needed by the consumers at an affordable price and at the required location at the right time.

The establishment of the petrochemical industry in general and the petrochemical sector if the KRPC/NNPC Kaduna in particular was aimed at producing basic and intermediate feedstock for various end-users; to produce detergents and shampoos transformer oils, thermal fluids, paints and pharmaceutical products e t c.

Marketing concept in modern time is used to designate the primary objectives of the business as identification and satisfaction of customers. Needs at a point. Studies have shown that large companies tend to adopt and implement the marketing concept to a greater degree than the small and medium sized companies.

In order to discuss effectively the application of the marketing concept in the petrochemical sectors of the kaduna refining and petrochemical company; an analysis shall be made of how the organisation ensures the three aspects of marketing concepts are listed below as follows: -

1. Customer orientation
2. Customer satisfaction at a profit
3. Integrated or coordinated marketing.

2.6.1 HOW TH E ORGANIZATION ENSURES CUSTOMER ORIENTATION

A company operating under the marketing concept take its principal direction from the market place i.e. from its knowledge and understanding of its customer's needs, wants and desires. The management focus on the product only arises incidentally.

In essence, an organisation should produce only those goods or services that the customer needs and not those goods /services that the organisation thinks it can produce.

The petrochemical sector ensures customer orientation by considering interest and wants before going into production of their petrochemical products. Prior to the commissioning of the petrochemical or linear Alkyl Benzene (LAB) plant in Kaduna, all the petrochemical product used as feedstock for the production of both liquid and powdered detergent and shampoos, transformer oils, thermal fluids, e t c were imported. The setting up of the petrochemical plant will help to eliminate all the hazzles industrialist do pass through in importing their petrochemical feedstocks for passing into various end-user applications.

The company ensures customer orientation by offering prospective industrialists consultancy services/advises and factory inspection. The petrochemical company do send some of its staff to make factory inspection of any prospective buyer to ascertain whether their factory is in order for the purchase of the petrochemicals they require. Industrialists

also do come to the company to seek for professional advice on the use, effect etc of the petrochemical, which they are also attended to.

Whenever the petrochemical sector is undertaking a major modification of its products, it normally consults with her customers or buyers so that they can adjust their own machine too to achieve compliance. This is usually done during any modification of product specifications.

Most importantly, the company does conduct market survey and market research to enable her know what the consumers actually want and in what quantity they need them. Through market research, the company is able to introduce a new product, Toluene to satisfy the demands for them.

Finally, the company ensures customer satisfaction by issuing sample products to any new prospective customer to enable them know whether the petrochemical product is in compliance with their requirement.

2.6.2 HOW THE ORGANISATION ENSURES CUSTOMER SATISFACTION

Customer satisfaction aims at satisfying the desires of the customer at a profitable sales volume. Attention should be focused in marketing rather than selling.

The petrochemical company ensures customer satisfaction in the following ways.

As stated earlier, before the commissioning, public outcry about the enormous waste in the flaring of the associated natural gas in oil production which could be harnessed and transformed into petrochemical. By making of these natural gas that was hitherto flared off into tangible products, it is satisfying the customers and entire nation even at a profit.

Another way of ensuring customer satisfaction is the credit facility it offers to some of its customers. For examples, the customers for the kero-solvent, which is only product sold

through an intermediary distributor, are sometimes allowed to buy on a credit basis. This is mostly allowed when the company is having storage or village problems.

Productions are as according customers' specification and the customers are given expert advice. All these factors enable the company to ensure customer satisfaction at a profitable sales level.

2.6.3 HOW INTERGRATED MARKETING IS ENSURED IN THE COMPANY

Integrated marketing is a corporate affairs which entails coordinating the activities of all those concerned with research and development, design, pricing, production, finance, distribution, e t c. and directing them toward the achievement of customer satisfaction. It entails the acceptance of customer orientation and satisfaction by the directors, management staff, and coordinating force of the whole organization.

The petrochemical company ensures coordinated marketing by having meetings with the head of marketing department at least once a week and sometimes as the need arises.

Other people also in the weekly meetings are the head of production programme and control, Executive Director operations and other related departmental heads.

These meetings are held to discuss any latest development either from the marketing department or any other department.

Petrochemical sector under the marketing concept has goal of serving the customer needs at a profit by determining the consumers needs and finding out how to satisfy those needs. All the personnel in the organization – production, engineering, finance, purchasing, personnel and other fields' efforts must be oriented towards the consumer.

In sum therefore, the petrochemical sector of the KRPC try to adopt marketing concept in their organization by ensuring customer orientation and satisfaction by producing goods

that are needed by the customers [industrialists]. Integrated marketing is also ensured through the departmental weekly meetings of all heads of department with the executive director to discuss and coordinate their distinct activities to achieve the overall corporate objectives.

2.6 PROBLEMS OF IMPLEMENTATING THE MARKETING CONCEPT IN PETROCHEMICAL INDUSTRY.

The petrochemical sector was mostly set-up to provide products to the individual and corporate organisations at a minimal cost as well as to reduce the use of the nation's foreign reserves used in the importation of such petrochemical. The petrochemical sector was not set up for maximization profit has to change because of the ongoing privatization and commercialization as a part of revamping the nations depressed economy.

The issue is, an organization that was initially created purely for profit motive now want to turn to a purely profit making organisation will definitely face some problems in trying to apply concept of marketing in its operations. Some of the problems of the application of the marketing concept in the petrochemical sector are as follows: -

- Management orientation
- Internal dissension
- Cost.

Management orientation

Hitherto, the management of the petrochemical sector were making polices and decisions for a non-purely profit organization; then all of a sudden, the same management staff are now being mandated to make decisions for a purely profit organization, there is bound to be some problems because of a drastic change in their mission. The management

orientation which were formerly that satisfaction of its customers and they depend mainly on subvention from the government; will have to change under a commercialized petrochemical company.

With the commercialization, the organization will try to adopt marketing concept to enable her operate at a profit so that the aim of the commercialization will not be defeated

INTERNAL DISSENSION

Another problem is internal dissension, which is the problem of disagreements between the marketing department and other departments. The production and finance department may not be happy that the marketing department is taken all of a sudden very seriously than the other departments. Under marketing concept, the marketing department has to go out first and identify what the customers wants are before finance department can raise money to enable production department to produce those items.

Also the staff of the various sections of the organ may not find it easy to cope with the adoption of the marketing concept in the organisation as it is not offering what they think the customer needs but actually what the customers say they want.

COST

The adoption of the marketing concept leads to an additional cost in various way: - some of them are cost research and cost of training and educating staff.

Adopting marketing means that the organization will not have to research into customers need before going into production and marketing of that item which lead to additional cost of staff for the research department and also cost for the research itself.

Also management staff and other staff of an organisation need to be educated and trained on the concept of marketing and its use which will also cost money.

The management staff needs to be trained properly to enable them, change their orientation with the adoption of the marketing concept. New staff may have to be hired of the petrochemical sector and all this means more cost for the sector.

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CHAPTER THREE.

3.0 RESEARCH METHODOLOY

The purpose of this study is to examine the extent to which application of the marketing is employed by the petrochemical industry in Nigeria.

3.1 RESEARCH DESIGN

Two approaches could be adopted in a research of this type, they are: -

- Case study
- Survey.

The case study approach involves an in-depth investigation of one or a set of variables in a particular organization at one point in time, and arriving at conclusion in relation to the situation at one point in time. And the aim of the case study according to KELLY is to " learn all about the organization being studied".

The survey on the other hand, delineates a situation where a representative sample of population is studied and results generalized. BABIE, makes a distinction between a case study and survey by arguing that "whereas most research aims directed at generalized understanding, the case study is directed initially at the comprehensive understanding of a single idiosyncratic case. Whereas most researches attempt to limit the number of variables considered, the case study seeks to maximize them".

From the foregoing, the case study approach is the most appropriate for the present study. This is because; it afforded the researcher the opportunity to conduct and intensive investigation in all the sections that makes up the Kaduna refinery and petrochemical company. These sections are; Production, marketing, purchasing human resources and

public relations; thereby providing data for the analysis of the application of the marketing concept by the industry

3.2 SOURCES OF DATA

Data may be defined as quantitative information. Data are classified as either primary or secondary. This classification is based on two possible sources of data: **primary and secondary sources.**

PRIMARY SOURCE is that source from which primary data are collected through direct observation of the event, manipulation of variables, contrivance of research situations including performance of experiments and responses to questionnaires. Primary data may be redefined after they are generated.

Refinement takes the form if classification, publication or analysis.

Primary source of data constituted the major sources of information and it involved such tools as personal interview, questionnaire administration and to some extents the use or survey.

SECONDARY SOURCE of data is that source from which data already processed are obtained. Data collected from a secondary source are secondary data. In sum, secondary data are; Primary data that has undergone processing.

Secondary or existing data are data collected by someone else for purposes other than solving the problem being investigated.

3.3 METHOD OF DATA COLLECTION

The secondary sources of data were principally library materials; NNPC publications and documents; government and organizations publications; pamphlets and other published

and unpublished thesis; Nigeria National Dailies and Sunday Newspapers. Secondary data played a significant role in this research study.

The major secondary tools used for collecting data for this research work were:- ***questionnaires, Personal interview and secondary source- documents.***

QUESTIONAIRE:- A questionnaire is a set of questions designed to gather information/data for analysis, the result of which are used to answer the research questions or used for the test of relevant hypothesis. It is an instrument for gathering data beyond the easy physical reach of the researcher.

PERSONAL INTERVIEW: -This is a face-to-face interaction between the interviewee [usually the person from whom information is sought] and the interviewer [the person seeking the information]. It affords the interviewer the opportunity to ask all possible questions relating to the subject matter or research.

DOCUMENTS: - These are at existing data or data that has already been processed by someone else.

In order to facilitate quick retrieval of information from K.R.P.C; two research assistants were used. The use of research assistants was informed by the non-cooperation of key staff of the K.R.P.C. who were unwilling to divulge the necessary information

3.4 POPULATION.

A population is that which is made up of all conceivable elements, subjects or observations relating to a particular phenomenon of interest to the researcher.

A population may be finite in which case its size or extent is conceivable and estimable. It may also be infinite, that is to say, a complete count of all elements or subjects that make up the population cannot possibly be made.

The determination of the population for this study was carried out in the following manner: -

I. A list of all the departments of K.R.P.C were obtained through preliminary survey.

II. A list of all the users or consumers of petrochemical products could not be readily available and hence they were categorized as :-

a) Government and Industrial organization [manufacturers] and

b) Construction and Civil Engineering Industries.

In this research study, the total population used is made up of 910 top management staff of K.R.P.C and 500 of Consumers, giving gross population figure of 1,410.

3.5 SAMPLE SIZE

A sample may be defined as a part of population. The procedure for drawing a sample from a population is known as sampling. A sample size may be defined as that part of a population that is taken to be a sizeable representation of the entire population under study.

A total of 910 top management of the K.R.P.C was given the questionnaires.

This represents 79.13% of the entire top management staff of the Kaduna Refinery and Petrochemical Company under consideration. It is important to note that, of this figure, 805 staff members were of the marketing department of K.R.P.C. This figure again represents 88% of the K.R.P.C top management staff to which questionnaires were administered were 500 of this 420 returned the questionnaires. Again, the respondent's response here represents 84% of the customers or consumers to whom questionnaires were administered.

3.6 DATA ANALYSIS TECHNIQUES

We already know that data is quantitative information. Analysis may also be defined as the breaking down and ordering of the quantitative information gathered through research (or some other means of data gathering).It also involves searching for trends and patterns of associations and relationships among these data or groups of them. For the purpose of this research; we have decided to use the narrative and descriptive analytic techniques. Also, quantitative statistical techniques as pie charts and Bar chart would be used.

3.7 END NOTE

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CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

This section of the Research study deals with the presentation and analysis of the data collected from the fieldwork. To ensure and enhance a clear and distinct understanding; the chapter is divided into three main sections namely:-

1. Presentation and Analysis of data.
2. Discussion of Findings
3. Test of hypothesis.

4.1 DATA PRESENTATION

RESPONSES FROM STAFF OF THE PETROCHEMICAL COMPANY

QUESTION 1: EXISTENCE OF A FORMAL MARKETING DEPARTMENT.

RESPONSE VARIABLE	NO OF RESPONSE
YES	910
NO	0
TOTAL	910

QUESTION 2: MEANING OF MARKETING TO THE COMPANY

RESPONSE VARIABLE	NO OF RESPONSE
YES	910
NO	0
TOTAL	910

QUESTION 5: RESEARCHING INTO CUSTOMERS NEEDS.

RESPONSE VARIABLE	NO OF RESPONSE
YES	910
NO	0
TOTAL	910

QUESTION 6: CONSULTATION WITH THE CUSTOMERS IN DECISION-MAKING

RESPONSE VARIABLE	NO OF RESPONSE
YES	910
NO	0
TOTAL	910

QUESTION 8: WAYS OF GETTING FEEDBACK ON CUSTOMERS RESPONSES

RESPONSE VARIABLE	NO OF RESPONSE
THROUGH MARKET SURVEY	410
CUSTOMERS ENQUIRY	500
SALE FORCE	0
MORE OBSERVATIONS	0
OTHERS	0
TOTAL	910

RESPONSES ON THE PRICE DECISION OF THE 4Ps OF MARKETING

RESPONSE VARIABLE	NO OF RESPONSE
MANAGEMENT	500
PRODUCTION DEPARTMENT	10
MARKETING DEPARTMENT	400
OTHERS	0
TOTAL	910

RESPONSES FROM FINAL CONSUMERS.

ON THE QUALITY OF PETROCHEMICAL PRODUCTS

RESPONSE VARIABLE	NO OF RESPONSE
YES	300
NO	120
TOTAL	420

ON WHETHER THEY GET PROMPT ATTENTION.

RESPONSE VARIABLE	NO OF RESPONSE
YES	420
NO	0
TOTAL	420

ON WHO DOES THE DELIVERY OF PRODUCT AFTER PURCHASE?

RESPONSE VARIABLE	NO OF RESPONSE
THE PETROCHEMICAL COMPANY	150
YOUR COMPANY [CONSUMER'S COMPANY]	200
THE DISTRIBUTORS	70
TOTAL	420

ON HOW THEY GET TO KNOW ABOUT THE PRODUCT?

RESPONSE VARIABLE	NO OF RESPONSE
ADVERTISING	100
PUBLICITY	90
SALES PROMOTION	100
PERSONAL SELLING	130
TOTAL	420

4.2 DATA ANALYSIS

The presentation here are in response to the set of questionnaires that were physically administered to both the staff of the petrochemicals and the staff of the final users of the petrochemical products such as PZ, Lever Brothers Global Nigeria, Nasco e t c.

RESPONSES FROM STAFF OF THE PETROCHEMICAL COMPANY

OBJECTIVES OF THE COMPANY:- On objectives of the petrochemical company [KRPC], their main priority were on profit making as their mission is to refine crude oil into high valued petroleum and petrochemical products primarily for the NNPC and will also exploit other related profitable business opportunities in cooperation with other arms of NNPC, in the overall corporate interest of the petrochemical industry.

QUESTION 1: EXISTENCE OF A FORMAL MARKETING DEPARTMENT.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	910	100
NO	0	0
TOTAL	910	100

On whether the company has a formal marketing department, the response was a hundred percent "Yes". The marketing department is responsible for all the sales and marketing activities of the organisation.

(2) MEANING OF MARKETING TO THE COMAPANY

Still to further find out their extent of the understanding of marketing concept, question two and three are about what marketing means and whether marketing means all of the options listed viz.:-Selling, Advertising, Market research, Public relation e t c. They also agreed that because marketing is relevant to the operations of their company but that they only relaxed now because of the monopoly they enjoy in the industry- No competition locally and foreign importation is not possible because of the squeeze in foreign exchange and other importing bottlenecks.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	910	100
NO	0	0
TOTAL	910	100

(3). THE RELEVANCE OF MARKETING TO THEIR COMPANY

They state that marketing is relevant to their operations as they use marketing in their move for market development, offering after sales services and consumer education e t c

On what the respondents understand the marketing concept to be, the head of the marketing department responded that she doesn't know and that she is not a professional marketer but rather a chemical engineer and as such does not know what is meant by the marketing concept.

(5) RESEARCHING INTO CUSTOMER NEEDS

The respondents say yes, that they normally conduct research into customers' needs before going into production. They do that through market research activities, factory inspections, market surveys e t c are carried out first before production begins.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	910	100
NO	0	0
TOTAL	910	100

(6) CONSULTATION WITH THE CUSTOMERS IN DECISION MAKING

When asked whether company do consult its customers in taking decision that affect them; the respondents said yes but that they only do it when it is necessary. Example

during modification of product specification in order to assess the material and machine compliance of the customers.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	910	100
NO	0	0
TOTAL	910	100

(7) WAYS OF GETTING FEEDBACKS ON CUSTOMER RESPONSES

Since the company does not use sales force, it gets it feedback through market survey and from company enquiry. They have been receiving a favorable response from customers except on rare occasion, where they do demand for credit facilities and also, they never want any review of prices, which are in most cases upward. The customers were also complaining about the change of head office from Lagos to Kaduna

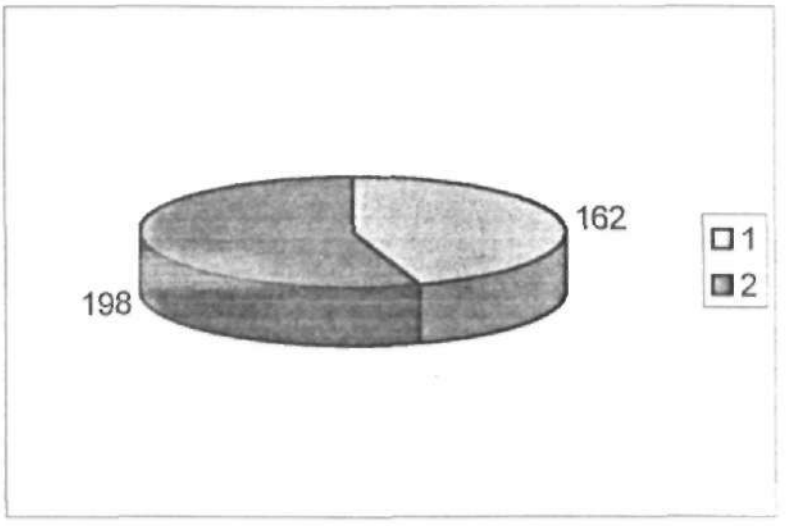
Customers' request for credit facilities used to be honored from time to time especially for Kero-Solvent in a situation of village or storage problems on the petrochemical sector.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSE
Through market survey	410	45
Customer enquiry	500	55
Sale force	0	0
Mere observation	0	0
Others	0	0
Total	910	100

Further elaboration, the above information is represented on a pie chart below;

Market survey	=	410/910 *360^0/1	=162^0
Customer enquiry	=	500/910 *360^0/1	= 198^0
Sale force	=	0/910 * 360^0/1	= 0^0
Mere observation	=	0/910 * 360^0/1	= 0^0
Others	=	0/910 * 360^0/1	= 0^0

Diagram PIE CHART OF THE COMPUTATION



WHETHER THE COMPANY IS PRODUCING AT FULL CAPACITY

From the research conducted, it was found that the company is not producing at full capacity because of some operational reasons; ullage or storage problems and stoppage in production during turn-around maintenance (TAM).

RESPONSES ON THE PROUDUCT DECISION OF THE 4PS OF MARKETING

The initial products of the company that; it was producing and marketing are linear Alkyl Benzene,Benzene,Heavy Alkylates and Kero-Solvent. The company added one product item; Toluene to its products due to demands from customer for it. On whether their

product are packed, the response was "yes" only for Toluene which were packed in drums while others are purchased through bulk buying and Iso-tankers are made available for transporting Benzene. The respondents ranked their company's product 1st class that was not disputed by users.

RESPONSES ON THE PRICING DECISION OF THE 4PS OF MARKETING

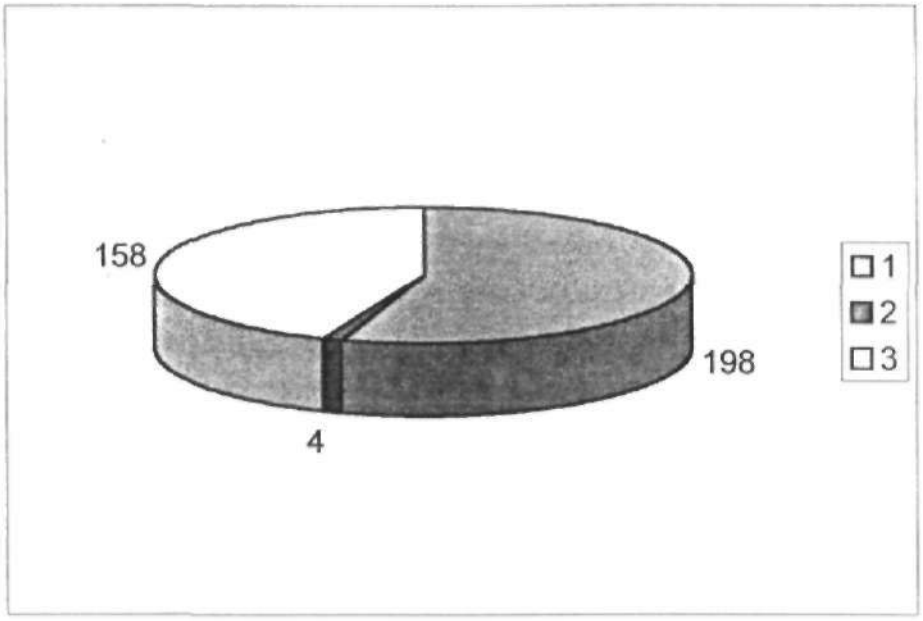
Mainly, the management determines the pricing objective of the petrochemical company. In collaboration with the marketing department. An international standard pricing system called NET_BACK pricing is used to set prices on its products. Net-back pricing takes into account the lending prices, free on Board prices in Europe, freighting, local charges; in setting the price. Infact, it is based on European prices.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
Management	500	55.0
Production department	10	1.0
Marketing department	400	44.0
Other	0	0
TOTAL	910	100%

This can be represented on a pie chart as shown below:-

Management	=	500/910 * 360^0/1	$=198^0$
Production department	=	10/910 * 360^0/1	$= 4^0$
Marketing department	=	400/910 *360^0/1	$= 158^0$
Others	=	0/910 * 360^0/1	$= 0^0$

The above computation is represented in the pie chart below.



Though, the final users all complained about the price set on the products as being too high, they had no choice than to continue buying since the petrochemical company is a monopoly manufacturer. The petrochemical company does not give discount to the buyers or distributors except on Kero-Solvent that, credit purchases is occasionally allowed when there is excess production and no enough storage space for them.

RESPONSES ON THE PLACE (DISTRIBUTION) DECISION

Products are sold to the indicated customers as shown below:

Linear Alkyl Benzene	-	End –Users, Exporters
Kero- Solvent	-	Marketers/Distributors
Toluene	-	When available are sold to marketers
Heavy Alkylates	-	Exporters and authorized users.
Benzene	-	Exporters.

The company does not control its channel members, as they are independent bodies and so does not provide them with any facility. Toluenes are packed in drums while Benzene

is transported with Iso-containers and normal trailer trucks transport the remaining products.

RESPONDENTS RESPONSES ON WHO DOES PRODUCT DISTRIBUTION

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
The petrochemical comp	150	35.7
Consumers company	200	47. 6
Distributors	70	16.7
TOTAL	420	100

The petrochemical company has no warehouse or storage points at any place in the country except at the LAB plant, Kaduna. The frequency of supplies to demand is all the time except when the company is undergoing turn-around maintenance (TAM)

PROMOTIONAL DECISIONS

Advertising, personal selling, sales promotion, publicity e t c are all used in promoting their products especially at the initial stage of the product. The media mostly used for promotion are the newspapers, billboard, television and magazines. Promotion are also through seminars, conferences, trade fairs e t c.

The only sales office for the LAB plant is in Kaduna i.e. the head office of K.R.P.C

RESPONSES FORM FINAL CONSUMERS

Some of the major final users of the petrochemical products to whom questionnaire were administered are PZ, Lever Brothers Nigeria Plc. Nasco Nigeria Plc, Global Nigeria plc e t c. All of them buy linear Alkyl Benzene for use in making liquid and powdered detergent.

On the quality of petrochemical products some of the customers expressed happiness in the quality they are getting while others expressed reservation and displeasure as they are unhappy with the level of price changes of the products.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	300	71.43
NO	120	28.43
TOTAL	420	100.00

The customers all expressed satisfaction on the prompt attention they are given anytime thy want information concerning the products. This is represented in the table below

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	420	100
NO	0	0
TOTAL	420	100

On who does the delivery of product after purchase?

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
The petrochemical comp	150	35.7
Your Consumers company	200	47. 6
The Distributors	70	16.7
TOTAL	420	100

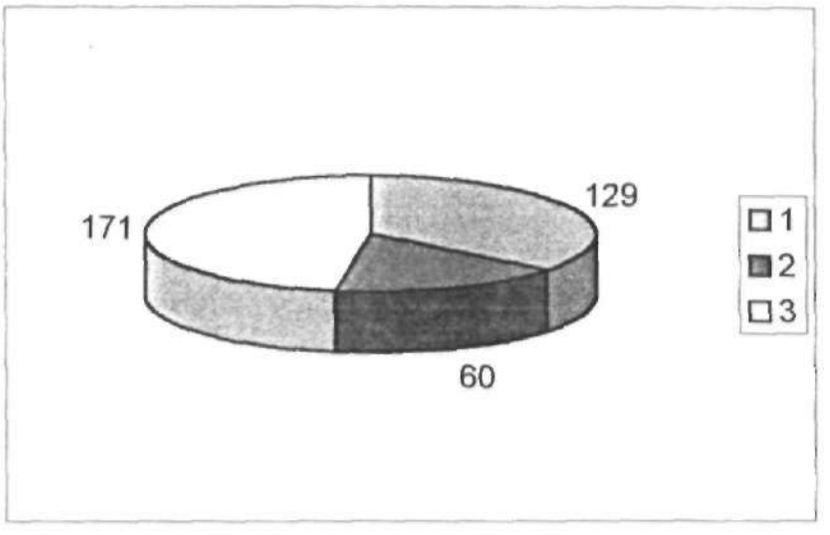
The above can be represented on a pie chart as follows:-

The petrochemical company = 150/420 * 360^0/1 = 129^0

Your company [consumers co] = 200/420 * 360^0/1 = 171^0

The distributor = 70/420 * 360^0/1 = 60^0

Diagram.



On whether they prefer petrochemical products to those of competitors' the customers responded that' in the absence of alternative products, they prefer the petrochemical product as foreign exchange is not easy to come by to enable them embark on imported products.

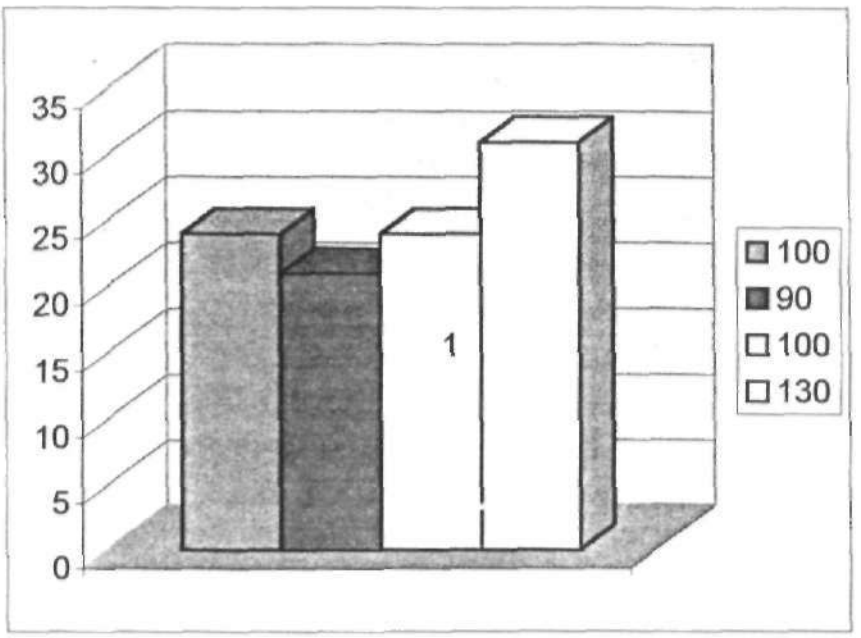
The consumers or customers prefer to buy directly from the petrochemical company rather than through distributors if they have their way.

On how did they get to know about the product? The table shows their responses

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
Advertising	100	24
Publicity	90	21
Sales promotion	100	24
Personal selling	130	31
TOTAL	420	100

For further understanding, the above can be represented in a bar chart as shown below.

Diagram.



The customers all agreed that; the petrochemical companies do educate them on the uses of its products as often as the need arises. On the discount, they responded that, the company refuses to give discount to them but it does give credit facilities on some occasions.

Finally, the customers said that most of the time, their demands are always met except when there is a major problem in the plant or during turn-around maintenance (T.A.M).

4.4.FINDINGS

The research finding s relating to the objective of the petrochemical company revealed that the sector's main priority is on profit making; most especially with the intended commercialization of the N.N.P.C and its affiliated subsidiaries by the Federal Government.

The objective of making profit is not bad, but the customers has to be satisfied before profit can be ensured. It is only through customer satisfaction that the profit maximization objective and other objectives of an organization can be achieved.

The petrochemical company understands what the marketing concept is all about; as they are directly or indirectly adopting it in their organization in that they have distinct marketing activities of their own company. They know that marketing includes promotion, marketing research, personal selling, public relations e t c . The petrochemical company also realizes the relevance of marketing to their operations as they use it market development, consumer education e t c. The respondents [the head of the marketing department] has no knowledge of what marketing concept is all about.

The findings on the application of marketing concept are obtained from questions 5,6 and 7 of the staff questionnaire. The company do however, undertake studies into consumers' needs before going into production through market surveys, factory inspection e t c. They also make consultation with customers before taking any major decision that affects them; especially during a modification of product specification. The company also embark on studies to get feedback for its customers about their product usage and machine / material compliance.

The initial products of the company are LAB, Kero-Solvent, Heavy Alkylates and Benzene; but due to customers demand, Toluene; a new product was added. Iso-container are being provided for the transportation of Benzene because it is more sensitive and cohesive than the other products.

The management in collaboration with the marketing departement makes the pricing decision based on net-back pricing system. The company makes use of distributors for only Kero –Solvent and sells the rest products directly to users or exporters.

Also from our findings, advertising, sales promotion and publicity are very important means of promotion. The billboard, magazines, newspapers and radio are also very important means of promotion for the product as they are industrial products.

4.3 TEST OF HYPOTHESES

On the basis of the analysis and data interpreted, and also the summary of findings, it is now possible to test the various hypothesis upon which the research work was based with a view to validation / acceptance or rejection.

4.3.1 HYPOTHESIS 1

DO THE PETROCHEMICAL COMPANIES IN NIGERIA HAVE THE APPROPRIATE MARKETING OR ORGANISATION SET UP NECESSARY FOR THE APPLICATIONOF THE "MARKETING CONCEPT?"

In testing this hypothesis, question 1 and 5 in the petrochemical's staff questionnaire will be used.

Question 1 is about the existence of marketing department.

Question 5 is about researching into customer needs.

The result are tabulated and interpreted below.

Question 2- existence of marketing department.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	910	100
NO	0	0
TOTAL	910	100%

Question 5 –whether they research into customer needs

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	910	100
NO	0	0
TOTAL	910	100%

Nine hundred and ten[910] staff of the petrochemical company; representing 100% of the sample responded "yes", that the company research into customer's needs

VERDICT

Surely, we know that the basic thing or ground work for applying the marketing concept are things like what we have analyzed above. All the petrochemical companies sampled; have marketing departments; thereby satisfying a basic requirement.

Furthermore, a good information system is necessary. The issue of whether research into customer's need is done is another thing entirely. However, they all responded that research is done into customer's needs.

Based on the analysis above, and the fact in all cases; the petrochemical companies have marketing departments; we **ACCEPT THE NULL** hypothesis that;

That the petrochemical company has the appropriate marketing /organizational set up.

4.3.2 HYPOTHESIS 2

ARE PETROCHEMICAL COMPANIES IN NIGERIA NOT ADHERING TO THE MARKETING CONCEPT?

Again here; two questions will be used to test this hypothesis. Question 2 and 7 of petrochemical questionnaire will be used. They are presented below.

Question 2- Meaning of the marketing concept to the company.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSES
YES	910	100
NO	0	0
TOTAL	910	100%

Question 7- way of getting feedbacks on customers' responses.

RESPONSE VARIABLE	NO OF RESPONSES	PERCENTAGE OF RESPONSE
Through market survey	410	45
Customer enquiry	500	55
Sale force	0	0
Mere observation	0	0
Others	0	0
Total	910	100%

The first table shows that virtually all members of staff of the petrochemical industry know what the marketing concept means; this is represented by a 100%.

On ways of getting feedbacks on customers, 45% said through market survey and a whopping 55% said through customer enquiry. One remarkable thing is that form all indications, no feedback is got through sales force and observation is not made use of at all.

VERDICT

The summary is this; though they all understand what the marketing concepts to their organization; the fact that all available avenues through which feedbacks could be got from the customers are not fully utilized; leaves much to be desired. It is one thing to

know what the marketing concept to the company; it is another to be able to put it to effective use for the benefit of the organization.

4.3.3 HYPOTHESIS 3:

HAS NON-ADOPTION OF THE MARKETING CONCEPT HAD ANY CORRESPONDING NEGATIVE EFFECT ON THE PETROCHEMICAL INDUSTRY'S PERFORMANCE?

To test this hypothesis, we shall use question 21 in the petrochemical staff questionnaire and question 14 in the final users/and or customers questionnaire.

Question 13 – What are the factors responsible for falling sales in the recent times?

RESPONSE VARIABLE	FREQUENCY	% OF RESPONSE
CUSTOMER DISSATISFACTION WITH PRODUCT QUALITY	0	0
PRICE TOO HIGH	400	44
INCREASING FOREIGN COMPETITION	10	1
THE ECONOMY	500	55
TOTAL	910	100

In response to possible explanations for a fall in sales in the past few years, non of the petrochemicals connected it with consumer dissatisfaction. Reasons are such things as price [product-related], competition and economy. The main reason in the economy is [profit-related].

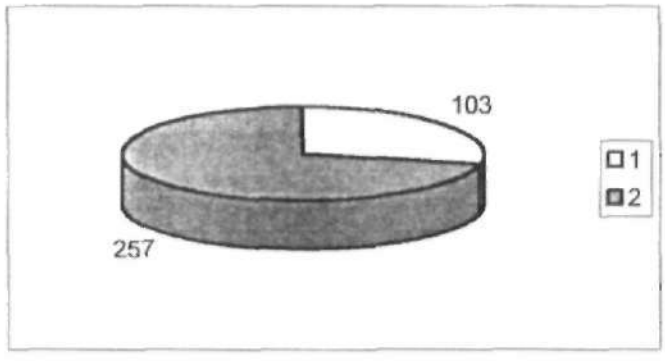
Question 14- (consumers) how would you describe or explain fall in purchases.

RESPONSE VARIABLE	FREQUENCY	% OF FREQUENCY	DEGREE OF FREQUENCY
Dwindling quality of product	0	0	0°
The Economy	300	71	257°
Preference of import	120	29	103°
Total	420	100%	360°

DEGREES:

0/420 X 360/1	=	0^0	Dwindling Product Quality
300/420 X 360/1	=	257^0	The Economy
120/420 X 360/1	=	103^0	Preference for Import.

Diagram



On the part of the consumers, some connected the decrease in purchases to preference to import. However, an overwhelming 71% linked it to the economy. The information obtained from question 14 has been tabulated above and is shown in the pie chart above.

VERDICT

A fall in the sales might be an indication of poorer performance. The fall in sales, ordinarily could be linked to non-adoption of the marketing concept, but the question is whether this fall could be said to be a direct result of non-adoption?

Both consumers and producers have a consensus that the fall in sales is not an offshoot of consumer dissatisfaction: 55% of producers attributed it to the economy (Profit related) also 71% consumers linked it to the same economy.

Reasons for this fall are therefore attributed to the economy. Because of this consensus; we conclude that the two (poorer performance and the marketing concept) have not no direct correlation. Based on this premise, and on a very STRICT basis, we REJECT the NULL hypothesis.

The poorer performance is not directly correlated to the marketing concept (i.e it has no corresponding negative effect).

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMEDATIONS

5.1 SUMMARY

This research study can be summarized with particular reference to chapter 1 through 4.

In chapter one, the major areas which the research study touches on here are:- a brief introduction highlighting a plethora of definitions advanced by renown marketing authorities, it also touches a brief historical background and activities preceding the establishment of the K.R.P.C; a statement of the problem of the research study was clearly stated here.

Three respective hypotheses to be tested were advanced; the aims and objectives of the research study, the purpose of study and scope of study were given here.

Chapter two is a literature review of the subject matter of the research study i.e. the marketing concept; the marketing of petrochemical products by touching on such fundamental issues as finding out what consumers want with respect to petrochemical; planning and developing a product to satisfy those wants, determining the best way to price, promote, package and distribute the product or service the relevance of the marketing concept to the petrochemical products to the various facets of the Nigeria Economy, the investment opportunities in the petrochemical industry; the application of the concept by the concept by the industry; how the K.R.P.C. ensure customer orientation and customer satisfaction; how the K.R.P.C carries out its integrated marketing programme and finally, the chapter stated elaborately the problem it faces in its efforts at implementing the marketing concept .

Chapter three is an in-depth analysis of the Research Methodology adopted while conducting the study. It highlighted such key issues as the research design, here the researcher distinguishes between a case study approach and the survey designs and an expose of such authorities as Babbie and Kelly's views. Further sources of data, methods of data collection, population of study, sample size and the data analysis techniques used. While chapter four is mainly on the data presentation and analysis. The first part of this chapter dealt mainly with the presentation of data. This is closely followed by a detailed analysis of the data gathered from the questionnaires received from respondents.

In a nutshell, maximization of profit and minimization of cost is not always the only aim of business organization. Though, for a business organization to succeed and grow; it must be able to generate some profit. The main objective of the company under study is the minimization of cost of producing petrochemical products.

From the study so far, the petrochemical company has a formal marketing department, which undertakes all the marketing activities.

Also from the research study, it was found that some staff of the company's marketing department do not know what marketing concept is all about while other staff perceive marketing to be only selling and not a broader task that it is.

Despite the fact that the marketing concept is not fully understood by some staff of the company, the company still applies the concept in the marketing of its products.

It was also discovered that although customers were normally consulted when taking a major decision that affects them. Some of the suggestions by the customers have not been fully implemented.

The research study as revealed from the research findings shows that, advertising, personal selling and publicity are more effective than sales promotion for promoting petrochemical products. Newspaper, magazines, Television and Billboard are also an effective means of promoting petrochemical products.

Finally, the research study further showed that the main problems in the application of the marketing concept are management orientation, internal dissension and cost.

5.2 CONCLUSION

This study has investigated the application of marketing concept in the petrochemical industry, using the Kaduna petrochemical sector as a case study, and the following conclusion has been draw for the case study:-

A. That most business enterprises are set up to earn profit by minimizing cost and maximizing profit.

B. That some staff of the petrochemical company do not know what marketing concept is all about and that means, they don't appreciate the relevance of the concept to the marketing of their products or services.

C. That marketing concept is being practiced by the petrochemical sector consciously or unconsciously, though staff are unaware of what concept really entails. There is the relevance of marketing concept to the petrochemical industry to enable them to perform better and even at profit.

Conclusively, it should be realized that a satisfied customer/consumer is the firm's unpaid sales force; as the power of spoken recommendations by a satisfied customer, are by far the most powerful tool in creating more customers and making more sales.

5.3 RECOMMENDATIONS

In line with the findings discussed in chapter four and the conclusion, drawn in the preceding section, I wish to make following recommendations.

A. The marketing department of the petrochemical sector should be expanded, so that sales activities could be divorced from marketing activities. Sales should be a section under the marketing department. Market research, Market Development, Advertising and Promotion e.t.c are to be jobs under the marketing department.

B. I also recommend that all the staff of the marketing department be sent on some in-service courses in marketing to enable them possess the elementary or basic knowledge of marketing which they need in carrying out their duties.

C. Beside, I recommend that the advertising and sales promotion be a section under the marketing division to be responsible for the total communication efforts of the entire company.

D. A division should also be created to be responsible for coordinating the development work programme, administration and the development of annual marketing plan of the company. A programme of action designed to support line management at all levels of performance.

E. With the expansion of the marketing department; the company will be able to adopt the customer orientation concept. The integration of the marketing

activities must be gradual in order to win extensive acceptance by the other department of the organization. In the

long – run, the training programme in marketing should also extend to the management staff of the company.

F. Personal selling and advertising should be used in promoting the company's products.

Less emphasis should be placed on sales promotion since their products are industrial products that cannot be easily sold through sales promotion.

G. I would also want to recommend that the company's profit objective; should go hand in hand

With customers' orientation; as it leads to customer satisfaction which in turn leads to increase in patronage, by both present and potential customer. And consequently, increase in sales and hence increased profit.

Although, the implementation of these recommendations may in the short-run, reduce profit margin; it will be very benefiting in the long run, as the loss in profit shall be compensated by a very high sales and profit.

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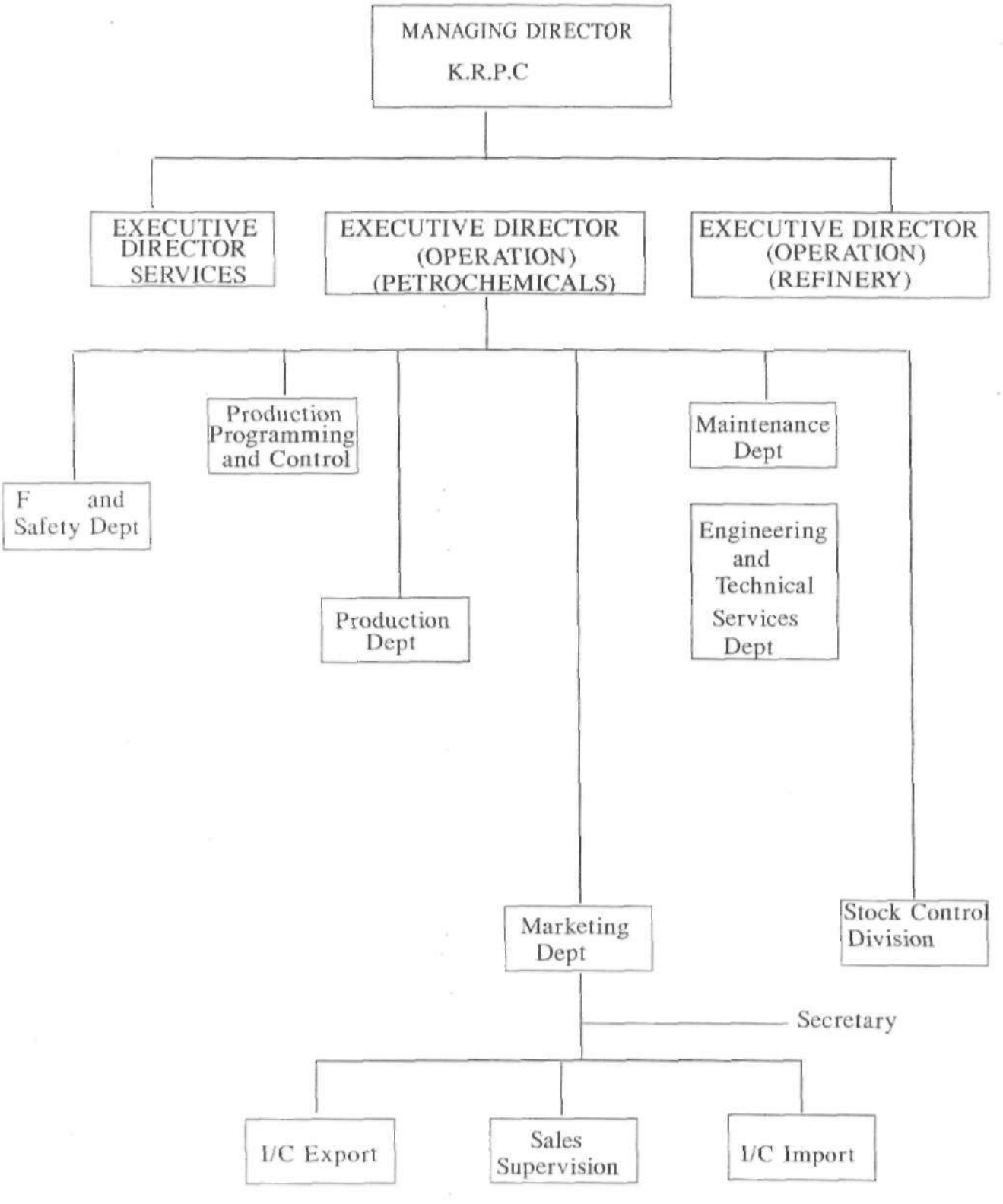
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BELOW IS THE ORGANISATIONAL STRUCTURE OF THE PETROLCHEMICAL SECTOR OF THE K.R.P.C.



APPENDIX 1

QUESTIONNAIRE FOR THE FINAL USERS OF PETROCHEMICAL LAL PLANT PRODUCTS

1. NAME OF COMPANY----------
2. WHAT ARE THE NAMES OF THE PRODUCT[S] YOU USE ----------

   ---
3. FOR WHAT PURPOSE [S] DO YOU USE THE PRODUCT OF PETROCHEMICAL,KADUNA?---
   ---
   ---
4. ARE YOU HAPPY WITH THE QUALITY OF THE PETROCHEMICAL PROUDUCTS?
   A] YES [ ]
   B] NO [ ]

5. DO YOU GET PROMPT ATTENTION ANYTIME YOU WANT INFORMATION CONCERNING THE PRODUCTS?
   A] YES [ ]
   B] NO [ ]

6. WHO DOES THE DELIVERY OF THE PRODUCT AFTER PAYMENT?
   A]. THE COMPANY [PETROCHEMICAL] [ ]
   B]. THE DISTRIBUTOR [ ]
   C]. YOUR COMPANY [ ]
   D]. THIRD PARTY [ ]

7. DO YOU PREFER NNPC PETROCHEMICAL PRODUCTS TO HER COMPETITORS.
   A] YES [ ]
   B] NO [ ]
8. ARE YOU HAPPY WITH THE PRICE BEING CHARGED?
   A] YES [ ]
   B] NO [ ]
9. DO YOU PREFER TO BUY FROM THE DISTRIBUTOR OR DIRECTLY FROM THE NNPC PETROCHEMICAL ITSELF?----------
   ---
   ---
10. HOW 10DO YOU GET TO KNOW ABOUT THE PRODUCTS?
    A] ADVERTISING [ ]
    B] PUBLICITY [ ]
    C] SALES OF PROMOTION [ ]
    D] PERSONAL SELLING [ ]

11. DOES THE PETROCHEMICAL COMPANY NORMALLY GIVE CUSTOMERS EDUCATION ON THE USE OF THEIR PRODUCT?
    A] YES [ ]
    B] NO [ ]
    IF YES, HOW AFTER ----------

    ---

12. DO YOU NORMALLY GET ENOUGH QUANTITY TO STOCK ANYTIME YOU WANT THEM?
    A] YES [ ]
    B]. NO [ ]

13. WHETHER NNPC DO OFFER OR ALLOW YOU CREDIT FACILITIES.----------
---
---

14. HOW WOULD YOU DESCRIBE OR EXPLAIN YOUR FALL IN PURCHASE?

A]. DWINDLING QUALITY OF PROUDCT [ ]
B]. THE ECONONY [ ]
C]. PREFERENCE FOR IMPORT [ ]
D]. CONSTANT [ ]

Dept of Business Admin.,
A.B.U. Zaria.

Dear Respondent,

I am a post graduate student undertaking an academic research using your organisation as a case study. Any information given to me will be treated in strict confidence and will be used mainly for academic purpose. Attached here is a copy of the research questionnaire. Tick ☐ where appropriate.

Thanks in advance for your unreserved cooperation.

Yours faithfully

M. M. ALLI (MRS)

QUESTIONNAIRE FOR STAFF OF PETROCHEMICAL SECTOR NSPCC/KRPC, KADUNA.

PERSONAL DATA

NAME OF OFFICER _____

POSITION _____

ACADEMIC AND PROFESSIONAL QUALIFICATION

_____

_____

SECTION A

UNDERSTANDING OF THE MARKETING CONCEPT

(1) WHAT ARE THE OBJECTIVES OF THE COMPANY
(2) IS YOUR COMPANY HAVING A FORMAL MARKETING DEPARTMENT.

(a) YES [ ]
(b) NO [ ]

IF NO, WHO IS RESPONSIBLE FOR THE SALES AND MARKETING OF THE PETROCHEMICAL PRODUCTS?

_____

(3) MARKETING TO YOUR COMPANY MEANS?

(a) SALES OF PETROCHEMICAL PRODUCTS ONLY [ ]
(b) ADVERTISING AND SALES PROMOTION [ ]
(c) MARKETING RESEARCH [ ]
(d) PUBLIC RELATIONS [ ]

(4) DO YOU THINK MARKETING IS RELEVANT TO THE PETROCHEMICAL OPERATION?

(a) YES [ ]

(b) NO [ ]

(5) WHAT DO YOU UNDERSTAND BY THE TERM MARKETING CONCEPT?

_____

_____

SECTION B

APPLICATION OF THE MARKETING CONCEPT

6. DO YOU NORMALLY CONDUCT RESEARCH INTO YOUR CUSTOMER'S NEED BEFORE GOING INTO PRODUCTION?

(a) YES [ ]

(b) NO [ ]

7. DOES YOUR COMPANY CONSULT ITS CUSTOMERS WHEN TAKING DECISION THAT AFFECT THEM?

(a) YES [ ]

(b) NO [ ]

IF YES, HOW OFTEN DOES IT CONSULT THEM? _____

_____

8. HOW DO YOU GET FEEDBACK FROM YOUR CUSTOMERS ABOUT YOUR PRODUCTS?

(a) THROUGH MARKET SURVEY [ ]

(b) CUSTOMER ENQUIRY [ ]

(c) SALES FORCE [ ]

(d) MERE OBSERVATION [ ]

9. WHAT SORT OF RESPONSE HAVE YOU BEEN RECEIVING FROM YOUR CUSTOMERS AFTER PROVIDING THEM WITH YOUR PRODUCTS?

(a) FAVOURABLE [ ]

(b) UNFAVOURABLE [ ]

10. STATE THE KIND OF THINGS THAT ARE SUGGESTED BY YOUR CUSTOMERS.

.....

.....

.....

11 WHICH OF THEM HAVE BEEN ADOPTED AND WHICH OF THEM HAVE NOT BEEN ADOPTED AND WHY?

12. ARE YOU PRODUCING AT CAPACITY?

(a) YES [ ]

(b) NO [ ]

IF YES, WHY?

_____

_____

SECTION C

MARKETING MIX DECISIONS

PRODUCT DECISION

13. WHAT ARE THE INITIAL PRODUCTS OF YOUR COMPANY?

_____

_____

14 HAVE YOU ADDED ANY NEW PRODUCT(S) DURING THE LAST THREE YEARS?

(a) YES [ ]

(b) NO [ ]

IF YES, NAME THEM: (1) _____

(2) _____

(3) _____

15. WHAT CLASS OF QUALITY WOULD YOUR PRODUCT OCCUPY IN THE PETROCHEMICAL INDUSTRY?

(a) 1ST CLASS [ ]

(b) 2ND CLASS [ ]

(c) 3RD CLASS [ ]

(d) 4TH CLASS [ ]

PRICING DECISION

16 WHO DETERMINES THE PRICING OBJECTIVES OF YOUR COMPANY?

(a) MANAGEMENT [ ]

(b) PRODUCT DEPARTMENT [ ]

(c) MARKETING DEPARTMENT [ ]

(d) ANY OTHER(S) [ ]

17. HOW DO YOU SET PRICES IN ACTUAL PRACTICE?

(a) COST-ORIENTED [ ]

(b) DEMAND ORIENTED [ ]

(c) COMPETITION BASED [ ]

(d) OTHER(S) [ ]

18. DO YOU GIVE DISCOUNT TO DISTRIBUTORS?

(a) YES [ ]

(b) NO [ ]

19. DO YOU PROVIDE ANY INCENTIVE FOR BULK BUYING LIKE CREDIT SALES?

(a) YES [ ]

(b) NO [ ]

PROMOTION DECISION

20. WHAT PROMOTIONAL METHODS DO YOU USE FOR YOUR PRODUCTS?

(a) ADVERTISING [ ]
(b) PERSONAL SELLING [ ]
(c) SALES PROMOTION [ ]
(d) PUBLICITY [ ]
(e) ALL OF THE ABOVE [ ]

21. WHAT ARE THE FACTORS RESPONSIBLE FOR FALLING SALES IN RECENT TIMES.

(a) CUSTOMER DISSATISFACTION WITH PRODUCTS QUALITY [ ]
(b) PRICE TO HIGH [ ]
(c) INCREASING FOREIGN COMPETITION [ ]
(d) THE ECONOMY [ ]