AN EVALUATION OF THE USE OF PRODUCT PLANNING AND DEVELOPMENT AS A COMPETITIVE STRATEGY IN TOTAL NIGERIA PLC

BY

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BEING A THESIS SUBMITTED TO THE POST GRADUATE SCHOOL IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA)

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DECLARATION

I declare that this work entitled “An Evaluation of the use of product planning and development as a competitive strategy in Total Nigeria Plc”. Has been written by me in the department of business administration, faculty of administration Ahmadu Bello University Zaria. The information derived from the literature has been duly acknowledged in the text and a list of references is provided. No part of this project was previously presented for another degree at any university.

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CERTIFICATION

This is to certify that this project titled “An evaluation of the use of product planning and development as a competitive strategy in Total Nigeria Plc”. Written by YAHAYA ABU meets the regulation governing the award of

the degree of master of business administration (MBA) of Ahmadu Bello University Zaria and it is therefore approved for its contribution to knowledge and literary presentation.

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DEDICATION

This project is dedicated to my parents Mr. and Mrs. Yahaya Onugba

And

Com. Uzoma Asoluka

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ABSTRACT

This project examines product planning and development as a competitive strategy. It also examined the survival of companies and the survival strategies. Companies must survive and how are companies going to survive? It Must remain and continue in business. One of the major strategies for survival is product planning. New products are the future of any business and without a continuous flow of a new product, the marketing system could probably die. Because new product is compulsory to keep a business abreast. In harsh marketing environment, every company should therefore develop a new product to be able to stay in business.

Customer's needs and wants are dynamic they keep on changing, it is the social and economic function of an organization to satisfy their customers needs and wants.

Products are planned and developed to accomplish certain objectives which may be to increase the sales volume of a firm, profit maximization, to gain competitive advantage, to maintain and improve market share and establish a future market for their product. It is deemed necessary for every organization to embark on product planning and development if for no other reason that some existing company product will enter the decline stage.

Simple percentage was used to ascertain if the use of product planning and development as a competitive strategy in total Nigeria plc has a negative or positive effect Based on the deductions and conclusions that will be made after analyzing data, the researcher recommended that product planning and development should be a continuous process so as to enable the company to cope with changes in technology and the competitive environment. Also, the company should improve on her existing product line to offer more advantages or usefulness to loyal customers who are ready to continue with purchase irrespective of the attractive offers made by competitors

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CHAPTER ONE

1.0 Introduction

Businesses exist to satisfy consumer's needs and wants. Interestingly, consumer needs are so numerous, diverse and are constantly changing. This implies that for any business entity to be relevant, competitive and effective in satisfying consumer needs, it must understand what and how the different environmental factors affect consumer decisions This will enable it develop an appropriate product to satisfy these needs.

Products planning and development is one of the ways of enlarging the size of the product portfolio of any organization. Many organizations have not recorded much success with regards to the depressed economics situation. It is imperative to recognize the fact that necessity gives birth to Invention and or Innovation. New products are the future of any business and without a continuous flow of new products the marketing system could probably die.

However, the planning of the product and its development is compulsory to keep the harsh marketing environment. Besides, the development in education and the increasing affluence in the society have produced highly knowledgeable consumers who now dictate and determine what they need and what the business should produce. This has made a business that

operates on mass production inadequate and incompatible with the demands of today's business environment. Consequently, Operation of business on the basis of product Orientation, where an organization consistently uses an existing technology to produce only existing products no longer. Suffice for today's competition. It has only resulted in poor performance and collapse of many business entities. Companies must move from mass production to mass customisation.

One basic fact of today's highly tensed and competitive economy is that it demands for a consciously planned product development strategy. A strategy that will enhance organization's flexibility to respond to changing consumer needs and also increase its drive for innovation in product leadership. It is not surprising therefore, that companies have come to accept that product planning and development as a strategy, is very essential for their survival and growth. This is evidence in the frantic efforts, energy and attention paid to product development. This attest to why this study is being carried out.

Further more, a product can not just appear in the market but rather, it must have passed through careful and thorough planning and development stages which make it acceptable as a new product. Just like a new born baby, a product is given birth to, nurtured to a stage of growth and thereafter left to

struggle on its own personal strength. In the process, the product passes through every stage of life within a particular marketing environment.

Nevertheless, a product does not stay in the market for ever. It often suffers some set backs and if care is not taken, it can be phased out of the market completely due to the fact that product passes through so many stages of development and growth otherwise referred to as product life circle, it is necessary to mention the various exogenous and endogenous factors which affect the gestation period of the product in the market.

One of such factor is the habit, behaviour and disposition of the customer towards the existence and survival of a particular product. As a result of this, there is a need to centre major activities to the type of product, the compactability between the product and the marketing environment in which it has to stay.

In Nigeria, the state of depression in the nation's economy has necessitated the implementation of product planning, constant development of new product so as to be able to cope with challenges in our environment and equally take care of the daily increase in demand. This however has resulted to the evolution of product re-engineering.

Oil occupies a unique position In Nigerian economy. For quite some times now, petroleum products have become major sources of energy all over the

world and have become so much important particularly, to the industrialised nations. Most of the oil producing nations produce for their national needs and also sell to foreign countries to earn huge foreign exchange. Generally, Oil producing countries see oil as a very good and effective political weapon to deal accordingly with the consumer countries on one hand and the big multinational corporations engaged in the product operations. Hence, there is a need for proper planning of the products to ensure that consumers are well satisfied.

1.1 STATEMENT OF THE PROBLEM

Nigerians have witnessed the appearance and untimely disappearance of many products. Some products attained the final stage of the product life cycle while some do not even get to the second stage before experiencing a major setback. Evidence have indicated that most products suffer set back in the market as a result of poor planning or wrong developmental planning strategies on product being offered for the market. The alarming rate of competition in most markets and the failure of some company to develop new product are exposing them to great risk.

The need for a company's existing product is changing. This is because Consumer's tastes and preference are dynamic in nature. Also consumer life styles and fashions are changing every day. In order to satisfy these dynamic needs of customers, and organisation have to choose between risk

of producing new products and prepositioning existing products. The success of a new product and the survival of an existing one in the market depend on planning and development of the industry prospecting to develop new product. Reasonable financial, material and intellectual resources are committed to ensure the success of a new product.

1.2 RESEARCH QUESTIONS

This study aims at finding answers to the following research questions,

- What are the strategies for developing new products?
- Are companies engaged in products planning and development more customers focused and more competitive?
- Why are some companies loosing business in today's market economy?
- Do companies that engage in product planning and development survive and grow better than others?

1.3 OBJECTIVES OF THE STUDY

This research was undertaken to study the impact of product planning and development on the growth of Total Nigeria plc. In specific terms, the objectives of this study are;

- To determine the extent to which the application of product planning and development has assisted the company's profit and overall turnover.
- To identify the problems. Being experienced by the company in planning and development of new products in a competitive and depressed economy like ours.
- To suggest possible solutions to some of the identified problems and to proffer solutions for effective planning and development of new products in a competitive environment
- To find out why companies embark on new product development.
- To examine possible procedures of new product development.

1.4 HYPOTHESIS

The Following hypotheses have been formulated for the purpose of this research work.

H1. That product planning and development enhances business growth and prolong product life span in a competitive environment.

H0. That product planning and development do not enhance business growth and prolong product life span in a competitive environment.

1.5 SIGNIFICANCE OF THE STUDY

The major setbacks being currently experienced in petroleum and petrol-chemical industries is attributable to poor planning and development of new and existing products. These shortcomings could also arise as a result of the economy, fluctuation in demand, low level of industrialization, poor transport and communication.

This research therefore identifies those inherent problems which hinders successful implementation of a producer's marketing effort in any organized market.

More so, this study aims at identifying the factors impeding proper planning of a new or existing product and the development of new ideas that could translate into a viable business idea. Some of these factors include, nature and complexity of the product, product life span, marketing strategies of the producers and its competitor's state of the economy, level of industrialization, current devaluation of naira, government policies on import and export and level of technological development.

As a vehicle for increased productivity, this research shall identify major causes and factors responsible for poor planning and development of products especially in petroleum and petrol-chemical industries thus, offering meaningful suggestions as to how to identify attractive marketing opportunities. Which will inform the acquisition of larger market share as a way of improving the overall objective of the companies.

This study will avail companies the opportunity to re-examine their product development strategies or policies in order to be more competitive and with a view to achieving higher growth and continued survival.

It will also enable firms to be more customers oriented and perhaps, provide them with a clearer understanding on how and the need to be relevant in their environment.

Therefore, this study presents an approach to product development that may hold significant promise in terms of generating new product ideas with strong consumer support. Also, the approach would enable organizations in applying their core competence in line with environmental needs as entrenched in the organizations interest or goals.

Above all, this study will help to re-awaken companies' consciousness and awareness on the inevitable issues of liberalization, international business

and the global universe [globalization] which requires firms to be action oriented.

1.6 SCOPE OF THE STUDY

This research work shall be limited only to the immediate, competitive and remote effect (impact) of product planning and development in Total Nigeria Plc. The focal objective shall be to identify the causes of product failure and competitiveness in relation to planning and development. Attempts shall be made to enumerate all classes of product within the petroleum industry with special reference to Total Nigeria plc.

1.7 LIMITATIONS OF THE STUDY.

Limitation of this study is the element of short coming one often encounters when trying to get necessary information and materials for successful completion of any research project. In the content of this research therefore, the following problems were encountered.

The statistics needed to support the facts and statements in the research are scanty, owing to the fact that they are hard to come by. Often times the organization concerned makes it extremely difficult to get any meaningful information useful for the purpose of this research work. This is because the Organization runs a risk of having its marketing policies and strategies exposed to other competitors.In a similar vein, it was difficult to get top executives and mangers of the company to give useful information, some

even refuse bluntly to co-operate, according to them, they do not have any right to make any pronouncement on behalf of the company.

The efforts to collect all the needed data or information from the management and staff of Total Nigeria plc were not easy because of their official protocols and organizational bureaucracy. Also, some staff and dealers who out of fear or mere ignorance refused to provide answers to certain relevant questions in the questionnaires administered to them.

Finally, with the location of the head office of Total Nigeria plc in Lagos this arises the problem of coverage of the wide scope of business and interests of the company, which spreads unevenly around the whole country.

On the whole, the above limitations do not impair the conclusion of this study. It is my firm belief that Total Nigeria plc could use the result or recommendations of this research to perfectly fine-tune it market behaviour and characteristics.

1.8 DEFINITION OF TERMS

It is necessary to define some terms that was used in the research study, the following terms are defined below:

Product

Philip Kotler (1991:429) says "A product is any thing that can be offered to a market for attention, acquisition, use or consumption that might satisfy a need" this makes us to understand that any thing is a product as long as it satisfy some requirements which are attracting attention, can be acquired, can be used or consumed and that which satisfies wants.

According to William J. Stanton (1984:180), he defines a product as "A set of tangible and intangible attributes including packaging, colour, price manufacturer's prestige, retailer's prestige, manufacturers and retailer's services which a buyer may accept offering want satisfaction" the key idea if this definition is that customers are buying more than just a set of physical attributes. Fundamentally, they are buying want satisfaction.

Product planning

This is a process through which the exact nature of the product is determined. It can also be regarded as a plan for marketing a particular product or product line of a company in a particular industrial or geographical area.

Planning

This refers to the marketing decisions on the arrangement and organisation of product attributes for the purpose of marketing focus. It can also be seen as a process whereby specific objectives are designed along with overall objectives of the organization towards the attainment of a stated objective.

Development.

This refers to all the marketing effort aimed at making the product widely accepted in the market, thus giving a wider marketing courage.

Marketing

Philip Kotler (1991:4), he defines market as "a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others".

Marketing strategy

This refers to the broad principles by which marketing management expects to achieve its business and marketing objectives in a target market. It consists of basic decisions on marketing expenditure, marketing mix and marketing allocation.

Marketing mix

This is a set of marketing tools that the firm uses to pursue its marketing objectives in the target market.

Target market.

This is the group or costumers which has nearly the same characteristics and to which a company wishes to appeal.

Market segment

This is the act of dividing a market into district groups of buyers who might require separate product and marketing mixes.

Research

Refers to a systematic and objective search, an attempt to find answer to a problem.

Features

These are the characteristics that supplement the product's basic function.

Symbol

This is a letter or sign used to identify the goods or services of one seller from another.

Brand

Philip Kotler (1991:442) defines brand as "A name, term, symbol, design or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors".

Brand mark

This according to Philip Kotler (1991:442) is "That part of a brand that appears in the form of a symbol, design or distinctive colouring or lettering".

Product line

This is a group of closely related products produced by different units of the company and marketed by the same company.

Product concept

The consciousness or assumption which holds that customers will favour those products that offers the most quality performance and features.

Product mix

This refers to the total number of product lines carried by a firm where each line reflects one type of product.

Product development

A strategy which involves a relatively major modification of the goods and services such as quality, style, performance or variety thus offering high performance versions of an existing model but which can be used to extend the ranges to cover additional customers.

Product style

This is a means of adding distinctiveness to a product. It involves the use of design models and brand differentiation.

Trade mark

This is a brand that is given legal protection. It is essentially a legal term.

Services

A service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

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CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

A company meets its basic responsibility to society through its product. But a company needs a good product to repeat sales and repeated sale are needed to stay in business. The issue of product planning and development in oil industries is of paramount importance in a way that enhances increased productivity and optimum capacity Utilization, when this effort is combined with various marketing mix, marketing tools and marketing strategies, they provide an end- result which usually justifies the means. Hence, this subject matter has in the past generated discussions, debates and research interest which has now given rise to various literatures that abound today. Each of which looks at the various means of a product planning and development in either consumer or industrial sectors of the economy. This chapter therefore reviews a cross section of literature already existing on the subject matter and evaluate their relevance.

2.1 THE GOALS OF A BUSINESS OGANIZATION

GARBA [2000] posited that the first goal of a business organization is to seek and remain relevant in its environment. According to him, to re-enforce and sustain its relevance, an organization must seek further the progress and maintenance of its goals. These are the issues of innovative

“product planning and development” and that of added value to products. According to Garba, (2000) the progress goal allows organizations to keep abreast of developments in markets, requiring technical change either in product and process to fit different segments and needs while on the other hand, the maintenance goals demands that organization exceed the expectation of society by giving it value. Corroborating this views, Treacy et al (1993) opined that it means redefining value for customers, delivering more of the value than competitors and raiding costumers, expectation beyond competitor reach. Douglas et al (1978) concluded that while organization may aim at profitability, those that survive and grow are those that have achieved price and quality advantage. Through development of products.

2.2 THE CONCEPT OF PRODUCT

Kotler (1997) defines a product “as anything that can be offered to the market for attention, acquisition, use or consumption that might satisfy a want or a need.” it includes physical object, services, persons, places, organization and ideals.

Nwokoye (1987) opined that a product ‘’is a bundle of physical and psychological satisfactions that a buyer receives from a purchase’’ this includes not only the tangible object but also such supportive element as

packaging, convenience of purchase, post-sale services and others that buy value. Thus, a product is simply something that is capable of satisfying a costumer's need or want that need or want may already exist or it may be latent a product is anything that satisfies a want. It includes a set of tangible and intangible attributes which a buyer may accept offering want satisfaction.

Product concept is a management orientation which assumes that consumers maximize their satisfaction through product selection. Those higher prices are paid for the best product. Product planning and development are important to all manufacturers and producers whose markets are complex and highly competitive.

2.3 PRODUCT PLANNING

This is the most important element in product mix decision it embraces all activities that enable a producer or a manufacture to determine what product or services to offer to the market after production product planning is largely the responsibility of the company's strategic planners. They must asses with information's supplied by the marketers, salesmen, customers and research agencies on which product line to grow, sustain, harness or divest.

KOTLER (1997) defines product planning “as the process through which the exact nature of a product is determined in order to fine out the actual product attribute that a customer’s favour in a product such attributes includes taste, durability, quality, quantity and packaging”.

Product planning involves all activities which enable the producer and middlemen to determine what should make up the company’s line of product. product planning take into consideration the strength of the firm, the firm’s market potential, sales potential and the profit possibilities of the product to determine whether product development is feasible.

A company can also plan for its product by adding more product variants to each product and thus deepen (widening) its product mix. A company could lengthen its existing product line to have more products in terms of variety and close substitute.

Finally, in the words of Kotler, a company can pursue more product line consistency or less, depending upon whether it wants to acquire a strong reputation in a simple field or participate in several fields.

Product planning is usually done through detail research and analysis, rigorous marketing survey and qualitative information gathering.

2.4 PRODUCT DEVELOPMENT

In every business, any new product is produced and sold in the market. There exists some organization structure which handles the process of its production. Even though the structure differs from one organization to another, they all function with the same objective and strife towards the same goal. As far as Product development is concerned; the producer or organization has to analyze some process or stages in order to determine the exact product it wants to produce.

Parker et al (1999) argues that product that has been developed for one geographical market, taking it to other markets sometimes requires little extra intellectual effort in terms of new product development as in the case of pharmaceutical, but at other times it is a daunting challenge. The same medicine tends to be used for the same ailment whatever the country. Some companies do develop the same product for all markets regardless of existing local preferences; some companies have succeeded in changing consumption patterns.

According to kotler (1997) these processes can be categorized in to three; these include;

-New product development

-Product life cycle

-product differentiation strategies.

In the words of kotler (1997) the new product development process is the introduction of the new product ideal, to develop some thing that is entirely new or to modify or improve on the existing one. His idea of product development is to stimulate the buyer or consumers to buy the product in the sense that it is improved and changed completely to a new one. New product or service may include the original product, product improvement, product modification and new brand that a company has developed through research and developmental effort.

Some of the reasons for new product development in any manufacturing sector is that it enable the organization to have a larger share, to effectively utilize all its resources (financial capital or human) and, it enables the consumer to have choice of varieties.

In an attempts to separate product to distinct stages in the life history of a product, product sales, potential and profitability which changes overtime. Kolter (1997) consider the pattern of sales of new existing product, as regards the phases of growth and development of a particular product and it life cycle. He emphasizes that there is a need to study the process of product life cycle which all products must pass through.

As a result, the product life cycle is defined as the stages of the cycle in which a product falls at a particular point in time. It has greater implication for making decisions and sales practice. A product passes through four stages before it finally dies.

These are:-

2.4.1 The introduction stage

The introduction stage takes place when the product is first made available for general purchase in the market place. The introduction into one or more markets takes time. It is marked by a very slow rise in sales mainly because its market has not yet accepted the product. At this stage, profits are negative or low because of the low sales and heavy distribution and promotion expenses. There are few competitors. The firms direct their selling efforts to those buyers who are willing or prepared to buy. This stage is dominated by the need to establish the product in the market by building buyer and distributor awareness of the product and its benefits. The two major tools which the marketer uses at this stage are promotion and price. This is because they are the two most visible elements to consumers at this stage. Here, the marketer can use the following four marketing strategies;

Rapid Skimming

Slow Skimming

Rapid Penetration

Slow Penetration

Price	High promotion	low
High	Rapid Skimming Strategy	Slow Skimming Strategy
Low	Rapid Penetration strategy	Slow Penetration Strategy

Source: Marketing management; Analysis, planning and control 4th edition Kotler 1980 P. 295.

The Rapid skimming strategy

This is a strategy whereby a product is launched with a high price and a high promotional level. The high price is due to the heavy initial cost of developing and promoting the product and the low production volume. It is important to start with a high price and reduce it later as the product gets acceptance and unit cost reduces from economies of scale.

The slow skimming strategy

This is where a new product is launched with a high price but low promotion. The high price is intended to recover as much gross profits per unit as possible while low promotion is intended to keep marketing expenses low.

The Rapid penetration strategy.

Rapid penetration is a situation where a product is launched with a low price and heavy promotion. This strategy gives the company the fastest rate of market penetration and the largest market share.

The slow penetration strategy

A slow penetration strategy is the launching of a new product with a low price and low level of promotion. The low price encourages rapid market acceptance of the product while the company keeps its operating costs low by engaging in a lower level of promotion, which encourages a higher net profit. Moreso, a company especially the market pioneer must choose a strategy that is consistent with the intended product positioning. This strategy is just the first step in a grander marketing plan for the product entire life cycle.

2.4.2 THE GROWTH STAGE

At the growth stage of the product life cycle, if the product satisfies the market, sales will start climbing substantially as consumers accept and demand the product. New competitors will enter the market as they are attracted by the opportunities for large scale production and profit. New products features are introduced and this will expand the market. The increase in the number of competitors will lead to an increase in the number of distributors' outlets. The aim of the marketer at this stage is to

sustain sales growth for as long as possible. Once the product is successfully established, it will begin to enjoy rapid sales growth which along with the lack of competition may make this the most profitable stage of the life cycle of the product.However, this stage is effectively managed well so that a full demand base is built in the market and selective building of customer demand at the expense of existing or substitute product types marketed by competitors. The growth is likely to see the emergence of competitive pressures and the beginnings of downward pressures on high introductory prices if these have been used.

2.4.3 THE MATURITY STAGE

The characteristic feature of this stage is that sales and prices of product increase but at a decreasing rate. Profit reaches climax, competition gets high, and price reduction will consequently reduce the profit margin. Price competition becomes severe and new models of the product are being introduced into the market. During this stage, sales are very sensitive to changes in the economy. They rise and fall according to basic economic forces. The market is known and has grown. The number of competitors will stabilized and the market will become highly segmented.

At this stage, the product faces a keenest competition. The marketer should not be content with simply defending his position. A good offence will

provide the best defence of this product. The military caveat (warning) of attack being the best form of defence becomes relevant here.

2.4.4 THE DECLINE STAGE

sales and profitability continue to decline consistently and perhaps irreversibly.; This may be due to technical obsolescence, changes in customer or trade attitude s toward the product, over familiarity with the product, the emergence of a better product in the market or changes in fashion or tastes. As sales and profits decline, a number of firms withdraw from the market in order to invest their resources in more profitable areas.

THE ABANDONMENT STAGE

This stage occurs when the defining effect on the product becomes severe, the company will find it difficultly to continue with the production of the goods or services.

The third process involved in product development has to do with product differentiation. According to Levitt (1969) “This is a process by which a producer tries to distinguish his product from that of host competitors so as to establish preferences for its products and to create the necessary desires in the minds of the consumers or users”

The fundamental of marketing also believes that product differentiation involves developing and promoting an awareness of different between a company and those of its competitors. Without product differentiation, consumers may find it difficult to differentiate between the offering (product) of one firm and that of the other firm.

2.5. PRODUCT PLANNING AND DEVELOPMENT IN TOTAL NIGERIA PLC.

Crude oil was formed from the remains of small marine animals and plants that were buried in the beds of the seas million years ago. The decay of these remains under the layers of overlaying rock formed the liquid known as crude oil from Greek words meaning (rock oil). Crude oil is a complex mixture of hydrocarbons its has no uses in its raw form. Once crude oil has been extracted, it must therefore be transported to a refinery where it is processed. Since the discovery of oil in commercial quantities in 1956, and the oil boom of the 1970s, the oil industry has become the backbone of the Nigerian economy accounting for over 90% of the total foreign exchange and nearly 80% of government revenues.

Souce:http://www.nigeriabusinessinfo.com

Investment and business guide volume 1, No.1 of January 2006 estimates Nigeria's proven oil reserves at 35.2 billion barrels with the majority of oil found in numerous, small producing fields in the swamps of the Niger

delta. Nigeria's crude oil reserves have gravities ranging from 210 API (American petroleum institute) to 450 API; and approximately 65% of crude oil production in the country is light 350 API. The main export crude blends are bonny light (370 API) And forcados (3I0API) with majority of the crude exports destined for markets in the united states, western Europe and more recently Asia, and Latin American.

As a member of OPEC, the global oil cartel, oil production in Nigeria. Fluctuates in line with the cartel's response to world oil supply. Currently daily production is estimated at an average of 2.5 billion barrels per day of which 2.3 billion barrels us crude oil. A number of reforms intended to revive the economy and promote growth in all sectors was subsequently introduced by the obasanjo administration among which was deregulation of the downstream oil sector. The down stream sectors which covers the refining. A petrochemical and transportation area of the oil industry is controlled by government and indigenous operators and is one area in which government has made considerable investment over the years.

Product planning and development is a complex process and requires deep expertise to deliver a robust product. Total Nigeria PLC is ranked as the number one company and pace-setter in the Nigerian downstream industry. The company's insistence on quality products and excellence in its core

business easily distinguished it from the competitors. Total is a joint venture between NNPC and Elf now Totalfinaelf. It produces about 125,000 per barrel a day from twelve onshore and offshore fields.

Total Nigeria PLC has a separate department that deals with the planning and development of its products. The department is located at the head office in Lagos. It works in conjugation with the parent company in Paris. The product development team consist of experienced technical professionals who come together to brainstorm and design the products. Competitive market environments and complex product requirements have made it critical for the company to always improve and to produce world – class products. The product design services include product development activities such as product. Conceptualization, design, features enhancement needs of a product. All petroleum production and exploration is taken under the auspices of joint venture between foreign multinational corporations and the federal government.

Total Nigeria PLC is a leader as well as the symbol of good service in petroleum products marketing in Nigeria. And at the heart of it core value is the company well- known insistence on quality products and the safety of the environment as well as the individual.

2.6 REASONS FOR DEVELOPING NEW PRODUCT.

Every organization whether profit oriented or not exist for the society in which it operates. Garba (2000) asserts that the purpose of an organization is to provide benefit and or value to the society. In essence, the continued relevance of any organization lies in its ability to develop in line with the needs and changes of the society. This is in agreement with the view of Drucker (1975) that product policy is the core of a company's approach to the market place and a determining factor in its overall business strategy while Levitt (1975) opines that since the market place determines whether companies live or die all corporate decisions must be based upon the needs in the market. Therefore, the ever changing consumer needs and the quest by organizations to accommodate and satisfy these needs, demands for development of new product.

Storely (1997) emphasises that in response to these environmental changes organizations must initiate changes, innovations and renewed emphasis in customer orientation to improve their viability. Reaffirming similar view. Lear (1963) sees any organization lacking in product planning and development as still operating on the basis of product orientation which he described as a hang over from an. earlier economy…, and as being a "management by convenience" that ignore the fundamental principle that. Business exist to serve customers efficiently with maximum

accommodation. Also, it could be deduced that companies not involved in product planning and development still depend on Chance occurrence to succeed, which unfortunately no longer holds in today's business environment. Hence, Akadiri, (1999) advised that as long as you live you keep learning how to live. Drucker (1979), in his own contribution said that if the business entrepreneur succeeds it is not by chance it is because the business grew from not only meeting the needs of the future but shaped the future as well. In addition, Levitt (1975) submits that to continue growing companies must ascertain and act on their customers' needs and desires not banking in the prescriptive longevity of their products.

International labour organisation (1984) in Nigeria oil and gas directory 1992 first edition suggest that a new type of material may lead to new product ideas. For example, the properties of synthetic fibres such as nylon, made it technically possible to produce drip-dry shirts, seamless stockings and a variety of other product s which did not exist thirty years ago. Another reason for embracing the development of new product may arise in cases where by the government, decides to subsidise the development of a particular product for the purpose of employment creation.

Intense competition may also be a reason for making new products. Also, there is a drive in many countries to manufacture goods currently imported. However, customers will often not accept a nationality product because they won't believe that it is as good as the foreign product. Beside, the silent revolution that have changed the way things are made and services delivered, coupled with highly educated consumers, demand for organization to be thoroughly customer oriented in order to succeed. According to Yankelorich (1975) market segmentation on the basis of demography is like being product oriented. Therefore, to wither the coast of today's changing and competitive environment and to reap the benefits of market segmentation, accompany must segment on basis of non-demography. He concludes that it is on this basis that companies can constantly develop consumer, influenced new product having understood that these are not dealing with different type of people but with differences in people's values.

Stressing the need for new product Reynolds (1975) suggested the use of what he called" variety strategy" he also reasoned that People have a common characteristic of shifting from one brand to another more or less frequently and that they tend to be attracted to new brands and new products. He submits that the marketing manager will therefore continually bring out new or improved products. Supporting this view, Grazia (1975)

commented on how this has led manufacturers to seek constantly to be innovators and to introduce new products while Ogiluy offered what he called a practical advice which is “Always try to inject news into your headline, because the consumer is always on the lookout for new products or new ways to use and not old product”

Agreeing with this view Levitt (1975) concludes that it is the constant watchfulness for opportunities to apply their technical know-how to the creation of consumer satisfying uses which account for the prodigious out put of successful new products. Also, competition has been a driving force in organizations quest for survival which necessitates new product development. Heller (1980) said” the ultimate aim of business is winning; that is doing better; better than the competitor” while Garba (2000) held similar view that winning in the market place is not determined by internal efficiency alone but by external relevance that is how effectively one serves ones market determining consumer wants, developing and creating appropriate new product to satisfy this wants.

In addition, stressing on the need to use new product development as defensive marketing action to cope with competitive situation, Douglas (1978) using the theory that brands have life cycle held the opinion that the length of this life cycle can be prolonged by clever marketing activity and

carefully timed relaunches or drastically shortened by marketing mistakes or clever new product activity on the part of competitors. Illustrating this with the introduction of brand of “Maxwell house coffee” by General foods which has modern image of the young people coffee, they showed combination of marketing effort, product innovation and packaging improvements to position its image ahead of that of its rivals on most counts. In their view, it is particularly interesting that new product development was partly instrumental in rehabilitating Nescafe’s image. To this, Levitt reaffirmed that because companies sought to out do their competitors, they are always in constant touch with improving on what they are already doing. However, he warned that, focusing on improving the efficiency of getting and making its product not really on improving the generic products is asking for trouble. This comes in similar tone to “don’t automate but obliterate the system or product”

Furthermore, advancements in technology, innovations, information and communication are other strong influences on new product development. Aushen (1975) in what he termed the soft answer” said, in our fast moving technological environment the winners will be those companies with large investment in research and development because out of research and development comes the new product that capture market and generate high returns on investment. In

terms of the “Hard answer” he opined that by resolute probing companies have found opportunity for defining a core idea around which total company effort can be designed to facilitate new product development. This he described in three options.

I. Concept of becoming a creative technological leader.

II. Central idea of becoming an imitator and adapter of successful innovation

III. To become low priced producer.

Reaffirming the essence of technology in the development of new product in relation to a company’s success, Levitt warned, any company that is not aggressively alert to innovative possibilities is taking a competitive risk of which it ought to be intelligently aware and that the quest for innovation particularly in new products, in new product attributes and in customer services is part and parcel of a company being market oriented.

In addition Verhage, et al (1981) asserts that the key to success for most European countries in maintaining their positions in the world market place is a continuous process of innovation and that companies too, realize the importance of technological innovations.

Besides, it is true that technological innovation have revolutionized the way products are made and services delivered in today's business environment. Aushen (1975), observed this that a business devoted to the identification of central ideas and the formulation of strategies for moving swiftly from ideas to operations will differ positively in structure and activity from a business primarily concerned with management of money or physical resources. Corroborating this view Verhage and others, citing the benefits of new product as major contributor to corporate returns, improving firms' competitive position, concludes that no company can afford to ignore the importance of innovation.

On the whole, Levitt summed up that in an age of explosive science, Engineering, market research and rapid consumer acceptance of newness, opposition to innovation is a mark of either naivety or of hopeless blindness.

Another factor which has made the need for new product development very imperative rather than a mere prescription for success is the issue of the changing business environment which has been variously referred to as the emerging new world, the world of globalization.

Concluding on the importance of new product development in the life of any company Scheon opined that there is official enthusiasm for growth, expansion, diversification, progressiveness getting ahead of the competition and maintaining share of the market all backed up by the axiom that those who do not forge ahead fall behind as well as by the Alice in wonderland notion that you must run very hard even to stand still. New product development therefore represents a tremendous investment to a company and most of the responsibility rests with the marketer. Throughout the stages of product development, they must make every effort to converge on existing strengths. A solid understanding of consumer's wants and needs is the key to successful product introduction.

2.7 STRATEGIES APPLICABLE IN NEW PRODUCT DEVELOPMENT.

Based on the highly tensed atmosphere surrounding today's business environment organisations must act purposefully to survive. Akadiri (1999) opined that "As long as you live, you keep learning how to live". Drucker (1975), put it that "If the entrepreneur succeeds is not by chance" It therefore follows that to succeed by chance no longer holds in today's economy but by a deliberate and conscious effort of an organization. Thus,. steward (1994) said a strategic capability model is appropriate when environmental turbulence and uncertainty have become so pervasive that

business success depends on the organization's ability to cope continuously with and manage effectively new, unfamiliar and surprising situations. Confirming the essence of strategies in new product development modes Billie (1984) observed that most successful innovating organizations that have made a constant commitment of resources to new product development have designed a new product strategy that is linked to their strategic planning process.

Studies shows however that in developing new products companies are driven by different purpose and each of this different purpose leads to the adoption of different strategies as will be illustrated by the following;

In analyzing strategies, Ansoff et al (1999) identified. Four strategies which they recognized most companies will or should adopt either separate or a blend of these according to the requirements of their different market or product lines. These strategies are

FIRST TO MARKET

This is based on strong research and development programme, technical leadership and risk-taking. Ansoff and others see it as a risky but rewarding strategy characterised by the followings;

A. Research intensive effort, supported by major development resources.

B. Close down stream coupling in product planning and moderately closed coupling thereafter.

C. High proximity to the state of the art.

D. High research and development investment ratio and

E. A high risk of failure.

Source: corporate strategy; Ansoff (1965)

FOLLOW THE LEADER

This is based on strong development resources and an ability to react quickly as the market starts its growth phase. The strategy implies;

A. Intensive technical efforts.

B. Moderately competitive across the spectrum of relevant technologies

C. Exceptionally rapid response time in new product development and marketing on the basis of finished research.

D. High down stream coupling of research and development with marketing and manufacturing.

E. Superior competitive intelligence.

APPLICATION ENGINEERING

Based on product modification to fit the needs of particular consumers in a mature market. This strategy implies;

A. Substantial product design and engineering resources but no research and little real development.
B. Ready access to product users within customer companies
C. Technically perceptive salesmen and sales engineers who link closely with product designer.
D. Good product line control to prevent costly proliferation.
E. Considerable cost consciousness in deciding what application to develop.
F. An Efficient oriented manufacturing organization.
G. A flair for minimizing development and manufacturing cost by using the same parts or elements in many different applications.

This strategy avoids innovative efforts in the interest of economy, planning is precise, assignments are clear and new technology is introduced cautiously well behind the economy of state of the art and management is product oriented.

ME-TOO.

This strategy is based on superior manufacturing efficiency and cost control. It is distinguished by;

A. No Research and development.

B. Strong manufacturing function -dominating product designs.

C. Strong price and delivery performance.

D. Ability to copy new design, quickly modifying the m only to reduce production cost.

If pursued effectively, this strategy shortens the profitable period after market introduction when leaders margin are most substantial. It requires low overhead and no technical enthusiasm.

. Corey [1975] listed the following product development strategies.

- **DIVERSIFICATION.**

This strategy requires diversifying into new markets and needs consideration of four important factors which Corey stated in question form for managers to ask.

A. Does the market have high growth potential?

B. Is the market currently dominated by large and powerful competitors or is it still possible to claim a large market share so as to enjoy large return on investment than competitors with low market share. In the words of Corey, having large market share enable a company enjoy low unit cost position, support large Research and development effort and exercise some price leadership.

C. Is the market easy or difficult for competitors to enter?

D. How high is the value added by manufacturers and vice-versa. According to him, low value low value added tends to make the product market opportunity less attractive and vice versa.

- **PRODUCT/ MARKET POSITIONING**

According to Corey, selecting market is matter of identifying potential application for some new products, as a result the problem is one of product or market positioning. This requires management to determine what maximizes its advantages and those that minimizes its disadvantage and establishing the product niche based on unique

Performance advantage.

-. **PRODUCT LINE PROLIFERATION**

This strategy he says may be in response to any of the following.

A. An extension of a product line to provide a range of sizes; models or specification each designed for some particular market segments and use as a competitive weapon to fight for market share.

B. Growth in product line, in larger and large unit, as technology permits and market needs of growth. This is often used to achieve overall market leadership, preserving a dominant market share and increased profits.

C. Defence of market position against competitors as a result may suffer a sharp drop in market share or add products to match competitive offerings and suffer a lost in Profits.

Other additions to new product strategies are;

- Variety strategy by Reynolds (1975). In his article, more sense about market segmentation, he opined “that instead of seeking to exploit differences among people, the variety strategy looks on the market as relatively uniform and on people across the country as pretty much the same”.

INNOVATION STRATEGY

In the words of levitt, (1975) this strategy occurs only when something is entirely new, having never been done before. It is research and

development undertaken to create what might be referred to as breakthrough newness.

INNOVATIVE IMITATION

This strategy occurs when other competitors in the same industry subsequently copy the innovator even though it is something new for them. According to Levitt, (1975) this strategy is nothing more than simple design and development. This strategy is adopted by companies where they are self consciously aware, that the possibilities of innovation within their companies are in some important ways limited.

Levitt (1975) has variously termed this strategy “The watchful waiting business strategy” and “The used apple policy” .According to him, a company consciously and carefully adopts this practice of never pioneering a new product. It says in effect, you don’t have to get the first bite on the apple to make out. The second or third juicy bite is good enough. Just be careful not to get the tenth skimpy bite. That is, if the innovators product is rotten apple, the imitator lost nothing, if it is healthy, he is prepared to move quickly and get an early and profitable price of it.

2.8 SYSTEMATIC MODEL/PROCESS OF DEVELOPING A NEW PRODUCT.

So far there has not been any real consensus about superior methodology to develop new products hence, some authors have listed seven stages while others profer eight stages. However, in view of the high failure rate of new products and frequent criticism and rejection of new market offerings, improvement in methodology for new products are clearly needed.

Accordingly, this study has adopted kotter's(1977) ten stages of product development as well as methodology development by terra firma, called the opus-method which corresponds to the first five stages in kotler's list. Douglas and others (1978)

CURRENT MODEL OF THE PRODUCT DEVELOPMENT PROCESS.

[1] Objective, policies development and strategies for new product development.

[2] Category definition.

[3] Idea generation, screening and selection.

[4] Concept development and testing.

[5] Business analysis and review.

[6] Project scheduling

[7] Product development and testing.

[8] Marketing strategy

[9] Test marketing

[10] Commercialisation.

Source;- Strategy and Analysis in Product Development by Taw Turnbull and Tony meenghan Page 61.

THE OPUS –METHOD

A	B
STAGE	SOURCE OF INPUT
Determination of task environment	the firm
Identification of heavy users	the consumers
Generation and analysis of consumer	consumers
Idea generation	creative group
Forecasting	consumers

Source; T.W turnbull and T. Meengham [1978] page 65.

Stage1; DETERMININIG TASK ENVIROMENT

The purpose and resources of any one organization set effective limit to the area of consumer problems that the firm can handle, however; the ability to draw upon its unique competence within the firm's specialization as it relates to the resolution of consumers problem determines both consumer satisfaction and the long term success of the firm, therefore, a firm must select certain segment of the external environment in the following ways;

- The task environment carries out certain type of transaction with it. According to Turnbull and Meengham (1978), the choice of task environment and the type of care and in such a way that the company can learn to handle what it take on. The aim of this stage is to avoid subsequent misfit between the product to be developed and the firm's field of expertise, experience and resource. The objective therefore must be to determine appropriate product categories with the consideration of the following factors;

Analysis of the company's strength, assets and current resources with the aim of finding opportunities (new product) which represent logical diversification on the grounds of their strengths.

How large is the market; what percentage share of the market represent a profitable opportunity for a new product or the minimum percentage below which the expense of developing and launching would not be justified?

What are the trends in the market; is it expanding or declining?

What scope is there for innovation?

What is the nature of the competition?

What difficulties would the company encounter?

What form should the product take?

What should the product do for the user?

Stage 2; CATEGORY IDENTIFICATION

To avoid frequent and serious biased estimate of consumer problems it is advantageous to turn to those consumers who are frequent or heavy users They are most likely to be concerned and capable of communicating those significant and unresolved problems for consumers regarding a certain product category. To estimate the magnitude of actual problems being experience, consumers are asked about the dissatisfactions, draw backs and annoyance associated with buying and using items in the pre-specified product category.

Stage 3; IDEA GENERATION.

To understand what a new product idea is,. Douglas and others [1978] advised that companies define the concept of new products, so that each idea may be classified according to the newness of the suggested product. To this end, they classified product based on the degree to which the product is new for the particular company.

[A] New product which performs new function and concept in the industry or the market.

[B] New Product which is familiar with the market but not yet part of the company‘s product line.

[C] Line Extension. Variation of product already marketed by the company.

[D] Product modification. minor adaptation of existing products with respect to quality style etc.

For a better and increased quality of new product idea, turn bull and Meegham have suggested the following guidelines:

A. Set a definite goal

The availability of an organization’s goal clearly stated facilitates the search for ideas.

B. Development of a systematic procedure to solicit for ideas. This means that the timing for ideas should not be at random.

C. Use as many sources as possible but if you run into a good one stick to it

TECHIQUES AND SOURCES OF IDEAS

Major techniques for sourcing of ideas are as follows :-

Brainstorming, Busy session, Synthetics, attributes listing, Morphological analysis, Delphi methods, etc However companies often use brainstorming more especially as its use is not Confirmed to generating new product ideas but also in solving problems. On the other hand, sources of new product ideas are;

-. **Customers**

They are the starting point based on their need and want. This may be through customer's survey, Projects, Tests etc.

-Competition

This is carried out by watching competitors' products to see what attract customers.

-**The company**.

Through sales force, Dealers, Research and development department, Personnel etc.

-Others

Universities consultant advertising agencies and marketing research firm

-**Technological Research**.

Companies either voluntary or for commercial purposes

SCREENING OF IDEAS

To avoid the risk of failing to introduce a potentially successful new product that offers substantial profit opportunities ideas generated are further screened. According to Tanber (1974) the techniques employed in screening ideas may accomplish this at the risk of reduced odds of introducing innovations. Consequently, he has suggested nine criteria as being important factors in the screening process using a five point scale.

However, for an improved screening process aimed at preventing a GO ERROR, that is the commercialization of products that are not compatible with the firm long term mission and which is doomed to fail or minimize. A DROP ERROR that is the chance that potentially successful new products are eliminated early in the new products development process, the use of evaluation matrix has been suggested by Turnbull and Meengham (1978) this matrix makes use of evaluation factors and factor weights.

The evaluation factors are those variables which the company feels are important for the successful introduction of a new product.

Factor weights on the other hand, indicate the relative importance of each factor.

Each score is arrived at by multiplying each rating with its corresponding weight while the product total score is summation of all the scores. Having obtained product scores for each product, comparison is made to see which product warrant further analysis.

These evaluation matrixes have the following element;

- The total scores may be assigned to different ideas clustering around an average rating
- Possibility of using wrong evaluation factors and weights.

Notwithstanding the above demerits, it has the following over whelming merits

- Forcing managers to rank each product with a common set of weighted factors.
- It is relatively easy to complete and permit new product ideas to be ranked against each other.
- Hence, it is a welcome addition to manager's intuition and business experience.

On the whole, a careful screening exercise enable companies to spot and drop poor ideas early to reduce wasteful cost especially as product

development cost rises at each successive stage of the process. Therefore, it helps managers to avoid good money chasing bad money that is going ahead to launch bad products with the aim of recovering some costs.

Stage4: CONCEPT DEVELOPMENT AND TESTING

This state requires understanding the difference between the following concepts:

- The Company describes a product idea in an objective and functional terms of the product that is in the best way the company can see itself offering the product to the market.
- That the product concept is a subjective consumer meaning that the company tries to build into the product idea.
- That a product image is the subjective picture that consumers actually acquire of the product.

Concept development

Here the marketer's task is to develop product concept alternatives of what the consumer needs from the product ideas. The next step is to evaluate their appeal relative to consumers and choose the best.

Concept Testing

This concept calls for the company to get consumers reactions this can be done through customer's survey, focus group discussion etc.

The consumer's responses enables the company to determine the concept among the several alternatives with the strongest appeal using this appeal the company projects the population size of its target group in order to estimate the tentative volume that would be sufficient.

Stage 5: Business Analysis

Having developed a satisfactory product concept (that is concept development and testing) the company is now in a position of a hardhead analysis of the business attractiveness of the proposal.

Here, the management reviews the future sales, cost and profit estimates to determine whether or not they satisfy the company's objectives. If they do the product concept can be moved to the product development stage. It is suggested that in estimating sales, a useful method is by examining the sales history of similar products and surveying market options. However, at the very least, management should have estimates of minimum and maximum sales to provide some indication of the risk involved.

Stage 6: product development and testing

At this stage the research and development or the engineering department undertakes the development of one or more physical versions of the define product concept. This action will succeed if the following criteria are met;

- The prototype is seen by consumers as successfully embodying the key attributes describe in the product concept statement.

-The prototype performs safely under normal use and conditions.

The prototype can be produced for the budgeted manufacturing costs.

- It is worthy of note, that the prototypes when ready must be put through a series of rigorous functional consumer tests conducted under laboratory and field conditions to ensure that the product performs safely and effectively.

Stage7: Test marketing

For effective test marketing it is advised that:-

- Companies test at least four components of sales trial, first repeat, adoption and frequency of purchase.

- Test market should run only after extensive pre-testing has shown that new product will be a winner.

- Test markets should use a combination of marketing variables.

Companies should use either a multiple city or a single-city depending on financial strength. However, the single-city test may be adopted to reduce both the logistical problems and huge cost associated with multiple-city test

Stage 8: commercialization

The success of test marketing gives a company the green light to launch the new product. Here the company faces its largest cost to date involving building or renting a full scale manufacturing facility, further advertising and marketing programmes.

2.9 REQUIREMENTS FOR EFFECTIVE NEW PRODUCT PERFORMANCE

Companies have been industrious and resourceful to improve on their existing products. However, the successes of new products have been with mixed feelings. In some companies is been a total disaster whereas in others it is a huge success.

Survey reveals that successful new products posses at least one of the following advantages:-

- Highly perceived performance advantage.

This is so because there is no substitute for a genuine performance advantage. No matters how a new product is marketed.

Therefore it is suggested that companies should focus on this advantage for the consumer to be able to recognize this superior quality immediately.

- More versatile and or less versatile.

Making anew product more versatile or just possibly less versatile enhances the originality of new products. This quality succeeds because the consumer is always prepared to replace several products by single one provided the new product adequately performs the job of the product it has replaced. Conversely, consumers are always keen to try new products if they seem to have good reasons for existing and will continue to buy them if they continually outperform the other products in the market.

- Making a product more attractive.

  This offers companies great scope for innovation and originality.

- Being responsive to public attitude.

  This is observing the weaknesses of the competition and using any negative publicity to provide opportunities for new entry with range of products guaranteed to solve the observed weaknesses.

- Sticking to what one is good at.

Observations have shown that companies which already operate in a related field are more likely to make success for new venture because;

A. The product offered will usually be better because the company already has experience of the manufacturing process and problems likely to be encountered.

B. The product will be cheaper because they should be able to utilize some of their existing resources thus effecting overheads and customers.

- Creating an original image.

Some products require at least much original thought in creating an image into the creation of the product itself. Successful companies have used this skill to stand out their products in a class from others.

Summarising the importance of these qualities for the successful performance of a new product. Davidson (1976),in what he called the winning hand, concludes that (A Successful product must display either or all of the following characteristics;

- A significant price and performance advantage.
- Some significant difference from existing. Product

- A new untried idea."

2.10 IMPEDIMENTS TO PRODUCT SUCCESS

Studies carried out so far revealed the following as obstacles to the success of a product:-

- Unreal time presence.

This is a situation where the success of a product by a competitor puts management of other companies in panic and embarrassment followed by aggressive talk and resounding phrases ranging from; we can't let them steal our market, we must do something fast and others. All these result in a crash action and a copy cat brand with no success, failing financially and with little market share.

- Petrified targets

This occur where firms are committed at the onset to bring in certain number of new products thereby sacrificing quality, even when it is clear that only one can be a winner and others marginally.

- Lack of courage by executives.

Executives often find it difficult to say that a brand may not succeed in order to avoid internal company pressures.

- Vested interest

Many failed product eventually saw the light of the day because many of those that have spent time and money. In the project often give it momentum even where the momentum is unrelated to market.

- Arrogance

The world has witnessed cases where it is clear that product development is so expensive and would not succeed yet most companies still go ahead because of their strong brand name hoping it would push them through.

-Absorption in the process

This is a case where management may be so immersed that no time is given to examining necessary facts and forming a view point on whether test market will succeed or not.

-Some companies hardly give product development all the energy and organization it deserves. This is due to the fact that such companies are badly organized.

-Inadequate briefing to outside specialists.

Product development programmes carried out with the help of outside specialists have not always met successful results. This may possibly be that the outside specialist have been misleadingly briefed or wrongly employed

From the foregoing therefore, to survive in this rapidly changing competitive environment a rethink is necessary on the "grey" areas for product planning and development as highlighted above. To this end, Akadiri (This day newspaper of 13th May 1999) offers a resounding food for thought when he says "Quality is cheap because it is priceless as the free gift of God" conversely, poor quality is expensive in terms of rework and driving away customers from making a repeat purchase.

More so, the grave yards of marketing according to Smith (1980), are filled with products that die prematurely. These products failed for many reasons but primarily because there was no need for them. Their marketers failed to perceive correctly the needs and wants of consumers. This is the result of neglecting or failing to implement the marketing concept.

2.11 FACTORS TO BE CONSIDERED IN PRODUCT PLANNING

In developing strategies for its product planning, a producer always considers one or a combination of the following factors as given by Kotter (1997). These are;

Labelling.

The manufacturer is expected to design a unique label for its product. The label is that part of the product which carries information about the product or the seller. Label must be a simple tag attached to the product; it could also be inform of an elaborate graphic design that is part of the package. Usually it carries the brand name and a great deal of useful information about the product or its manufacturer The main purpose of labelling is to provide information about a product , it gives instructions on how to use a product and it also helps in providing promotional assistance.

Branding

According to Kotler (1997) in planning strategy for a product, the producer has to consider the issue of branding because it adds great value to a product. Branding is a term, sign, or symbol design or a combination of all which are intended to identify the goods and services of a manufacturer. It comprises of attribute such as brand mark, brand name, and trade mark and copy rights. Branding is a very important aspect of a product strategy because it adds value to the product Brands protects consumers by assuring them of consistent quality and helps in expanding the product line.

Packaging

Packaging is an important marketing tool in implementing product planning for new or existing product in the market. This is because product entering into the market has to be packaged in an identifiable and unique form to attract prospective buyers and sustain the demand or purchase loyalty of existing customers. Packaging therefore refers to the activity of designing and producing the container or wrapper of a particular product Packaging is one of the marketer's most vital tools for selling. It is the general group of activities in product planning which involves designing and producing the container for a product. Many products have a distinct image in the consumer' mind through their packaging thus creating awareness. Packaging attracts, communicates presents an attractive visual appeal and serves as the vehicle by which the brand of a product is carried through to the consumer.

THE STRENGTH OF THE FIRM

This is also taken into consideration in planning for product. The strength of an organization plays a significant role as far as product planning and development is concerned. The firm's market potential, the firm's sale potential and the profit possibilities of the product all have to be considered to determine whether product planning and development is feasible.

2.12 TOOLS OF PRODUCT PLANNING

In the process of planning its product strategy, a company makes use of various tools in carrying out these functions. There are various dynamics in today's marketing environment and such dynamics requires adequate planning and preparatory arrangements so as to enable the manufacturer to take care of short comings that might arise from these variations.

According to wheel Wright etal (1992) marketing research is a major tool available to a producer in its planning efforts. Marketing research is an important aspect of human life, it gives the true position of information about current changes around the environment where man lives. American marketing association defines marketing research as a systematic way of gathering, recording and analyzing data about problems relating to the marketing of goods and services. Marketing research helps to facilitate the general understanding of the market, its structure and dynamics. It helps to identify marketing opportunities. Assists in the development of products and services designed to take advantage of these opportunities.

Engaging the services of marketing specialists and professionals who will handle the exercise in the most effective and efficient manner.

2.13 IMPORTANCE OF PRODUCT PLANNING

Wheelwright et al (1992) argues that product planning helps to create competitive advantage in several ways.

Some of them include the following;

They hold the views that an entrepreneur needs to plan effectively its product policies so as to be able to offer the best services to its clients and at the same time add value to the product being offered for sale. That the worth of a company depends largely on the kind of services it gives out to its customers and as such proper planning and implementation of product going out to the company enhance self services to customers.

There is the need or desire to gain consumer's affluences. A consumer expresses their loyalty by purchasing product of a particular company. This type of affluence being demonstrated by consumers is an example of market acceptability of a product which can only be achieved through improved planning and development.

Good product planning and development policy enhances the company image in today competitive and dynamic market place. For an organization to gain wider acceptance in the market and for it's products to get the largest market share, the producer need to plan and implement an effective

product planning strategies aimed at positioning the companies developmental programs toward a successful market acceptance.

Product planning and development enhance addition to a company's product line.

Furthermore, product planning and development are two essential tools with which organization empowers it self to get the largest share in a particular market The producer with the largest share makes the largest sales and ultimately gets the biggest profit in return.

Yoram (1982) also point out the need to venture into a new area of business interest coupled with the need to engage in other line of production as an alternative way to show the financial responsibility of a producer. He said that this could be attained through product planning and subsequently developing a new product. The present economic situation of the Nigerian market requires a diversionary approach to marketing as a result of this dynamism. Procedures are expected to regularly diversify production in order to be able to keep up to the challenges.

Manufacturing industries in Nigeria today requires purposeful and adequate planning of its product in order to be able to gain entrance into the complex Nigerian market.

2.14 HISTORICAL BACKGROUND OF TOTAL NIGERIA PLC

Total Nigeria PLC was formerly known as Total final Nigeria PLC. It was incorporated as a private company on 4th June 1956 to market petroleum products in Nigeria. It became total Nigeria Ltd in 1967 and Total Nigeria plc in 1978 after it went public in accordance with the Nigerian Enterprises promotion Decree [1977] with N10,000,000.Share Capital held by Nigerian shareholders and Total S.A[French company] as the principal shareholder. It is today quoted on the Nigeria stock Exchange.

Total Nigeria plc commissioned its first filling station at Herbert Macaulay Street Yaba in Lagos in 1956. The company has since expanded its business through a network of over five hundred retail outlets and corporate customers and organizations that are served through five regions. The regions are west. Mid-western, Eastern, far north and North-central. The company also enjoys bulk storage facilities at Apapa, Ibafon, Kano, Kaduna and Bukuru depots.

Total Nigerian plc with the support of Air total international Paris is well established as one of the major suppliers of Aviation fuel to the Aviation industry in Nigeria. Total is currently one of the two largest suppliers of Jet A1 fuel in Nigeria today, offering excellent fuelling services at Lagos, Kano, Abuja and Port Harcourt Airports.

In order to maintain and consolidate its unique position in the oil industry, the company has invested in the establishment of three lubricants blending plants at koko in delta state. Another at Kaduna and Apapa in Lagos state. It has also invested in the bottling of liquefied petroleum Gas. Total Nigeria liquefied petroleum gas is now in popular demand in many homes and industrial concerns in the country. The company has ten LPG bottling plants strategically located in different parts of the country with a coastal storage in Apapa Lagos. The company has well over 50 employees who are its most vital resources. A cordial management and staff relationship has been maintained. Over the years through progressive welfare schemes- a vital factor in enhancing and sustaining employee's efficiency, morale and productivity. At the heart of the Total core value is the group's well-known insistence on quality products and the safety of the environment as well as the individual. In all Total subsidiaries, considerable resources are employed in maintaining the group's international culture in these areas.

Total Nigeria PLC is a leader as well as the symbol of good service in petroleum products marketing in Nigeria. The company maintains excellent corporate relations with the general public and investor's confidence in its performance is tremendous. This is clearly depicted by the pricing of the share of the company in the trading market at the Nigerian stock Exchange. The company stock is the most sought after in the petroleum marketing sector and in the Nigerian stock Exchange at large.

In September 2001, following the offshore merger of Total SA France and Elf Aquitaine, Total Nigeria PLC and Elf oil Nigeria limited went into corporate fusion and the company later changed its name from the erstwhile Totalfinaelf to Total Nigeria plc. Besides bringing over a hundred network outlets into the merger, Elf oil also injected the company with a new dynamism which blended well with the marketing know-how, experience and stability of the old total.

Total Nigeria PLC marked its 50^{th} years of continuous business operations in Nigeria on the 1^{st} of April 2006.Ranked as the number one company and pace- setter in the Nigerian down stream industry. Total has indeed come of age.

Total Nigeria Plc is managed and run by a team of highly experienced and skilled top management personnel ably supported by an equally esteemed board of directors. As the market leader in the down stream petroleum industry in the country, Total Nigeria Plc's offices are strategically located across the country to provide top quality service to meet customer's needs. The company has been a partner from the very start in the development of oil and gas in Nigeria carrying both upstream and downstream activities. Total various stakes in Nigerian projects reflect it long –term commitment to sustainable development of the country's economy, infrastructure and communities.

Total upstream has been serving the Nigerian hydrocarbons industry for nearly half a century in partnership with the Nigerian government and in different equity associations with other private companies. The company is the country's fourth largest oil and gas producer through its involvement in more than fifty permits including nine as operator.

Source- http://www.ng.total.com

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CHAPTER THREE

3.0 RESEARCH METHODOLOGY

This Chapter gives a description of the population and area of study. It also outlines the technique and instruments used for the conduct of the research. In addition, the methods of data collection and analysis which were used are highlighted in this chapter.

3.1 POPULATION OF THE STUDY

A population is said to be made up of conceivable elements, subjects or observations relating to a particular phenomena of interest to the researcher. For the purpose of this study, the population comprises of the public, staff and dealers of Total Nigeria plc within Abuja, Kaduna and Lagos cutting across their departments, ages, occupation and usage of the product.

3.2 LOCATION OF STUDY

This study was carried out essentially in Federal Capital Territory, Kaduna and Lagos state. These states were chosen because of their commercial and industrial significance.

3.3 RESEARCH DESIGN

According to Nnamdi Asika (1991; 27) research design "is the structuring of investigation aimed at identifying variables and their relationship to one another" Research design is the specification of methods and procedures for acquiring the information needed to structure or to solve a problem. It is an outline or a scheme that serves as useful guide to the researcher in his efforts to generate data for his study for the purpose of this study, descriptive method of research design is used.

3.4. SAMPLE SIZE

It is not possible to sample the entire target population as a whole, therefore there is a need to choose a sample size that will equally. Adequately represent every component of the total population targeted by the researcher. The sample size chosen for this research work is 90. This is because it represents a fraction of the total population being sampled. However, the distribution of the population before arriving at this number is as follows;

Top management staff	15
Middle and low cadre staff	16
Engineers and statesmen	9
Customers and suppliers	30
General public	20

Total	90

3.5. SAMPLING TECHNIQUE

For the purpose of this study, a cluster random sampling procedure was used bearing in mind the nature of business operated by the company. The selection was limited to all individuals concerned or directly involved in petroleum marketing and distributions only but giving every member selected an equal chance of being picked on the basis of patronage, profit, sales and the company's effect on them. It is important to note that sample size and procedure gives a likely representation of what is likely to be the opinion of the entire target on the subject matter.

3.6. METHOD OF DATA COLLECTION

Data was collected for this research by means of direct observation using a questionnaire which is the primary source for the study. This approach is directed to wards testing the validity of the research hypothesis.

Data was also sourced indirectly from the company's profile report, annual report, previous sales report, and other relevant publication which is the secondary source.

Close ended questionnaires was also administered to sample opinions of all cadres of staff suppliers and cadres of staff supplies and customers. Questionnaires were read and explained to those who cannot read or knowledgeable to comprehend the questions.

3.7. RESEARCH INSTRUMENT

This research is descriptive research by design. Being descriptive, it attempts to measure the phenomena of interest as they exist naturally. Both the dependent variable (product planning and development) and the independent variable (competitive strategy) are examined and established.

Being descriptive in nature the research adopts a case study technique. This is uniquely suited to the research problem – product planning and development as it affects a company's overall sales and put the company at an edge over its competitors.

Two sets of questionnaires are used in this study; one captured the staff and the other captured customers, suppliers and the general public. However, close ended questions are used for both that is 11 sets of questions for the staff and 7 sets of questions for others. The choice of questions for the staff are quite different and more professional knowing the fact that they are in a position to give qualitative and professional answers to suit the purpose of the study while the questions sets for others that is customers, suppliers and

general public are questions poised to get an unbiased response at their level to the problem under study.

3.8. METHOD OF DATA ANALYSIS

Data obtained was analyzed by simple categorization. That is identifying the categories to which each questions of the questionnaire belong to, in the original research hypothesis. In addition, statistical test of each question and responses are carried out by employing the use of frequency distribution table and simple percentage.

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CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.0 INTRODUCTION.

This chapter deals with the presentation and analysis of data collected. This chapter contains presentation of data, analysis of data, the test for hypothesis and the findings. Ninety questionnaires were distributed to the respondents, Fifty for category A and forty for category B. All the ninety questionnaires were retrieved, collated and analyzed so as to help in finding and examining product planning and development as a competitive strategy in Total Nigeria plc.

It is important to say that these questionnaires were distributed to respondents on the basis of market segmentation and territory alignment as directed by Total Policy. The questions were basically on establishing the fact that product planning and development helps in putting oil industries on competitive edge over their counterparts and improves their profit growth.

4.1 PRESENTATION OF DATA AND ANALYSIS OF DATA

Table 4.1 to 4.12 covers category A of the questionnaires while table 4.13 to 4.18 covers category B.

Table 4.1: Showing frequency distribution of respondent's length of service.

Length of service	Number	Relative Frequency
1-5 years	05	13%
5-10 years	09	23%
10-15 years	11	27%
15 years and above	15	37%
Total	40	100%

Source: Survey data

From the table above, employees with 15 years experience and above represents 37% of the total respondents while people with 10-15 years experience represents 27%. This is an indication that the proportion of people who had worked for a long period of time was sampled, hence, good judgment and correct history details of the organization were collected. The positions currently being held by respondents in the organization were also examined.

Table 4.2: shows the frequency distribution of respondents by position.

Position Held	Number	Relative frequency
Admin| Managerial	10	25%
Technical| service support	07	18%
Professional & consultancy	03	7%
Marketing	20	50%
Total	40	100%

Source: survey data

From the table, 50% which represents the highest percentage in the distribution of respondents were from marketing while 25% came from Admin. / Managerial units. This implies that policies and procedure of the organization will be directed towards aggressive marketing, product planning and development, judging by the calibre and profession of people who dominates the organization.

Another question being asked was to know the motivating factor for product planning and development. The responses are shown below:

Table 4.3: shows the motivating factor for product planning and development in total Nigeria plc.

Response	Number	Relative frequency
Survival	7	18%
Growth /development	13	33%
For sustenance	5	12%
For competition	15	37%
Total	40	100%

Source: survey data

From the table above, 15 people representing 37% of the total respondents claimed that product planning and development is motivated by competition. That is, either to create competition or to discover competition. However, a reasonable percentage 33% also believed that product planning and development is principally motivation because of the need for growth and development.

Also, the extent to which product planning and development has helped total Nigeria plc to withstand stiff competition was reviewed.

Table 4.4: shows the frequency (response) by which product planning and development has helped total Nigeria plc especially to withstand stiff competition and survive in a depressed economy.

Response	Number	Relative frequency
Great impact	20	50%
Low impact	04	10%
Fairly	10	25%
Indifferent	6	15%
Total	40	100%

Source: survey data.

From the above table, 50% of the total respondents agreed that product planning and development has a great impact on total Nigeria plc especially to withstand competition. 25% also said that it only has a fair impact on the organization. 10% and 15% respectively said it has low impact and were indifferent to the stand point. The implication of this is that product planning and development gives immense contribution to the area of competition and rivalry. Another question asked from the respondents was whether or not they believe that product planning and development leads to

stiff competition among companies which can hinder their control of the market share?

Table 4.5: shows whether the respondents believe that product planning and development leads to stiff competition among various companies leading to loss of control of the market share.

Response	Number	Relative frequency
Not believed	25	62%
Strongly believed	7	18%
Indifferent	8	20%
Total	40	100%

Source: survey data.

The table above shows that 62% of the respondents didn't believe in the above question while 18% said they believe in the question. However 20% of the respondent's populations were in different to the question. The implication of this is that product planning and development actually is not responsible for the stiff competition among companies which lead to loss of control of the market share held by the organization. The effect (impact) of poor planning and development on the growth of total Nigeria plc was also examined as demonstrated below

Table 4.6: shows the effect of poor product planning and development on the growth of total Nigeria plc.

Response	Number	Relative frequency
serious effect	20	50%
No serious effect	03	7%
No serious effect at all	05	13%
Indifferent	12	30%
Total	120	100%

Source: survey data

From the figures given above, 50% of the respondents agreed that poor product planning and development has a serious effect on product planning and development.

7% each said there is no serious effect or that there is no effect at all, while 30% did not answer the question asked. This is an indication that poor planning of product and its development can cause a serious effect on the organization.

The percentage of the market share controlled by total Nigeria plc was reviewed to establish the importance and effect of product planning and development on its various brands.

Table 4.7: Shows the frequency distribution of respondent's view on the percentage share controlled by total Nigeria plc as a result of the implementation of its product planning and developmental policies.

Response	Number	Relative frequency
10-20%	06	15%
30-40%	05	13%
50-60%	10	25%
70-80%	15	37%
90-100%	04	10%
Total	40	100%

Source: survey data.

From the above, 37% of the total respondents said that total control larger market share while 25% said it controls 50-60% of the market share. 15% said it control 10-20% while 13% said it control 30-40% and 10% said it control 90-100%.

The implication of this statement is that total control 70-80% of the market share and this can be attributed to the effect of the product planning and development.

Another question asked is whether product planning and development enables total Nigeria plc to have larger market share.

Table 4.8: shows the frequency distribution by which total Nigeria plc changes its product.

Response	Number	Relative frequency
Frequently	03	8%
Yearly	07	17%
Once in a while	18	45%
Not at all	12	30%
Total	40	100%

Source: survey data

From the table above, 45% of the total respondents said that total Nigeria plc only changes its product once in a while, 30% said total Nigeria plc do

not change its product at all while 17% and 8% said total Nigeria plc changes its product yearly and frequently respectively.

The implication of this statistical figure is that total Nigeria plc only changes its product once in a while going by 45% who responded in affirmative.

The type and nature of product planning and development strategies adopted by total Nigeria plc was also reviewed to establish its effectiveness in the organization.

Table 4.9: shows the frequency distribution of respondents on the type and nature of product planning and developmental strategies engaged by total Nigeria plc.

Response (type of strategy)	Number of Respondent	Relative frequency
Pricing strategy	14	33%
Promotional strategy	10	24%
Physical distribution	13	33%
Market segmentation	04	10%
Total	40	100%

Source: survey data.

From the table given above, 33% each said Total Nigeria Plc used pricing strategy and physical distribution strategy while 24% said it used promotional strategy and 10% said it used market segmentation. The implication of these figures is that the company employs pricing strategy to lure customers and promotional strategy to encourage more customers. The use of promotional mix was also reviewed to establish its relevance in creating awareness and persuasion.

Table 4.10: shows which of the promotional mix mostly used by Total Nigeria Plc to create awareness and persuasions.

Response	Number of Respondents	Relative Frequency
Advertising	03	7%
Sales promotion	13	33%
Personal selling	17	43%
Public relation And publicity	07	17%
Total	40	100%

Source: survey data

From the distribution given above, 43% agreed to personal selling, 33% said sales promotion, while 17% said public relations and publicity and only 7% said advertising. It can be inferred that personal selling and sales promotions are two main promotional mix used by Total Nigeria Plc to create awareness and persuasion.

The respondents were asked whether they believe that product planning and development brings about increase in sales volume of Total Nigeria Plc.

Table 4.11: Shows the frequency distribution of respondents on whether product planning and development brings about increase in the sales volume of the organization.

Response	number	Relative frequency
Strongly believed	25	63%
Not believed	10	25%
No comment	05	12%
Total	40	100%

Source: survey data

From the data above, 63% of the respondents said they strongly believed that product planning and development brings about an increase in the sales volume of total Nigeria Plc, 25% said they did not believe 12% did not respond to the question. The conclusion here is that product planning and development actually leads to increase in the sales volume of Total Nigeria Plc.

The use of constant product planning and development as an aid to increase the product mix of Total Nigeria Plc and improve its turnover was also examined.

The factor affecting product planning and development in Total Nigeria Plc were assessed:

Table 4.12; shows the frequency distribution of factors affecting product planning and development in Total Nigeria plc.

Response	Number of respondents	Relative frequency
Financial	04	10%
Administrative	02	5%
Political/Government relations	08	20%
Socio-economic	20	50%
Location/proximity	06	15%
Total	40	100%

Source: survey data

From the table above, 50% of the respondents said socio-economic factor is the major problem militating against product planning and development in Total Nigeria Plc. 15% said it is location and proximity problem, 10% said it is financial related problem and 20% said it is political or government relation's factor while 5% said it is strictly administrative problem.

It can be inferred that the major factor militating against product planning and development in Total Nigeria Plc are multi-faceted that is economic factor, poor market economy, government policies, competitive environment, etc.

Table 4.13: shows the main supplies of petroleum product to customers and general public

Response	Number of respondents	Relative frequency
Total	25	60%
Agip	5	10%
Mobil	10	20%
Shell/others	5	4%
Total	50	100%

Source: survey data

From the table above, a reasonable percentage, that is 60% representing 25 people depend on Total Nigeria Plc for the supply of their petroleum products.

This is an indication that most users of petroleum products are Total Nigeria Plc customers.

Table 4.14 shows reasons for the choice of Total products by customers.

Response	Number of respondents	Relative frequency
Prices are affordable	10	20%
Products are accessible	0	0%
Quality	35	70%
Packaging, advertisement and promotion	5	10%
Total	50	100%

Source: survey data

A significant number that is 35 representing 70% of the general public and customers based their choice for Total products on quality while prices, product accessibility and packaging, Advertisement and promotion are less critical to them.

Table 15: show the selling methods that have helped total to improve their product sales.

Response	Number of respondents	Relative frequency
Advertisement	7	14%
Sales promotion	13	26%
Personal selling	22	44%
Public relation and publicity	8	16%
Total	50	100%

Source: survey data

From the distribution given above, 44% agreed to personal selling, 26% preferred sales promotion while 16% agreed to public relations and publicity. Only 14%preffered advertising. However, it can be inferred that personal selling and sales promotions are the two main selling mix used by Total to sell its products and these have so far helped the organization.

Table 4.16: shows the frequency distribution of factor affecting the performance of total Nigeria plc products in the market.

Response	Number of respondents	Relative frequency
Financial	5	10%
Marketing	7	14%
Political/Govt.	12	24%
Location	9	18%
Socio-economic	17	34%
Total	50	100%

Form the table above, 34% of the respondents chose socio-economic factors as the major problem militating against product planning and development. 18% said it is location and proximity, 10% said it is financial related problems while 24% said, it is political cum government factor.

It can be inferred that the major factor militating against product planning and development in Total are multi-faceted.

Table 4.17: shows customer's response to determine if total product goes through planning before being sold.

Response	Number of respondents	Relative frequency
Strongly believed	30	60%
Not believed	03	6%
Likely	10	20%
No comment	07	14%
Total	50	100%

Source: survey data

From the table above, 60% of the respondents (representing the highest group) strongly believed that Total Nigeria Plc's products always pass through thorough planning before being sold while the lowest group representing 6% of the respondents does not share this view.

Table 4.18: shows weather customers believe that product planning and development affects the market share of Total oil in the industry.

Response	Number of respondents	Relative frequency
Believed	35	70%
Not believed	10	10%
Indifferent	05	10%
Total	50	100%

Source: survey data

The table above shows that 70% of the Total respondents agreed that the implementation of product planning and development enables Total Nigeria Plc to have a larger market share in the oil industry.

4.2 TESTING FOR HYPOTHESIS

In view of the foregoing analysis of data and discussions of findings it is imperative at this stage to stamp the validity of the hypothesis of this research.

This is to prove weather to accept or reject the earlier hypothesis formulated based on the information collected using the simple percentage method.

4.2.1 Hypothesis one states that “product planning and development enhances business growth and prolong the product life span in a competitive environment”. This has been proved right with the aid of table 4.4 and 4.5. It is clear from the high percentage ranking or respondents who strongly believe that product planning and development has great impact on Total Nigeria Plc to withstand competition.

4.2.2 Hypothesis two states that “product planning and development do not enhance business growth and prolong product life span in a competitive environment” Analysis of question 5 and 18 established this fact given the high percentage ranking of respondents who did not believe that product planning and development encourages or promotes stiff competition which could lead to loss control of shares held by the company. While table 4.18 further proved that product planning and development do affect market share of total oil in the industry considering the high percentage of respondents (70%) who

believed compares to 10% who did not believe such. Thus, all the assumptions of this research have been proved to be true.

4.3 FINDINGS

Product planning and development increases the profit, market share and the reputation of the company. We also find out that in trying to reap these benefits, the company is consciously or unconsciously benefiting from the economy in which it finds itself as well as increasing the number of customers that are loyal to their products.

More so, Total Nigerian Plc offers a variety of product to the market. These product exhibits different features, style, quality, size etc.

Total Nigeria Plc embarks on feasibility and viability studies before embarking on product planning and development plan.

CHAPTER FIVE

SUMMARY

The first chapter dealt with the introduction, statement of the problem, hypothesis, and objectives of the study and significance of the study, scope and limitations of the study as well as definition of terms.

In chapter two, literatures available on the subject matter of the project were reviewed giving the historical background of the company chosen as the case study. Here, the concept, scope, content and development were highlighted the philosophy behind the product planning and development as related to the oil industries were equally mentioned.

Chapter three dealt with the research methodology. It comprised of the general methods and processes of data collection, statement of research instrument, sample size and method of data analysis and interpretation of the data collected were also done. Questionnaires are used as the data analysis techniques for this research work.

The fourth chapter dealt with data presentation, analysis and the findings. In this chapter, the analysis was mainly based on the various responses gathered from the customers, dealers of the organization's products and management staff of the organization under study. This is done through the

use of questionnaires and the data are presented in tabular form, then the findings follows which covers the areas of data being analyzed. The hypothesis earlier stated in chapter one was tested and the two hypotheses were accepted.

CONCLUSION

Total Nigeria Plc's products are no doubt one of the leaders in the Nigerian oil market, competing with different brand in the market, it engages in an integrated marketing concept. This research found out that 98% of consumers are aware of the company products. Based on this research work, various inferences were drawn on the facts and figures available firstly, that product planning actually aids the development of new products and that products development places the company in a better position in the market over its competitor. Secondly, product planning and development improves the overall objectives of the organization by increasing sales volume, thus enhancing the growth of the business. Thirdly, adequate planning and development of good product position the organization towards having future development and potentials to increase the company's growth.

More so, the company should not deviate from its set standard it must maintain its high quality control measure. Their products are no doubt of high standard and very attractive and demanding in the Nigeria market.

However, the company needs to continue to sharpen her marketing strategies to exploit the market to the fullest, goods monitoring and reshaping of her marketing mix to synchronise with the changing in the marketing environment.

RECOMMENDATION

In view of the research findings and subsequent conclusions drawn from facts and figures available, the following are the recommendations of this work to further improve the performance of the organisation.

Change the name of brands as a result of stiff competitions. Competitors would want to bring down the name already built by the organization therefore, there is every tendency that imitation of the company's products bearing similar name but of inferior quality might be produced. Hence, the change of names of the company's product might solve this problem of imitation.

Introduce new products more often to stay ahead of competition, products of either close substitute, complementary function, joint or composite utilization, so as to attract more customers who are always looking out for changes or varieties.

Continuous development of technical knows – how in the production and distribution process of Total Nigeria Plc is advised here in order to take care of globalization of the world economy and benchmark international organizations.

Improvement on existing product line to offer more advantage or usefulness to loyal customers, who are ready to continue with purchase, irrespective of the attractive offers made by competitors.

The organisation has already created a landmark and made a big name in the petroleum marketing sector. However, there is still need to do more of advertisement and promotion campaign on how to enforce authority over competition. Bill boards bearing the company products should be located at strategic places and the use of souvenirs could be useful.

The company has a good network of distribution. However, it should devise method of checking the excesses of her dealers some of them tend to

make the distribution of the company product difficult for consumers so as a result, their causes artificial scarcity and sale the product in the black market at a very exorbitant price.

The trend in the total market should be monitored, and evaluation of market share they hold should take place periodically to examine the level of stability in order to enhance positive impact on the company's growth.

Market evaluation is deem necessary because of the Nigeria business environment of today is turbulent and unstable condition prevails.

The company should put in place a rapid response team or seasoned professionals with sense of direction towards satisfying customers quest for business excellence and growth.

Total staff should be properly trained to face the challenges ahead.

I also recommend that Total Nigeria Plc should monitor customers satisfaction with the services provided on a continuous basis. This could be done through the use of suggestion box or questionnaires for customers to fill, suggesting ways which the company can improve it services.

Furthermore, product planning and development should be a continuous process so as to enable the company to cope with changes in technology

and the competitive environment. It should be well conceived and structured with the company's marketing strategy and objectives in mind so as to ensure a high probability of improving productivity and other goals that are set in the programme.

Variable such as educational background, age, religion, life style and social influences of the target audience need to be considered in deciding what product would be best for them and an appealing way to send the message across.

In developing or expanding the market coverage, the company should focus on positioning its target market by a clear definition, supervision and monitoring of all mercenaries put in place to get the largest vote of the market share.

The activities of black marketers should be seriously monitored and checked.

Finally, removal of administrative adhocs and bureaucratic bottlenecks which hinders smooth customer's satisfaction at all level of operations is advised.

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APPENDIX ONE

Department of Business

Administration

Ahmadu Bello University

Zaria.

Dear sir/ Madam,

REQUEST FOR COMPLETION OF A QUESTIONNAIRE

I am Yahaya Abu an M. B. A. Student in Ahmadu Bello University Zaria, I'm conducting a research on an evaluation of the use of product planning and development as a competitive strategy in Total Nigeria Plc.

The purpose of this questionnaire is to help the researcher gather the necessary information to be used in analyzing the impact of the subject matter.

Any information given by you will be utilized for this research and therefore be treated with utmost confidentiality.

Thank you

Yours faithfully,

Yahaya Abu

QUESTIONNAIRES

STAFF

Instruction: Please tick the correct answer

1. How long have you been with this organization?

A. 1-5 Years

B. 5-10years

C. 10-15years

D. 15-years and above

2. What section or department do you work

A. Administrativr/Manegerial

B. Technical/ service support.

C. Professional and consultancy

D. Marketing

3. What are the motivating factor for product planning and development in your organization?

A. Survival

B. Growth and Development

C. Sustenance

D. Competition

4. Do you believe that product planning and development results in stiff competition among major oil marketers which reduces the control of market shares?

A. Strongly believed

B. Not believed

C. Indifferent

D. None.

5. How serious is the effect of poor planning and development on the growth of organization?

A. Serious effect

B. Not serious effect

C. No effect at all

D. Indifferent

6. What percentage of market share does your organization controls?

A 10 -20%

B 30 -50%

C 60 -70%

D 80 -100%

7. How often does your organization changes its product?

B. frequently

C. often

D. rarely

8. What is the type and nature of product planning and development strategies that your company adopts?

a. product strategy

b. pricing strategy

c. promotional strategy

d. physical distribution strategy

e. market segmentation strategy

9. Which of the following promotional mix does your organization use to create awareness and persuasion?

A. advertising

B. sales promotion

C. personal selling

D. public relation and publicity

10. Do you believe that product planning and development brings about increase in sales volume of total Nigeria plc?

A. strongly believed

B. not believed

C. no comment

11. What are the factors that affect product planning and development in Total Nigeria Plc?

A. financial

B. administration

C. political/government relation factor

D. socio-cultural

E. location and proximity

APPENDIX TWO

Department of Business

Administration

Ahmadu Bello University

Zaria.

Dear sir/ Madam,

REQUEST FOR COMPLETION OF A QUESTIONNAIRE

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Thank you

Yours faithfully,

Yahaya Abu

DEALERS/CONSUMERS

Instruction: please tick the correct answer.

1. Which company is your main supplier of petroleum product?

A. Total Nigeria Plc

B. Mobile

C. Texaco

D. Oando Plc

2. Why did you make the above choice?

A. prices are affordable

B. products are accessible

C. quality

D. packaging, advertisement and promotion

3. Which of the following selling methods do you think has helped Total Nigeria Plc to improve product sales?

A. Advertisement

B. sales promotion

C. personal selling

D. public relation and publicity

4. What factors do you think have affected the performance of Total product most in the market?

A. financial

B. marketing

C. political/ government

D. Location

E. quality

5. Do you believe that Total Nigeria plc products go through thorough planning before being sold?

A. strongly believed

B. not believe

C. likely

D. no comment

6. How do you assess the performance of Total Nigeria plc with other competitors?

A. the ultimate

B. just like other competitors

C. cannot tell

D. not good enough

7. Do you believe that product planning and development affect the market share of Total products in the industry?

A. believed

B. Not believed

C. indifferent

APPENDIX THREE

CRITERA USED FOR EVALUATION OF NEW PRODUCT IDEAS

	Mean score .
1. Return on investment	4.682.
2. Market size	4.42
3. Expected market growth	4.40
4. Positioning	4.32
5. Estimated market share	4.28
6. Contribution to over all profit	4.26
7. Compatibility with present product line	4.13
8. Top management opinion	4.07
9. Market research finding	4.03

Source; Turnbull and Meengham (1978) page 80

APPENDIX FOUR

PRODUCT VALUATION MATRIX FOR A NEW PRODUCT.

Evaluation factors

A - Relative weight

B - Product Rating

C - Score.

		0	1	2	3	4	5	6	7	8	9	10
Positioning	.15									x		.12
Marketing size	.20						x					.10
Estimated market share	.10							x				.06
Expected market growth.	05					x						.02
Compatibility with Existing product	.05									x		.04
Contribution to overall profit	.10						x					.05
Environmental compatibility	.05									x		.04
Recycling potential	.05										x	.175
Return on Investment	.25									x		.650

Rating Scale.

% 0 – 40 poor

41- 75 fair

79-100 Good