EFFECTIVE MARKETING OF SMALL AND MEDIUM SCALE ENTERPRISES (SMES): A CASE STUDY OF SELECTED SMALL AND MEDIUM SCALE BUSINESS IN ZARIA METROPOLIS

BY

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MBA/ADMIN/00367/1993 - 94

A PROJECT SUBMITTED TO THE POSTGRADUATE SCHOOL, AHMADU BELLO UNIVERSITY, ZARIA IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER DEGREE IN BUSINESS ADMINISTRATION (MBA)

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AHMADU BELLO UNIVERSITY, ZARIA

AUGUST, 2000

DECLARATION

I hereby declare that this thesis has been written by me, and that it is a record of my own primary research work. It has not been presented in any previous application for a higher degree. All quotations and sources of information as seen in this thesis are specifically acknowledged by means of the given references.

A. F. OLORUNTIMILEHIN

.....

NAME AND SIGNATURE

30 Aug 2000

DATE

DEDICATION

This research work is dedicated to my parents.

ACKNOWLEDGEMENT

A great many people contributed directly or indirectly to the successful completion of this work. To of them, I am very thankful.

My profound appreciation goes to my project supervisor, Mr. A.B. Akpan for his useful advice.

To my course mates, I say thank you all.

ABSTRACT

This research project is primarily concerned with the analysis of an Effective Marketing of Small and Medium Scale Enterprises in Zaria Metropolis. The major objectives of the study was to examine thoroughly and determine how effective marketing and marketing elements have been applied by the Small and Medium Enterprises in Zaria and to identify as well the various marketing techniques used by the SMEs under study.

In order to facilitate the research work, data were collected from both primary and secondary sources. Data from the questionnaires formed the primary sources of this study while data from the review of related literature formed sources of secondary data. In addition, personal interviews and general observations also formed part of the study as a source of information. The selected Small and Medium Scale Enterprise studied includes annadeen Stores, MANDEY Business Centre and Brisco Restaurant.

The project work was carried out under five chapters. Chapter one centred mainly on the introductory aspect of the project covering the background information, statement of the problem, objective of the study, significance of the study, the research hypothesis, scope of the study, limitations of the study and the research methodology.

Chapter two of this work mainly concerned itself with the review of related literature. Chapter three covered the methodology of the Study while in chapter four, data collected were presented and analysed in a tabular form using percentages. Finally, in chapter five, a summary of the study was given and conclusions drawn. Based on findings, commendations were given.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND INFORMATION

In every highly industrialized society, the degree of competition between one manufacturer and another is often such that only the most economic methods of production will ensure survival. To achieve this required economy of production, high volume output is essential. To maintain high volume output, one obviously needs high volume sales. This constant demand for sales can only be met if the selling side of the organization is able to continue to obtain repeat orders from its existing customers and can gain new customers to replace those who, for a variety of reasons, may cease to use the products.

To make a profit, it is necessary to achieve a Sale and to achieve a sale, it is necessary to find a customer. It follows, therefore, that the creation of customers, rather than the creation of product, is the point from which the manufacturer must set out his quest for a profit. This is where marketing comes in to play its desired role.

Small and Medium Scale Enterprises (SMEs) have enormous contributions to the economic development of any nation. To this effect, both material and human resources have been directed in recent times towards the establishment, development

and growth of small and medium scale enterprises by both the Local, State and Federal Governments.

Prior to these Developments, the Nigerian economy had predominantly been agrarian with the related agricultural productions forming the core of the national economy. However, without the complementary industrial base, the produce were purely export oriented.

The succeeding era of oil boom ultimately reduced and discouraged the initial inclination towards agriculture and invariably a total decline from that sector.

The nation drifted away and the need for industrialization and self reliance became apparent. This informed the sudden change for industrialization which led to the various measures taken by the government towards ensuring a successful transformation from a dependent to an industrial economically viable nation. Hence, the establishment of various capital projects such as the Iron and Steel Industry, Oil Refineries, Liquified Gas Project, Petrochemical Plants, Fertilizer Companies, among others. Some of these industries are aimed at producing raw materials for other industries both small and big.

The establishment of Small/Medium Scale Industries Credit Scheme fund and the National Directorate for Employment were pointers to the good intention of the government towards the promotion and development of Small/Medium Scale

Enterprises in Nigeria, through which entrepreneurs source their projects/schemes. It is due to the full recognition of the fact that there are relevance of marketing small and medium scale enterprises that the researcher undertake this work which set out to investigate the important technique or strategies and the extent by which small enterprises in developing countries such as Nigeria has imbibed the method to achieve efficient and effective small and medium scale enterprises.

1.2 STATEMENT OF THE PROBLEM

There are so many problems facing Small and Medium Scale enterprises in Nigeria. From recent happenings, one can decipher that these problems have been preventing Small/Mediumm Scale enterprises from optimizing its goals of earning sufficient foreign exchange which enhances the per capita income and national reserve of the country.

Though we can see the fast changing economic, political and social climate in the country, every state wants to succeed, to be heard, and to be seen to be involved in one reasonable thing or another in order to succeed. However, the following problems still deter the progress of Small and Medium Scale enterprises in Nigeria:

1. Many Small/medium businesses cannot compete with large businesses because they required competitive capital are beyond their financial capabilities.

2. The environment of the small/medium scale marketing are constantly changing and this is caused by changing standard of living and increasing competition. Unfortunately the rapid development of any economy must start with the development of its small and medium scale enterprises. The rapidly increasing changes in market are creating opportunities for some firms and threats for others. These dynamic influences are basically altering the competitiveness of small and medium scale enterprises considered, for example, the impact of technological changes, double digit inflation rates upon the markets, shortage of raw materials and the high interest rates charged by banks. How then can the small and medium scale enterprises compete profitably and grow?

We need only to look at the 1970s to appreciate the importance of the understanding markets for products and services and the need for prompt responses to the changing needs and wants of customers. What then are the strategic marketing decisions that management must make in small and medium scale enterprises in order to satisfy customer needs profitably

In addition, various raw materials shortages, rapidly escalating costs, government regulations and technological breakthroughs have presented both opportunities and threats to small and medium scale enterprises. Unfortunately, small scale marketing appear to be a forgotten child of the present discipline of marketing.

In view of their financial constraints, what then are the strategic options opened to small and medium scale enterprises?

1.3 PURPOSE OF THE STUDY

The objectives of this study is to find out the relevance of marketing in small and medium scale enterprises in an attempt to satisfy their customers. Specifically, the study aims at:

1. identifying reasons why most small and medium scale businesses fail;

2. identifying the Various marketing strategies employed by small and medium scale enterprises to reach and maintain their customers;

3. analysing the strategic marketing decision that small/medium scale enterprises can make to enable them compete effectively with larger businesses.

4. examining the applicability of the marketing concept in the small/medium enterprises and their competitive advantage over the larger ones;

5. examining the Nigerian economy and recommending appropriate marketing strategies that small/medium scale enterprises can employ to their competitive advantage;

1.4 SIGNIFICANCE OF THE STUDY

1. This study is significant to government policy analysis as a way of improvement on the small and medium scale industrial policy. It is important to small/medium scale executive as a way of increasing and widening of their knowledge on the small/medium scale enterprises in Nigeria.

2. The study is an academic exercise valuable to both students and lecturers alike for both objective criticisms and a source for academic improvements;

3. A period of deep shortages calls for strategic marketing. It calls for the review of the company's basic policies on its customers mix, product mix and marketing mix. The small and medium enterprises need dot employ strategic options that warrant their financial capabilities. This becomes necessary since they do not have the required competitive capital.

4. To all managers, this study will attempt to give an insight into the complex and intricate relevance of small and medium scale enterprises as well as the challenges involved in its marketing. It will also give humble suggestions as to how these present and future challenges can be met.

1.5 HYPOTHESIS OF THE STUDY

The following hypothesis will guide this study:

1. Poor marketing of small and medium scale enterprises leads to inefficiency and unprofitability;
2. There is no correlation between effective marketing and the performance of small and medium scale enterprises;
3. Customers who feel unsatisfied with the products or services of a small and medium enterprises will continue to patronize the industry because of their commitment to them.

It is hoped that the testing of these hypotheses will help us to find appropriate solutions to the problem.

1.6 SCOPE OF THE STUDY

This study is intended to examine small and medium scale enterprises in Nigeria and to examine the relevance and problems they face in terms of marketing their products and how they can still compete effectively in spite of their financial capabilities. However, the study is limited to selected small/medium enterprises in Zaria metropolicies.

1.7 LIMITATION OF THE STUDY

One major limitation of this study is lack of adequate literature on the relevance of small/medium enterprises in Nigeria. Hence, much of the information will be obtained through primary data.

Time is another limitation. In view of the time constraints, the research work was conducted in a few selected areas of Zaria metropolis.

Funding of this project is basically a private affair. This makes it difficult to expand the scope. It also deserves mention that there are several other facts that would have been included in this work but it has not been possible since it is not a standard textbook.

1.8 METHODOLOGY OF THE STUDY

The study utilizes both primary and secondary sources of data. The historical and descriptive aspect of the study are obtained through the secondary sources by the extensive review of various works of prominent scholars and authors, analysis of journals and obtaining relevant information from the National Directorate of Employment (NDE) and the Central Bank of Nigeria (CBN).

The primary data will involve questionnaires, interviews and personal observations. As the study is essentially descriptive in nature, it does not hope to subject its data to rigorous statistical analysis.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

This chapter is concerned about the review of experts ideas on the subject matter. The review is carried out under the following sub-headings:

1. The nature and scope of marketing
2. The marketing concept
3. The marketing environment
4. The structure and organization of Small Scale Enterprise
5. The marketing of small and medium scale enterprise products
6. The marketing planning process in a small and medium scale enterprise.

2.2 THE NATURE AND SCOPE OF MARKETING

2.2.1 Introduction

Elvy (1982) notes that at one time, there was no such thing as marketing. He noted further that Blacksmith, Stonemason, Saddler, Carpenter, Gosier and Tailors, all knew their customers personally. They were in a position to discuss the size, the shape, the colour, the design and the price of the goods they made with the people who bought and used them. However, with the advent of the industrial

revolution, this personal contact came to an end. Changes in production led to changes in distribution. The greatly increased production of goods which resulted from mechanization required a mass market for their consumption, and distribution became a major undertaking.

Arising from mass production as a result of the industrial revolution of the mid 18th century, attention of the businessmen was focussed on the technological aspects of manufacturing and marketing was relegated to a comparatively minor role. This situation remained about the same until the depression of the 1930s, when the problem of disposing of the goods produced brought about a basic change in the thinking of many forward-looking manufacturers. From being absorbed with the problem of how to make more and more goods, they turned to the question of whether the goods that they had been producing were what consumers really wanted. Attempts were made to discover consumers' desires, and, where possible, to redesign their products in greater conformity to their findings.

After the interruption to these movements by the World war II, the quest was resumed by many producers of consumers goods; and in the early 1950s, this trend became known as "consumer-oriented management" on the total marketing concept. This involved the reversal of the marketing philosophies of many manufacturers. Whereas, formerly it was considered as the job of marketing to sell those things that production decided to make, now it became the duty of marketing to discover what consumers wanted and to inform production of its findings or that these goods could

be produced. It was then the province of marketing, through advertising, sales promotion, and personal selling to inform consumers of the availability of the goods and to urge them to purchase. Marketing thus assumed the vital burden of finding out what consumers wanted.

Marketing involves a two fold task: (a) discovering what good and services consumers need and want, and (b) providing these items for them in the places where they are, at the times that they want them and at prices that they are able and willing to pay. And, as with every other part of economic activity, this mission must be accomplished with a profit to the entrepreneurs who are engaged in it.

2.2.2 Marketing Defined

Many definitions of the word "marketing" abound. One of the most straight forward says that "marketing is getting the right goods or sèrvices in the right quantity to the right place at the right time and making a profit out of the operations." Following this definition, it ca be seen that marketing functions are extensive. Among the most important functions of marketing are the assessment of the market to discover where the customers are to be found, how many they are, whether their number (which constitutes the market) shows a tendency to grew or to diminish. Enquiry must be made into the methods currently used to distribute and sell to that and if these methods are likely to remain viable in the future. The attributes and the shortcomings of competitors must be assessed to establish the degree of competitive merit which each of them enjoys in the market. It is also the

function of marketing to probe into the attitudes of consumers with regards to both the current product and those it is prepared to develop.

Alexander (1960), who was once a Chairman of Committee of Definition of Marketing in America, defines marketing as "The performance of business activities that direct the flow of goods and services from producers to consumers or final users."

Kotler (1983), defines marketing as "Human activities directed at satisfying needs and wants through exchange process." Noting further, Kotler (1984) sees marketing as "a social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others."

Drucker (1973) notes, "the aim of marketing is to make selling superfluous. The aim is to know and understand the customer so well that the product or service fits him and sells itself." He went on to define marketing as "the distinguishing and unique function of business."

McCarthy (1971), perceives marketing as the process of analysing consumer demand, developing a product to satisfy the demands, motivating the sales of the product and distributing the product into ultimate consumption.

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To Nyckels (1978), marketing is referred to as "those activities performed by individuals or organizations, either profit or non-profit, to enable, facilitate and encourage exchange to the satisfaction of both parties."

Markin (1979) looks at marketing and says, "a more modern definition of marketing would be the set of activities by which the Demand structure for goods, ideas and services is managed in order to facilitate the exchange process satisfactorily".

Marketing, according to Enis (1977), "is exchange activities conducted by individuals and organizations for the purpose of satisfying human wants."

Harm, Stehr and Harrin (1992) view marketing as relating to those activities that direct the flow of goods and services into their appropriate utilization from manufacturer to consumer.

Stanton (1981), defines marketing as "a total system of business activities designed to plan, price, promote and distribute wants - satisfying goods and services to present and potential customers."

While Olatise looks at marketing as "the business process by which products are matched with markets and through which transfers of ownership are effected so as to maximize long-term earning per share." (Odia, 1976), considers marketing as "the identification of customers' needs and the delivery of customers' satisfaction at a profit."

Beckman and Davidson (1986), Define marketing as "the performance of all activities necessary for ascertaining the needs and wants of consumers, planning product availability, effecting transfer in ownership of products, providing for their physical distribution and facilitating the entire marketing process."

To Ryans (1984), marketing is the determination of the needs and desires of the market so that goods and services can be provided to satisfy these wants (desires) of the market."

A modern definition given by Burton Barcus (1991), defines marketing as "those activities performed by individuals or organizations, either for profit or non-profit, that enable, facilitate and encourage exchange to the satisfaction of both parties." This coincides with the definition given by Nickels (1978).

From the foregoing, one would agree that there are many definitions of marketing. The above definitions are by no means exhaustive. Marketing means different things to different people. To some, marketing is the economic process

whereby goods and services are exchanged and their values are determined in monetary terms while to some, it is the exchange that takes place between the producing groups and the consuming groups, and yet to some, marketing is a social science which concerns with marketing and Transactions.

In summary, marketing is a social, economic and managerial process focused on the creation and delivery of wants - Satisfying ideas, goods and services. The basis of effective marketing are: identifying changing consumption requirements, and managing organizational efforts required to supply ideas, goods and services to customers.

2.3 THE MARKETING CONCEPTS

There are five major competing concepts of marketing activities in contemporary business organizations:

a. Production concept

b. Product concept

c. Selling concept

d. Marketing concept

e. Societal Marketing concept

2.3.1 Production Concept -

This concept holds that consumers will buy those products that are widely available with low prices. Firms should concentrate their efforts on high production efficiency and widespread distribution for their products.

Historically, marketers have ridiculed the production concept as an old-fashioned perspective that best describes how business was conducted in the late 1800s (Achnaars, 1991)

Furthermore, Schanaars (1991) states that marketers dismissal of the production concept was presumptuous. In many markets, consumers do favour products that are widely available at low costs. In nearly every sector of the economy there are firms that excel by employing the production concept. Similarly, foreign firms with lower cost structures have excelled with the production concept. Hyundai, in automobiles, and Goldstar, Sharp and Sanyo, in electronics, are examples of successful implementers in the United State of America. Each of these firms has done well by doing precisely what marketers would advise against. Clearly, the production concept, according to Schanaars (1991) has a place in today's market. However, Schnaars quickly cautioned that focusing too intently on production while ignoring customers is as faulty as orientation as focusing too intently on consumers while ignoring production efficiency.

2.3.2 **Product Concept -**

According to Adeleye (1998), this concept holds that consumers will buy those products that are of the highest quality. The basis of this concept is the "Technology Plus" model if innovation. The product must be designed by engineers and scientists for consumers to use. Managers in product oriented companies often direct their efforts towards making best quality products. Adeleye

(1998), notes that recently, the "good thinking, good product" slogan of advertisement for a particular car in Nigeria only reflects the product orientation of the manufacturer of the car.

The product concept leads to "marketing myopia", an undue concentration on the product rather than on the needs. In the United States of America, rail-road management thought that users wanted trans rather than Transportation and overlooked the growing challenge of the airlines, buses, trucks and automobiles. Slide rule manufacturer, thought that engineers wanted slide rules, rather than calculating capacities and overlooked the challenge of pocket calculators. Symphonies and post office assumed that they were offering the public the right products and wondered while their sales filtered. These organizations too often are looking into a mirror when they should be looking out of the window (Kotler, 1988).

2.3.3 Selling Concept -

Adeleye (1998), notes that this concept is otherwise referred to as sales concept and it holds that a business enterprise should produce what it wants and then make a great effort towards convincing consumers to buy the products. Managers of sales-oriented companies do always strive to ensure that their companies embark on aggressive promotional activities to sell their products.

The selling concept goes hand in hand with high pressure selling. Antithetical to marketing concept, it is an example of the sales push "model of

marketing, where marketers push unwanted products through the channel of distribution (Schnaars, 1991).

In the opinion of Schnaars (1991), the selling concept constitutes bad strategy, although it may Serve other purposes. It may be acceptable to meet short-term sales goals or help the firm over temporary hard times. But, as long-term strategy orientation, it is unacceptable. It is one that is likely to fail when pitted against strategies that serve consumers with products that they really want.

2.3.4 Marketing Concept -

The origin of marketing concept can be traced to Drucker (1954), McKtterick (1958) and Levitt (1960). All agree that the purpose of business is to create satisfied customer. In particular, Levitt (1960) draws a sharp contrast between the selling and the marketing concept as follows: Selling focusses on the needs of the seller; marketing on the needs of the buyer. Selling is preoccupied with the Seller's need to convert his product into cash; marking with the idea of Satisfying the needs of the customers by means of the products and the whole of things associated with creating, delivering, and finally consuming it. Unlike other concepts or philosophies that can guide organizations in carrying out their marketing activities, the marketing concept has attracted divergent views from authors in the marketing literature as regards its true meaning or what the concept Stands for. Some authors contend that marketing concept has to do with the identification and satisfaction of customer's needs and Wants by companies, however, they do not stress on the issue of competition in their

definitions (Lancaster and Massingham, 1988); Asser, 1990; Schnaars, 1991 and Schewe and Smith, 1983). Others assert that not only does marketing concept have to do with the identification and satisfaction of customer's needs and wants by companies, but that they must do so in ways that will make them to be more effective and efficient than their competitors (Kotler, 1988); Nidebm 1991; Moutinho, 1994). This appears to be a definition of broadened marketing concept.

Bell and Emory (1971) initiates that the marketing concept has three basic elements, viz:

a) **Customer Orientation**

Knowledge of the customer, which requires a thorough understanding of his needs, wants, and behaviour should be the focal point of all marketing action. It implies the development of products and services to meet these needs. It does not exclude the possibility that these needs may be "stimulated" by business or that aggressive selling may be needed to persuade consumers to buy goods and services hitch have been created for them.

b) **Integrated Effort**

Ultimately, the entire firm must be in tune with the market by placing emphasis on the integration of the marketing function with research, product management, sales and advertising to enhance the firm's total effectiveness.

c) **Profit Direction**

The marketing concept is intended to make money for the company by focussing attention on profit rather than upon sales volume.

However, Barksdale and Darden (1971) state that the marketing concept is based on two fundamental notions; first, the consumer is recognized as the focal point or pivot for all business activity; second, profit rather than sales volume is specified as the criterion for evaluating marketing activities.

Ever since its introduction into the business world some four decades ago, Adeleye (1998) notes, the marketing concept has been enthusiastically received by organizations in different parts of the globe. Barksdale and Darden (1971) report the results of a survey designed to measure the attitudes of Executives and educators towards the marketing concept, thus concluding that marketing concept may be both a success or a failure.

Nevertheless, the marketing concept has also suffered from substantial criticism. Since critics have argued that it has hurt rather than helped business. Schnaaars (1991) cites Benett and Cooper (1979), 1981) as arguing that marketing concept has diverted attention away from a long-term emphasis on product development and quality manufacturing to a short-term emphasis on superfluous advertising, selling and promotion. As a result, product value has suffered. As evidence, they point to the automobile and television industries where American

firms once dominated, but which are now dominated by imports. They blame the marketing concept for the industries' problems.

Bell and Emory (1971), states that evidence exists to support the questioning of marketing concept. According to them, one is organizational stress, excessive costs, and high product-failure rates in some companies incurred by attempting to implement the concept. Additional evidence of a breakdown in the marketing concept is found in the deterioration of relations between business on one hand and the public and government on the other hand. These Developments include events called "consumerism".

Baker and Hart (1989) contended that the most perplexing aspect of the "marketing concept", perhaps, is apparent difficulty experienced by those trying to implement it. The 'gap' between theory and practice seems to originate from the fact that practitioners do not see marketing as a means of solving their everyday business problems. The intangible nature of marketing concept has caused many theorists to avoid it. Concentrating instead on techniques developed in its name.

Arguing in Defence of the marketing concept, Schnaars (1991) quotes McGree and Spiro (1988) as noting that criticisms of the marketing concept itself. In fact, they contend that the marketing concept and the product concept are actually quite consistent with one another. The product concept is really just "synonymous" with consumer satisfaction as described by the marketing philosophy".

2.3.5 Societal Marketing Concept

Adeleye (1998) notes that this concept has evolved as a result of the criticisms of marketing concept ignores long-run societal welfare. The societal marketing concept holds that the company's takes is not only to Determine the needs, wants and interest of customers but also to satisfy them in ways that will make them to be more effective and efficient than competitors as well as to preserve or enhance the welfare of the consumer and the society. The societal marketing concept required marketers to combine three basic considerations in developing marketing policies, namely, company profit, consumer satisfaction and interest of members of the public. This will go a long way in ensuring the successful implementation of the societal marketing concept by marketing organizations.

2.4 THE MARKETING ENVIRONMENT

2.4.1 Introduction

Every organization operates within an environment. In particular, a marketing organization must strive to offer goods or services that satisfy the needs of customers who constitute an important pact of its operating environment. The marketing organization in turn depends on its environment to ensure its survival, just like any other organization, it follows then that no organization is self-sufficient.

According to Adeleye (1998), marketing environment consists of all factors and forces that influence the marketing function of an organization. This can be

divided into two, namely, internal and external forces. Internal forces, for example, the intra-firm environment are to a Very large extent within the control of the firm. The uncontrollable forces outside the firm pose the most important sources of opportunities and threats to the firm, they include economic conditions, social and cultural values and technology.

Therefore, the internal environment consists of internal forces and factors that influence the marketing function of an organization while the external environment comprises external factors and forces influencing the marketing function of the organization.

2.4.2 The Internal Environment

Essentially, organizations perform four basic functions namely, marketing, personnel, production and finance otherwise referred to as organic business functions. The marketing management personnel of an organization, in formulating marketing plans must take into account the other department in the organization, these include production, finance, and personnel department. Marketing managers must seek the approval of marketing plans by top management before they can be implemented. Therefore, the internal environment consists of the different departments that interact with the marketing department. Thus, affecting the entire organization's transactions with its target market.

2.4.3 External Environment

A marketing organization places the customer and the satisfaction of the customer's needs and wants, at the centre of its corporate thinking, however, the following are major components of the external environment of such an organization:

- Customers
- Competitors
- Suppliers
- Intermediaries
- Technology
- Economy
- Social and Cultural Values
- Political, Legal and Regulatory Factors
- International Situation
- National and Physical factors.

Customers: "The customer is the king" is an age-long parlance that is very true in today's marketing world. Marketing organization's must treat their customers as most important group of people living in the world. Needless to say that customers, therefore, wield great influence on the activities of channels Resemble the hour hand of a watch. They are always moving, but each individual movement is so small as to be invisible in isolation. The cumulative movement over a number of years can, however, be massive.

Basically, marketing intermediaries create place utility by stocking products where consumers are located. They create time utility because they open long hours so that customers can buy products at their convenience. They crate warranted utility by making products available in quantities that customers can afford to buy. They create assortment utility by Gathering in one point or other products so that customers may buy them on the same shopping trip. They crate possession utility by transferring the products to customers via successful transaction with the customer.

According to Adeleye (1998), the marketing organization must learn how to manage and satisfy its intermediaries so that they can continue to work together to satisfy the needs of the customers.

Technology: A crucial environmental influence upon the marketing organization is technology. It affects the products as well as the operations of the marketing organization. Furthermore, consumers' lifestyles and consumption patterns are also affected by technology. Marketing management personnel must be aware of the impact of technological changes, since the Destiny of the organization is influenced by the technological changes.

Wilson (1980), elucidates that the development of the microprecessor and its large scale production has revolutionized information collection, procession and dissemination which in turn is affecting the whole spectrum of marketing activities.

Technology can be a constraint when oppportunities exist while the necessary equipment is lacking. Notwithstanding, technological innovations can create opportunities for new organizations or greatly alter existing ones.

Technology influences the development of products of marketing organizations. Donnely, Gibson and Ivancevich (1987), highlight some technological adances expected by the year 2000 as follows:

- Undersea farming and mining.
- Machnical devices to replace human organs.
- Reliable weather forecasts.
- Extensive use of robots and machine stores.
- Centralization of business information and high speed data processes.
- Human hypernation for fairly extensive time periods.
- Increased masterly of energy.
- New rapid-transit systems.

Given the spate of changes in technological environment of marketing organizations, marketing managers in some of the organizations will be forced to plan and react to the technological changes. In other marketing organizations, a crucial managerial responsibility will be to instigate such changes.

Economy: Economic variables that are likely to affect the ooperations of marketing organizations are inflation, unemployment rates, economic growth, raw materials

scarcities, energy costs, interest rates, imports duties, the balance of international trade, the structure of personal income, expenditure and savings, among others.

Nigerian economic environment possesses the characteristics of a developing economy. Such economies generally have low incomes, a Generally low level of literacy and technological know-how, high unemployment rates, and inadequate social infrastructure, that is to say, roads, health, electricity, post and telecommunications.

The prevailing economic conditions iin Nigeria offer a mixture of opportunities and threats to marketing organizations. The large population costutites a potentially large domestic market that can sustain fairly large manufacturing plants. On the other hand, the high exchange rates of Naira to other currencies and the inadequacy of economic and social infrastructures offer threats to marketing organizations.

Granted that economic variables can be viewed as a soruce of both opportunit and threats to the marketing organizations; if the organization carefully monitors and understand the economic variables, it should be in a better position to utilize the opportunities to its own advantage as well as doing something to reduce the threats.

Social And Cultural Values: The socierty that people live in affects their values, norms and beliefs. Indeed, cultural and social fabrics shape people's patterns of

behaviour. According to Adeleye (1998), social and cultural values consist of Attitudes towards health and nutrition, materialism, need for self expression, product safety and ecological concerns, among others. Marketing management personnels must identify the changing cultures and social conditions that affect their organizations.

Political, Legal and Regultory Factors: Marketing decisions are substantially affected by developments in the political legal and regulatory environment. This environment is characterized by numerous laws and a multitude of authorities, such as regulations (and deregulations) regarding products' advertisements, product labelling and testing requirements, pollution control, limitations regarding products content and restrictions or incentives as regards the activities of importers and exporters.

Marketing management personnels need to monitor and understand the factors in the political, legal and regulatory environment to ensure the survival of their organization's products in the markets.

International Situation: Adeleye (1998) ntoes tht the world has been transformed into a smaller market-place by the expansion of international communication and shipping facilities. It is now easier to ship products across long distances than the past. The interantional environment offers both opportunities and threats to marketing organizations. The main advantages for marketing organizations are

expOanded trade in products or services where they have competitive advantages and enhanced profitability. International marketing is the marketing of goods across national frantiers. One of the most Serious problems of international marketers is that many countries have erected trade barriers like quotas and duties towards protecting their domestic industries. The international marketer becomes subject to the perils of different economies, cultures and political situations. Indeed, a country that is politically unstable will not be attractive to foreign investors.

Natural and Physical Factors: Marketing organizations have to contend with the issue of availability or lack of natural resources. Marketing managers must be aware of the challenges and opportunities tht the natural environment can offer them. Examples of natural resources are water, air, forests, oil, gas and coal.

Apart from natural resources, marketing organizations must reckon with natural phenomena affecting their markets. Floods, eathquakes, rain, hurricanes, tornadoes, and extreme heat have consequences for marketing organizations.

2.5 THE STRUCTURE AND ORGANIZATION OF SMALL AND MEDIUM SCALE ENTERPRISES.

2.5.1 Introduction

Small and medium scale businesses constitute an important aspect of today's business system. In fact, the role of small and medium scale enterprises (SME) has been one of distinction and contribution to the Nigerian economic life. This must

have infrmed the generally held opinion that industrial development in Nigeria should be achieved through the development of SMEs. The argument here being tht large scale mechanized enterprises are not relevant to the needs of Nigfeia, wher one of the major problems is that of unemployment and underemployment.

According to Eigbe (1995), Small and Medium Enterprises (SMEs) Are universally regarded as a veritable engine of Economic growth and Development iin any country. He states further that "this is why the Federal Government of Nigeria has continued to foster their development through the provision of financial and technical assistance."

Eigbe (1995), observes that the World Bank Assisted Small and Medium Enterprises Loan Scheme was one of the specialized Credeit Schemes established by the government following the introduction of the Structural Adjustment Programme (SAP) to address the problem of access to credit, especially term loan, by SMES. Through a loan from the World Bank, the Federal Government provided adequate funding under the Scheme to meet short, medium and long-term financing needs of SMEs.

Small and Medium Enterprises (SMEs) have been defined in various ways, bearing in mind a wide Range of Factors such as the volume of annual assets, the nature of the business operation, financial control, number of employees in the business, sales volume and the networth of the business. Various measures can be

used to assess the size of the business, for example size of assets, turnover, etc. but the most comjmonly used is the number of employees. The later, although unsatisfied in in some aspects, has the advantage of being readily calculated a and internationally comparable. The criterion is also used to distinguish betwen small/medium enterprise and the big business.

Ekpo (1998) notes that in most cases, the Small and Medium Enterprise (SME) is that which enjoys limited amount of resources (labour, capital, etc.); and engages in the buying and selling of goods and services with the principal motive of making profits.

Ekpo (1998), furthert states that "a business may be Described as small when compared with the larger business." Hence, what is small depends on one's point of view. There is a general tendency to classify independently owned retail stores, wholesale stores, service industries such as hair saloons, filling Stations, etc, as small or medium scale enterprises.

In respect of valume of annual sales, the small business administration of the United States of America Determines a ceiling range of $1m to $15m annual sales. It should be noted here that a business is termed big or small depending on the demand for its products and services and the type of industry in which it is operating.

The definition of a small/medium scale enterprise based on the size of the business depends on the level of indusrialization of that country. The definition given by developing economies will differ from that of the developed economies. In Japan for example, the Foundamental Law of Medium and Small Enterprises defines the Small and Medium-Sized enterprises as "one either having capital not exceeding Y50 mmillion or having not more than 300 employees in manufacturing industry, and either having capital not exceeding Y10 million or having not more than 50 employees in the Commerce and Service Sector." In Britain, industuries which are considered small concerns are "mainly private companies with net assets of less than #250,000."

In the United States of America and Italy, Small Scale enterprises are defined as manufacturing plants investing not more than N1,600,000.00 - N2,000,000.00 and which is "independently owned and operated and not dominant in its field of operations."

In AUSTRA, BELGIUM, FRANCE, SWEEDEN AND SWITZERLAND, small/medium scale enterprises are commonly understood as being those with less than 50 employees. In DENMARK, IRELAND and NORWAY, typical small business employ less than 20 persons. Other countries such as GERMANY and ITALY, Generally include firms with up to 100 emplolyees in this category. In FINLAND, industrial enterprises without more than 100 employees and an annual production not exceeding 300 marketers are regarded as small industries. Again,

other countries such as UNITED KINGDOM AND CANADA, would place the upper limit even higher, in the case of the United Kingdom, at up to 500 for some purposes. In FRANCE the lower limit Generally selected is 10 employees (to avoid any overlaping with craft employees) while the upper is apt to be 500.

In NIGERIA, the definitions have been varied according to different institutions. The Industrial Research Unit of the Obafemi Awolowo University, Ife defines Small/Medium industries as those whose total assets in capital Equipment, plants and working capitl are less than N50,000,000.00

Small and Medium Scale business may therefore be defined as "all small and medium business including small and medium indistries whose manufacturing are carried on relatively small establishements with not more than 100 employees. They include traditional and modern enterprises; land and machine types of production with the characteristics of independent management."

Usually, the managers are the owners; the capital is supplied by individuals or small groups; the area of operation is mainly located where workers and the owners live; the owners and perhaps a few assistants handle the production, purchase of raw materials, sales and other aspects of the business; the firm has a small share of the market, and is not usually in a position to influence the market; the chief executive is seen to participarte actively in most levels of decision making process i the day to day operation of the business; In fact, managers or owners of small scale

business are not specialists in management Tasks as it is the case of large organizations.

The above mentioned characteristics make it necessry for SME owners to seek specialdvises. Added to the Afforementioned characteristics are the greater unit cost of small Transactions and greater risks, that mde it difficult for the owners to raise capital in the organized security markets.

A look at the Third National Development Plan (1975-1980) reveals that emphasis were laid on the importance of SMEs. The premise was that through the SMEs, there would be a possibility of generating substantial employment opportunities for youths and also stimulate indigenous enterprenurships.

In support of this, the Federal Ministry of Trade and Industries organized programmes of assistance to render Technical and managerial services to improve labour skills, carry out project appraisal including granting of loan for fixed and working capitals.

2.5.3 The Characteristics of Small and Medium Scale Enterprises

According to the BOLLON Report (1971), a small sacle enterprise must have the following characteristics:

1. In economic terms, a small firm is one that has a relatively small share of its market.
2. It is managed by its owners or part-owners in a personalized way and not through the medium of a formalized management structure.
3. It is also independent in the sense that it does not form part of a larger enterprise, and that the owners/m,anagers are free from outside control in taken their principal decision.

Iornem (1997), states that small scale enterprises are characterised by the following:

a) Relatively labour intensive, thus needing less sophisticated production technology and are specially often restricted to a Geographical zone;
b) Relatively low fixed investment/job ratio.
c) Often owned either by an individual, a few partners or a small group of entrepreneurs;
d) The organizational structure is often less formal and less bureaucratic (e.g. no Director-General, Managing Director, General Manager, etc.). In other words there is no clear line/staff distinction as in large scale enterprises.
e) Comparatively low level of production arising from either the limited technology, market or product.
f) The initial capital imput is often small or limited, followed later by a form of loan capital needed to supplement, the limited equity capitl which the owner(s) can provide.

g) The take-off level of managerial expertise is often believed to be low in quality and number (considering the initial cost difficulties, poor rate of production, weak accounting and record-keeping facilities, poor reporting and accountability system and the high degree of organizational informality in decision-making.

2.5.4 Locating Small/Medium Scale Enterprise

The important decision concerning the loction of an industry or business has not always been given due consideration it deserves especially among small and medium scale industries and business.

When a decision to start a business has been taken and the necessary physical resources have been planned, the small/medium scale businessman is usually just too eager to locate his business wherever it suits him with minimum consideration for other facilities which are paramount for effective and efficient operation of organizational objectives.

While not disclaijming the fact tha adequate land space is one of the essential considerations for locating a business, Aderoba (1996) indicates that it is also vital to note that it is not the only one. He went on to say that there are many factors which must be considered before locating an industry or business. Without adequate consideration of such fctors, it may indeed be better not to go into business altogether than make poor decision on the location of the business, thereby commiting the business Venture to failure right from the start.

A detailed study based on:

a) The resources needed by the business

b) The products or services generated by the business.

c) The government in which the business is expected to operate

is said to be needed, to arrive at a good decision for locating the business.

For the proivate sector, the objective is usually to maximize the profit of the business and minimize the total cost of production and distribution.

In analysing the various cost item, it is necessary to consider those items which will be affected by location. These are said to include machines, land, raw materials, infrastructural items such as housing, schools, roads, water, etc. For example there is no point setting a mining industry in an Area where there is no sufficient amount and qujality of the mineral on onterest.

An additional consideration in locational analysis is said to be the business environment. This concerns the availability of municipal services such as streets policies, fire services, electricity, water, business services such as data processing, chartered public accountants, lawyers, consultants, etc. Other business environmental fctors include labour (skilled and unskilled), complementary or competing local industries, local markets, financial institutions, and local attitudes to the company's activities.

Iornem (1997), has indicated that for a manufacturing wholesale enterprises; finding the right location involves the selection of the Region or town with low transportation costs, reasonable amount of relevant labour, power supply, accessibility to suppliers and market, freedom from burdensom local regulations and taxation. He further said that site location for rtailer firms are also to some extent determined by the factors listed above. In additio, they require adequate automobile transport to improve distribution. In conclusion, he said that small business entrepreneur, do not take the above points into consideration when choosing suitable locations for their businesses. The result is that distribution and sales are adversely affected and business stagnated.

3.5.5 The Role of Small and Medium Scale Enterprises

Substantial recognition has been accorded to significant contribution that small and medium business and industrial set up could generate in accelerting the tempo of economic Development in the developing countries. Given a well convinced programme which encourages growth and efficiency, the small/medium scale industrial sector holds promising potentialities which can provide the thirst for the realization of the country's goals and objectives.

SMEs play important roles in the industrialization of a country. These include:

1. In industrialized countries as well as in Nigeria, SMEs account for a significant part of the total number of manufacturing establishments and of employment in manufacturing.

For many articles, it is more economical to product on a small scale than on a large scale. In such cases, smallness is not a handicap and may even afford competitive advantages.

SMEs comp;lement large ones. They act as sub-contractors, produce parts and carry out certin processing or financing.

SMEs are training grounds for management and labour. Emphasis on labour intensive methods of production which favour countries with scarce capital and abundant labour. Thus, the promotion of the SMEs offers an effective way of mobilizing private savings and initiatives.

2. EMPLOLYMENT GENERATION

Since most SMEs operate in semi-urban and rural areas, they are better able to provide means of livelihood to the inhbitants of such areas by way of employment. This role checks rural - urban migration.

3. EXPORT (IMPORT) SUBSTITUTION

The rold of SMEs in the area of export has been the conservtion of foreign exchange through import substitution. Vital industries by raw materials and other imputs from SMEs rather than importing. A lot of savings is realized, and consequently the products of the SMEs serve as substitutes for those which might otherwise have been imported with a considerable amount of foreign exchange.

4. DEVELOPME T OF ENTREPRENEURSHIP

As stated before, SMES provide a training ground for many entrepreneurs. Strategically, SMEs serve as an outlet for enterprising and independent minded people.

5. ENCOURAGEMENT OF TRADITIONAL CRAFTSMANSHIP

SMEs encourage the use of traditioal cafrtsmanshïp. Examples are seen in traditional occupations such as poteery, weaving, basket making, cloth dyeing and blacksmithing.

6. PRESERVATION OF CULTURAL HERITAGE

SMEs produce goods that support the social and cultural background of society. Examples can be seen in the different form of farming implements, clothings and shoes.

2.6 MARKETING OF SMALL AND MEDIUM ENTERPRISES' PRODUCTS

2.6.1 An Overview

The Institute of Marketing defines marketing as the "management process responsible for identifying, anticipating, and satisfying customer requirements profitably."

Kotler (1988), notes that "marketing is working with markets, i.e. interacting, designing and communicating with markets."

To Martins (1976), "marketing is the ways in which a businessman or a marketer matches the resources with the needs and wants of his customers."

Others look at marketing as a matching process based on goals and capabilities in which a marketer offers a marketing mix (product, price, promotion and place) that meets the needs of customers within the limits of the society.

Marketing is the concept of business which recognizes that greater efficiency and profit potential result from being customer-oriented rather thn product oriented.

For effectiveness of performance, the following basic marketing activities are of paramount importance.

- Marketing Research
- Product Planning
- Distribution/Transportation
- Pricing
- Promotion

The selling efforts come from the promotion activities. In fact, selling involves all aspects of promotion which include: Advertising, Public Relations, Sales Promotion, Merchandizing and Personal Selling. All these activities are focused to create awreness, interest, desire and action on the part of the target market.

The personal seeling aspect of the promotion is concerned with the physical presentation of the offering through the salesman (sales force). It is the area always referred to as the sales function and it is a major tactics in the marketing of goods and Services. The art and science of personal selling is embraced by salesmanship

2.6.2 The Role of the Sales Function

The importance of the sales function cannot be overemphasized in those companies where the bulk the presentational effort is carried out by the sales force. This covers most industrial and specialty markets and many customer goods lines. In fact, it is not going too far to say that in some markets, for example, office equipment and life insurance, the major differnce between competing companies is the relative quality of their sales forces. In such fields, the buyer's decision is

virtually wholly influenced by who calls on him, what is discussed and how the discussion is organized.

Moreover, the sales force can make valuable contributions in the definition of market segments and customer needs, and products development and rationalization. This is particularly true in industrial markets, where formal market research is less used. Obviously, as salesmen tend not to be trained researchers, the information they collect has to be treated with care.

Nevertheless, as they are usually the only regular and continuous contact with customers, they can gatther considerable and valuable data.

2.6.3 The Role of the Salesman

There are, in fact, a number of jobs that have to be done and frequently only the salesman con do them, even when the marketing task has been thoroughly and a Carefully carried through and a product that does match the need has been developed. The reason is that few puchases are made in purely objective criteria. Out of the whole range of products, the customer would choose anyone that will factors thus come into the picture. Thus visual design, colour and appearance generally have great importance, even with industrial products. Concepts such as "Can I trust this company to put it right if anything goes wrong?"

Hence, the role of the Salesman includes the following:

a) To understand the customers' subjective (psychological) needs and to demonstrate how his products will satisfy them.

b) To negotiate frequently, there is always a gap between the price being asked for a product and what the customer is willing to pay. The easy way to close the gap is to cut the price, but prifit is their compromised. This problem could be solved by the salesman through demonstrating the products, particularly, benefits to the customer and showing how paying a higher price will bring additional value. In some cases (such as cars and certain industrial equipment), the negotiation iwill frequently necessitate agreeing a 'trade in' price for the customers' present model.

c) Two-way Communication: The company needs to communicte informton ot its customers. Often, the salesman is the effective channel (letters, leaflets, and other written communictions may never be read, parthly because they are likely to be couched in general terms rather than speaking directly to the customers' particular situation). The company also needs feedback from its customers - what pleases them and what annoys them about the service being provided. What are their future plans and what opportunities for profitable sales will this offer?

d) Creating goodwill and a situation on which future business will develop.

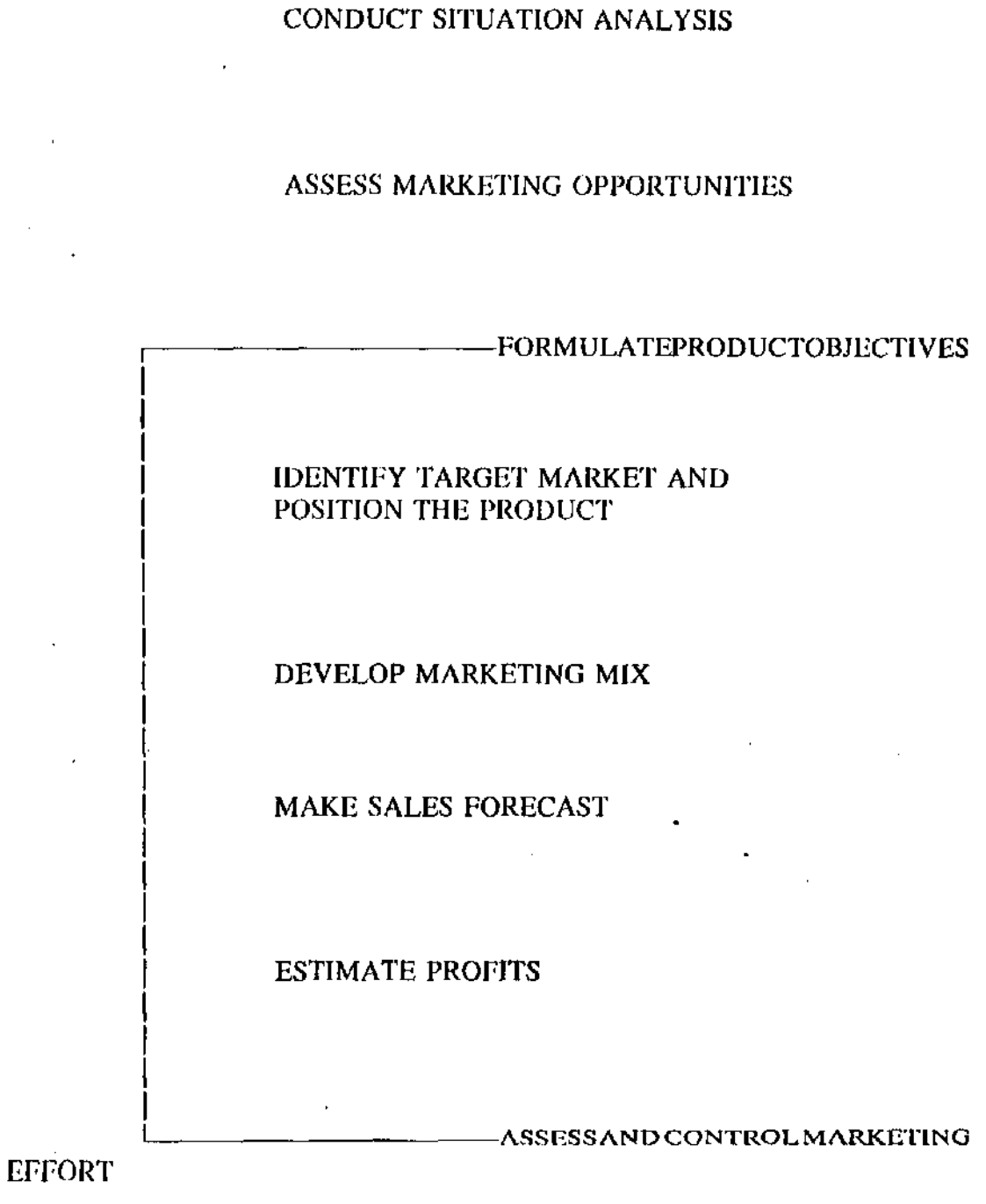


Fig 1: THE MARKETING PLANNING PROCESS

SOURCES: Adeleye, A.S. (1998) Marketing: Principles and Practice, p.87.

The marketing planning process is conducted by the product manager who is responsible for that product.

According to Adeleye (1998), the first step in the marketing planning process is to conduct a situation analysis. This is aimed at develo0ping information tht will enable the product manager take decisions through the application of the strengths of the products to the opportunities in the market-place. The situation analysis prtly involves preliminary assessment of the environmental factors of firms.

The second step is to assess the marketing opportunity for the firm's product. In this regard, the customer needs, competitive strengths and weaknesses, and other factors must be evaluated. The third step is to develop product objectives in terms of sales and profit goals.

Next, the target markets must be identified and products are to be positioned accordingly. Positioning is a strategic decision specifying how a product or brand will compete in the market-place.

Another step is to develop a marketing mix. The marketing mix has been defined by Kotler (1988) as a programme of marketing elements designed for a specific product or Service in response to the marketing forces that affect it. A budget will be developed for the Various components of the marketing mix.

The next step is to develop a final sales forecast that will be based on marketing strategy. This step is to be followed by another one which is an estimation of expected profit from the products. The estimation will be based on expected revenue from sales forecast and cost projections from marketing expenditure.

The last step in marketing planning is to assess and control marketing effort. Here product performance must be known and necessary adjustments will be made with a view to ensuring that project opbjectives are made.

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

The preoccupation of this research work is to investigate into an Effective Marketing of Small and Medium Scale Enterprises (SMEs) in Nigeria with particular interest in Small and Medium Scale Enterprises in Zaria Metropolies in Kaduna State of Nigeria. The study was aimed at finding out:

a) Whether Small and Medium Scale Enterprises in Zaria metropolis adopte any marketing strategy in marketing their products to their customers.

b) The nature and procedures adopted in the marketing of their products by SMEs.

c) Whether or not the adoption of an Effective marketing strategy has any impact on the customers' patronage of the firms' product.

d) The extent to which effective marketing of SMEs products affect the efficiency and profitability of SMEs in Zaria metropolies.

For the above reasons, necessary data was collected through questionnaires. Personal/Oral interviews were also carried out as supplementary sources. Secondary data were also used requiring the review of available and relevant literatures, textbooks, Journals, Mannuals, etc.

This chapter, therefore, highlights the methods and procedures used in carrying out the research.

3.2 THE RESEARCH DESIGN

Genrally, the research design is intended to specify the methods and procedures for acquiring the informtion needed to Structure the project work and also states the sources of such information.

There are three broad classes of designs. These Are exploratory, Descriptive and experimental. The presentation of this research work has been limited to only the exploratory and the descriptive types of research design.

3.3 THE RESEARCH POPULATION

The study examined the effective marketing of Small and Medium Scale Enterprises in Zaria metropolis. The population of the study embraces only the workers of the five (5) selected SMEs in Zaria metropolies and as well as their customers.

3.4 THE SAMPLING

Considering the size of the population involved in the study and considering as well the literacy lefel of the respondents, the researcher had selected the sample from the population upon which the study was conducted and generalization were

made based on the assumption that the sample is a true representation of the whole population.

Since a good sample must be as nearly as representation of the entire population as possible, care was taken in the research to make sample size relatively large in order to convey a measure of credibility to the outcome of the study. Care was also taken to choose members of the sample randonly because when the choice of the subject is left to chance, the possibility of bias entering the selection of sample is reduced.

The questionnaires were administered on a simple randomly selected members of each SMEs. Based on this procedure, a total of 50 respondent were used for the study.

3.5 DESCRIPTION OF INSTRUMENTS USED

In order to facilitate this research work, data was collected through primary and secondary sources. Data from the questionnaire formed the primary data, while secondary data were dranw from marketing textbooks, Journals, pamphlets, handouts, and other related literatures. The questionnaires were framed on the basis of the research question.

The major set of questionnaires were for the employees and the management. A total of 50 questionnaires were designed for responses and administered, out of

which the whole 50 were retrieved. Both open and close ended questionnaires were designed to facilitate easy responses and allow for a considerable degree of free empression on the respondents.

The researcher also used a non-Structured form of interviews as an additional instrument for collecting data. The major purpose of this instrument is to have personal touch with both the management staff and the workers to investigate more into role of marketing in a Small and Medium Scale Enterprise in Nigeria. A free discussion was held with the workers and management about how their products are being marketed. The respondents were allowed to express their opinions freely without any hindrance. As the discussions were going on, the responses were being recorded by the researcher. Even-though the interview was non-Structured, the discussion centered typically on the central problem being investigated.

3.6 STATISTICAL ANALYSIS USED

The single variable analysis was used in analyising the data collected from the primary source. This method of data analysis was used to allow for a dwcriptive explanation of data collected in relation to the study.

Also, to analyse the data, percentages method was adopted through the circulation of frequency distribution of subjects' opinions on the issues raised. These were presented in coingency tables.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.1 INTRODUCTION

This chapter is concerned with the analysis and results of data collected. The items on the questionnaire were treated to analyses on percentages as shown in the frequency distribution table. Attention is focussed on Effective Marketing of Small and Medium Scale Enterprises in Zaria Metropolis of Kaduna State of Nigeria.

The results of the dta analysis for the management and staff have been given adequate attention and clearly shown to give a clearer picture of the situation before arriving at a conclusion.

4.2 DATA ANALYSIS

In accepting or rejecting the research hypothesis, a critical look was taken on the responses of the respondents to questionnaire questions as bellows:

4.3 QUESTIONNAIRE QUESTION TWO

TABLE 4.1

SEX	NUMBER OF RESPONDENTS	PERCENT
Male	30	60%
Female	20	40%
TABLE	50	100%

SOURCE: QUESTIONNAIRE

Out of the 50 question retrieved, 30 were males while 20 were females, representing 60% and 40% of the total respondents, respectively.

4.4 QUESTIONNAIRE QUESTION THREE

WHAT IS THE NATURE OF YOUR BUSINESS?

TABLE 4.2

NATURE OF BUSINESS	NUMBER OF RESPONDENTS	PERCENT
Processing	15	30%
Distribution	20	40%
Servicing	10	20%
Manufacturing	5	10%
TABLE	50	100%

SOURCE: QUESTIONNAIRE

Table 4.2 above shows the percentage of distribution of the nature of business engaged by SMEs in Zaria metropolis. From the informtion given, the enterprises engage in the processing, distribution, servicing and manufacturing opefrations. The responses give 30% for processing as agreed upon by 15 of the respondents, 40% for distribution, 20% for servicing and 10% for manufacturing as indicted by 20, 10, and 5 respondents, respectively.

4.5 QUESTIONNAIRE QUESTION FOUR

WHAT IS THE RANGE OF THE NUMBER OF YOUR EMPLOYEES?

TABLE 4.2

NATURE OF BUSINESS	NUMBER OF RESPONDENTS	PERCENT
1 - 10	30	60%
10 - 20	5	10%
20 - 30	5	10%
30 and Above	10	20%
TABLE	50	100%

SOURCE: QUESTIONNAIRE

From the information given in table 4.3 above, we note the range of number of employees in the SMEs in Zaria. In most of the enterprises, the range of the number of employees ranks most between 1 - 10 as attested by 30 respondents out of 50, representing 60%. The range of employees between 10 - 20 is 5; 20 - 30, 5; and 30 and above 10, representing 10%, 10% and 20% of the total respondents, respondents.

4.5 QUESTIONNAIRE QUESTION FIVE

DO YOU HAVE COMPETITORS IN YOUR LINE OF BUSINESS?

TABLE 4.4

NATURE OF BUSINESS	NUMBER OF RESPONDENTS	PERCENT
Yes	50	100%
No	-	-
TABLE	50	100%

SOURCE: QUESTIONNAIRE

The information obtained from table 4.4 above shows that the enterprises have other competitors in their line of business. This is as affirmed by 50 respondents out of the 50 questionnaires retrived, representing 100% of the total respondents.

4.7 QUESTIONNAIRE QUESTION SIX

IF YOUR ANSWER TO QUESTIONNAIRE QUESTION FIVE (5) ABOVE IS "YES", WHAT ARE YOUR STRATEGIES FOR SURVIVAL?

TABLE 4.5

STRATEGIES USED	NUMBER OF RESPONDENTS	PERCENT
Credit Promotion	5	10%
Quality Production	25	50%
Proce Reduction	5	10%
Free Delivery Service	15	30
TABLE	50	100%

SOURCE: QUESTIONNAIRE

From table 4.5 above, the strategies adopted by the enterprises for their survival include credit promotion, quality production, price reduction and free delivery service. From the Table 5 respondents, representing 10% affirmed credit promotion; 25 representing 50% affirmed quality production; 5 representing 10% affirmed price reduction; and 15 respondents, representing 30% affirmed free delivery services.

4.8 QUESTIONNAIRE QUESTION SEVEN

DO YOU HAVE ANY MARKETING DEPARTMENT IN YOUR ORGANIZATION?

TABLE 4.6

MARKETING DEPARTMENT	NUMBER OF RESPONDENTS	PERCENT
Yes	10	20%
No	40	80%
TABLE	50	100%

SOURCE: QUESTIONNAIRE

From the above table, we note that most of the small and medium enterprises in Zaria metropolis do not have any marketing department in their organizations. Out of 50 respondents, 10 representing only 20% attested "Yes" while 40 respondents representing 80% of the total respondents attested "NO".

4.9 QUESTIONNAIRE QUESTION EIGHT

HOW DO YOU DISTRIBUTE YOUR PRODUCTS?

TABLE 4.7

NATURE OF DISTRIBUTION	NUMBER OF RESPONDENTS	PERCENT
Directly to Customers	15	30%
Through Agents and Disitributors	10	20%
Both (a) and (b) Above	25	50%
TABLE	50	100%

SOURCE: QUESTIONNAIRE

The above table shows the nature of distribution of the products of SMEs. From the table, it is clear that 30% of the respondents which represents 15 of the total respondents agree that their products are distributed to their customers directly. 10 out of 50 reprsenting 20% distribute their products through agents and distrisbutors and a total of 25 representing 50% of the total respondents attest that they distribute their proudcts using direct method as well as through agents and distributors.

4.10 QUESTIONNAIRE QUESTION NINE

WHAT FACTORS DO YOU NORMALLY EMPLLOY WIIEN RATING YOUR VENDERS?

TABLE 4.8

VENDOR RATING	NUMBER OF RESPONDENTS	PERCENT
Reputation	25	50%
Delivery	15	30%
Convenience	5	10%
All of the above	5	10%
TABLE	50	100%

SOURCE: QUESTIONNAIRE

Out of a total respondents of 50, 25 representing 50% attested that SMEs in Zaria employ reputation of their vendors when rating them. 15 employ delivery, 5, convenience, while 5 employ all of reputation, delivery and convenience. These figures represent 30%, 10% and 10% of the total respondents, respectively.

4.11 QUESTIONNAIRE QUESTION TEN

DO YOU NORMALLAY ADVERTISE YOUR BUSINESS?

TABLE 4.9

ADVERTISING THE PRODUCT	NUMBER OF RESPONDENTS	PERCENT
Yes	5	10%
No	45	90%
TABLE	50	100%

SOURCE: QUESTIONNAIRE

The information in table 4.9 above shows that 10% of the total respondents, representing on 5 out of 50 resp0ondents agree that SMEs in Zaria Advertise their products. However, 45 of them, representing 90% testify that the enterprises do not employ any form of advertisement.

4.12 QUESTIONNAIRE QUESTION ELEVEN

WHAT TYPE OF PROMOTIONAL STRATEGY DO YOU USE IN YOUR ORGANIZATION?

TABLE 4.10

TYPE OF PROMOTIONAL STRATEGY	NUMBER OF RESPONDENTS	PERCENT
Personal Selling	30	60%
Advertising	5	10%
Sales Promotion	10	20%
Publicity	5	10%
TABLE	50	100%

SOURCE: QUESTIONNAIRE

Table 4.10 above gives information about the type of promotional strategies used by SMEs in Zaria metropolis. Out of a total of 50 respondents, the table reveals that 30% the representing 60% promote their businesses through personal selling. 5 repondents affirm that they use advertising as a source of promotional strategy, representing 10% of the total respondents. While 10 respondents used sales promotion, 5 of them used publicity. These figurtes represent 20% and 10% of the total respondents, respectively.

4.13 QUESTIONNAIRE QUESTION TWELVE

WHAT ARE THE SOURCES OF FINANCE FOR YOUR BUSINESS?

THROUGH:

TABLE 4.11

SOURCES OF FINANCE	NUMBER OF RESPONDENTS	PERCENT
Personal Saving	40	80%
Borrowing from Friends	5	10%
Loans from Banks	5	10%
Loans from Government	-	-
TABLE	50	100%

SOURCE: QUESTIONNAIRE

Table 4.11 above shows that the major source of finance for SMEs in Zaria is through personal savings. This is as attested to by 40 out of 50 respondents, representing 80% of the total respondents. Other sources of finance include Borrowing from friends and loans from comercial banks. This iis as attested to by 5 each of the total respondents, representing 10% and 10% respectively. However, out of the firms under review, none used the Governments SME financing Loan Scheme facility.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

The basic aim of this study was to investigate into the Effective Marketing of Small and Medium Scale Enterprises in Zaria Metropolis of Kaduna State of Nigeria.

The study covered both the management staff of the selected SMEs as well as their customers. Out of this, the population and sample were identified and anonymous questionnaire was the instrument used for data collection. In all, a stotal populastion of 80 were designated out of which 50 respondents were selected for use through random sampling com0prising 30 makes and 20 females.

A total of 12 research questions were used for the study while a total of 50 questionnaires were administered. Of this number, all the 50 were retrieved, representing 100% of the total respondents.

Data Derived from the exercise were also analysed based on frequency distribution of respondents' opinions. This was shown in contingency tables and ranked in percentages as shown in table 41.1 to 4.11.

As a supplement of questionnaires, personal interviews were also used to ilicity some additional information not covered in the questionnaires. Related literatures were also reviewed exrtensively covering such areas as the nature and scope of marketing; the marketing concept; the marketing environment; the structure and organization of small and medium scale enterprises; the marketing of Small and Medium Enterprises' products; and the marketing planning p;rocess in a small and medium scale enterprises.

This chpter, therefore, gives a summary of the study, and based on the reserch findings, conclusions were drwn nd recommendtions given.

5.2 SUMMARY AND CONCLUSION

This study attempts to look into the marketing problems of the small scale industries in Nigeria with selected Small/Medium Scale enterprises in Zaria metropolis as a case study. The companes selected were discoverd to lack the marketing concept in totality, a phenomenon common with most small/medium scale industries thereby being unable to exploit the market to their fullest advntage.

Similrly, the notion tht the product sells itself is non-appreciative f marketing function as outlined by Kotler (1988) and Iornem (1983); though the Nigerian marketing environment which is believed to be a seller's market has led to this misdirection.

In this regard, it is ugently necessary that the small/medium scale enterprises in Nigeria including those selected for this study should adopt the modern marketing concepts.

Good quality products must be fully backed up with mrketing strategies for the attainment of organizational goals. It should be borne in mind that mrketing planning entails setting of objecives in consonance with goals, analysing the mrket opportunities and competitive environment in order to achieve knowledge of the market.

The government role through the Ministry of Trade, Commence and Industry should be more involving towards the small/medium scale industries in order to facilitate industrial take off in Nigeria; which could be by policy fomulation in respect of financial assistance, import and export liberalization of machinery and equipment or even advisory services. With all thse in place, the small/medium scale industries in Nigeria would be the long awaited pivot of the industrial take-off of the nation's economy.

5.3 RECOMMENDATION

In the contexdt of the above problems, the following are some of the recommendtions which one may offer based on the eserch findings.

One of the political issue which has adversely affected the performance and dedication of these industries' opertives, we note tht the major probhlems facing these industries were political problems, limited market for the industries' products, and inflationary trend. On the political scene, we noted that a country with unstable political government iis not good for business. A good example was wht happened in Nigeria during the 1993 June 12 after the annulment of the election, whereby many businesses were affected as most of their customers from the South, West and the Eastern parts of the country could not travel up North fo their business transactions. The inflationary trend also affects industries due to high costs of raw mterials which the management could not import for their

production. It was also clear from the economic point of view that the extent of the mrket can limit the distribution of any business.

From the foregoing, it is hereby recommended tht the government should crete a conducive economic environment fo the small/medium scale industries in Nigeria to thrive.

The small and medium scale industries in Nigeria should strive to operate at full capacities with modern equipment iin order to reduce cost of production and enhance productivity so as to meet the constant demand for their products.

The Nigerian government should solve the problem of access roads and other infastructural facilities such as electricity, communiction network, road transportation, pipe-borne water, etc. to create an enabling environment for the SMES.

The small and medium enterprises should provide warehouse facilities for some of its products as well as adequate storage fcilities for some of its perishables to help minimize damages due to wethe and ther conditons to ensure constant supply.

The need for marketing resercgh department is paramount in that there is a need for advertising and other promotional supports to impart knowledge and create awareness about the products of the SMEs as well as their existence.

Once the companies succeed in increasing their products and operte on full capacity, it should be able to appoint distributors and engage in pesonal selling. Efforts should be made to engage the distributors fully in order that they meet their target market demands.

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