INDUSTRIAL MARKETING IN THE NIGERIAN ECONOMY:

A CASE STUDY OF TRACTOR AND EQUIPMENTS COMPANY PLC. KANO

BY

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DECLARATION

I hereby declare that this research work was carried out by me under the supervision of Mr. Muktar Y. Abubakar.

To the best of my knowledge and belief, this research work has never been submitted either in Ahmadu Bello University, Zaria or any other institution for the award of degree.

Where references were drawn to other people's works, the necessary acknowledgements have been inserted.

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CERTIFICATION

This thesis entitled "Industrial Marketing In the Nigerian Economy: A Case Study Of Tractor And Equipments Company PLC, Kano" by LAWAL UNWAHA ANAKOBE meets the regulations governing the award of the Masters Degree in Business Administration of the Ahmadu Bello University, Zaria, and is approved for contribution to knowledge and literary presentation.

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ABSTRACT

Successive governments have taken economic policy measures over the years to ensure viable economic development. These measures are reviewed occasionally because of inadequacies of earlier ones to correctly address both visible and potential institutional and structural defects prevalent in the economy.

The study, thus, is intended to carry out an appraisal of the major economic policy measures under the period in review (i.e. 1986 - 1996), to identify the impact on industrial marketing and marketing practices in the country. The study will help the policy fornicators to appreciate the impact of their policy measures on industrial sector of the economy; and also assists the industrial marketing firms (industrial suppliers or vendors) to monitor their ever changing operating environment and response swiftly for the benefit of their survival in the business.

An industrial marketing firm, Tractor & Equipment Company (Nig) Pic, Kano with five of its industrial customers (users) has been chosen for the case study. Questionnaires were served to management staff of the company. Interview is conducted to gather more information in addition to the content of the questionnaires. Relevant literatures were consulted.

The study revealed that every economic policy measure at any given time spins out new opportunities as well as threats to industrial activities. Hence, firms with sound management team that have been monitoring the wave of change easily response to enable the organisation survive and prosper. The study recommends among other things, that a well thoughtout economic policy measures whose short-run as well as long-run implications have been assessed critically and found more beneficial be adopted. Also, an economic policy package capable of broaden the nation's economic base, particularly the individual sector should be pursued.

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CHAPTER ONE

1.1.0 INTRODUCTION:

For several years now, the world economy has been faced with economic depression. The economy of most nations, even the most industrialised ones has not been stable. The Nigerian economy is not an exception. Since early 1980's, Nigerian economy has been caught in this web of economic misfortune. This resulted in the introduction of various policy measures by Government aimed at rectifying the economic imbalance. For business enterprises and other commercially oriented companies, this signalled an era of lower sales, low capacity utilisation, difficulty in securing foreign exchange, etc.

The central economic problems for society is how to reconcile the conflict between people's unlimited desires for goods and services and the scarce resources (labour, Machinery and raw materials) with which these goods and services can be produced. Every group of people strive to solve these three basic problems of daily living; what goods and services to produce, how to produce them, and for whom to produce these goods and services.

In attempt to solve these obvious basic problems, marketing and marketing practices play vital roles in an economy as they determine what to produce, when to produce, where to produce, what quantity and quality to produce, at what price to sell it, how to distribute it and how to stimulate demand by way of a cluster of activities. It also involves how to source raw materials and other inputs at low cost to guarantee profit.

However, stimulation of demand by way of sales promotion is less critical to successful industrial marketing unlike consumer marketing.

Economic development which is the live wire of any modern state is a major concern of Governments. In view of this, Governments in the world over, make policies and take measures from time to time to regulate and monitor various economic activities and practices to ensure healthy development.

In a bid to achieve a sound economic and social development, Nigerian Governments at various times, have taken various measures packaged to address and remove or eliminate the fundamental structural distortions prevalent in the Nigerian economy over the years. Instead of making the economy more self reliant, some of the policies made the economy vulnerable to further external shocks. For instance, price distortions created by highly over-valued currency and inappropriate institutional arrangements led to incorrect pricing of industrial products. The public sector involvement in economic activities became pervasive such that the sector accounted for about half of the G.D.P. in 1980.

The glut in world oil market in the second half of 1981 exposed the inadequacies of our national economic policies and the ill-equipped state of Government to tackle realistically the fundamental problem threatening our national life. The problems that arose from the oil glut were thought to have short span of life but it was never so.

In 1982, the second Republic Government introduced Austerity Measures aimed at a fast economic recovery. But the measures failed to produce the desired results of revamping

the economy. Sequel to Austerity Measures was the introduction of Structural Adjustment Programmes (SAP) by the Babangida Administration in 1986 with a view to bring sanity to the socio-economic structure. The policy measures adopted between 1982 and early 1986 were in the form of intensified payments and trade controls with their attendants severe consequences on the economy. Suffice it to say that the control measures were not only unsuccessful but left an untold story of drastic short supply of industrial inputs, plant closures, large scale retrenchment of workers, shortage of consumer goods and inflation. Moreso, external debt increased astronomically through wreckless recourse to external borrowings and accumulated unpaid trade bills. The national debt burden was such that our foreign creditors ceased granting further credit and in exceptional cases, lines of credit were provided at prohibitive costs to the economy.

The first important policy measures brought about by SAP was the Second-Tier Foreign Exchange Market (SFEM) which later metamorphosed to Foreign Exchange Market (FEM). This measure, FEM brought the awareness for investments in the financial sector and deregulation of interest rates. While the banking sector and non-bank financial institutions were having a field day during the FEM period, the deficit sectors of the economy were crying due to high interest rates they had to pay on borrowed funds. The high cost of funds and foreign exchange caused a slow economic activities in production sector. The situation worsened to a point where companies were folding up because the borrowed funds employed were not generating enough funds for repayment of principal and interest. The few companies that remained afloat were operating below capacity and have had their overhead cost increased two or three fold.

In the light of the above, it can be said that the Nigerian economic environment has been turbulent and volatile with attendant implications on industrial customers and marketing organisations as well as determinants of demand; all of which influence marketing and marketing practices within the economy. Firms operating in an unstable economy like Nigeria are constantly being influenced by their external and internal environmental factors. Hence, they have to constantly monitor the operating environment to identify changes that occur so as to design and implement a cluster of marketing and non-marketing activities useful to remain in operation.

1.2.0 THE PROBLEM STATEMENT:

Successive Nigerian Governments have taken economic policy measures over the years to ensure viable economic development. These measures are reviewed occasionally because of inadequacies of earlier ones to correctly address both visible and potential institutional and structural defects prevalent in the economy. Hence, the main statement of the problem of this study is to carry out an appraisal of the major economic policy measures under the period in review and to identify their impact on industrial marketing practices.

1.3.0 PURPOSE OF THE STUDY:

The purpose of this study is to carry out an appraisal of the major economic policy measures under the period in review with a view to identifying their implications on industrial marketing and marketing practices with a particular reference to Tractor and Equipment Company PLC, Kano.

1.4.0 OBJECTIVE OF THE STUDY;

In reviewing major economic policy measurers under Ten years period (1986 - 1996), the study sought to achieve the following objectives;

(i) Identify the implications of economic policy measures on industrial marketing and marketing practices,

(ii) To enable industrial marketing firms identify weaknesses and threats posed by these measures,

(iii) To suggest or recommend possible ways of improving on the measures for the interest of industrial growth and overall socio-economic development.

1.5.0 SCOPE OF THE STUDY:

All economic measures affect virtually all facets of our individual life. Thus, to highlight all the implications of these measures on the whole economy in one study as this, will not only be unrealistic but expensive, time consuming, energy sapping and above all cast serious doubt on its findings. Therefore, this study would be limited to industrial marketing practices with particular reference to Tractor and Equipment Company PLC, Kano. While the time perspective is limited to the decade between 1986 to 1996.

1.6.0 SIGNIFICANCE OF THE STUDY:

Economy is the live-wire of a nation as generation upon generation depends on it for survival. The Nigerian economy has been an object of experiment in the political and

economic labouratories by successive governments without being able to identify the problems inherent in the system. In view of this, measures were recommended and replaced in quick succession without any being a panacea for our socio-economic bottle-neck. Instead, the economy is left more institutionally and structurally defective.

1986 - 1996 time perspective of this study was informed by the fact that within this period, Government came out with a set of measures (SAP) to tackle realistically the fundamental economic problems prevalent in the system. Moreso, the implementation of these measure brought about unprecedented implications or consequences on the consumers (industrial users), producers, marketers, organisations and the economy in general. This study, it is hoped would provoke further studies into Nigerian economy and the policy measures designed for economic activities and guide the existing and potential industrial marketing firms/entrepreneurs in their operation in Nigeria.

1.7.0 LIMITATION OF THE STUDY:

The limitation of this research work include time and financial constrains. There was limited time to undertake a tour of the offices of the company and its industrial customers which are scattered all over the country. Ofcourse, the funds to carry out such trips was hard to come by, if not unavailable.

Furthermore, the non-disclosure of some information by the respondents which they regarded as top secrets of the company constitute a bottle-neck for the study.

1.8.0 HYPOTHESES:

In the course of this study, the following hypothesis shall be tested:

(i) Ho Economic policy measures do have implications on industrial marketing practices in Nigeria,

Hi Economic policy measures do not have any implications on industrial marketing practices,

(ii) Ho Economic policy measures can influence industrial users' bahaviour either negatively or positively,

Hi Economic policy measures cannot influence industrial users' behaviour in any way,

(iii) Ho Marketing variables (Mix) can be used to counter the negative effects of economic policy measures on the organisation,

Hi Marketing variable have no relevance in reducing the effects of unfavourable economic policy measures on the organisation.

1.9.0 DEFINITION OF TERMS:

For the purpose of this study, the under listed terms are defined as follows:

1. **Policies:** Are broad, general guides to action that should help in the attainment of objectives. Policies help in speeding up decision making by providing definite

guides to follow. Ovuorie (1986) defined policy as "a guide for making administrative decision. It is an organisation's point of view and established manners of doing business and directing managerial actions".

2. **Market:** "Consists of all the potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfy that need or want" (Koller, Philip 1991).

3. **Marketing:** "Is 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" (Koller, Philip 1991)". "The performance of business activities that direct the flow of goods and services from producers to consumer (or user)" (American Marketing Association, 1960).

4. **Marketing Practices:** This refers to all the marketing programmes and strategies employed by organisations in order to exploit target markets in the most effective and efficient ways for the purpose of achieving organisational goals.

5. **Industrial Marketing:** "That aspect of marketing which is concerned with the marketing of goods and services to businesses and other organisations for use in the goods and services which they, in turn, produce" (E. Raymond Corey, 1962).

6. **Industrial Goods (Products):** These range from complex, custom-made machinery that cost millions of naira to mass-produced supply items of standard

design at little and affordable price. The industrial goods (products) are classified into five categories as follows:

(a) **Major Equipment:** This includes highly specialised industrial equipments and machines such as furnaces, cranes, boilers, plants to mention but few.

(b) **Accessory Equipment:** This includes cutting tools, fork-lift trucks, chain hoists, etc, which are used to facilitate the basic operations in a production process. These accessory equipments are typically built for stock rather than custom unit.

(c) **Component Parts and sub-assemblies:** These are fabricated parts which perform a specific function and do not require further modification to be installed as part of the final product. Examples are batteries, tyres, wheels, etc.

(d) **Raw and Processed Materials:** These are materials (or goods) that enter into the completed product which must be subjected to further manufacturing before selling to final consumer. Examples are products of mine & forest, and pig iron & thread tin which have partly processed.

(e) **Operating Supplies:** These are materials consumed in the operation of a business and do not enter into the final product. Typical examples are lubricants, drills, abrasive, etc.

7. **Structural Adjustment Programme (SAP):** Refers to a cluster of economic policy measures or guidelines recommended by the government as necessary for revamping the national economy.

8. **SFEM:** Refers to second Tier Foreign Exchange Market designed and charged with the responsibility of over seeing transactions in foreign exchange or currencies.

9. **FEM (Foreign Exchange Market):** This is the International Market in which one national currency can be exchanged for another. The price at which the two currencies exchange is called the exchange rate. The exchange rate is the number of units of domestic currency that exchange for a unit of the foreign currency. A fall (rise) in the exchange rate is called appreciation (depreciation).

10. **VAT (Value Added Tax):** This refers to tax paid for consumption of goods or services enjoyed which is a certain percentage of the value of the good or service in question.

11. **Industrial Suppliers:** Refer to merchandise agents who act as middlemen between the producer and industrial customers (users) in the marketing of industrial goods and services.

CHAPTER TWO

LITERATURE REVIEW

2.0.0 AN OVERVIEW OF ECONOMIC POLICY:

It is the desire of every government to bequeath sound and vibrant economic legacies for the benefits of posterity. Beg, David K.H. et al (1987) defined economics as "the study of how society decides what, how and for whom to produce". Individuals and groups (firms or organisations) volunteer into diverse forms of business to ensure steady availability of these desired goods and services with the aim of making profit. How they go about it and the resources used become sources of concern to responsible governments. Hence, governments monitor and regulate the attempt by the society to solve these basic problems of daily living by way of a set of policy measures. The policies may be political or socio-economic.

Ovuorie (1986) define policy as "a guide for making administrative decision or as an internal administrative law governing executive actions within the organisation (or society)". Economic policies then could be summed-up as broad, general guides to actions that help in attainment of economic objectives, harnessing of a nation's resources, stimulating and sustaining generally economic development for an indefinite period of time.

As policy measures come into play, the economic environment tends to be turbulent or rather volatile thereby making it mandatory for marketing decisions, practices and strategies to be reviewed and redesigned constantly in order for the players to keep a float. The marketing players include the consumers (industrial users), producers and industrial suppliers.

These economic measures turn out to be threats to some firms/organisations while they are opportunities to others. For instance, it would be opportunities for firms that source high percentage of their raw materials and spare parts locally to remain in operation and meet the demand for their products or services in an event of complete or partial ban on importation, high tariffs on importation, high foreign exchange rate, scarcity of foreign exchange etc as government measures at a point in time. Such firms increase their market share and reputation because of the ability to meet demand for their products and services at all time irrespective of the prevalent policy measures and economic situation.

On the other hand, an Amoeba in the Sahara desert has a better chance of survival than firms that depend solely on imported raw materials and spare parts for their operations. Truely, most imported inputs dependent firms either had to operate at low capacity or folded-up completely when government banned the importation of certain items with a view to make such firms more self-reliant on locally produced raw materials.

Therefore, excellently managed companies monitor the changing environment in which they operate and constantly adapt their business to their best opportunities and guard against emerging threats. The marketing environment is constantly spinning out new opportunities and threats in bad as well as in good periods; and firms that fail to respond fast will be caught in the web of misfortune.

2.1.0 REVIEW OF MAJOR ECONOMIC POLICY MEASURES

2.1.1 STRUCTURAL ADJUSTMENT PROGRAMMES (SAP):

In the bid to evolve economic policy measures that could serve as elixir to our socio-economic problems, the Babangida Administration, in July 1986, launched a two years structural adjustment programme (SAP) to achieve the following objectives:

- To restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and inputs.

- To achieve fiscal and balance of payments viability over the period.

- To lay the basis for sustainable non-inflationary growth.

- To lessen the dominance of unproductive investment in the public sector .

- Improve sectors' efficiency and intensify the growth potential of the private sector.

SAP envisaged not only strengthening demand management policies but also adopting measures to stimulate domestic production and widen the supply base of the economy. Hence, the key elements of SAP are; adoption of a realistic exchange rate policy, rationalisation and restructuring of tariff to promote industrial diversification and

increased trade and payments liberalisation, and abolition of complex administrative controls. In pursuance of the aforementioned elements of SAP, policy measures such as monetary, fiscal, exchange rate, pricing and income, trade and commercial, industrial agricultural, rural development etc were set in motion to ensure the attainment of desired results.

2.1.2 MONETARY POLICIES:

During the period under review, monetary policies were designed to stabilise the economy and mobilise financial savings for efficient allocation from the surplus sectors to the deficit sectors of the economy. This was done by way of credit restriction and relaxation. Central Bank of Nigeria (CBN) monetary policy circular No. 20 of January, 1986 contained the changes including the reduction from 10 percent to 7.6 percent in the ceiling imposed on the rate of credit expansion by the big and medium sized banks and later to 8.4 percent in 1987. This was however raised to 12.5 percent in 1988 to cushion the economy which was over heated by SAP inflationary pressure caused by the excess liquidity in the banking sector necessitate the reduction to 10 percent later in 1990.

In 1989, credit expansion was checked through measures such as cancellation of all loans backed by foreign collateral, withdrawal of government and quasi-government deposits from Commercial Banks to CBN and raising reserve requirements of banks. These measures affected loanable funds by banks and firms that were dependently on bank loans for its finances suffered greatly. Interest rate was deregulated to attract foreign investors

and encourage savings. From 1987 to 1992, interest rates were determined by the market forces and these increased as much as 34 percent (lending rate) before dropping to about 28 percent. However, government later intervened and pegged maximum lending and saving rates at 21 percent and 13.5 percent respectively. The reduced lending rates was meant to stimulate the deficit economic units to borrow for production purposes and thus be able to amortise while lowering of saving rates discourages surplus economic units from investing in bank deposits.

Furthermore, there was unification of reserve and liquidity ratio requirements of all licensed banks (commercial and merchant banks inclusive) as regulatory measure.

2.1.3 TRADE AND COMMERCIAL POLICY:

The adoption of trade and exchange liberalisation involving the establishment of a foreign exchange market (FEM), the elimination of exchange controls, quota restrictions on import and export licensing were the key content of SAP measures. There was a reduction of prohibited import items from 74 to 16, modification of the system of advance payments on import duties and overhauling of the custom and excise duty schedules to provide incentive to the productive sectors. Exporters and other foreign exchange earners were entitled to 100 percent of their foreign exchange earnings which they must repatriate and keep in their domiciliary account on which they can freely draw to meet all eligible foreign exchange transactions under the SFEM.

With the advent of SFEM, the 30 percent import levy introduced in January, 1986 was abolished. Under the system, only 25 percent of the assessed import duty needed to be paid while the balance of 75 percent was to be paid when the goods actually arrive. A related trade policy measure allowed exporters and producers to import raw materials and intermediate products for use in the manufacture of export products free of import duty and other indirect taxes and charges . The erstwhile commodity board was abolished to encourage private sector participation in the country's export. Several incentives were introduced during the period under review. Examples are Export Development Fund, Export Credit Guarantee and Insurance Scheme, Export Free Zone etc.

2.1.4 FISCAL POLICY MEASURES:

Fiscal policies were designed to improve the performance of the economy generally and boost government revenue specifically. From late 1970's to early 1980's, government had embarked on expansionary socio-economic policies which led the government to take loans from both internal and external sources. Sequel to the collapse of the world oil market, Nigeria was in liquidity problem and consequently series of measures to curtail public expenditure became inevitable. The measures taken included minimising the growth of public sector, wage and employment freezing completion of on-going projects only on the basis of the economic viability and higher completion probabilities. New projects were to be under-taken on the basis of being instrumental to economic recovery of the country and creating incentives to induce non-oil exports.

Furthermore, government rationalised public services, commercialised and privatised some parastatals, corporations and institutions, etc to deregulate the economy and induce the private sector to play greater role. The overall objectives of the policy were to free government recurrent funds from public enterprise to other areas of priority; providing immediate funds from sales of such corporations for government use in other areas; broadening the ownership structure of such corporations, and sustaining such enterprises.

2.1.5 INCOME TAX POLICIES:

The tax policy packages were to ensure fairness in the system, minimising disincentive to work, attracting and encouraging foreign and domestic investments, discouraging tax evasion and reducing problems of tax collection. Workers enjoyed more personal income allowances in 1989, 1990, 1991, 1992 and 1993 as contained in the budget speeches. The tax policies in 1992 were packaged to remove excess profit taxes from all companies and the funds were to be used on research and development especially for sourcing raw materials. However, agricultural sector continued to enjoy tax exception.

In an effort to broaden the revenue base of the government and ease tax collection process, Value Added Tax (VAT) scheme was introduced in 1994 which further compounded the already general price increase of goods and services. The government tried to minimise the impact of SAP on the manufacturing sector by continous restructuring.

2.1.6 EXCHANGE RATE POLICY:

Prior to the mid 1980's, Nigeria operated a fixed exchange rate which had to be adjusted periodically in accordance with the import weighted average of some currencies e.g. American dollars, British pound sterling, the German mark, the Japanese Yen, the French Franc, etc. The system led to the over valuation of the naira in relation to foreign currencies. During the fixed exchange rate, allocation of foreign exchange was based on the import licensing system and this was grossly abused. The obvious distortions observed with fixed exchange rate system included inefficient use of foreign exchange, relative attractiveness of imported goods, disincentive to exports and adverse terms of trade for non-oil products (agricultural and industrial goods).

In a bid to make the naira exchange rate realistic and stable, market forces were allowed to determine the exchange rates in the second Tier Foreign Exchange Market (SFEM). The excessive demand for foreign exchange was supposed to be reduced by the realistic exchange rate of the naira but this was never the case in practice. The First Tier Market which is responsible for payment for public sector debt services and due obligations to external creditors, international organisations, embassies, etc was merged with SFEM in July, 1987 to form a single Foreign Exchange Market (FEM).

The main aims of exchange rate policy in Nigeria are to preserve the value of the domestic currency, maintain a favourable external reserves position and ensure price stability. However, the attainment of these objectives has been a mirage. Exchange rate policies applied in Nigeria have traversed two main mechanisms, namely; the fixed and flexible regimes. The flexible system continued until January, 1994 when the fixed exchange rate system was restored by government with the pegging of the naira relative

to the American dollars at N21.9960 to the a dollar. In 1996, the naira exchange rate in FEM stabilised at about N85 to a dollar along side with autonomous market.

2.1.7 DEVALUATION AND PRICES:

Except on very rare situations, the naira has consistently suffered a depreciation in its value. This is corroborated by ever high inflationary trend in the economy. At the end of 1987, the naira was devalued by 37.71 percent compared to its level in December, 1986. It suffered further devaluation in subsequent years till 1994 when a relative stability in value was maintained.

The overall increase in the general price level resulted from combination of factors such as the initial substantial depreciation of the naira exchange rate and the lagged effects of upward reviews in the prices of petroleum products in 1994. The situation was further aggravated by high import duties, the Valued Added Tax (VAT) and seasonal scarcity of food items occasioned by massive smuggling of such items across the boarders to neighbouring countries for higher earnings.

2.2.0 DEVALUATION AND INDUSTRIAL SECTOR OF THE ECONOMY:

The productive sectors, particularly industrial sector, suffered tremendously from the devaluation of the naira. The foremost impact of the rapid depreciation of the naira against the foreign currencies was the decline in the level of capacity utilization. The problems that are confronting the manufacturing sector are frequently mentioned in the reports of Manufacturers Association of Nigeria (MAN). The problems include:

(i) **Low Capacity Utilization:** From the various reports of MAN, the level of industrial capacity utilization was put at an average of 30 percent in 1987; 36.7 percent in 1988 and 7.0 percent in 1990. The figures of 1991 to 1996 were much lower.

(ii) **Decreased Domestic Demand:** The devaluation of naira resulted in sharp increase in the cost of machinery and equipment, industrial raw materials and other inputs necessary for sustaining production. This gave rise to corresponding increase in prices of manufactured goods, hence decrease in domestic demand for industrial products. Many manufacturers became saddled with unsold stocks of goods and dwindling purchasing powers of industrial customers (industrial product users and consumers).

(iii) **Smuggling:** The period since inception of SAP has been characterised by wide-scale smuggling of especially food items, Textile materials, spare parts etc. The banks, speculators and traders were the main beneficiaries of the economic policy measure from 1986 to 1992. Most manufacturing companies were forced to look beyond their primary businesses for survival, as banks were not willing to sell foreign exchange to them because they were mostly out bidded by traders who only buy and sell articles with less overhead costs. However, with gradual regulation of economy since in 1993, banks fell out of favour of the policy measures, bring to the fore the hitherto unknown distress phenomenon.

2.3.0 THE NATURE OF INDUSTRIAL MARKETING:

As defined, by E. Raymond Corey, "Industrial Marketing is concerned with the marketing of goods and services to business and other organisation for use in the goods and services which they in turn, produce". There are no consumers in industrial marketing unlike consumer marketing where the ultimate buyers are individuals and family units who buy for house holds. Rather, the ultimate buyer in industrial marketing are the industrial users (customers) which include business enterprises, government, organisation and institutions.

According to D. Amarchand, and B. Varadharajan (1979), "Industrial buying is comparatively a rational process. This is due to some reasons which include the following:

(a) The technical details very much determine the products for buying. Precise specifications and quality of products leave very little for personal discretion.

(b) Buying decisions involve more than one person, probably by committees of various experts. Hence a rational decision will result from committee's discussion.

(c) The use of purchase instruments such as calling for tenders, quotation, proforma invoices and making comparative studies. By this process, personal whims, fancies and 'impulse' buying are avoided. These views were share by Philip Kotler (1980).

The relatively limited number of buyers of industrial goods, makes advertising and sales promotion to be uneconomical in industrial marketing. Advertisement in trade and technical journals backed by direct mailing and personal selling are usually employed. The channel of distribution for industrial goods is usually short, involving direct selling or with a few number of middlemen.

However, discretion may be exercised under certain conditions. For instance, when product differentiation is impossible or products become similar, seller whose price offer is low will be preferred. But when many firms offer the same commodity under different brand names, there is room for choice or discretion to be exercised by the industrial buyer. Advertisement and psychological motivations may induce such decisions and the, buying behaviour becomes susceptible to personal appeal and preferences. Personal appeal could only be effective only after knowing the right person in the organisation (or decision making unit).

The demand for industrial goods is a derived demand from the demand for the consumer product in which the industrial items are used. The demand for steel, for instance depends partially upon consumer demand for automobiles and refrigerators; likewise the demand for flour depends largely on the consumer demand for bread, cake, etc made of flour.

Another factor that influences demand for industrial goods is public authorities expenditures (i.e. Government Expenditures). This affects industrial marketing in many folds. Political direction may affect the nature of the economy (capital investment) by increasing the amount used for social services which denote considerable market opportunities for industrial goods sellers. The public authority spending tends to be relatively more stable than the private sector which may react sharply to every minute economic fluctuations. Therefore, the larger the public spending in an economy, the greater the stability of that economy. If private investment is stagnant or falling, the economy tends to be relatively stable but not necessarily prosperous; which implies that most selling organisations may remain afloat.

2.4.0 APPRAISAL OF ECONOMIC PERFORMANCE IN THE PERIOD UNDER REVIEW:

The various economic measures taken by the government during the period under review were informed by major economic problems particularly price distortions created by highly over valued currency and inappropriate structural and institutional arrangements prevalent in the system prior to the period. The measures were taken to revamp the economy but they never achieved complete desired results. The economy was still very much saddled with high and rising inflation rate, persistent depreciation of the naira exchange rate and high interest rate in the money market. More still, was the presence of deteriorating of balance of payments, high unemployment rate, poor economic growth and factory closures.

Inflationary pressures which dampened significantly in 1990 to about 7.4 percent rose to 13.0 percent in 1991 and about 20 percent in 1994. However, it stabilised in 1995 and 1996 at a higher rate than that of 1994.

Nevertheless, there was an improvement in the macro-economic environment in 1995 when compared to 1994 and 1993. But then the situation was far from ideal. The fiscal operations of the Federal Government resulted in much lower deficit, reflecting the improved budgetary discipline and performance during the year. The naira exchange rate stablised at relatively depreciated level, while the disequilibrium in balance of payments remained. External debt increased between 1995 and 1996 as a result of the deferment of external debt service obligations that fell due during the period. The overall economic performance remained unsatisfactory though there were redocumentary improvement in few subsectors.

2.5.0 AN OVERVIEW OF NIGERIA INDUSTRIAL MARKET:

Under the colonial (British) rule, the country depended on importation of finished goods wholly. The colonial masters exploited our raw materials (mainly groundnut, cotton, palm-oil, rubbers, tin, coal etc) and exported them to their home country and brought back finished goods. There was virtually no industrial marketing activities during the pre-independent.

According to Nwokoye, N.G. (1981), the growth of the manufacturing sector in Nigeria since the early sixties has been rapid and sustained. Between 1962-63 and 1972-73, value added in manufacturing and craft grew at a compound rate of 10 percent per annum with manufacturing alone growing at 12.2 percent. Inspite of this high growth rate, manufacturing represented about 8 percent of Gross Domestic Product in 1972 which compares unfavourably with the 15 to 20 percent share attained in many countries at a similar stage of economic development. The structure of the country's manufacturing sector is characterised by the dominance of low technology light industries and little engineering industries. For instance, food, beverages, tobacco, and textiles dominated the manufacturing sector.

There is an observable geographical concentration of industry in Nigeria. The majority of industries that do not depend on deposits of natural resources were located in Lagos being the first principal financial capital of the country, with good transportation and telecommunication facilities. Furthermore, the existence of large sea port in Lagos favours the location of industries.

2.5.1 THE RISE OF INDUSTRIAL MARKETS:

However, sequel to the gradual development of the country's hinterland in terms of water, electricity, transportation and communication, more industrial urban centres started emerging; examples are Kano, Port Harcourt, Aba, Kaduna, Benin City, Onitsha, Nnewi etc. The period from mid seventies ('70s) to early eighties ('80s), the country

witnessed increasing number of firms and wider geographical spread. Firms sprang up in various sub-sectors of the economy namely; Agriculture, Manufacturing, Petroleum, Mining etc. During this period, purchasing of industrial goods becomes more and more sophisticated and specialists from different fields were involved. Hence, industrial marketing practices begins to be recognised. Purchases of industrial raw materials which were hitherto left in the hands of clerks and unskilled personnel changed. Companies and corporate bodies began to employ skilled and highly qualified personnel as their purchasing officers.

The government is an important player (or buyer) in the industrial marketing. the government market includes the general political and administrative bodies of the federal, state and local governments which buy industrial goods in furtherance of their political programmes of providing social facilities for the welfare of the citizens. The nature of the government in power and its programmes have direct impact on the level or the tempo of industrial marketing activities.

Following the increased industrial activities in the country, some entrepreneurs began to engage in industrial marketing solely as their main line of business; thus selling industrial goods and equipments. However, as a result of the down turn in the country's economy since mid 1980's and consequently the closure of many firms, the industrial marketing business started witnessing unprecedented bad time. Many of the industrial marketing firms (or marketers) were forced out of business. The few that survived had to develop new marketing strategies in line with the wave of the change in order to remain afloat.

CHAPTER THREE

METHODOLOGY

3.1.0 INTRODUCTION

Many sources of data/information for the study abound but only three major sources were used in this study. These include primary and secondary sources as well as interview. The primary source of data is what the researcher has to obtain fresh from the respondents either through interviews or by drafting a questionnaire and administering the questionnaire on a selected sample of the respondents.

The secondary sources of data include books and published texts that are available in libraries and bookshops. Secondary sources of data also include annual reports and statistics printed by corporations or organisations like central banks, chambers of commerce, special institutes etc. The data is already available in the books or texts and all it requires is to trace the information and sort it out.

3.2.0 POPULATION

Population is very important in any research work as it constitutes who, or what to be studied. Thus, the population for this study comprised of people and institutions i.e. Management, Staff, Consumers (users) and industrialised corporations.

The population of the study by every standard is large enough for the study. But for financial and time constraints, the whole population could not be studied. Hence, for easy

handling by the researcher and for the result of the study to be meaningful, the researcher has deemed it necessary to study a sample of the population (managers)

3.3.0 **SAMPLE:**

The population sample for the study include:-

(a) Tractor and Equipment (T&E) Nigeria PLC, Kano (an industrial Marketing firm)

(b) The five major customers of the firm in Kano namely:-

(i) Standard Plastics Industry Ltd.

(ii) Gaskiya Textile Industry Ltd.

(iii) Universal Textile Industry Ltd.

(iv) Hadejia Jama'are River Basin Authority

(v) Dantata & Sawoe (Nig) PLC.

The sample size thus comprised management, line Managers (such as marketing/purchasing manager, Production Manager, Cost & Management Accountant etc) and sales representatives of the companies and project Manager of corporation who are quite aware of the changes taking place in their organisational operating environments and factors responsible for the changes.

The choice of this group or target sample is informed by their knowledge of the government economic policy measures in the last five or more years, and moreso, they have been involved in the design and formulation and execution of marketing policies,

programmes and strategies for their organisations in the effort to exploit the positive aspects of the measures to their advantage or reduce (or possibly avoid) the effects of the negative impact of the measures on their activities. Suffice it to say that the sampling procedure applied in the choice or selection of the respondents and companies for this study is purely on the discretion of the researcher.

3.4.0 RESEARCH DESIGN

There are different methods of research design at the disposal of researcher. Among these are the survey research, Experimental research, descriptive research, observation etc. But for this study, the survey method is used because the topic of the study has an obvious effect on the general economic condition vis-a-vis the living standard of the people. There has been a lot of debates and write ups of many well meaning citizens and groups such that nearly every facet of the society can comment on policy measures and their impacts on the economic activities.

3.5.0 DATA COLLECTION PROCEDURE:

Data/information for a research or study may be obtained through a variety of techniques. One or a combination of these techniques can be used. However, in this study three major techniques of data collection were used. These are the primary and secondary sources as well as interviews.

3.5.1 PRIMARY SOURCES OR QUESTIONNAIRE:

This method or technique involved the administration of questionnaire. Questionnaires consisting of variable items specified in the hypotheses were drafted and distributed to the sample group or selected respondents. The questions were mainly close-ended type. There are two set of questionnaire; one for the staff of Tractor and Equipment (T & E) company (the industrial marketing) and the other is for staff of the industrial customers of Tractor and Equipments (i.e. the industrial users).

The companies involved in study are as follows:

(i) Tractor and Equipment (T & E) Company PLC, Kano.

(ii) Gaskiya Textile Company Limited, Kano.

(iii) Universal Textile Company Limited, Kano.

(iv) Hadeja Jamare River Basin Development Authority.

(v) Dantata and Sawoe (Nigeria) PLC, Kano.

(vi) Standard Plastics Industry Limited, Kano.

There were 30 questionnaires distributed (5 to each Company) for the respondents to complete and return. Out of the 30 questionnaires, 28 were completed and returned to the researcher while Hadeja-Jamare River Basin Development Authority and Dantata & Sawoe (Nigeria) PLC did not return one each.

3.5.2 SECONDARY SOURCE (OR STUDY OF DOCUMENTS):

This involved examination of documents such as books, journals, magazines, newspapers, etc, for information for the study. The companies annual reports, CBN reports and economic reviews as well as other publications were consulted in the course of the study.

3.5.3 *THE INTERVIEW METHOD:*

Beside the questionnaire and secondary sources, interviews were also conducted with the companies managements, sales representatives and industrial users. This technique was very useful because some respondents gave verbal information which they were not ready to commit in writing. The responses of the respondents varied due to their differences in experiences and nature of their organisations. All the information/data gathered through the various techniques are presented and analysed in the next chapter.

3.6.0 DATA ANALYSIS:

In any meaningful study, data/information obtained through a number of techniques make no meaning in themselves. The vast array of numerical information collected through a variety of techniques have to be condensed to such a size and shape that can be more easily comprehended to ensure the extraction of new ideas or meanings from it.

In this study therefore, quantitative and qualitative techniques of data analysis ere used i.e. the analysis of some questions were done in percentage, others are not because they involved expression of opinions or making of comments and recommendations which

vary tremendously. Nevertheless, the researcher took pains to balance such comments and opinions in the data presentation. Data are presented in a tabular form for analysis.

3.6.1 BACKGROUND OF TRACTOR AND EQUIPMENT COMPANY (NIG) PC, KANO:

Tractor and Equipment Company (Nig) PC is a foreign subsidiary of Leverton Group of United Kingdom in Nigeria. The Leverton Group is the collective name for unilevers' business handling caterpillar equipment. These dealerships sell and service caterpillar machines and a wide range of complementary products in the United Kingdom (UK) and Africa under the following names:

Business Name	Country
Leverton	United Kingdom (UK)
Unatrac	United Kingdom (Export)
Tractor & Equipment	Nigeria
Tractor & Equipment	Ghana
Tractor & Equipment	Sierra Leone
Gailey & Roberts	Kenya
Gailey & Roberts	Uganda
UAC of Tanzania	Tanzania

Leverton has been a caterpillar dealer in the United Kingdom since 1935 and from their headquarters in Windsor provide management assistance and technical co-ordination for the Group's dealerships in Africa.

Unatrac exports caterpillar and related equipments and parts to overseas clients and provides product support services in liaison with Leverton and the Africa dealerships. The Leverton Group thus provides the unique combination of equipments supply, parts and product support services to the following industries namely; Construction, mining and quarrying, oil and gas, waste management, agriculture, plantations and forest conservation, power generation, manufacturing, storage and distribution.

However, it is worth mentioning that caterpillar is an American product while Leverton Group (a British company) is the main accredited dealer of the product world wide. But for Tractor & Equipment (Nig) PLC like its parent company, engages in sales of major equipments like Tractors, Generating plants, Lister & Olympian machines, folk lifts, pumping machines; accessories (e.g. Batteries, pressure gauge etc) and industrial suppliers like chemicals, paints, hydraulic oil additives filters, etc.

Tractor and Equipment (Nig) PLC is also involved in equipment leasing and fabrication of parts. They equally offer a wide range of product support services. For wide coverage and effective distribution network, Tractor & Equipment has offices in the following towns in Nigeria; Lagos, Warri, Eket, Port Harcourt, Enugu, Abuja, Kaduna, Kano and Maiduguri. The company has its major workshop at Oregun in Lagos.

3.6.2 INDUSTRIAL CUSTOMERS OF TRACTOR &

EQUIPMENT COMPANY PLC, KANO

Tractor and Equipment Company PLC opened office in Kano mainly because of manufacturing industries and Agriculture. In other words, their presence in Kano was to enjoy the patronage of Agro-allied industries and manufacturing firms.

The five customers of the firm sampled for the study are as follows:

(i) **Standard Plastic Limited:** This company is into manufacturing of plastic plates chairs, buckets and children's toys.

(ii) **Gaskiya Textile Industry Limited:** The company is involved in manufacturing of textile materials (e.g. clothes, prayer mat, etc).

(iii) **Universal Textile Industry Limited:** The same as in (ii) above.

(iv) **Hadeja Jamare River Basin Authority:** This is a public corporation charged with responsibility of developing the Hadeja and Jamare river Basins for the purpose of irrigation and dry season farming.

(v) **Dantata & Sawoe (Nig) Limited:** This is a civil construction engineering company which engages in road constructions and buildings.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1.0 DATA PRESENTATION:

There were thirty (30) questionnaires administered to the sample group but 28 were duly completed and returned to the researcher. The response to question three (3) of the questionnaire was 10% affirmative. The respondents were quite aware of the economic policy measures of the government during the period under study. The respondents were equally aware of the objectives of these policy measure as evidenced by 100% response to question (4) of the questionnaire.

Response To Question 5: Fig.1

Probable response	No. of Respondent	Percentage
Completely achieved	**0**	**0**
Partially achieved	**14**	50.00
Achieved	**5**	17.85
Achieved but spinned out other problems	**9**	32.15
Total	28	100

The above table (Fig. 1) illustrate the response to question five (5) of the questionnaire. 50% of the respondents indicated that the policy objectives were partially achieved, 32.15% of the respondents believed that the objectives were achieved but the course of spinned out other problems; while 17.85% of the respondent were of the opinion that the objectives of the policy were not achieved.

From the survey, all the respondents to the questionnaire and oral interview shared same view that the economic measures brought mixed blessing to their organisation and policy measures were never consistent.

Impact of the policy measures on T & E Plc and its Industrial Customers:
Fig. 2:

Particulars	Number of Respondents	Percentage
Marketing the Products	16	57.14
Capacity Utilization	9	32.15
Retrenchment of Workers	2	7.14
Other Effects	1	3.57
Total	28	100

Figure 2 illustrate the responses to question 8 of the questionnaire. The marketing of industrial products was worst affected by the policy measures according to the view of majority of the respondents. There was poor market for the products. Next to the marketing of the products is capacity utilization which become reduced due to negative impact of the economic measures on production activities. Staff (or workers) retrenchment is occasioned by poor marketing (or sales) and low capacity utilization. The other effects include reduction of branches, subsidiary outfits, etc.

Performance Trend: Fig. 3.

Performance Criteria	Increasing Trend (%)	Decreasing Trend (%)	Galloping (%)	Total (%)
Sales volume	--	90	10	100
Profit margin	--	85	15	100
Capacity Utilization	--	85	15	100
Cost of Production	100	--	--	100

Figure 3 above illustrate the response of the sampled population to question 9 of the questionnaire, which seek to know the trend in performance of the companies based on their sales volume, profit margin, capacity utilization and cost of production. From the above table, using sales volume criterium, 90% of the respondents confirmed decreasing

trend and 10% galloping trend in the performance of their respective company. Based on profit margin, 85% of the respondents said theirs companys' performance have been on decline while 15% responded that theirs have been galloping. Note that Hadeja Jamare River Basin Development Authority (a non-profit oriented organisation) did not comment on profit margin.

But for capacity utilization, 85% of the respondents indicated that their company's installed capacity utilization has been declining year after the other. While 15% of the respondents indicated a galloping capacity utilisation which was brought about foreign exchange occasioned by introduction of SFEM in 1986 and 1987. Cost of production has been consistently on the increase according to the responses of all the sample population. Hence 100% of the respondents indicated increasing trend in cost of production.

Question 10 seeks to know whether or not the economic measures have effects on the demand for industrial goods (raw materials and finished goods inclusively). The respondents unanimously answered 'Yes'. They went further in question 11 of the questionnaire 'A' to rank the economic measures in terms of their severity on the demand for industrial goods starting with Naira devaluation followed by Exchange rate, Interest rate, Credit (monetary) policy and Tax (fiscal) policy being the least.

The effect of these policies reduced the purchasing power of the populace which consequently resulted in decrease in sales of industrial goods whose demand is derived.

The industrial customers(users) therefore reduce the number of orders and quantity ordered from their vendors (T & E Plc) this case or study.

The marketing programmes of the firm under study (i.e. T & E, Plc) become turbulent and as a result, the company embarked on aggressive marketing activities. These involved reducing profit margin to increase sales volume; and serious personal selling. The firm also engaged in what they regarded as "buying-back". In this case, Tractor & Equipment goes to its industrial customers with old stock of their goods (unused) in their respective warehouse to re-purchase them and ship them to the parent company abroad who will in turn direct the goods to other countries where more favourable market for the goods is available. Certainly, they repurchased the goods (even though unused) at a lower price than the original selling price. This is possible for a company which is interested in reducing their cost of holding idle stocks or inventory. Tractor and Equipment Plc also engages in refurbishing of fairly used equipment for sales at a reduced price as a survival strategy.

It is these range of product support services coupled with the good quality of their products which keep the firm (T & E Plc) afloat during this depressed economic condition of the country where most of its peers (such as Black Woodhudge (Nig) Plc and Scoatrac (Nig) Plc) have gone under. The main surviving competitor to Tractor & Equipment Plc in Nigeria is Holt-Engineering (a division of John Holt Ventures (Nig) Plc). However, the only common product which the two firms deal in is generating plant.

But for the industrial customers of the firm under study, they adopt various survival strategies which include aggressive marketing of their finished goods, maintenance culture applied on their equipments, down-sizing and often retrenchment of workers. The nation's industrial growth is impeded by socio-political instability and the dominance of mono-product market (i.e. petroleum product). Hence, there is need to diversify into other sectors to enhance industrial growth and boost the prospect of industrial marketing.

4.1.1 HYPOTHESES TESTING:

In chapter one of this work, there are three basic assumptions borne in the mind of the researcher for whose purpose of testing this study was conceived. In this chapter therefore, the testing of these assumptions are made as follows:

Hypothesis One: Economic policy measures do have implications on industrial marketing and marketing practices in the Nigerian economy. This hypothesis was proved to be true because the industrial marketing firm (T & E Plc) and its five industrial customers under study have confirmed the impacts of these measures on their marketing programmes and their purchase or ordering decisions and considerations. The negative effects of the some economic measures on industrial activities affected the number of orders per annum and ordered quantity have reduced to avoid the problem of overstocking and high holding costs.

In support of this hypothesis, the researcher sought the views of staff of Tractor and Equipment, Plc and its five major industrial customers (mentioned in the previous chapters) by way of questionnaire and oral interviews. The 28 questionnaire received from respondents were affirmative to the hypothesis one. Impliedly, there was 100% response to the fact that economic measures affect the industrial marketing activities of firms within the economy. The various literature consulted also confirmed the implications of these measures on industrial marketing activities of firms. Thus, the hypothesis that the measures have no implication on industrial marketing activities is disproved as not true.

Hypothesis Two: Economic policy measures can influence industrial users" behaviours. This hypothesis has been found to be true since the negative effect of the economic measures caused the companies (or firms) to reduce the number of orders per year and quantity ordered from their industrial suppliers or vendors. The harsh economic measures force the firms to imbibe a maintenance culture for their equipment instead of outright replacement which would have been the case under favourable economic conditions . All the 28 questionaire completed and returned by respondents were affirmative to the hypothesis two. The 100% response to this item on the questionnaire is a confirmation of the assertion coupled with the views of various scholars in the literature reviewed. Hence, there is no basis for the assumption that the economic policy measures cannot in any way influence industrial users' behaviours.

Hypothesis Three: Marketing variables (product, Price, Place and Promotion) can be used to reduce the effects of unfavourable economic policy measures on the organisation. The hypothesis was proved to be true as there was as well a 100% response to the use of aggressive marketing programmes' activities as a survival strategy in the light of the harsh economic policy measures. Tractor and Equipment (Nig) Plc, uses reduction in margin, personal selling, "buying back" and a host of product support services to win and enhance patronage of its many industrial customers to enable them remain in business unlike some of its peers. Therefore, there is no basis for the assumption that marketing variables are of no relevance in reducing the effects of economic measures on the firms" activities.

4.1.2 MAJOR IMPLICATIONS/IMPACTS OF ECONOMIC MEASURES ON THE ECONOMY:

The economic measures under the period in review have no doubt brought mixed blessings to the Nigerian economy. In other words, the measures have their attendant benefits and problems. These are worthy of note.

(I) **Benefits:** The relative easy access to foreign exchange by prime movers of the economy brought about increased capacity utilization at the on set of SAP in a number of industries compared to the situation during the exchange control and import licensing regime. During the pre-SAP era, letters of credit facilities were often blocked by overseas correspondent banks because of our adverse financial credibility. There was a boost in non-oil exports during the SAP period than the proceeding period.

The SFEM and FEM imposed greater responsibility and discipline on entrepreneurs in their investment decisions and production processes. In view of this, the entrepreneurs strive to be more efficient in the use of scarce resources and installed adequate quality control procedure. Moreso, the high cost of imported industrial inputs led to local identification of some sources of raw materials and other inputs. Other benefits include increased Government revenue.

Government revenue both at Federal and State levels has significantly improved since the commencement of FEM and VAT. Import duty evasion/avoidance has been considerably reduced.

(II) **Problems:** Inflationary tendency - the price of a number of imported goods and some locally produced commodities increased due to the cost of foreign exchange, borrowed funds from financial sub-sector and the speculative activities of middlemen during the period. Furthermore, there was increased importation of finished products which had been of serious concern to local manufacturers. It proved detrimental to local industry and especially to employment.

The high cost of foreign exchange and borrowed funds and current cash squeeze have compounded the problems of a number of business firms. These led to closure and down sizing of many companies. This aggravated the unemployment situation in the country and consequently increased the crimes rate.

(III) **High interest rates:** The de-regulation in the financial market resulted in high interest rates. The high cost of funds inhibited the ability to borrow for investment. The high cost of fund increased the production cost and the general prices of goods.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.00 SUMMARY:

The study was informed by the incessant changes in Nation's economic polices over the years and its attendant implications on industrial marketing and marketing practices. The research was aimed at identifying weaknesses and threats posed by the various economic measures to industrial marketing firms and suggest possible ways of improving on the measures for the interest of industrial growth and over all socio-economic development.

The researcher reviewed some literatures on major economic policies of the country between 1986 when Structural Adjustment Policy (SAP) was introduced and 1996. Among the economic policy measures dwelled on by the researcher are:

- Monetary Policies
- Fiscal Policy Measures
- Income Tax Policies
- Exchange Rate Policy
- Devaluation and Prices, etc.

An appraisal of the industrial marketing during the period under reviewed was made. The experiences of Tractor and Equipments Company, Plc, Kano and its five major industrial customers were used as case study.

The researcher developed three hypotheses against which the data and information gathered through the questionnaires and interview methods were analysed and interpreted. The hypotheses are:

Hypothesis I **Ho:** Economic policy measures do have implication on industrial marketing practices in Nigeria.

Hypothesis II Ho: Economic policy measures can influence industrial users behaviours.

Hypothesis III Ho: Marketing variables (Mix) can be used to counter the negative effects of economic policy measures on industrial marketing firms.

These hypothesis were found to be true base on the data and information presented in chapter four (4) - Data Presentation and Analysis. The study also revealed that there is no single economic policy that is a complete panacea to the nation's economic problems. Each economic measure evolved by the Government attempt to solve some economic problems and breeds others. Furthermore, the study revealed that the survival of the industrial marketing firm depends on its ability to monitor or sense the changes in the operating environment and respond quickly.

5.1.0 CONCLUSION:

In the bid to regulate and monitor the harnessing of nation's resources to the benefit of the society in general and put the economy in the path of growth and sustainable development, policy measures are adopted by government. As theoretically beautiful as these measures were, they were saddled with implementation of the economic measures, the bunch of policy package was not a complete panacea for reviewing the economy. while some policy measures made an appreciable impact on particular sub-sectors of the economy, it stunted growth or development in other sub-sectors.

Thus, there is a severe threat to industrial marketing in view of the epileptic industrial growth. The prospect of industrial marketing will remain unbright as long as the nation's economy depends solely on petroleum products and not broadened.

5.2.0 RECOMMENDATION:

The prime objective of any worthwhile economic policy package is to achieve a comprehensive development. However, these measures sometimes, tend to create more socio-economic problems than they are set out to achieve both in short-run and long-run. The economic environment is ever changing and constantly spinning out new opportunities and threats for the players.

This project therefore, recommends the following:

(a) A well though-out economic policy measures whose short-run as well as long-run implications have been assessed critically and found more beneficial for adoption.

(b) The short-term adjustment measures and the more legitimate long-term requirements on the economy must be reconciled for the benefit of consistency are stable operating environment.

(c) The companies' marketing officers should employ the use of marketing intelligence and research to track the changing environment and align their marketing strategies to meet the new challenges and opportunities in their operating environment.

(d) An economic policy package capable of broaden the nation's economic base instead of the current petroleum dependent economy be pursued to enhance the nation's industrial growth and development.

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APPENDICES

DEPARTMENT OF BUSINESS ADMINISTRATION
AHMADU BELLO UNIVERSITY,
ZARIA

QUESTIONNAIRE

.....

.....

.....

Dear Sir/Madam,

I am a student of the above named University currently undertaking a research in partial fulfillment for the award of Master in Business Administration degree. You have been selected as one of the respondents for the research from the list of Management Staff/Industrial Customers of the company, Tractor and Equipment (Nig) PLC, Kano.

You are therefore kindly requested to fill the attached questionnaires. All information received will be used for the research purpose only and will be treated in strict confidence.

Thank you.

Yours faithfully,

LAWAL U. A.

APPENDIX 'A':

QUESTIONNAIRE

Kindly fill the questions below by ticking or writing where necessary.

Question 1: *How long have you been in the company?*

0	-	*5 years*	/__/
6	-	*10 years*	/__/
11	-	*15 years*	/__/
16	*and above*		/__/

Question 2: *Please, state position/post held in organisation*

.....

.....

Question 3: *Are you aware of the following economic policy measures between 1986 and 1996?*

		Yes	*or*	*No*
(a)	*Tax (Fiscal) policy*	/__/		/__/
(b)	*Credit (Monetary) guideline*	/__/		/__/
(c)	*Regulation and Deregulation of Exchange rate*	/__/		/__/
(d)	*Regulation and Deregulation of interest rate*	/__/		/__/
(e)	*Devaluation of Naira*	/__/		/__/
(f)	*Others (specify)*	/__/		/__/

.....

Question 4: *What are the objectives of these policy measures?*

(a) *Revamp the economy for effective performance* /__/

(b) *Help consumers to get goods in time* /__/

(c) *To check inflation* /__/

(d) *Help the industries to produce at full capacity* /__/

(e) *Other objectives (Please, specify)* /__/

.....

Question 5: *Were the objectives of the measure achieved?*

(a) *Completely achieved* /__/

(b) *Partially achieved* /__/

(c) *Not achieved* /__/

(d) *Achieved but spinned out other problems* /__/

(Please specify).....

.....

Question 6: *In what form is the impact of the measure on your organisation?*

Positive /__/ *Negative* /__/ *Mixed blessing* /__/

Question 7: *Are these policy measures consistent?*

Yes /__/ *No* /__/

Question 8: *In what way(s) do the measures affect your organisation? (Rank them in order of importance).*

(a) *Marketing of the products* /__/

(b) *Capacity Utilisation* /__/

(c) *Retrenchment of workers* /__/

(d) *Other effects (please specify)* /__/

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.....

Question 9: *What has been the trend of each of the following performance criteria since 1986 to 1996?*

		Increasing	*Decreasing*	*Galloping*
(a)	*Sales Volume*	/___/	/___/	/___/
(b)	*Profit Margin*	/___/	/___/	/___/
(c)	*Capacity Utilisation*	/___/	/___/	/___/
(d)	*Cost of Production*	/___/	/___/	/___/

Question 10: *Did the policy measures affect the users of your products?*

Yes /__/ ***No*** /__/

Question 11: *If yes (in question 10) state in ascending order the effect of the following { 1, 2, 3,.....6}*

(a) *Tax (Fiscal) Policy* /___/

(b) *Credit (Monetary) Guideline* /___/

(c) *Exchange rate Policy* /___/

(d) *Interest rate Policy* /___/

(e) *Naira Devaluation* /___/

(f) *Others (specify)* / /

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Question 12: *How do they affect the industrial users?*

(a) *Reduce the purchasing power* /___/

(b) *Increase the purchasing power* /___/

(c) *Decrease in sales* /___/

(d) *Increase in sales* /___/

(e) *Other (specify)* /___/

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Question 13: *In what form do these measures affect your marketing programmes?*

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Question 14: *If the effect is negative, what survival strategy do you adopted to reduce the influence of the measures on your corporate performance?*

(a) *Aggressive marketing activities* /___/

(b) *Passive marketing activities* /___/

(c) *Maintenance culture* /___/

(d) *Cut-down product prices* /___/

(e) *Others (please specify)* /___/

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Question 15: *What are the major impact of the economic policy measures on the economy*

(a) *High cost of capital* /___/

(b) *Inflationary trend* /___/

(c)	*Low capacity Utilisation*	/___/
(d)	*Closure of firms*	/___/
(e)	*High rate of retrenchment of works*	/___/
(f)	*Low purchasing power*	/___/
(g)	*Others (specify)*	/___/

APPENDIX 'B':

QUESTIONNAIRE

Kindly fill the questions below by ticking or writing where necessary.

Question 1: *How long have you been in the company?*

0	-	*5 years*	/__/
6	-	*10 years*	/__/
11	-	*15 years*	/__/
16	*and above*		/__/

Question 2: *Please, state position/post held in organisation*

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Question 3: *Are you aware of the following economic policy measure between 1986 and 1996?*

		Yes	*or*	*No*
(a)	*Tax (Fiscal) policy*	/__/		/__/
(b)	*Credit (Monetary) guideline*	/__/		/__/
(c)	*Regulation and Deregulation of Exchange rate*	/__/		/__/
(d)	*Regulation and Deregulation of interest rate*	/__/		/__/
(e)	*Devaluation of Naira*	/__/		/__/
(f)	*Others (specify)*	/__/		/__/

.....

Question 4: *What are the objectives of these policy measures?*

(a) *Revamp the economy for effective performance* /__/

(b) *Help consumers to get goods in time* /__/

(c) *To check inflation* /__/

(d) *Help the industries to produce at full capacity* /__/

(e) *Other objectives (Please, specify)* /__/

.....

Question 5: *Were the objectives of the measure achieved?*

(a) *Completely achieved* /__/

(b) *Partially achieved* /__/

(c) *Not achieved* /__/

(d) *Achieved but spinned out other problems* /__/

(Please specify).....

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Question 6: *In what form is the impact of the measure on your organisation?*

Positive /__/ *Negative* /__/ *Mixed blessing* /__/

Question 7: *Are these policy measures consistent?*

Yes /__/ *No* /__/

Question 8: *In which of the following way(s) do the measures affect your organisation? (Rank them in order of importance).*

(a) *Marketing of the products* /__/

(b) *Capacity Utilisation* /__/

(c) *Retrenchment of workers* /___/

(d) *Other effects (please specify)* /___/

.....

.....

Question 9: *What has been the trend of each of the following performance criteria since 1986 to 1996?*

		Increasing	*Decreasing*	*Galloping*
(a)	*Sales Volume*	/___/	/___/	/___/
(b)	*Profit Margin*	/___/	/___/	/___/
(c)	*Capacity Utilisation*	/___/	/___/	/___/
(d)	*Cost of Production*	/___/	/___/	/___/

Question 10: *Did the policy measures affect the demand for your products?*

Yes /___/ **No** /___/

Question 11: *If yes (in question 10), which of the following effect did the measure have?*

(a) *Reduce the purchasing power* /___/

(b) *Increase the purchasing power* /___/

(c) *Decrease in sales* /___/

(d) *Increase in sales* /___/

(e) *Others (specify)* /___/

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Question 12: *In what form do the policy measures affect your ordering for materials from the industrial supplier or vendor (T & E, Plc)?*.....

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Question 13: *What are the survival strategy adopted by your company to reduce the influence of the various policy measures on its performance.*

(a)	*Aggressive marketing activities*	/___/
(b)	*Passive marketing activities*	/___/
(c)	*Maintenance culture*	/___/
(d)	*Cut-down production level*	/___/
(e)	*Reduction in product price*	/___/
(f)	*Retrenchment of workers*	/___/
(g)	*Others (please specify)*	/___/

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Question 14: *Comment freely about the performance of Tractor and Equipment (T & E, Plc) as industrial supplier or vendor?*.....

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Question 15: *Comment freely about the Nigerian Economy and Prospect of industrial growth?*

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Thank you

LAWAL A.U.