APPLICATION AND IMPACT OF MARKET SEGMENTATION STRATEGY FOR THE SHOE INDUSTRY IN NIGERIA. A STUDY OF RATA SHOES NIGERIA XIMITED.

BY

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DEPARTMENT OF BUSINESS ADMINISTRATION
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DEDICATION

This historic work is dedicated to the following: The memory of my Grand Parents; The memory of my Uncle Alhaji Bawa Bello; My Parents - Alhaji Abubakar Jakada and Hajiya Mariya Jakada; My brothers - Hassan, Rufa'i, Gambo, Abba, and Kawu; My sisters - Safiya, Ghaji, Nafi, Umma, A'isha and Maryam; The entire Jakada Family; and the entire depressed masses.

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DECLARATION

I hereby declare that this project has been composed and written by myself. It has not been previously presented in any application for a higher degree.

All quotations and sources of information are duly acknowledged.

BALARABE ABUBAKAR JAKADA
August, 1989.

CERTIFICATION

This Project report entitled, APPLICATION AND IMPACT OF MARKET SEGMENTATION STRATEGY FOR THE SHOE INDUSTRY IN NIGERIA: CASE STUDY OF BATA NIGERIA LIMITED, By BALARABE ABUBAKAR JAKADA meets the regulations governing the award of the degree of MASTER OF BUSINESS ADMINISTRATION of Ahmadu Bello University, Zaria, and is approved for its contribution to knowledge and literary Presentation.

Name and signature of Supervisor	Date
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Name and signature of Head of Department	Date 9/8/90
Name and signature of the Dean, Post-Graduate School.	Date 6-6-90

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ABSTRACT

This research is concerned with the analysis of the ways by which a firm in the shoe industry goes about segmenting its market. In essence we undertook a study of those methods Bata Nigeria Limited adopts inSegmenting its shoe market.

The second and Fourth Chapters discuss the results of the application of the strategy of market segmentation. The benefits and costs of applying the strategy were also considered in some detail.

The methods of data collection has been through the administer of questionnaire to Company officials, customers and also through the interviews with management. The literature review was derived from a number of books, Magazines, journals and other related materials.

Our analysis have shown that the company is doing well especially in recent time. However certain weaknesses were identified and recommendations put forward.

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CHAPTER ONE

INTRODUCTION

1.1 AN OVERVIEW

Marketing has become an increasingly important activity within an Organisation especially in recent time. This could be due to the realization on the part of management that the firms profits and its very survival are inevitably tied to the satisfaction of consumer wants and needs. It has been the belief of most people that until the consumer derives final utility, there are really no products, there are only raw materials. The marketing view looks at the business as directed towards the satisfaction of customer wants.

Marketing is a desirable force that should surround the entire Organisation. It should enter into the thinking and behaviour of all decision makers regardless of their level within the Organisation and their functional areas* When this thinking pervades the Organisation, such Organisation is said to be adopting the marketing cone en pt. The marketing concept as a philosophy adopts the view that the primary purpose of any Organisation is to serve consumers at a profit. Even though non business Organisations may not seek profit, they have goals by which they measure their success just as other Organisations do in the other form. Organisations that employ the marketing concept attempt to determine the needs of concuraers they plan to sell to. After the needs are determined, products or services are designed to fulfill the needs of the target consumers. Marketers then proceed to formulate the various marketing strategies intended to appeal to the target consumers.

The Organisation goes about achieving it's market oriented strategies through an effective use of its marketing mix variables. The variables include:-

(i) The Product which has to be right in terms of meeting consumer requirements in every aspect as much as is commercially possible.

(ii) The Price which must be acceptable to consumers as being representative of value for the product they purchase.

(iii) Promotion which includes all elements concerned with planned marketing communications, advertising and the management of personal selling.

(iv) Distribution which includes all strategies, channel systems and selection, retailing and whole sale intermediaries and the management of physical distribution.

Studies on marketing have revealed that a marketers success depends importantly on adequate knowledge of his markets and his products and more specifically on his skills in affecting ownership transfers.

1.2 DEFINITION OF TERMS

Attention will be given to a proper understanding of the following concepts:-

- Market
- Segmentation
- Market segmentation
- Strategy
- Organisational Structure
- Delegation of Authority

1.2.1 Market

A market may mean a different thing to different people. Market consists of buyers who are likely to differ in their desires to resources, geographical locations, buying attitudes and buying practices. Historically markets have been considered as geographical places. Tbe assumption here is that a market is a place where buyers and sellets meet for exchange of goods and services. Based on this assumption, the geographical identification is important for marketing management purposes. Issues such as location facilities, routing of salesmen and direction of promotional efforts are affected by the concept of geographical market place.

Market is also seen by others as collection of people. Others identify it with a generic class of products, for example yam market, potato market and so on. To an economist a market is "any place where buying and selling is taking place". In this sense, therefore, a market does not necessarily have to be in one place, it could be anywhere and could be through any source once buying and selling is taking place.

Undoubtedly following the above analysis, one is tempted to say that the word "market" has many usages in economic theory, in business Operation and in marketing in particular. By definition therefore, a market could be looked upon as a geographical area inhibited by people with various needs to satisfy, money to spend and willingness to spend on a generic class of products or brands and services when ever it becomes necessary to do so.

1.2.2 Segmentation

Segmentation as will be used in our analysis refers to the process of dividing the total market into sub-markets. After discovering the vast markets that exist for products of all types and the accelerating rate of change that characterizes many of these markets, a marketing manager must direct his marketing efforts to selective selling. This is because the most critical decision made by marketing management is the definition of market targets - segmentation decision.

1.2.3 Market Segmentation

Market segmentation is the process of dividing a market into smaller units or target markets and locating individuals who belong to each target market. A market segment is thus "portion of a total market that displays similar human characteristics resulting in similar purchasing patterns".[1] Although various individuals might have given various definitions of the term all definitions mean the same.

Willian J. Stanton defines the term market segmentation as "the process of dividing the total heterogenous market for a product into several submarkets or segments, each of which tends to be homogenous in all significant aspects".[2] Thus in market segmentation instead of speaking of the market for women skoals, we segment the market into several submarkets, for example, those for student women, office women and or retired women.

The concept of market segmentation recognises that there may be different taste for products in different market locales. Thus, while a policy of product differentiation attempts to satisfy many individuals, market segmentation attempts to satisfy a small number of people. This number can be identified by one or more people characteristics, for instance demograpphic, sociographic and so on.

It is true to say that people have needs and wants. The job of a marketing manager therefore, is to closely approximate the needs of each sub-group. Once the different needs have been approximated, market segmentation can be achieved through actual changes in the product. That is , different qualities of the same product could be made or sold in different market segments. A manager could equally achieve segmentation through the use of different prices in the different segments. Sometimes the achievement of market segmentation is purely psychological.

1.2.4 Strategy

Strategy is defined as "a plan which involves the determination of the basic long term goals and objectives of an enterprise, the adoption of courses of action, and the allocation of resources necessary for realising these goals".[3]

In a rapidly changing environment, businesses have found that the only way to preserve their current stability as well as future viability and growth was to establish their long term goals and to formulate strategies to accomplish them. Market segmentation strategy is one of those strategies aimed at achieving the long term goals of the enterprise.

1.2.5 ORGANISATIONAL STRUCTURE

The organisational structure of a business is often referred to as the "framework of management". It consists of rules, procedures, charts, conventions and established practices, all operating within a business for the achievement of the Company's objectives. Typically, "Organisational Structure involves defining of responsibilities within divisions, departments and other appropriate sectors, establishing relationships between individuals, giving necessary authority to some individuals so that they can carry out their duties without having to refer all matters to a higher level, setting standards and targets in abroad fashion by defining Company objectives and more specifically breaking down the functions into manageable tasks, and keeping the cost of operating the organisation and it's systems within reasonable limits".[4]

1.2.6. DELEGATION OF AUTHORITY

Delegation of authority is an Organisational process that permits the transfer of authority from superior to subordinate. For effective delegation, the authority granted to a subordinate must equal the assigned responsibility. Responsibility is defined as all of the duties that must be performed in order to complete a given task.[5]

1.3 STATEMENT OF THE PROBLEM

Organisations everywhere are faced with the problem of marketing their products. The sales valume of most firms continued to decline every now and then. The organisations failed to understand that consumers desire different things, from a particular product. Location, income, and personality of the consumers differ significantly. These elements tremendously affect the buying patterns of the consumers.

Market segmentation, a recent phenomenon in marketing, tries to break the total market into submarkets with the belief that different consumers desire different things. Some may value colour, others size or quantity, and still others prestige and so on. Most organisations have come to value the concept of market segmentation and many others have gone to the extent of applying it.

The shoe industry is one place where the concept can successfully be applied. The fact that various individuals desire different shoes, places Bata Nigeria limited in a position to comfortably serve its different users. In this context therefore, market segmentation as a strategy can enjoy endless support from industries such as that which Bata belongs.

1.4. OBJECTIVES OF THE STUDY

The primary purpose of this study is to examine in detail the application and result of the concept of market segmentation. The application will be in relation to the marketing of shoes by Bata shoes Nigeria Limited. More specifically it is aimed at achieving the following objectives:

a. Examining the most effective way Bata Nigeria Limited can increase it's sales by the use of segmentation strategy.

b. Showing the practical application of the technique so identified.

c. Making recommendations for improvement in the application of the strategy so as to attain a higher level of sales.

1.5. SCOPE OF THE STUDY

The study discusses the application and impact of the strategy of market segmentation. A detailed analysis is taken on Bata Shoes Nigeria Limited. An introduction to the study is given in the first chapter. In the second chapter attention is given to the alternatives, requirements, and bases of segmentation strategy. In the same chapter the benefits and costs of applying the strategy are also looked into. The study within a reaonable length, discusses the history, objectives and operations of the Company. A detailed exercise is taken on the application and impact of the strategy of market segmentation as it relates to the Company. The final chapter concludes the discussion on the concept and provides recommendations based upon the weaknesses of the company in applying the strategy of market segmentation.

1.6. RESEARCH METHODOLOGY

The research is a case study of Bata shoes Nigeria Limited. Sources of information for the study were published data by the company. Besides, the senior staff of the company and a proportion of it's dealers

were interviewed and the necessary information was gathered where it was not available in literature. In addition secondary data was also used for the study.

Sample

To assess the application and impact of market segmentation strategy on Bata Shoes Nigeria Limited a sample of some of it's outlets were selected. Questionnaire was designed and administered on some selected outlets. The size choosen was with a view to obtaining the right information at the right time and in the required level.

Questionnaire

The questionnaire was administered personally in order to establish a much realistic analysis. This gives me the apportunity to explain further the purpose of the study and answer questions on points not fully understood.

Discussions and Interviews

Discussions were held with most senior officers, junior employees and company dealers The discussions and interviews centred on the extent of application and result of segmentation strategy.

Secondary Data

Published data on market segmentation strategy ranging from books, newspapers and magazines were used during the study.

The methods of data collection proved helpful, as it enables me to have a vivid view of the application of the strategy, it's result and company organisational structure. I was conducted round the company headquarters and other retail outlets to see for myself how the concept of market segmentation is been applied.

1.7 LIMITATIONS OF THE STUDY

The present study is limited to the application and impact of market segmentation strategy with regards to Bata Shoes Nigeria Limited. Data analysis and interpretations were based on knowledge grained from facts and opinions in various methods as mentioned above.

Constrains coupled with the lukewarm attitude of some respondents and lack of accessibility to some informations regarded as "highly confidential" contributed to a great extent to the limitations of the study.

The fact that some executives could not reveal some vital informations and the fact that some of them continued to re-schedule appointments serve as a major limitation of the study.

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CHAPTER TWO

2.1 THE SEGMENTATION PROCESS

The segmentation process by definition refers to the various steps which the marketing executive considers in segmenting his market. In an attempt to satisfy a small group of customers fully, four important steps are involved:

i. Identification of product features;

ii. Deciding compatible customer characteristics;

iii. Collection of customer data;

iv Classifying customers into segments.

The above steps describe the way and manner the mark ting manager takes in segmenting his market. Understanding the company's product features Is always the beginning point in defining a market segment. In this case, the company defines the features of it's different products. The features could be in terms of size, colour and appeal.

After the product features have been well defined, they become the basis for selecting customer characteristics. For instance, the marketing manager of an automobile company certainly knows that his product(s) is relatively expensive,mostly used by men and is expected to be demanded in all geographical areas of the country. With this information at hand, the manages will be able to determine his customer characteristics.

A reasoning further will reveal that the user of a car is likely to be an adult, in a high income group. This knowledge of the customer will induce the car seller to collect information on consumers displaying these characteristics.

The grouping of the customers into segments through available data will reveal that some customers have all the desired characteristics, while others have only a few. The grouping will enable the marketing manager to identify his Company's primary and secondary market segments.

2.2 ALTERNATIVE SEGMENTATION STRATEGIES

It has been seen that market segmentation denote the extent of market heterogeneity and the opportunities facing the firm for target marketing. However, the marketer is still left in dilemma as to the choice he will make among the three broad strategies for responsding to the revealed market structure.

The marketer might decide to go after the catchment portion of the market by adopting any of the following alternative strategies:

Undifferentiated Marketing;

Differentiated Marketing; and

Concentrated Marketing.

2.2.1 Undifferentiated Marketing

This approach may be looked upon not as a strategy. This is so because the marketer finds no bases for segmentation and therefore attempts to reach the total market. The firm treats the market as an aggregate, focussing on what is common in the needs of people rather than on what is different. Thus, not everyone will buy, but a general appeal should attract sufficient volume without the necessity of tailoring the company's products and methods of marketing to particular segments.

Undifferentiated marketing is Primarily defined on the ground of cost economics. Wendell R. Smith[1] puts it "undifferentiated marketing is the marketing counterpart to standardisation and mass production in manufacturing". Undifferentiated marketing offers

certain advantages. It makes possible the use of economies of scale in manufacturing. In addition it facilitates manufacturing and marketing by avoiding multiple products, competing brands, and duplicated inventories. Generally the cost of marketing per unit of product sold is minimised.

Although there is cost efficiency and using mass media, profitability may decline as the spending money competitors increases. Consequently products and services become victims of unpredictable brand switching. In this way the company marketing fails to take advantage of a basic opportunity to create a differential advantage and to establish for itself an unassailable market niche.

2.2.2 Differentiated Marketing

A Company using this strategy modifies its product (s) and methods of marketing to match the demand of two or more market segments. The soft drink industry, for instance Coca-Cola produces different drinks for different tastes. Electric and automobile firms, clothing and others all develop unique products and promotions designed to appeal to two or more segments.

The advantages of this approach can be noted in the concept of sementation. A consumer oriented firm must adopt to the needs of particular customers. By doing so, it places itself in a unique competitive position where it stands to serve these customers best. The needs of consumers within a single segment are uniform and more easily detected. In addition, the prospect of greater sales by serving more than one market segment is achieved. , In addition, there is greater potential in developing marketing programmes for two or more segments than in trying to pursuade all customers to buy a single product not quite suited to their particular needs.

However, there is a price to be paid for the advantages. Generally, the cost of manufacturing and marketing increases when this strategy is adopted. Economies of scale is sacrificed. Administrativ. problems arise, larger and more complicated organisational structures are usually involved. Planning becomes difficult and control less effective.

Looking at the advantages of prospects for greater sales, a stronger competitive position and hope for greater profit, one is apt to notice that they outweigh its costs. This is exactly what entice most Nigerian firms to go for differentiated marketing.

2.2.3 Concentrated Marketing

Differentiated and undifferentiated marketing both aim at the total market. Many firms, however, see a third possibility as one that is especially appealing when the company resources are limited. Here, instead of a company spreading itself in many parts, it concentrates its forces to gain a good market position in a few areas.

Concentrated marketing has special appeal. It permits the seller to direct the full force of company's effort in a narrow areas of opportunity. If successful in adopting to the needs of that single market, the company can virtually dorminate it.

However, concentrated marketing involves high than normal risks. The particular market segment on sudelently turn sour. For a competitor may decide to enter the same segment. For these, many companies prefer to diversify in several market segments.

The figures below describe each of the three alternative strategies discussed above:

(a) Undifferentiated Marketing (b) Differentiated Marketing



(c) Concentrated Marketing

Figure 2.2 - Alternative segmentation strategies.

Figure 2.2(a) shows no segmentation at all. The marketer aims at the total market. Figure 2.2(b) indicate six different segments while figure 2.2(c) shows total concentration of marketing efforts on two important segments of the market.

However, a firm should not conclude that when it is able to find its segments its problems are over. This is so because as the society changes, the market as well changes. More specifically, segments are loose aggregations that are subject to considerable modifications overtime. Such changes are particularly critical in segments based on psychographic characteristics. Perceptions and attitudes are volatile and benefits are sbbject to dramatic alterations. Because of these changes, marketers must try to monitor the market constantly to detect changes in it and adopt strategies accordingly.

2.3 REQUIREMENTS FOR EFFECTIVE SEGMENTATION

A number of criteria have been suggested to determine if segmenting a market would place management in a better position than treating the market as a homogenous entity. In this respect, three most important conditions will help manage ment toward segmenting it's market.[2]
They are as follows:

i. . Basis for segmentation must be measurable and Data accessible - That is, the characteristics used to categorise the customers must be one that can be measured and the data necessary must be within reach. Failure of any of these is likely to render segmentation ineffective.

ii The market segment must be accessible through existing marketing institutions, such as the channels of distribution, advertising media and company sales force at the minimum cost.

iii Substantiality - The segments must be large enough to allow the firm to make profit. That is the degree to which the resulting segments are large must be profitable enough to be worth considering for separate marketing action.

2.4 BASES FOR SEGMENTING A CONSUMER MARKET

This is an important aspect of the segmentation strategy - The question of how to segment the market. Marketers may segment their market in a number of ways; an infinite number of factors or variables are available to them which they can utilise to subdivide the market. The method of market segmentation choosen will vary from product to product. A useful method for one product may be of little or no value for another. We are limiting our discussion on the bases of segmentation to the consumer market because the nature of the prdduct we shall be concerned with is a consumer one. Ultimate consumers buy products for their own personal or household consumption. They are strictly satisfying non-business wants and they constitute what is called the "consumer market".

It should be noted that there is no one technique for segmenting the consumer market. The bases to be employed as noted earlier will depend upon the product in question. Many authors have given various basis for segmenting a consumer market. This is why we say the bases depends on the kind of product a company is engaged in producing. Harper W. Boyd and William F. Massy[3] in their book "Marketing Management" saw the methods as basically four :

1. Cultural Groupings
2. Demographic Data
3. Social - class descriptions, and
4. Behavioural measures.

The two authors saw aultural groupings as an important fact in explaining the behaviour of certain national groups.

William J. Stanton[4] in his book "The fundamentals of Marketing" identifies the bases as basically two:

1. Segmentation based on demography, and
2. Segmentation on income basis.

To the author income is an important factor in understanding consumer demand. He classifies different types of income including National income, Personal income, Disposable income, Money income, Real income, Psychic income and the rest of them.

However, for the purpose of this write up we shall use the bases put forward by Philip Kotler and also advanced by Kenneth E.Runyon. They saw the bases as basically four.[5] These include:

1. Geographic Segmentation
2. Psychographic Segmentation
3. Demographic Segmentation, and
4. Behavioral Segmentation.

Geography refers to the science of physical features, divisions, climate, product and population. Demography refers to the statistics of birth and death, sex, income, occupation and such other characteristics. Psychography simply put is the study of life style, personality and needs of people. Finally, bahaviour is the act or conduct of oneself.

2.4.1 Geographic Segmentation

This method of segmentation involves subdividing the total market into geographic sections and orienting the marketing mix to consumers in particular sections. In this case a market is divided into locations, states, cities and countries. This is particularly necessary because the firm recognises that market potentials and cost vary with market location, therefore determines those geographic markets that it could serve best.

Geographic segmentation is common among marketers, especially those whose distribution is national or international in scope. Some organisations choose to serve only certain regions, states, countries or other geographic units.

Density and climate are important factors in determining where a firm could serve well. For example, some goods are consumed more in states like Lagos, Kano and Oyo because the population of such areas is greater. It is true to say that products like "protectors" during rainy season are more likely to be consumed less in most part of the Northern States because rain is less rampant in such areas.

2.4.2 PSYCHOGRAPHIC SEGMENTATION

This mode of segmentation is a relatively recent form of market segmentation. It arose because people differ in ways other than those represented by geographic and demographic variables. It has emerged as a major alternative to the older methods. The terms has been seen by Emmanuel Denby[6] as follows:

"Psychographics seeks to describe the human characteristics of consumers that bears on their responses to products, packaging advertising, and public relations efforts". Psychographic studies can employ such concepts as personality, attitudes and product attributes.

i. Personality

Marketing managers have often used personality variables to segment the market. They endow their products with brand personalities designed to appeal to corresponding consumer personalities.

ii. Attitudes

From the marketing view point, attitudes and beliefs are considered to be strong and direct forces affecting consumer perceptions and buying behavior. It has been argued that to market a product or service successfully, the marketing manager must know the relationship that exists between consumer attitudes and their buying decisions.

Attitude is a person's enduring favourable or unfavourable cognitive evaluation, emotional feeling or action tendency towards some object or idea.[7] It is therefore necessary for the marketer to know how attitudes are formed, measured and changed.

When an individual consumer's attitude changes towards a company's product, the marketing manager has two options. He can change the consumer's attitude or determine what consumer attitudes toward his products are and then change the product to match those attitudes. Experience has shown that the second option is much more feasible.

iii Product Attributes

The buying behaviour changes of consumers have stimulated the development of an approach that has been called product segmentation. The approach is based on the fact that consumers can differentiate between products and on the basis of their respective needs, identify those that satisfy their needs best. This means that there exist product preferences. Based on this assumption, product segments can be classified according to the kind and extent of product characteristics exhibited. In product segmentation we assume that consumers perceive products as bundles of characteristics that may satisfy needs.

2.4.3 Demographic segmentation

Demography is the statistical study of the characteristics of human populations, with special attention to size, density, growth, migration, distribution, vital statistics and their effect on the economy.[8] Demographic segmentation involves segmenting the market in terms of chronological age, the total population been separated into such groups as children, adults and the aged. On this basis, after the market has been divided according to geographical variables, it is then subdivided into various parts on the basis of demographic variables. The demographic variables that are of Primary concern to us includes:

i. Regional population distribution

ii. Urban - suburban - rural population

iii. Age

iv. Sex

v. Family life cycle

vi. Other factors such as religion, nationality, education and occupation.

Regional Distribution of population

Population distribution is of utmost importance to marketers, hence the total market can be segmented according to regional pupulation distribution. This is so because sectional differences lead to difference in the demand for many products. The differences can be traced to climate, culture, and other factors. Thus, "shirts" and "suits" are preferred in the southern part of Nigeria, while "Kaftans" and big gowns predominate in the North.

Urban - Suburban - Rural Population

From the estimated one hundred million (100m) population of Nigeria, commonsense has revealed that more than majority of the people live in the rural areas (over 70%). However, there has been a tremendous increase in rural-urban migration especially from the period 1979 to date. This may be attributed to a number of factors especially the unemployed nature of the rural areas. In search for employment, majority of the rural settlers have got their way through into the urban centres. This has led to a decline farm population. The declining farm population has led some marketers to under rate the rural market.

Sociological patterns (like family size and customs) among rural pople differ significantly from those of the city. These patterns have considerable influence on buying behavior. Per capita consumption of non polish shoes, for example, is much lower in farm markets than in city markets.

Age

Segmenting a market according to age groups is a very useful approach to marketers. Marketers should study the age structure of the population so as to know which among the different age groups the company should appeal more.

In Nigeria, for example, in recent times the age mix has been changing. Marketing managers, must be aware of these changes. Children between the ages of zero (0) to ten (10) form the majority of the population of this country. This has been so with the high rate of marriage.

The children's market has got to be studied by marketing executives. This is necessary because they can influence parental purchases, they make purchases of goods and services for their own personal use and satisfaction.

The youth market (20 - 34 years) has been booming especially because it is in this age bracket that people usually begin their careers and finally settle in life. Their values are also different from those of their counterparts in generations before.

The market segment for the ago group of 50 - 64 is a good one for marketers of high priced, high quality products and services. This is because it is characterised by a large and financially well up market. The members are at the peak of their earning.

The age group of 65 and above is characterised by demand of products or services that help to restore health and simple home made goods.

Sex

The division of sex into male and female can be one important base for segmenting a consumer market. In the Nigerian Society some products are traditionally purchased by women, for instance skoal shoes and some by men, such as cover shoes.

Family Life Cycle

The demographic factors mentioned above do not alone adequately explain consumer buying behaviour. Frequently the factor accounting for differences in consumption pattern between two people of the same age is that they belong to different life cycle situations.

Segmenting a market in this way recognises the fact that life cycle position is a major determinant of buying behaviour. For example, a batchelor's product and service needs will be different from a non-bachelor. In Nigerian Society nearly all bachelors spend substantial part of their income on the purchase of luxury materials.

Other Demographic Factors

The market for some consumer products is influenced by such factors as education, occupation, origin, and religion. For example with an increasing number of people attaining higher levels of education, there has been changes in product preferences. Occupation is also a meaningful criterion in segmenting some markets. For instance, there is a difference in the demand structure of a university don and that of an auto-mechanic even though the income of the former might be equal to the later's. This is so because of the differences in the life style factors of the two people.

It is also useful to segment a market in terms of the religion of the community in which the business is operated. For example it will not be profitable for a beer industry to locate most of it's branches in Kano. This is so because majority of the state populace are muslims and are subject to the laws of the religion which prohibits the drinking of alcohol.

2.4.4 Behaviouristic Segmentation

Here buyers are divided into different groups on the basis of their knowledge, attitude, use, or response to the actual product or its attributes. Many marketers believe that behavioural variables are the key starting point in identifying market segments. Our renowed author Philip Kotler identified the following seven variables:[9]

i. Purchase occasion
ii. Benefit Sought
iii. User status
iv. Usage rate
v. Loyalty status
vi. Stages of Readiness, and
vii. Marketing Factors.

Purchase occasion

Under this behaviouristic variable buyers are classified according to the occasion that brought about the purchase. In the Christian states, for instance, most shops experience their peak sales during Christmas. The same applies in the Islamic states during Sallah. Therefore, such occasions should be monitored and shops stocked during these periods.

Benefit Sought

Here we are looking at the benefit one derives from purchasing a product. For example most people purchase sound sets to hear a loudable music, others purchase to listen to news. Therefore buyers are drawn to products through different buying motives. Some are motivated (as in the previous example) by the music, while other may be motivated by the design of the sound set.

User Status

Many markets may be segmented into non users, exusers, potential users, first time users, and regular users of a product. High market share company is particularly interested in going after potential users, where as a small competitor will concentrate on trying to attract regular users to it's brand. Potential users and regular users require different kinds of communication and marketing efforts.

Usage rate

Markets can often be segmented according to light, medium, and heavy user groups of the product. Heavy users may constitute only a small percentage of the size of the market but a major percentage of the unit volume consumed.

Loyalty status

The terms loyalty status denote a persons submission to a particular object. Some people are absolutely loyal to a particular brand of a product. The task therefore is for the individual firms to try to identify the characteristics of their absolute loyals So that they can target their marketing effort to similar people in the population.

Stages of Readiness

The marketing program of an organisation must be adjusted to the changing distribution of readiness. The stages of readiness implies that some members of the potential market are unaware of the product; some are aware; some are informed; some are interested; some are desirous. The distribution of people over stages makes a substantial difference in designing a marketing program.

Marketing Factors

Marketing factors such as price, product quality, and service can be used as bases for segmentation. A firm that specializes in a certain marketing factor will build up hard core loyals seeking that factor or benefit.

2.5 BENEFITS OF MARKET SEGMENTATION

Benefits above refer to the contributions or gains enjoyed by firms when they adopt the strategy of market segmentation. Segmentation leads to the production of a specific marketing mix for each segment or subgroup whose particular needs the marketing mix is designed to satisfy. When the company is successful in segmentation according to one author the result will be high consumer loyalty to the product or organisation in question. Competitors will find it difficult to win away the patronage of target consumers.[10]

As a result of a company adopting the strategy of market segmentation, management will make a better marketing job and a more efficient use of marketing resources. As a result of this a firm can devote it's resources to more profitable areas and neglect other areas where profit is very little. To this end a small firm with little resources can survive well if it devotes its resources to certain segments rather than aiming at the total market (where it is very likely to fail).

In addition to the above benefits, sellers can also make final adjustments of their product(s) and marketing appeals. That is, instead of one marketing program aimed to draw in all potential buyers, sellers can create separate marketing programs aimed to meet the needs of different buyers.

Possibility of losses as a result of product mis-match is substantially reduced. A company is in a better position to design products that fits the market demand.

Finally as part of the advantages of segmenting a market is that advertising media can be used much more effectively and management can develop promotional messages more specifically aimed toward each segment of the market.

It should be noted that any firm is in a position to ripe all of the above benefits. However, this will depend on how efficient it's strategy of segmentation is.

2.6 PROBLEMS OF MARKET SEGMENTATION

Segmentation strategy is not without drawbacks. Some of it's disadvantages can be noted here. At first, by focusing the marketing effort upon only part of the population and ignoring other parts, the organisation decreases it's potential market. In otherwords potential market may be large enough while the segment(s) selected small. This is a serious drawback as the firm needed the patronage of other consumers to realise adequate sales. Another price that must be paid for market segmentation lies in the actual financial outlay that it requires. An organisation that pursues two or more segments of the consumer population usually have to develop and offer two or more entirely different marketing mixes. Where, for instance, management approaches two separate segments, the organisation may have to have two separate: products or services; sets of prices; physical distribution networks; channels of distribution; advertising programs; personal selling programs; and sales-promotion programs.

When large numbers of units are produced, the costs for each unit are usually reduced, but the above requirements tend to increase unit costs preventing the organisation from taking advantage of economies of scale.

In summary therefore, segmentation results in higher costs than a situation of no segmentation because of the following:

i. Unit production costs of manufacturing a variety of products may be larger than those of manufacturing one standardised product.

ii. Transportation costs may be higher

iii. Personal selling expenses could be greater, and

iv. Advertising costs may be higher.

The possible sources of higher expense listed above are not the only one's. Warehousing, order processing, packaging, and sales promotion would each prove to be more expensive under segmentation.

CONCLUSION

Our attempt so far, has been to introduce the concept of segmentation strategy. Market segmentation which involves dividing the total market into segments has been looked upon in depth. It's processes, requirements, and bases have all been discussed.

The process of segmentation refers to those stages an individual marketer is expected to pass in making a final decision to segment his market. Generally there are four - identifying product features, deciding on compatible customer characteristics, collecting data on customers, and finally classifying the customers into meaningful segments.

Segmentation as a strategy has got three basic forms. In the first instance the firm can aim at the total market (undifferentiated marketing) Secondly, the firm can emphasise two or more segments of the market (Differentiated Marketing). Finally, it has the option of concentrating on a particular segment (concentrated marketing).

For a segment to be worth considering, it has to fulfill certin conditions. These conditions are referred to as the requirements for effective segmentation. The most important of these conditions is the fact that the segment should be measurable in size. Secondly, the segment should be accessible to company's present marketing institutions such as advertising. That is to say, it should be one in which advertising the company's product is possible. Finally, the segment should be substantial enough to allow for profit making. When all of these conditions are satisfied, the firm can go ahead to segment.

Segmentation as a strategy can be carried out in a number of ways. It could be based on geographic location of an area such as North, West or East, demographic data such as density, age, and sex, psychographic characteristics of the people. In this case variables such as personality, attitudes, and product attributes play an important role. The segmentation could also be based on the behaviouristic characteristics of the people. Thus, variables such as the benefit the consumer expect to receive from making a purchase, the occasion that makes him to purchase, the rate of usage can serve as bases for segmenting the market.

Our discussion does not live out the advantages and disadvantages of adopting the strategy of market segmentation. Among it's major advantages include the use of specific marketing mix designed to satisfy the needs of a particular segment of the market. Market segmentation has also made contributions to marketers who can make final adjustments of their products and marketing appeals. It also reduces the possibility of loss resulting from mis-match of company product with individual's need. Advertising media can also be used much more effectively in that the needs of each segment is known with certainty.

Among it's drawbacks include the fact that the organisation can ignore the large part of the potential market by concentrating on a particular segment of the market. The strategy also requires a large financial outlay. In addition, the unit cost of production is likely to increase even though larger number of units are produced. Manufacturing costs, transportation, personal selling, advertising, warehousing, order processing and other related costs are all likely to be greater as a result of a company adopting the strategy of market segmentation.

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CHAPTER THREE

BATA NIGERIA LIMITED

3.1 HISTORY OF THE COMPANY

Bata is synonymous with shoes and the shoe industry worldwide. The name Bata has become a household word for shoes in the country. Bata is the name of the founder of the Bata shoe organisation, the world largest manufacturer and vendor of footwear. The organisation operates through more than 90 countries including Nigeria.

The first Bata shop was opened in Lagos in 1932 by the British Bata Company Limited. The manufacture of footwear in Nigeria was started by the company in 1960 at a small factory at wharf road, Apapa. The present company was incorporated in 1964, under the name of Bata Nigeria (sales) Limited. This was subsequently changed to Bata Nigeria Limited in 1972. In 1973 Bata Nigeria Limited became a public company. This could be attributed to the promulgation of the Nigerian enterprises and promotion decree of 1972. In compliance with this act, 40% of the company's equity capital was sold to Nigerian citizens and institutions in 1973. The percentage was increased to sixty in 1978.

The authorized share capital of the company was N9,000,000 (Nine million Naira). The company has about 1,250 (one thousand two hundred and fifty) employees working in its different retail outlets in the country. Bata Nigeria Limited has 9 (nine) district offices located at Lagos, Benin, Ikeja, Ibadan, Ilorin, Aba, Kano, Jos, and Enugu. Each district office has up to 15 - 18 (fifteen to eighteen) retail outlets.

From its initial production at the Apapa factory of 1,20C (one thousand two hundred) pairs per day of rubber and plastic shoes, the company today manufactures all types of footwear in two large and modern factories located in Lagos and Kano. In addition, it has a large rubber processing plant in Benin City, processing natural rubber for domestic industrial use and for export.

With over 114 retail stores, 150 dealer outlets served from 11 dealer support programme (D.S.P) depots and 21 whole-sale warehouse, all strategically located throughout the federation, Bata, is in a unique position to meet Nigeria's growing footwear needs. In line with Governments drive to expand economic activity in the rural areas, the company has opened 10 new depots in different parts of the country making possible the opening of 36 new dealer stores. This together with its dealer support programme has increased it's business in rural towns and villages. The demand for Bata shoes has extended accross the full range of its products from the higher priced to volume articles.

The company has got many distributors residing in all parts of the country. However, before an individual can be regarded as a standard distributor of the company he is expected to have an accumulated N60,000 purchase of Bata shoes.

Bata company is not left out in its efforts to serve and uplift the living standard of the people. In 1986, Bata officially sponsored a World Cup Football Tournament at Mexico.

The company is facing a lot of competition all over the country. Its closest competitors includes Lennards, Standard Shoes and Kano Plastic.

Despite the high rate of competition, the company is always keeping to standard. In terms of pricing policy, Bata, has gone far ahead of its competitors. Bata outbeats its competitors in promotional activity and product quality. Advertisement is often centralised, while occasionally it is carried through the district dff ices.

3.2 OPERATION/PERFORMANCE OF BATA NIGERIA LIMITED

In this section we intend to review the major operations of Bata Nigeria Limited for the period of five years (1984 - 1988).

Turnover for the year 1938 rose to H71,018,000 as against N48,315,000 in 1987, an increase of 47%. Profit before tax was N6,380,000 which is 29% higher than the N4,952,000 recorded in 1987. Profit after tax has increased by 29% to N3,387,000 in 1983 from the 1937 level of N2,629,000. Production rebounded to 4,795,000 pairs compared with 3,883,000 in 1987 an increase of 23%. The company sold 4,994,000 pairs of shoes in 1988 an increase of 29% over the 1987 sales of 3,847,000 pairs (see figures in the appendices).

The lower production in some years could be attributable to the continued legislation by the Government that companies must source locally. The shortage in the procurement of raw materials adversely affect the production level of the company. The increase in profit at periods of low production could be attributed to the inflation prevailing in the country. Most of the companies took advantage of the high cost of materials to ripe more.

Based on the results of 1988, the Board recommends the approval of the payment of a dividend of N2,160,000 which is equivalent to 12 kobo per 50 kobo share. The dividend of 12 kobo per share is higher than the one paid in the year 1987. However it falls bellow those of the years 1985 and 1986 (see the last figure of the appendix).

3.3. RATIONALE BEHIND ESTABLISHMENT

A number of factors accounted for the establishment of Bata company in Nigeria. The Parent Company, Bata International, wanted to capture as much market as possible worldwide. The only way to achieve that was to establish as many outlets as possible world over. During the same period Nigerian people were lacking inexpertise as to begin producing shoes, hence the few shoes available were mostly imported. Bata international's offer to establish an outlet in Nigeria was welcomed and accepted by the then administration.

The company deals in several categories of shoes ranging from leather to canvas and to plastic. Plastic shoes are demanded especially in the south and some segments of the north where rain is dorminant. Canvas are especially demanded by school children and sports men and women. Leather shoes are mostly demanded by the upper class of the society. Bata Nigeria Limited engages in different brands of shoes appealing to men, children and ladies. The rationale behind establishing the company is to produce and market shoes to meet the needs of the entire populace.

3.4 OBJECTIVES OF THE COMPANY

The objectives behind the establishment of Bata Nigeria Limited are varied. The principal purpose was to increase as much sales volume as possible. When sales volume increases, the objective of realizing greater profit becomes feasible. However, the objectives of the company could be divided into six:

(a) To manufacture quality shoes to Nigerian citizens.

(b) To contribute to the economic development of the country.

(c) To pursue, control and lead the market.

(d) To serve and cater for the needs of the society.

(e) To train and develope its workforce

(f) To increase its level of sales and make a reasonable and fair profit.

Training and development have been given special attention especially in recent time. To continue to contribute to the development of its personnel, Bata establishes a training center which gives emphasis to the need for excellence and high productivity. The training centre is concentrating on providing well trained personnel to meet the demand of an increasingly competitive economy. The training is done in the most cost effect manner possible while maintaining company high teaching standards. During the year 1987 - 1988 a total of 891 employees attended in company courses, 28 attended local institutions courses and 20 overseas courses.

3.5 SOURCES OF FUND

This tells us the sources of finance available to Bata Nigeria Limited. The principal sources of fund to the Company include shareholders fund, Revenue reserve and banks. Generally the sources can be broken into two (2):

3.5.1 INTERNAL SOURCES

(i) Retained earnings

(ii) Equity

(iii) Disposal of assets

3.5.2 EXTERNAL SOURCES

(i) Long term debt

(ii) Short term debt

INTERNAL SOURCES OF FUND

Retained Earnings:

Retained Earnings refers to company's Earnings retained for future operations rather than distributed as dividends to shareholders. The company has a policy of retaining a certain percentage of its corporate profits after all profits and taxation. This serves as an important source of internal financing since the company does not have to look for outside financing all the time.

Equity:

This plays a vital role as a source of capital for Bata Nigeria Limited. However, the proportion of equity financing in the company is minimal as with other organisations.

Disposal of Assets:

This source is not very popular in Bata but still serves as a source of internal financing. This is seen in the sale of depreciated unprofitable assets in the form of buildings, equipments and other assets.

EXTERNAL SOURCES OF FUND

Long term debt financing:

External sources of financing includes one of the important sources of financing to the company. The long term debt includes secured loans from commercial banks and other financial institutions.

Short term source of financing:

Bata Nigeria Limited utilises the following short term sources to finance its daily operations:

(a) Commercial banks: this is in the form ofline of credit where by the bank allows the company to draw certain amount beyond its balance.

(b) Loans from specialised finance companies and sale of commercial papers.

(c) Trade credit: sometimes the company receives supply of materials with an agreement to settle its bill at a later date.

3.6 BATA NIGERIA LIMITED ORGANISATIONAL STRUCTURE

As obtained in most modern organisations, the company has a vertical line authority structure. The structure defines the superior/subordinate relationship from the top to the lowest level of the organisation. The Board of directors is at the top of the structure. This is followed by the managing director who is the chief executive of the company. The managing director is followed by the various departmental heads responsible for their individual divisions. (See Appendix A).

3.6.1 The board of Directors:

The policies of the company are determined by the board of directors. They approve proposals, appoint senior officers and approve condition of service. All budgetary proposals and general policy of the company are approved by the board. (See Appendix A).

3.6.2 Managing Director:

He is the chief Executive of the company and is responsible directly to the board for central as well as management of company' resources (see Appendix A).

3.6.3 Marketing Manager

He heads the marketing department and is responsible for formulation and execution of all marketing policies. He is answerable to the managing director.

In order to have a complete understanding of the operations of the marketing department, it is necessary to discuss the roles of each of the following officers:

(i) Merchandising manager - is responsible for controlling, distributing, and allocating all merchandising to the shops and is directly responsible to the marketing manager.

(ii) Retail Manager - is responsible for all retail outlets in the country and reports to the marketing manager.

(iii) District Manager- - They are 9 (nine) in number and report directly to the retail manager. They are responsible for controlling the stock and cash of all shops in their respective districts. They also prepare estimates of sales for their respective shops.

(iv) Dealer support programme manager - He is responsible for the small scale dealers of the company. He reports to the marketing manager.

(v) Publicity manager - He is answerable to marketing manager directly and is responsible for all activities (such as advertising) related to the promotion of company's product(s).

(vi) Display manager - is accountable to the publicity manager and is responsible for window maintainance in all retail shops. For details see Appendix B.

3.6.4 Production Manager:

He is responsible for the production of all classes of shoes in the company (including the district offices). He reports directly to the managing director. He has the following principal officers:-

Rubber factory manager - He is responsible for the production of rubber shoes such as canvas. He is directly responsible to the production manager.

Leather factory Manager - Is responsible for men/ladies cover shoes and is answerable to the production manager too.

Verlon Factory manager - Is responsible for the production of plastic shoes and reports to the production manager.

Supervisors:- Are responsible for looking after the production done in the factory and in their respective units. They report to the various managers heading their units.

Foremen - They look after the job of the operators. They are responsible to their various supervisors.

Factory Operators - They make the shoes and report directly to the foremen in their respective units.

(See Appendix C for details to above)

3.6.5 Chief Engineer

He is responsible for the general maintainance of all machines in the factory. He is answerable directly to the managing director. The following officers serve under him.

Service and Mintainance Manager - Is responsible for servicing factory machines and keeping them in good order. He reports to the chief engineer.

Engineering Workshop Manager - Is responsible for the maintainance of factory spare parts. He reports to the service and maintainance manager.

Technicians - Are principally responsible for the repairs of all factory machines. They report to the engineering workshop manager. (for details to above see Appendix D).

3.6.6 Financial System Development manager

He formulates and executes all financial policies of the organisation (this is done in conjuction with the board). Policies such as how much to invest and where, what is to be kept in the accounts are first determined by him. He reports directly to the managing director. He has the following Principal officers under him:-

Financial controller - He is responsible for the day to day running of the accounts department. He reports to the financial system development manager.

Costing manager - Is responsible for determining the unit cost of producing all shoes in the company. He also reports to the F.S.D.M. above.

3.6.7 The Purchasing Manager

He is responsible for the purchase of all raw materials used in the production of shoes. Some of these raw materials are obtained locally while others have to be got from outside. He is directly responsible to the managing director. The following officers serve under his department:

Buyers - Are assigned the duties of placing orders for the purchase of raw materials used in production. These include chemicals, leather, accessories and stationeries. They report directly to the purchasing manager.

Storekeepers - Are responsible for their individual stores where the stock of raw-materials are kept. They report to the individual buyers in their respective units. (For details see Appendix F).

3.6.8 Company secretary:

Head's the legal department and reports directly to the managing director. He serves as a legal adviser to the company. He has the following officer under him:

Assistant company secretary - As the name suggest, he assists the compa secretary in all legal matters affecting the organisation (for details see Appendix G).

3.6.9 Personnel Manager

He is responsible for the recruitment of new staff, dismissal, development and general welfare of company staff. He is assisted by the following principal officers:

Training and development manager - Is responsible for improving the skills of company staff and is responsible directly to the personnel manager.

Industrial Relations Manager - Is responsible for settling disputes between workers and their bosses. He reports to the personal manager.

Staff Manager - He assists the personnel manager especially in the area of welfare of company staff. He reports to the personnel Manager.

Clinic Nurse - Is responsible for Bata Clinic situated at Lagos. She is directly responsible to the personnel manager.

Note that, the personnel manager reports and is responsible to the managing director as depicted in appendix H.

3.6.10 Product Development Manager

Is responsible for innovating and developing new products. He is answerable to the managing Director directly. He is assisted by:

Shoe Designers - Are responsible for designing new shoes and modifying the old ones. They report directly to the product Development Manager. (for details see Appendix I).

CONCLUSION:

It is true to say that the functions outlined for each of the officers could only be realised through an efficient, effective and selfless management. It is important to note that Bata Nigeria Limited organisational structure allows for control and feedback at least to some degree. Most of the functions outlined are being performed efficiently. This can be proved when one tries to have a look at the profit figure of the company. However certain amendments need to be made and this is intended to come up in our recommendations which will make up the last chapter of our write up.

CHAPTER FOUR

DATA ANALYSIS

4.1 MARKET SEGMENTATION IN BATA NIGERIA LIMITED

It is the objective of this research project to show the extent to which market segmentation as a strategy is employed by Bata Nigeria Limited to achieve it's corporate goal of satisfying customer's needs and at bhe same time making a profit. The concept of market segmentation is very much applied in Bata. This may be attributed to the fact that the customers of the company differ in a number of ways - Age, Sex, Income, geographic location and so on. Majority of the customers are in dely - scattered and different in their buying requirements. The firm therefore, will be in a position to effectively serve particular segments of the market. The company instead of operating anyhow, selects and identifies profitable segments that it can serve well.

Market segmentation has enjoyed a wide spectrum of acceptance and application among both business and non business firms. With little exceptions, practically every product or service market can be segmented into more profitable units. Bata Nigeria limited has not neglected this strategy. The company has long segmented it's market using a number of bases.

Market segmentation according to one author is the "process by which a firm partitions it's prospective customer's into sub-groups or submarkets".[1] The desire to subgroup the customers by Bata has been necessitated among other things because it cannot alone serve the total market with a single class of product. Different varieties of shoes are sold in it's retail outlets comprising of sport shoes, cover leather shoes, half shoes and so on. These are grouped according to the various characteristics of the consumers that make up the market among the various outlets,

each appealing to a specific social class.

As noted earlier, the extent to which any company can segment it 's market will be greatly influenced by the type of product, the nature of demand, the method of distribution, the media available for market communication, and the motivation of the buyers.

Among it's objectives of segmenting the market as confessed by it's District Promotion Manager is to "group the individual prospects so that their responses to marketing inputs will be similar".[2]

4.2 BASES FOR SEGMENTATION IN BATA NIGERIA LIMITED

A firm can segment it's market in a number of ways. The methods for the segmentation may vary with the product a company produces. A useful method for one product may be of little or no use for another.

In this part, we intend to discuss the major bases for segmentation in Bata Nigeria Limited. It is true to say that the firm utilises all of the four major bases of segmentation as put forward in chapter two. However, some of the variables explained earlier are not utilised by Bata.

We shall review the major Geographic, Demographic, Psychographic and Behavioristic variables used in segmenting the shoe market by Bata Nigeria Limited.

Appendix J reveals to us that Bata Nigeria limited uses both Geographic, Demographic, Psychographic and Behavioristic variables in segmenting it's consumer market. However, it is evident that variables such as Race and Nationality are not being emphasised in the company. Religion which is an important factor in segmentation is not so much pronounced.

4.2.1 SEGMENTATION BY GEOGRAPHIC FACTORS IN BATA NIGERIA LIMITED

Bata Nigeria limited groups it's market according to the different characteristics of the States and or regions. On aggregate it determines those geographical markets which it could serve best.

For example, having divided the country's market into North, East, and West, Bata examines the various needs and wants of the people in these regions. This is necessary because the firm recognises that by doing so it could save it's costs and of course enhance its market potential. Certain variables are absolutely important in explaining how and why Bata Nigeria limited segment geographically.

(a) Regional Segmentation in Bata Nigeria Limited

Bata Nigeria limited divides it's Nigerian market into North, West, and East Districts. The Northern District for example, comprises towns such as Gusau, Katsina, Kano, Kaduna, Zaria and Bida. The Eastern District consists of places such as Owerri, Aba and Enugu.

The company therefore, divided the market into various geographical locations. This is so due to the fact that the company recognises that different people within different regions require different kind of shoes. For instance, people in the North usually prefer half shoes and sandals and only occassionally cover shoes. This is different from what obtains in the South. In the South cover shoes predominates the market especially one designed with two colours such as black and white.

(b) Climatic segmentation in Bata Nigeria Limited

In this study climate will refer to the condition of weather of a particular place or environment. Bata Nigeria limited having studied the weather of the country decided to segment the market on this basis. The climatic condition of a state such as Kano, for instance, has a tremendous impact on the sales volume of the firm. During the Hammatan period (November - February) the District Office noticed it's highest sales from Verlon and Canvas shoes.

They are sold in larger quantity during this period. A number of factors could be attributed to this increase in sales. This could be related to the fear of leg cracking by majority of the consumers. In addition, the economic condition prevailing in the country have forced most people to purchase only shoes whose prices are lower, hence the purchase of Verlon shoes.

During summer, most consumers prefer to buy sandals and half shoes especially in the North because they are easy to wear and remove.

In some aspects of the southern region where it does'nt use to be hot, cover shoes are mostly in demand. Hence climate serve as an important base of segmentation in Bata.

4.2.2 DEMOGRAPHIC SEGMENTATION IN BATA NIGERIA LIMITED

The Market for Bata shoes is also subdivided according to density, age, sex, income, occupation, education and religion. These variables have been one of the most popular bases for segmenting the firm's market. This is so because customers wants are often frequently associated with demographic variables. In addition the variables are easier to measure than most other types of variables.

(a) Population

Population serves as an important variable in segmenting the firm's Market. That is, the extent to which an area is either thinly or densily populated affects the kind and number of shoes that are sold there. Precisely, an area that is densily populated is likely to have the greatest number of sales and vice-versa. The urban population is always increasing at a geometric rate.

This has led most marketers to under state the rural market. It is a fact to say that most Bata shops in Nigeria are located in the cities. However, in recent times one comes accross a number of Bata shops in the rural areas. This is seen in the bttempt the government is making to extend businesses to the rural centres. However, this is usually done through the Dealer support programmes (D.S.P's).

(b) Age as a base of segmentation in Bata Nigeria Limited

Segmenting a market by age group is an important approach in the marketing of many products. However, Marketers must be aware of the changing nature of the age mix. Some years are characterised by baby boom while others are characterised by low birth rate. However, to get an accurate and reliable data is apparently difficult and in many cases hopeless. This is more so especially in a country like Nigeria where population census has not been undertaken for more than a decade. Thus, the marketer finds it difficult to lay his hand on a fairly demographic statistics. However, this does not mean that marketers should fold their arms and leave their business operations to fate. With the help of marketing research and good environmental forecast a company can be able to have a good starting.

Because age is correlated with both events and biological functions, it is often used as a basis for segmentation by Bata. The company for example, studies the age structure of the population and tries to know which among the different age groups it should appeal more.

In this regard, Bata discovers that children between the age of zero to ten (0 - 10) acoounted for the larget share of it's business done. This encourages the company to attend more to the production of children shoes.

The table below represents the significance of some categories of age groups to the demand of Bata shoes. It could be seen that the age group between zero to ten accounted for an important segment of the market.

TABLE 4.1 - AGE GROUP CONTRIBUTION TO SEGMENTS

AGE GROUP	EXTENT OF SEGMENT
0 - 10	Very substantial
11 - 17	Substantial
18 AND ABOVE	Very substantial

Source: David L. Ogunjumo, Kano District Manager Bata Nigeria Limited.

From table 4.1 one could recognise the contribution of the children and adult market to the segmentation exercise of Bata Nigeria Limited.

(c) Sex as a basis of segmentation in Bata Nigeria Limited

Sex is an obvious basis of segmentation in Bata Nigeria Limited. Many products are made for use only by members of one sex. In many product categories Women and Men typically look for different product benefits. According to the Kano District Manager[3], the benefit of a male - female basis of segmentation in Bata Nigeria Limited has been very satisfactory.

In each Bata outlet one distinguishes several brands of shoes appealing to either sex (male/female). For example there are sandals both for Men and for women, boys and girls. Boys closed shoes for example, appeal to only boys while girls closed appeal to only girls.

(d) Segmentation by Income Level

People alone do not make a market. The people may have the desire and willingness to acquire economic goods but when there is no purchasing power it is of no relevance to the Marketer. The idea of income and it's distribution need to be adequately considered by any reasonable marketing executive, because the primary aim of any business is profit and this cannot be realised if the offering is financially beyond the reach of the target market.

Shoes are grouped accordingly in Bata depending upon one's level of income. Evidently one could observe low priced shoes of between N30 to N50. It is not expected of one who earns N150 to purchase a shoe of N120, and if he does he may not be rational.

The number of consumers at various levels of income is an index of potential sales of the market. The unique taste and desires of different income groups serves as a useful guide when selecting a particular market to appeal to. Bata Nigeria Limited aims mostly on the lower and medium class of the society.

The table below summarises the costs of some brands of shoes sold by Data Nigeria Limited:

TABLE 4.2 - COSTS OF SOME SAMPLE OF SHOES AT DATA NIGERIA LIMITED.

S/No	NAME	CODE NO.	PRICE (₦)
1	Designers Collection	814-6043	195
2	Designers Collection	814-6000	170
3	Designers Collection	814-6021	160
4	Ellio Cover Shoe	824-6249	100
5	Ellio Cover Shoe	815-6024	105
6	Donald halfshoe	815-4065	65
7	Giraffa Ladies Cover Shoe	514-6030	50
8	Debbye Ladies Sandal	561-6064	35
9	Cortina School Sandal	265-4056	35
10	Verlon Stanny Sandal	462-4040	13.50

SOURCE: Osoba Titus, Shop Manager Zaria Data Retail Store.

Table 4.2 represents the cost of some brands of shoes sold at Data Nigeria Limited. Designer collections appeal most to the higher income class. This is glaring when one considers the prices which are in the range of ₦160 to ₦195. On the other hand Ellio Covershoes are designed specifically for the middle class. Their prices ranges from ₦100 to ₦105. When one considers the ladies market he is apt to notice shoes whose prices ranges from ₦35 and above. Some of the shoes appeal to the lower-lower class. Children's market is also not left out by Data Nigeria limited. One could observe a shoe that cost only ₦13.50 (such as Verlon Stanny Sandals). This is a standard sandal that appeals to both the higher and lower class.

(e) Education and Occupation as basis of segmentation

According to one author [4] "better educated people are perhaps more discerning, more discriminating, and more rational buyers. Perhaps they are less succeptible to non rational appeals, and less responsive to persuasion". In view of these characteristics, Bata has developed a strategy of segmenting it's market on the basis of educated and non educated persons. Most of the retail outlets, for example Kano1 outlet, reflect that of the educated and the warehouses all over (characterised by low price and low class shoes) reflect that of the non educated. The company also considers school calendars in stocking its various outlets especially with cortina and canvas shoes.

Occupation is equally a useful criterion used by Bata to segment the market. For example, most of the shoes produced by implication appeal to a particular class of occupation. For example industrial shoes are produced for tennery workers and construction firms. One pair of these shoes is sold at N250. White canvas are made specifically for students.

(f) Religion and Social Class

Religion per se is not well pronounced in the segmentation strategy of Bata Nigeria Limited. However, some of the shoes are produced because the company is certain that there will be demand for them. For example, "Thong Shoes" are produced because they are expected to be purchased by the muslims[5]. This is particularly so because they can be used to perform ablution much easily since they serve as slippers and are easy to wear and remove. Muslims too prefer white cover shoes, because at times especially on Fridays they usually dress in white and white, hence the company is making effort to satisfy the needs of this group of consumers.

With respect to social class, it could be observed that people are usually inclined to associate with those whom they view as their peers, that is people who are similar to them in almost all characteristics. Social class is determined by combining such factors as occupation, family background, education, neighbourhood, and the source as well as the amount of income.

The company having understood the various social classes decided to further subdivide the market to cater for the interest of all members. For example the Lagos retail store is especially appealing to the upper - upper, and upper-middle classes. The Lagos warehouse appeals more to those in the lower-middle and lower-lower classes. This is so because the pricing policy of the retail outlet is higher than that of the warehouse.

4.2.3 PSYCHOGRAPHIC SEGMENTATION IN DATA NIGERIA LIMITED

Many differences in what consumers buy can only be explained in terms of their psychological make-up. For instance, people whose taste in shoes runs toward contemporary instead of traditional design may be near each other psychologically even though they are far apart economically. Similarities of taste and preferences among people from different walks of life suggest that in many instances psychological groups are more pertinent than sociological groups.

Having understood the benefits there in, Data Nigeria Limited finds it extremely necessary to divide the consumers into different groups on the basis of life style and personality differences.

(a) Life style as a basis of segmentation in Data Nigeria Limited

Life style according to Kotler[6] refers to the distinctive mode of orientation an individual or group has toward consumption, work, and play. The company having studied that consumers differ in their way of orientation decided to sub-divide the market

according to clusters of attitudes, values, and behavior patterns they hold in common.

To keep abreast of the fashion world, the company is always in the look out to latest designs of shoes. Ladies fashion, fore example, is particularly appealing to women who are more modern than traditional. This is why the word fashion appears in the name of the shoe, meaning that it is fashionable.

(b) Personality as a basis of segmentation

The company further divides the market according to personality differences of it's consumers. Personality refers to the distinctive qualities of a particular person's character. Some buyers seek prestigious products and designer labels. For this reason therefore, there are brands of shoes that appeal to such kind of people. For example, some categories of men/women cover shoes sold at ₦250 and above. Such kind of shoes are specially made to appeal to the upper-upper class of the society. However, personality as a variable in segmentation does not enjoy much support in Bata Nigeria Limited. As noted earlier, the company appeals more to the middle and lower classes of the society. Therefore high priced shoes are produced in very limited number. The reason for doing so lies in the fact that majority of the people who fall in the upper-upper class use to make their purchases from abroad. Hence, only on little occasions do they purchase shoes locally.

The firm is encountering some difficulties in classifying it's consumers according to psychographic characteristics. This according to one officer[7] is because a person's attitude and personality traits are not easily ascertained as his age and occupation.

4.2.4. SEGMENTATION ACCORDING TO BEHAVIOURAL FACTORS IN BATA NIGERIA LIMITED

Here, the company divides the consumers into different groups on the basis of purchase occasion, benefit sought, marketing factor sensitivity and decision making unit. The company believes that behavioural variables are among the most useful basis to segment a shoe market. This is so because they are relatively easy to know, and descriptive of actual consumer behavior.

Let us examine each of these variables in relation to how they are applied by Bata Nigeria Limited:

(a) Decision Making Unit

The question of who is more important in determining the purchase of consumption goods has been debated often and long. Bata Nigeria limited is of the view that female or women are the first buyers. This has been so according to one supervisor because they have a two marketing impact:

(1) They control the income and wealth of the family

(2) They influence the purchase for the family.

As housewives, the influence of women in determining what will be purchased is great. Hence, the company is studying very well the purchase practices and motives of mothers and children (because children also determine what is to be bought) with a view to developing the particular brands

(b) Purchase Occasion

This refers to the occasion that brought about the purchase, hence buyers may be distinguished on this basis.

The company experiences it's highest sales during two major occasions - Sallah and Christmas. That is to say the two occasions have a tremendous effect on the sales volume of the company. In it's Northern District the 1989 Ed il fit: sales accounted for up to 30% of the total (just two weeks

Similarly, the 1988 Christmas demand accounted for over 28% of that season's sales (July - December).[9]

The company is therefore making effort to see that during these periods all outlets are stocked with varieties of shoes to meet customers demand.

(c) Benefit Sought

Almost every product or service market can be segmented by identifying the benefit desired by each consumer. Two individual customers may purchase an identical brand, however, each of them might have purchased it for a different purpose.

Bata Nigeria limited has endeavoured to design shoes that appeal to a wide range of customers seeking significantly different benefits. The desire by most consumers to buy a brand of shoe that is easy to be removed necessitated the production of "Thong Shoes". The culture of most people in the Northern part of the country is one that requires among others, removing shoes whenever entering into an elders room/house. This is a sign of being respectful and anybody who does the opposite is looked upon as deviant. For convenience therefore such shoes are produced by Bata. A great number of demand has been recorded for this particular brand of shoe especially in the North.

Bainboat (commonly referred to as Work Master) is also produced by Bata. This shoe is particularly made for persons whose job requires movement even during the rainy season. The reason behind the purchase therefore, might be seen in the fact that it protects one's leg from all forms of water related diseases and such other inconveniences that could arise.

fa) Marketing Factor Scmsitivity

The Market for fata shoes is often segmented into groups responsive to different factors such ac price, product quality and so on. The management of the company realised that some people are only sensitive to prica movements while others felt more of the quality of the product. This is why Hata has na^e name in product quality everywhere. According to a conversation the writer had with one customer he does'nt purchase any shoe outside fata because fata shoes are qualitative and lasting.

fata shoes are therefore grouped according to the quality and price characteristics they mi^ht have possessed.
An investigation revealed that the highly qualitative shoes are usually those ranked lower prices*

* *3 IMPACT RESULTING FROM THE APPLICATION *0?* MARKET SECHBNTATIOK STRATEGY ?Y PATA NIGERIA LIHITKP

This aspect of the resedrch project can he rerarded as the second most important, after the application we have Been in the first part of this chapter.

Impact above refers to the outcome or result of applying the strategy of market segmentation. Fesult can either be positive or negative. When it is positive we say it is an advantage, and a disadvantage when it is the opposite Market segmentation as a strategy employe;[1] by Tata has enjoyed wide acceptance within the firm because of its immense contributions. However» it is not without it's costs.
Our task is to highlight some of these benefits and problems.

What we have been discussing so far is clearly an important technique in Marketing strategy. The company must have been benefiting from the strategy, otherwise there would have been no justification for it's continued application.
Ve shall consider the benefits below.

4.3.1 BENEFITS DERIVED BY BATA NIGERIA LIMITED FROM SEGMENTATION STRATEGY

A number of benefits are enjoyed by Bata from the application of segmentation strategy. For the purpose of our study seven benefits can be identified.[12] They are as follows:

(i) The Strategy of market segmentation has led to the satisfaction of consumer's needs and wants. This is so because the consumers get what they want and at an affordable rate. This has a two-fold advantages. Firstly, the needs of the consumers are satisfied. Secondly, it leads to a repeat demand on the part of the consumers.

(ii) Aids Expansion - As a result of the continued demand, the company has diversified into producing other brands of shoes. For example, as a result of the good name Bata has made over the years, recently the National Youth Service Corp (N.Y.S.C.) Secretariat has given the company a contract to produce N.Y.S.C. boats. The company is also making plans to diversify into the military market.

(iii) Increases company sales - Market segmentation as a strategy has led to an increase in the sales of Bata shoes all over. Occasions such as Sallah and Christmas which are given special attention have resulted to a positive result on the sales figure of the firm. For example, we have seen that in the Northern District of the Company there has been an increase in company sales to the tune of 30% within just two weeks of the Ed il fitr demand. In addition, the fact that the company recognises the differences in customer characteristics such as age, income, and personality has also led to a continued demand of the company's product.

(iv) Filling the Market Niche - The application of segmentation strategy has led Bata to penetrate into every nook and corner of the market by taking advantages of areas neglected by competitors.

(v) Market segmentation has led Bata to direct the appropriate amount of promotional attention and money to the most potentially profitable segments of it's market. This could as well be related to the point made earlier with regards company sales. That is, the sales figure of the firm has increased as a result of effective promotional attention directed to the individual segments of the market.

(vi) Market segmentation also helps the company to design products that truely correlate the demand of the market, rather than one that bulk in some market and ignores other potentially profitable segments. For example, Canvas and Cortina Shoes are particularly made for students, occupational shoes are made specifically for industrial workers and so on. Therefore, instead of targetting these shoes to the whole market, they are meant to appeal to particular segment of the market.

(vii) The strategy correct the timing of advertising and promotional efforts so that they are massed in the weeks, months, or seasons when selling resistance is least and responsiveness likely to be at maximum. For instance, some weeks to Christmas promotional activities are intensified so as to attract customers to buying Bata shoes.

4.3.2 PROBLEMS RESULTING FROM THE APPLICATION OF MARKET SEGMENTATION STRATEGY BY BATA NIGERIA LIMITED.

As noted earlier, Market segmentation has it's own shortcomings. Interestingly, the costs are not so many as to motivate Bata to abandon the strategy. In this section we shall discuss the problems encountered by the firm in it's effort to serve the different segments through effective segmentation.

(i) Shortage of foreign Exchange as a result of the need to acquire adequate raw materials to cover demand - Bata Nigeria Limited continue to face a severe shortage of foreign exchange. The difficulty in obtaining foreign Exchange through the foreign Exchange Market (FEM), has continued uptil date.

The segmentation strategy requires a company to obtain raw materials on regular basis, and this also require adequate Foreign Exchange. However, there is difficulty in obtaining sufficient Foreign exchange.

(ii) The continued increase in the demand of Bata shoes due to segmentation has necessitated the company to look on a regular basis for raw materials in the form of raw hides and leather. However, the company experiences a continued scarcity of raw hides and leather combined with the low quality and high price of that which was available.

To generate the Foreign Exchange needed to reflect the economy, the Government continues to encourage the export of various locally sourced materials including hides and skins. This has adversely affected the company's ability to manufacture the quantity of leather shoes required by the market.

CONCLUSION

Market segmentation as a strategy of marketing has received a wide range of support by Bata Nigeria limited. In an attempt to serve it's various segments, Bata Nigeria make use of both Geographic, Demographic, Psychographic, and Behavioristic variables.

The basis of segmentation choosen will depend among other things on the kind of product. However, many of the consumer goods can utilise all of the above methods of segmentation

The sale of Bata shoes is divided among three regions - West, East and North. Each of the three regions has a District headquarters situated in one of the states.

Market segmentation as a strategy has got both possitive and negative considerations. However, the benefits of adopting the strategy outweigh the cost of doing so (at least in Bata Shoes).

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3. IBID.

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8. A Danyaro. Supervisor, Bata Headquarters Lagos.

9. Ogunjumo.

10. Ibrahim Bala Magashi. Customer, Bata Nigeria limited, Kano.

11. Questionnaire, p. 2

12. Ogunjumo.

CHAPTER FIVE

SUMMARY, SHORTCOMINGS AND RECOMMENDATIONS

5.1. SUMMARY

Marketers have realised that the most important function they should perform shall be the determination of the needs and wants of the consumers and not just produce for the sake of volume or sales. This is the basis of Marketing and business executives have agreed that even the profit objective of the firm can better be realised by attending to the needs and wants of the consumers. Marketing therefore, is concerned with determining the needs and wants of the target market and designing a product that matches these needs and wants while making a profit in the long run.

The definition of the term market is often controversial. The concept of a market is a somewhat ambigous one that refers to the relationship between supply and demand, to places where marketing takes place, to products, and to group of people. Underlying all of these uses, however, is a generic definition of a market. A market therefore, is a group of people with purchasing power who are willing to spend money to satisfy their needs. Segmentation refers to the process of partitioning a whole into units.

The term Market segmentation refers to a strategy where the total market is viewed as several small but uniform market. The bases choosen for segmentation depends to a great extent on the type of product a company is engaged in producing. The term strategy has it's origin from the military and is important because it informs a person where an organisation is heading towards.

It concentrates on the major moves to be taken by a Company at the present stage of it's development.

The terms organisational structure and delegation of authority are important concepts that needs to be given attention by every organisation. Organizational structure defines the positions and roles of both the upper, middle and lower management. It defines the various relationships that exists between line and staff managers. It says who is responsible to what and in what circumstance.

Delegation of authority is a management process whereby one person (called the delegator) empowers another (called the delegate) to act on his behalf. For effective delegation to ensue however the authority granted to a subordinate must equal the assigned responsibility.

For a business organisation to be manageable it should have a good and efficient structure. An organisation with an efficient structure is one with clear lines of authority and responsibility which help to show accountability. No doubt, divided loyalties, overlapping duties ambigous policies and instructions, together with lack of clear objectives, can lead to frustrations and failures. It is therefore essential for any organisation to have a clear line of authority and an efficient channel of Communication.

An organisational structure is said to be good when there is appropriate delegation of authority. That is, the permission to carry out policy of the business for specific duties. The extent to which delegation should be exercised however, will depend upon the size of the department.

The segmentation process which refers to the steps that the marketing executive considers while segmenting his market starts with the identification of a product feature (S). The marketing executive then goes to decide on compatible customer characteristics, collecting relevant data pertaining to the customers, and finally classifying the customers into segments.

In the course of the write up analysis was done on the various segmentation strategies open to a firm in responding to the needs of it's market. Firstly, the firm may decide to aim at the total market. In this case the price, promotional activities and even distribution systems will all be uniform. This approach is regarded as a strategy because the firm do not just serve the total market, rather some analysis and considerations will have to be made for example, standardisation of the product before servicing the market. Another strategy open to the firm is differentiated marketing. In this case the firm aim at some segments of the market as distinct from total. Finally, the company has the option of concentrating on a few segments of the market, hence concentrated strategy. Which one of the above strategies is to be considered, will depend to a great extent on the resources (Human, Material, and financial) available to the firm.

Segmentation strategy is not just done any how. The segment to be considered must possess certain qualities as to permit the firm to prosper, otherwise it will not be meaningful. Firstly, the segment must be measurable in size. Secondly, it has to be accessible through existing marketing institutions, and finally the segment must provide for adequate profit to enable the firm repeat business.

The bases for segmenting the consumer market are numerous. Decision as to which of the bases to consider and which to eliminate will depend upon the type of product marketed. Some segmentation variables may be extremely useful while others may not be very necessary. There are generally four methods in use - Geographic, Psychographic, Demographic, and behavioristic.

All of the four methods of segmentation are very much in use by Bata Nigeria Limited. In the geographic bases the firm utilises a number of variables which includes; Regions, such as North, West, and East; and climate, such as rainfall and drier. Life style and personality form the basis of psychographic segmentation at Bata shoes. People who are more modern than traditional have shoes that fit into their needs, likewise old people who do not appreciate changes in product design. The personality of the consumers is also taken into account by the firm. People who belong to the upper-upper class have particular brands of shoes that appeal to their class. At the same time one witnesses shoes with very low prices. These are shoes that appeal most to the lower-lower class. As noted earlier the company targets at the lower-lower and upper-lower classes of the society. In the Demographic bases, variables such as population, age, sex. and occupation are used by Bata to distinguish between it's various customers. One therefore witnesses shoes for men, women, and the children. The behavior of the customers is yet another basis by which the company segments it's market. The possible occasion that brought about the purchase is given consideration, likewise the benefits that the customer derives from making the purchase. In addition, the sensitivity of customers to pricing, quality, and quantity is also a factor to the segmentation strategy of Bata. The decision making unit, that is whether the decision to purchase is made by the father, mother, or children is equally given attention.

Bata Nigeria limited as indicated by the name is a limited company that is owned by both Nigerian citizens and foreigners. Nigerians hold 60% of the total shares, while the remaining 40% is held by Bata International. The performance of the company in the five year period (1984-1988) was highly commendable. The company was able to earn profit (even after all deductions) through out the period. Turnover for the year 1988 rose to N71,018,000 as against N48,315,000 in the year before, an increase of up to 47% which is highly commendable. Both profit before tax and after tax has increased in the year 1988. Both production and sales witnessed a tremendous increase in the year 1988 as opposed to the year before. It is therefore glaringly clear that the company has performed well especially in the year 1988.

The company (Bata Nigeria limited) was established in the country with the primary purpose of producing leather and plastic shoes to the entire populace while making a profit in the long run. The firm pursues a number of objectives ranging from manufacture to profit making.

The company is run by Board of Directors who have the power of appointing the managing Director. The Managing Director has eight principal officers who report directly to him. These principal officers heads the various departments of the company and are responsible for policies made by their respective departments.

5.2 SHORTCOMINGS AND RECOMMENDATIONS

Perfection in numerous human undertakings is difficult to attain, and in many instances it is infact impossible. This is because human endeavours are full of errors because of human limitations. Some learn to correct their mistakes before it is too late, others learn it in the hard way. Many business executives who have always remain receptivee to constructive criticisms have come to excel in the art and science of management.

Overall the market segmentation strategy of Bata Nigeria limited can be considered to be effective. However, the writer was able to detect some weaknesses and shortcomings as found to be inherent in the market segmentation programme of Bata Nigeria limited. It is hoped that the analysis of the problems to be highlighted together with the few but meaningful recommendations will be found useful in the realisation of the overall objectives of the company.

The first of our recommendations has to do with the organisational structure of the firm. We were made to understand that there are so much duplication of duties especially as they relate to the marketing department and production department. That is, certain functions which were supposed to be carried out by the marketing department are given or allocated to an entirely new department, likewise the production department. For example, product development department is not suppose to be a department of itself but rather a unit under the marketing department. The purchasing function performed by the purchasing department was suppose to be in liaison with the production department. The reasons are clear and straight forward. In the first place the new product idea is generated in the marketing department and when this product is finally produced it is supposed to be commercialised by the marketing department. Therefore, there is no point in making the product development a department of itself. Equally, materials are purchased with the intention of processing them into finished goods. This is the major function performed by the production department. The consequences of the present organisational structure should not be overlooked. In the first place unnecessary departments are created which means more allocation of financial resources and creation of unnecessary positions. The fund would have been used more meaningfully for example, in engaging in philanthropic activities.

Class of belonging as a bases of segmentation in the company also needs a complete review. It has been the belief of management that people in the upper-upper class do not make their purchases from within the country. This is unrealistic because if the people in the upper-upper class can find shoes to their own taste locally, they will certainly not bother match about making foreign purchases. Therefore, there is a need for the firm to embark on producing more beautiful shoes no matter what their costs might be. The company should also target on the upper-upper class.

The parking lot of most of the company's retail outlets is yet another area of weakness. Most of the retail outlets are lacking in adequate parking spaces which consequently scare customers from patronizing the shops. This negligence on the part of management has resulted in some segments witnessing a slight fall in demand. It is our recommendation that the company urgently construct parking lots to enable customers regain their loyalties.

The company also lacks adequate toilet facilities in most of its retail outlets and in some they are even absent. Toilets are necessary social facilities to the extent that their absence could scare loyal customers which eventually means a reduction in sales. The company should therefore construct adequate toilets that will cater not only for it's staff but also for the customers.

Finally, the company being the largest footwear manufacturer in the country was supposed to have established a service facility unit that will be charged with the responsibility of providing services such as shoe repairs. This would enhance the reputation of the company and certainly boost it's sales volume.

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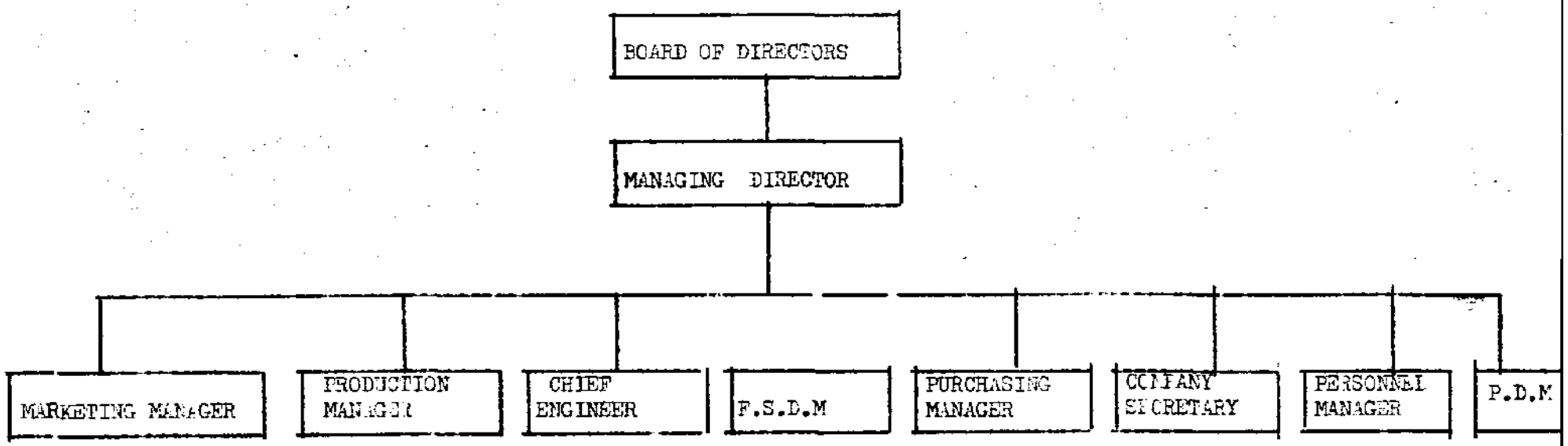
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APPENDIX A

ORGANISATIONAL STRUCTURE OF BATA NIGERIA LIMITED



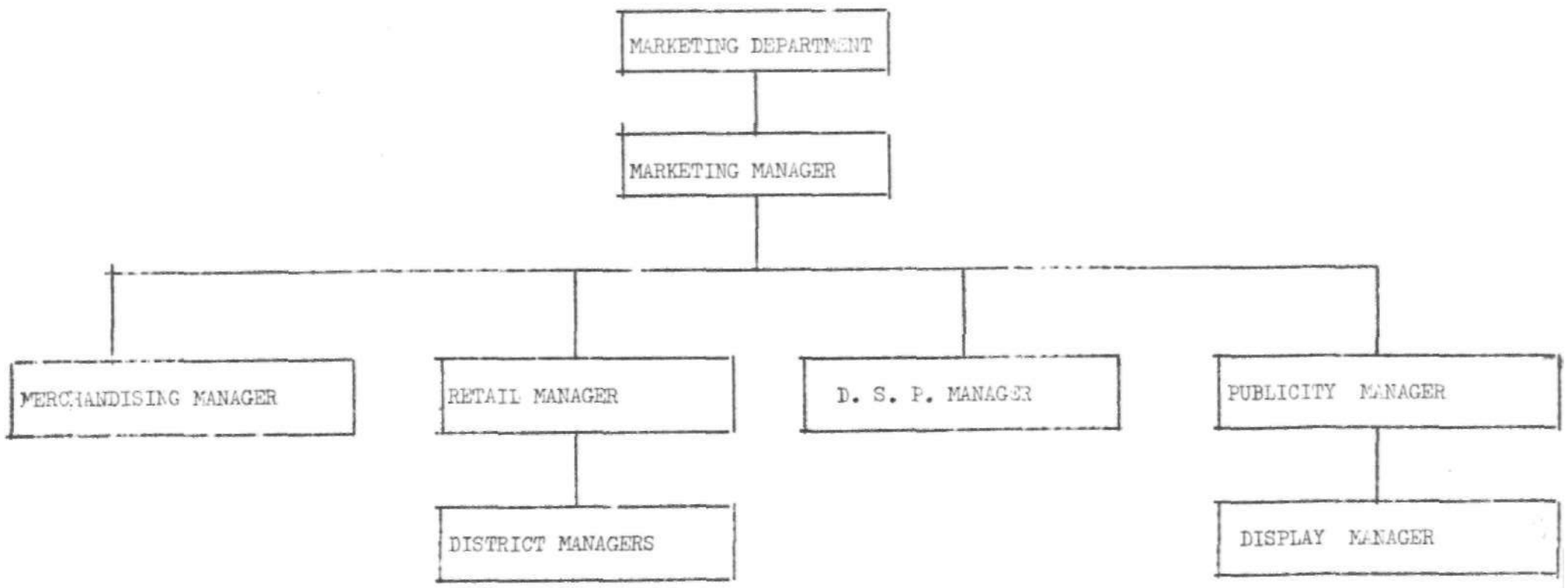
NOTE:

F.S.D.M = Financial System Development Manager

P.D.M = Product Development Manager

APPENDIX B

MARKETING DEPARTMENT OF BATA NIGERIA LIMITED

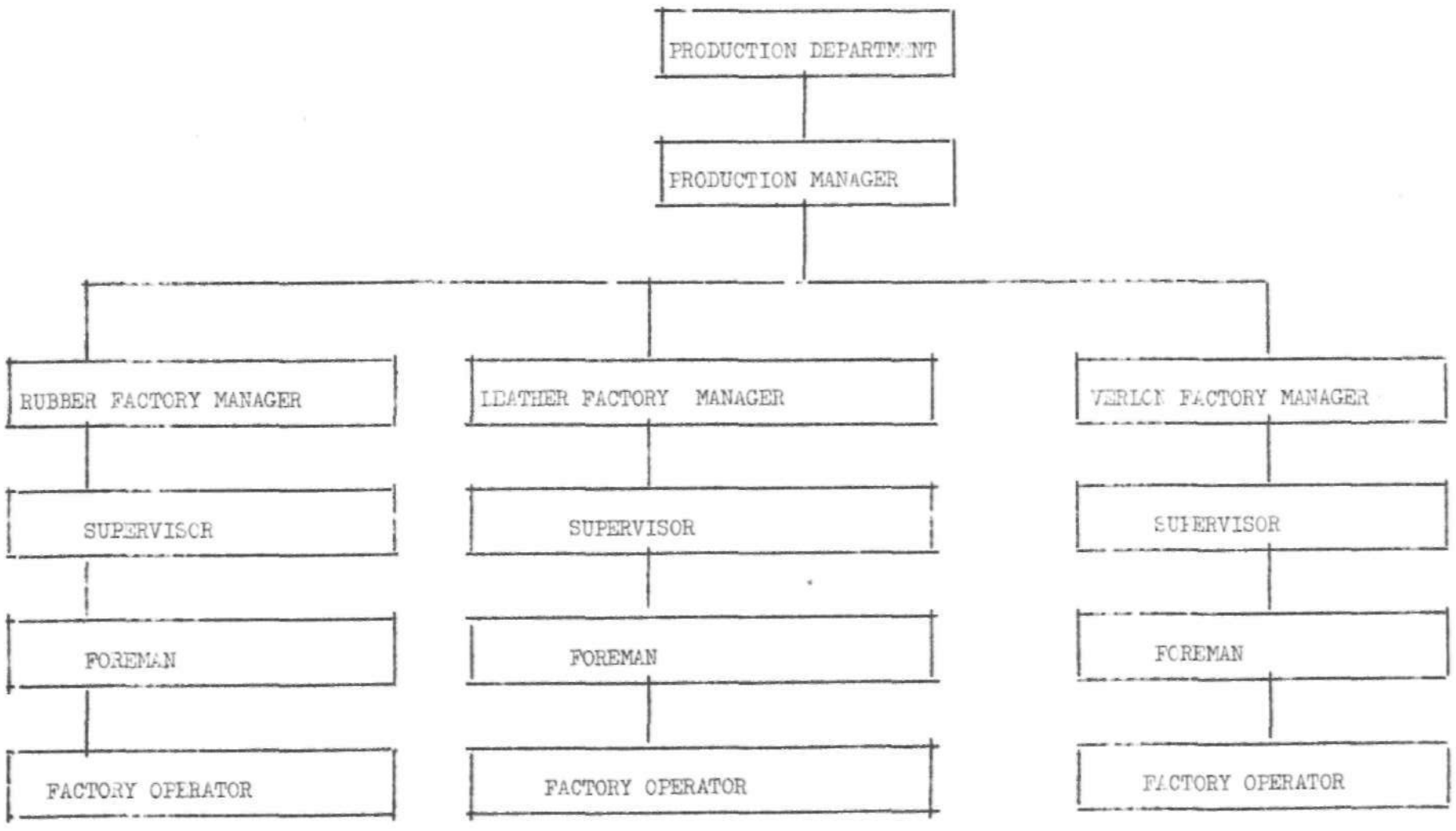


NOTE:

D. S. P. = Dealer Support Programme

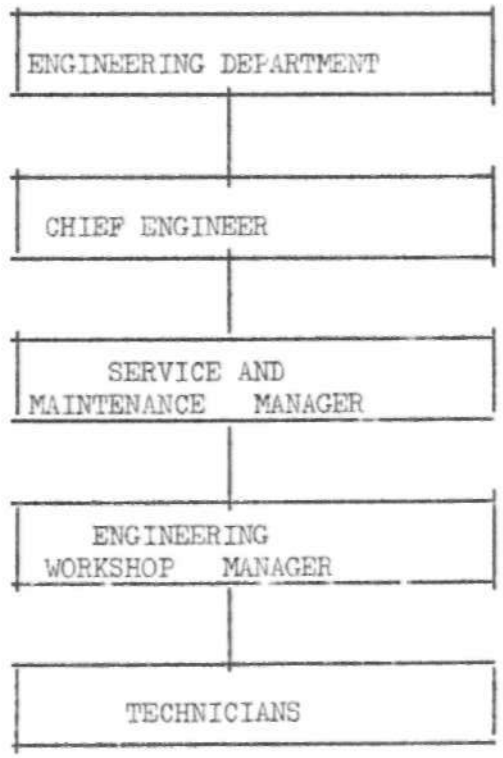
APPENDIX C

PRODUCTION DEPARTMENT OF BATA NIGERIA LIMITED



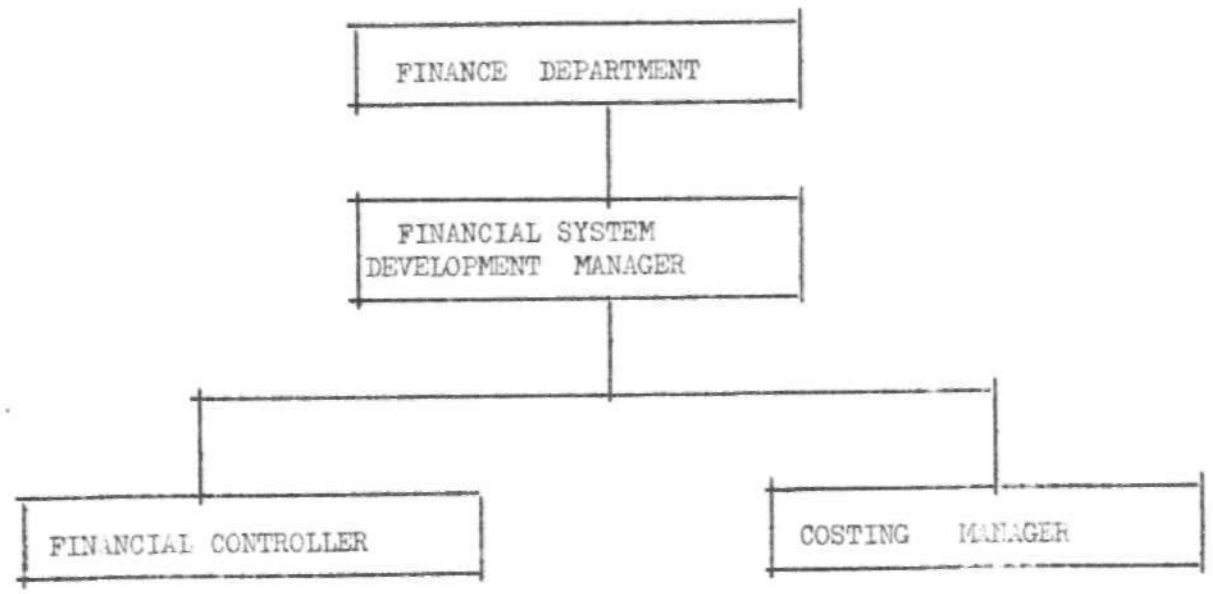
APPENDIX D

ENGINEERING DEPARTMENT OF BATA NIGERIA LIMITED



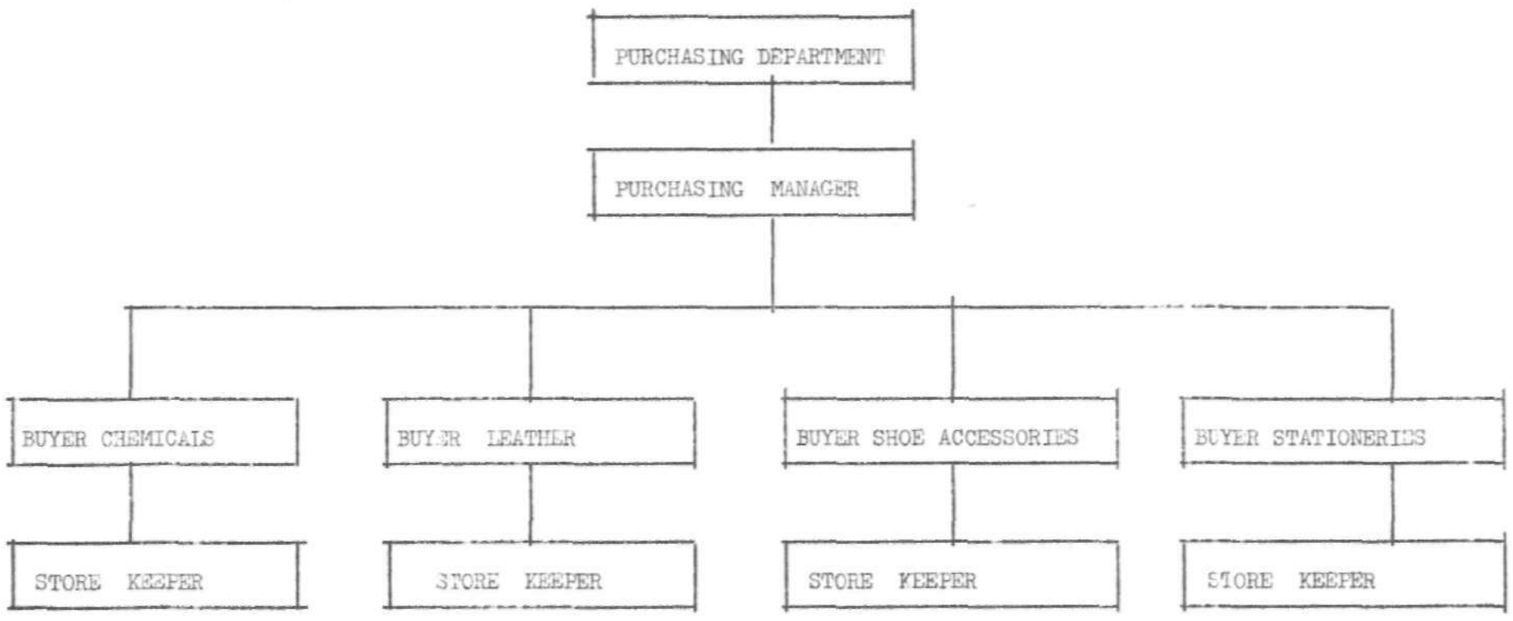
APPENDIX E

FINANCE DEPARTMENT OF BATA NIGERIA LIMITED



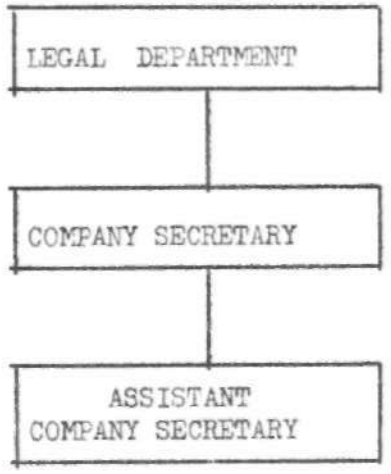
APPENDIX F

PURCHASING DEPARTMENT OF BATA NIGERIA LIMITED



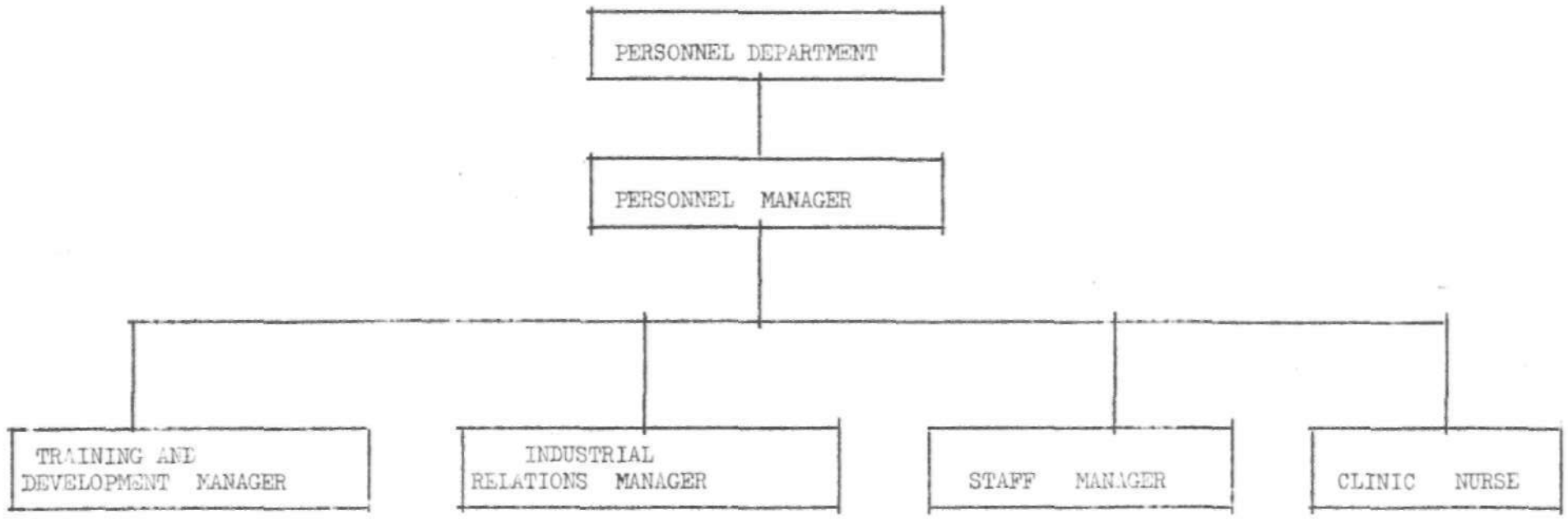
APPENDIX G

LEGAL DEPARTMENT OF BATA NIGERIA LIMITED



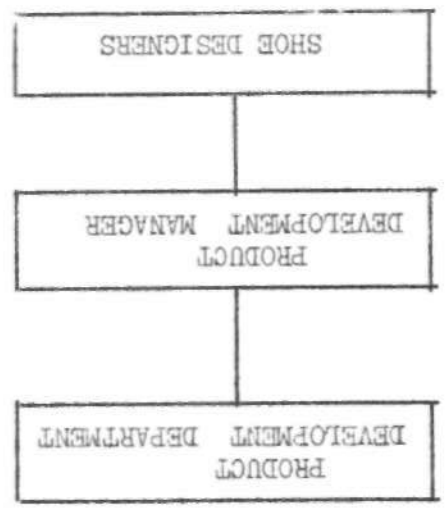
APPENDIX H

PERSONNEL DEPARTMENT OF BATA NIGERIA LIMITED



APPENDIX I

PRODUCT DEVELOPMENT DEPARTMENT OF BATA NIGERIA LIMITED



APPENDIX J

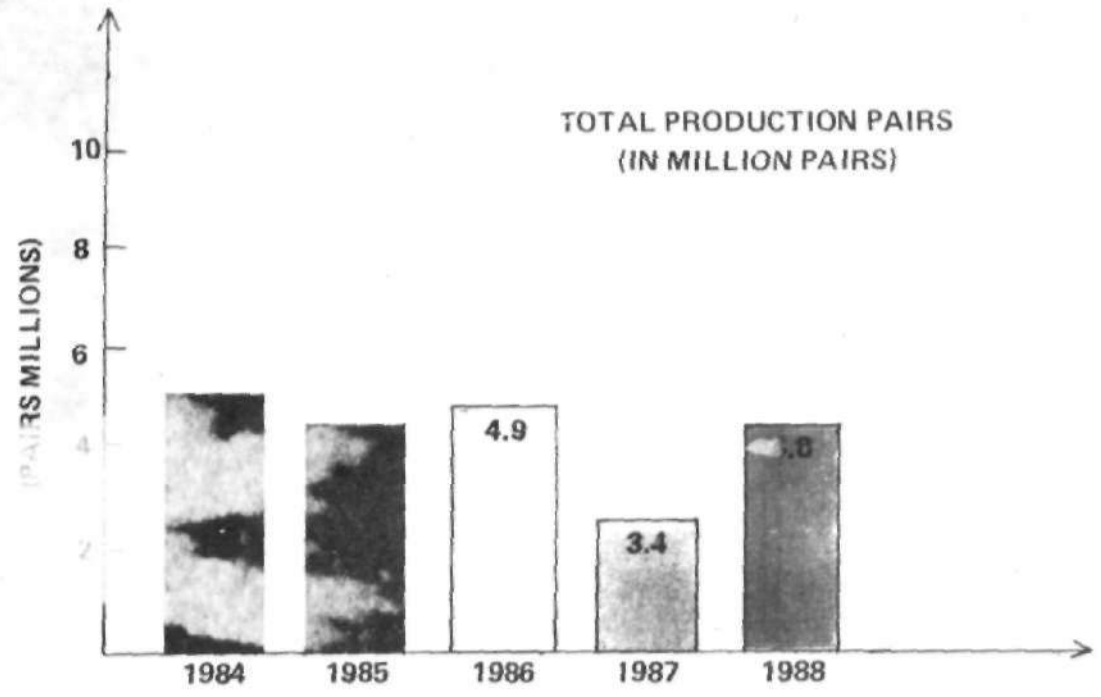
MAJOR BASIS FOR SEGMENTATION IN DATA NIGERIA LIMITED

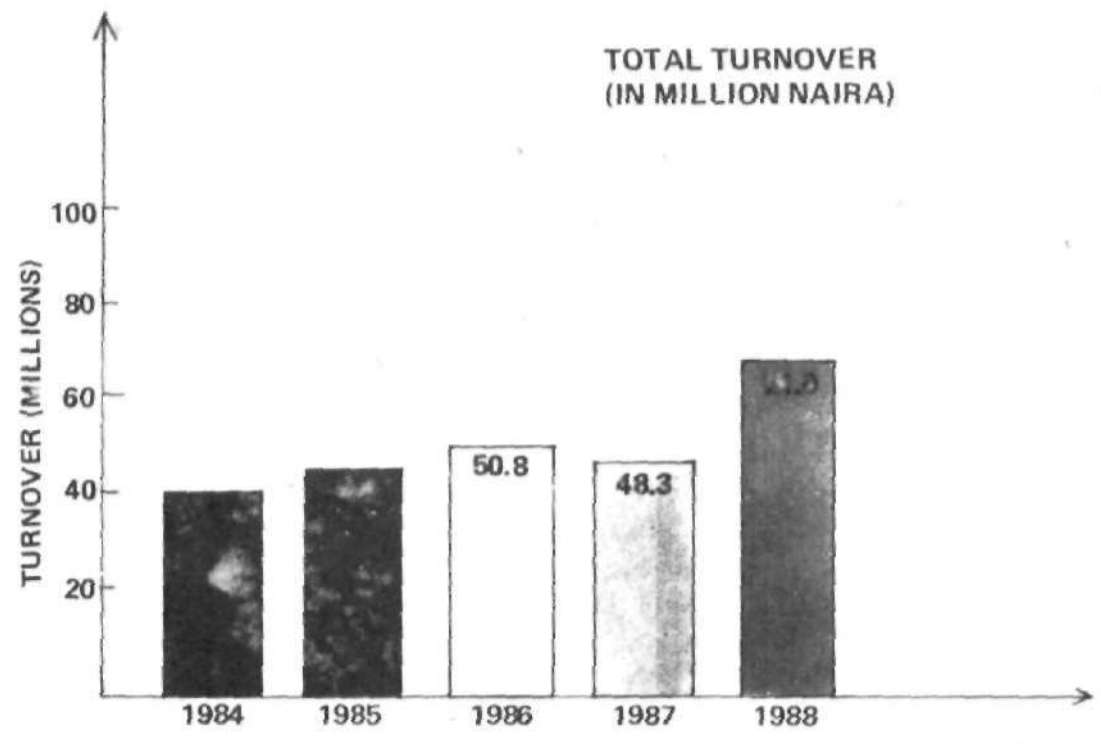
FACTORS	DESCRIPTION
1. DEMOGRAPHIC:	
(a) Density/Population	Such as low and high populated areas.
(b) Age	Below 5, 5-10, 10-15, 15-20, 20 and above.
(c) Sex	Male, Female
(d) Income	High income, middle income, and low income
(e) Occupation	Farmers, housewives, students and so on.
(f) Class of belonging	Lower-lower, lower-middle and so on.
2. BEHAVIORISTIC:	
(a) Purchase occasion	Sallah, Christmas and so on
(b) Benefits sought	Convenience, economy etc.
(c) Marketing Factor Sensitivity	Quality, Quantity, Price etc.
(d) Decision Making Unit	Father, Mother, both, and children
3. GEOGRAPHIC:	
(a) Region	Fore example Northern region with headquarters in Kano and Southern region with headquarters in Lagos.
(b) Climate	Rainfall, drier etc.
4. PSYCHOGRAPHIC:	
(a) Life style	Modern, Traditional etc.
(b) Personality	Ambitious and so on.

SOURCE:

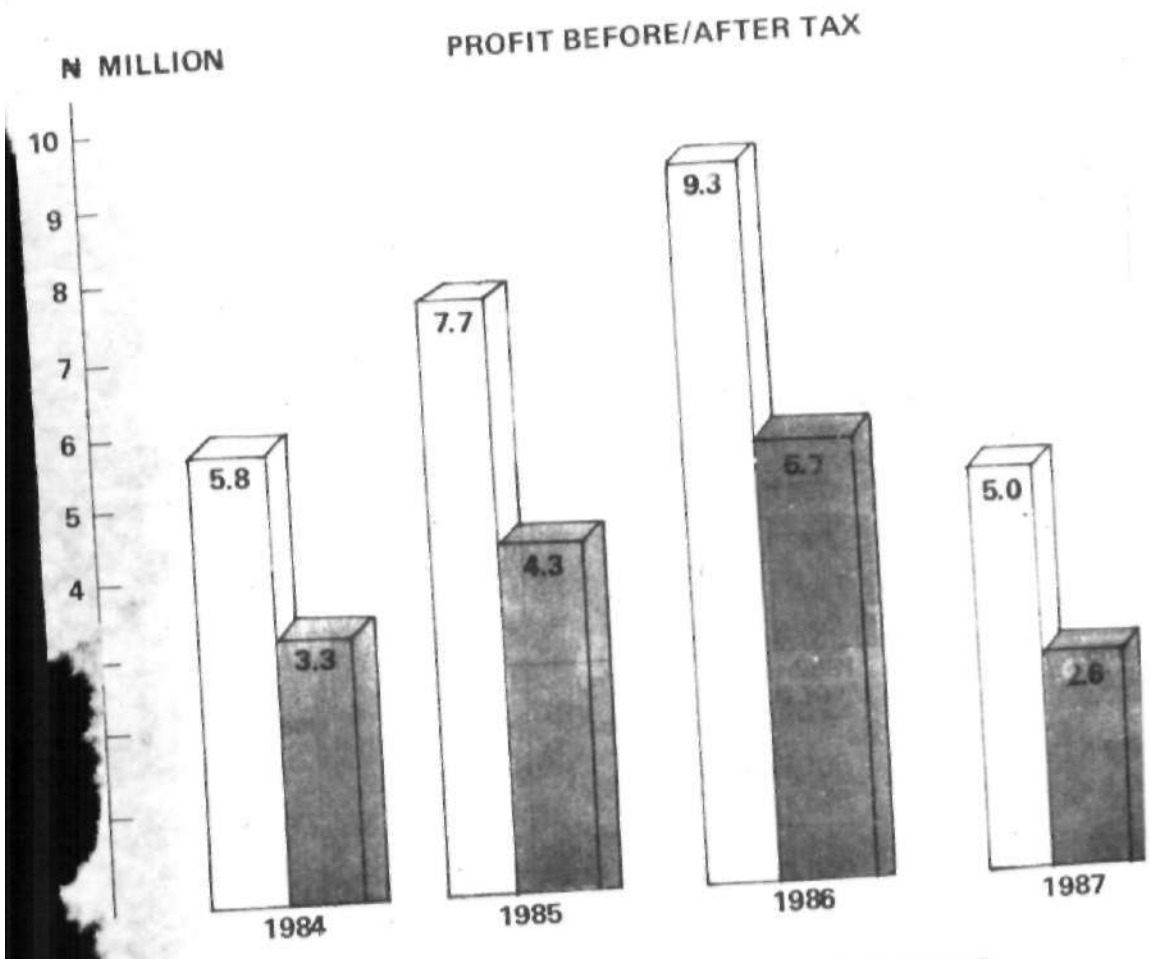
David L. Ogunjumo, Kano District Manager Data Nigeria Limited.

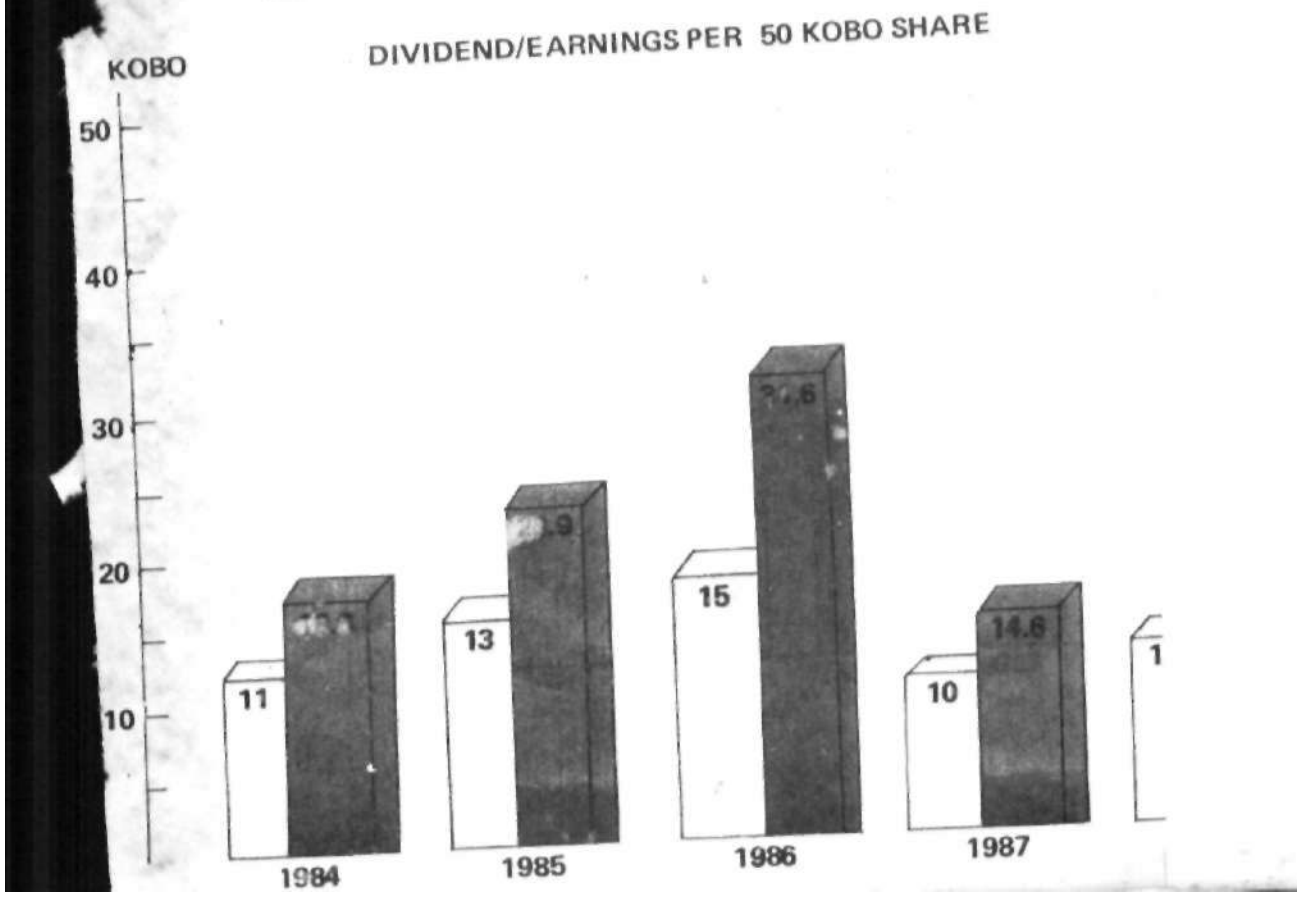
OPERATIONAL STATISTICS





OPERATIONAL STATISTICS (Cont'd)





DEPARTMENT OF BUSINESS ADMINISTRATION
AHMADU BELLO UNIVERSITY ZARIA

QUESTIONNAIRE ON MARKET SEGMENTATION STRATEGY

TOPIC: Application and impact of market segmentation strategy for the shoe industry in Nigeria. A study of Bata Shoes Nigeria Limited.

I will be most grateful if you could find time to fill in the questionnaire below as faithfully as you can. Remember that each bit of information you give will be treated as strictly confidential.

What is your job title and name of your department?

Title ----------

Department: ----------

1. How long have you been with this company? ----------

2. What position(s) have you held in this company before this present one? ----------

How long have you been on your present post? ----------
What is the rationale behind the establishment of your company?

What is the authorised share capital of your company?

What is the composition of ownership? ----------

From what source does your company raise it's necessary finance? ----------

What is the Number of your present labour force? ----------

What categories of shoes does your company engage in producing
----

How many Area Offices does your company have in the country ?

Name each of them: ----------

How many outlets does your company have in each area office?

What are your requirements for segmentation (accessibility, profitability, measurability or size)? ----------

15a What method(s) are been adopted by your company in segmenting its market (Geographic, Demographic, psychographic or behavioristic, or all)? ----------

(b) If all of the above methods are utilised by your company, please attempt the following questions:

16. Do you segment your market on the basis of states, towns or locations? ----------

17. On what basis do you engage in the above method(s) of segmentation? Do you base it on potentiality, cost, size, climate or what? ----------

18. What benefit do you derive from having a number of outlets in each area office? ----------

19. What brand of shoes do you sell in the different outlets? ----------

20. Does the climate of the states affect your sales volume? ----------

21. If the answer to above is yes, on what brand is it most noticeable? ----------

22. How does the entire population of an area affect the total sales volume of your company? ----------

23. How does the entire population of an area affect the total sales volume of your company? ----------

24. What strategy is your company adopting with respect to the age distribution of an area? ----------

25. From what segment of the age class does the company generate the highest sales? ----------

26, How would you assess the benefit of a male-female basis of segmentation in your company? ----------

Satisfactory ------- Unsatisfactory ----------

Very satisfactory __

27. What role does culture play in the demand of your products? _____

28. Does sociological patterns such as family size and customs affect your marketing decisions? _____

29. Does the company segment on Income basis, if yes how, if no why? _____

30. Is occupation an important factor in segmenting your market? If yes, what kind of occupation make up your market segment?

_____

31. What role does education play in determining your market segmentation strategy?

32. How does your company syncronizes the religious, tribal, and nationality characteristics of the states populace in formulating it's market segmentation strategy? _____

_____

33. What effect does personality have in determining your segmentation strategy?

34. Does your company segment on the basis of modernity or style? _____

35. If the above is yes, of what benefit is it to your company?

_____

36. What role does tradition and prestige play in your decision to segment your market? _____

37. Do occasions such as Christmas and Sallah festivals affect the formulation of your market segmentation strategy?

_____

38. How does such occasions affect the sales volume of your products? _____

39. People say everyone desires something from a particular product and that is what makes him to purchase. In the context of your firm, how would you explain this in relation to your segmentation strategy? ---

40. Does the company segment on the basis of economy or convenience? If yes, what benefit do you derive from doing so. ---

41 What is the effect of competitive products on the market segmentation strategy of your company with respect to the marketing mix variables (Price, Product, Promotion and distribution)? ---

42 Briefly account for the benefits derived by your company as a result of adopting the segmentation strategy.

---

43 What problems do you confront in an attempt to satisfy your customers through effective segmentation?

---

44 What general comment can you pass as a result of your company adopting the strategy of market segmentation?
