TITLE PAGE

THE "MARKETING CONCEPT" ITS APPLICATION AND EFFECT ON CORPORATE PERFORMANCE

A CASE STUDY OF THE BREWERY INDUSTRY IN NIGERIA

A PROJECT WORK

PRESENTED BY

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PROJECT SUPERVISOR:

MRS AKANET

DECEMBER, 1992

CERTIFICATION

THIS IS TO CERTIFY THAT THIS PROJECT WORK TITLED;

"THE "MARKETING CONCEPT";
ITS APPLICATION AND EFFECT
ON CORPORATE PERFORMANCE
(A CASE STUDY OF THE BREWERY
INDUSTRY IN NIGERIA)"
IS WORTHY OF ACCEPTANCE
IN PARTIAL FULFILMENT FOR THE
AWARD OF THE MASTERS OF
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DEDICATION

To

GOD Almighty and

my mother

HAJIYA HADIZA AHMADU

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All the above were instruments used as catalysts for my success by the Supreme Creator to whom I owe eternal gratitude; ALLAHU RABIL ALLAMEEN.

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A B S T R A C T

This research study was carried out with the intention of uncovering the extent to which Breweries in Nigeria understand the Marketing Concept, the degree to which they have adopted it and its impact on their overall performance.

The brewery industry is one of the major sectors of the Nigerian economy, therefore its level of performance is of great interest to all Nigerians. Also considering the trend of economic events in this country, it clearly shows that there are tougher economic pressures anticipated. Therefore the industry must formulate and implement strategies that will help it survive now and in the future. To achieve this, the marketing function offers various strategic moves that businesses need to adopt.

Being a study that was focused on the general assessment of the industry, it established that the industry has the facilities and the personnel in the area of marketing. The study further revealed that the industry has adopted most of the marketing principles to a certain extent that helps in achieving the level of performance currently associated with it.

With the current economic recession, the brewery industry needs to do more marketing than what it has

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been doing having in mind the level of competition and the resources available to it as revealed by the study.

Data collected and analysed show that the industry could have achieved a greater level of performance in terms of profit making than what it is currently enjoying.

From all the revealations about the brewery industry, it needs improvement in the performance of its marketing function. The personnel in the marketing department must be trained and re-oriented to be customer conscious in the production, distribution and promotion of their products to current and potential consumers. Specific marketing strategies must be developed that will help expand the brewery products market in Nigeria.

Lastly, the study offers meaningful suggestions in the area of marketing that will help improve breweries performance as well as the Nigerian economy.

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1.0. CHAPTER ONE

1.1. INTRODUCTION:

Organisations exist to produce and what is produced is meant to be consumed. If for any reason, goods/services are not consumed, then the essence of production is defeated and the existence of such an organisation is meaningless. This underlies the importance of the consumption end of the production cycle (i.e the consumers). The meaning is that if consumers feel dissatisfied and refuse to consume, it means that they have not been given what they desired. The firm must therefore fail. The consumers are therefore the life-blood of the organisation who preside over the survival or demise of the organisation.

Since this is the case, it means that the success of the firm is highly dependent upon the degree to which it is able to satisfy the consumers. The way to ensure this satisfaction is to see that he (the consumer) is introduced at the very beginning of the production process. This way, whatever materialises from production efforts becomes what he asked for.

Years before now, the approaches to business were such things as;

- Producing enmasse to go round, under the assumption that the demand is always there.
- Produce in good quality and the product will speak for itself.
- Hire as many salesmen as possible and promote extensively, then your problems are solved.

In the 1950s however, when a new orientation reared its head, there was a realisation of the power of the consumer. Afterall, if you produce (not to consumer specification) enmasse, there is no successful effort put forward. In the same vein, promote and hire as many salesmen as you can and produce in the best quality you can, if consumers fail to see your quality as in line with what they want, you are wasting your time.

This explains the advent and the rationale behind this consumer-oriented philosophy which has been variously expressed in colourful ways such as;

"Find wants and fill them."

"Make what you can sell instead of trying to sell what you can make."

"Love the customer and not the product."..."[1]

This new business thinking is spreading or is supposed to be spreading round the world. Nigeria is not left out. In as much as, compared to other advanced nations, we are much behind in the understanding and adoption of this marketing revolution, there may be hopes. In this research work, this concept will be studied with reference to Nigeria, represented by the breweries.

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1.1.1 A RUDIMENTARY DEFINITION

1.1.1 (A). THE MARKETING CONCEPT:

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

KOTLER, P. (1980) says "The marketing concept is a management orientation that holds that the key to achieving organisational goals consists of the organisation's determining the needs and wants of target markets and adopting itself to delivering the satisfactions more effectively and efficiently than its competitors".[2]

Another formalised definition says that marketing concept is "a companywide orientation with the objective of achieving long-run profits".[3]

A multiplicity of definitions could be proffered but the fact remains that there is a common focus. The key words are "company-wide consumer orientation". All facets of the business must be involved (not marketing alone) in satisfying consumer needs and wants.

The words "with the objective of achieving long-run profits" are used in order to disfferentiate the m marketing concept from policies of short-run profit maximisation.

1.1.1 (B). THE BREWERY INDUSTRY

The brewery must be differentiated from the bottling company since the bottling company does not produce alcoholic beverages. At the same time it is not all producers of alcoholic beverages that are termed breweries or brewers. Hence distillers or distilleries are differentiated since they are involved in hot drinks.

In talking of breweries therefore, there is an emphasis on beer production. The "ADVANCED LEARNERS DICTIONARY OF MODERN ENGLISH" by HORNBY et al derives brewery from the word "brew". Brew is defined as "prepare (beer etc.) by soaking or boiling grain, leaves, etc.; make beer". The dictionary says a brewery is a "building in which brewing of beer is carried on".

The brewery industry therefore is the combination of all those firms involved in the brands of beer. Presently, we have about forty (40) breweries in Nigeria including such popular ones as Nigeria Breweries PLC. (NBL), Life Breweries, Diamond Breweries, Premier Breweries, etc.

1.1.2 THE BREWERY INDUSTRY: A BACKGROUND

The history of modern alcoholic beverages generally in Nigeria dates back to the 4th decade of this century. It all started via importation, thanks to the United African Company that went into this market in order to protect its merchant interests in the alcoholic beverage trade.

Actual production began in 1949, courtesy of the then Lagos Breweries/bottling lines from where, on the 2nd of June 1949, the first bottle of STAR lager beer was rolled out. That day marked the advent of the brewing industry in Nigeria.

Because of the infancy of the industry, STAR predictably faced a lot of problems in the market, most notable of which was stiff competition from existing imported brands. There was the problem of convincing the Nigerian public that STAR was as good as others.

Gradually, however, it gained acceptance and popularity. Thereafter, other prospective investors cultivated the courage to enter the market.

Today, the brewery industry in Nigeria can boast of about 40 brands of beer with about 30 breweries spread accross the length of the country.

1.2.0 PROBLEM DEFINITION:

From a Nigerian point of view, there is a disparity between the advanced economies and ours in terms of the degree of understanding, acceptance and adoption of the "Marketing Concept" to business. To an overwhelming degree, our firms are yet to come to terms with the realities of the "new marketing".

One among the industries operating in the Nigerian business environment is the brewery industry which is the case study of this research.

A simple assessment of the brewery industry indicated that it is averagely performing well. But when further analysis is done considering resources available to it, there is indication that the industry can do better than what it is achieving now.

It is clear at this point that the symptom of the problem in the brewery industry is its low performance level which is indicating that there is a high level of inefficiency and ineffectiveness in the sector.

What then could be responsible for this low performance?

From the exploratory research conducted, the industry's marketing operation does not seem to be effective in mobilising customers and retaining them. This means that the marketing concept has not been fully operational in their marketing activities. Hence the resultant effect of low performance.

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

1.3.0 HYPOTHESES:

On the basis of the problems identified, the researcher has developed the following hypotheses;

1. Do breweries in Nigeria have the appropriate marketing or organisational set-up necessary for the application of the "marketing concept"?
2. Are breweries in Nigeria not adhering to the marketing concept?
3. Has non-adoption of the concept had any corresponding negative effect on corporate performance?

1.4.0 OBJECTIVE OF THE STUDY:

This study's main objective is a critical examination of the general issues relating to the marketing concept, its application and benefits to businesses and to the brewery industry in particular.

Specifically, the study involves a general assessment of the brewery industry in Nigeria in relation to the marketing concept practicability. To clarify the major objectives, the following will be considered also;

(i) To find out if the brewery industry in Nigeria has the organisational set-up, structure or conditions necessary for applying the marketing concept.

ii. To find out (even if such conditions exist) whether there is adherence to the concept.

iii. To find out (if it is not being adopted), what factors are responsible for this.

iv. To find out if there is a corresponding relationship between the application (or otherwise) and corporate performance.

v. To proffer, where and if necessary, suggestions for a better corporate tomorrow in terms of how application of the concept could be improved.

1.5.0 RESEARCH METHODOLOGY:

In carrying out this research study the researcher saw and recognised the need for the historical research method as a beginning. This of course, is for the simple fact that the brewery industry in Nigeria has a past, without which it would have been difficult for us to talk effectively about what is happening now. Even the marketing concept is something that is not an accident. The genesis was therefore necessary. However, in using the historical method, the emphasis was on documents.

But then, bearing in mind the dynamism of our business environment, it became necessary to undertake a field study rather than relying wholly on what other people have earlier written on the subject. This is in order that we might arrive at fair and accurate results on the subject. Hence the utilisation of the SURVEY method with the main instrument as the questionnaire.

Statistical tools are simple. This is because the researcher believes that it will be useful to all classes of business people. Furthermore, an overwhelming majority of these people in business are just business people who are ignorant in the theory of marketing. To be useful to them therefore, statistical tools have been made simple.

1.6.0 SCOPE OF THE STUDY:

It is pertinent to note that this research study has a scope limited to Nigeria. Considering constraints of time and others, a scope beyohd this might produce something less than satisfactory.

The scope is therefore limited to the marketing operations and the extent of the application of the marketing concept in the various breweries in Nigeria; the degree to which they take into account the interest of the consumer in the discharge of their businesses. Also all other areas that are related to the actual function of marketing will be studied for the purpose of knowing the extent of their relatedness.

1.7.0 SIGNIFICANCE OF THE STUDY:

In this last quarter of the twentieth (20^{th}) century, at this point in the history and development of marketing thought and business studies, I find it difficult to think of any other marketing subject or

issue that could be said to be more relevant than the "Marketing Concept". It is important to various groups and bodies;

(A) TO THE BREWERIES:

Today, businesses, including the brewery industry are supposed to have a consumer-orientation. Unfortunately, after so many years of the advent of this concept, firms are yet to adopt it commendably. This could be as a result of ignorance, non-challance et.c.

To the brewery therefore, it is an opportunity to relieve themselves of ignorance (if it is the case) relating to the concept, to avail themselves of the power and realities of the concept and to get convinced that it is the way out.

(B) TO THE RESEARCHER:

The subject, being a marketing topic with hydra-headed application in business life, it falls within the researcher's area of discipline (Business Administration) and therefore quite relevant.

(C) TO STUDENTS:

On a scale of importance, this subject should rank high among marketing topics, yet we have not come across a book devoted largely to the "Marketing Concept". All we see are fractions of chapters devoted to it which do not achieve enough. Hence it has been largely ignored.

To a great extent, it is felt that this study will help to bridge this vacuum.

(D) THE ECONOMY AT LARGE:

An economic system exists for production and consumption. Since products move only if they satisfy consumer specification, therefore this study is aimed at how breweries can achieve a consumer orientation.

The satisfaction of customer needs and wants will go a long way in improving the profit level of the brewery industry as well as the economy in general.

1.8.0 LIMITATIONS

Just like any other human endeavour, this work presented a lot of constraints, some of which are summarised below.

i. TIME:

The research topic is of a living nature whose life span goes beyound the deadline. There was therefore the problem of doing in a short period, a topic of everlasting nature. The effort was further constrained by the fact that the researcher had to combine it with normal academic work.

ii. FINANCE:

The topic, being one that involves breweries in a country as large as Nigeria, it meant some travelling around which is a constraint because the researcher was

not born with a silver spoon in his mouth.

iii. RESPONDENTS' ATTITUDE:

On the part of the consumers, the researcher contended with sheer reluctance and the need to persuade them to spare their time. The producers were more difficult, especially with this syndrome of official or corporate secrets or classified materials. It was further compounded by red-tapism.

1.9.0 CHAPTER REFERENCES:

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3. Definition offered by
KLATT, L.A.
SMALL BUSINESS MANAGEMENT
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FOUNDATIONS OF MARKETING
(Hinsdale; The Dryden Press 1977), P.15.

2.0 CHAPTER TWO

LITERATURE REVIEW

2.1 THE MARKETING CONCEPT:

WHAT IS IT?

Probably, the best known statement that describes this concept or orientation is this;

> "(The Concept) ------ introduces the marketing man at the beginning rather than at the end of the production cycle and integrates marketing into each phase of the business. Thus, marketing, through its studies and research, will establish for the engineer, the design and the manufacturing man, what the customer wants in a given product, what price he is willing to pay and where and when it will be wanted. Marketing will have authority in product planning, production scheduling and inventory control, as well as in sales distribution and servicing of the product".*1

What it is about is a representation of a new way of business thinking which departs from earlier philosophies that emphasise mass production, quality or just promotion. The table below shows this departure between the selling and marketing orientation.

	SELLING	MARKETING
FOCUS	Products	Consumer needs
MEANS	Selling and promoting	Integrated marketing
ENDS	Profits through sales volume	Profits through customer satisfaction

The marketing concept reverses and replaces the logic of the selling concept. The selling concept starts with the firm's existing products and considers the task as one of using selling and promotion to stimulate a profitable volume of sales. The marketing concept starts with the firm's target customers and their needs and wants; and it derives profits through creating satisfaction.

The marketing concept is the firm's commitment to the time-honoured concept in economic theory known as CONSUMER SOVEREIGNTY. The determination of what is to be produced should be in the hands of the consumers.

2.2.0 EVOLUTION OF THE MARKETING CONCEPT:

The present corporate attempt to focus on consumers has not always been so. Definitely it progressed from somewhere. Afterall, was there not a time when marketers variously emphasised mass production to go round, quality products that were

expected to sell themselves or so many salesmen and promotion to push the product through the market?

Historically, certain organisational conditions existed and preceded management's change from a production to a marketing orientation/concept. These conditions existed in form of management orientations;

2.2.1 SECOND HALF OF THE 19TH CENTURY:

THE PRODUCTION ERA

During the second half of the 19th century was the industrial revolution. Electricity, rail transportation, division of labour, the assembly line and mass production made it possible to manufacture products more efficiently. As a result of new technology and new ways of using labour, products streamed out of factories into the market place, where consumer demand for manufactured goods was strong. Because of the situation of scarcity that preceded the revolution, corporate notion was that buyers were ready to accept virtually any goods that were produced and make do with them as best they could. The thinking was that "production creates its own demand". The central notion was that products would sell themselves, so the major concern of business firms were production and manufacturing, not marketing.

KOTLER, P. (1980) says "The production concept is a management orientation that assumes that consumers will favour those products that are available and

affordable, and therefore the major task of management is to pursue improved production and distribution efficiency".[2]

It succeeds best where;

(a) Consumers are primarily interested in product availability and low price.

(b) Consumers know the prices of competing brands.

(c) Consumers do not see or attach much importance to non-price differences within the product class.

(d) The organisation's task is to keep improving pr production and distribution efficiency and lowering costs as the key to attracting and holding customers.

2.2.2 THE PRODUCT ORIENTATION:

Next came the product concept. It expects marketing to serve the seller's interest alone and not that of the buyers. Focusing on ever-more efficient manufacturing, top management assigns marketing the task of selling increased quality outputs. There was this emmphasis on product quality under the thinking that a product with good quality would definitely speak for itself and succeed.

The idea behind the concept is summarised as "a management orientation that assumes that consumers will favour those products that offer the most quality

for the price, and therefore the organisation should devote its energy to improving product quality."[3]

It is ideal where consumers are primarily interested in product quality and where consumers buy products rather than solutions to needs.

2.2.3 1930[4]; THE SALES ERA:

Around this time, the strong consumer demand subsided. Businesses realised that products, which by this time could be made relatively efficiently, would have to be "sold" to consumers. So, beginning in 1930, the company went into the sales era". Businesses looked on sales as the major means of increasing profits. They became conscious of the fact that they had to go out and get customers and that their dealers had other sources of supply. Promotion of the available products became extremely important to attract both the middlemen and the middlemen's customers. They believed that the most important marketing activities were personal selling and advertising.

Like others, a summary is given in KOTLER, P. (1980);

"The selling concept is a management orientation that assumes that consumers will either not buy or not buy enough of the organisation's products unless the organisation makes a substantial effort to stimulate their interest in its products".[5]

2.2.4 THE 1950s

THE MARKETING CONCEPT ERA

By the early 1950s, some business people began to recognise that efficient production and extensive promotion of products did not guarantee that customers would buy them. These businesses and many others since then found that they must first determine what customers want and then produce it, rather than simply make products and try to change customers' needs to fit what is produced. As more and more firms realised that the measurement of customers' needs is where everything begins, businesses moved into the marketing era, the era of customer orientation.

2.3.0 ADOPTION OF THE CONCEPT BY BREWERIES IN NIGERIA:

According to the marketing concept, an organisation should try to satisfy the needs of customers or clients through a co-ordinated set of activities that also allows the organisation to achieve its goals. Customers satisfaction is the major aim of the marketing concept. First a business organisation must find out what will satisfy customers. But this is not enough. The business must then get these products into the hands of the consumers. Nor does the process end there. The business must continue to alter, adapt and develop products to keep pace with customers' changing desires and preferences.

In attempting to satisfy consumers, business must consider not only short-run, immediate needs but also broad, long-term desires. To meet these short and long-run needs and desires, a firm must co-ordinate all its activities. Production, Finance, Accounting, Personnel and Marketing departments must work together.

It should, however, not be thought that the marketing concept is a highly philanthropic philosophy aimed at helping customers at the expense of the business organisation. A firm that adopts the marketing concept must not only satisfy its customers objectives but also achieve its own goals. Otherwise, it will not stay in business for long.

The marketing concept stresses that a business organisation can best achieve its goals by providing customer satisfaction. It seeks to uphold the belief that the consumer is the social and economic justification for the existence of the firm. It means that the consumer has the "right to know" and should be "consulted".

The marketing concept is the basis of the success of such companies as IBM, Avon etc.

A case in point of a company that practices the marketing concept is the Macdonald's Corporation, the fast food hamburger retailer. In its short twenty-five or so years, Macdonalds has served American citizens

over 27 billion hamburgers, with over 4,200 outlets, far ahead of its closest rivals; Kenturky Fried Chicken and Burger King. Its current annual sales are running 4.6 billion dollars. Credit for this leading position belongs to a thorough marketing orientation. Macdonalds knows how to serve people well and adapt to changing needs and wants.

Before Macdonalds, Americans could get hamburgers but not without problems. In many places, the hamburgers were poor in quality, service was slow, decor was poor, conditions were unclean etc.

As times changed, so did Macdonalds. The sit-down sections were expanded in size, the decor improved, a very successful breakfast item called Egg Mcmuffin was added, and new outlets were opened in high traffic parts of the city. Macdonalds was clearly being managed to evolve with changing customer needs and profitable opportunities.

But how many firms in Nigeria have been able to apply the marketing concept as effectively as MacDonalds? How many have been fortunate enough to derive as much benefits as MacDonalds? Definitely not the brewery industry. Is it a case of non-challance or simple refusal to apply? Definitely none of them. Is it that there are no conducive conditions for application.

That remains to be seen. One fact remains however that BREWERIES in Nigeria face impeding factors that have prevented the smooth operation of the marketing concept. These issues form the basis of discussion in the section that follow.

2.3.1 THE EXISTENCE OF PRE-CONDITIONS IN THE BREWERIES

Drucker, P. Captures the essentials of the marketing concept as follows;

"True marketing starts ---- with the customer, his demographics, his realities, his needs, his values. It does not ask "what do we want to sell?" It asks "what does the customer want to buy?" It does not say "this is what our product or service does"; it says "These are the satisfactions the customer looks for, values and needs"."[6]

The essense of modern marketing is that the consumer is king. Customers are sought out not only for their purchasing power but for their opinions about products. Businesses that ignore consumers do so at their own risk.

On a general note, there is the question of whether it is practicable to adopt the marketing concept at all. Specifically, the question is; To what degree have BREWERIES in Nigeria had it feasible to practice it? A philosophy may look good on paper.

It may sound reasonable and even noble. But that does not mean it can be put into practice easily. The marketing concept is a case in point. It is a good idea and it is agreed that it can be practiced but then the road has proved rough for the BREWERY INDUSTRY.

To implement it, the organisation must focus on some general conditions. It must also be cognizant of several problems. It is of course because of these conditions and problems that the world has been slow at accepting fully the concept.

An important fact is that the top management of organisations must adopt it whole-heartedly. High level executives must incorporate the concept into their personal philosophies of business management so completely that it serves as the basis for all the goals and decisions they set for their firms. After this personal acceptance the firm can then ensure the following general conditions.

2.3.1. (A). Management must establish an information system that enables it to discover customer's real needs and to use that information internally to create satisfying products. This is expensive, so management must be willing to commit a substantial amount of money and time for development and maintenance. Without an adequate information system, an organisation cannot be customer-oriented. Of course our breweries have information systems. The question is whether they are performing.

2.3.1 (B): Management's second major task is to restructure the organisation. If the head of marketing unit is not a member of the organisation's top-level management, the situation should be rectified. Some departments may have to be abolished and new ones created. Implementing the concept demands the support of managers and staff at all levels in the organisation. Breweries being involved in dissemination of goods should have marketing departments, but this we shall find out.

2.3.2. GENERAL IMPEDIMENTS FACED BY THE BREWERY INDUSTRY

Apart from the necessity for our breweries to observe the afore-mentioned conditions, breweries in Nigeria, just like any other kind of business that needs the concept have been facing a lot of problems which are bottlenecks to implementation. Some of them are discussed below;

i. There is a limit on a firm's ability to satisfy customers' needs for a particular product. In a mass production economy like ours, the brewery industry cannot tailor products to fit the exact needs of each customer.

ii. Although the breweries may try to learn what customers want, they may be unable to do so. Even when a firm correctly identifies customers' needs, the firm's personnel often have a hard time actually developing a product to satisfy those needs.

iii. By satisfying one segment of society, the brewery sector contributes to dissatisfaction of other segments. Government and non-business organisations also have this problem.

iv. Dissension among staff and departments; a firm may have trouble maintaining employee morale during any restructuring that may be required to co-ordinate the activities of various departments.

v. As mentioned earlier, it is a very expensive exercise, which can be afforded by only a small percentage of firms. The question then is how many of our breweries are strong enough financially in the face of the state of the economy?

2.3.3. 'NIGERIA - PECULIAR' IMPEDIMENTS TO ADOPTION IN OUR BREWERIES:

Even in the advanced nations of the west, the concept is yet to be fully accepted. However, the degree of acceptance is quite overwhelming even now.

"Studies have shown that the marketing orientation is now widespread in American business. Research conducted in the late 1960s indicated that 94 percent of business executives interviewed have adopted the marketing concept to some extent."[16]

In general then the American economy is marketing oriented. The same applies to a number of other advanced economies except the communist economies

that are widely production oriented. But those ones are changing rapidly toward market economies.

However, in our brewery industry the situation is not exactly the same. Acceptance is still at a very low ebb. This is because of differences in our economic and other environments; In a nutshell, our own peculiar situation. Some of these factors, peculiar to us which our brewery industry has encountered are discussed below:

i) Newness of the concept:

Even world-wide, the concept is relatively new. In our own case, it is even newer. Even when we talk of marketing as a whole, our economy is more distribution-oriented than marketing-oriented. It is hoped that as time goes on, we will learn and adopt. But the fact remains that this distribution orientation is more pronounced in goods industries like our breweries.

ii. Capital:

Implementing the concept is very expensive. A substantial amount of money is therefore needed since the firm must have to establish a good information system and embark on research to find out consumer interests. The fact is that the money is even not there. An overwhelming percentage of breweries in Nigeria simply cannot afford it.

iii) State of the Economy/Market:

The economy is in shambles. The Brewery industry feels better concentrating on making their profits than making consumer satisfaction a prime motive. Furthermore, the situation of scarcity is such that we have a seller's market and definitely, it is not in a seller's market that a consumer can be a "King". It is a market type where the consumer listens to the seller and not vice versa. There is less beer than the people care to drink and so the consumer is handicapped.

iv) Income:

For the marketing concept to have a smooth sail, income must be such that purchasing power is high. But in Nigeria, both on National and individual levels, purchasing power is low. Income is the strength of the consumer. In this case, the consumer has no voice. On the whole, our per capita income is about 56 (Fifty six) dollars. That makes Nigeria the 13TH poorest nation in the world. How can brewers care when they know that consumers are powerless? The United States (U.S.A) has a per capita income of over 4,000 dollars. Worse still, even if a need arises for a consumer to combat a seller,

his low income makes him incapable of seeking legal aid to achieve redress.

v) Educational Level:

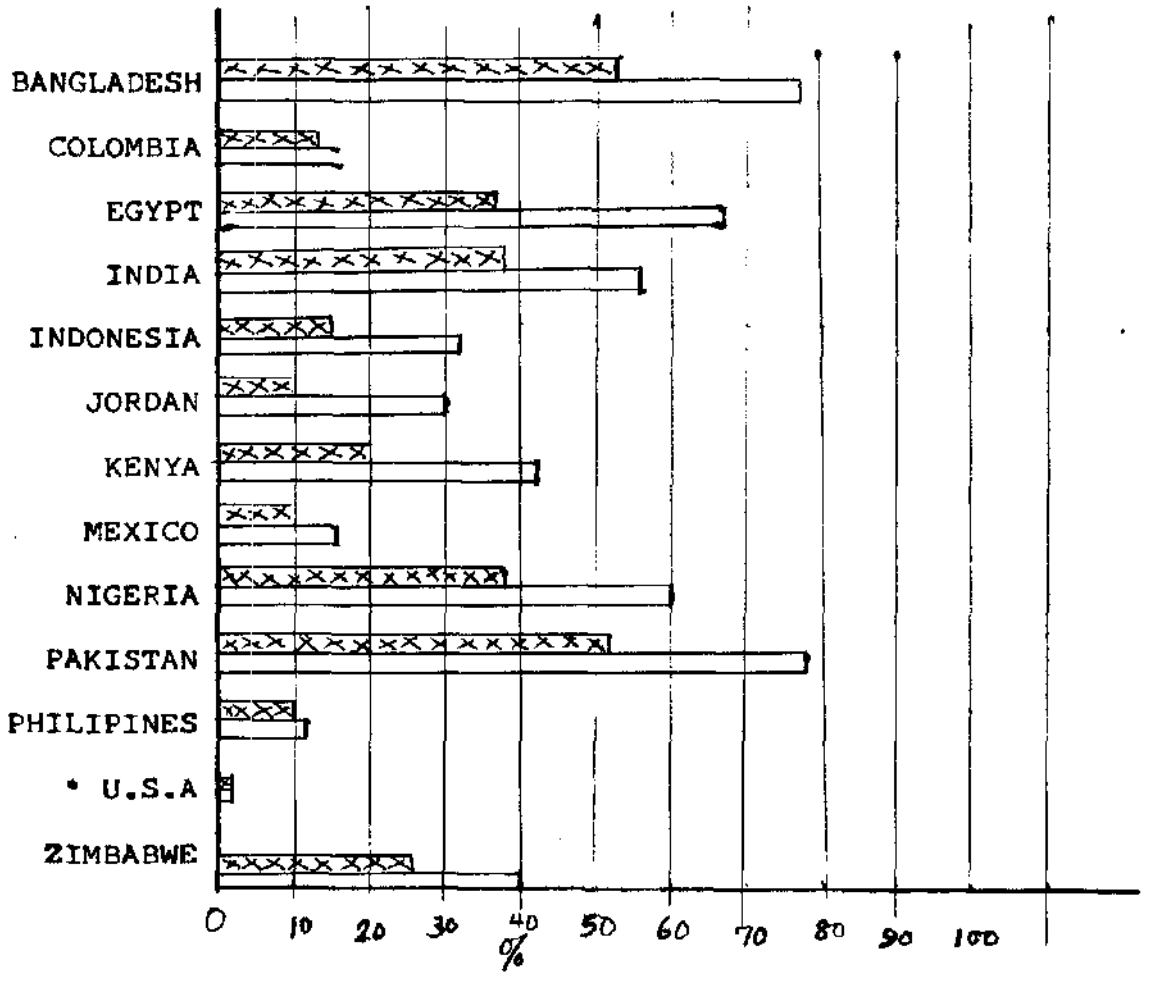
An educated public is a public that knows her rights. Education affords consumers the ability to understand the concept. It makes one understand the right to seek redress when agrieved by producers.

Even in the United States (U.S.A) where the concept appeared earlier, education provided the vision of a better state of affairs that could exist if the power relationship between buyers and sellers could be altered. It also provided the enlightenment to analyse the means to power and realize that buyers are not as helpless as has been believed. Even the leadership of the consumer movement which was out to shape business thinking came from the educated class who understood the working of the system.

But look at our situation; illiteracy level is so high in absolute terms and in relation to other countries. (See the Figure 2.0.1 below). The meaning is that consumers probably do not understand the concept. A definite fact also is that majority of our business people do not even understand the condept, all these arising from illiteracy.

FIG. 2.0.1:

ILLITERARY RATES (1990 ESTIMATES)



*Less than 1%

KEY

MALE

FEMALE

*SOURCE: UNESCO
Reprinted in NEWSWATCH; March 9th, 1992.p.31

BREAKDOWN: (APPROXIMATE)

S/N	COUNTRY	MALE (%)	FEMALE (%)
1.	Bangladesh	52	78
2.	Colombia	13	16
3.	Egypt	37	67
4.	India	38	66
5.	Indonesia	15	32
6.	Jordan	10	30
7.	Kenya	20	42
8.	Mexico	10	15
9.	Nigeria	38	60
10.	Pakistan	52	78
11.	Philipines	10	11
12.	U.S.A.	< 1	< 1
13.	Zimbabwe	25	40

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4. McCARTHY, E.J.
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*However PRIDE, W.M. et. al 1987)
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New York; Harper & Row; 1974), P.64.

3.0 CHAPTER THREE

RESEARCH PROCEDURE.

As a prologue to this chapter, the researcher wishes to state that the research methodology used, especially statistical tools is deliberately simple - for concrete reasons of the nature of the topic.

This is a research work whose result will be beneficial to both business and non-business organisations, marketers and non-marketers alike. Sinee the topic is of very general application and a large part of the target audience is not knowledgeable in the mechanics of marketing theory, it is felt that methodology should be simple and statistical techniques should be limited to such simple ones as percentage analysis, Bar charts, Pie charts, and Histograms. This is so that even a layman could understand.

3.1 SOURCES OF DATE

The researcher made use of both primary and secondary data.

3.1.1 The Primary data was collected through a field study of breweries and also their consumers. Personal interviews, observations and questionnaires were made use of. The Questionnaires were well structured and disguised. This is used because it is straight forward and questions are well sequenced.

3.2
3.1.2 The Secondary data; This data collection method was necessitated because of the need to diversify into those areas where the use of primary data cannot give thorough analysis. Already existing data on the review of relevant literature was obtained from Business journals, Magazines, Newspapers, Management and Marketing textbooks.

3.2.0 DATA COLLECTION INSTRUMENT

Various research instruments were used in gathering important information for the research such as oral interviews and observation to elicit information from management and consumers and especially in cases where elaboration is necessary. However the most widely used instrument for this study was the questionnaire.

3.3.0 DETERMINATION OF SAMPLE AND DATA COLLECTION

The universe for this research work was composed of two separate groups; the management on one hand and the consumers on the other. The picture was a population of thirty-two (32) for breweries and an unspecified number for consumers because there is no available record on the number of consumers of Lager beer.

A sample of 255 customers was selected from five towns/cities with the use of simple cluster/random technique. While a sample of 13 breweries was selected via convenience sampling. Data collection was essentially via the survey method.

3.4 TABLES SHOWING THE DISTRIBUTION AND COLLECTION OF QUESTIONNAIRES

TABLE 3.4.1: Shows the distribution and collection of questionnaire distributed to breweries.

GROUP	SAMPLE SIZE	NUMBER RETURNED	PERCENTAGE
BREWERIES	13	10	76.9
TOTAL	13	10	76.9

TABLE 3.4.2: Distribution and collection of questionnaires distributed to customers.

GROUP	SAMPLE SIZE	NUMBER RETURNED	PERCENTAGE
CUSTOMERS	255	250	98.0
TOTAL	255	250	98.0

4.0. CHAPTER FOUR

4.1.0 PRESENTATION AND ANALYSIS OF DATA

As mentioned earlier, the researcher distributed two classes of questionnaire; one set to the companies concerned and the other to consumers of Lager beer.

A total of 255 questionnaires was distributed to consumers and 250 were returned, representing 98% percent. Also a total of 13 (thirteen) questionnaires were distributed to the management of thirteen breweries out of which 10 (Ten) were returned, representing 76.9 % percent.

From the foregoing, one can say that the response was encouraging which is a plus for this research effort.

4.1.1 ANALYSIS OF DATA FROM BREWERIES:

QUESTION 1: Status of officer responding.

TABLE 4.1.1.A.

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
Lower Management	0	0
Middle Management	10	100
Top Management	0	0
TOTAL	10	100%

QUESTION 2: Do you have a marketing Department with such responsibilities as research?

TABLE 4.1.1.B:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
YES	10	100
NO	0	0
TOTAL	10	100%

QUESTION 3: How often do you research into consumer preferences of product attributes?

TABLE 4.1.1.C:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
* Very often	1	10
* Often	3	30
*When the need arises	6	60
* Seldom	0	0
* Never	0	0
TOTAL	10	100%

QUESTION 4: If (C) or (D), why?

TABLE 4.1.1.D:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
No need-we sell enough	0	0
Prohibitive cost of research	6	60
Consumers are satisfied	0	0
None of the above	4	40
TOTAL	10	100

QUESTION 5: Is the head of the Marketing division a member of the Board of Directors or management team?

TABLE 4.1.1.E:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
YES	10	100
NO	0	0
TOTAL	10	100

QUESTION 6: Do you have any understanding of the jargon - "Marketing Concept"?

TABLE 4.1.1.F:

RESPONSES VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
YES	10	100
NO	0	0
TOTAL	10	100

QUESTION 7: What is the source of your original product idea?

Q
TABLE 4.1.1.G:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
*Foreign Products only	0	0
*Employees "	0	0
*Consumers "	0	0
*Other competitive Products only	0	0
*Any others; A,C & D	3	30
D & C	7	70
TOTAL	10	100

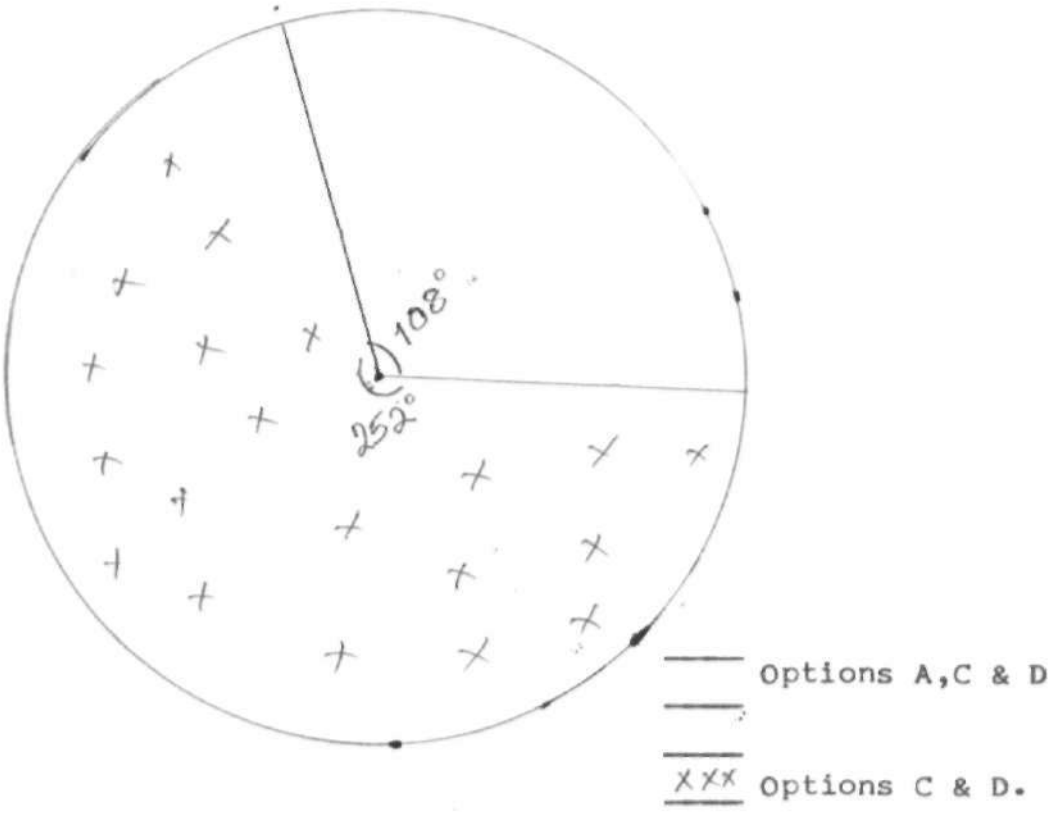
For further elaboration, this information is also represented on a pie chart below.

$$\frac{0}{10} \times \frac{360}{1} = 0$$

$$\frac{3}{10} \times \frac{360}{1} = \underline{108^{\circ}}$$

$$\frac{7}{10} \times \frac{360}{1} = \underline{252^{\theta}}$$

FIG. 4.1.1.A:



QUESTION 8: How often have consumers complained about your product?

TABLE 4.1.1.H:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
Very frequent	0	0
Frequent	0	0
Seldom	6	60
Never	4	40
TOTAL	10	100%

QUESTION 9: If (8) is applicable (i.e. A - C), with regards to what?

TABLE 4.1.1.I

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
Price	7	70
Package	0	0
Taste	-	-
Strength	0	0
Quantity	0	0
Any others: A & C	3	30
TOTAL	10	100%

QUESTION 10: Have you made product modifications before? (Price, Taste, etc.)

TABLE 4.1.1. J:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF OF RESPONSES
YES	10	100
NO	0	0
TOTAL	10	100%

QUESTION 11: If yes to (10), what prompted it?

TABLE 4.1.1.K:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
*Cost considerations	4	40
**Just to see the effect	0	0
*In line with customer aspirations	3	30
*In line with economic realities.	3	30
*Any other (state)	-	-
TOTAL	10	100%

QUESTION 12: On the average, how would you describe the trend of sales in the past five (5) years?

TABLE 4.1.1.L:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
*Steady increase	0	0
*Increase but at a slower rate each successive year.	2	20
*Constant	0	0
*Decrease	8	80
TOTAL	10	100%

QUESTION 13: If (B) or (D), how would you explain the situation?

TABLE 4.1.1.M:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
*Consumer dissatisfaet-ion with product quality	0	0
*Price too high	1	10
*Increasing competition	2	20
*The economy (Decrease in real income)	7	70
*More people becoming teetotallers	0	0
TOTAL	10	100%

4.1.2: ANALYSIS OF DATA FROM CONSUMERS

QUESTION 1: SEX

TABLE 4.1.2A:

RESPONSES VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
MALE	150	60
FEMALE	100	40
TOTAL	250	100%

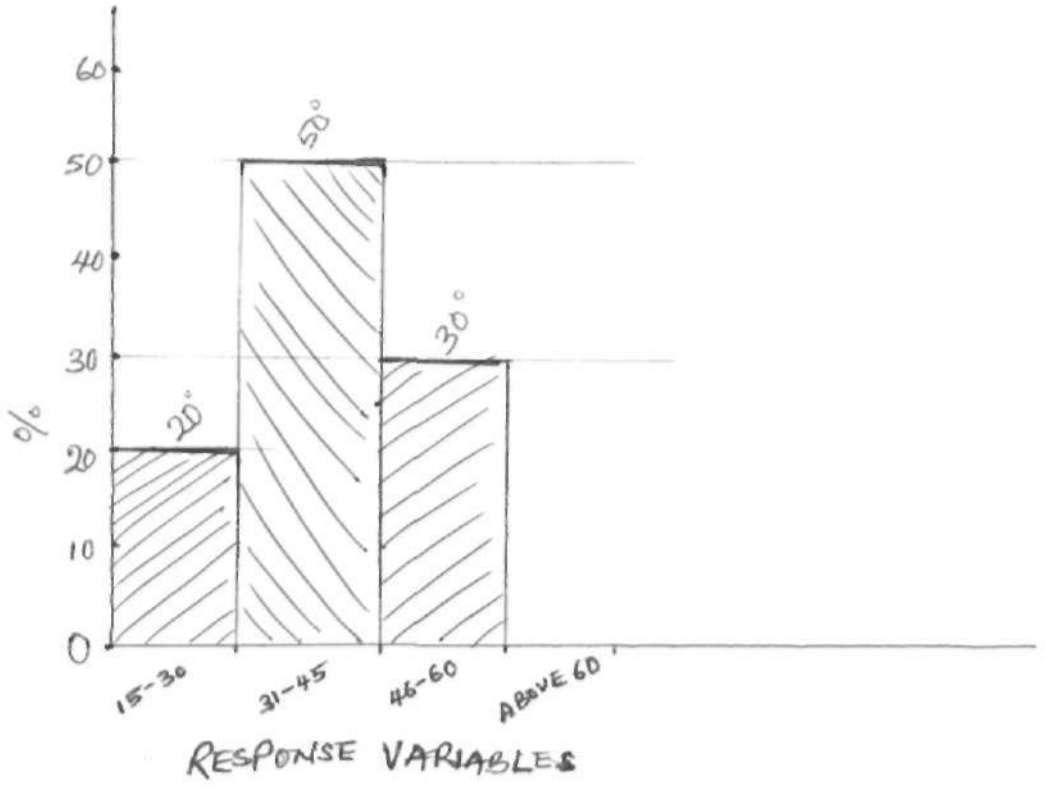
QUESTION 2: AGE

TABLE 4.1.2.B:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
15 - 30	50	20
31 - 45	125	50
46 - 60	75	30
Above 60	0	0
TOTAL	250	100%

This information can also be shown on a histogram as shown below.

FIG. 4.1.2.A:



* QUESTION 3; OCCUPATION;

This is an open-ended question and responses showed that out of the total sample, 100 representing 40% were students; 100 (40%) were civil servants; Businessmen were 25 which is 10% and other occupations represented 10% of the sample.

* QUESTION 4: What brand of Lager beer do you drink?

This too, is an open-ended question. Refer to the pie-chart below.

$$\frac{62}{250} \times \frac{360}{1} = \underline{\underline{89^{\circ}}} = \text{GULDER}$$

$$\frac{75}{250} \times \frac{360}{1} = \underline{\underline{108^{\circ}}} = \text{KRONENBOURG}$$

$$\frac{50}{250} \times \frac{360}{1} = \underline{\underline{72^{\circ}}} = \text{STAR}$$

$$\frac{38}{250} \times \frac{360}{1} = \underline{\underline{55^{\circ}}} = \text{HARP}$$

$$\frac{25}{250} \times \frac{360}{1} = \underline{\underline{36^{\circ}}} = \text{OTHERS}$$

FIG. 4.1.2.B:

QUESTION 5: Why do you prefer this brand to others?

TABLE 4.1.2.C:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
Cheaper (Price)	37	15
Quite strong	125	50
Tastes good	75	30
Quantity	0	0
Others (State)	13	5
TOTAL	250	100%

QUESTION 6: Would you have prefered your brand exactly as it is if you had a choice?

TABLE 4.1.2.D:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
YES	50	20
NO	200	80
TOTAL	250	100%

QUESTION 7: If no to (6), in what areas do you have misgivings?

TABLE 4.1.2.E:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
Taste	0	0
Package	08	0
Price	200	80
Quantity	0	0
Any Other	50	20
TOTAL	250	100%

QUESTION 8: Have you changed brands before?

TABLE 4.1.2.F:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
YES	178	71.2
NO	72	28.8
TOTAL	250	100%

QUESTION 9: If yes, why?

TABLE 4.1.2:G.

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
*Just to try others	0	0
*Misgivings about former brand	145	58
*No brand really matters	33	13.2
*Others (state)	72	28.8
TOTAL	250	100 %

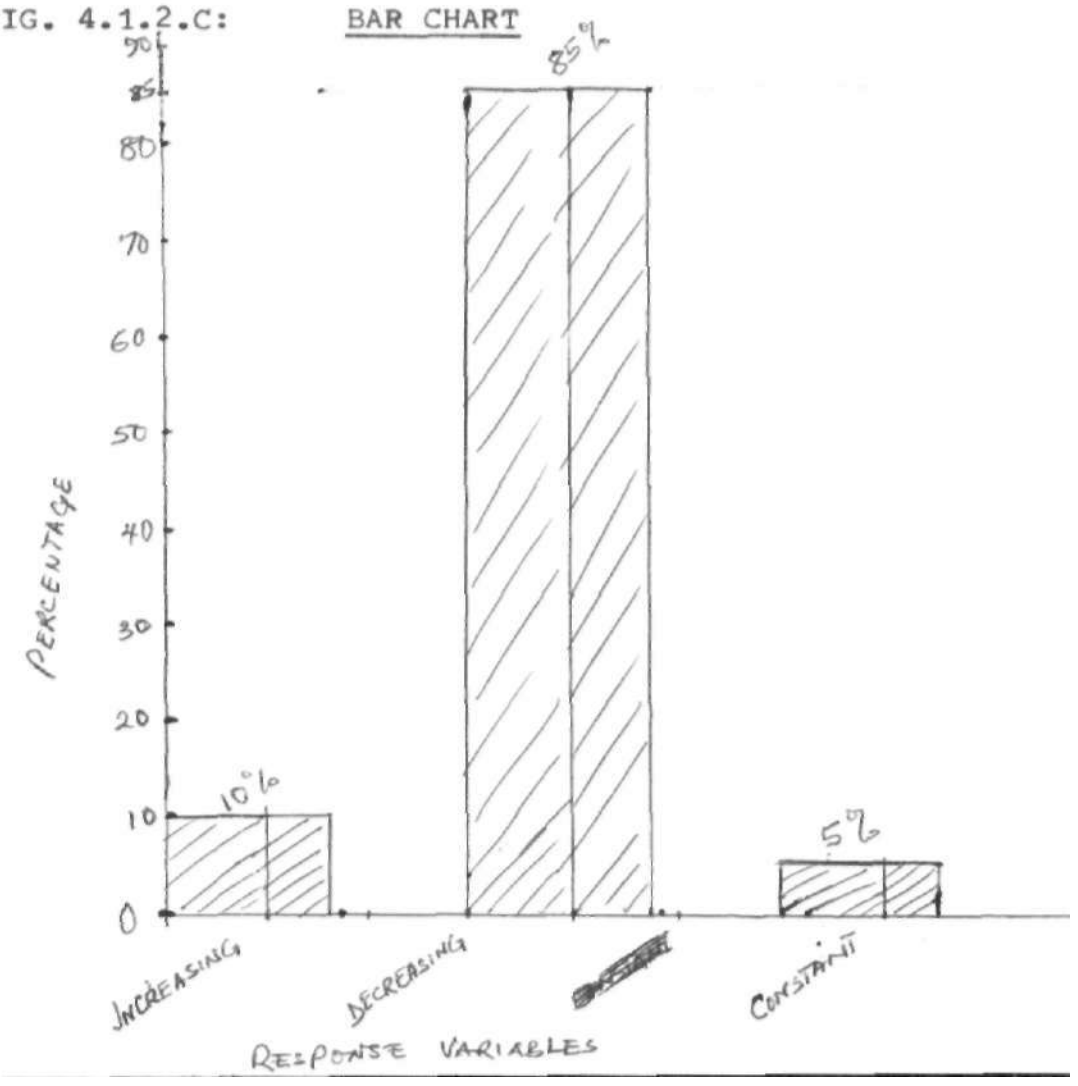
QUESTION 10: How would you describe your change in volume of consumption in the past five (5) years?

TABLE 4.1.2.H:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
Increasing	25	10
Decreasing	212	85
Constant	13	5
TOTAL	250	100%

This information is also represented on a bar-chart as shown below.

FIG. 4.1.2.C: BAR CHART



QUESTION 11: If (B) or (C), how would you explain it?

TABLE 4.1.2.I:

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
*Dwindling quality of product.	37	14.8
*Limited Income	208	83.2
*Gradual withdrawal from alcohol	5	2
*Any other (state)	0	0

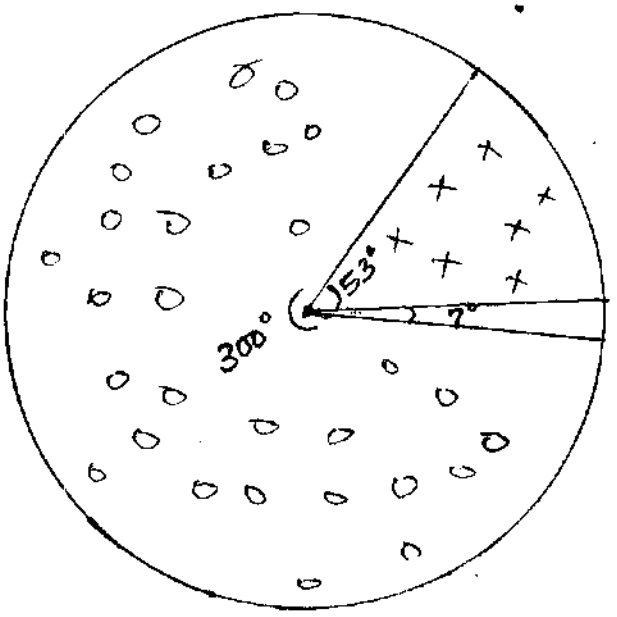
This same information is depicted below on a pie-chart.

$$\frac{37}{250} \times \frac{360}{1} = 53.28^{\circ} \text{ ___ } 53^{\circ}$$

$$\frac{208}{250} \times \frac{360}{1} = 299.52^{\circ} \text{ ___ } 300^{\circ}$$

$$\frac{5}{250} \times \frac{360}{1} = 7.2^{\circ} \text{ ___ } 7^{\circ}$$

FIG. 4.1.2.D: PIE CHART



53° DWINDLING QUALITY.
300° LIMITED INCOME
7° WITHDRAWAL FROM ALCOHOL

4.2.0 ANALYSIS/TEST OF HYPOTHESES

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

4.2.1 HYPOTHESIS 1:

Do Breweries in Nigeria have the appropriate Marketing or organisational set up necessary for the application of the "Marketing Concept?"

In testing this hypothesis, Questions 2 and 5 in the producers' questionnaire will be used.

Question 2 is about the availability of a marketing department and its responsibilities.

Question 5 is about the position of the head of Marketing in the management team.

The results are tabulated and interpreted below.

Question 2 - Availability of marketing Department and their research responsibilities.

RESPONSE A VARIABLES	FREQUENCY	PERCENTAGE OF RESPONSES
YES	10	100
NO	0	0
TOTAL	10	100%

In response to the issue of whether firms have marketing departments with research responsibilities, 100% responded 'Yes'.

QUESTION 5 - Whether the Head of Marketing is in the management team.

RESPONSE VARIABLES	RESPONSE FREQUENCY	PERCENTAGE OF RESPONSES
YES	10	100
NO	0	0
TOTAL	10	100%

Ten firms, representing 100% of the sample responded that the marketing department is represented in the management team.

**VERDICT:

Verily, we know that the basic things or groundwork for applying the concept are things like what we have analysed above. All breweries sampled have marketing departments, thereby satisfying a basic requirement.

Furthermore, a good information system is necessary. The issue of whether research is done continously is another issue. However, they all responded that their marketing departments have responsibilities of research.

Based on the analysis above and the fact that in all the cases, the heads of marketing are members of the management team, we ACCEPT the NULL hypothesis;

*Breweries in Nigeria have the appropriate marketing/organisational set up.

4.2.2 HYPOTHESIS 2

Are breweries in Nigeria not adhering to the Marketing concept?

Three questions will be used to test this. Questions 3 and 11 in the producers' questionnaire and Question 6 in the Consumers' questionnaire. They are presented below.

QUESTION 3 (PRODUCERS) - Frequency of research.

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
* Very Often	1	10
* Often	3	30
* When the need arises	6	60
* Seldom	0	0
* Never	0	0
TOTAL	10	100%

QUESTION 11 (PRODUCERS)- Reasons for Product modification.

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
*Cost Considerations	4	40
*Just to see the effect	0	0
*In line with customer aspirations	3	30
*In line with economic realities	3	30
*Any others (state)	0	0
TOTAL	10	100%

QUESTION 6 (CONSUMERS):- Whether the present product would have been the most prefered.

RESPONSE VARIABLES	NO. OF RESPONSES	PERCENTAGE OF RESPONSES
YES	50	20
NO	200	80
TOTAL	250	100%

The first table shows that in 60% of the cases, firms carry out research work only when the need arises.

In response to explanations for product modifications, reasons ranged from cost considerations, customer aspirations to economic realities. One remarkable thing however is that only 30% have been for customer aspirations while a whooping combination of 70% has been for

reasons of cost considerations and economic realities. This is contained in question 11 (PRODUCERS).

Question 6 (Consumers) is on whether consumers like exactly what they have. 20% answered "Yes" and 80%, "No".

***VERDICT:

The summary is this; Research is not as continous as should be the case; Product modifications have been more in response to cost/economic realities than consumer desires; and in response to whether consumers would have liked their brands exactly as it is, the response is simply "No" which means they are not satisfied.

Based on the above, we are ACCEPTING the NULL hypothesis.

*The Marketing Concept is not being adhered to.

4.2.3 HYPOTHESES 3

* Has non-adoption of the concept had any corresponding negative effect on corporate performance?

To test this hypothesis, we shall use Question 13 in the producers questionnaire and Question 11 in the Consumers questionnaire.

QUESTION 13 (PRODUCERS) - Explanation for falling sales.

RESPONSE VARIABLES	FREQUENCY	PERCENTAGE
*Customer dissatisfaction with product quality.	0	0
*Price too high	1	10
*Increasing competition	2	20
*The Economy (Decrease in real income)	7	70
*More people becoming tetotallers	0	0
TOTAL	10	100%

In response to possible explanations for average fall in sales in the past few years, no firm connected it with consumer dissatisfaction. Reasons are such things like price (product-related), competition and the economy. The bottom line is that the main reason is the economy (income related).

* On the part of the consumers, some connected the decrease in rate of consumption (same as fall in sales) to product quality. However, an overwhelming percentage (83%) linked it to income. The information, derived from question 11 (CONSUMERS) is tabulated below and presented on a pie-chart.

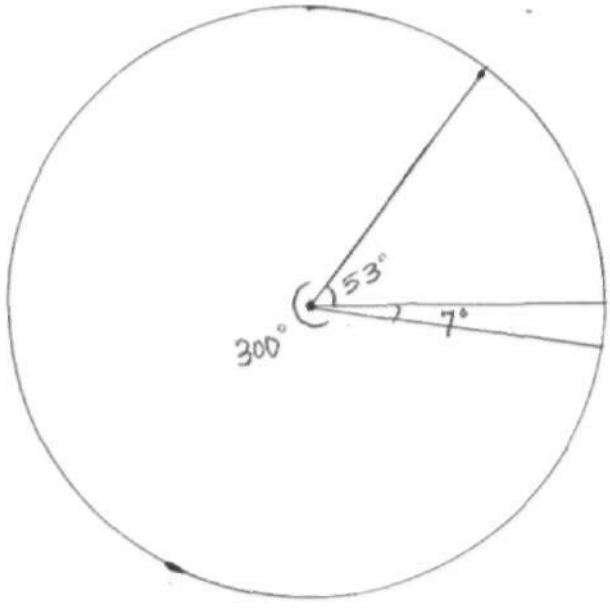
QUESTION 11 (CONSUMERS) - Reasons for fall in consumption rate.

RESPONSE VARIABLES	FREQUENCY	PERCENTAGE	DEGREE OF FREQUENCY
•Dwindling quality of product	37	14.8	53°
•Limited income	208	83.2	300°
•Gradual withdrawal from alcohol	5	2	07°
•Any other (state)	0	0	0
TOTAL	250	100	360°

DEGREES:

- $\frac{37}{250} \times \frac{360}{1}$ — 53° DWINDLING QUALITY
- $\frac{208}{250} \times \frac{360}{1}$ — 300° LIMITED INCOME
- $\frac{5}{250} \times \frac{360}{1}$ — 07° WITHDRAWAL FROM ALCOHOL

PIE CHART:



* VERDICT:

A fall in sales might be an indication of poorer performance. The fall in sales here, ordinarily should be linked to a non-adoption of the concept but the question is whether this fall could be said to be resulting from this non-adoption.

Both consumers and producers have a consensus that the fall in sales is not linked to consumer dissatisfaction; 70% of producers linked it to falling real income (Purchasing power) and 83.2% of consumers also linked it to income. Reasons for this fall in sales are therefore linked to income. Because of this consensus, we conclude that the two (Poorer performance and the marketing concept) have no direct correlation. Based on this, and on a STRICT basis, we REJECT the NULL hypothesis;

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

5.0. CHAPTER FIVE

DATA INTERPRETATION AND DISCUSSION

5.1. DATA INTERPRETATION:

5.1.1. DATA FROM BREWERIES

**QUESTION 1: TABLE 4.1.1.A

This question concerns officers responding. All ten (10) questionnaires were answered by middle management staff who are knowledgeable and had the mandate to do so.

**QUESTION 2: TABLE 4.1.1.B

It relates to availability of a marketing Department. 100% of companies sampled have Marketing Departments vested with research responsibilities.

**QUESTION 3: TABLE 4.1.1.C

The interpretation of the table is that the percentage of breweries that never carry out research and those that seldom do it are zero respectively. 10% carry out research very often, 30% often and 6 breweries representing 60% do it only when the need arises. We can safely conclude that most breweries carry out research only when the need arises.

**QUESTION 4: TABLE 4.1.1.D

Data analysed shows that reasons for breweries carrying research either seldom or only when the need arises are varied. 40% ticked "None of the above", representing those who answered "very often" and "often" in the

in the previous question. However, six, representing a majority of 60% attribute it to the prohibitive cost of research.

**QUESTION 5: TABLE 4.1.1.E

Responding to the issue of the membership of Marketing on the Board of Directors, 100% responded positive.

**QUESTION 6: TABLE 4.1.1.F

All respondents who represented their companies are not particularly ignorant of the marketing concept.

**QUESTION 7: TABLE 4.4.1.G:

The table and the pie-chart show that; No company relied on only a single source of original product idea; 252^{o} (70%) relied on a combination of customers and other competitive products while 30% relied on these two plus foreign products.

**QUESTION 8: TABLE 4.1.1.H:

The information in the table reads that generally speaking, consumers seldom complain about products. 40% say their costumers never compåain at all.

**QUESTION 9: TABLE 4.1.1.I:

Seventy percent (70%) of responses show that the main area of complaint from consumers is the price of

lager beer. However, a small percentage (30%) say that consumers complain of both price and taste.

**QUESTION 10: TABLE 4.1.1.J:

Either in package, price, taste or in some other areas, all breweries sampled have had to make modifications in the past.

**QUESTION 11: TABLE 4.1.1.K:

In response to why they embarked on some kind of modifications in the past, the bulk of responses indicated cost consideration (40%); 30% answered customer aspirations and economic realities respectively. However, one clear thing is that an overwhelming percentage (70%) have reasons that are economic based(A & D).

**QUESTION 12: TABLE 4.1.1.L:

By interpretation, 20% of firms responded that in the past five years, sales have been increasing at a decreasing rate. This percentage is weak and in any case, the bottom-line is that they are performing worse than before. The general phenomenon t here, represented by 80% of responses is that sales have decreased on the average.

**QUESTION 13: TABLE 4.1.1.M:

In response to possible explanation to falling sales, 10% of these companies say it is due to

exorbitant prices; 20% agree that it is due to increasing competition and an overwhelming and therefore more credible percentage of 70 attributed it to the nature of the economy, particularly the fall in real income.

5.1.2. DATA FROM CONSUMERS

**QUESTION 1: TABLE 4.1.2.A:

It relates to sex. Out of a sample of 250, 150 (60%) were male and 100 (40%) were female.

**QUESTION 2: TABLE 4.1.2B:

Age; 20% were aged between 15-30; 30% between 46-60; nobody above 60 and the largest single group was 125 people (50%) of age 31-45.

**QUESTION 3:

Occupation; It was an open-ended question which revealed 40% students, 40% civil servants; 25 businessmen (10%) and other occupations represented 10% of the sample.

**QUESTION 4:

It concerns brand loyalty and it is open-ended. 25% drink Gulder, 75 (30%) drink Kronenbourg. Harp is taken by 15.2% of the sample and 10% are loyal to other brands.

**QUESTION 5: TABLE 4.1.2C:

On reasons for loyalty to their brands, responses ranged from low prices (37 people - 15%), strength (125 - 50%), good taste (75 - 30%) and other reasons represented by 13 people (5%). Nobody attaches any importance to quantity. The summary lies in strength and taste.

**QUESTION 6: TABLE 4.1.2.D:

A weak percentage of 20% would have prefered their brand exactly as it is. However, an overwhelming number (200 - 80%) would not have wanted their brand exactly as it is if they had the choice. It appears that their present brand is simply the nearest to their dream.

**QUESTION 7: TABLE 4.1.2.E:

Most consumers have price-related misgivings about their brand. As for taste, package and quantity, nobody expressed misgivings. 50 people (20%) of the sample indicated other areas apart from the above.

**QUESTION 8: TABLE 4.1.2.F:

Out of a sample of 250, 178 people (71.2%) have changed brands before and 72 people (28.8%) have not.

**QUESTION 9: TABLE 4.1.2.G:

On why a section of the sample have changed brands before, more than half (145 people - 58%) indicated misgivings about former brands. 13.2% gave lack of brand loyalty as their reason. The remaining 72 people which is 28.8% represent those who responded "No" in the previous question.

**QUESTION 10: TABLE 4.1.2.H/FIG. 4.1.2.C:

10% of customers have experienced an increase in their volume of consumption, 13 people (5%) said their levels of consumption have been constant. However, a whooping 85% have had their consumption rates on the decrease.

**QUESTION 11: TABLE 4.1.2.I/FIG. 4.1.2.D:

It explains why consumption rate has been decreasing. Decrease is attributed to income i.e 208 people (83.2%). Weak percentages of 14.8 and 2.0 attributed it to dwindling quality of product and gradual withdrawal from alcohol respectively.

5.2 DISCUSSION

5.2.1. THE MEASURE OF CORPORATE PERFORMANCE

Since the issue of corporate performance is an important aspect of this study, the researcher finds it necessary to make clarification on the yardstick

being used as a basis for measuring corporate performance i.e profit/sales.

This gives us a direction of thought especially as "corporate performance" could have more than one application.

Generally, striving towards corporate performance is a part of the management process which, viewed from a broad spectrum amounts to organisational decision-making or problem-solving. It therefore means that the degree or nature of corporate performance (positive or negative) is a function of how well decision-making is carried out. Evaluating corporate performance is therefore aim to evaluating the decision-making process.

This decision regarding evaluation is definitely not easy to resolve. However, in order to evaluate the output of our decision-making (performance), we must know or posit what the organisation is striving to achieve or attain. The problem, however, is that the organisation has a heirarchy of needs, thus a heirarchy of goals and objectives eg. profit-oriented objectives, status-quo related objectives.

We must therefore be careful when we choose a basis for evaluation. Some objectives are quantifiable, thereby making evaluation easier. Others are not quantifiable, hence complexities eg. improving corporate reputation.

It must be noted then that;

i. There are multiple goals of an organisation.

ii. Because of (i) above, confusion is likely to develop with regards to the establishment of priorities among goals and objectives and confusion is likely to surround the criterion of choice when given limited resources or numerous alternatives.

To minimise this conflict, the conventional decision rule has been that the organisation should strive to maximise profits. Profit is related to revenue which is generated through SALES.

This is not to say that profit as a criterion for measuring performance is without blemishes. Although it is the ideal standard, it is sometimes difficult to apply in a realistic setting because of various problems like the problem of defining profit; the problem of determining what costs are involved, the problem relating costs and revenues to time, etc.

Even with these problems, it still remains the ideal standard because apart from the fact that it is quantifiable, it also has the following implications.

i. It partly assures the firm of having an objective criterion for decisions and evaluation.

ii. It helps minimise guesswork.

Conclusively, the above discussion justifies why we have used and will use profit/sales as the basis for measuring corporate performance.

5.2.2. THE ISSUE OF CORRELATION AMONG VARIABLES

This discussion is necessitated because of the existence of SPURIOUS RELATIONSHIPS among variables in this work.

Normally, variations in a dependent variable are supposed to result from the behaviour of independent variables eg. A change in nominal income may result in a higher purchasing power in which case income is t the independent and purchasing power the dependent. However, sometimes variations in the dependent variable may not be wholly a result of an identified independent variable eg. in the above example, the change in purchasing power could be largely if not wholly resulting from a rise in the value of the naira and not really income per se. In this case there is a SPURIOUS RELATIONSHIP (Marketing Research) between income and purchasing power.

In this study, ordinarily, an adoption of the marketing concept should mean higher sales and vice versa. Oh yes, our findings show that the marketing concept is not being applied and secondly, sales have been decreasing on the average. But then a spurious relationship exists because consumers and producers alike did not link falling sales to the non-adoption of the concept, but rather to economic matters.

6.0 CHAPTER SIX

6.1 SUMMARY OF FINDINGS

The main purpose of this research work is to find out about the adoption of the marketing concept with specific reference to how breweries in Nigeria are fairing with this paramount issue.

From the study, it was discovered that breweries in Nigeria do recognise the importance of and have marketing departments in their organisational set up. Furthermore, marketing practitioners in breweries in Nigeria are not ignorant of the theory of this concept. In addition, these breweries have marketers in their management teams. The organisational set up for the application of the concept is therefore prevalent.

It was also discovered from the study that even as there are marketing practitioners responsible for research, such research is carried out not on a continous basis as would be expected but only when the need arises. The explanation for this is the relationship between the availability of fund and the prohibitive cost of research.

Another information revealed is that for most breweries, the sources of product ideas from the start have been consumers and other competitive products.

Consumers seldom complain about these products. This however is not to say that they are completely without complaints. This is shown in the consumer

questionnaire where consumers admitted having changed brands before and this change resulted from misgivings about former brands.

But even in these seldom cases of complaints, information from breweries shows that it is usually more with regards to price than other issues like package, taste, strength, quantity, et.c. This is further corroborated by questions 6 and 7 in the consumer questionnaire where consumers admitted that given the choice, they wouldn't have prefered their brands exactly as it is and this, of course, is attributed to price-related misgivings.

The study also revealed that all breweries have made modifications before in their products and for this, there are more economic-related reasons than consumer-r related ones. In fact, they were in answer to economic realities and cost considerations.

From the breweries point of view, the explanation for the sales trend in the past five (5) years, which shows a decrease on the average, is economic-related, income or purchasing power, to be particular. Further information is also revealed on this in the consumer questionnaire where consumers admitted a general decrease in their rate of consumption in the past few years and this, they attributed to limited income.

Based on the findings, it is felt that this point is quite a safe ground for the researcher to draw conclusions and then make necessary recommendations for

better performance in the brewery industry in Nigeria.

6.2 CONCLUSION

On the basis of the study general findings therefrom, one could make various conclusions. The general conclusion however is that there is a low degree or negligible degree of adoption of the marketing concept in breweries in Nigeria.

The approach which appears to be predominantly employed by Nigerian firms as a manifestation of their adoption of the marketing concept involves the intensification of advertising and sales promotion efforts as well as cosmetic changes in organisational structure. Most firms profess the adoption of the concept but try them and you will discover something different. This situation where the advertisement says something different from action is what Theodore Levitt (1962) calls CENTRIFUGAL MARKETING i.e using marketing technology but not really marketing-oriented.

What is a bit baffling is that in breweries in Nigeria, there are internal conditions, especially organisational set-up, which should have helped the smooth adoption of the concept. These marketing practitioners are not novices in this area. Besides, they have marketing departments vested with the responsibility of research and the marketing big-wigs are members of the management team. Yet, the consumer is not a "King".

Product modifications have resulted more from cost considerations than consumer aspirations.

Surely, the degree of adoption of this concept is nothing to write home about. Something else observed is that sales have decreased on the average. The question however is whether there is a correlation between t these two issues; the concept and sales trend.

One can safely make a lot of conclusions. The concept itself is relatively new in Nigeria as a result of which marketing practitioners have failed to realise the benefits that could possibly accrue from this expensive venture.

On the part of the consumers, they are limited by economic-related constraints, especially income and also scarcity. The consuming populace can only be strong and powerful if there is income and also availability. In the absence of these, consumers remain at the mercy of producers.

On the other hand, it is not as if producers do not give a damn about the consuming populace. The fact is that firms are so pre-occupied with how to survive that they are unable to spare so much thought for consumer satisfaction as a principal and short-run motive. The nature of the economy dictates this. Profits have been falling. Where therefore do they have the resources to embark on this project of adopting the marketing concept? The nature of the economy is also

such that it is operation below capacity everywhere, a situation of non-choice. How then can they give consumers the satisfaction of availability?

Ordinarily, an observed fall in sales in a study like this should be attributed to consumer rejection resulting from dissatisfaction (non-adoption of the marketing concept). But confidently, the researcher concludes this one by saying that this non-application is not affecting performance negatively - afterall neither the firms concerned nor the consumers especially have attributed this relative poorer performance to dissatisfaction with products/producers per se. The observed reasons are exogenerus to the firm, predominantly economic, especially cost considerations and fall in real income of consumers resulting from the state of the economy. This is not to say that the non-application of the concept does not usually have an effect on performance but in this peculiar case of ours, another force which is economic has over-shadowed the marketing concept in explaining dwindling performance.

Suffice it to give a grand conclusion here that it is not as if these breweries have totally ignored the marketing concept. Gradually, they are seeing the light and they are moving towards positive marketing. Afterall, they all have the organisational environment conducive for adoption. The basic problem is the change in the personal orientation of marketers; and with the increasing level of literacy, there is light at the other end of the

tunnel. Furthermore, with the proliferation of breweries, they have even begun to realise that because of stiff competition, they have no choice but to strive towards marketing orientation.

6.3 RECOMMENDATION

Confidently, the researcher can now make the following recommendations. This is based on the findings and conclusions and also the belief that these recommendations would help a great deal to ameliorate the problems faced by our breweries in trying to apply the marketing concept to their operations.

My recommendations would see the problem in two lights i.e the macro and the macro perspectives. Because part of the issue is influenced from without the organisation, we must look at the macro issues. However, the start will be the micro aspect.

i. A constructive reorganisation of organisational set up should be done by the breweries aimed at removing square pegs in round holes. In the breweries and even other organisations in Nigeria, a common feature is a cosmetic marketing department with a "Marketing officer" who has no intellectual knowledge of even the rudiments of marketing. This is what should be corrected because it takes a marketer by background to appreciate what we are talking.

2. Changes in organisations is one thing but the most pressing problem is the change in people i.e. change in

personal orientation of personnel; cultivating a belief in the marketing concept. How to handle this is to embark on a systematic mental/personal re-orientation of personnel. This may be done by continous training of personnel, especially in the area of exposure to what happens abroad. This way, what obtains abroad might rub off on them and rekindle the spirit of efficiency. As part of their training scheme, personnel exchange or attachment to firms abroad wouldn't be a bad idea.

And the macro aspect without which the afore-suggested would hold no water.

3. The government should strive more to improve the literacy level in the country. Fortunately, this area is improving progressively. A literate public is a wise public that knows what is due to it from producers. This situation forces producers to be more careful which tantamounts to greater emphasis on consumer satisfaction.

4. The government can also help by organising a forum for consumer complaints (something like a consumer complaints commission). If producers know that consumers can effectively drive home their grievances by making them liable for dissatisfactions, they will be forced to avoid what could bring about such.

5. Doing something about the economy as a whole is also something that could improve the situation of the marketing concept. An economy in shambles is not

a situation that allows the consumer his rightful "Kingship". The economic situation boils down to low real income. A consumer in this situation is one without a choice and confidence. Even producers realise this and they exploit the situation. The government can do something here, for this is where it begins.

To cap it all, the way out is for breweries not to think of themselves as "selling what they can produce" but as "producing what they can sell" i.e. TO THINK MARKETING.

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6.5 A P P E N D I X

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

Dear Respondent,

QUESTIONNAIRE

I am conducting an academic based research which is a partial fulfilment for the award of the Masters Degree in Business Administration in A.B.U., Zaria. Please be kind enough to fill the attached questionnaire.

I assure you that it is purely for academic purposes and your responses will be treated in absolute confidence.

QUESTIONNAIRE FOR PRODUCERS;
INSTRUCTION:

Please tick (✓) where applicable and tick more than one alternative where necessary. State appropriately where the question is open.

1. Status of officer responding
   - A. Lower management ☐
   - B. Middle management ☐
   - C. Top management ☐

2. Do you have a marketing department with such responsibilities as research?
   - Yes ☐
   - No ☐

3. How often do you research into consumer preferences of product attributes?
   - A. Very often ☐
   - B. Often ☐
   - C. When the need arises ☐

D. Seldom ☐

E. Never ☐

4. If C or D, why?

A. No need, we sell enough ☐

B. Prohibitive cost of research ☐

C. Consumers are satisfied ☐

D. None of the above ☐

5. Is the head of the marketing division a member of the Board of Directors or management team?

Yes ☐

No ☐

6. Do you have any understanding of the jargon - "Marketing Concept"?

Yes ☐

No ☐

7. What is the source of your original product idea?

A. Foreign products only ☐

B. Employees only ☐

C. Consumers only ☐

D. Other competitive products only ☐

E. Any other (state) _____

8. How often have consumers complained about your product?

A. Very frequent ☐

B. Frequent ☐

C. Seldom ☐

D. Never ☐

9. If (8) is applicable, (i.e. A-C) then with regards to what?

   A. Price ☐
   B. Package ☐
   C. Taste ☐
   D. Strength ☐
   E. Quantity ☐
   F. Any other (State) _____

10. Have you made product modifications before? (e.g. in price, taste, et.c.)

   Yes ☐
   No ☐

11. If yes to (10), what prompted it?

   A. Cost considerations ☐
   B. Just to see the effect ☐
   C. In line with customer aspiration ☐
   D. In line with economic realities ☐
   E. Any other (state) _____

12. On the average, how would you describe the trend of sales in the past five (5) years?

   A. Steady increase ☐
   B. Increase but at a slower rate each successive year. ☐
   C. Constant (no increase nor decrease) ☐
   D. Decrease ☐

13. If B or D, how would you explain the situation?

   A. Consumer dissatisfaction with product quality ☐
   B. Price too high ☐ C. Increasing competition ☐
   D. The economy (Decrease in real income) ☐
   E. More people becoming tectotallers ☐

A P P E N D I X

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

Dear Respondent,

QUESTIONNAIRE

I am conducting an academic-based research which is a partial fulfilment for the award of the Masters Degree in Business Administration in A.B.U., Zaria. Please be kind enough to fill the attached questionnaire.

I assure you that it is purely for academic purposes and your responses will be treated in absolute confidence.

QUESTIONNAIRE FOR CONSUMERS:

INSTRUCTION:

Please tick ( ) where applicable and tick more than one alternative where necessary. State appropriately where the question is open.

1. SEX: Male ☐ Female ☐

2. AGE: 15-30 ☐ 31-45 ☐ 46-60 ☐
   Above 60 ☐

3. OCCUPATION: _____

4. What brand of Lager beer do you drink? _____
   _____

5. Why do you prefer this brand to others?
   - A. Cheaper (price) ☐
   - B. Quite strong ☐
   - C. Tastes good ☐
   - D. Quantity ☐
   - E. Others (state) _____

6. Would you have prefered your brand exactly as it *is if you had a choice?*

   A. Yes ☐ No ☐

7. *If no to (6), in what areas do you have misgivings?*

   A. Taste ☐
   B. Package ☐
   C. Price ☐
   D. Quantity ☐
   E. Any other ☐

8. Have you changed brands before?

   Yes ☐ No ☐

9. If yes, why?

   A. Just to try others ☐
   B. Misgivings about former brands ☐
   C. No brand really matters ☐
   D. Others (state) _____

10. How would you describe your change in volume of consumption in the past five (5) years?

   A. Increasing ☐
   B. Deereasing ☐
   C. Constant ☐

11. If (B) or (C), how would you explain it?

   A. Dwindling quability of product ☐
   B. Limited income ☐
   C. Gradual withdrawal from alcohol ☐
   D. Any others (state) _____