THE EVALUATION OF THE STRATEGIES FOR MARKETING PRODUCTS OF TATE INDUSTRIES PLC IN NIGERIA

A PROJECT

PRESENTED

BY

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DECLARATION

I hereby declare that this Project was written by myself and that it is a record of my own work. It has not been accepted in any previous application for a higher degree nor been submitted to any other University for Examination. All quotations are distinguished by quotation mark and the source of information have been specifically acknowledged.

All events are factual and occurred as stated. No part of this study may be produced in any form or by any means without the prior permission of the writer.

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CERTIFICATION

This Project Titled: THE EVALUATION OF THE STRATEGIES FOR MARKETING PRODUCTS OF TATE INDUSTRIES PLC IN NIGERIA BY J. Adamu meets the regulations governing the award of the degree of MBA (ABU) Zaria and is approved for its contribution to knowledge and literary presentation.

1. Project Supervisor ---------------------- Date 5/5/2004
2. External Supervisor ---------------------- Date 18/12/2001
3. H.O.D Business Administration ------------ Date 5/5/2004
4. Dean, Post Graduate School --------------- Date 26/05/04

DEDICATION

To my wife Mrs. Hajara J. Adamu, Zachieus Zigwai J. Adamu (son), Elizah Ndyip J. Adamu (daughter) And Isaac Junior J. Adamu (son), for their sacrifice.

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ABSTRACT

Maintaining leadership position and (he attainment of set objectives have been discovered to be possible only through effective marketing.

Effective marking enables organisations to spot different customers needs and wants, and how to satisfy those needs well.

Earlier in the 70's, products could sale themselves with less marketing efforts. It was simply an era of "Distribution" where you choose to give what to any body of your choice. The emphasis then was your ability to produce more. There was influx of foreign goods to meet up the demand then.

This project attempted to find out the extend to which the economic recession of late-70's to date and the introduction of structural adjustment programme (SAP) has changed consumer's behaviour. The project also has attempted to show how proliferation of competitors into Sugar, Plastic and food product, (Tate's areas of operation) has affected it.

Information gotten will be used in accessing the adequacy of the marketing strategies to improve the Company and turn it around.

TABLE OF CONTENTS

CHAPTER THREE

HISTORICAL BACKGROUND OF TATE INDUSTRIES PLC.

CHAPTER FOUR

CHAPTER FIVE

CHAPTER SIX

CHAPTER ONE

1.1 INTRODUCTION

The competitive nature of business transaction in the world today has given rise to more attention being paid to the issue of how best to generate more profits as well as organisations trying to be leaders or maintain leadership positions in their respective businesses.

Effective marketing has been found out to be the answer to the issue above which is the ability and capability to spot different customer's needs and satisfying those needs, well. Earlier in the 70s where there was less competition in the areas of operation of the company, the products of the company particularly sugar products which were the best lines could sale themselves with less marketing efforts. It was an era of "Distribution" where in essence, you choose who to give what quantities of the product at any given time, production then was the only constrain not how to get the products into the market. However, like any other business in Nigeria, the economic recession of late 70s to date and the introduction of Structural Adjustment Programme (SAP) has changed the focus of the manufacturing concern particularly with regards consumer behaviour, and this has made marketing strategies to be very important in order to achieve the set goal of any manufacturing company in Nigeria.

Proliferation of competitors into areas in which Tate Industries Plc is operating (Sugar, Plastic and Food) in the early 80s to date is yet another factor that make the business to be highly competitive and call for serious marketing strategies to cope with the competitive nature of the business relative to the level of awareness of Nigerians in terms of getting maximum utility for that which is paid for.

With the multitude of problems associated with the sugar business coupled with import libralization policy of the past Gen. Buhari's Government on sugar which allows for massive importation of the product, competition has become very stiff with Dangote (a sugar merchant) as the most serious competitor. Other competitors also import and market the sugar product in its raw (Granulated) form to consumers which because of the economic situation particularly the high inflationary rate, consumers have come to prefer it to cube sugar or pre-parked granulated sugar like the Eagle granulated sugar, also a product of Tate. The falling of the purchasing power of the Naira has not help matters either.

This project will appraise the application of marketing strategies of Tate industries Plc as the only way to survive in a competitive environment of ours.

1.2 STATEMENT OF THE PROBLEM.

This project intends to appraise how well is the marketing strategies being applied at Tate Industries Plc. The project will also determine how they have performed in recent years with regard to profit and market shares.

As a result of stiff competitive environment coupled with decline in sales volume because of inadequate promotion and distribution net work and also out - of - stock syndrome, the company is experiencing serious losses, consequently, a decline in profit.

1.3 THE OBJECTIVE OF THE STUDY.

The objective of this study is to appraise the application of marketing strategies of Tate Industries Plc. This is with the view to determine the effectiveness or otherwise in meeting customers needs, its performance in general, and also to make suggestions and or recommendations for improvement where necessary. The study therefore, will look specifically at the following issues:-

a. The strategies pursued by Tate Industries Plc with regard to marketing mix.

b. To assess the company's current marketing strategies.

c. To examine how the demand of the market are currently being met.

d. To examine the methodology for setting prices, pricing procedures and factors influencing the company's prices.

e. To assess the extend of environmental influences on marketing decision making of the company.

f. To suggest ways of improving the company's marketing efforts by recommending feasible marketing strategies.

1.4 THE SIGNIFICANT OF THE STUDY.

The significant of the study is very necessary in view of the importance of the company to the Nigeria society. The company has a workforce of 2000 (Two thousand) employees which in essence has reduced the unemployment problem in the country. The company also contribute to the society by way of payment of tax; provision of food especially Tate sugar, cornmeal and plastic products at affordable prices. In summary, the company has a lot of benefits to government, individuals, the economy and the country in general through the provision of employment, Tax payment and by way of provision of UPVC pipes for water projects in the country.

1.5 SCOPE OF THE STUDY

The scope of the study centered mainly on Tate Industries Plc in Nigeria on the extend to which Tate Industries Plc use marketing tools and techniques in getting its numerous products to the end user otherwise known as the consumer at the bearest minimum cost to achieve the desired objective which is to maximize profit.

1.6 LIMITATIONS OF THE STUDY

One of the very serious limitations of this study is the inability of management to release some of the documents relevant to this study for reference. The scarcity of relevant publications and materials on the research also constitute a serious limitations to this study.

Also, customers opinions to be sampled in this study cannot be used for generalisation of customers option of the company's services. Any serious study of customers perception has to be spread across the country which is not possible within the time constraint.

1.7 RESEARCH METHODOLOGY

In a research of this magnitude, there is always the need for a preliminary interview to be able to know which type of research method to use. This research work is therefore, based on both primary and secondary sources of information.

Research method used is survey. Primary data was obtained through the use of personal interview with both management and junior staff of the Company. The secondary sources include, Tate Industries Plc Annual Reports, Tate Industries Plc News Bulletin, seminar papers on provision of water resources and relevant text-books on marketing. The reason for using survey techniques is to be able to get adequate information about the performance of the company in relation to the contribution of their marketing strategies.

Some of the customers of the Company were also interviewed to be able to find without bias why they decided to maintain their patronage with the company or otherwise. All informations collected were analysed and interpreted in an attempt to evaluate the marketing performance of the company given the marketing strategies used by the company.

1.8 DEFINITION OF TERMS.

The following terms are defined as used in this project report presentation.

MARKETING:

There are many definitions of marketing as there are people that practice and teach marketing. This goes to say that there is no universally accepted definition of the term "marketing" rather it has been defined in several ways by different authors and bodies. However, for the purpose of this project, I choose to define the term "marketing" as a total system of business activities designed to plan, price, promote and distribute want - satisfying goods and services to present and potential customers. Marketing also is the performance of all business activities that direct the flow of goods and services from the producer to the consumers at the right time and at a profit. This include buying, selling, transportation, storage, standardization and grading, financing, distribution, information and risk bearing and pricing.

The definition of marketing addressed the central issue of marketing as consisting of a set of principles for choosing target markets; measuring their needs, developing want-satisfying products and services, and delivering them at a value to the customers/consumers and at a profit to the company. Marketing sees the consumer's problems as opportunities to the company. It is any exchange activities to satisfy human wants.

The "sellers market" in Nigeria is giving way to situation of increasing competition. Business enterprises in Nigeria needs to prepare themselves to serve in competition with many modern marketers, a more and more sophisticated consuming and informed society. They also need a well planned marketing programme to ensure more profitable acquisition and use of product, financial and other resources.

Business executives use marketing management as a vehicle to activate the marketing concept through the application of the 4 Ps (product, price, promotion and place), universally known as the marketing mix or creeds. Wants and needs of the target market must be determined by every organisation more effectively and efficiently than its competitors...

STRATEGY

The term "strategy" is derived from a Greek word "strategies" which means a "general" in the army or military. A strategy is the internal response to external environment. It is used to describe how objectives are to be accomplished. It is the principle used in selecting and or utilising various marketing strategies, media, strategies, product strategies etc.; to meet the challenges of the environment. I defined strategy therefore as the schemes whereby a firm's resources and advantages are managed in order to surprise and surpass competitors or to exploit opportunities.

MARKETING STRATEGY

Marketing strategy is the foundamental marketing logic by which the business units intends to achieve its marketing objectives. It consists of a co-ordinated set of decisions on target market, marketing mix and marketing expenditure level.

Marketing strategy is a managerial process of analysing market opportunities and choosing marketing positions, programmes and controls that create and support viable business that serve the company's purpose and objectives.

Because of the charges in technology, changes in needs and wants, competitors activities, economic, environment etc. There is the need to take decisions about them. This offers a rational analysis of the opportunities offered by the environment and of the strengths and weaknesses of the firm and the selection of a match (strategy) between the two that best satisfied the objectives of the firm.

Marketing strategy focuses on a discipline analysis of the needs, wants, perceptions and preferences of target and intermediary markets as the basis for effective product design, pricing, communicating and distribution.

Marketing strategy planning means therefore, finding attractive opportunities and developing profitable marketing strategies. A marketing strategy specifies a target market and a related marketing mix.

MARKETING MIX

Marketing strategy of a firm cannot be discussed satisfactorily without defining the term "Marketing mix". Marketing mix is the set of controllable variable and their levels that the firm uses to influence the target market. In order words, marketing mix is the particular blend of controllable marketing variables that a firm uses to achieve its objectives in the target market. Having identified her target market, the firm now thinks of developing the most effective marketing mix to each target market that will be pursued.

These variables are popularly known as the 4 Ps.

i. Product/services

ii. Price

iii. Place

iv. Promotion

MARKETING MIX

Marketing Mix

Product	Price	Promotion	Place
- Quantity	- Price	- Advertising	- Channels
- Features	- Discount	- Personal Selling	- Courage
- Style	- Allowances	- Sales Promotion	- Location
- Brandname	- Payment period	- Publicity	- Transportation
- Packaging	- Credit terms		

SERVICES

Services is any art or performance that a party can offer to another that is essentially intangible and does not in the ownership of anything.

It is separately identifiable, intangible activities which provide want - satisfaction to consumers and or industrial users and which are not necessarily tied to the sale of a product or another services.

CHAPTER TWO
LITERATURE REVIEW.

2.1 INTRODUCTION.

The business environment in Nigeria coupled with the economic depression currently being experienced as a result of the structural adjustment programme (SAP) has posed a lot of challenges and sleepless nights to the business executives and experts especially in the field of marketing.

Nigeria today is operating in a buyers market-a market in which favourable conditions for buyers prevail and characterized by excess of supply over demand. Unlike the early years of post independence Nigeria where virtually all business concerns operated in a sellers market-a situation which occurs in times of shortage where there are more buyers than sellers, and thus more demand than supply, products then could sell themselves with little or no marketing/sales efforts.

With more and more investors in virtually all the segments of the economy and with the customers becoming more and more enlightened, coupled with the low purchasing power as a result of high inflation around the globe, business executives have no choice but to sit up if they must remain in business.

Competition today is very high with business concerns employing very highly skilled man power especially marketing experts to push their products into the market.

Generally, marketing requires Executives to be in a frame of mind that realises that "if there are no customers there is no business". Marketing strategies acknowledges the fact that a business geared to serve the needs and requirements of customers will achieve a better result over a longer period of time than a company whose executive is not motivating.

A marketing oriented organisation is one that has placed its customers and their needs at the center of its business decision making. Concern about customers-how to make him buy, to feel recognised and cared for, can perhaps be said to have began in earnest with the emergence of the concept of marketing functions.

Donald Swab and Paul Bush "Marketing today, tomorrow and always" argued that "a customer presume service first when he or she goes out to shop, thus; that gives him the opportunity for assessing functions performed by agents of marketing" like retailers, wholesalers, sales representatives etc.

The focus before now of Chief Executives and marketers was on production, hence were interested more in examining the efforts of production processes on sales. In this chapter therefore, we shall attempt to investing the implementation of marketing strategies in the present market conditions in Nigeria with special reference to sugar, plastic and food products of Tate industries PLC.

2.2 DEVELOPMENT OF MARKETING.

Marketing is an old and a new subject. The history of marketing is as old as the history of civilization itself. Scientists have discovered that the very oldest civilization had things like ornaments, poultry and a variety of artifacts far from their points of production. This indicates that trade was carried on before recorded history.

The origin of marketing can be traced to the development and growth of the society from the pre-industrial era which was largely agrarian and highly individualized to an economy built around division of labour, industrialization and urbanisation. The later period saw the emergence of mass production of different products resulting to surpluses. Stanton in 1984 observed that "Whenever people make more than they want or want more than they make foundation is laid for trade and trade (exchange) is the heart of marketing". First it was individuals and neigbours, and later, nations saw the need to exchange their surpluses with each other for other items which they could not produce for one reason or the other. Whereas, some individuals could undertake the whole exercise of exchange, others could not and so employed the services of middlemen. This is how the distribution and channeling aspects of marketing set in.

The roots of marketing go back to the first appearance of trade among people. Before exchange or trade ever took place, people obtained what they needed either by producing it themselves, taking it away by force from others, or begging for it. Almost all people raised their own food, made their clothing, provided their own shelter, and were in other ways self sufficient, only the very rich purchased and used goods from a distance. The few products that were purchased and used by ordinary people were generally made near where they lived.

Commerce was generally confined largely to luxury products such as spices and expensive clothes this was because distribution expenses were so high that only those items could bear them.

By and large, the emergence of trade allowed people to specialize in the production of particular goods and services and exchange them in markets for other goods they needed.

Marketing is regarded as a new subject in the sense that the formal study of the forces and conditions that make for successful exchange became an organised academic discipline only in the twentieth century. Prior to the twentieth century, scattered writing could be found on selling, advertising, pricing, products design, packaging, branding and physical distribution. These were however, not treated in an integrated way nor scientifcally developed, only in the early 19 century that various scholars and practitioners have attempted to put together a formal science of marketing. The drastic change in the character of marketing was as a result of the industrial revolution.

Mass production resulted in a phenomenal increase in the amount and variety of goods and services that had to be marketed as well as in geographical specialization, People living near factories could only used limited amount of the factory's output. So market located elsewhere had to be found to absorb the surplus production. This was how Tate sugar come to Nigeria from Britain in 1962. Before the development of marketing, marketing Executives focus their efforts and revenue on production, hence were interested more in examining the efforts of production processes on sales. Today marketing is a universal subject not only relevant to economic institutions such as manufacturing companies, wholesales and retailers, but also to every coganisation has something to sale like lawyers, accountants, and management consultants, colleges, hospitals, museums, and performing arts groups are turning to marketing as a premier subject in the face of low or declining demand for their services.

Marketing plays a special role in Tate industries PLC today because it provides the bases for the following:-

1) Research - This is the gathering of information neccessary for planning and facilitating exchange.

(2) Promotion – This is the development and dissemination of persuasive communication about the offer.

(3) Contact – The searching out and communicating with prospective buyers of the company.

(4) Matching – This is the shaping and fitting of the offers to buyers requirements. This activities include manufacturing, grading, assembling and packaging.

(5) Negotiation – It attempt to reach final agreement on price and other terms of the offer so that transfer of ownership or possession can be effected.

(6) Physical distribution which is the transporting and storing of the goods.

(7) Financing – This is the acquisition and dispersal of funds to cover the cost of the channel works.

(8) Risk Taking – This is the assumption of risk in connection with carrying out the channels works.

All these functions have three things in common. These are:- That they use up scarce resources, they are often performed better through specialization and finally, they are shiftable to the extend that the manufacturer performs them, its cost go up and its prices have to be higher. When some of these tasks are delegated to middlemen, the producers costs and prices are lowered, but the middlemen must add a charge to cover the use of scarce resources.

The term ''Marketing'' is used in practice in three different contexts:-

(a) Marketing – Enacted via the marketing channel connecting the producing company with its market.

(b) The marketing concepts:- The idea that marketing is an exchange process involving willing consumers and producers, for example the often held view that marketing is adjusting the total activities of a business to the needs of customers.

(c) The marketing orientation:- The phenomenon which makes the concept and the process possible, that is, the lofty view of human personality recognises that the source of everything good lies to an extent, in exchanges with other individuals at all levels, in social exchange. In this sense, marketing orientation is a term which can be used to describe both producers and consumers.

2.3 MARKETING PHILOSOPHIES.

The marketing philosophies clearly depicts the fact that the concept of marketing did not develop over night; although the term "Marketing: has been guided by a number of philosophies cumulating in the marketing concepts.

The marketing philosophies of Tate industries PLC evolved over time is made up of production, products, selling and marketing concepts.

PRODUCTION CONCEPT.

This orientation assumes that the consumer will favour those products that are available and can be affordable. The task of the marketing manager thus, is to ensure that there is improvement in production and distribution efficiency.

PRODUCT CONCEPT.

The understanding here is that the consumer will or not buy enough of the organisation's products unless a substantial effort is made to stimulate his interest in the products.

SELLING CONCEPT.

The understanding here is that the consumer will buy or not buy enough of the organisation's prodduct unless a substantial effort is made to stimulate his interest in the product.

2.4 MARKETING CONCEPT.

This is a consumer focus orientation that sees the satisfaction of consumer needs and wants as a determination of needs and wants of target market and the organisation adapts itself towards the effective and efficient delivery of the satisfaction for these needs and wants. This is done through the four Ps (products, promotion, price and place or distribution).

Marketing concepts also holds that the more the producers pleases his customer the more the patronage and the more the profit and eventual growth. Therefore, the more sales that are made, the more successful the company becomes. The concept teaches that in order to succeed the company must carry out an intensive research, ploughing into the customer needs and wants, desires, likes and dislike, habits and attitudes at every stage and level of business's operation. Therefore, the customer, is always introduced at the beginning rather than at the end of the production cycle.

It is a modern philosophy for dynamic business growth and consumer satisfaction. Marketing research provides specific studies of marketing opportunities, effectiveness, and problems. The relevance of these marketing philosophies to Tate Industries PLC is that it provides the frame work within which the marketing programmes of the company involved.

Production and product concepts were very relevant to the company 30 years ago. Today, with the well informed and sophisticated society, the selling and marketing concepts are more relevant and important to the company. This is the reason why promotion which is one of the components of marketing mix is dominating the pages of the electronics and print media today.

The marketing concepts of the company is aimed at achieving:-

i. Consumer/customer orientation the marketing concept of the company is that the consumer is crowned as ''King'' recognising the fact that he is the life blood of the company. The company focuses on the needs and wants of the customer s for its products rather than on what the organisation can do or produce. The organisation's activities are directed at the consumer rather than the consumer being directed at the company's activities. An example of this is the cube family sugar (popularly known as Mai iyali in the north). Family cube sugar was directed to the upper-upper class of the society. The upper class of the society which to some extent, observed some bits of hygiene or sanity. The upper – upper class of the society will not buy granulated sugar which was considered too exposed and prone to infection. Of course, the economy was then very good that even the lower-middle class of the society could afford to buy a packet of family cube sugar which was costing about 25 kobo as against N50.00 today.

The level of poverty today has gone up coupled with high inflationary rate and the cube sugar has ceased to be relevant now but granulated sugar which is being patronised by less privileged and the privileged class of the society. Thus, cube sugar products of the company like Tate family cube, sunsweet etc have been dropped because it cannot breakeven.

ii. Customer satisfaction, The company aims at satisfying the desires of the consumer. However what it intend to achieve is profitable maximum sales like any other organisation and not maximum satisfaction which is hardly realised considering the fact that human beings craving for high levels of satisfaction, move to higher heights as lower levels are satisfied.

iii. Integrated Marketing. The company ensure that all marketing activities are co-ordinated and directed towards the target markets. The whole firm not just marketing is aimed at satisfying the consumer. Other departments in the company should and must clearly understand the implication of their individual and collective actions as they affect the consumer.

Any action taken by any department altimately affect the consumer. For example., a restricted credit policy by the finance department in order to control cost or reduce bad debt have direct implication to the consumer/cutomer, because his purchase will reduce. Inefficiency in the production department will results in delays in filling orders just as an inefficient transport department results in delayed deliveries. So in Tate industries. PLC, it is a collective responsibility of every body to put hands on deck in order to achieve the overall corporate objective.

The objective of marketing concept, therefore, is to seek out the needs/wants of consumers and design the appropriate products or services to satisfy those needs and wants bearing in mind, however, the need to achieve overall organisational goals as well.

The marketing department is the focal point for the development of corporate strategies needed to adjust to market changes.

The advantage of the marketing concept is the ability to maintain satisfied customers over a long period of time. This is because consumers who are satisfied with a product or service tend to mark a repeat purchase of the product or service again and again. A dissatisfied customer, on the other hand, is most unlikely to continue to patronise the firm. Worse still, the firm's reputation or credibility stands the risk of being seriously denied if the dissatisfied customer tells other prospective customers of his experience.

The long term survival of any business enterprise an equally long term satisfaction of its customers on a continuos basis through ''after sales service,'' useful business advice, credit facility etc.

2.5 MARKETING STRATEGY

The success of any business enterprise in achieving its objectives depends on its ability to always device new marketing techniques to meet the challenges of the times. In treating marketing strategy, it is necessary to consider the term separately before attempting a joint definition.

MARKETING: Stanton in 1984 defined marketing as ''a total system of business Activities designed to plan, price, promote and distributes want- satisfying goods and services to present and potential customers". The definition is relevant because in developing marketing strategies, marketing managers make use of the elements in the marketing mix namely:- product planning, price, promotion and place (distribution) otherwise known as the 4Ps. It is the responsibility of marketing executives to be able to measure the various combination of these elements at different levels and at different stages of their progressive market plan for achieving the earlier set objectives.

Strategy: A strategy is the internal response to external environment. It is used to describe how objectives are to be accomplished. It is also a principle used in selecting and or utilizing various marketing, media and product strategies to meet the challenges of the environment.

Gluech and Jauch (1984) defined Strategy as "a unified comprehensive and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprise are achieved through proper execution by the organisation". In other words, Marketing Strategy is the fundamental marketing logic by which the business unit intends to achieve its marketing objectives.

Kemper (1980) also defines strategy as "a proposed action or sequence of actions intended to have a far- reaching effect on the company's ability to achieve its objective".

Marketing Strategy therefore, according to Philip Kotler is "a managerial process of analysing marketing opportunities and choosing Marketing Positions, Programs, and Controls that create and support viable business that serve the company's purpose and objectives. Because of changes in technology, changes in needs and wants, competitors, economic environment etc. There is the need to take decisions about them. This offers a rational analysis of the opportunities offered by the environment, and of the strengths and weaknesses of the firm and the selection of a match (strategy) between the two that best satisfied the objectives of the firm.

Marketing Strategy focuses on a discipline analysis of the needs/wants, perceptions, and preferences of target and intermediary markets as the basic for effective product design, pricing, communicating and distribution. Market Strategy Planning means therefore, finding attractive opportunities and developing profitable marketing strategies. A marketing strategy specifies target market and a related marketing mix. It is a big picture of what a firm will do in some markets.

For a marketing strategy to succeed, it must begin with a well co-ordinated plan involving all functional areas of business. A typical strategy market plan according to Abell Hammond (1979) "May be thought of as involving four sets of related decision".

(a) Defining the Business - In defining the business, one is able to provide answers to questions such as what business am I operating?
What specific products or market am I responsible for? Who are the target market to be satisfied and how: where are these needs to be satisfied? etc.
Attention must also be given to the market scope and segments.

(b) Formulating Functional Strategy- Here, all functional managers are expected to liase with general management and programme managers with respected to their individual strategies, costs, and benefits. Functional Strategies only after the business has been defined and its mission determined.

(c) Budgeting - This is the stage at which resources are allocated and budgets made for carrying out the planned objectives. Here, specific financial decisions and projections must be made at this level. The company's competitive size and position in the market which must be considered for running successful marketing strategy. There are four known positions which a firm can occupy. These are:-

1. The Market leader position
2. The Market challenger position
3. The Market follower position
4. The Market nichers position

Determining the mission:

Determining of the mission means to refer to the overall set of objectives to be pursue. This is interms of sales growth, market share, return on investment, net income etc. All these must be determined after a careful analysis of the market opportunities and company capabilities having regard to overall corporate objectives.

HYPOTHETICAL MARKETING STRUCTURE

Market Leader	Market Challenger	Market Follower	Market Nichers
40%	30%	20%	10%

Source: Philip Kotler (1988) - Marketing Management:
Analysis, Planning, Implementation and Control.
Prentice - Hall of India, New Delhi, page 319.

Depending on its sources, objectives and strategies, a firm can find itself occupying one of the above strategic position at any point in time. We shall consider each of them vis-avis the company under review (Tate Industries PLC).

1. **The Market Leader Position:**

This is an acknowledged fact that a firm occupying this position normally dominates or controls the largest market share in the relevant product or some market. Its winning strategies usually include price changes, introduction of new products, distribution coverage, and promotional intensity.

For such a firm to continue to lead or remain dominant, it needs to, according to Philip Kotler (1988) find ways to expand total market, protect its current market share through good defensive actions and try also to increase its market share further even if its market size remains constant"

The total market calls can be expanded through intensive market research to discover new users, and more usage. The market leader must also continuously protect its current market position against competitor's attack. This he guard or look for loop-holes which could be taken advantage of by his competitors.

For offensive action against competitors, the leader exercises initiative, sets the pace, and exploits the enemy's weaknesses.

In addition, a leader strive to increase his market share by adopting a more aggressive pricing strategy such as lower base price and larger discounts (cocacola and seven up price war) because he can afford; of course this should be done at a profit.

2. **Market Challenger's Position:**

These companies are usually the runner – ups. By market challenger it means there is a market leader which you are challenging to take over leadership. Market challengers are the major competitors of the market leaders and their objectives may be either to attack aggressively so as to obtain more market share or to maintain the followership position. The strategies of a challenger are either through direct attack (Head on Collusion), by this we mean challenger go into the market in which the leader operates and it does this through reduction of prices and increase quality and consumer service in order to under – sell the leader.

Another strategy can be the back - door strategy. Here the company looked at the small market neglected by the market leaders, captures and develops it to the company's advantage. Most market challengers employ the guppy strategy where the challenger neglect the leader and attack the smaller firms, capture their market shares with the view to becoming the market leader eventually.

Other strategies employ by the market challenger are:-

(i) Cheaper- goods Strategy

(ii) Prestige- good Strategy

(iii) Product- proliferation Strategy

(iv) Improved service Strategy

(i) Intensive advertising strategy.

1. The Market Follower Position:

Market followers are runner- up companies who do not necessary have challenge.

The market leader for fear of loosing the entire market. This is because they do not have the potentials to challenge the leader. Rather, they tend to copy the leader interms of major market and product innovations, general price levels and distributions.

Their concern normally is not the market share but profit. For as long as the small share of the market gives them the desired profits, the company is okay with it. There strategies include:-

(i) Price lining where the company looks at the prices of these competitors and fix her own price vis – avis competitors.

(ii) Profit rather than market share is the concern.

(iii) Market segmentation and concentration.

(iv) Keeping manufacturing cost low and maintaining high quality product and services.

1. Market Nichers Position:

These are usually the small and specialized firms who choose to operate in some particular segments of the market that can serve more effectively due to their specialization and which the market leaders are not much bothered about. Such companies look at the market completely forgotten by the Leader, Challenger and Market Followers, study such market very well and serve them effectively. Tate products, except for a few of its by- products do not fall within the last two categories. Its products are either a challenger or market leader. The key word in market niche is specialization. Generally, the type of strategies adopted by individual firms would depend on its objectives as the resources at its disposal.

2.6 SUMMARY

The literature review has been able to inform us about the business situation in the country and the consequences that go with it. We are today operating in a buyer market in which favourable considerations for buyers prevail and characterized by early years of post independent Nigeria where virtually all business concerns operated in a seller's market – a situation which occurs in time of shortage where there are more buyers than sellers, and thus more demand than supply, Products then could sell themselves with little or no marketing/sales efforts.

With more investors in virtually all the segments of the economy and with the consumers becoming more and more enlightened, coupled with the low purchasing power and per capital income as a result of high inflation around the Globe, Business Executive must sit up to meet up the challengers of competition through well designed and articulated marketing programmes and strategies in order to remain competitive, be you a market, a market challenger, market follower or market Nicher.

CHAPTER THREE

HISTORICAL BACK-GROUND OF TATE INDUSTRIES PLC

3.1 INTRODUCTION

Tate Industries Plc was formerly known and called Tate and Lyle Nigeria Limited unit 1990 when it was changed to what it is now known today. It was established in 1921 by Henry Tate and Sons, and Abram Lyle and Sons. Tate and Lyle Nigeria Limited was incorporated in Nigeria as a private Limited Liability Company in 1962, as a subsidiary of Tate and Lyle, London. By 1969, the Company was converted to a Public Limited Company and was listed on the stock exchange. In 1989, the name Tate and Lyle Nigeria Limited was changed to Tate Industries Limited, and now Tate Industries Plc.

The Company was a purely British Company. As a result of diversification, the Company since 1974 has gone into Plastic production by setting up a plastic division which produces and market UPVC pipes and fittings, plastic containers (mainly for industrial packaging), plastic sheet, poly film, stationary and gift materials from plastic. This is in addition to its original line - SUGAR PRODUCTS.

These items are wide range of plastic products, plumbing systems, sanitary appliances, pressure and drainage pipes and fittings, all manufactured at Ilorin factory.

In 1988, the Company in addition diversified into Agricultural and Food Production, with factory at kilometer 38 Sango Otta, Ogun State. The Agricultural and Foods Factory manufacture Tate Supa Cornflakes and Kornmeal, etc. It was acquired from consolidated Agricultural and Food Company. The Company had its Head Office at Eric Moore Road Lagos but later moved to Sango Otta where the Agricultural and Foods factory is located. The Company has over the years transformed itself from a multi National corporation to a complete indigenous company partly due to the 1973 indiginization decree which made it compulsory for Nigerians to hold at least 60% shares in all foreign companies in Nigeria.

Today, the Company has area sales offices throughout the country which include Kano, Kaduna, Maiduguri, Benin, Aba and Lagos. For effective coverage of the entire market, the country is divided into two divisions NORTH and SOUTH with each Headed by a Divisional Sales Manager. The sales offices are headed by Field Sales Managers who report directly to the Divisional Sales Manager.

3.2 THE OBJECTIVES OF THE COMPANY

The objectives of Tate Industries Plc are divided into two:

1. The Economics and Business Objectives

(a) To produce, sell and distribute high quality products (sugar, Cornflakes, Kornmeal, pipes, etc) to its numerous consumers/customers.

(b) To offer its numerous products to the consumers at a fair price or affordable price.

(c) To control a large market share if not being a leader

(d) To ensure that its products gain consumer loyalty.

2. The Social Objectives

(a) By continuos research into new and better ways to manufacture and market its nemerous products, the company shall contribute its numerous products, the company shall contribute its quota towards raising the standard of living of the people of this great country, Nigeria.

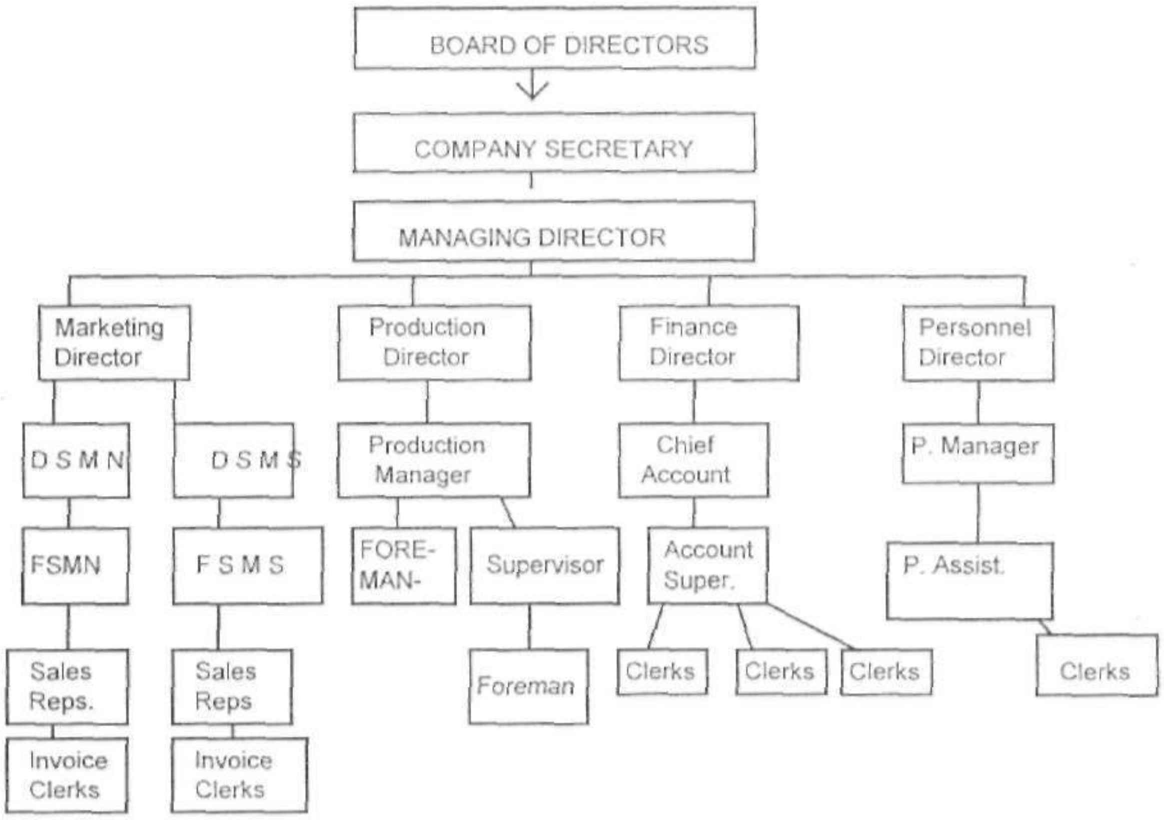
(b) To create job opportunities to the people.

(c) To improve the living standard of its employees.

(d) To alleviate the problems of food shortages especially sugar, Kornmeal, Cornflakes, etc - by offering them at affordable price.

3.3 ORGANISATIONAL CHART AND FUNCTIONAL OPERATIONS

The bed rock of any Company is a strong man power team with high technical expertise to achieve sound operational standard. Below is Organisational Chart of the Company.



From the organisational chart of the Company above, it shows that the highest ruling body of the Company is the Board of Directors who are normally the share holders of the Company. The Board of Directors sits yearly to review the performance of the Company vis-a-vis the set out targets/objectives. The Managing Director has under her the able departmental heads, headed by Controllers/Directors. There is the production Director who heads the production unit, the controller marketing ensures that the products of the Company get to the right place, with the right quantities, at the right time with a minimal operational cost; the Financial Controller source and provide the operational funds either through borrowing from banks or through the share holders; whilst the personnel controller source for and employ the qualified man power to man the operations. Of course, there are other managers, supervisors and clerks that play individuals roles to ensure that the job go on in order to achieve the overall corporate objectives. The production department must surely produce the products and the marketing department must market the products and of course the Financial/Accounts provide the funds necessary for the production and marketing of the products, while the personnel department must provide for the right persons to do the jobs. Qualified man power must be hired, trained and developed by the personnel department to ensure efficiency.

3.4 RELATIONSHIP BETWEEN MARKETING, ACCOUNTS, PRODUCTION AND PERSONNEL DEPARTMENT.

The marketing department and other departments cannot afford to work in isolation nor operate in a vacuum. Their duties are inter related and inter dependent. The marketing controller instead, must operate in co-ordination with financial, production and personnel controllers/directors of the firm in order to achieve the overall co-operate objective/goals. Should they fail to work in unism, internal conflicts and frictions will be created which will ultimately paralyse the operations in the Company.

3.5 THE TATE PRODUCTS

A sound marketing strategy calls for giving different degrees of emphasis to the various market segments making up the market. These segments differ in their preferences, responses to marketing efforts, and profitability: they differ in degree to which the particular company is able to produce market satisfaction. Tate Industries Plc, instead of going after all the market segments with equal effort, the company decided to allocate its effort and energy to those market segments it can serve best from a competitive point of view.

A target market is therefore " a well difined set of customers whose needs and wants the company intends to satisfy"

THE PRODUCTS:

Tate Industries Plc Manufactured and market high quality products. The products are manufactured at three different divisions:

They are:-

(i) **THE SUGAR DIVISION:**

The sugar division manufacture sugar products which include Tate Family cube (Popularly know as mai Iyali in the North). sunsweet, Eagle granulated sugar, Invert, and Eagle syrup and icing sugar.

The sugar products are generally consumer products generally targeted towards the general market. However, some of the sugar products are more in demand in other areas more than others. For example Tate Family cube is consumed more in the Northern part of the country and Abuja while Tate sunsweet cube is mostly demanded for in the south - east and Lagos. The reason for their being accepted in certain areas as opposed to other areas is psychological. However, Tate icing sugar, invert and Eagle syrups are Industrial products which are used for further production. Same goes to the 50kg granulated sugar. They are products purchased for the contributions they make to economic, political or social objectives of the buyer.

The target market for the Invert and Eagle syrups and 50kg granulated sugar are the pharmaceutical companies, they used the product as sweeteners for all liquid drugs mostly for children, the sweet and biscuits manufacturers used the Eagle and Invert syrup to manufacture Biscuits, sweet, bread and cake: Breweries and soft drink bottling companies used the products too.

The company started to manufacture local Icing sugar in 1987. It has been acclaimed by the consumers to be of equal quality as the imported one and is used for birth day cakes etc. The icing sugar is mostly used in the south as compare to the Northern part of the country-Nigeria, probably because of the importance attached to celebrities in the southern part of the country. Tate family cube, sunsweet and Eagle granulated sugar stated as sated earlier in this text, are mostly consumer products which are manufactured directly for the satisfaction of the consumers which are individual and family units who buy the products for personal consumption.

The sugar products are distributed through super markets, dealers, state supply companies, Bhojson stores, P.Z. Kada pay less stores (Kaduna) Key cee, SCOA, J.T. Chanrai (Jos) just to mention a few. The company use MDS deports especially in the North to distribute its sugar products along side sales vans to the general public otherwise called open market. Initially, it was cheaper to pay ground rent and service charge to MDS every month, whether the products were sold or not, however, due to low demand of the products because of the economic situation of the country, the practise of using MDS depots was dropped and ware houses are now hired to stock and distribute these products.

Prior to 1984, Tate Industries Plc was importing Tate Family Sugar, 50kg granulated sugar, and St. Louis which the company had franchise to market. Sunsweet cube sugar and Eagle granulated sugar were being produced locally; However, with the coming of Mohammed Buhari and Idiagbon's regime in 1984 a decree banning importation of finished products was promulgated. The idea was to encourage the local Industries to grow.

As a result of this decree, the production of family cube and sunsweet cube sugar increased and reduced importation of St. Louis and Tate Family Cube Sugar. Infact, the company stopped importation of Family cube sugar up to day.

With the multitude of problems associated with the sugar business, coupled with import liberalisation policy of subsequent government (on sugar) which allow for massive importation of the product, competition has become very stiff with Dangote (a sugar merchant) as the most serious competitor. Other competitors also import and market the sugar products in its raw (Granulated) form to the consumers which because of the economic situation (high inflation) prefer it to cube sugar or pre-parked granulated sugar like the Eagle granulated sugar of the company. The falling of the purchasing power of the naira has not help matters either.

ii. **PLASTIC DIVISION**

As a result of diversification, the company has gone since 1974 into the plastic business by setting up a plastic division at the Ilorin factory which produces and markets the following products.

a) UPVC pipes and fittings

b) Plastic containers

c) Plastic sheet (imitation leather)

d) Poly film

e) Stationery and gift materials from plastic.

About the plastic division, the chairman of the company Alhaji. A. Liman Ciroma C.F.R. and former secretary to the Federal Government, has this to say in 1988, "Our expansion and consolidation strategy for plastic division have continued to yield good results and the shortage of raw materials for production not withstanding, the contribution of this division to the overall performance of the company increased substantially each year".

This statement is contained in the end of the year financial report of 1988. Indeed, the plastic division today is the life blood of the company. The success of the division today is its leadership of the market for its products in terms of their quality, consumer preference and market penetration. In 1991, the division contributed about N32.37 million of the total turn over of N95.27 million, the three divisions put together. This represent about 34%. The UPVC pressure pipes and casings with varying diameters up to 400mm, are used for water projects and borehole water projects respectively, throughout the country. The target markets for these products are the state water boards, dams, construction companies and water and sanitation projects nation wide.

The water projects are mostly financed from World Bank Loans, UNICEF assisted funds, State and Local Government councils, and the Federal Government through the Federal Ministry for Water Resources. These are actually the target market. In 1990 the Federal Ministry of Finance joined by officials of the Federal Ministry for water resources and representative group from the states, negotiated the US $256 million loans which was finally received on 27th August, 1992. The purpose of the loan was to rehabilitate existing urban and semi-urban water supply system and strengthen the states water agencies for water supply services sustainability. Sources of this information is the 3rd Annual Review workshop paper number 4 "OVERVIEW OF NATIONAL WATER REHABILITATION PROJECT IMPLEMENTATION" Report Page 1 and 2, on the 24th November to 1st December, 1995; at Durbar Hotel, Kaduna Sate. Though Ductile iron pipes are used in most cases, the company is proud to say that a lot of its pipes are being used for these water projects.

The unplasticized polyvinyl (UPVC) and fittings were introduced into water Engineering and Supplies in 1963 and the World have come to recognition of the advantages of UPVC pipes over Asbestors or Dutile iron pipes or Galvanised pipes. These advantages are:- That they are not subject to termite or other insect's attacked, they are light and easy to transport, handle or install, they are cheaper than any types of pipes interms of initial investment, they have very low maintenance cost, and are equiped with lock-ring suckets which allows for installation without the use of any solvent. UNDP and World Bank have jointly acknowledged these advantages. The UPVC pipes and casing are marketed under Tate Kwalipipe.

The plastic hold is a brand name for the products of the new section recently added to the company's plastic Business. The section manufactures and market high quality plastic containers in 1,4,18,25.30 and 100 litre sizes. The ranges of the containers are both for industrial and domestic uses. The 100 litre industrial kegs is a market leader of its own and is both in closed Top and Open form.

The plasthold contributed N32.37 million and N61,16 million in 1991 and 1992 respectively. This represent an increase of over 90% in 1992. Since then the plasthold products of the plastic division has continued to be the major contributor to achieving the overall corporate objective of the company.

The reasons for the sharp increase in the demand for plasthold products is their uniqueness and importance for the packaging of industrial chemical and Allied products by the Chemical and Allied product manufacturer like CAPL and NASCO Jos to mention a few. The products are also being used by all oil companies for the packaging of lubricant and petroleum products. They are being used by the palm oil and palm Kernel producers especially in the southern and eastern parts of the country as well.

Of course, because of the inadequacy and scarcity of water supply in the Northern Sates of the country, a lot of these plastic containers are being used to store drinking water. In addition, the scarcity of petroleum products especially in the rural areas where there are no petrol stations, have contributed to the sharp increase in the demand for the plastic containers as they are being used to transport petrol into the interior. Other people use it for grain storage especially the 100 litre open mouth kegs.

Flat sheets also called plastic sheet (imitation leather), is another very important product of the plastic division. It is produced from PVC, Flat sheets are supplied in various colours like the crocodile leather, pigskin, tortoise, antelope and lizard colours. Sizes ranges from 25mm to 1.2mm in thickness depending on the grain finish. The flat sheets are used for the manufacturing of shoes, bags, belts, dairy covers, wallets, plastic stationery, upholstery etc.

Another product of the plastic division is the poly film such as Nursery bags for the aforestation programmes in the North, Disposable bags and Polythene bags.

iii. AGRICULTURAL AND FOOD DIVISION

As a result of diversification, the Agricultural and Food division of Tate Industries Plc was acquired from consolidated Agricultural and Food Company Ltd on the 14th of September, 1988 at Otta, Ogun Sate. The division manufactures and markets rice cereal; Kornmeal, Tate Supa Cornflakes and grits. The division has a design capabilities to produce a variety of food and snack items from 100% local material like maize and rice. The marketing strategy of the company is to market the Cornflakes not only as a balanced breakfast cereal but also as a nutritious snacks for school children and adult alike. The target market for the products are the Hotels, Super markets and the general public.

The Cornflakes are available both in paper-based (skillets) and reinforced polythene packets and in sizes ranging from 30 to 350 grams. The company has the linkage advantage of using some of the waste of the Cornflakes production as part of the feed stock material for the manufacturing of animal feeds. The Food division till today has retained its potential as a golden goose in the company. Tate Supa Cornflakes has established itself as a profitable product with an acknowledged market share after Nasco Cornflakes which is the leader. The turnover of the division was for example N2.1 million and rose to N8.5 million in 1992, representing an increase of 75%.

Of recent (1997), the company signed a multi-million naira contract with Mobil Oil Plc to produce snacks for all Mobil oil sales outlets in the country.

In summary Tate products are manufactured from three different divisions of the company namely:- The sugar, plastic and agricultural and food divisions with each contributing immensely to the over all turnover of the company each year. Except for the sugar division which has of recent been affected and subjected to stiff competition from other importers of sugar products, thus, rendering it unprofitable to the company, however, the other divisions (Plastic and Agricultural and Food divisions) are doing very fine today and are the life blood of the company. Infact the sugar products are for now suspended until the market situation improved.

3.6 PRODUCTS MIX

A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a need. Its includes physical objects, services, persons, places, organisations and ideas. A product which is one of the first "p" of the marketing mix is a complex multi dimensional concept. The offer of an organisation to a target market consists of a product mix that is made up of product line, in a product line there are product items. Each product item is a physical product plus branding, packaging, style, size, features and services. The organisation has to make decision and develop strategies for all these components that make up a product.

A product mix otherwise known as product assortments is the set of all product lines and product items that a particular seller offers for sale to buyers or consumers.

A product line is a group of products within a product mix that are closely related, either because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlets, or fall within giving price ranges. And a product item is a distinct unit within a product line that is distinguishable by size, price, appearance, or some other attributes. The product mix of Tate Industries Plc consists of the three major product lines namely:-

(a) Plastic products
(b) Agricultural and Food products
(c) Sugar products.

Each of these product lines consist of several sublines as shown in the figure iv. below.

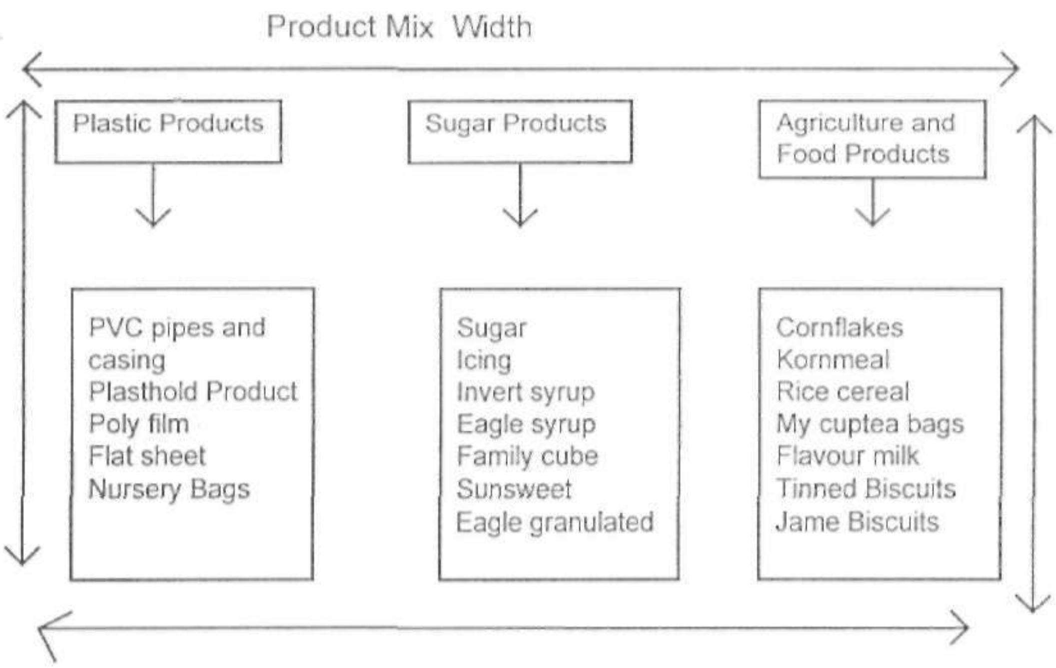


Figure iv: Product mix width and product line depth of Tate Industries Plc