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

A PROJECT

PRESENTED

BY

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TO

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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.

JOHN ADAMU

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
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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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To all these people, I feel indebted.

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.

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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.

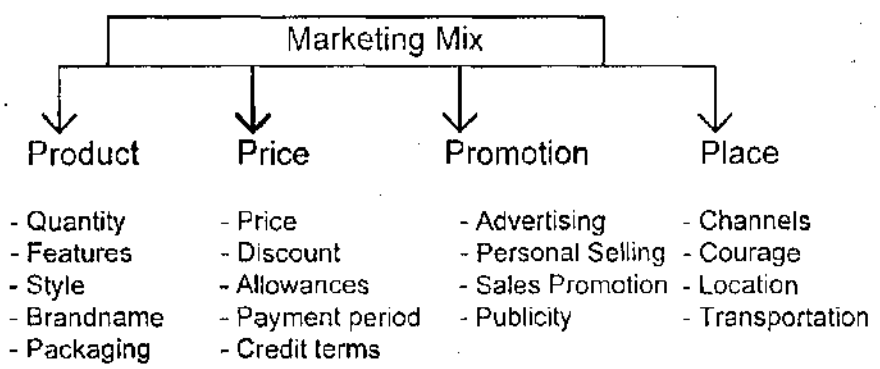
i. Product/services

ii. Price

iii. Place

iv. Promotion

MARKETING MIX



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 nececessary 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.

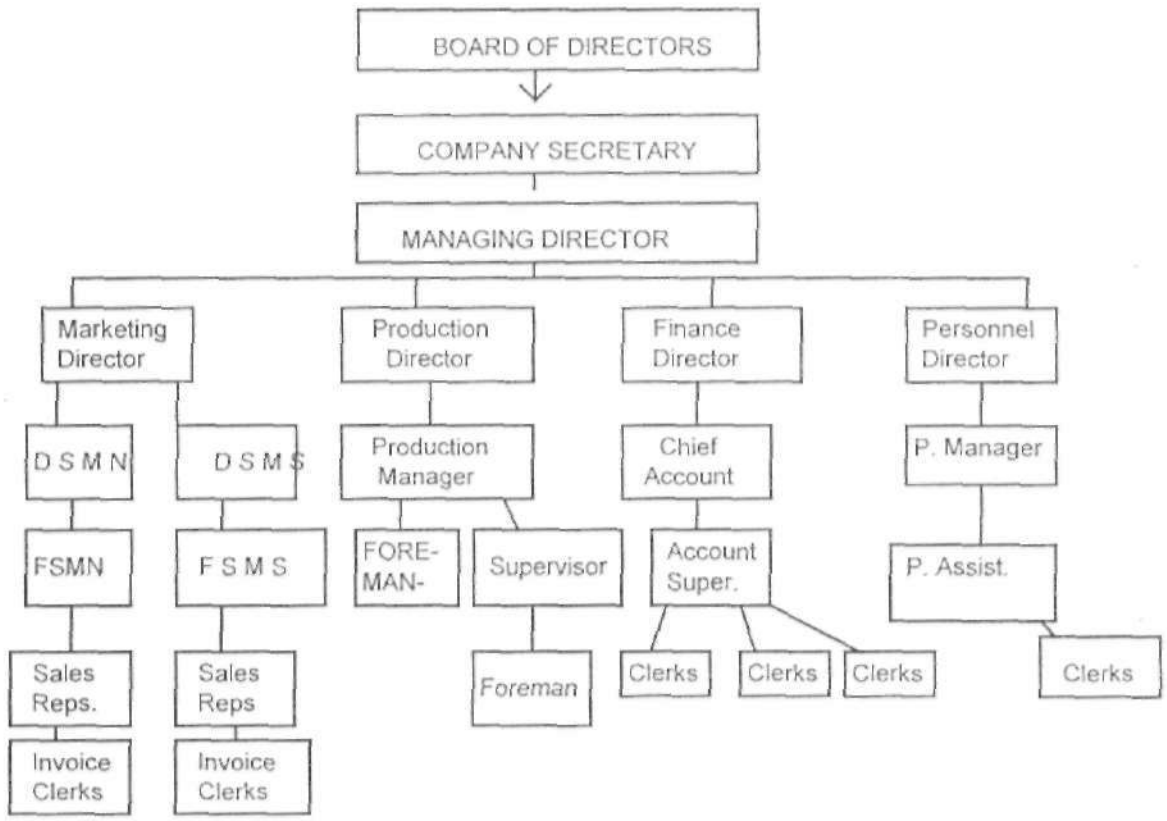
(b) To create job opportunities to the people.

(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.

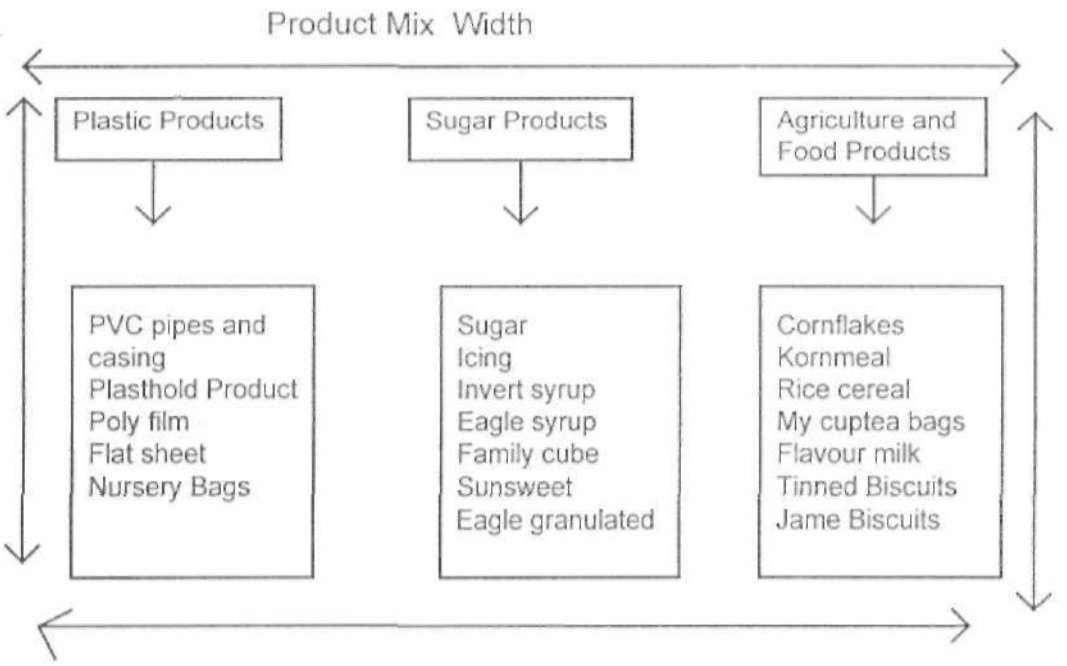


Figure iv: Product mix width and product line depth of Tate Industries Plc

Tate Industries have three major product lines as shown above (figure iv) which include plastic, sugar and agricultural and food products. Each of the three dimensions of the product mix have marketing strategy implications.

By increasing the width of the product mix, the company can try to capitalise on its good reputation and skills in present markets. When the company increase the depth of its product mix, it try to attract the patronage of buyers of widely differing tastes and needs.

Product Line: As already defined earlier, a product line is a group of products within a product mix that are closely related either because they function in a similar manner or are sold to the same customer group and are marketed through he same types of outlets, or fall within the same price ranges. Each product line needs a marketing programme comprising necessary strategies for marketing it.

Tate industries Plc assigns a specific person to manage a product line and dvelop a marketing plan for it

There are managers in charge of plastic whose duties are to manage the plastic products and develop a marketing plan. There are also managers in charge food and sugar products who are equally expected to manage and develop a marketing plan for these lines of products. Before making decision for a marketing plan, they will analyse the sales, profits and competition facing each product items within a product line.

The various items in a product line normally contribute different amounts to sales and profits. A frequently used rule is the 20-80% rule which means that the top 20% of the items contribute 80% of the profit of the company.

The top 20% of such items include the company's pipes and casings, 100 litre kegs closed and open tops (both industrial and domestic), and Cornflakes. Tate cube sugar (family cube and sunsweet) has ceased to be relevant today in the company as it contribute just about 10% of the total profit. This is partly because of the total cost of producing the cube sugar like the cost of raw material itself which is granulated sugar, cost of packaging material, cost of production of the cube sugar etc. This costs at the end of the day makes the market price very expensive and renders it less competitive.

Today, the company is de-emphasising the production of cube sugar which is family cube and sun sweet and emphasising on the marketing of 50kg granulated sugar in its loose form and Eagle granulated sugar pre-packed. This will enable the company to remain very competitive in the market of sugar which has been virtually taken over by Dangote group of companies. However, the implication of the decision to drop the product of cube sugar is two falls.

a) Un employment on the side of the workers as most workers of the production unit of the sugar plant will loose their jobs.

b) On the management side (Negatively), the sugar plant will be rendered useless despite the huge investment that has been made on the machineries, and (positive), a lot of overhead expenses will have been reduced.

Product Items Decision

A product item is a distinct unit within a product line that is distinguishable by size, price, appearance, or some other attribute.

A product item is some times called product variant or subvariant. Tate Industries Plc has a range of product items which include super Cornflakes 12 x 350 grms, 12 x 500 grms etc both generic and branded under Cornflakes as a product line. Under PVC pipes as a product line there are product items ranging from 16,20,25,35,40,50,63,75,90,110,160,225,280, 315 and 400mm diameter pipes of varying sizes and thickness. They are supplied in both pressure, Sewerdrian, soil and waste forms. The plasthold as a product line has product items which include, 1,4,18,25,30 and 100 litre kegs and Jerry cans for both Industrial and domestic uses.

All Tate products are marketed under brand names like "Tate Kwalipipe", Tate super Cornflakes and Tate sugar for both plastic, Agricultural and Food and Sugar division respectively. The idea of branding or labelling of the company's products is to protect the tradesmen and consumers against inferior quality by allowing producer to be traced. However, some of the company's products are unbranded. These "generics" are packaged plainly with no manufacturer identification. The obvious intent of generics especially in the sugar and food products is to bring down the cost to the consumer by

saving on packaging and advertising. The question is why have branding in the first place? Who benefits? How do they benefit? At what Cost? These questions are better answered from the buyers view point, sellers view points and society's view point.

i. Buyer View Point

a) A brand tells the buyer something about the quality of the product.

b) A brand name contribute to increased shopping efficiency.

c) Brand names calls consumer's attention to new products that might benefits him. It becomes the basis upon which a whole story can be formed or built about the new product and its special qualities.

ii. Seller View Point

Although branding involves a cost, packaging, labelling, legal protection, and risk if the product should prove unsatisfying to the user it turns out that branding gives the company several advantages which include:-

(a) The company's brand name makes it easier for the seller to handle orders and track down problems that may arise from the consumption of the product.

(b) The company's brand name and Trade Mark give legal protection where there are unique product features which would otherwise be easy to copy if the product went unbranded.

(c) Branding gives the company the opportunity to attract a loyal set of customers whose regular purchases give it more sales stability and longrun profit.

(iii) Society's view point for Branding

(a) Branding leads to higher and more consistent product quality.

(b) Branding increases the rate of innovation in society.

(c) Branding increases shoppers efficiency, since it provides much more information about the product and where to buy it.

(iv) Society's view point Against Branding

(a) Branding leads to false and unnecessary differentiation of goods particularly homogeneous product categories.

(b) Branding leads to higher consumer prices because of advertising, packaging, and other cost which are ultimately passed on to consumers.

(c) Branding increases the status, consciousness of people who buy certain brands to "impress" other people.

It is therefore, probably safe to say that branding add value to consumers and society and it can be over done in some categories and lead to higher costs.

3.7 CONSUMER LEGISLATION

Apart from the laws enacted in Europe and Nigeria to protect the right of the consumers, so many laws were passed by the USA congress to provide consumers with more accurate information on the goods they purchase and to protect them from more dangerous un-safe merchandise.

Below are some of the common practice of important Federal Consumer Legislation.

1972	-	Mail Fraud Act
1906	-	Food and Drug Act
1938	-	Federal, Food, Drug and Cosmetics Act
1939	-	Wool Products Labelling Act
1951	-	Fur Products Labelling Act
1972	-	Consumer Products Safety Act
1971	-	Federal Boat Safety Act.

The above list it not exhaustive as there are so many more laws passed to protect the rights of the consumers.

Consumers are cheated in Nigeria because there is no strong consumer council to fight unethical practices by manufacturers and because most of the consumers are either ignorant of their rights or careless about them.

However, some firms including Tate Industries Plc have found solution to consumers complains by providing the following:-

a) Better communication with consumers

b) More and better information for consumers

c) Product improvements by introducing many product safety changes and pollution reduction measures. Warranties have been simplified and strengthened while nutritional element have been added to foods products of the company, like Cornflakes and rice cereals.

d) More carefully prepared advertising. It will be okay to say that marketers themselves have realised their total responsibility to the right of the consumers, hence they have positive responses to them.

In summary, product is the first and most important element of the marketing mix. Product strategy of Tate industries Plc calls for decisions on product mix, product line strategy, branding, labelling and packaging strategies. These decisions must be made not only with a full understanding of consumer wants and competitors strategies but also with increasing attention to the growing public policy affecting product decisions.

3.7 THE TARGET MARKET

Tate Industries target market is made up of large; medium and small customers which are classified into industrial and consumer customers. Most companies will usually consider any of the five market coverage strategies.

1. Products/market concentration which consist of the company's niching itself in only one part of the market.
2. Product specialization consists of the company's deciding to make only one product to serve for all customer groups.
3. Market specialization consist of the company marketing a variety of products that serve the varied needs of a particular customer groups such as the industrial buyers. Reference 001A, open mouthed industrial kegs with lids and tap 001B, open mouthed industrial kegs with no lid and no tap and 001C, open mouthed industrial kegs with no lid and no tap, are products in this category of market specialization and are normally produced on request.

4. Selective specialization consist of company entering several product market with no relationship to each other, examples of such products are in 3 above.

5. Full coverage consist of the company making a full range of products to cover for all the market segments. Example of this is the UPVC pipes and fittings. And the company produce and market all ranges, sizes, and thickness of pipes from lowest diameter pipe which is 25mm to the highest diameter pipe 400mm. The same goes to the plastic containers where the company produce and market 1,2,4,18,25,30 and 100 liters in both domestic and industrial form. The strategies adopted by the company is market specialization and full coverage strategy. The industrial kegs and jerry cans are produced to serve this market. The sugar and food products are manufactured to cover the entire market segments. These products included Sugar, Icing, Cornflakes, Cornmeal and Rice Cereal. The Eagle and invert syrup produced from sugar serve the pharmaceutical companies for use as sweetener liquid drugs mostly used by children, soft drinks, bread and biscuits manufactures all use the sugar products as well.

3.9 OPERATIONAL MARKETING PROBLEMS.

INTRODUCTION:

The drift, distributions, upheavals and turbulence in the national Economy coupled with unfavorable monetary policies has continued unabated over the years of operation of Tate Industries PLC. This has affected the realization of the Company's expected profit, production projections and subsequent growth. These problems vary from year to year.

THE PROBLEMS

1. Shortage and high cost of obtaining foreign exchange. In 1991 for example, the Company could not import directly 50kg bags of granulated sugar which the sugar division processes into cube and prepacked sugar. This resulted in sugar division operating much below installed capacity, this is coupled with the high cost of obtaining

foreign exchange and the difficulties involve in obtaining it (foreign exchange) through SFEM.

2. Shortage of Raw Material an spare parts. The Company finds it difficult to obtain foreign exchange from SFEM to buy parts and raw material which are in most cases imported from over seas. This was very peculiar in 1988. The alarming increase in the cost of raw material has as well affected the Company.

3. Government legislation and policies. This has made it very difficult for the Company to import and sell anticipated large volumes of sugar on an industrial basis. For example, during the major General Buhari/Idiagbon regime in 1986, an embargo was placed on importation of finished goods (sugar inclusive). This according to them was to encourage home based Industries to grow. Liberalization of imports in line with the structural adjustment programmed has resulted to lack of demand as the market is floaded with sugar.

4. Competition increase: Because of import liberalization, a lot of sugar is imported into the country by competitors. This rendered the sugar products especially, uncompetitive as a result of the unbridled importation of the sugar products.

5. Increased inflation rate: Operating environment has not been conducive generally. This lead to general increase in the cost of operations in the Company. For example in 1991, the economy was overheated. The Federal budget that year registered a deficit of nearly N20 billion. The deficit fuelled inflation which rose from 7.5 percent in December 1990 to 9 percent in 1991. With the inflationary spiral, the purchasing power of the consumer declined and manufacturers including Tate Industries had to content with high inventory. The value of the Naira has been depreciated against major foreign currencies such as the dollar and the pound sterling. At the end of 1991, N10.00 was exchanged for a Dollar as against N8.00 to a dollar in 1990. Today (1997) the dolar is exchanged for about N82.00. This certainly makes imported raw material very expensive. Beside, the National economic Environment is further made more stormy by the incessant liquidity squeeze, which denied the

Company and other manufacturing concerns easy access to funds for production and investment.

6. High interest on borrowed funds. The inflation, sharp depreciation in the value of the Naira and low capacity utilization has resulted in high interest paid on borrowed funds.

7. Intermittent break in production which lead to lost of credibility and low patronage. Customers seems to have lost credibility because of the Company's inability to meet their orders.

8. High over-head expenses. The company is faced with a lot of over head expenses to contain with, moreso, that today the Company is operating below capacity. Salaries are hardly paid for months now.

9. High labour turnover of experience personnel which have had to leave the services of the Company as a result of lack of incentives and encouragement.

10. Poor customer service. In marketing, the customer is considered ''KING'' because he is responsible for your existence. Where a customer is not satisfy with the services rendered to him he dumps the product and, goes for the competitor's product. These services ranges from prompt delivery, high quality products, after sales service and so on.

11. Over concentration of specialized products (mostly industrial products) lead to low volume sales.

12. Inadequate promotion of the Company's products to create awareness. Promotion is very necessary in the consumer productes like Tate Supa Cornflakes, sugar, Kornmeal, etc.

The problems Tate Industries is having are both internal and external. The external problems include high inflation rate, competition, increase in poverty level, low per capital income, government regulations and policies, high cost of borrowed funds and high exchange rates. The Internal problems include high over-head expenses, inadequate promotion, high labour turnover of experienced personnel, etc.

4.1 FUTURE PROSPECTS AND CORPORATE STRATEGIC DIRECTION OF THE COMPANY.

Inspite of the current difficulties and problems the Comapny is faced with, the managment is confident of the promising future of Tate Industries Plc and the challenges that lie ahead. The management have set in motion a new strategy based on the following.

1. To de-emphasis temporarily, the dominant role of sugar activities which is the main business line of the Company in the overall operations.

2. To expand and consolidate the Company's position in the plastic Industry which today is playing a leading role in the plastic market

3. To diversify into new business with a very high local content. Infact, the Agricultural and Food division is being given a boost in this direction.

4 To explore the export potential of Agricultural and Food (Tate Supa Cornflakes, Kornmeal, rice cereal, e.t.c) and plastic products to ECOWAS Countries. Towards this end, studies have been undertaken to determine the acceptability of this products. The future export programme is vital to the profitability of the company.

5 With the diversification programmes embarked upon at the Ota factory, the Company received another lifeline in addition to the plastic division especially with the acquisition and installation of a 20 million food extrusion plant.

The Food Extrusion plant has increased the factory's production capacity of Tate Supa Cornflakes, and additional snacks Foods are being produced from local raw materials. However, to meet the demand of the food products the Company should as a matter of urgency convert the sugar plantation at Hadeja for the production of maize which is one-of the raw material for Cornflakes and cornmeal.

The Company de – emphasize on sugar products especially cubes is as a result of the very volatile nature of sugar business especially in Nigeria which produce less than 10% of its National consumption.

The Country, and by implication Tate Industries PLC, remain very vulnerable to frequent charges in the international prices for sugar and the down swings in its

business cycles. The problem is further compounded by the Structural Adjustment Programme and accompanying liberalization of imports.

It is the Company's view, that the ultimate objective of self sufficiency in sugar for Nigeria can only be achieved on the introduction by Government, without further delay, of the proposed incentive package for the Industry in a well articulated National Sugar Policy. Without these incentives, the Company will merely be wasting resources, management time and energy in implementation of a project which quite clearly the Company cannot bring on stream successfully for as long as the current economic conditions remains.

To continue to devote a substantial proportion of resources to sugar business, management says it is unrealistic for now.

Of course, with the belief in and commitment to self sufficiency in sugar for Nigeria, the Company acquired a land at Hadeja for sugar plantation but the current business environment in Nigeria is certainly not encouraging or commercially viable to continue with the sugar plantation at Hadeja.

Nigeria must return to the original strategy for massive public sector involvement in the development of the National Sugar Industry as recognised and articulated in successive development plans and other declared policy documents. " Highly modernised societies of capitalist oriented economies like Nigeria cannot afford to do less.

Nigeria does not have any justification in remaining the largest importer of sugar Worldwide when the commodity can be locally grown not only to satisfy the needs of Nigerians but also to earn foreign exchange for her if the correct policies are pursued consistently, declared the chairman, board of directors of the Company Alhaji A. Liman Chiroma C. F. R. in 1987 Annual Report and Accounts.

With the acquisition of a N20 million Food Extrusion Plant, in 1991, the production capacity of the factory has increased for Tate Supa Cornflakes. The plastic division equally has a good future as the products from the division are in high demand. Federal, State and Local Government Councils are laying emphasis for the supply of

portable water to the people and a lot of money is being spent for water projects all over the Country.

This means that a lot of the Company's UPVC pipes will be demanded in future. With the possibility of export for the plastic products, the Company has a brighter future when the arrangement is concluded and the project take up.

The completion of the third phase of Eleme Petrochemical plant will guarantee the local supply of Resin which is the major raw material for the plastic products.

3.8. MARKETING DEPARTMENT OF TATE INDUSTRIES PLC.

Like any other Marketing Department of a Manufacturing Company, the marketing department of Tate Industries PLC is saddle with the responsibility of planning, directing, co -odinating and controlling all the marketing programs and strategies of the Company. In developing marketing strategies, the marketing Manager/Controller or Director make use of the elements in the marketing mix: namely product planning, price, promotion and place (distribution) otherwise known as the 4 Ps. It is the responsibility of Marketing Executive 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 down objectives.

On the basis of the foregoing, it is clear that a marketing strategy is the action taken by marketing Executives in order to gain advantage over their competitors. Infact, Philip Kotler defines a strategy as "the broad principles by which the business unit (marketing department) expects to achieve its marketing objectives in a target market. It consists of basic decisions on total marketing expenditure, marketing mix, and marketing allocation". It is therefore the responsibility of the marketing department to develop and implement marketing strategies in order to place their organisation at the right fitting where it is advantageous over others.

For a marketing strategy to succeed, it must begin with a well co-ordinated plan involving all the functional areas of the business like the Account Department.

According to Abel and Hammond (1979), for a marketing strategy plan to succeed, it must involve four sets of related decisions which include:-

(a) Defining the business

(b) Determining the role of the business

(c) Functional strategies formulation

(d) Budgeting.

In summary therefore, for any manufacturing concern to succeed, all departments in the Company have to work in unism with one another. They are all complementary and no one department can survive without the other.

CHAPTER FOUR

4.0 METHODOLOGY OF THE STUDY

This research design of the study follows a pattern of exploration and descriptive methods. The reason being that it is appropriate for ascertaining the degree of application of marketing strategies in manufacturing organisations.

4.1 TYPES OF DATA RESEARCH METHODS.

This includes; Exploratory and Descriptive research.

i. EXPLORATORY RESEACH.

This consist of in-dept. interviews with a few target market designed to un-cover deeper motives that the services has done in them. Various projective techniques are used to throw the ego off guard-techniques such as word association, sentence completion, picture interpretation and role playing. Exploratory research have produced some interesting and occasional bizare hypothesis about what may be in the customers mind regarding the purchase of certain products or services. Through interview of selected target market, I got some valuable informations which assisted in this project.

ii. DESCRIPTIVE RESEARCH

This method of research is concerned with the collection of data for the purpose of describing and interpreting existing conditions, prevailing practices, beliefs, attitudes on various on goings processes. The purpose of descriptive research is not only the description of what is the discovery of meanings but also how it can be used.

Another definition is that, which sees descriptive research as that research which specifies the nature of a given phenomena. The importance of descriptive research in social science as well as in other fields of educational endeavour clearly implies the complexity of phenomena. For example, the need for systematic ways of telling what a situation is, means that the situation is no longer simple. It can no longer be

understood directly without synthesis. To back - up the use of this method, the researcher made specific prediction of likely increase in the patronage and good- will of the company's products subject to the acceptance and proper implementation of the researcher's recommendations.

4.2 INSTRUMENTS USED

1. Documentary method
2. Questionnaire method
3. Observation method
4. Personal interviews

1. DOCUMENTARY

This method is inform of secondary data collection - that is existing information about the study. Here, some write-ups, statistical data etc. were made available to the researcher from which relevant information were extracted. These include text-books, journals, Tate (UK) periodical news magazines, end of year financial reports, seminar papers, previous research works and other relevant write-ups.

2. QUESTIONNAIRE

The questions for the questionnaire were developed and administered in order to sample views and opinions of management staff, junior staff and customers, potential users (students), visitors etc. A questionnaire is a device for getting answers to questions by using a form which the respondent fils by himself/herself. This is used because it really constitute an attempt at true scaling. They are particularly advantageous whenever the sample size is large enough to make it economical for reasons of time and funds, in the other hand, a questionnaire do not, however, cause the test conditions to become standardised particularly in mailing.

3. OBSERVATION

In this process, the researcher was in the Company (an insider) to personally observed daily operation as an insider, the researcher already was conversant with employees and customers and this enhances his ability to used this method very easily in obtaining the data.

4. PERSONAL INTERVIEW

The research study conducted a number of personal interviews in order to ensure that the objective of the study is attainable and not jeopardised. In the process, some members of the Company staff were randomly selected and interviewed. Though, much emphasis was given to higher level of management during the interview, it is as a result of their role and level of responsibility and experience with regards to issues in marketing strategies as they formulate and practically use them for the organisation.

4.3 SAMPLE SIZE AND RESEARCH POPULATION

The research study used mostly Tate staff (both present and former) as well as customers, students and visitors who are considered potential customers particularly those residing in Kaduna, Kano, Lagos and Maiduguri. the researcher believe that there are numerous customers spread over the Country.

As a result of this therefore, a random sampling method was used. The size for this study was 370 spread over Kaduna, Kano, Lagos and Maiduguri.

AREA	KADUNA	KANO	LAGOS	MAIDUGURI	TOTAL	%	PROBABILITY
Variable Staff	15	6	20	9	50	14	0.14
Customers	42	32	37	37	148	40	0.40
Students	15	25	23	27	90	24	0.24
Others	15	26	20	21	82	22	0.22
Total	**87**	**89**	**100**	**94**	**370**	**100**	**1**

4.4 RANDOM SAMPLING

The principle behind random sampling is that each member of the population to be studied has an equal chance of being selected as a member of the sample. Random sampling seeks to believe the above ideal by adopting a method of picking the sample which eliminates entirely the human elements from perpetual selection process.

Though, to make a successful distribution of the questionnaire, the researcher randomly picked with the hope that the method could help in accomplishing the objective of the study.

4.5 DATA COLLECTION PROCEDURES:

The data collection procedures were through the administration of questionnaire to selected target market and also through personal observation, personal interviews and documentary.

4.6 DATA ANALYSIS.

To analyse the data collected, in order to provide easy understanding to readers and users of the research study, the parental statistical method was used which is believed will help in achieving the purpose of this study. This, the researcher feel is straight forward enough to establish and identify the relationship between variables.

CHAPTER FIVE

5.0 DATA PRESENTATION AND DISCUSSION ON THE FINDINGS

During the course of the research, interviews were conducted at two different levels, the management and junior staff of the company and customers of the company.

The data used however, for the analysis have been obtained from questionnaire prepared for the personal interviews. (see appendices).

The questionnaires were designed in a way that the response will vet how well various marketing strategies are being used at Tate Industries Plc. The researcher fashioned his questions along with marketing concept (product, pricing, distribution and promotion).

5.1 NATURE OF THE BUSINESS OF TATE INDUSTRIES AND THE MARKETING STRATEGIES

All response from management and junior staff, and customers agreed that the main business of Tate Industries Plc is both economic, business and social objectives; to produce, sell and distribute high quality products (sugar, Cornflakes, Kornmeal, pipes, etc) to its numerous consumers/customers; to offer its numerous products to the consumers at a fair and affordable price; to control a large market share if not being a leader.

Marketing activities and policies are being formulated at the company's management headquarters in Lagos/Otta leaving only the execution for various units to carry out. This does not allow the marketing strategies to take proper share and be effective.

The pricing objective of the company is for revenue maximisation and the strategies embarked upon to achieve this revenue maximisation are the use of mark-ups, prices are set in a way that meets up with a predetermined mark-ups.

The company is faced with a lot of competition from within and without. The imported granulated sugar by Dangote and other sugar merchants have forced the company out of the sugar market. With this serious competition the company is facing,

it has made it so difficult for the company to brake-even, thus the present trait of out right collapse.

5.2 MARKETING STRATEGIES AND TECHNIQUES

Tate Industries target market is made up of large, medium and small customers which are classified into Industrial and consumer customer. This is for the purpose of implementing the company's marketing strategies. A company will usually use the following market coverage strategies:-

1. Product/market concentration strategy which consist of the company's niching itself in only one part of the market.
2. Product specialisation strategy which consist of the Company's making only one product to serve for all customer groups.
3. Market specialisation strategy which consist of the Company marketing a variety of products that serve the varied needs of a particular customer groups such as the Industrial buyers. Reference 001A, open mouthed Industrial kegs with lid and top, 001B, open mouth industrial kegs with lid no tap and 001C open mouthed industrial kegs with no lid and tap, are products in this category of market specialisation and are normally produced on request.
4. Selective specialisation strategy. This consist of the Company entering several product markets with no relation to each other. Example of such products are as enumerated in 3 above.
5. Full coverage strategy consist of the Company making a full range of products to cover for all the market segments. In this category is the PVC pipes and fittings. Tate Industries Plc produce and market all ranges, sizes, and thicknesses of pipes from the lowest diameter pipe (25mm) to the highest diameter pipe, the 400mm. It is equally the same with the plastic containers where the Company produce and market 1,2,4,18,20,25,30 and 100 litre containers in both domestic and industrial form.

The strategies adopted by the Company is market specialisation and full coverage marketing strategies. The industrial kegs and jerry cans are produced to serve this market.

The sugar and food products cover the full market where a variety of products are produce to cover the entire market segments. These products include sugar, icing, Cornflakes, Kornmeal and rice cereal. The Eagle and invest syrup produced from sugar serve the pharmaceutical companies which use it as sweeteners for liquid drugs. The soft drinks, bread and biscuit manufacturers and bakers all use the sugar products as well. These strategies are achieved through:-

a. Expansion of total market share through new uses and new users. This is done by developing new market segments the Company has neglected before.

b. Protection of market share through product innovation, strong customer service effective distribution of the product and fortification of product lines. This is achieved by offering a variety of brands and sizes to cover the entire market at reasonable and competitive prices. Tate Industries Plc offered Nigeria up to 400mm. Other competitors only have up to 315mm.

c. Confrontation (aggression). The Company does this through promotional and price wars.

d. Direct attack (Head on collusion). This, the Company does by operating in similar markets other competitors (leaders) operate. This is done through increase quality and customer service. An example is Tate Supa Cornflakes and Nasco Cornflakes. Supa Cornflakes is cheaper but of high quality than Nasco's.

e. Market segmentation and concentration. Other strategies, the Company employ are back-door strategy i.e. neglecting the leader and attacking the smaller firms to capture their market share.

5.3 DEGREE OF APPLICATION OF MARKETING STRATEGIES.

Strategies	Degree of Application
Product strategies	40%
Price strategies	25%
Distribution strategies	18%
Promotion strategies	5%
Other marketing strategies	12%
	100%

Source: Tate Journals 1989

5.4 ENVIRONMENTAL INFLUENCES ON MARKETING DECISION MAKING OF TAE INDUSTRIES PLC

INTRODUCTION

The marketing department of Tate Industries Plc, like any other one in the manufacturing sector does not operate in a vacuum, it is influenced from both within and without the organisation. However, the external Environment also known as the Macro Environment appears to be largely uncontrollable and constraining. The Macro Environment is made up of all factors that are external to the marketing functions of Tate Industries PLC and largely uncontrollable. They keep changing and serve as constrains to the Company's marketing policies, but are potentially very relevant to marketing decision making. The recent ban on sales of petroleum products in jerry cans and drums has adversely affected the household products of the Company. The Macro Environment is made up of:-

1. GOVERNMENT INFLUENCE

How many of the Companies in Nigeria prepared for the import prohibition order and other austerity measures of the government in 1982 and 1983 respectively? How many non indegineous firms anticipated the indeginization decree of 1972 and 1977? The above examples illustrate the Governmental influence on business and marketing policies. Tate Industries has been badly affected by the above mentioned examples and many others that came afterwards.

The marketing management therefore, cannot afford to ignor the Government Environment either from legislations or interpretation by court services. The marketing management not only understand the nature and rationale for
Government regulations but must monitor and predict them. It should be understood that in democratic countries, the Government act in order to enhance the wishes and needs of the people.

Acknowledging that it cannot provide everything to the citizenry, Government tries to ensure that other complementary bodies such as Business in the society satisfy the people's needs, efficiently. The Government interferes in marketing to ensure that:-

a. That consumers have different product choices available from different independent sources by ensuring that there is competition.

b. That the consumer has freedom of choices and financial resources by reducing coercive and deceptive promotion.

c. That vital information is available to the consumer for good decision making. This they do by compiling the Company to label their products.

d. That consumers themselves are capable decision makers, through consumers education. The aims of this interference by Government is to ensure workable competition between companies to avoid the destructive potential of cut-throat competition and dangers of monopoly. The Government legislation and impact on marketing decision - making lies in the areas of Distribution, Pricing, Promotion, Product, Patents and Trade marks, Product labelling, Product safety and Product liability and Marketing Research.

2. SOCIO - CULTURAL INFLUENCE

This composed of the beliefs, values and norms of a people as they live together. People in every society hold beliefs and norms but most important to the marketer is not only the differences in these beliefs or norms but on the rate of changes. Infact the shift in consumer values is the single most important factor to the future of any business organisation or marketing. This is so because as consumers change their needs, consequently marketing has to change. This is because it may render the existing strategies obsolete or inefficient. Of particular importance to the marketer therefore are:-

i. Changing population characteristics like the age structure, income and educational levels which makes the consumer more rational and objective in their buying harbits.

ii. Changing consumer values and life styles. To the individual in society, some of the changes are causing cognitive disonance. Some of the trait changes that have implication for marketing decisions include more synism, disbelief and questioning, greater intelligence, tolerance for individual deviation, etc.

These social changes create opportunities and traits to marketers. Marketers have and should build satisfaction for these new markets that are created as a result of these social changes. The acceptance of impermanent alone has created a booming disposable industry which Tate Industries PLC must accept and develop e.g. plastic for Danta Cola and Yorghurt. Most women today have opted for the use of belt-bottom-Trousers for a change and the society accepts.

3. ECONOMIC INFLUENCE

The economic environment is very important to marketers because after all, marketing itself was born out of economics. The marketing manager is concerned

about inflation, per capita income, supply of basic raw materials, growth rate of the economy. money supply etc. The competitive environment (market) which the Company finds itself operating, has a lot of influences on its decisions. The level of freedom that the marketers enjoy in terms of decision making to some extend depends on whether they are operating in:-

a. A perfectly competitive market

b. An Oligopolistic market

c. A monopolistic market

A perfect competitive market is a market situation in which no one trader/manufacturer is able to influence price, there is full information available to all, the factors of production are freely available and the products are undifferentiated so that consumers have a truly free choice. Tate Industries PLC operate under this business environment for all its products. The perfect competitive situation gives the marketer very little desecration in deciding on price, product, promotion and distribution.

The Economic Environment has affected the Company greatly. The high inflation rate coupled with the low per capita income has drastically reduced the purchasing power of the average Nigerian.

The cube sugar (Family cube) is mostly affected and that is the reason why Dangote, the Sugar Merchant, has dominated the market with granulated sugar. The average Nigerian will rather buy N5.00 rap of granulated sugar than a packet of cube sugar (ST LOUIS or FAMILY SUGAR) which cost as high as N50.00.

The Economic Environment has therefore, forced the Company to suspend the production and marketing of cube sugar for over two years now running.

4. TECHNOLOGICAL INFLUENCE

Philip Kotler in his book "Marketing Management" has stressed that the most dramatic force shaping human destiny is Technology. Technology alone has increased

dramatically the rate of product obsolescence today, as such, man is continually searching for a well refined and cheaper way of doing a thing in order to maximise his profit. For example, man has moved rapidly from the use of personal contact in sending massages to new technologies that have dwarfed the world. The implication of this development to our promotion and other marketing decisions is better imagined than described. Consumers have new needs that are created by Technology. The Technological impacts are felt both in the influence that it has on the other parts of the Macro Environment as well as by the direct effects on the marketing mix elements (promotion, product price and place).

The rate of change in the other parts of the Macro Environment tends to depend very much on Technology. Technology not only changes the product or services but also the consumer himself by changing his beliefs, norms, attitudes, etc.

Better satisfaction of consumer needs is made possible not only by consumer affluence but perhaps more importantly by Technology.

5. NATURAL INFLUENCE

The availability of natural resources, climatic conditions, physical barriers and terrain are factors that influence marketing decision making in a particular area. Most of the world's resources are finite and not renewable. Even where they are renewable the rate of replacement does not keep up with removal.

Factors such as climate have adverse effects on the consumer as they tend to determine what he buys. The desert encroachment of the Northern States of Nigeria has been a source of concern to both Federal and State government. The cutting of trees is being discouraged from the affected states and tree planting encouraged. This has an adverse effect in Tate Industries PLC as it lead to the emergence of a new product - the Nursery bags from the plastic division. The Nursery bags are used for Nursing seedlings by all afforestation projects in the Northern States in preparation for tree planting. And so, the Natural Environment (desert encroachment) brought an opportunity for the Company to produce and market Nursery bags for afforestation

programmes in order to cope with the desert encroachment problems in the Northern States. However, the natural environment is not a day to day factor in making marketing decisions.

6. COMPETITOR INFLUENCE

Competition is another factor that influence marketing decision making in the company. Competition by definition is "the market condition which exists when there are a large number of businesses all able to supply the same or similar products to a large number of purchasers". Because the Company is faced with many competition serving the same market, the Company has embarked upon what is called "strong customer service", where the customer is regarded as "King" which must and should be taken care of. The marketing mix of the Company takes care of this.

The other factor which influence marketing decision making is internal and that is the management policy of the Company.

In conclusion therefore, those who manage products and services operate within a complex and rapidly changing marketing environment which they must continuously monitor and adapt to if the business is to survive or prosper.

5.5 THE FINDINGS

The study has been able to come out clearly with what Tate Industries PLC is into. It also has been able to show how the Company's product has been affected with the stiff competition vis-a-vis other competitors who are into a similar business.

We also have been able to see how Governmental, Socio-Cultural, Economic, Technological and Natural influences has affected it.

The study also has informed us how the company planned its strategies to be able to cope with all these influences that affects its operations.

5.6 DISCUSSION OF THE RESULT

From the analysis above, it can be noticed that the Company's product strategies carries a good percentage. This is because the Company carry-out a lot of product innovations to enhance the already existing one. The Company also emphasis high product quality at reasonable price to enable it compete favourably. The Company follow a price methodology consisting of target market identification and marketing objective, developing a broad idea of the marketing mix, price in relation to Company's pricing policies. Select pricing strategy in relation to cost, demand and or competition. Special attention is also giving to psyche of the target market.

The distribution strategies is to get the Company's goods and services to the right place at the right time and for the list costs. The Company has a fleet of vehicles to distribute its products across the Country, even though most of them are non functional but the intention was to provide these vehicles for effective distribution. To some extend, the Company has tried toward this direction.

Promotion strategies are the list of all the strategies. The Company hardly embark on TV commercials and other forms of promotions except bill boards. This is seriously affecting sales as no much awareness are created about the Company's products. Infact, it is believed that the patronage the Company enjoys today is based on past glory.

CHAPTER SIX

6.0 SUMMARY, CONCLUSION AND RECOMMENDATION

6.1 SUMMARY

Marketing is today a universal subject not only relevant to economic institutions such as manufacturing Companies, wholesales and retailers, but also to every organization that has something to sell 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 is an old and a new subject. The history of marketing is as old as civilization itself but has become an organized Academic discipline only in the twentieth century. There are as many definition of marketing as there are people that practice and teach marketing. However, Larry Rosen Berge defined the subject (marketing) as "A maching process based on goals and capabilities in which a marketer offers a marketing mix in order to satisfy the needs of customers within the limits of the society". Tate Industries Plc, the Company under review, is a manufacturing concern. It was a former British Company (multinational) Established in 1921 by Henry Tate and Sons, and Abram Lyle and Sons. The Company was in corporated in Nigeria as a Private Limited Liability Company in 1962, as a subsidiary of Tate and Lyle, London. The Company was established with the sole objective among others of manufacturing and marketing high quality products in Nigeria at a profit.

Tate Industries Plc as it was later to be known and called has its headquarters in Lagos and later moved to km 38, Sango Otta, Ogun State. The Company is made up of three divisions today namely:- The sugar, the Plastic and Agricultural and Food divisions, in Ilorin and Otta respectively. The marketing philosophies of the Company evolved over time and is made up of production, product, selling and marketing concepts, all aimed at achieving the overall corporate objective which is to make profit. The strategies for marketing Tate products consists of a co-ordinated set of decisions which borders on the target markets, the marketing mix other wise known as the Ps (product, production, price and place or distribution) and the marketing expenditure level.

A target market is a fairly homogeneous group of customers to whom a Company wishes to serve or to appeal. It is a well defined set of customers whose needs and wants the Company intends to satisfy. The target customers for Tate products are both industrial and consumer customers.

The Industrial customer buys a product for the purpose of using it for further production. It is purchased for the contribution it makes to economic, political or social objectives of the buyer. Such products of the Company that are purchased for Industrial uses include the PVC pipes and casings used for water projects in the Country, 50kg sugar used for the manufacture of Biscuits, Bread, Sweet, and Cake; it is also used by Breweries and soft drink bottling Companies. The 100 litre (open and closed) kegs also belong to industrial products and are used for packing chemicals, palm produce, etc. Some plastic products especially the plastihold of the Company are purchased for house hold use too.

The consumer products are mostly the Agricultural and Food products which are the Tate Supa cornflakes, Tate kornmeal, Rice cereal and sugar. These products are bought by family units for direct use in the family homes. In general, the Company's products are patronised by the Federal, States and local Government Water Boards and Water Projects, the Chemical producing Companies, the Oil Companies, Bakeries, Breweries, and the general public depending on what products of the Company are involved. They are actually the Target market of the company's products.

The Target market strategies of the Company include:- product/market concentration, product specialisation, market specialisation, selective specialisation and full coverage strategies.

The competitive marketing strategies i.e. marketing logics by which the Company intents to achieve its marketing objectives are influenced by the fact that the Company is both a market leader, market challenger, market follower and market nicher. The marketing strategies of the Company is the particular blend of controllable marketing variables that a firm uses to achieve its objectives in the target market.

Having identified the target market, the Company has to develop a most effective marketing mix to each target market that will be pursue. Mc Carthy classified these marketing mix into product, promotion, price and place, popularly known as Ps.

The product mix include the quality, features, style, brandname, packaging, sizes, services, warrantees and return. The product mix is made up of product lines, in a product line there are product items and each product item is a physical product. The Company must make decisions and develop strategies for all the components that make up a product. Pricing is the second P of a marketing mix. A price is the amount of money which is requested or given in exchange for goods or services. The price mix include price list, discounts, allowances, payment period and credit terms.

In setting a price, the Company first establishes what the price objective is, whether it is to maximise profit, increase market share, maximise current revenue, achieve target market profit, or to gain promotional points. After the objective is established, the company policy on pricing must be known as well and the procedures of pricing must be known. The pricing methodologies of the Company are cost oriented pricing, which is based on product costs; competition oriented pricing based on what competitors are charging and Demand-oriented pricing which calls for setting a price based on consumer perceptions and demand intensity, rather than cost.

Factors that influence pricing in the Company are both External and Internal factors. The External factors include Economic conditions, Government legislation and policies, Distribution, Suppliers, Competitors and demand. The Internal factors that influence pricing are Company objective on pricing, marketing mix, product differentiation and cost of producing the product.

The initiators of price changes in the Company are excess capacity, falling market share (for price out) and inflation (for price increase). Promotion as the 3rd P of marketing mix is a very essential tool for creating awareness about the Company's' numerous products. Promotion involves both providing the customer/consumer with information regarding consumer perceptions, attitudes, and behaviour towards the products.

Promotion mix include personal selling, mass selling, advertising, publicity and sales promotion. The objectives of promotion to the Company is to increase sales, to introduce new products, to counter-act competitors activities, to increase usage and application of its products, to maintain brand loyalty and to build corporate image and to gain support of dealers and distributors. Promotion is to get attention, hold the interest, arouse desire and to obtain action from the consumers.

The last P of the marketing mix is place otherwise called Distribution. Distribution is the act of getting the right goods or material to the right place at the right time and for the list costs. The distribution mix involve channels, coverage, location, inventory and transportation. The product is of no use to the producer actually until it is bought and utilized and it cannot be bought or utilized unless it is taken somewhere, where it is needed. The marketing of Tate product is influenced from both within and without. The external environmental influence (macro-environment) are largely uncontrollable and constraining. The macro-environment are the Government, the competitors, socio-cultural, economic, technological and Natural Environments which must be taken into consideration at all times in formulating and implementing marketing programmes.

Tate Industries Plc, like any other Company operating in Nigeria has its attending problems which tend to give the Company sleepless nights. These problems vary from year to year. The drifts, distortions, upheavals and turbulence in the National economy, coupled with unfavourable monetary policies has continued unabated over the years of operation of the Company. This has consequently affected the realisation of the Company's expected profit, production projections and subsequent growth in the Company. The problems that pauses serious challenges to the Company are:- shortage and high cost of obtaining foreign exchange, shortage of raw material and spare parts, Government legislations and polices, increased competition, high inflation rates, high interests on borrowed funds, high labour turnover, high overheads to contain with and lack of adequate promotion. Others include high poverty level and low per capital income. These problems are both internal and external in nature.

The text also proffer some recommendations/suggestions on how to solve the problems enumerated above. These recommendations include, establishing sugar and maize plantations to provide raw material for producing sugar, cornflakes and cornmeal, de-emphasised on sugar business at least for now, embark on staff rationalization to reduce her overheads, embark on mass production particularly of products that are generally demanded by the public, this will ensure large - volume sales. Increase promotional activities to create more awareness, revisit its customers service with a view to improving it and finally consider the possibility of inviting the former parent Company Tate and Lyle U.K. back to the business to increase its capital base. If all the above recommendations are observed, the Company will be turn around.

9.2 CONCLUSION

In conclusion, its is very clear that the future of the Company is bright especially with the export exploration to export the Company's products to ECOWAS Countries. The diversification programme embarked upon and the current de-emphasis by the Company on sugar business which attract just about 5 - 10% profit margin, is a blessing and a welcome development.

Finally, the completion of the third phase of Eleme petrochemical plant will guarantee the local supply of Resin which is the major material for the plastic products of the Company which now is the life wire of the Company and it is strongly believed that this will further boost the general performance of the company and also improve its profit position.

9.3 RECOMMENDATION/SUGGESTIONS.

Having enumerated the problems facing the Company today, it is pertinent to proffer solutions to these problems even though some of the problems are beyond the management control.

The recommendations include:

1. Establishment of sugar plantations and acquisition of farm lands to cultivate maize and rice. With the sugar plantation put in place and maize and rice being cultivated by the Company, over reliance on importation of granulated sugar at high exchange rate will be reduced. Also, maize which is the raw material for the production of Tate Supa cornflakes and kornmeal, if produced by the Company itself will reduce the shortages of raw material experienced, for production.

2. De-emphasis on cube sugar. Since the market of cube sugar (Tate family and sunsweet) is no longer booming because of the low per capita income of the consumers, the Company should market granulated sugar in its loose form like the competitors if it must remain in sugar business. The market seems to absorb the loose sugar than cubes. The Company should therefore de-emphasis cubing.

3. Rationalization of personnel - with the high overhead coupled with high personnel to cater for, the Company should reduce its workforce to sizable number to which it can afford to pay and cater for. People that have outgrown their usefulness in the Company should be dropped and give room for able people who are strong, intelligent, creative and are ready to work.

4. The Company should embark upon mass production of products the general public patronise most. Although, such product may have low profit margins but at the end of the day, the Company will earn the desired profit through large volume sales. This will not only keep the machines busy, the personnel will equally be kept busy and not idle as is the case now.

5. The Company should embark on promotional activities to create awareness and stimulate demand. Promotion seems to be completely out of the Agenda of the Company. Promotion cost money but it is equally rewarding now and in the future for the company.

6. Strong customer service should be revisited by the company with a view to redeeming the credibility of the company and increase patronage of the company's products.

7. To revisit staff welfare policy with a view to reduce high labour turnover of qualified and experienced personnel. The above suggestions/solutions if well observed will certainly move the company ahead sooner or later.

8. The company should consider the possibility of inviting the former parent body. – Tate and Lyle U.K. into the business to recapitalize the business and give it the boost it requires. It is my belief that Tate and Lyle U.K. will be very willing to invest in Nigeria once again. The chairman of "Tate and Lyle Sir Neil Shaw said in 1994 in his message to employees that "Tate and Lyle has chosen to operate in markets which enjoy opportunities for growth and development," Quoted from Tate and Lyle magazine in 1994 on the "Review for employment" page 1.

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APPENDIX 1

CUSTOMERS QUESTIONAIRE

1. Are you married?
2. What is your occupation
3. How often do you use Tate products?
4. What decide your choice of Tate products?
5. Why do you patronise Tate products?
6. What influence your choice of the products
7. How do you get to know the product?
8. How long have you been using the products?
9. How do you compare Tate products vis-a-vis competitors products
10. Are you always satisfy with their services?
11. What is your comment about the price charges vis-a-vis satisfaction derived.
12. Will you prepare to pay more for the products incase there is improvement in the quality?
13. What have you to say about the distribution of the products, do they get to you as and when needed.

APPENDIX II

QUESTIONNAIRE (MANAGEMENT)

1. What type of business are you into
2. What are the objectives of marketing department
3. Who is responsible for marketing plans and policies.
4. What is the duration of your marketing plan
5. What are the major responsibilities of marketing managers.
6. What are your pricing objectives
7. What is the determing factor in deciding the price of your products
8. Does the prices justify the product qualities.
9. What are the method of distributing your products and services or how does your products get to the final consumer?
10. Why did you chose such method of distribution?
11. Who are your middlemen?
12. Do you think you are given your organization enough publicity?
13. Which promotional strategies do you employ?
14. Who does the publicity for the company?
15. What influence does the publicity have on the patronage?
16. What influences you choice of media
17. How do you decide how much to spend on promotion mix; does it really worth it.
18. Do you make use of salesforce
19. What is your market share?
20. Who are your competitors
21. Do they constitute any threat to you
22. How do you access customers acceptance of your products
23. Are you planning for expansion, or change in production line?
24. How would you access the management capabilities of your company?