THE PROBLEMS OF MARKETING FURNITURE IN ONDO STATE: A CASE STUDY OF NIGERIAN-ROMANIAN WOOD INDUSTRIES LIMITED, ONDO.

BY:

RAPHAEL ADELEKE BAMBE
(B.Sc. BUSINESS ADMINISTRATION)
A.B.U. ZARIA, 1981

BEING A PROJECT IN PARTIAL..
FULFILMENT OF THE REQUIREMENT
OF THE POST-GRADUATE SCHOOL FOR
THE AWARD OF THE DEGREE OF
MASTER IN BUSINESS ADMINISTRATION
(M.B.A.) OF THE AHMADU BELLO
UNIVERSITY, ZARIA.

DEPARTMENT: BUSINESS ADMINISTRATION.
FACULTY: ADMINISTRATION,,

SEPTEMBER, 1985.

DECLARATION

I hereby declare that this project has been written by me and that no other similar work has been done before or was currently being done at the time this research was conducted. That all information not original to this research have been duly acknowledged by way of references.

RAPHAEL ADELEKE BAMBE

SIGNATURE: .....

The above declaration is confirmed by:

DR. J. G. DONLI

Name and Signature of major Supervisor:

DATE: .....

CERTIFICATION

This project entitled "THE PROBLEMS OF MARKETING FURNITURE IN ONDO STATE: A CASE STUDY OF NIGERIAN-ROMANINAN WOOD INDUSTRIES LIMITED, ONDO" by Rapheal Adeleke Bambe meets the regulations governing the degree of Master of Business Administration of Ahmadu Bello University, Zaria and is approved for its contribution to business knowledge.

.....	.....
Name and Signature of Supervisor	Date
Dr. P.A. Ekanem	20/9/85 .....
Name and Signature of External Examiner.	Date
.....	.....
Name and Signature of Head of Department	Date
.....	.....
Name and Signature of the Dean of Post Graduate School.	Date

DEDICATION

This project is dedicated to the loving memory of my mother, LATE ELIZABETH ODEDUNTAN BAMBE who died in October, 1960.

ACKNOWLEDGEMENT

I wish to express my sincere gratitude to Dr. J.G. Donli, head of department of Business Administration who is also my Supervisor, for the proper frame of mind he put me at the on-set and his ceaseless assistance up to the successful completion of this project. I am equally thankful to Mr. V. Janakiraman, the Co-ordinator of Master of Business Administration programme for his interest and invaluable advise on this project. I very much appreciate his precious time made available to me.

My thanks are due to friends and colleagues at the Federal Polytechnic, Ado-Ekiti for their assistance; and staff members of the Sales, Administration and Furniture Factory departments - especially Messrs. Olaniyi, Oyeniyi, Felix, Mrs. Akinwamide and the Managing Director of NIROWI for their co-operation in making my research work in the company a successful one.

I am most grateful to Mr. F.A. Bambe, Mrs. Omoyeni Oyawoye, Dr. Tunji Olagunju and Mr. John Toye who have been my source of inspiration and for their unflinching support through my studies.

My sincere thanks and appreciation also go to my wife, Winnifred Ibipeju and Children for their all-round support, understanding and perseverance during my course of studies.

Finally, I am most thankful to God the almighty for guiding me this far.

ABSTRACT

Furniture is both a consumer and an industrial good. The numerous Federal and State governments' projects of the 1970s and the affluence extended to the generality of the people led to increased demand for many luxury goods, including furniture,, The need to satisfy this demand for furniture encouraged an influx into the industry by both incorporated large manufacturers and numerous small-scale ones.

The economic recession which followed later, coupled with the proliferation (?) in the industry manifested in low sales volume and decrease in profit contribution. This situation makes it necessary for furniture marketers to approach the market with new marketing strategies that will increase their profitability through better customer satisfaction. Thus, the relevancy of this study, taking the Nigerian-Romania Wood Industries Limited, OndO as a case study.

This study aims at identifying:

(i) Customers' perception of the product vis-a-vis the company's;

(ii) marketing problems culminating in low sales turnover;

(iii) the company!s strengths and weaknesses in the market; and

(iv) then proffer recommendations that are strategic to successful marketing of furniture$_0$

The current supply of furniture into the market is unlike some other products which are in short supplies. Moreover, it is a shopping good whose decision buying process requires some nationality. It becomes certain therefore, that only those (furniture marketers) that satisfy the consumers best through the application of appropriate marketing strategies will continue to receive adequate patronage from the market and survive the test of time.

TABLE OF CONTENTS

CHAPTER		PAGE
	Title Page	i
	Declaration	ii
	Certification	iii
	Dedication	iv
	Acknowledgement	V
	Abstract	VII
	Table of Content	IX
	List of Tables	XII
	List of Plates	XIV
	List of Appendices	XV
1	INTRODUCTION	1
	1.1. Background to the Study	1
	1.2. Assumptions	6
	1.3. Problem definition	6
	1.4. Purpose of Study	7
	1.5. Formulation of hypothesis ..	8
	1.6. Scope and Limitations	8
	1.7. Research methodology	9
2	LITERATURE REVIEW	12
	2.1. Marketing definition	12
	2.1.1. Marketing Management	13
	2.2. The Marketing Mix Strategy ..	14
	2.2.1. Product Strategy	14
	2.2.2. Pricing Strategy	18
	2.2.3. Promotion Strategy	23
	2.2.4. Distribution Strategy	29

TABLE OF CONTENTS CONTD.

CHAPTER		PAGE
	2.2.5. Co-ordinating of Marketing Mix	32
	2.3. The Relevance of Marketing to Nigeria Economy	32
3	OPERATIONS IN THE FURNITURE SECTION OF NIROWI	36
	3.1. Production Operations	36
	3.1.1. The Logging Section	38
	3.1.2. The Sawmill Factory	38
	3.1.3. The Plywood Factory	39
	3.1.4. The Furniture Factory	40
	3.2. Workforce and its Organization	43
	3.3. Marketing Operations	46
	3.3.1. The Firm's Marketing Mix ..	49
4	DATA ANALYSIS AND OBSERVATION ..	54
	4.1. Analysis of Data	55
	4.1.1. Size of Furniture Users ..	55
	4.1.2. Type of Furniture Purchased	57
	4.1.3. Monetary Value of Furniture Purchased	59
	4.1.4. Who decides on what to buy ..	62
	4.1.5. Furniture purchasing points	64
	4.1.6. Who decides on where to buy	66
	4.1.7. Source of Information on points of purchase	68
	4.1.8. Factors influencing furniture buyers to buy from a particular manufacturer	70

TABLE OF CONTENTS CONTD.

CHAPTER		PAGE
	4.1.9. Benefits sought from furniture	72
	4.1.10. Furniture buyers' patronage of Nigerian-Romanian Wood Industries Limited	74
	4.2. Observations	76
5	RECOMMENDATION ANDCONCLUSION	82
	5.1. Summary of the company's furniture Marketing problems..	82
	5.2. Suggested Recommendations ..	83
	5.2.1. Adoption of the marketing concept	84
	5.2.2. Product concept	84
	5.2.3. Distribution strategy ..	85
	5.2.4. Promotion strategy	86
	5.2.5. Pricing strategy	87
	5.2.6. Integrated marketing Functions	89
	5.2.7. Creating a marketing department	90
	5.2.8. Conducting a marketing Research	91
	5.3. Conclusion	91
	REFERENCES	93

LIST OF TABLES

		PAGE
1.1.	Trend of Federal Government Revenue between 1977 and 1984	1
1.2.	Distribution pattern of Questionnaire ..	11
3.1.	Five Year projected Sales	48
4.1.	Size of Furniture Users	56
	(a) Household Users	56
	(b) Institutional Users	56
4.2.	Type of furniture mostly Purchased ..	58
	(a) Household Users	58
	(b) Institutional Users	58
4.3.	Income distribution of household furniture buyers	59
4.4.	Distribution of amount spent on Furniture	61
	(a) Household buyers	61
	(b) Institutional Users	61
4.5.	Pattern of who decides on what type of furniture purchased	63
	(a) Household buyers	63
	(b) Institutional buyers	64
4.6.	Pattern of place of purchase of furniture	65
	(a) Household buyers	65
	(b) Institutional buyers	65
4.7.	Pattern of who decides on where furniture are purchased	67
	(a) Household buyers	67
	(b) Institutional buyers	67

LIST OF TABLES CONTD.

		PAGE
4.8.	Source of information on place of furniture purchase	69
	(a) Household buyers	69
	(b) Institutional buyers	69
4.9.	Distribution of factors influencing household furniture buyers in deciding where they purchase	71
4.10.	Factors influencing Institutional buyers of furniture in Vendor Selection (in order of priority) ..	72
4.11.	Nature of benefits sought from furniture purchased	73
	(a) Household buyers	73
	(b) Institutional buyers	74
4.12.	Source of information about the company's products	75
	(a) Household buyers	75
	(b) Institutional buyers ..	76

LIST OF PLATES

1. Super Executive Office table.
2. Executive chair.
3. Telephone table.
4. Ady Settee unit.
5. Modern Sofa.
6. Ady Master Bedroom unit.
7. Sleepcool Bed.
8. Rose Bed.
9. Dining set.
10. Coffee table.
11. Writing Desk and Chair.
12. Dual Writing Desk and Chair.
13. Church Pews.
14. Clergy High Back Chair.

LIST OF APPENDICES

A. Letter introducing the student (Researcher) from the department to Nigerian-Romanian Wood Industries Limited, Ondo.

B. The student's (Researcher's) letter to respondents.

C. Questionnaire for Individual buyers of furniture for the homes (Household buyer).

D. Questionnaire for Institutional buyers of furniture.

E. Questionnaire for Nigerian-Romanian Wood Industries Limited, Ondo. Kotler's Marketing Effectiveness Audit: Outline for Marketing Effectiveness.

F. Rating Marketing Effectiveness.

CHAPTER I

INTRODUCTION

1.1. BACKGROUND TO THE STUDY:

The period immediately following the Nigerian civil war brought into the Nigerian economy some of the most significant structural transformations ever. Nigeria metamorphosed from a position of dominant dependence on agriculture to that of dominant dependence on crude petroleum production for foreign exchange earnings, for government revenues and as the main source of incomes for investment, trade and general economic development[1].

Revenue accruing to the nation (especially from oil) had been on the increase, reaching an all time peak of ₦15 billion in 1980. The following table 1.1 gives the trend in total revenue to the Federal government between 1977 and 1984.

TABLE 1.1: TREND OF FEDERAL GOVERNMENT REVENUE BETWEEN 1977 AND 1984

Year	Revenue Collected
1971	₦1,169.0 Million
1972	₦1,404.8 "
1973	₦1,695.3 "
1974	₦4,537.0 "
1975	₦5,514.07 "
1976	₦6,765.9 "
1977/78	₦7,652.5 "
* 1978/79	₦6,815.2 "
1979	₦10,912.4 "
1980	₦15,234.0 "
1981	₦12,180.1 "
1982	₦10,617.7 "

TABLE 1.1: CONTD.

Year	Revenue Collected
1983	₦9,306.77 Million
1984	₦11,331.7 "

*Estimated figures only.

Source: Central Bank of Nigeria Annual Report and Statement of Accounts for the years ended 1974, 1975, 1977, 1978 and 1982, and The Broad Street Journal, The Journal of IBWA Vol. 1 No. 4, June, 1984.

The sharp increases in revenue enabled the country to embark on a massive National Development Plans which placed emphasis on infrastructural, educational and industrial development, leading to a rapid development of the Nigerian economy - both the public and private sectors of the economy.

This rapid development of the Nigerian economy, coupled with the country's encouraging technological growth and rapidly expanding population led to serious increases in the demand for both essential and luxurious items of goods and services that have a significant impact on the quality of life of the people of this country. One of such items is Furniture.

The huge expenditures of the Federal Government in the execution of the second and Third National Development Plans of 1970-74 and 1975-80 respectively, running into tens of billions of naira caused a multiplier effect which

saw many Nigerians in positions of affluence with more naira at their disposal to spend on improving their standards of living. The payment of the Public Service Review Commission awards ('Udoji Awards') in 1975 increased further Nigerians lust for luxury goods, including furniture of high quality.

Prior to the Nigerian civil war, there were about 55 Furniture enterprises scattered all over the country, although a greater percentage was located within the forest region of the Southern Nigeria and the capital cities like Lagos, Kano, Kaduna, Ibadan, Enugu, Port-Harcourt and Sapele. Inspite of this about 35% of the total sales of furniture were imported to supplement domestic production[2]. The increased demand for furniture in the 1970s, coupled with the Nigerian Enterprises Promotion Decree promulgated in 1972, which came into full legal operation on 1st April, 1974 (that placed furniture under Schedule II enterprises) prompted increased investments in furniture making. Furniture making thus attracted investors from governments, investment firms and big time indigenous and foreign private individuals. Many firms manufacturing furnitures were established utilizing modern technology and management in their operations. One of these is the Nigerian-Romania Wood Industry (NIROWI), located in Ondo township of Ondo State.

The Firm's Profile:

The Nigerian-Romania Wood Industries, Ondo was incorporated in 1974 as a business entity to undertake

business operations in wood based processes. The wood processing complex undertakes business in Saw-timber; plywood and blockboard; Decorative Veneer; School, Church, Office and Household furniture; Flush door and decorative panel doors; Door and Window frames; Pallets and packages; interior decorations, partitioning and building jobs

The firm commenced operations, first with a test marketing in 1977 and built up production through to 1979 when full production started.

The firm is a joint venture between FOREXIM, a Romania Government owned Firm (as the technical partner), the Federal Government, the Nigeria Industrial Development Bank, the Nigerian Bank for Commerce and Industry and the Odu'a Investment Company.

Product Classification:

Furniture, which is the focus of this work, is both a consumer as well as an industrial product. It is a consumer good for the household users while it is an industrial good for business Organisations like Hotels, Banks, Educational Institutions etc which use furniture to facilitate their business operations. Within the broadly classified consumer good, furniture, based on the consumer's shopping habits can be further classified as a shopping good. Customer in the process of selection and purchase undertakes a search effort covering anywhere from one to several stores to find the appropriate item, and makes comparism on such bases as suitability, quality, price, and

style". It is of utmost importance therefore for a marketer to understand what buyers are really seeking in their purchase efforts. A marketer's efforts will be highly rewarded if he not only identified what the consumer buys, why he buys but also identify who does the buying, the decision-making process, and the marketing factors that influence him.

Household consumers of furniture as would be clearly shown in subsequent chapters base their purchases on the quality and price of furnitures. "Unlike the household an ultimate consumer, the industrial buyer is motivated by budgetary considerations such as profit goals, expense quotas, and cost benefit guidelines.[4]" The professional buyer is therefore concerned with performance. His decision to buy from one firm or the other is influenced by the quality, service, andprice - usually in that order. As would be shown later, professional buyers of furniture are guided majorly by those factors, among others.

Government constitute another group of buyers of furniture, Government buying practices may appear complex but generally, its buying procedures fall into two categories, namely, - the open bid and the negotiated-contract. The former implies government inviting bids from registered suppliers for described items, usually awarding the contract to the lowest bidder. The negotiated contract buying on the other hand, enables suppliers to negotiate directly with major firms handling huge and complex projects. The two categories described lay

emphasis on competitive procurement.

Since government buying policies lay emphasis on price, supplier of furniture to governments invest their effort in technological orientation to bring down production costs to enable them compete profitably rather than laying emphasis on cost-saving devices alone, efforts would be made in later chapters to justify the need for furniture suppliers to governments to introduce some marketing strategies in their dealings with government buyers.

1.2: ASSUMPTIONS:

A number of assumptions are made in thestudy of the marketing operations of furniture in Ondo State by the Nigerian-Romania Wood Industries. These assumptions are:

(i) That NIROWI is the largest manufacturer and marketer of furniture in Ondo State:

(ii) That NIROWI gives top priority to the manufacture of high quality furnitures as a matter of policy; and

(iii) That NIROWI has the potentialities to improve its market share in Ondo State.

1.3: PROBLEM DEFINITION

The complex nature of furniture as a consumer and as an industrial good poses a lot of problems to a marketer of furnitures in his efforts to simultaneously satisfy the needs of the household buyers, industrial buyers and the government buyers that jointly constitute his market.

The marketer is bothered with finding answers to such questions as: what is the product's quality level desired by each group of buyers? What is the buyers perception of the Company's product? Should he use differential pricing system to suit each segment of the market? How should he segment the market? What promotional methods should he use to get across his message to his customers? What is the "best" way of getting his goods to his customers? etc,etc.

The major problem is with the proper "mixture" of the marketing mix (Product, Price, Promotion and Distribution). Since the success or failure of any marketing programme is determined by the effectiveness of the marketing mix, a conscientious effort is to be made to arrive at a proper mix. NIROWI is not an exception to this, and this is one of the thorns in its flesh. More specifically, the Company is experiencing a low sales turnover in its furniture products. The firm is losing more of its market in the State to small scale furniture manufacturers. It also has the problem of reaching the market with its offer.

1.4: PURPOSE OF STUDY:

The purpose of this study therefore include:

(i) identifying the relevant marketing problems culminating in furniture low sales turnover;

(ii) identifying the firm's strengths and weaknesses in the furniture market in Ondo State; and

(iii) giving recommendations for strategic marketing of furniture products, which

hopefully, will enable the Company increase its market share vis-a-vis the market growth.

1.5: FORMULATION OF HYPOTHESIS:

The following hypothesis are formulated, and studies will be focussed on them for the purpose of solving the Company's identified problems:

(i) That there is a wholesome neglect of the adoption of the contemporary strategic marketing operations by the firm;

(ii) That there is a lack of marketing information system which is paramount to the successful adoption of contemporary marketing strategy; and

(iii) The firm's market share can be rapidly increased if appropriate ingredients of successful marketing are employed.

1.6: SCOPE AND LIMITATION:

NIROWI is a modern, fully integrated wood processing complex offering many product items and services to its customers. Its many products and services are organised under four major production divisions, namely, the logging, sawmill factory, plywood factory and furniture factory. The scope of this study covers only the marketing of furniture items in Ondo State. Attention is focused at the Company's marketing operations, highlighting internal factors influencing such marketing operations. Also, attention is focussed on its market characteristics which include:

(i) Government market.

(ii) Industrial market e.g. Hotels, Banks etc.

(iii) Institution market e.g. Schools and Colleges,

(iv) Ultimate consumer market (household buyers).

For the purpose of this study, the definition of furniture is limited to those items made of wood only. Metal and glass furnitures are not considered. Similarly, the scope of furniture include those for the sitting-room, dinning-room, bedroom, kitchen, Bars and Restaurants, Office, Classrooms and Lecture Theatres, Libraries, Conference halls and Church.

This study is greatly handicapped by unco-operative attitude of respondents in the employment of government establishments and the relative short period at the disposal of the Researcher who administered the questionnaire personally to all respondents.

1.7: RESEARCH METHODOLOGY:

Data were collected both from the Primary and Secondary sources.

Two sets of Questionnaires were administered to 24 and 95 household and Institutional buyers respectively. The questions are of close-ended types, and generally, respondents chose one of several answers. The questionnaires were both disguised and unstructured. These were personally administered by the researcher to enable him clearify issues not clear to respondents especially the definition of

furniture as applied in this study. Some key personnel in the furniture factory, Sales and Administration departments of NIROWI were interviewed on the firm's operations. Observations were equally made of operations in these departments, and the firm's furniture sales outlets at Akure and Ondo were visited by the Researcher. Investigations on a few other furniture manufacturers in the State were conducted through a disguised means e.g. by posing as a prospective buyer. Data collected in these ways were supplemented by information gathered from the firm's records.

Questionnaires for the household buyers were administered to only those who have in recent past purchased furniture for his/her use. Those accommodated by their employers in furnished quarters were left out. Questionnaires for the Institutional buyers were administered on Hotels, Educational Institutions, Banks, Hospitals and government establishments. See Table 1.3 on Pattern of Distribution.

Table 1.2: DISTRIBUTION PATTERN OF QUESTIONNAIRE:

Questionnaire Administered.	Institutional Buyers					Household Buyers	Total
	Hotels	Educational Institutions	Banks	Hospitals	Govt. Estab		
No. Administered.	4	6	4	4	6	95	119
No. Returned by Respondents	4	5	3	3	3	77	95
No. properly filled	4	4	3	3	2	72	88
No. not properly filled.	0	1	0	0	1	5	7

[1] Ekung, B.U. Dr. "Nigeria's Economic Outlook," Marketing in Nigeria, No. 10 May/June, 1979, Alpha Publications, P.17.

[2] Packard, Philip C "A note on Concentration and Profit Rates within the Manufacturing Sector, 1963 and 1965"; Industrial Development in Nigeria: Patterns, Problems and Prospects, Edited by O. Teriba and M.O. Kayode, Ibadan University Press, 1977.

[3] Kotler, Pilip; Marketing Management: Analysis, Planning and Control, 3rd Edition, Prentice/Hall Int. Inc. London P. 73.

[4] Hill, Richard M, and two others; Industrial Marketing, 4th Edition, Richard D. Irwin, Inc. Homewood, Illinois, 1975, P. 54.

CHAPTER II

LITERATURE REVIEW

2.1: MARKETING DEFINITION:

Marketing is oneof the oldest professions in the world. Infact, marketing is almost as old as man himself. Although in terms of academic disciplines it is one of the newest action disciplines[1]. Marketing, as we know it today has passed through many stages, and undergone some remarkable changes in terms of development. Today's modern complex marketing system passed through the simple barter and money economy stages. However, the process has taken a very long period of human history because marketing as we know it today developed only around the early part of the twentieth century.

Within this relatively short period of its development, marketing has been seen in different ways by many people, and given many interpretations too. The reason for this is not too far fetched. First, marketing being an aspect of business is dynamic just as business is. Secondly, it is a relatively young discipline in academic sense, thus it is subjected to changes and developments. Lastly, marketing cuts across all other areas of business, as a result, different professionals perceive it in different ways. Infact, members of the society are not left out in their interpretations of marketing, which they view from different perspectives.

It is pertinent therefore to examine a few marketing definitions. American marketing Association (AMA) perceives marketing as "the performance of business activities that direct the flow of goods and services from producer to consumer or user"[2] Because of the inadequacy of this definition to marketers generally, Heskett improves on it by describing marketing as "a process in a process in a society by which the demand structure for products, services, or ideas is anticipated or controlled (either enlarged or contracted) through their conception, promotion, exchange, and physical distribution"[3] While AMA conceives marketing as distribution of goods and services only, Heskett has made us realize that marketing begins even before production. However, one of the most contemporary and accepted marketing definition is that given by Philip Kotler. He says marketing is the "analyzing, organizing, planning and controlling of a firm's customer-impinging resources, policies, and activities with a view to satisfying the needs and wants of chosen customer groups at a profit."[4] This is a more involving definition of marketing in that it shows that a marketer's job not only starts before production but he also has to work through to achieving both the aspirations of consumers and those of the business as well.

2.1.1: MARKETING MANAGEMENT:

Marketers attempt to actualize potential exchanges to enable them satisfy human needs and wants. This single act demands a lot of work and skill from marketers. Individuals, organizations and whole Nations undertake

exchange processes but here we are concerned with organisations' involvement in exchange processes. This organizational exchange processes is what is refered to in marketing parlance as marketing management. From our understanding of marketing in our discussion above, marketing management involves the analysis of an organisation's programme, its planning, implementation, and control to facilitate desired exchanges with target market in order to achieve the (organization's) set objectives. This requires the organization to design its offers from the perspective of the market's needs and desires, and utilizing effective communication, distribution and pricing system to inform, service and motivate the target market. The business organization's determination of how it will provide its offering to the target market is what we refer to as marketing mix concept.

2.2: MARKETING MIX STRATEGY:

Marketing mix is used as a strategic concept in the market to help achieve the company's objective(s). Marketing mix contains a number of variables, controllable by the company, used to influence the buyers' responses. However, the variables otherwise known as the "four P's" i.e. Product, Place (Distribution), Promotion, and Price which are capable of influencing buyers will be considered here.

2.2.1: PRODUCT STRATEGY:

Product, to a company, is like a vehicle by which it provides satisfactions to its consumers.

Product here refers to both the physical commodity as well as all other intangibles used by a company to provide consumer satisfaction. Since a consumer's image of a product may be more than its physical characteristics, a product planner has to see a product from the eyes of the consumer rather than from his. This aspect is what we refer to as customer orientation.

Furniture, as earlier described is both a consumer as well as a facilitating good for household (ultimate consumer) and Institutional (manufacturers, government and service industry) buyers respectively.

CONSUMER GOODS: Consumer goods may be classified in many ways - Durables and Non-Durables; Luxuries and Necessities; Origins; Convinience, Shopping, and Specialty Goods. Here we will be contented with the last classification.

A convinience good is that which a buyer wishes to buy with a minimum of effort, while a specialty good is one that a buyer is willing to go to considerably greater lengths to seek out and purchase. Shopping good to which furniture belongs is that which buyers "wish to compare with other available offerings before making a selection"[5] Products here are usually highly differentiated to attract shoppers and segmentation of the market done to cater for each identified segments of the market. At this juncture, we examine relevant strategies employed. Product strategy forms a part of the total marketing strategh, but specifically it deals with a company's plan for marketing its product.

Three steps are involved in product strategy, namely:

(i) Product Objectives: - A company formulates a statement of product objectives which it wishes to achieve. For some companies, they may be in terms of product-line problems needing solutions. Usually, product objectives are derived from the company's overall objectives or from a preselected marketing target that has been thoroughly analized. These are generally future oriented as they seek to exploit future marketing opportunities

Product objectives though differ from company to company and also from time to time include the following:

(a) Growth in sales through new product introduction into the market, improvement of existing product, or finding new use(s) for present product.

(b) Maintaining or improving present market share. Either of these is achieved through product differentiation-design, packaging, and identification.

(c) Developing a full Product-line. A company whose production is not at full capacity may seek to achieve this goal which may be either to satisfy its distributors requirements or the diverse needs of the market.

(ii) Resolving Specific Product Issues or Problems: Many issues are normally involved in the

development of a product strategy. These various issues are isolated by the planner breaking down the general problem/issue of strategy into separate decision components to enable him concentrate fully on each considerations. This procedure also enables the planner see the relationships between each component and the direction of dependency of one on the other. When these become clear, the planner finds it easier to take decisions on individual issues that need to be resolved.

(iii) Programme development:- Since marketing seeks to sell satisfaction rather than product, the question here is "what satisfaction to sell?" Customers are satisfied through a bundle of tangible and non-tangible goods. So, marketing planner seeks to identify first potential product's ultimate user through a market information system. Specifically, the planner gathers information on economic, demographic, behavioural characteristics, etc. of buyers. Similerly, the purchaser, decider, influencer, and initiator are identified. An individual may be discovered to be performing more than one role. This exercise is more important for planners of institutional products like furnitures where different people, more often than not perform different roles.

Next, the planner determines the use, or rather satisfaction that the potential product will provide. Here the product dsigner needs to know exactly what the product is supposed to do, how the product will be used, how often it will be used and with what efficiency it is supposed to operate. The more important issue is to understand what consumers expect the product to do. If this is known, a designer will be able to provide the exact desired satisfaction. For a designer to build in moreor create less than desired satisfaction is wasteful luxury and costly mistake respectively. Thus efforts must be made to watch exactly the consumption specifications of potential users. It should be observed that product design involves the development of three important elements: (a) appearance, (b) performance, and (c) cost. With these the product will not only satisfy consumers' needs but also do so at a profit to the company.

2.2.2: PRICING STRATEGY:

It is quite tempting to simply describe "Price" as the amount a buyer pays for a product. This is because of our familiarity with the terminology, which performs the basic function of allocating resources in a market economy. Price is more complicated than this. Buyers and Sellers perceive price differently. Also other professionals and disciplines have quite different views of the meaning of price. From a marketing standpoint, however, our principal concerns are how Pricing affects customer acceptance of a product in the market place, how pricing influences the image of product and firm, how it affects

the character of competition in the market place and how it directly influences the revenue, including profits flowing to a firm from the market. Pricing decisions are usually made with some objectives in mind.

Generally, a firm will pursue more than one objective at the same time. A firm may wish to maximize its profits in the short run, while in the long run it may be pursuing the goal of maximizing its market share. Among other potential pricing objectives, a firm may pursue the following:

(i) Maximum long-run profits.
(ii) Maximum short-run profits.
(iii) Satisfactory profits.
(iv) Growth.
(v) Market stability.
(vi) Target rate of Return on Investment.
(vii) Maximization of market share.
(viii) Premium pricing.
(ix) Product-line promotion.

Usually, a firm's pricing decision reflects a combination of these objectives.

DEVELOPING AN EFFECTIVE PRICING STRATEGY:

It is widely believed that pricing method starts with costs, since prices should cover costs. But marketers know that the cost-plus doctrine of pricing is self-defeating. Just as the product, promotion, and distribution strategies are, a marketer knows that pricing strategy too must be based on the consumer.

The ultimate goal is to set a price that is compatible with the rest of the marketing mix and capable of enabling the firm to achieve its objectives. Bell gives the following seven step approach that starts in the market and works back to the manufacturer's pricing plan.[6]

(i) IdentifyingThe Potential Consumer: - The users, purchasers, and influencers are important in pricing. Their needs, attitudes, awareness of prices and their responses to price changes are focused upon. This makes the designing of an appropriate pricing strategy possible.

(ii) Estimating Demand: - Potential consumers are segmented into important market groups with similar reactions toward prices. This may be based on regional, economic, social or any other parameter. The relationship of alternative prices to potential demand for each market segment is determined through empirical studies of demand.

(iii) Determining Competitors' Prices:- The role of pricing in competitive activities makes it important for planners to know exactly what competitors charge on their products. This becomes more urgent in furniturepricing for the institutional buyers which rely mostly on competitive bidding. A knowledge of the competitor's pricing strategy is very valuable because the level of competitive pricing identifies the position on the demand curve at which the firm is probably going to fix its own

prices.

(iv) Identifying Alternative Basic Prices: - Here efforts are made to identify different basic pricing alternatives whose number will depend on the range of prices within which he firm chooses to compete and the degree of price elasticity that exists. If the range is wide and cross-elasticity of demand great, the number of pricing alternatives to be considered will also be great.

(v) Estimating Cost:- The price planner here estimate all the costs that go into the product. These include fixed and variable costs covering production, administrative, selling and overhead costs.

(vi) Calculating Expected Profit: - Having known costs and alternative prices fixed, the planner sets to calculate profits for each of the alternative prices. This is done by multiplying cost by the number of products manufactured for the market, then subtract from anticipated revenue (i.e. each alternative price is multiplied by the quantity of products produced for the market).

(vii) Repeating Analysis For Each Major Market Segment:-
This is very crucial in furniture marketing where there are more than one major market segnment. The rationale here is to develop separate pricing strategies for each segment of the markets found to be important to the firm. Costs, demand, and competition are considered to be the

three major factors that determine the prices that are charged on products. Price planners therefore tend to base their pricing strategy on these three factors. We shall now examine some of these pricing strategies in brief:

(i) Price Level Strategies:- The pricing structure of the industry is reviewed to determine if various price levels exists to enable a firm adapt to the competitive environmemt. Where there is a generally accepted price level, a firm still has to decide whether to price its own product above or below the market. However, for a firm with little or no differential advantage, the market price would be best while a below-the-market pricing will be more appropriate for a firm with a differential disadvantage. But if a firm can gain distinctiveness in the market and strong brand preference amongbuyers, it may be able to price its products above the market.

(ii) Price Lining Strategies:- Price lining strategies are very relevant in the furniture industry where most firms develop and carry a full line of products. Various price levels are offered to allow for effective competition. This enables marketers appeal to different buyers interested in the different items offered for sale.

(iii) Sealed-Bid Pricing Strategies:- These are competitive-oriented and used mainly by firms who compete on the basis of bids, such as the sale of

furnitures to government buyers. What a firm offers in its bid is based on its expectations of how competitors will price rather than on a relation based on the firm's own costs or demand. Even though a firm sets its price low to win the contract, its quotation is still not below its marginal cost, otherwise it will be worse off.

(iv) Target Return Price Strategies: - Firms whose pricing objectives are return-on-investment use these strategies based on costs. Costs at different levels of output are computed along with demand. The data so obtained are used to develop appropriate prices to correspond with desired return on investment. This strategy is most effective in accomplishing long-term return on investment.

Furniture marketing that involves carrying various product items in a line typically have important demand and cost interrelationships. The appropriate pricing objective is to develop a set of mutual prices that will maximize profits on the whole line. This may be accomplished by marking up full costs, or incremental or conversion costs and then modifyingthese prices by individual demand and competitive factors.

2.2.3: PROMOTION STRATEGY:

Promotion may be described as all marketing activities designed to stimulate or create demand. A marketer has at

his disposal a number of promotional tools, known in marketing parlance as "Promotools." The task of a marketer is that of selecting the most strategic combination of those tools. The four elements in promotion strategy we consider most significant in furniture marketing are advertising, personal selling, sales promotion, and publicity.

(i) Advertising: Barden and Marshall defines advertising as consisting of

> "those activities by which visual or oral messages are addressed to selected publics for the purpose of informing and influencing them to buy products or services, or to act or to be inclined to act favourably toward ideas, persons, trade-marks, or institutions featured. As contrasted with publicity and other forms of propaganda, advertising messages are identified with the advertiser, either by signature or oral statement. Further, advertising is a commercial transaction involving pay to publishers, broadcasters, or others whose media are employed.[7]"

Setting advertising objective are generally broad and specific terms. Broadly, the advertising objectives might be:

(i) an increase in sales volume, or
(ii) an increase in market share.

Viewed differently, these objectives might be:

(i) to increase awareness of, or
(ii) increase interest in, or
(iii) generate a trial of, or
(iv) hasten adoption of a particular product or service.

Specific advertising objectives might aim at:

(i) increasing attendance at an upcoming trade exhibition, or

(ii) improving the flow of goods in the channel of distribution, or even

(iii) generating inquiries about the product being advertised.

Following objective setting is the development of advertising strategies. Two areas of strategic decisions are copy strategy and media strategy.

Copy strategy refers to the actual message which include how the message is conveyed, its style and design - the degree of skills exhibited here determines the effectiveness of the advertising message. Media strategy deals with selection of channels through which advertising messages flow. Available media include Direct mail, Television, Radio, Magazines, Journals, Newspapers, Bill-boards etc.

Dicisions on appropriate copy and media are guided by market characteristics, product attributes, and cost. An advertiser's main preoccupation should be to match the copy andmedia to the targeted consumer group. It needs be clearly stated that in assessing cost, an advertiser considers both the absolute and relative figures. Normally, television is more expensive than having the same copy in newspapers but the relative cost i.e. the number of customers reached by the message is

also important. This explains why advertisers are often willing to spend more on a particular media.

(ii) Personal Selling:

Personal selling refers to oral presentation (with or without some visual aids) in a conversation with one or more prospective buyers for the purpose of making sales. Personal selling is very costly per individual or firm contacted but has the advantage of selective approach and benefit from one-to-one interaction. This is very useful to firms whose products or services are directed to institutional buyers. Furniture is one of such products. Those who undertake personal selling activities are known as Salesmen or Sales persons. The role they perform depends on situations as determined by the firm they represent and the products or services meant for the market. Most of these Salesmen, especially those handling non-household products are professionals who are conversant with the needs of their customers and also with the intricate attributes of the products and/or services they handle. Customers satisfaction with products and services are closely tied to the success of the Salesmen as sales professionals.

(iii) Sales Promotion:

Sales promotion activities are usually designed to complement advertsing and personal selling. Sales promotion according to

American Marketing Association (AMA) are 'those marketing activities other than personal selling, advertising, and publicity, that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and exhibitions, demonstrations, and various nonrecurrent selling efforts not in the ordinary routine'[8] Other sales promotion activities may include catalogs and price lists, Demonstrations, Contests, Coupons, Sampling, Preniums, Displays etc.

Sales promotional activities are very important in the introductory and maturity stages of a product life cycle. They are also found to be quite effective during period of high inflation. The advantage of sales promotion is that its effects are often more immediate and measurable than advertising.

(iv) Publicity:

Publicity may be described as nonpersonal stimulation of demand for a product, service, or businessunit through non-paid-for commercially significant news in a published medium or favourable presentation on radio, television, or stage.

Many firms have realised the sales potentialities of good publicity, more so when it is unpaid for. As a result, services of professional public relations officers have been engaged to unite good company or product - slanted news stories and

features with special skills that will interest the press for use. One will note here that publicity is not all that free as expressed because the Public Relations men are paid high salaries for their skills. However, the benefits derived therefrom makes its use as a compliment to other promotools quite desirable.

The purposes of promotion are to communicate, convince, andcompete. These are viewed in terms of the various aspects of consumer behavious that they are intended to affect. While each of the previously discussed promotional techniques is separate and distinct, the firm must determine the relative usage of each of the techniques to achieve desired results. This is not an easy task. In determining the proper mix however, such factors as the nature of the market, amount of fonds available, nature of the product, and the stage of the product in the life cycle are considered. Personal selling is considered the most important in marketing institutional goods while Advertising is used prominently in household goods. Personal selling and Advertising are therefore considered appropriate in marketing furniture items. Decision as to which of the two should be used prominently is guided by which of the two markets (household or institional buyers) is considered critical to

achieving the firms objectives.

2.2.4: DISTRIBUTION STRATEGY:

A number of marketers use "Channel" or "distribution" to describe the same set of roles performed in the process of satisfying consumers' needs and wants while some use the two simultaneously. The task here is not with terminology but the performance of appropriate marketing role. Heskell, in describing this element of marketing mix says distribution channel is "the path followed by title to, and the physical exchange of, a good or service and information from original sources to end users, described by organizations participating in the exchanging of title to, andphysical possession of, such a good or service."[9] In brief, the strategy here involves getting the product or service to the consumer when he wants and where he wants it.

. . CHANNEL STRATEGY: - The development of appropriate channel strategy is preceded by objective setting. As may be expected objective setting can take several forms depending on goal(s) a firm sets for itself. However, typical channel objectives may include:

(i) Growth in sales through distribution in new markets.

(ii) Maintenance or improvement of market share through existing channels.

(iii) Achievement of a predetermined pattern of distribution.

(iv) Creation of an efficient channel system

etc, etc.

For the achievement of channel objectives a firm decides on the channel its goods will follow to reach the consumers. A number of alternatives are available to firms producing either consumer or industrial goods.

For industrial goods, a firm may use any of the following channels:

(i) From Manufacturer to Industrial user, or

(ii) From Manufacturer to Industrial Distributor to Industrial user, or

(iii) From Manufacturer to agent to Industrial user, or

(iv) From Manufacturer to agent to Industrial distributor to Industrial user.

Firms offering consumer goods for sale may select any of these channels among others:

(i) From Manufacturer to the household, or

(ii) From Manufacturer to Wholesaler to Retailer to Household.

It needs be stated clearly that the suggested alternatives above are non-exhaustive, and could be used in any combination. Distribution of furniture for example will utilize a channel blend that will make for easy access to its users - the households and Institutional buyers.

Another area of decision making in channel strategy is determining the actual number of components that will

be involved in the channel. The answer to this will be guided by whether the firm wants an exclusive, extensive, limited or selective distribution for its goods. This decision relates to the degree of exposure a firm wants for its product in the market. A firm's choice is dependent among other things on its objective(s), type of goods, market size and dispersion, competition, environment etc.

The selective distribution strategy is often used to market furniture because of its unique use both to household and institutional users. Selective distribution is a special aspect of limited distribution where resellers who can sell most profitably are carefully selected by the manufacturers. Furniture manufacturers distribute only through these carefully selected resellers (outlets) whose sales volume, turnover rate etc create profitable business for the firm. The selection of channel type and outlet number lead to developing a physical distribution strategy . The goal of the physical distribution strategy is the minimization of costs of storage and physical movement of goods from the factory to the ultimate user.

An industrial firm may decide to transfer this role to either middlemen or even buyers themselves, depending on the type of good and market characteristics. Where a firm undertakes the physical distribution activities as with consumer goods, decisions are taken in these areas:

(i) The extent to which a firm centralize or disperse its inventory;

(ii) The optimal inventory size to carry; and

(iii) The selection of mode of transportation to use in conveying its goods from the factory to point of need.

2.2.5. CO-ORDINATING THE MARKETING MIX:- The four elements of the marketing mix have been discussed this far. We have seen that each of the four elements requires a specific strategy. It must equally be noted that each depends on and affects the others. For example a change in channel choice is likely to affect some other elements in the mix e.g. Pricing or Promotion or both. A firm must be able to adjust the mix elements at different stages of a product life cycle, and proper co-ordination of the activities involved effected.

2.3: THE RELEVANCE OF MARKETING TO NIGERIAN ECONOMY:-

It is realized from our discussion of marketing definition above that marketing means different things to various people. However, proper reasoning and thought would help us understand that marketing is indispensable in any active and productive social system. Nigeria inclusive! Nigeria especially, needs a well developed andproperly integrated marketing system to enable her withstand the onslaught of rapid and advanced techno-economic changes in the wo ld today. It is only through achieving this that the country can

start talking of any meaningful development.

The relevance of marketing to our economy is clearly appreciated from Kotler's definition of marketing which high-lighted three basic things as follows:

(i) That marketing is a human activity;

(ii) That there are specific objectives intended to be achieved; and

(iii) That there are things of value for exchange.

The above show that marketing activities are being performed every minute of our life. Historical development of marketing equally point out that without marketing our economic system as we know it today will collapse.

Critics often point out that marketing is undesirable especially now that high inflation prevails. Marketing is very relevant even now because marketing activities will direct available goods to consumers and make them aware of alternatives. Marketing also encourage the production of needed products, while wastes are eliminated. Healthy competitions are encouraged because only firms which can satisfy the needs and wants of customers now have hopes of long-term success.

Both costs and prices are high that firms will have to keenly compete to persuade consumers to part with

their hard-earned money for the goods offered for sale. This is best done by producing superior goods and utilising properly planned and co-ordinated marketing strategies. With the present high inflationary trend, many products are still in high short supply. There is very little problem of disposing of such products. Infact, the problem therein lies with adequate distribution to ensure that everyone gets some for use. Marketing helps to solve this problem. Furniture is not one of such items. In the face of high cost of production and eventual high prices placed on furniture, coupled with the fact that it may be classified as a luxury good in many homes and even among some institutional buyers, it becomes highly imperative for manufacturers of furnitures to be very marketing conscious. This is where the relevancy of marketing lies to such firms.

[1] Adirika, E.O. Prince, "Marketing in an era of inflation," Marketing in Nigeria, No. 15, 1980 Alpha Publications P. 17.

[2] Holloway, Robert J. & Hancock Robert S, Marketing in a Changing Environment 2nd Edition, Johnwilay & Sons Inc. New York. P. 12.

[3] Heskett, James L. Marketing. Macmillan Publishing Co. Inc. New York. P. 590.

[4] Holloway & Hancock Op.cit P. 12.

[5] Bell, Martin L: Marketing: Concepts & Strategy 2nd Edition, Houghton Mifflin Coy, Boston P. 613.

[6] Bell, Martin L Op.cit. P. 862

[7] Borden, H.H. and Marshall, M.V. Advertising Management: Text and Cases; Homewood, Illinois; Richard D. Irwin, Inc, 1959, P. 3.

[8] Marketing Definitions: A glossary of Marketing Terms, Compiled by the Committee on Definitions of the AMA, Ralph S. Alexander, Chairman (Chicago: AMA, 1960) Marketing Management: Analysis, Planning and Control. Philip Kotler, Prentice Hall International Editions, 3rd Edition, P. 337.

[9] Heskete, Op cit P. 584.

CHAPTER III

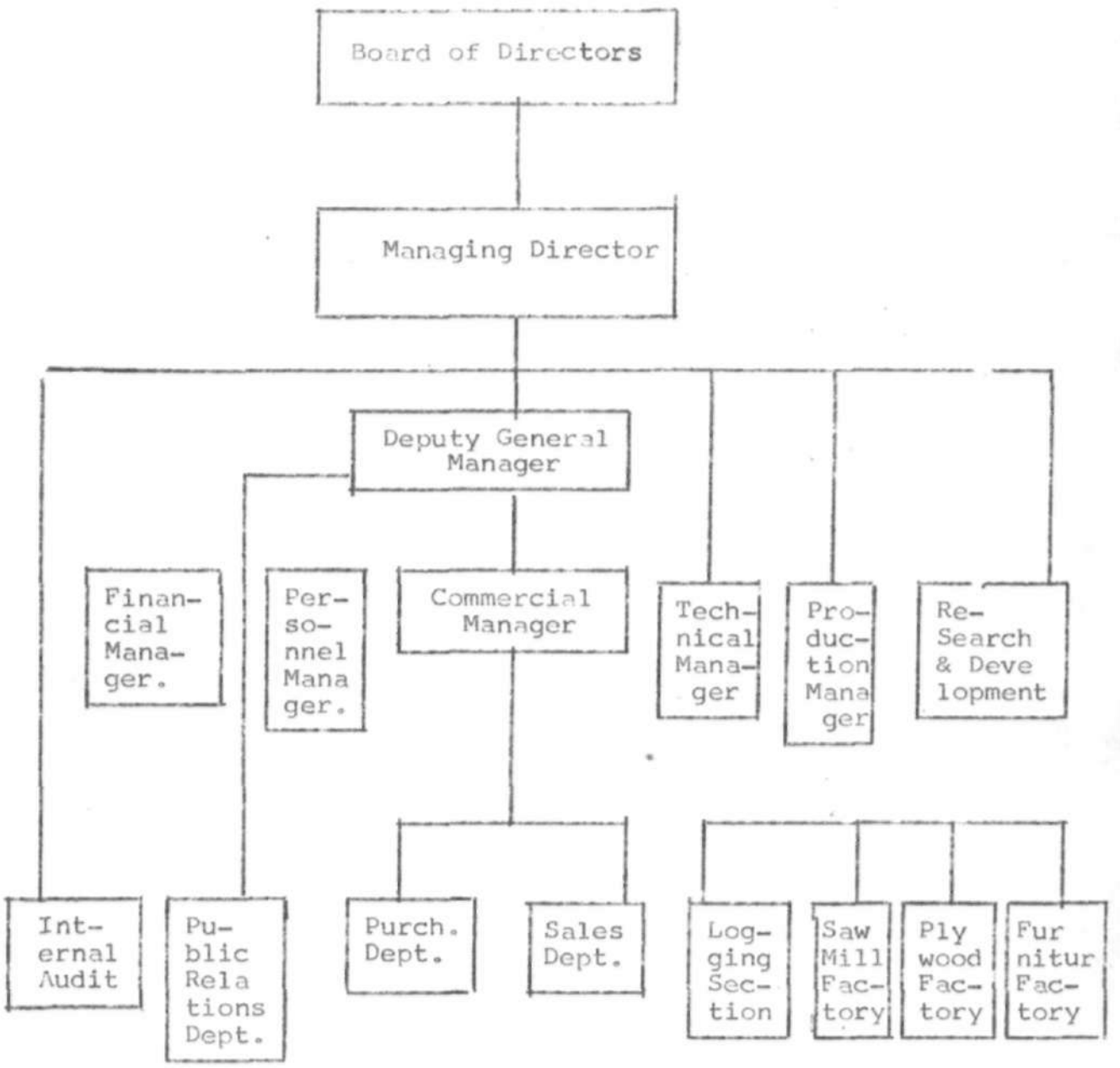
OPERATIONS IN THE FURNITURE SECTION OF NIROMI

Nigerian-Romanian Wood Industries Limited is a wood processing complex whose many products are fully integrated along modern business manufacturing organizational system. Its wood based products cover the following range, though attention is paid to the first three items:

(i) School, Church, Office and Household furniture.
(ii) Saw timber.
(iii) Plywood and blockboard.
(iv) Decorative veneer.
(v) Flush door and decorative panel doors.
(vi) Door and window frames.
(vii) Pallets and packages.
(viii) Interior decorations, partitioning and building jobs when called upon.

3.1: PRODUCTION OPERATIONS: - The production process of these products are organized uner four different sections with a Production manager at the top co-ordinating the activities of the four sections as shown in the organizational chart of the company.

ORGANIZATIONAL CHART OF NIROWI



Source: The Administrative Department.

The four production sections are:

(i) The Logging section;

(ii) The Sawmill factory;

(iii) The plywood factory; and

(iv) The furniture factory.

3.1.1: THE LOGGING SECTION: - Wood forms the bulk of the company's raw-materials. The company has wisely integrated backward into thesource and processing of logs to ensure uninterreptable and adequate supplies of logs for its production. The company has an exclusive access to abont two forest reserves, both located in Ondo State. From these reserves, it gets its upplies of hard and soft woods whose species include Mahogany, Apa (Cordia), Oma, Canariom, Walnut, Opepe, Mansonia, Pterrigota, Iroko, Afromosia etc. It needs be mentioned here that wood, without question, is the most popular and most widely used material in making furnitures. However, the style of furniture being made plays a part in determining the type of wood to be used in construction. The company maintains a fleet of vehicles for conveying the trees felled by its men from the forest reserves to the factory.

3.1.2: THE SAWMILL FACTORY: - Here logs are sawn into various sizes like 1"x4", 1"x6", 1"x12", 1½"x3, 1½"x4, 1½"x6", 1½"x12", 2"x2", 2"x3", 2"x4", 2"x6", 2"x12", 3"x6", 3"x12" or any other special sizes as may be requested by customers wishing to buy or for the use of either the plywood or furniture factory.

The operations here as commonly found in most sawmillingin Nigeria use a relatively simple technology. A bandsaw is used to slice the log into pieces of the appropriate thickness, and a small circular saw is then used to trim the plank to the desired dimensions. This is the technology we are used to in many other smaller sawmills around us. The Sawmilling factory of NIROWI, however, uses a more elaborate equipment. It utilizes a bandmill of larger capacity and the carriage automated. Also, specialized equipment such as gang Saws and multiple edgers are used to speed the flow of timber through the mill. Logs are similerly moved on to the bandmill with the help of either chain belt tractor or gantry crane. Powered conveyors and forklift trucks are used to move boards from one Saw to the other and stacking of sawn timber respectively. The sawn timber are treated with chemicals to enable them withstand insect attack and climatic conditions.

3.1.3: THE PLYWOOD FACTORY: - Inspite of the fact that the products of this factory are mainly either sold to customers directly or used in making flush doors, it still needs to be considered because quite a sizeable amount of its output is used in making furniture - especially plywood made of hardwood. The company's commercially made furniture is built of plywood rather than solid wood. This is due to its numerous advantages. For one thing, it is equally strong in all directions, with or across the grain. It is also dimensionally stable - even under adverse moisture conditions.

Another desirable feature is the wide range of panel sizes available, without the need for glueing to make wide board sizes. Additionally, plywood is relatively warped free. Plywood is made with softwood and hardwood faces. Most (if not all) of the company's plywood is the veneer core type whose inner layers are generally as thick as the face plies. The constructed plywood consists of layers of veneer - cross-banded and glued. The veneers are made of thin layers of wood which vary in thicknesses of up to 6.35 millimetres. The number of layers or plies is either three five or seven - usually made in odd numbers. The alternate layers are glued at right angles to each other, with the grain direction of the outer faces (front and back) made parallel to each other. The layers directly under the face pieces are known as the cross bands while the other inner layers are called the core.

Plywood excellent performance in furniture making makes its use indispensable in the furniture factory.

3.1.4: THE FURNITURE FACTORY: - The furniture factory is responsible for the production of all furniture items the company offers for sale in the market. The factory manufactures furnitures in the following areas:

(i) Household furnitures e.g. settee, dinning set, Wall unit set, Bed etc.

(ii) Office furnitures e.g. Executive chair and table, Filing cabinet, Secretary/Typist tables and Chairs etc.

iii) School furnitures e.g. Writing desk, Chair, Book case, Reading table, Bunk bed etc.

(iv) Hospital furnitures e.g. Bed, Baby cot, Serving trolley etc.

(v) Church furnitures e.g. Pews, Clergy high back Chair etc.

(vi) Hotel furnitures e.g. Beds, Wine cabinet, Dinning set, Dressing table and stool, Conference set, settee etc.

Furnitures are also manufactured according to customers' request and specifications. Plates 1 to 14 show samples of some of the furnitures manufactured.

The processes involved in furniture making include sawing, shaping, sanding and finishing using different types of power and hand tools as aids. As expected, a number of inputs go into the making of furnitures as raw materials. Timber forms the major raw material since all furnitures manufactured are wood based. The timber which have either been sawned into planks of various sizes or processed into plywood and blockboard are supplied to the furniture factory from the sawmill and plywood factories respectively. The timber are before use chemically treated against insect attack like weavills and catapillers, and also against fungi which is most prevalent in this region. Similarly, they are seasoned to bring the moisture content to "normal" to prevent bending, wopping, and deformation generally. Seasoning also add to the stiffness and strength of the wood which

are important qualities in furniture making. The seasoning may either be done by exposing the timber to air for long periods or by placing them in a special oven where it is kiln dried under controlled temperature and moisture conditions. The latter method is used at NIROWI because it causes fewer defects and stresses than the former. The timber are dried at temperatures above 100^{o}C in the dryer for three days to achieve desired results. Wood meant for interior furnitures are dried up to 12% moisture content while those to be used to manufacture exterior furnitures have 18% moisture content in them. Only musical or electrical furnitures are with mere 5% moisture content.

Other materials used include foams, fabrics, Evostik and technic materials or hardware. The hardware refers to materials like nails, springs, hinges of various types, pulls, knobs, cabinet catches, casters etc.

After the construction of a piece of furniture, a finishing operation is undertaken to put a final appearance to many factors of the wood, such as colour, depth, graining, and sheen. One will therefore appreciate the fact that finishing is an extremely important process for all styles of furniture. The type of of finishing operation andmaterials needed on a furniture depends on the specie of wood used. However, the following finishing operations are not uncommon in furniture making: Scraping, Sanding, Bleaching, Staining, Wash Coat, Filling, Glazing, Spattering, Distressing, Topcoats, Refinishing,

Spray painting and Finishing. For these operations, the following finishing materials are used among others: Cabinet scraper, Grit paper, Bleaches, Water/oil/non-grainstain, Liquid/Paste fillers, Glazing liquids of various colurs, lacquer, Tinner to regulate lacquer, Varnish, Shellac, Synthetic enamels etc.

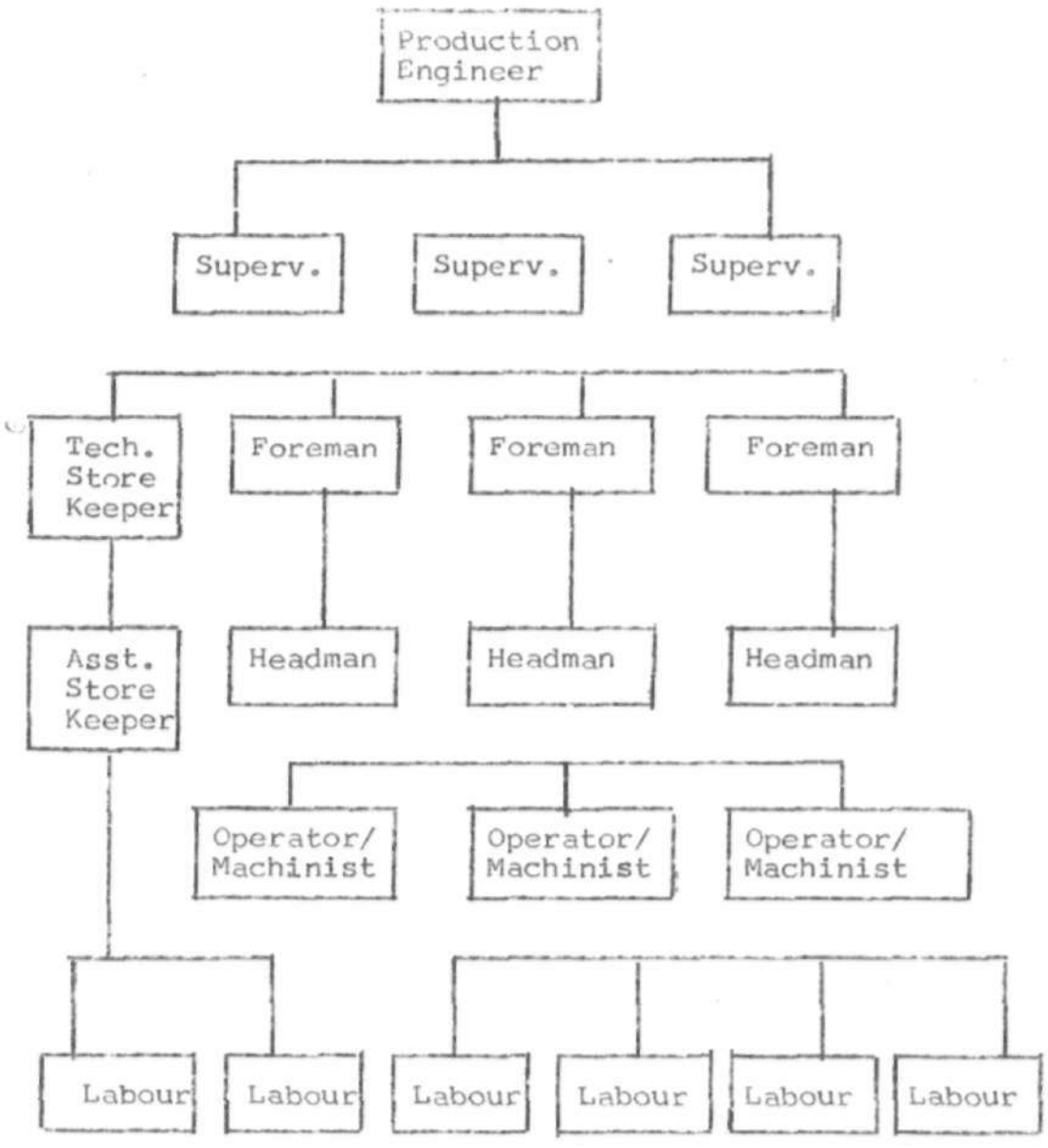
The company in its production processes makes use of quite a number of both hand and power tools which are either portable or stationery. Some of these tools are for measuring and marking, cutting wood, Boring, fastening, holding materials during work process etc. Some of the stationery power tools are Circular Saw, Radial arm saw, Drill press, Sander etc. While the portable ones include Saber Saw, electric drill, router etc. Hand tools used in the factory include: Try square, Rule, T-bevel, Saws of different types, Chisel, Planes, Bit brace, Hammer, Screwdriver among others.

3.2: WORK-FORCE ANDITS ORGANIZATION:

Furniture manufacturing at NIROWI is basedon modern sophisticated technology of producing high quality furniture types. Not only are the equipments and tools sophisticated, highly technical men in furniture manufacturing are also employed. There are about one hundred and fifty-five (155) men in the furniture factory which is headed by a Production Engineer. There are three Supervisors, a Storekeeper with an assistant, five Foremen, eight headmen and a number of operators, machinists, and general labour.

The following chart shows the organization of the workforce in the furniture factory:

ORGANIZATIONAL CHART OF THE FURNITURE FACTORY



Source: The Furniture Factory.

The factory maintains a separate store beside the company's central store. This is done to ensure that materials for production are not lacking at any time, thus ensuring continuous operations. Apart from the long-term plan, the factory draws an annual plan of amount of furniture to produce monthly as shown in the following chart:

1985 FURNITURE PRODUCTION CHART

MONTH	BUDGET ₦'000	ACHIEVED ₦'000
January	275	175
February	275	180
March	290	270
April	290	170
May	290	295
June	290	
July	290	
August	290	
September	290	
October	290	
November	290	
December	290	

Source: Furniture Factory Board.

NOTE: Figures for the past years were not available to the researcher as they could not be reached throughout his visits to the company in June.

Furniture productions in the factory are based on the market requirement and special orders from customers which are built to customers' specifications. In all its productions. The factory ensures that high quality materials

are used to maintain durability, functionality and super finishings which are features of the high quality set by the company.

3.3. MARKETING OPERATIONS

The determination of the type of furniture to be based on two factors, namely, as per the order received from customers by the sales department and anticipated requirements of customers. While the former is built to customers' specification the latter is standardized to meet the anticipated needs of any of the firm's customer groups viz, household and institutional buyers generally. The needs of other Special customer groups like the Church are met through orders received from them. Furnitures are not normally made in advance for this group because of the nature of their requirements. However, the furniture factory receives instructions from the Sales department on what to produce. In essence, deside the function of order taken by the Sales department, it also determines the anticipated needs of its customers in terms of furniture type, style etc. But the department's functions are wider than these.

Broadly speaking, the Sales department functions to achieve the following objectives:

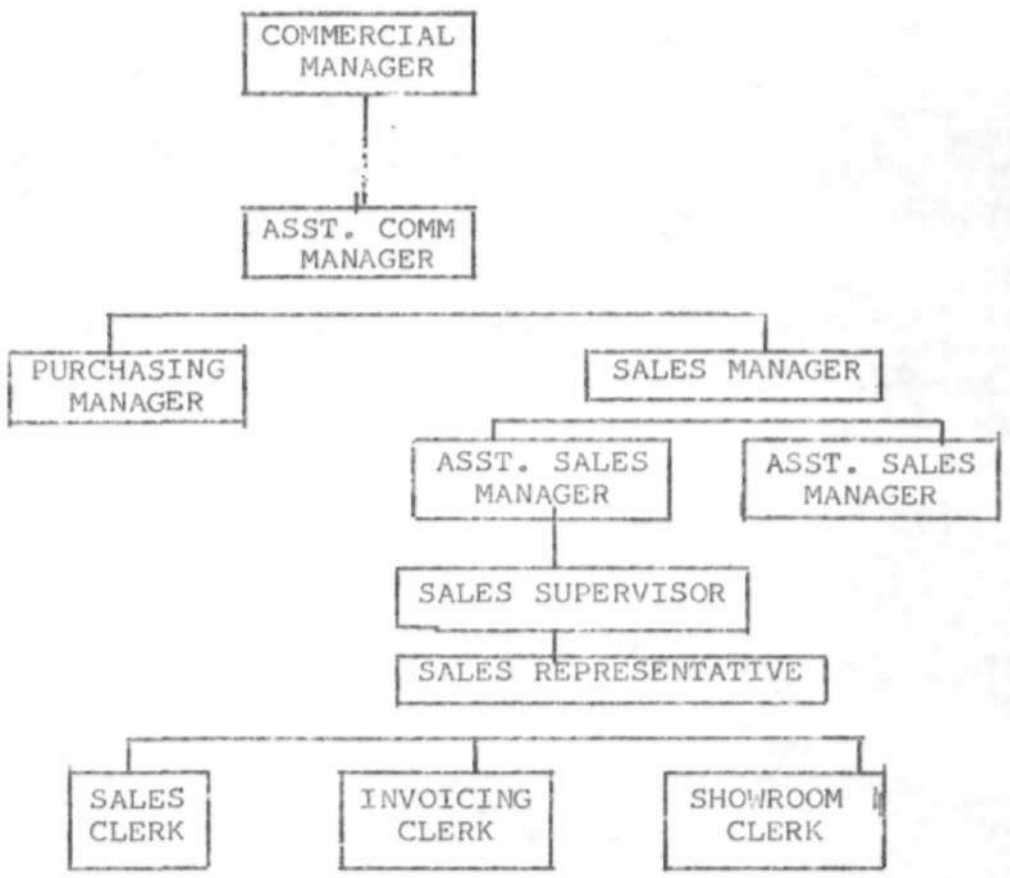
(i) To establish sales targets and work towards achieving the set targets;

(ii) Maintains the firm's market share and possibly expand it; and

(iii) Makes profitable sales, thereby contributing substantially to the firm's profits.

To achieve these objectives, the Nigerian-Romanian Wood Industries Limited organizes its sales department under the Supervision of Commercial Manager. Infact, the Commercial division is made up of the Sales and Purchasing departments. The Sales manager and the Purchasing manager both report to the Assistant commercial manager, who is also subordinate to the Commercial manager that heads the division. The two departments - Sales and Purchasing have a staff strength of 14 employees. The hierarchy of positions, authority and communication relationships are well depicted in the following chart:

ORGANIZATIONAL CHART OF THE SALES DEPARTMENT



Source: The Sales Department.

Following the setting of objectives and organizational design is the establishment of marketing policies. These policies provide a framework, or rather some working rules, for administrative action. They also provide "instant" solutions to recurring problems. Beside such broad policies as how to compete in the market, how to increase the firm's profits etc. There are also product, distribution, pricing and promotion policies. The department makes an analysis of the market by forecasting the firm's future sales. From the forecast, it is able to estimate its future sales. The projected sales plan are madeon both short and long-run, as the five-year projected sales of the firm below:

TABLE: 3.1. Five-Year Projected Sales

Year	Value ('000)
1984	₦900
1985	₦1,200
1986	₦1,500
1987	₦1,800
1988	₦2,100

Source: The Sales Department.

In achieving its profit maximization objective, the department has the following as its target market:

(i) Household consumers of furniture, and

(ii) Institutional consumers, comprising of Schools, Hospitals, Hotels, Offices, Churches etc.

Though it aims at satisfying the needs of these buyers located in all parts of the country, it concentrates its

marketing efforts on its immediate environment i.e. the surrounding States. It needs be pointed out too, that though the firm aims at meeting the requirements of both the household and Institutional buyers, it focuses more attention on the needs of the latter group of customers. To maximally satisfy its customers, the sales department develops a marketing mix for the firm.

3.3.1. THE FIRM'S MARKETING MIX:

The various types of marketing activities that are co-ordinated into a single effort by the firm to reach its market targets is what this writer refers to as the firm's marketing mix. Generally, the design of the marketing mix which culminated in the development of its marketing strategy cuts across the top hierarchy of the management group. The Sales department is however saddled with the co-ordination of its effective implementation. The various marketing devices of the firm may be examined under the following elements: Product, Distribution, Promotion and Pricing.

PRODUCT: The firm has more than forty five product items on its list, designed to cater for the needs of all segments of its market, made up principally of household and institutional buyers. Samples of its product lines shown on plates 1 and 14 are office furniture, household furniture, dining units, School furniture and Church furniture. These standard designs on its product lines are quite apart from the different designs it manufactures to customers' specifications.

The firms resources are capable of manufacturing any type of furniture of any desired quantity for its customers especially institutional buyers like Schools that purchase in large quantities. The firm relies on the manufacturing of high quality furnitures, first as a way to distinct itself from other furniture makers who are its competitors and also because it identifies "quality" as one of the main influencers of furniture buyers - infact the firm ranks it next only to price. It thus aims at providing customers' satisfaction through quality. It sticks its trademark on all its products as a sign of quality.

DISTRIBUTION: The Sales department under takes the distribution of its products through its own outlets to its many customers. The firm maintains three showrooms - one each at the factory site, Ondo township and Akure (the State headquarter). Samples of the firms products are exhibited in the showroom for customers to either buy directly or choose from for later supply from the factory.

A free delivery service is given to customers who purchase from the factory, but limited only to Ondo town. A delivery Van is however available to convey purchased items from the factory to any destination at moderate charges to buyers.

PROMOTION: The firm promotes the sales of its products through advertisement, personal selling and other promotional activities like exhibition at trade fairs, catalogue etc.

The firms resources are capable of manufacturing any type of furniture of any desired quantity for its customers especially institutional buyers like Schools that purchase in large quantities. The firm relies on the manufacturing of high quality furnitures, first as a way to distinct itself from other furniture makers who are its competitors and also because it identifies "quality" as one of the main influencers of furniture buyers - infact the firm ranks it next only to price. It thus aims at providing customers' satisfaction through quality. It sticks its trademark on all its products as a sign of quality.

DISTRIBUTION: The Sales department under takes the distribution of its products through its own outlets to its many customers. The firm maintains three showrooms - one each at the factory site, Ondo township and Akure (the State headquarter). Samples of the firms products are exhibited in the showroom for customers to either buy directly or choose from for later supply from the factory.

A free delivery service is given to customers who purchase from the factory, but limited only to Ondo town. A delivery Van is however available to convey purchased items from the factory to any destination at moderate charges to buyers.

PROMOTION: The firm promotes the sales of its products through advertisement, personal selling and other promotional activities like exhibition at trade fairs, catalogue etc.

The firm advertises its products through Television, Newspapers and Billboards. The television coverage include Ondo State, parts of Oyo, Bendel and Kwara States. It uses two to three national dailies (the Daily Times, Sketch and Tribune newspapers) to get its message across to its market targets. It also carries its message on Billboards, conspicuously displayed in strategic places in major towns of Ondo State. It focuses all its advertising message on customers' satisfaction through quality and wide range of offers.

Even though it has no permanent salesman on the field, the sales department staff canvass for orders, backed with catalogue presentation. These personal solicitations are directed mainly at institutional buyers. When orders are received, they are passed to the factory to produce the needed items as specified in the order form. After production, the sales department delivers to the buyer directly or the buyer collects from the firm's site, depending on the agreement of purchase earlier entered into when closing the sale.

The firm had in the past participated in International Trade fairs that took place in Lagos, Kaduna and Akure. The object of which was to reach more customers with its product package. It also prints Calendars and Vests to cause awareness among prospective customers while at the same time maintaining the existing ones.

PRICING: The firm's pricing system aims at achieving a predetermined profit level as its main objective. Beside seeing price as a source of revenue and a prime determinant of profit, it conceives price as a platform on which to assemble all the costs of manufacturing and selling of its products. The firm tends to view price as evidence of quality, thus the comparative high prices placed on its furniture items.

It uses the cost-plus technique in its pricing mainly. In establishing a specific profit goal to be achieved from sales, it considers production costs plus all other indirect costs that go into the furniture production.

The firm has different prices for more than the forty five furniture items in its catalogue. The total cost of producing each item determines principally its price. However, consideration is also given to both competitors' price and market price in fixing the final price. The prices are fixed in advance and shown on its price list for customers who want to purchase furniture. Prices are however, not included in the catalogues sent or given to customers. Since prices are influenced principally by cost of production, the prices are subject to changes in line with new costs. Infact, the price list is reviewed at appropriate intervals to relect changes in total costs of production.

Discounts of between five to ten percent are given to large buyers, usually purchases valued from ₦10,000.00 and

anove. This is not a policy issue however. Such decisions as to who to be given a discount, how much to give and when to offer discounts are outside the scope of the sales department. Such initiative is taken at the management level, who is often aware of large purchases. Similarly, the firm doesn't grant credit facilities to its customers on a general basis. Credit facilities are restricted to large, reliable and known customers only. The firm as a matter of policy receives cash and certified bank drafts for all furniture purchased from it. It however, in exceptional cases accepts personal cheques from reliable customers known to the firm.

The degree of coherence and to which the four elements discussed are appropriately mixed determines to a large extent the realisation of the marketing objectives. One will also like to examine the relevancy of these marketing policies and strategies in achieving the desired objectives. Also of concern is the degree of authority and initiatives at the disposal of the sales department saddled with the operation of the firm's marketing strategies.

CHAPTER 4

DATA ANALYSIS AND OBSERVATION

While introducing his chapter on "Consumer Markets and Buyer Behaviour" on page 69 of Marketing Management: Analysis, Planning and Control, 3rd Edition, Prentice/Hall International, Inc., London, Philip Kotler quoting Charles G. Mertiner wrote "Instead of tryingto market what is easiest for us to make, we must find out much more about what the consumer is willing to buy ... We must apply our creativeness more intelligently to people, and their wants and needs, rather than to products.'

It was established in the second chapter of this project that consumers should be the focus and the rallying point of all marketing programmes. The firm should manufacture the type of furniture that will meet the needs and wants of consumers. Furthermore, the furniture should be presented with the right mix that will give the maximum satisfaction (i.e. in terms of price, distribution, promotion and product characteristics) to consumers. To achieve this objective, there must be a thorough understanding of the consumers, otherwise refered to as the market.

In the introductory chapter, two groups of consumers of furniture, or rather two segments of the market were identified in the furniture market. These are the household buyers and the institutional buyers. To be able to solve the furniture needs and wants of these markets, there must

be a good understanding of the characteristics of the markets such as:

(i) what type of furniture do they buy;

(ii) why do they buy those types;

(iii) who influence(s) decisions wit regards to what they buy, where they buy, how they buy

(iv) who make(s) the purchases, and

(v) how they buy.

It is these questions and the like that this researcher aims at unravelling to enable producers of furniture have a true perspective of what consumers want in furniture, thus enabling them (producers) to serve the market best.

4.1. DATA ANALYSIS:

4.1.1. Size Of Furniture Users: The questionnaires of 72 and 16 household and institutional buyers of furnitures respectively were found to be properly completed and useful for analysis. There are over six members in each of 39 households. This figure alone accounts for 54% of the sample size. The remaining households contain members between three and six. No household has less than three members. It must be remembered however that the researcher used a biased approach in distributing the questionnaires, to the disadvantage of working bachelors and spirsters. Our socio-cultural set up may be said to be responsible for the high percentage of households having more than six members each. This is because most families have relations from extended families living with them.

TABLE 4.1. Size Of Furniture Users:

(a) Household Users:

Household Size	No. of Household	%
Two	-	-
Three to Four	9	13.0
Five to Six	24	33.0
Over Six	39	54.0
TOTAL	72	100.0

(b) Institutional Users:

No. Supplied with Furniture	No. of Institutions	%
Less than 50	-	-
51 to 100	2	12.5
101 to 150	3	19.5
151 to 200	2	12.5
Over 200	9	56.0
TOTAL	16	100.0

Similarly, there are nine (56.0%) institutional buyers of furniture that cater for the furniture use of more than 200 people each. Infact the figures given range between 300 and 1000, notably the educational institutions that furnish students' classrooms, halls, hostels etc, beside the staff quarters. Other institutional buyers catering for 51 to 100, 101 to 150 and 151 to 200 are 2(12.5%), 3(19.0%) and 2(12.5%) respectively.

None was less than 50 people among the sample size.

The implication of these sizable figures of furniture users is the existence of ready market for furniture manufacturers who are able to exploit the market effectively using appropriate marketing strategies.

4.1.2. Type Of Furniture Purchased:

The questionnaire seeks to identify the type of furniture commonly used by household and institutional consumers. The household consumers use a wide range of furniture items, though at different proportions. The most common ones in order of use are Bed, coffee table, half-upholstery chairs, dining set, chair, cushioned seats, writing table, wall unit, book case and full-upholstery chairs. All users have beds on their list. From the oral interview the researcher had with many of them, the model of bed in use range from the eight spring type for children mostly to super size master bedroom type. Most people also use coffee table (popularly known among most users as "centre table" which are purchased along with any type of settee or set of chars. A number of households use it as "dining table" - thus its high rate of use. Most households prefer half-upholstery to full-upholstery chairs simply because of the price difference. The following tables show degree of use of most common furniture among both the household and institutional buyers:

TABLE 4.2. Type Of Furniture Mostly Pur hasec

(a) Household Users:

Type Of Furniture	No. of Users	%
Bed	72	100
Coffee table	54	75
Half upholstery chairs	48	67
Dining set »,	46	64
Chair	42	58
Cushioned seats	36	50
Writing table	36	50
Wall unit	35	49
Book case	32	44
Full-upholstery Chairs	30	42

(b) Institutional ..- Users:

Type of Furniture	No of Users	%
Office table and chairs	16	100
Executive table and chairs	16	100
Bed	16	100
Dining set	16	100
Upholstery chairs	16	100
Coffee table	16	100
Students' chairs and desks	4	25

The percentage is each on total number of respondents i.e. 72 households and 16 institutions.

All institutional buyers use the same range of furniture items, more especially when most of them furnish their staff quarters, apart from the office furniture. The difference lies in degree of use i.e. quantity being used due to variables in the size of employees being catered for. However, some furniture items are unique to certain institutions. These are students' chairs and desks, bar stools used in hotels etc.

4.1.3. Monetary Value Of Furniture Purchased: The monetary value of furniture purchased by household consumers is largely constrained by their income, and to some extent by the size of the household. The income distribution of respondents fall mainly between ₦5,001 and ₦12,000 per annum. The following table shows the detail.

TABLE: 4.3. Income Distribution Of Household Furniture Buyers:

Income Per Annum	No of Household	%*
Less than ₦5000	5	7.0
₦5001 - ₦7000	14	19.0
₦7001 - ₦9000	31	43.0
₦9,001- ₦12000	15	21.0
Above ₦12000	7	10.0
TOTAL	72	100%

*As a percentage of total number of respondents (72).

On the other hand, the naira value of furniture purchased by institutional buyers influenced by the size of each firm or organization and their policies on furnishing staff quarters. Institutional buyers are influenced by the size of each firm or organization and their policies on furnishing staff quarters. While some institutions furnish their senior staff quarters, others provide furniture loan or allowance to their staff to cater for their furniture requirements. However, all the institutions provide for the furniture needs of their staff, if only in the office. Table 4.1 (b) above shows the distribution of number of employees whose furniture needs are being provided by their employers.

Most households, 40.5% precisely spend between ₦5,001 and ₦7,500 on furniture, while 15.5% and 4% spend less than ₦2,500 and more than ₦10,000 respectively on furniture (Table 4.4(a). More than 37% of institutional buyers of furniture spent over ₦30,000 on furniture in the last three years, while about 31% spent less than ₦20,000 also within the same period (Table 4.4.(b).

TABLE 4.4: Distribution Of Amount Spent On Furniture:

(a) Household Buyers:

Amount	No of Household	%*
Less than ₦2,500	11	15.5
₦2,501 - ₦5,000	21	29.0
₦5,001 - ₦7,500	29	40.5
₦7,501 - ₦10,000	8	11.0
Above ₦10,000	3	4.0
TOTAL	72	100.0

* As a percentage of total number of respondents (72)

(b) Institutional Buyers:

Amount	No of Household	%*
Less than ₦10,000	3	19.0
₦10,001 - ₦20,000	2	12.5
₦20,001 - ₦30,000	5	31.0
Above ₦30,000	6	37.5
TOTAL	16	100.0

* As a percentage of total number of respondents (16)

It must be noted too that most households use their furniture for more than seven years before replacement with new ones. The researcher gathered that an improvement in status like promotion or good profits from business often

determine when to replace existing set of furniture with new ones. Moreover, rate of change is higher with sitting room furniture than others used elsewhere in the house.

The story is similar with institutional buyers except that most institutions have a policy on expected life span of furniture in staff quarters. The average life span in most institutions is between four and five years - after which they can be replaced.

4.1.4. Who Decides On What To Buy:

It becomes imperative for any marketer wishing to achieve success with his marketing efforts to identify the decision-making unit involved in the purchase of his products. The decision-making unit involved in the purchase of furniture include the husband, wife, grown-up children and friends atimes for the household buyers. For institutional buyers, it may be individuals (who often are professional buyers) or a group of individuals in form of committee, management group or board.

The decision-making unit here refers to who initiate(s) the idea of buying furniture; who explicitly or implicitly influence(s) the final decision; who make(s) the final decision on what to buy, where to buy, how to buy, when to buy, or not to buy at all; who undertake(s) the purchase and who use(s) the product. Because of the peculiar characteristics of furniture, attention will be paid to identification of who decide(s) on what to buy, where purchases are made, who decide(s) on where to make

the purchase, source of information on place of purchase and influencing factor(s) on selection of customer patronage. Before now, users of furniture have been identified.

Normally, men are the head in most African households. Thus, the responsibility of decision-making in most matters relating and/or affecting the household and its members is placed on the head - the husband. This socio-cultural heritage still persits to-date. This way of life probably accounts for the 85% of the cases in which the husband decided on the type of furniture purchased, as against the wife's 3%. Joint decisions took place in nine households (12%), while children were never involved in the final decision on what type of furniture bought as indicated in the following table:

TABLE 4.5: Pattern Of Who Decides On What Type Of Furniture Purchased.

(a) Household Buyers.

Who decided	No of Household	%
The husband	61	85
The wife	2	3
Joint decision	9	12
The Child(ren)	Nil	Nil
TOTAL	72	100%

(b) Institutional Buyers:

Who decides	No of Institutions	%
The contract/supply Committee	3	19.0
The Purchasing and supply Committee	2	12.5
The top management Committee	9	56.0
The Chief Executive	2	12.5
TOTAL	16	100%

Table 4.5(b) indicates that decision on furniture purchases in institutions is taken mostly (56%) by the top management Committee, while the task is left to the Chief Executive in a few places (12.5%). This group decides on the furniture requirements of their organization as well as the type to meet such requirements.

4.1»5« Furniture Purchasing Points:

Furniture purchasing points for household users range from Retailers to Company's showrooms, Supermarkets, or ordered directly from either Sole-proprietor or Corporate manufacturers* 55% of households made their purchase through orders from individual manufacturers. This is followed by 19% of buyers that patronized Retailers. Only 17% of buyers made their purchase through corporate Manufacturers as the figures in the table below indicateo

TABLE 4.6: Pattern Of Place Of Purchase Of Furniture:

(a) Household Buyers.

Purchase Outlet	No of Household	%
Retailers	14	19
Company's showroom	4	6
Supermarket	2	3
Specialty Stores	NIL	NIL
Ordered from Manufacturing Company	12	17
Ordered from individual Manufacturer	40	55
TOTAL	72	100%

(b) Institutional Buyers:

Purchase Outlet	No of Institutions	%
Registered Contractors with your organization	5	31.25
Registered Contractors/ Suppliers with the State/ Federal government	2	12.5
Sole Proprietors of furniture manufacturers	5	31.25
Institutional manufacturers of furniture	4	25
TOTAL	16	100%

Institutional buyers of furniture patronize mostly Sole proprietors of furniture manufacturers and contractors/ suppliers who are registered with the organisation. About 62% of these buyers are customers to these Sellers. Only 25% of these buyers patronize large Corporate furniture manufacturers.

4.1.6: Who Decides Where To Buy:

Decision making on where to buy furniture, though similar to that on the type of furniture to buy because the same set of people are involved in the process, the former may be influenced by who does the actual purchase. Furniture, being a cumbersome and heavy product, are normally purchased by men. This is due to the fact that buyers in most cases are responsible for the transportation home, thus, require the strength of the stronger sex. Even though this is not an influential factor on deciding where to buy, it has given men the opportunity of taking decisions on those factors that culminate in choosing a buying outlet - especially where final decision has not been taken in advance. It is thus observed that in more than 80% of the households, decisions as to where furnitures were bought were taken by the husband, while joint decisions were taken in 11% of the cases. This time, unlike in the decision as to the type of furniture to buy, friends decided in anout 5% of the cases as as shown on table 4.7(a).

TABLE 4.7: Pattern Of Who Decides On Where Furniture Are Purchased:

(a) Household Buyers:

Decided By:	No of Household	%
The Husband	58	80.5
The Wife	2	3.0
Joint decision	8	11.0
The Children	NIL	NIL
Friends	4	5.5
TOTAL	72	100%

(b) Institutional Buyers:

Decision By:	No of Institutions	%
The Purchasing & Supply department	6	37.5
The Contract Committee	2	
The overall boss in the organisation	8	50.0
TOTAL	16	100%

There is a change in the trend of decision making process of institutional buyers here. Whereas the overall bosses or rather, the Chief Executives play insignificant role (at least comparatively) in deciding the furniture requirements and the type to buy, they tend to persmalize decision on where furnitures are bought. In 50% of the institutions, the Chief Executives take this decision. Only in six (37.5%) places are the services of professional

buyers in the Purchasing and Supply department utilized in this direction as clearly shown on table 4.7(b) above.

4.1.7: Source Of Information On Points Of Purchase:

Effective communication is one of the expected functions of marketers (including marketers of furniture), performed through marketing intermediaries. For a business organization to achieve its profit (maximization) goal, it must be able to receive and send information. Also, for buyers to make a good buy, they should be able to receive and send information as well. The marketer seeks to inform his potential customers in a most efficient way about his his product - product characteristics, price, where available, range of offer etc. Hence this effort to determine the most effective method(s) of communicating with prospective customers.

Thirty-nine (54%) of the household respondents got to know of where they bought their furniture through personal solicitations of the Sellers/Manufacturers. This is followed by information from friends (39%) i.e. friends introduced where they bought theirs to them, while only 5 (7%) household buyers knew of where they bought their furniture through newspaper advertisement.

TABLE 1.8: Source Of Information On Place Of Furniture Purchase:

(a) Household Buyers:

Source of Information	No of Household	%
From Friends	28	39
From T.V. advertisement	NIL	NIL
Frem Newspaper advertisement	5	7
From Billboard advertisement	NIL	NIL
From Radio advertisement	NIL	NIL
Through personal solicitation of the seller/manufacturer	39	54
TOTAL	72	100%

(b) Institutional Buyers:

Source of Information	No of Institutions	%
Through advertisement	4	25.0
Through personal contact of the supplier(s)	10	62.5
Through introduction of the supplier(s) by friends of the organization.	NIL	NIL
Through employees	2	12.5
TOTAL	16	100%

In the same vein, most institutional buyers (62.5%) got to know of their present source of furniture purchase through personal contact of the Sellers (Suppliers).

Only four and two institutions knew of their suppliers through advertisement and their employees respectively. The import of these figures is that personal selling is the most effective way of selling furniture, both to the household and institutional users as proved by available data on the tables 4.8(a) and (b) above.

4.1.8. Factors Influencing Furniture Buyers To Buy From A Particular Manufacturer:

Products (including services) are provided with a view of solving a problem or satisfying a want. The capability of a product to satisfy a want is more than its physical form. It is the totality of these tangible and intangible attributes present in a product that influence buyers not only on deciding what type to buy but also where to buy since similar products may be offered differently by two sellers for example. This is even more true of expensive products like furniture. Furniture buyers are generally influenced by such things as price, location, quality, discount offered, delivery service, credit availability and even effect of advertisement in deciding where to make their purchases. These are mostly true of household buyers. It is not surprising then when 32 households (44%) indicated that low price compared with others influenced them in buying their furniture from where they did. Another 18 buyers (25%) indicated that the quality of the furniture attracted them to where they bought. 17% and 14% of the household buyers were influenced by availability of credit facilities and discount offered respectively (see table 4.9 below).

Even though most household buyers considered some other factors, the researcher has considered those factors that respondents selected as their first choices.

TABLE 4.9. Distribution Of Factors Influencing Household Furniture Buyers In Deciding Where They Purchase:

Influencing factors	No of Households	%
Nearness to your Name	NIL	NIL
Low price offered	32	44
Effect of advertise-ment	NIL	NIL
Quality of furniture - the showroom	18	25
Discount offered	10	14
Free delivery service	NIL	NIL
Availability of credit facility	12	17
TOTAL	72	100%

NOTE: Respondents ticked more than one factor in order of priority as requested. The table above has however considered those factors that were made as first choice.

Decision-making process as to where to buy, just as in what to buy among institutional buyers is strictly business-like. Factors that are of real benefit to them are considered. These include ability to manufacture to desired specifications, quality of the furniture, prompt delivery to meet their needs and price among others. Quality is the most popular consideration among

insti utional buyers. Nine and seven respondents chose it as their first and second factors respectively, they considered in buying furniture. Another seven chose ability to manufacture to their specifications as their first choice, while eight ranked price second. One can safely conclude as table 1.10 below has shown that quality, ability to manufacture to specification and price are the most important factors to institutional buyers in deciding where they make their purchase.

TABLE 4.10: Factors Influencing Institutional Buyers Of Furniture In Vendor Selection (In Order Of Priority):

Influencing Factors	1st Choice	2nd Choice	3rd Choice	4th Choice	TOTAL
Prompt delivery	-	-	5	11	16
Low price offered	-	8	8	-	16
Quality of product	9	7	-	-	16
Ability to manufacture to your specification.	7	1	3	5	16
TOTAL	16	16	16	16	

4.1.9. Benefits Sought From Furniture:

A furniture item, say a chair or a bed means much to a buyer than a mere sitting or sleeping object. Or else he will not go the long way of deciding whether to buy type A or type B chair or bed. Neither will he bother seeking out buying from a particular vendor.

If furniture users seek more than the physical form, the onus lies on manufacturers to identify and build into their products those attributes desired by them (users). This subjective consumer meaning built into the profuct is what is refered to in marketing parlance as the product concept. The extent to which a furniture manufacturer succeeds with this product concept in its product determines largely the kind of image users will acquire of the product, which is paramount to the success of the manufacturer in the market.

Thirty-six respondents of the household furniture users (50%) seek durability from their furniture. A mere 6% buy furniture for prestigious reason - Table 4.11(a)

TABLE 4.11: Nature Of Benefits Sought From Furniture Purchased:

(a) Household Users:

Type of Benefit Sought	No of Households	%
Comfort	32	44
Prestige	4	6
Status Symbol	NIL	NIL
Durability	36	50
TOTAL	72	100

(b) Institutional Users:

Type of Benefit Sought	No of Institutions	%
Durability	8	50.0
Comfort	NIL	NIL
Functionality	6	37.5
Economic Price	1	6.25
Good finishing	1	6.25
TOTAL	16	100%

Table 4.11(b) above indicates durability as the most important factor that institutional buyers of furniture seek, as expressed by 50% of them just like the household users. Functionality i.e. the degree to which the furniture is able to provide the service for which it was bought ranks next (37.5%) among the benefits desired from the furniture purchased.

Furniture manufacturers should should therefore design their products such that they have long life-span generally. Similarly, office furniture should be capable of providing the services for which they are bought and with some comfort. Household furniture, especially settee, beds etc should provide as much comfort as possible to users.

4.1.10. Furniture Buyers' Patronage Of Nigerian-Romanian Wood Industries Limited:

Nigerian-Romanian Wood Industries Limited of Ondo is the largest manufacturers of furniture in Ondo State, with a wide range of offers to cater for all furniture needs and

requirements of all segments of the market in the State and beyond.

All furniture buyers/users in Ondo State (both household and institutional buyers) are very much aware of the company and its products. Although most of the respondents claimed to have heard of the company through the mass media when it was commissioned, and through friends and relations working with the company, but majority of the household furniture buyers (33%) and institutional buyers (44%) got to know of its business operations (range of products manufactured) through advertisement, notably newspapers. While 28% of household buyers claimed to be aware of its products from the company's showrooms, awareness through trade fair rank next with 31% among institutional buyers. This is closely followed by 25% of the latter group who got awareness from the company's showroom as the following tables show:

TABLE 4.12: Source Of Information About The Company's Products:

(a) Household Buyers:

Information Source	No of Households	%
Through a friend	12	17
Through advertisement	24	33
Company's Showroom	20	28
From a trade fair	16	22
TOTAL	72	100

(b) Institutional Buyers:

Information source	No of Institutions	%
Through advertisement	7	44
Personal solicitation of the company	NIL	NIL
Company's Showroom	4	25
From a trade fair	5	31
TOTAL	16	100

The channels of awareness among furniture buyers in the State used by the company are newspaer advertisements, their showroom and their attendance at the State's trade fair in Akure, capital of the State. Much as personal contact could be effective with institional buyers, the company did not fully utilize it.

For reasons that are quite obvious from the data in the preceding paragraphs, patronage of the company is comparatively poor - among both household and institutional buyers of furniture. While eight (11%) out of 72 household respondents have patronized the company's furniture, only five (31%) out of 16 institutional buyers have made some purchases of furniture from the company in the past. However, all respondents hope to patronize the company in future.

4.2. OBSERVATIONS

The socio-cultural development of Ondo State, coupled with increased purchasing power of its people in the 1970s

especially, led to improved standard of living withnessed in almost all facets of life. The need for furniture has become almost a necessity in every home throughout the State. It is basic to have furniture in at least the common/ sitting room and bedrooms, though the furniture items may be simple and cheap. However, most modern buildings are moderately furnished for some comforts. Thus, the potentialities for furniture marketers in the state are great. Moreover, the educational and economic developments in terms of new educational institutions,industries, commercial houses and government operations further brighten the future of furniture marketing in the State since all the new establishments (private and public) will require furniture for their operations.

Nigerian-Romania Wood Industries Limited has abundant resources to capture quite a sizeable share of the market if appropriate marketing strategies are used as opoosed to its present marketing practices. It offers a wide range of furniture to satisfy the needs and wants of all segments of furniture market. This wide range offer and its capability to manufacture any wood based furniture to customers' specifications, using sophisticated machines and tools, abundant raw materials and expert personnel give the firm an edge over other competitors. Even now the firm manufactures all types of furnitures used by both household and institutional buyers.

It has been observed that most furniture buyers patronize small-scale furniture manufacturers who are found along the road sides of most large towns in the State. Large institutional buyers, including government establishments are not left out here. The individuals who purchase for their households are attracted by low price offered, generous discount given occassionally to known customers, availability of credit facilities, personal relations with the manufacturers, easy access to sales outlets and of course satisfactory quality of the furniture. On a similar note, institutional buyers based their patronage essentially on personal solicitations of the small scale manufacturers who register with them as contractors and/or suppliers. Thus when there is the need to purchase any furniture, the registered suppliers are normally considered. Beside, these small-scale furniture marketers are flexible with their marketing offers. The fact that NIROWI doesn't register with any institution and its rigidity in following its marketing policy put it at a disadvantage in the market among its competitors.

This researcher discovered that furniture consumers generally consider prices offered by NIROWI on its products to be too costly compared with similar ones in the market. The company's products are however found to be higher quality than those of most of its competitors. The process of production, expertise put into it, high quality materials used and super finishing of the products which combine to achieve the desired high quality contribute to high cost of production.

In effect, their prices are truly found to be comparatively higher than what most other manufacturers charge for similar items. The problem discovered here is that of product perception. Even though most buyers claimed to seek good quality furniture, the company's policy also rests on producing high quality goods, the excellence, durability and comfort built into the company products are higher than what most buyers are prepared to pay for. But of more importance is lack of communication between the company and the buyers on the product perception because most buyers does not seem to see any difference between NIROWI's products and those of other small-scale manufacturers as gathered by this researcher.

The decision-making process on the type of furniture to buy, where to type and who to buy is mostly taken by the husband (in case of household buyers) and top management personnel of institutions. The company, rather than focus its marketing message on these key people tends to direct its message at the general public at large. For any message to be effective, it must be directed at a particular audience to which it will be useful. This simple communication principle is not being adequately observed in NIROWI.

On a similar note, the media of communication used with an audience is of equal importance. Appropriate means of communication need be used to achieve desired results. Furniture is a shopping ood. Its rather expensiveness makes it necessary for buyers to be very cautious of what they

buy and where they buy. They tend to look around to compare product types available, prices and other offers. The successful seller will be one that appropriately presents its package to prospective buyers such that a sale is closed. Personal selling is the most effective method of getting across to buyers of furnitures. This, has already been discovered by the findings above, is responsible for the success story of small-scale furniture sellers. They are always around in their showrooms to meet and talk to prospective buyers (thereby discussing their package with them), meet prospective buyers at homes and offices, register with as many establishments as possible as furniture suppliers and continue to maintain a link with these would be customers. They hardly advertise on the television, radio or newspapers, yet their turnovers are relatively high. This valuable promotool (Personal Selling) is weakly employed by NIROWI. Another observation worth mentioning is the inadequate sales outlets of the company. For a company that claims to have the whole of the country as its market to maintain only three outlets, one each in Ondo, Akure and the factory site is ridiculous. Lack of patronage which makes more outlets uneconomical may be said to be responsible for this, but the problem really is with non-adoption of marketing practices by the company as this study has revealed. The non-adoption of marketing concept in its operation is further corroborated by the result of the marketing effectiveness Audit conducted by this researcher on the company.

NIROWI designs and manufactures different furniture items to cater for the needs of the various segments of the market but the company's management primarily thinks in terms of selling their products to whoever will buy them.

The marketing informa ion system of the company is not sufficiently developed. The company's knowledge of its market potentials, customers' buying behaviour, competitors characteristics, channels etc are inadequate for any meaningful planning.

The fact that the company adopts a selling concept in its operations is enough explanation for lack of or weak stategic operation and integrated marketing organisation. The potent evidence is seen in the position of the Sales department in the organization as depicted by the organizational chart of the company.

CHAPTER 5

RECOMMENDATION AND CONCLUSION

5.1. SUMMARY OF THE COMPANY'S FURNITURE MARKETING PROBLEMS:

The results of the analysis of data in the last chapter and the observation thereupon clearly identify the disparity between what furniture consumers desire, or rather their perception of the product and what the manufacturer (NIROWI) perceives of the product. The result of this mis-perception is mis-presentation of the product in the market, culminating in low sales volume and poor profit yield to the company.

Going by the outcome of the findings of the data analysis vis-a-vis the company's "marketing" operations, one can safely conclude that there is a wholesome neglect of the adoption of the contemporary marketing concept (first hypothesis). Also, there is inadequate utilization of marketing information system (especially marketing research system) by the company, rather than a total lack of it as the second hypothesis claims.

From every indication, there is prospect for the furniture industry in Ondo State, and ample opportunities exist for Nigerian-Romanian Wood Industries Limited to increase its share if appropriate ingredients of successful marketing are employed as the final hypothesis says.

The problems of furniture marketing of the company can therefore be succinctly described as its non-adoption of the

marketing concept. The company tends to confuse selling with marketing, which are two different concepts altogether. While selling focuses on the needs of the seller, marketing focusses on the buyers' needs. This is exemplified by the company's preoccupation to convert his products into cash instead of satisfying the needs of the customers by means of appropriate marketing mix which could have led to the creating, delivering and final consumation of its products. Nothing can be more indicative of this than the position of the Selling department in the set up of the organisation. Its authority and operational lax gravely incapacitate it to put on any marketing outlook.

5.2. SUGGESTED RECOMMENDATIONS

It is important to recognize the fact that there is no package of solutions that can be said to be the best or most suitable for all occassions because of dynamism of business and persistent changes characteristic of the buying behaviour of consumers of furniture which may be due to changes in taste, status, role etc. However, on the basis of available data and present circumstances, the following suggested solutions are recommended not only to solve the present problems of furniture marketing but hopefully, will suffice for a long time to come. These solutions while considered to be directly appropriate for the furniture marketing operations of NIROWI, other furnituremarketers in Ondo State may find things relevant and worthwile for their adoption too.

5.2.1. Adoption Of The Marketing Concept:

The Marketing concept is a management orientation which sees the customer as the "King," that the key tasks of the organization is to determine the needs, wants and values of its target market and to adapt its resources to delivering the desired satisfactions more effectively and efficiently than its competitors. To adopt this concept in marketing its products, the company will have to:

(i) conceive its goals in terms of satisfying a properly defined needs and wants of a well recognized group of customers;

(ii) conduct a marketing research to learn these needs and wants;

(iii) place all its activities having impact on customers under integrated marketing control; and

(iv) appreciate the fact that prompt and adequate customer satisfaction win their loyalty, repeat purchase and good public image, all of which are vital in achieving its organizational goals.

5.2.2. Product Concept:

A person may build a house for prestige and not necessarily for shelter or abode. In the same vein, one may buy a piece of furniture for many reasons (as the data analyzed in the last chapter have proved) other than the generic use of that item. For example, a particular type of Settee may be bought to depict the status of the buyer, rather than for sitting alone. The company should therefore endeavour to correctly identify the product

concepts that determine the actions of consumers and build its furniture in tune with consumers' product concepts rather than to its own perception. Product, being the heart of the marketing mix, the most important meaning of the term product to a marketer should not be what is but what it means to the consumer. It becomes the vital role of the marketer then to design and position his furniture products in such a way as to command the loyalty and patronage of his consumers - both household and institutional buyers.

5.2.3: Distribution Strategy:

Effective distribution of goods to the ultimate consumers is the key to success of any business organisation. Furniture is not an exception to this fact! The present three selling outlets located in Ondo and Akure is a mockery of distribution strategy for a company that claims to have the entire country as its market. A more ambitious distribution efforts is highly recommended to get to its consumers.

Furniture is a shopping good. Household furniture may be retailed through departmental stores and specialty stores under business agreements (beneficial to both parties) with owners of such stores located throughout the State. The number of such outlets will be determined by a more detailed study for that purpose. This suggestion, if adopted will reduce its distribution costs than maintaining its own outlets throughout the State.

The company should distribute directly to institutional buyers. In this case, personal contact will be maintained with this group of buyers.

It is recommended that free delivery service be made available to customers who buy in large quantities as a form of incentive.

5.2.4: Promotion Strategy:

It is very necessary to stimulate greater consumer interest in furniture especially in new styles as people are moving from the attitude that furniture purchases are made for life. Refurnishing and redecoration are on the increase. While the existing promotional mix being used is commendable, it must be realized that emphasis should be placed on personal selling. Personal Selling is the most effective method of reaching institutional buyers of furniture who, though small in number but valuable to the company in terms of volume of purchases. This group of buyers don't buy on impulse. Their buying decision process is often rational. They need to be convinced of the product features and other offers that go with the product before taking a final decision on what type of furniture to buy and where to buy from. Beside, some of their buyers are professionals of some experience. So, the need for increased personal selling cannot to over-emphasized.

Similarly, the company will benefit more by registering with mamy potential institutional buyers of furniture in the State and elsewhere since most of them

purchase their goods from suppliers registered with them as indicated by this research. Increased participation in trade show (especially if those in the industry can organize some) will no doubt cause greater awareness among buyers of different types of furniture available, thereby widening the furniture market in the State.

5.2.5: Pricing Strategy:

In the company's defensive pricing policy (its cost-plus pricing approach) to fight increasing production and selling costs, it will be of paramount importance to give due weight to the psychological factors that influence the consumers. The company must realize that it is not the quoted but the perceived price that influences consumers' reactions. Price to them is part of the product (which really is) and often, one which affects the different types of furniture purchased.

Except for prestige, buyers ordinarily prefer lower to higher prices. Since price is relied upon by most buyers as a means for selecting furniture vendor, it is often the only objective criterion that they have for comparing alternative items and vendors. Price is thus a convinient device for the consumers to use in making their final decisions.

The company in its efforts to cover costs and allow for profit margin must take into consideration the purchasing power of its consumers. It is therefore strongly recommended, in view of the importance of price

in buying decision, for the company to price its products within the reach of its customers, especially the household buyers. Here the strategy of price discrimination to take care of different segments of its market.

It is also being recommended that a credit purchase be introduced for furniture consumers in gainful employment. The maximum value of furniture that could be purchased under the scheme should be within the income of the buyer, payable over a period of between six and nine months which should be guaranteed by the employer. The agreement should make the monthly payment deductable from the buyer's monthly salary and paid into the company's special account. The detail and modality of successful implementation if worked out and executed will no doubt increase the sales turn-over of the company and help it capture a larger percentage of the market share.

For large cash purchases, it is recommended that discount shouldbe given. This should be based on the amount of furniture bought. Unlike the present situation where discounts are given without any guidance, the recommended one should be implemented within a guideline and be clearly spelt out in the selling policy of the company. This will be another incentive for the company's furniture patronage and encourage cash payment.

5.2.6. Integrated Marketing Function:

The current environment in this country is dominated by some ephemeral features (like scarcity of goods) which tend to inhibit the use of marketing, whilst tempting many people to question whether indeed, there is justification for integrated marketing. Coincidentally enough, there is no shortage of furniture in that industry. Thus, the argument for the need for integrated marketing does not arise.

Having strongly recommended the adoption of marketing concept, the success story will not be complete without integrating marketing functions of the company, which should permeate the entire organisation. For the purpose of clearity, the integrated marketing recommended should:

(i) maintain a proper balance between the company's profit and the consumers' needs for benefits sought from furniture purchased;

(ii) include aggressive marketing that will enable the company to lead the furniture industry, while other competitors follow;

(iii) ensure that actions taken are in accordance with the Corporate strategy and the relevant marketing strategy;

(iv) make execution of actions and plans consistently effective; and finally

(v) be accepted and adopted by the entire organization.

5.2.7. Creating A Marketing Department:

At this point, it is a foregone conclusion that the present system is not adequate for the implementation of the recommended solutions to the identified problems. Marketing functions are poles apart from selling functions. The adoption of a marketing concept cannot be successful without the creation of a marketing department which will perform the salient marketing functions in the preceding paragraphs. The fact that the marketing department will be the "nerve centre" of the organisation is exemplified by the following summarized functions it will perform:

(i) initiating and leading the marketing approach;

(ii) establishing the marketing strategy and plans in accordance with the corporate objectives and strategies;

(iii) co-ordinating and integrating the execution of the company's marketing plans; and

(iv) continuous operation of marketing process by monitoring consumer reactions to existing products and identifying new opportunities for the company's future profitable growth.

The fortune of furniture marketing is affected by the decisions of its consumers, it follows then that marketing department is not only very important but is also right at the centre of the company's furniture operations.

It needs be stated clearly however, that marketers cannot work in isolation and neither are they superior

in any way in the organization's set up. Rather, they initiate, lead and co-ordinate the key company's efforts, thus the type of marketing function recommended calls for a total company's commitment.

5.2.8. Conducting A Marketing Research:

Finally, and with utmost importance, this researcher is recommending that a marketing research be conducted for the company, principally to determine the furniture market characteristics in a more detailed manner. Such a research will afford the company to measure its market potentials, study its competitors operations reliably, identify new-product acceptance etc. It is through this that the company will be able to intelligently plan its marketing strategies and mode of implementation.

5.3: CONCLUSION

In all business endeavours the consumer is always the "King" and his satisfaction remains the objective for setting up the business. In the final analysis, it is the impact of the consumer which shapes the policy and practices of the business.

It is only wise for the Nigerian-Romanian Wood Industries Limited to adopt marketing philosophy and let let it pemeate its entire operations. With its numerous competitors, it cannot but adopt marketing practices which encourage healthy competition; for it is only those furniture manufacturers which can satisfy their customers' needs and wants through integrated marketing strategies

that h ve the hope for long-term success.

Moreover, furniture is not an essential commodity that consumers must give preference to in their "budget." Though it is a necessity in most homes. Beside, it is also an expensive item that consumers don't buy on impulse. Rather, they buy after a thorough rational decision-making process. Also, in this era of inflation where costs and prices are high, furniture marketers need to be truly competitive to persuade consumers to part with their hard earned money in favour of furniture instead of using same for other numerous competing needs of the buyers. The best way to do this is by producing superior goods satisfactory to consumers and utilising properly planned and co-ordinated marketing strategies - many of which are recommended above.

It is important to emphasize on a final note that the Nigerian-Romanian Wood Industries Limited need a well developed and properly integrated marketing system if it hopes to withstand the onslaught of the numerous small-scale competitors operating in the furniture industry.

REFERENCES

JOURNALS:

ADEDIRAN, Joseph A (1980). The place of the Marketing Department in an Organization. Marketing in Nigeria for Business, Economics, Commerce, Industry: Alpha Publications, Lagos: 7-11.

ADEDIRAN, J.A. (1981). The Selling Function in a Market of the 80's. Marketing in Nigeria for Business, Economics, Commerce, Industry: Alpha Publications, Lagos: 6 - 14.

ADIRIICA, E.O. (1979). Marketing in an Era of Inflation. Marketing in Nigeria for Business, Economics, Commerce, Industry; Alpha Publications, Lagos: 17, 18 & 39.

AGBAKOBA, M.M. (March, 1982). Effective Marketing Plans. Management in Nigeria; Nigerian Institute of Management Publications, Lagos: 30 - 37.

EKONG, S.U. (May/June 1979). Nigeria's Economic Outlook. Marketing in Nigeria for Business, Economics, Commerce, Industry: Alpha Publications, Lagos: 7-10, 16.

IDIO, S.F. (1980): The Nigerian Markets and Marketing in the 80s. Marketing in Nigeria for Business, Economics, Commerce, Industry: Alpha Publications, Lagos: 19-22.

IORNEM, David (February, 1981). The Price Element in the Marketing Mix. Management in Nigeria: Nigerian Institute of Management Publications, Lagos; 16-18.

I O RNDU, David (December, 1981). The Product Element in the Marketing Mix. Management in Nigeria: Nigerian Institute of Management Publications, Lagos: 40-45.

MACKAY, J.F. (July/August, 1978). The impact of consumer orientation on Business Policy and Practices. Marketing in Nigeria for Business, Economics, Commerce, Industry; Alpha Publications. Lagos: 14-15.

MURPHY, Liz (June, 1983). Industrial Furniture: No sweat, no strain. Sales and Marketing Management: Bill Publication, New York: 46-52.

OBI, J.P.C. (June, 1978). Pricing in Marketing Strategy. Marketing in Nigeria for Business, Economics, Commerce, Industry: Alpha Publications, Lagos: 47 & 49.

ONUOHA, K.T. (November/December, 1978). Credit Control and Marketing Effectiveness in Nigeria. Marketing in Nigeria for Business, Economics, Commerce, Industry: Alpha Publications, Lagos 9-11 & 14.

URBANSKI, Al (November, 1983). Sales Promotions New Aura. Sales and Marketing Management: Bill Publication, New York: 48-53.

WILKINSON, Roderick (December, 1977). Your Customer is Your Real Boss. Management in Nigeria: Nigerian Institute of Management Publications, Lagos: 29.

TEXTBOOKS:

AAKAR, David A. & DAY, George S. (1980), Marketing Research: Private and Public Sector Decisions. John Wiley and Sons, New York.

BELL, Martin L. (1972), Marketing: Concepts and Strategy. Houghton & Mifflin Company, Boston.

BORDEN, N.H. & MARSHALL, M.V. (1959), Advertising Management: Text and Cases. Richard Irwin Inc., Homewood, Illinois.

CAPOTOSTO, John (1979). Furniture Making and Finishing Reston Publishing Company, Inc. A. Prentice-Hall Company, Reston, Virginia.

HAAS, Robert W. (1976). Industrial Marketing Management Von Nostrand Reinhold Coy, New York.

HESKETT, James L. (1976). Marketing. MacMillon Publishing Company Inc. New York.

HILL, Richard, ALEXANDER, Ralphs & CROSS, James S. (1975). Industrial Marketing. Richard D. Irwin Inc., Homewood, Illionois.

HOLLOWAY, Robert J & HANCOCK, Robert S (1968), Marketing in a Changing Environment. John Wiley & Sons. Inc., New York.

KASSARJIAN, Harold H & ROBERTSON, Thomas S (1973), Perspectives in Consumer Behaviour. Scott, Foresman and Company, Glenview, Illinois.

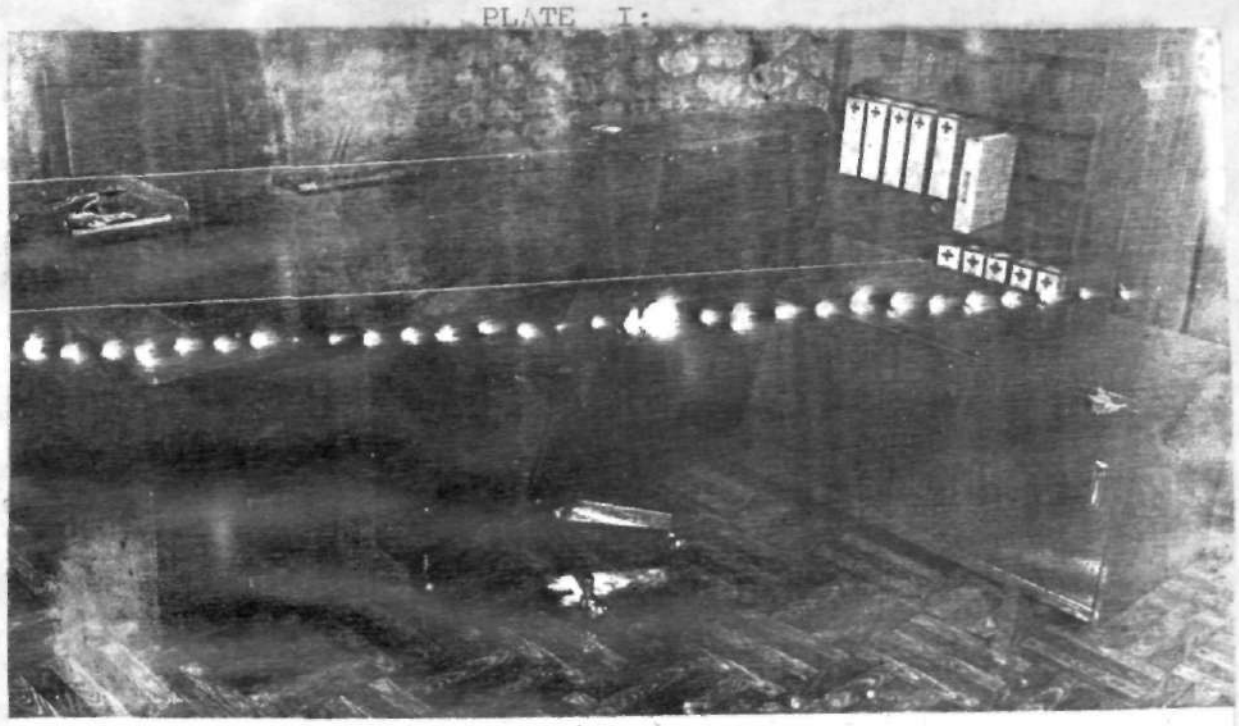
KOTLER, Philip (1980). Marketing Management: Analysis, Planning and Control. Prentice-Hall International Inc. Englewood Cliff.

KUTZ, David L & BOONE, Louis E (1981), Marketing. The Dryden Press, New York.

PACKARD, Philip C. (1977). A note on concentration and Profit Rates within the manufacturing Sector, 1963 and 1965. In O. Teriba & M.O. Kayode (Ed.) Industrial Development in Nigeria: Patterns, Problems, and Prospects. Ibadan University Press, Ibadan.

WENTZ, Waller B. (1972). Marketing Research: Management and Methods. Harper & Row Publishers, New York.

PLATE I:



01.006

SUPER EXECUTIVE OFFICE TABLE: with one 3 - Side Drawers and one two-faced attachment. Cases in Nirolux Plywood top and front panel in matched veneered chip board base. Finish: Matt or gloss. Mahogany or walnut.

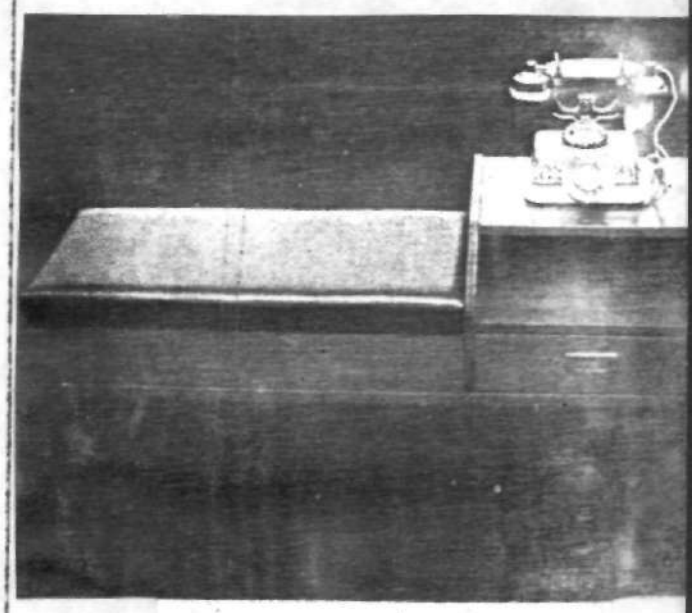
PLATE 2:



01.010

EXECUTIVE CHAIR: with Swivel base. Adjustable in seat height and back slope. Upholstered in High class fabric vinyl or cordinoy.

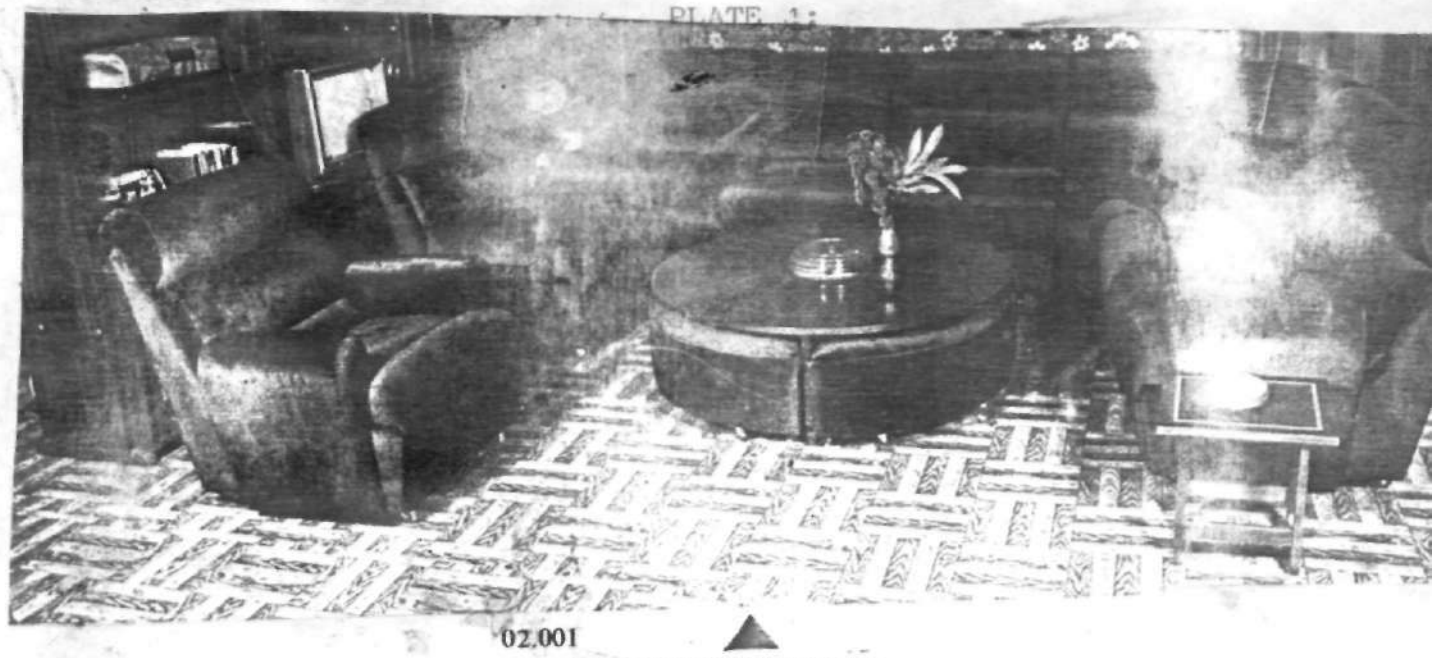
PLATE 3:



01.008

TELEPHONE TABLE: provided with additional storage facilities.
One side aped with foam and P.V.C. in Mahogany.

PLATE 4:

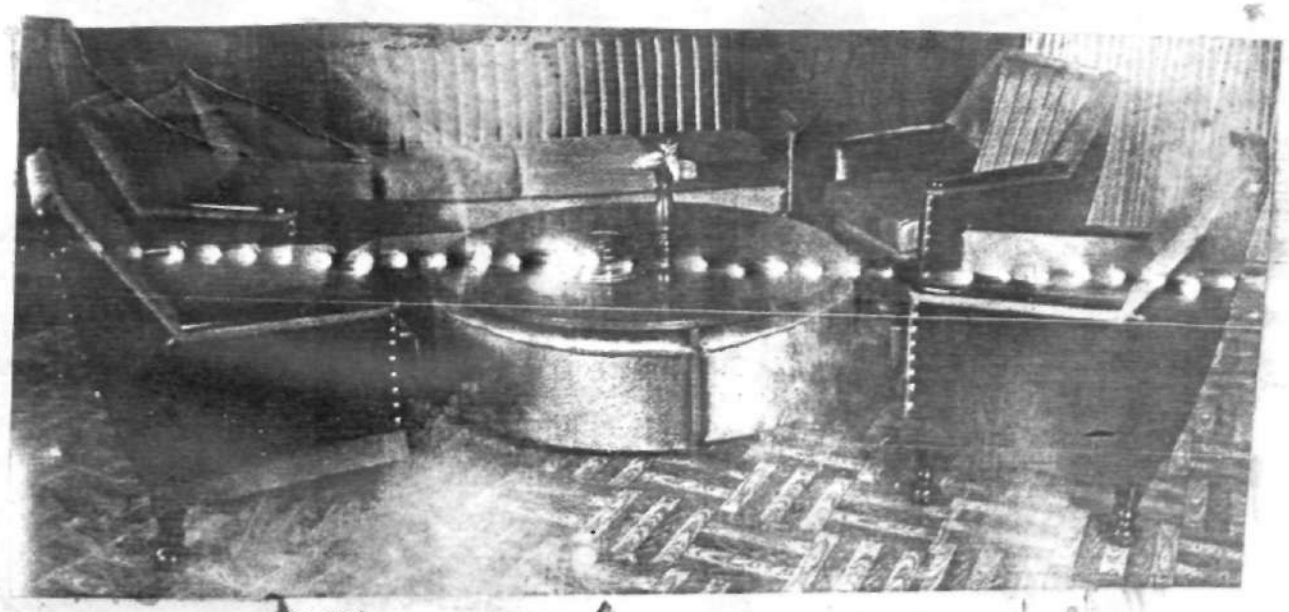


02.001

ADY SETTEE COMPRISING OF:
- one settee - 3 seater - four easy chairs
- one padded coffee table. Top in mahogany
- four padded side stools. Top in mahogany

Upholstered in high class polyester or velvetin fabric.
Can also be supplied in corner set. Available in two versions
- in corner sofa settee - a 3-seater sofa settee.

PLATE 5:



02.006

MODERN SOFA SET
Upholstered in combination of fabric and leather. Designed for moderacy. A sofa seat, 4 single seats a coffee table in mahogany and a drinking stools make a set. Colour of fabric can be choosen.

PLATE 6:



04.010

ADY MASTER BEDROOM: complete bedroom unit with bedside cabinets dressing table and stool, corner unit, spring and mattress.
Headboard paded in high class fabric. Available in mahogany, Afromosia or Canarium. Finish. Gloss or Matt.

PLATE 7:

04.002

SLEEPCOOL BED: with spring and mattress Board ends covered with Nirolux plywood. Additional head board paded with polyester fabric. Finish: Matt. or gloss
1850 x 1370 mm

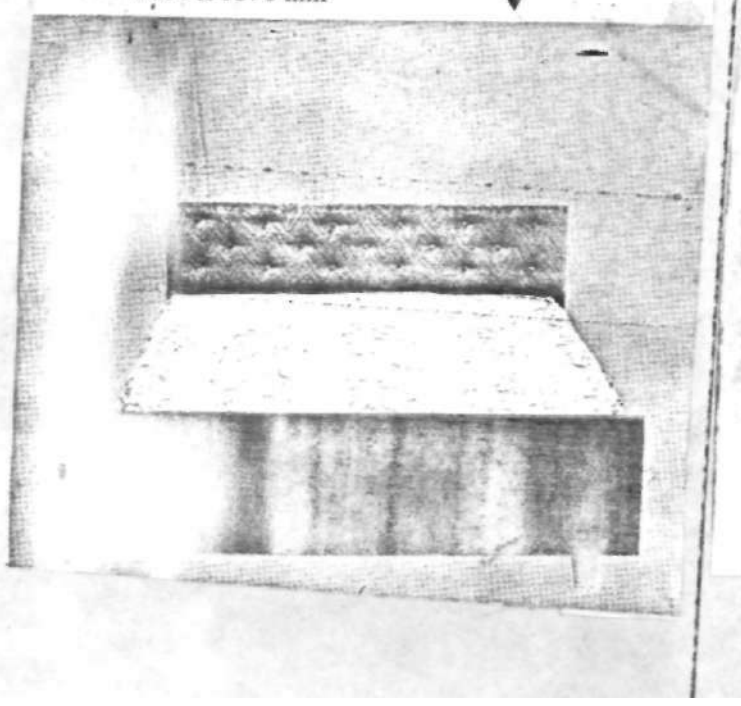


PLATE 8:

04.001

ROSE BED: with spring and mattress (3.5' x 6')
Available in Mahogany Finish: Matt. or gloss

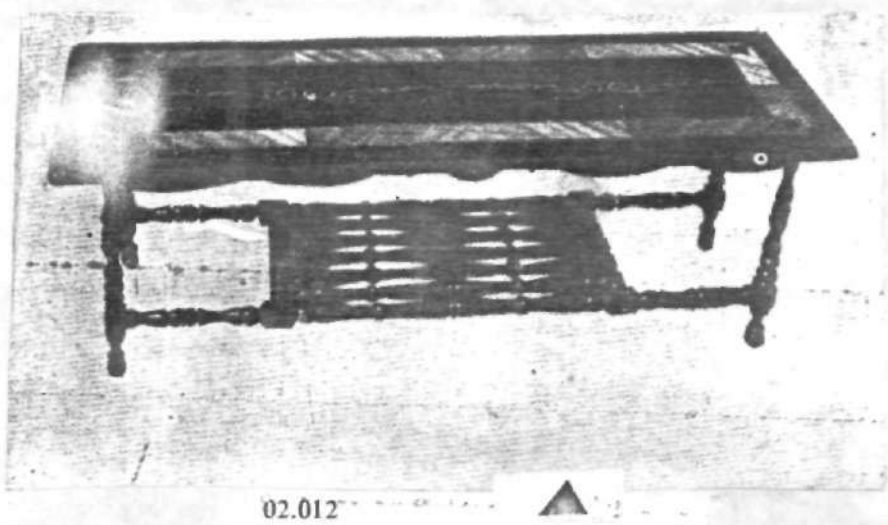


PLATE 9:



03.003
DINING SET
(NIROWI High Glass)

PLATE 10:



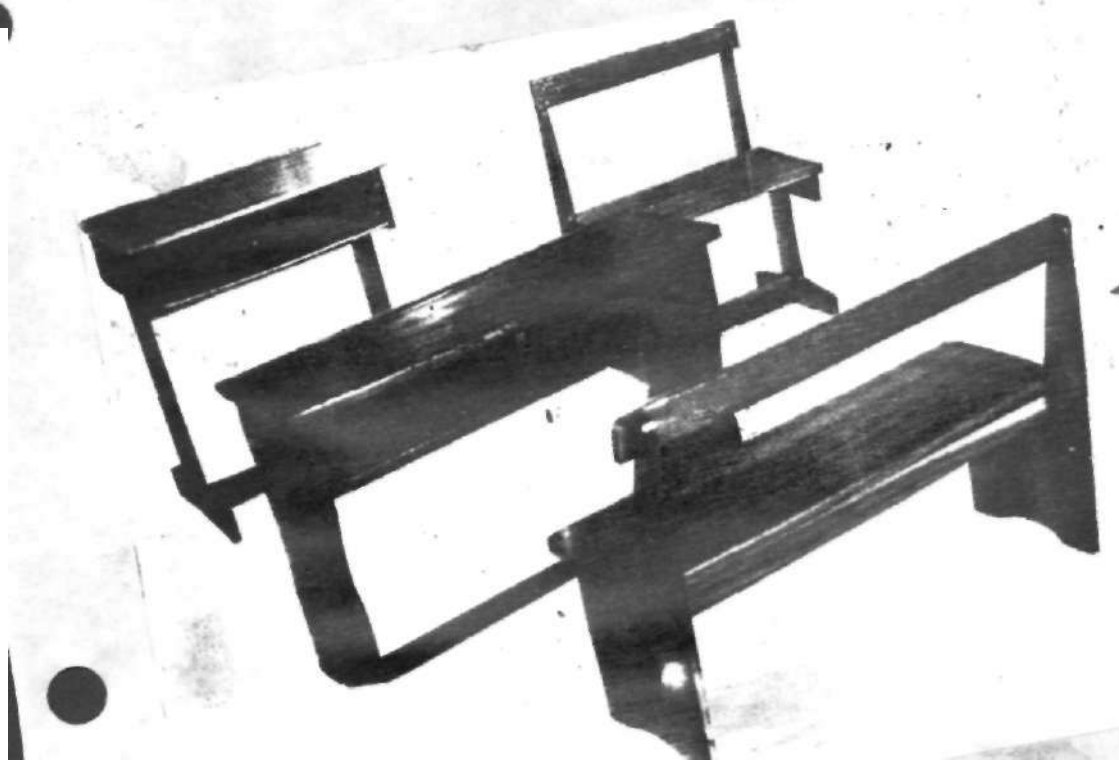
02.012
COFFEE TABLE
in mahogany: Inlaid venear matched top on turned leg. Finish - High class gloss.

PLATE 11:



05.001
WRITING DESK
& CHAIR
For High Schools
"Venus"

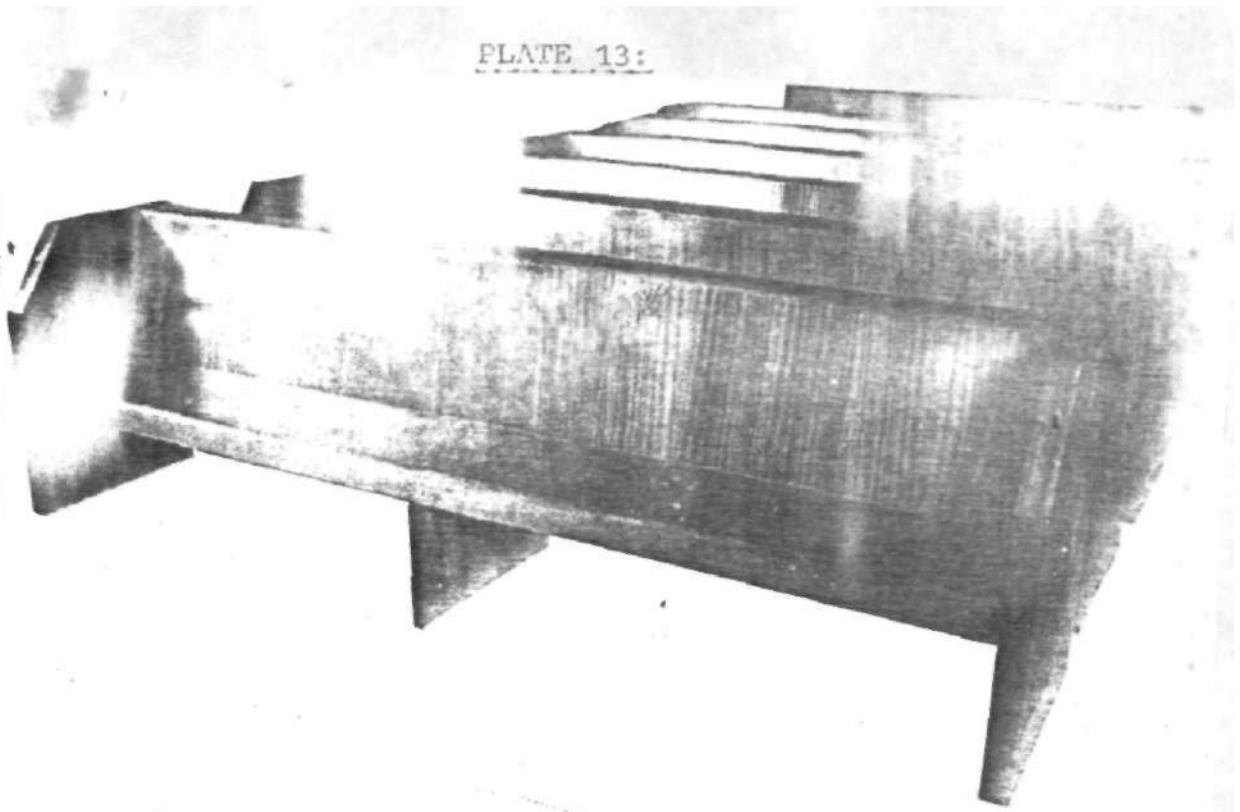
PLATE 12:



05.001
WRITING DES
Elegant and stu
secondary scho
Available in AP
top in grade tw
Finish: Light gl

05.002
DUAL WRITI
CHAIR:
Finish: Light g

PLATE 13:

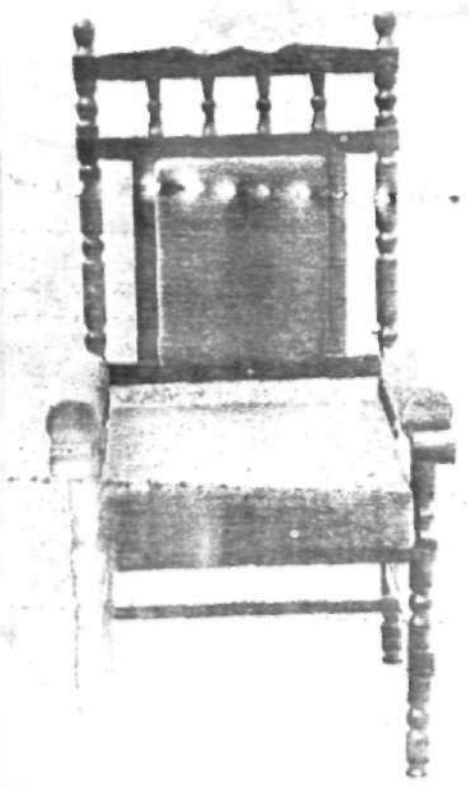


07.001

CHURCH PEWS

Unupholstered with a knee rest.
Available in mahogany, Apa or Cordia
Finish: Matching stain with gloss or matt. lacquer

PLATE 14:



07.002

CLERGY HIGH BACK CHAIR

Seat and back rest upholstered in polyester fabric.
Available in mahogany. Can also be used as a *conference chair.*

APPENDIX A

The Managing Director,
Nigerian-Romanian Wood
Industries,
Akure Road, ONDO.

Dear Sir,

SUBJECT: YOUR ASSISTANCE FOR MBA PROJECT WORK

The bearer of this letter Raphael A. Bambe is a final year M.B.A. student of this department, Ahmadu Bello University, Zaria. As part of the fulfillment of the degree, he is required to undertake a research work in one of the management areas. He desires to study some aspects of your organisation for this purpose and he/she will explain more to you in person. We request you to kindly offer him/her your maximum co-operation.

We would like to assure that the information given to the student will be kept confidential.

Thanking you.

Yours truly,

V. JANAKIRAMAN,
Co-ordinator,
M.B.A. PROGRAMME.

APPENDIX B

Department of Bus. Admin.,
Faculty of Administration,
Ahmadu Bello University,
Zaria,

27th April, 1985.

Dear Respondent,

A research is being conducted into "The problems of marketing furniture in Ondo State: a case study of Nigerian-Romanian Wood Industries, Ondo."

The research aims at identifying the problem areas of Furniture marketing in Ondo State by defining correctly the customers' perception of furniture, and the total meaning of the product to them (users). This, hopefully, will not only lead to solving some of the current problems but identify also new opportunities in the market; thus enabling furniture manufacturers serve the State's needs most effectively.

The research is being conducted as part of the requirements for the award of a masters degreein Business Administration (M.B.A.), Faculty of Administration, Ahmadu Bello University, Zaria.

The respondent is hereby assured that the research is strictly for an academic purposeand that his/her identity shall not be disclosed. It is therefore, hoped that you will provde the required information to facilitate the achievement of the objectives of the research.

Thanks for your coperation.

Yours sincerely,

R. A. BAMBE
(MBA II STUDENT)

APPENDIX C

QUESTINNAIRE FOR INDIVIDUAL BUYERS OF FURNITURE FOR THE HOMES:

1. Are you married?

   Yes ☐ No ☐

2. What is the size of your household?

   (a) Two ☐

   (b) Three to four ☐

   (c) Five to six ☐

   (d) Over Six ☐

3. What is your occupation?

   Please state ----------

4. What is your annual income from all sources N---------

5. Which of the following furniture did you h ve/use in your home?

   (a) Full uphostery ☐

   (b) Half upholstery ☐

   (c) Cushioned seats ☐

   (d) Writing table ☐

   (e) Chair ☐

   (f) Coffee table ☐

   (g) Dining set ☐

   (h) Bed ☐

   (i) Bedside Cabinet ☐

   (k) Others, please specify ----------

   ----

6. Specify those furnitures from 5 above that you bought within the last three years ----------

---

7. For how long do you use your furniture before buying new ones?

   (a) Three.years ☐
   (b) Four to five years ☐
   (c) Six to seven years ☐
   (d) More than seven years. ☐

8. Who took the decision on buying the type(s) of furniture you are presently using?

   (a) The husband ☐
   (b) The wife ☐
   (c) Joint decision ☐
   (d) The child(ren) ☐
   (e) Any other, please specify ----------

9. Who decided on where you bought the furniture?

   (a) The husband ☐
   (b) The wife ☐
   (c) Joint decision ☐
   (d) The Child(ren) ☐

10. What influenced your buying the type(s) of furniture you are using now? ☐

    (a) Price ☐
    (b) Availability ☐
    (c) Quality ☐
    (d) Any other, please specify ----------

11. What is the value (in naira) of the furnitures you are presently using?

(a) Less than ₦2,500

(b) From ₦2,501 to ₦5,000

(c) From ₦5,001 to ₦7,500

(d) From ₦7,501 to ₦10,000

(e) More than ₦10,000

12. What is the most important benefit from the use of your furnitures? (Tick the most appropriate one)

(a) Comfort ☐

(b) Prestige ☐

(c) Status symbol ☐

(d) Durability ☐

13. Where did you buy your furnitures?

(a) Retailers ☐

(b) Company's showroom ☐

(c) Supermarket ☐

(d) Specialty Stores ☐

(e) Ordered from a manufacturing Company ☐

(f) Ordered from an individual Manufacturer ☐

14. How did you get to know of that place you bought from?

(a) From Friends ☐

(b) From TV advertisement ☐

(c) From Newspaper advertisement ☐

(d) From Billboard advertisement ☐

(e) From Radio advertisement ☐

(f) Through personal solicitation of the seller/manufacturer ☐

15. Why did you buy from theplace specified in 11 above?
(You may tick more than one space here)

(a) Nearness to your home ☐
(b) Its cheap price ☐
(c) Its advertisement ☐
(d) Attracted by the quality of furniture in its showroom ☐
(e) Discount offered ☐
(f) Free delivery service ☐
(g) Credit facility made available to you ☐

16. What is <u>not</u> giving you satisfaction from the use of your present furnitures?

---

17. Have you ever heard of the Nigerian-Romania Wood Industry, Ondo. Yes ☐ No. ☐

18. If Answer to question 17 is Yes, how did you get to know of the company? ☐

(a) Through a friend ☐
(b) Through an advertisement (state the media) ☐
(c) Seen their showroom ☐
(d) From a trade fair ☐

19. Have you bought any furnitures from the Company?
Yes ☐ No. ☐

20. Do you hope to buy the next set of furnitures from the Company? Yes ☐ No. ☐

Thanks for your co-operation.

APPENDIX D

QUESTIONNAIRE FOR INSTITUTIONAL BUYERS OF FURNITURE:

INSTRUCTIONS:

Tick the box against the correct answer(s) of your choice.

° Strike off the inapplicable words.

1. What is the type of your organization?

   (a) An Educational Institution

   (b) A Hotel/Restaurant° ☐

   (c) A Manufacturing Company ☐

   (d) A Service Company ☐

   (e) A Hospital/Maternity/Clinic° ☐

   (f) A government Ministry/Parastatals° ☐

   (g) Any other? Please specify ----------

2. What is the name of your organisation?

   Please state here ----------

3. What is the estimated number of your employees?

   (a) Less than 50 ☐

   (b) From 51 to 200 ☐

   (c) From 201 to 500 ☐

   (d) Over 500 ☐

   Please specify the estimated number if over 500 ---------

4. What is the estimate number of people you purchase furnitures to cater for?

   (a) Less than 50 ☐

   (b) 51 to 100 ☐

   (c) 101 to 150 ☐

   (d) 151 to 200 ☐

   (e) over 200 ☐

5. Do you have a Purchasing officer for your organisation?

   Yes ☐ No. ☐

6. For how long have you been a Purchasing officer?

   (a) Less than three years ☐

   (b) Three to five years ☐

   (c) Six to ten years ☐

   (d) over ten years ☐

7. In the last three years, how often do you purchase furniture for your organisation?

   (a) Less often ☐

   (b) Fairly often ☐

   (c) Quite often ☐

   (d) very often ☐

8. What is the rough estimate in naira value of the furniture purchased per an annum in the last three years?

   (a) Less than ₦10,000.00 ☐

   (b) ₦10,001 to ₦20,000.00 ☐

   (c) ₦20,001,00 to ₦30,000.00 ☐

   (d) over ₦30,000.00 ☐

9. What are the types of furniture that you purchased most in the last three years?

   (a) ----------

   (b) ----------

   (c) ----------

10. From what source do you regularly purchase your furniture needs?

   (a) Registered contractors/suppliers' with your organisation. ☐

   (b) Registered contfactor/suppliers.' The State/ Federal Government. ☐

(c) Sole proprietors of furniture manufacturers ☐

(d) Institutional manufacturers of furniture ☐

11. How did you come to know of your present source of supply of furniture?

(a) Through their advertisement ☐

(b) Through personal contact of the supplier(s) ☐

(c) Through introduction of the supplier(s) by friends. ☐

(d) Through your employees ☐

12. If your answer to 11 is (a), what was the media of advertisement used? You may have more than one answer here.

(a) The daily newspaper(s) ☐

(b) Trade or Professional journals(s) ☐

(c) Business weekly ☐

(d) Radio ☐

(e) Television ☐

(f) Any other(s) specify ----------

13. Who takes decision on the furniture requirements of your organisation?

(a) The contract Committee ☐

(b) The Purchasing & Supply Committee ☐

(c) The top management Committee ☐

(d) Any other? Specify ----------

14. Who takes decision on where to purchase from?

(a) The Purchasing & Supply department ☐

(b) The Contract Committee ☐

(c) The overall boss in the organisation ☐

(d) Any other? Specify ----------

15. What guides your organisation in deciding where to buy from? If more than one factor, rank in order of priority.

(a) Prompt delivery ☐

(b) Low Price offered ☐

(c) Quality of product ☐

(d) Ability to manufacture to your specifications ☐

(e) Any other? Specify ----------

16. What factor(s) is/are° topmost in your consideration of price biddings by furniture suppliers?

(a) Minimum price bidded ☐

(b) Rate of discount given ☐

(c) Preparedness of supplier to bear delivery cost ☐

(d) Availability of credit purchase ☐

(e) Any other? Specify ----------

17. What do you look for in the furniture suppliedto your organisation?

(a) Comfort ☐

(b) Durability ☐

(c) Functionality ☐

(d) Economical price ☐

(e) Any other? Specify ----------

18. What is the average life span of your furniture before you change for new ones?

(a) Three years ☐

(b) Three to Five years ☐

(c) Five to Seven years ☐

(d) over Seven years ☐

19. Have you ever heard of the Nigerian-Romanian Wood Industry, Ondo in your organization?

Yes ☐ No. ☐

20. If answer to question 20 is Yes, how did you get to know of the Company?

(a) Through an advertisement (state the media ☐ ----------

(b) Personal solicitation of the Company ☐

(c) Seen their showroom ☐

(d) From a trade fair ☐

21. Have you bought any furniture from the Company?

Yes ☐ No. ☐

22. Do you hope to buy from the Company in furture?

Yes ☐ No. ☐

Thanks for your co-operation.

APPENDIX E

QUESTIONNAIRE FOR NIGSRIAN-ROMANIAN WOOD INDUSTRIES L?CMITED, ONDO STATE

KOTLER_VS MARKETING EFFECTIVENESS iWDITj__OUTLINE, FOR MARKETING EFF3CTIVENE.SS

CUSTOMER PHILJ 30PHY:

A - D 'OS Management recognise the importance of designing the company to serve the needs and wants of chosen markets'?

0 £____/ Management primarily thinks in terms of selling current andncw products to whoever will buy them.

1 £____/ Management thinks in terms of serving a wide range of markets and needs with equal effectiveness.

2 /____/ Management thinks in terms of serving the needs and wants of well-defined markets chosen for their long-run growth and profit potential for the Company.

B - Does management develop different offerings and marketing plan for different segments of the market?

⁰ *LZZJ* NO

1 £____/ Somewhat

^ Z— ->-/ ^° ª good extent.

C - Does management take a whole marketing system view (suppliers, channels, competitors, customers, environment) in planning its business?

0 /____/ No, management concentrate on selling and servicing its immediate customers.

1 /____/ Somewhat, management takes a long view of its channel although the bulk of its effort goes to selling and servicing the immediate customers.

2 /____/ Yes, management takes a whole marketing systems views, recognizing the threats and opportunities created for the company by changes in any part of the system.

II. INTEGRATED MARKETING ORGANISATION:

D - Is there high-level marketing integration and control of the major marketing functions?

0 /____/- No. Sales and other marketing functions are not integrated at the top and there is some unproductive conflict.

1 /____/- Somewhat. There is formal integration and control of the major marketing functions but less than satisfactory co-ordination and co-operation.

2 /____/--Yes. The major marketing functions are effectively integrated.

E - Does marketing management work well with management in research, manufacturing, purchasing, physical distribution and finance?

0 /___/- No. There are complaints that marketing is unreasonable in the demands and costs it places on other departments.

1 /___/- Somewhat. The relations are amicable although each department prettymuch sets to serve its own power interest.

2 /___/- Yes. The departments co-operate effectively and resolve issues in the best interest of the company as a whole.

F - How well organised is the new product development process?

0 /___/- The system is ill-defined and poorly handled.

1 /___/- The system formally exists but lacks sophistication.

2 /___/- The system is well-structured and professionally staffed.

III. ADEQUATE MARKETING INFORMATION SYSTEM

G - When were the latest Marketing research, studies of customers, buying influences, channels and competitors conducted?

0 /___/- Several years ago

1 /___/- A few years ago

2 /___/- Resently

H - How well does management know the sales potential and profitability of different market segments, customers, territories, products, channels and order sizes?

0 /___/- Not at all

1 /___/- Somewhat

2 /___/- Very well.

I - What effort is expended to measure the cost effectiveness of different marketing expenditures?

0 /___/- Little or no effort

1 /___/- Some effort

2 /___/- Substantial effort.

IV. STRATEGIC OPERATION

J - What is the extent of formal marketing planning?

0 /___/- Management does little or no formal marketing planning.

1 /___/- Management developes an annual marketing plan.

2 /___/- Management developes a detailed marketing plan and a careful long-range plan that is updated annually.

K - What is the quality of the current marketing strategy?

0 /____/- The current strategy is not clear.

1 /____/- The current strategy is clear and represents a continuation of traditional strategy.

2 /____/- The current strategy is clear, innovative, data based and well measured.

L - What is the extent of contingency thinking and planning?

0 /____/- Management does little or no contingency thinking.

1 /____/- Management does some contingency thinking, although little formal contingency planning.

2 /____/- Management contingencies and develops contingency plans.

V. OPERATIONAL EFFICIENCIES:

M - How well is the marketing thinking at the top communicated and implemented down the line?

0 /____/- Poorly

1 /____/- Fairly well

2 /____/- Successfully

N - Is management doing an effective job with the marketing resources?

0 /____/- No. The marketing resources are inadequate for the job to be done.

1 /____/- Somewhat. The marketing resources are adequate, but they are not employed optimally.

2 /___/- Yes. The marketing resources are adequate and are deployed efficiently.

0 - Does management show a good capacity to react quickly and effectively to on-the-spot development?

0 /___/- No. Sales and market information is not very current and management reaction time is slow.

1 /___/- Somewhat. Management receives fairly up-to-date sales and market information, management reaction time varies.

2 /___/- Yes. Management has installed systems yielding highly curren information and fast reaction time.

Source: Marketing Management: Analysis, Planning and Control, Philip Kotler, (1980) Prentice-Hall International, Inc., London, 4th Edition, P.652-655.

APPENDIX F

The following scale shows the equivalent in Marketing effectiveness.

0 - 5 None

6 - 10 Poor

11 - 15 Fair

16 - 20 Good

21 - 25 Very Good

26 - 30 Superior

Source: Kurtz, David L and Boone, Louis E. (1981) Marketing, The Dryden Press, New York P. 640-641. Reprinted from Philip Kotler's "From Sales Obsession to Marketing Effectiveness," Harvard Business Review, November-December, 1977, Page 70-71.