STRATEGIES FOR MARKETING OF AGRICULTURAL INPUTS IN NIGERIA A CASE STUDY OF FARMERS SUPPLY COMPANY (KDS) LTD

BY

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STRATEGIES FOR MARKETING OF AGRICULTURAL INPUT IN NIGERIA: A CASE STUDY OF FARMERS SUPPLY COMPANY (KDS) LTD, FASCOM.

BY

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ZARIA

DECLARATION

I hereby declare that this project work for the degree of master in Business Administration is the true product of my research work. It has not been previously presented for any degree award. All other source of information has been fully acknowledged by means of references.



Umar, Balarabe Zaria

December, 1996

CERTIFICATION

This project work entitled "strategies for marketing of Agricultural inputs in Nigeria": A case study of farmers supply company (KDS) ltd, by Umar, Balarabe Zaria meets the regulations governing the award of the degree of master in Business administration of Ahmadu Bello University, and is approved for its contribution to knowledge and literary presentation.

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DEDICATION

To: Saratu

Mardiyya

Sabarriya

Safiyya and

Aminatu

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I wish to acknowledge the immense positive contributions made by a lot of people around me before, during and after this course. These include, and fore most, Mrs. Mary Akanet for supervising and coordinating the whole project work through making useful criticisms and suggestions.

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May Allah, in his infinite mercy, bless each and every one of you, Amen.

ABSTRACT

This study is on marketing strategy as applied in farmers supply company (KDS) ltd. It tries to assess the company's present marketing mix strategies against the dynamic Nigerian business environment. Formal strategy evaluations and annual strategy reviews are growing in use, having already risen to become a standard management practice in most large companies.

The reader will find that while some of the strategies are in practice, a lot more have not been effective and some never introduced. Serious inadequacies are observed in the areas of promotion, these include lack of advertising budget, no sales promotion and packaging was not given any due consideration as a strategy.

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CHAPTER ONE

INTRODUCTION

The present economic environment in Nigeria is characterized as harsh due to severe depreciation of its currency, the Naira. This has been compounded further by excruciating interest rates and strangulatory bank charges; interest rates rose from 25% in 1993, to as high as 40% and above, while inflation rate is over 50% per annum. All these caused gross escalation of the costs of goods and services, and severely weakened consumer demands and his purchasing power.

Companies and business enterprises, particularly those with incompetent management and leadership, were unable to cope in the depressed economy and they folded off. On the other hand, successful businesses and Companies adapted, survived and thrived in-spite of the poor economic environment and the intense competition for a meaningful share of the declining consumer market.

Product innovations and diversification as well as product development and improvement are some of the management skills used by the triumphant Companies to thrive in the austere economic conditions. In response to a depressed economy, a company's management should vigorously identified changing tastes and consumer requirements, and reoriented itself to meet these needs, through research and regular review of quality standards with a resultant effect of producing superior products relative to competition.

In trying to cope with an ever changing and challenging environment, modern Companies use two key processes to build their future. The first is strategic planing, which enables top management to determined what business it wants to emphasize. The second is the marketing process, which enables the Company to proceed in a systematic way to identify and turn specific opportunities into profitable business. This latter process is the main concern of this write up. It involves the following steps:

1. Marketing opportunity analysis

2. Target market selection

3. Marketing mix strategy and

4. Marketing management systems development.

The third step, the marketing mix strategy, consists of developing a competitively effective marketing mix strategy for the target market. This, as a whole encompassed the marketing strategy. Philip Kotler (1980) defines marketing strategy as the fundamental marketing logic by which the business unit intends to achieve its marketing objectives. Marketing strategy consists of a co-ordinated set of decisions on the following:

1. Target markets

2. Marketing mix and

3. Marketing expenditure level.

The focus on marketing management and particularly on marketing mix strategy is very important because; marketing permeates our life endeavors, its activities play a fundamental role in the formation, development and growth of a country's economy. One author express it as "the creation and delivery of a standard of living to the society". First, marketing performs an important organizational and informational role. It creates an avenue through which information flows amongst the many firms with inter-related activities essential to the delivering of products to the consumer.

Secondly, of relevance is the function of equalization and distribution of goods from surplus to deficit areas through demand and supply mechanisms. Goods do not flow in equal amounts in a regular pattern from producers to consumers, nor is purchase made at a constant rate equal to the production output, and hence to match these requirements of demand and supply, a host of marketing activities have to be performed.

Consumer demand for goods and services have been reduced by the economic recession invariably affecting the rate of turnover of Companies thereby leaving them with unsold stock. Businesses are facing serious challenges. Opportunities in the Nigeria business environment

must employ use of marketing strategies. Coupled with the fact that marketers today are faced with a breed of consumers whose purchasing power is greatly reduced and who are more interested in getting value for their money. They are interested in quality and product durability and also more rational in their purchases.

Adam Smith (l937) has stated that consumption is the basis and the only justification for production. Thus, all Company activities must be geared towards what the customer wants, and the satisfaction of these wants. This brings us to the philosophy of marketing concept. Philip Kotler (l980) defines it to be "a management orientation that holds that the key task of the organization is to determine the needs and wants of target market and to adapt the organization to the delivering of desired satisfactions more effectively and efficiently than its competitors". Thus, all marketing programmes must start with the consumer or customer, since he is the live wire of every organization. Appropriate strategies then, must have to be designed to satisfy the needs, and wants of customers by any business organization to ensure its success and growth. This is the concept of consumer oriented marketing.

In the early l980's marketing took a shift from the consumer orientation to strategic orientation. The strategic orientation emphasizes that marketers must not only be aware of consumer needs and wants but must also be able to take cognizance of the challenges posed by competitors in the market place. Thus, marketers must somehow create a distinct competitive advantage in the market in order to ensure long run survivability. marketers, therefore must evaluate the opportunities present in the market and then analyze the resource available to meet these opportunities. thus, the strategic orientation acknowledges that there is a heightened level of competition for consumers attention and patronage.

Strategic marketing, which involves planning the future status of marketing, has become extremely important contemporary business issue. This strategic marketing process involves a continuous sequence of seven interrelated steps, viz;

(1) Define the business: what business are we in? A firm needs to develop a clear

concept of what its business is and what it will be in the future. This is the firms overall reason for existing and it should be stated in broad terms that it will be as applicable in five or ten years as it is today.

(2) Specify business objectives: The firms business definition is broad and provides general direction for its activities. In contract, objectives are specific, measurable results that a firm wants to achieve in a given period of time.

(3) Identify opportunities: Once the business definition and objectives have been established, the firms management team needs to identify opportunities that the firm may pursue. An opportunity exist when a firm has the capability to satisfy an unmet need in the market place and when doing so would meet the firms business definition and objectives.

(4) Conduct a situation analysis: Situation analysis is an essential part of marketing planning. A situation analysis involves a careful review of the environment in which the business operates and competes. To complete a situation analysis, the firm examines where it has been recently, where it is now, and where it wants to be using existing plans.

(5) Set marketing goals: The process of setting marketing goals means selecting specific measurable marketing targets to be reached, such as increasing sales of a certain product by one million units next year.

(6) Formulate and implement a marketing programme: The task of formulating a marketing programme is accomplished by organizing the firms resources in to a marketing programme that uses the four elements of the marketing mix (i.e product, price, promotion, and place) to achieve the marketing goals. To be effective, a firms marketing efforts must be directed towards a specific target market. The product, including accessories, packaging, and features must be designed with the target market in mind. Likewise, the price of the product, how it is promoted and advertised, and the places where it is available for sale must be planned with the needs and wants of the target market customers in mind. The implementation phase of the strategic marketing process involves

placing into action the marketing programme that has been developed.

(7) Finally, evaluate programme and take corrective action: Through this final phase of the strategic marketing management process, managers seek to keep the marketing programme moving in the direction to meet the goals set for it. Corrective action might include developing new products and adding them to the firms product line or allocating additional Naira to the advertising budget.

The crunching effects of a weak and limp Naira in the depressed Nigerian Economy make payments for imported raw materials expensive. Even the availability of the foreign exchange to pay for them has become less accessible. All these lead manufacturing Companies to the urgent need to reduce or limit dependence on foreign inputs so as to achieve some cost savings; that is, to be inward looking-in Economics, backward integration- so as to be self reliant an self sufficient in raw materials supply.

This means the local sourcing of raw materials, a reduction in the high expenditure on hard currency for imported raw materials etc. Local sourcing for agricultural raw materials has sensitized the agricultural sector and has provided farmers of cash crops with ready markets. This, coupled with the present government determination to revive our export processing zones (EPZ) to promote the development of export-oriented marketing activities, pre-empt the researcher for the need to develop strategies to be used in the marketing of agricultural inputs in Nigeria, with farmers supply Company (KDS) limited, as a case study.

1.2 PROBLEM STATEMENT:

In 1990 farmers supply Company (KDS) ltd, FASCOM was relieved of the responsibility of procurement and distribution of one of its product, Fertilizer. A change in distribution policy and political reasons by the Kaduna state Government leads to this particular decision.

The Management of FASCOM (KDS) ltd considered the removal of fertilizer in its product

line as a disinvestment of a "Dog" product. Fertilizer being a government subsidized product has no profit contribution to the Company at all. Indeed it needs a lot of cash injection for its several operational overheads. So its disinvestment was exploited for internal growth purpose. To augment this strategy, the management organizes seminars, workshops and other staff training and development programmes to prepare its staff for the task ahead.

Five years after, one would expect to see some growth and improvement in the competitive stand of the Company and on its product portfolio development. But as a result, the Company does not only performed poorly but shows signs of lack of improvement. These among other things include;

I. Lack of clear criteria for determining products to be sold.

ii. Managers act at cross-purposes or do nothing because of lack of clear policy directives from policy making top management.

iii. There are no rules to guide the search for new exploitable opportunities there by making the organization passive waiter for opportunities.

There is then, a problem. The problem specifically is lack of strategic management thinking to influence the activities of the marketing department. Also where strategies are formulated such are usually not implemented.

This research study therefore aims at providing information that will guide management in solving some of these problems, particularly those affecting the marketing department

1.3. OBJECTIVES OF THE STUDY:

The objectives of the study are:

I. To study the current marketing strategies or moves of the Company.

ii. To assess the role of marketing mix elements as practiced by the Company.

iii. To identify the strength and weaknesses of the marketing mix strategies

given the dynamic nature of the Nigerian business environment.

iv. To make recommendations based on findings.

1.4 SCOPE OF THE STUDY:

The research study is mainly focussed on the strategies used by the Company as it affects the marketing mix elements, viz; product, price, promotion and place.

1.5 RESEARCH METHODOLOGY:

The methods adopted in gathering of relevant data for this study include the following:

I. Structured questionnaire for farmers and another for staff and management of the Company.

ii. Review of relevant Company materials which gave clues to the activities in the marketing department.

iii. Interview with personnel in departments or units whose activities are directly or indirectly influenced by the marketing department.

So both primary and secondary sources of information were exploited for precision and the data is simply analyze using tables and percentages.

1.6 LIMITATION OF THE STUDY:

The research, being a case study is limited to farmers supply Company (KDS) ltd. A Company primarily involved in the marketing of agricultural inputs. The choice of FASCOM (KDS) ltd, Kaduna is as a result of its importance in Kaduna State both to farmers and other consumers in the state. Attempt has been made at randomization of the sample but individual biases from respondents and or enumerators might not be ruled out completely.

1.7 THE SIGNIFICANCE OF THE STUDY:

This study is of importance to farmers supply Company (KDS) ltd and other agricultural input marketers nationwide. Farmers supply Company (KDS) ltd will find this study useful in developing an effective marketing strategies that would enhance its survival and growth like any other business enterprises in Kaduna state who depend solely on customers patronage.

The study is also available to state governments particularly Kaduna state government as a guide for policy formulation and implementation on agricultural inputs procurement and distribution. It is also useful to other agricultural inputs marketers that are looking for ways of developing effective marketing strategies for their products.

The study is in-valuable to students of business, particularly those studying marketing, and to the general reader who might be interested in reading something about marketing.

1.8 DEFINITION OF KEY TERMS:

1. **Policy:** This Is a guide for making administrative decisions. It is the organizations point of view and establishing manner of doing business and directing managerial action.

2. **Strategy:** A scheme, method, manoeuvre which management hopes to deploy in order to move the organization from its present position to arrive at its target goal by the end of a specified period, recognising that during the intervening period a host of changes are going to take place in the environment.

3. **Strategic planning:** The managerial process of developing and maintain a strategic fit between the organisation and its changing market opportunities. It relies on developing a clear Company mission, objectives and goals, growth strategies and product portfolio plan.

4. **Marketing process:** The managerial process of identifying, analysing, choosing, and exploiting marketing opportunities to fulfill the Company's mission and objectives.

5. **Marketing strategy:** The fundamental marketing logic by which the business unit intends to achieve its marketing objective.

6. **Marketing Mix:** The particular blend of controllable marketing variables that the firm uses to achieve its objectives in the target market. Refer appendix 6.

7. **Target Market:** A well defined set of customers whose needs the Company plans to satisfy.

8. **Reseller market:** All the individuals and organisations who acquire goods for the purpose of reselling or renting them to others at a profit.

9. **Backward integration:** This refers to a Company's seeking ownership or increased control of its supply system.

10. **Goods return:** This refers to post purchase replacement of goods discovered to be damaged or of lower quality than standard.

11. **Capital trust:** An amount of money paid or used by an agency to satisfy the need of its client when payment agreement has been concluded.

12. **Coupons:** This are certificates that entitle the bearer to a stated saving on the purchase of a specific product.

13. **Subsidy:** A payment usually made by a government either to producers or to consumers of a good.

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CHAPTER TWO

LITERATURE REVIEW

This chapter is a review of write ups made by authors in the field of strategic marketing. It is an identification of the current state of the art through a review of cases of strategic marketing studies of prominent Companies within the country regardless of the product they deal with.

2.0 REVIEW OF CASES OF STRATEGIC USE OF MARKETING MIX ELEMENTS

2.1 AGRICULTURAL AND AGRO ALLIED COMPANIES

These are Companies that are situated in Nigeria operating within it and using local sources of agricultural raw materials either as a fundamental primary raw material or a major constituent of the Company's raw materials.

2.1.1 Nigerian Tobacco Company (NTC) Zaria;

NTC ltd was incorporated in 1951 as successor to British American Tobacco Company ltd. In 1933, the Company set up a pilot factory in Oshogbo to produce cigarettes from imported tobacco leaf. This proved successful. Therefore, in 1937, the first full scale factory was opened in Ibadan. In 1960, some of the stock of NTC was offered for sale to the public, making NTC one of the first few publicly quoted Nigeria Companies

Marketing Strategies at Ntc

I. **Product Strategy:**

NTC has only one line of product, and that is Tobacco. However, it has various

items within this line, that is the different brands of cigarettes. NTC takes cognisance of the fact that customers have different tastes, requirements, preferences, income and social status. As such products are developed according to how best they fit the consumers.

New product development is very important aspect of NTC's operations. The Company has a special product development team (PDT) which comprises of skilled, high calibre personnel from the marketing, finance, leaf processing and production department. The idea of a new product stems from one or more of the following reasons:

a. Market requirements

b. A gap in the market e.g a price gap or a product gap.

c. Excess stock of raw materials

d. Competition i.e to keep in line with its competitors.

Suggestion of a new product comes from the marketing department, because they are in touch with the consumers through a market research headed by a market research manager. Market research provides the necessary information regarding varying consumer needs, tastes etc. Because of these varying requirements, NTC adopted the strategy of product classification. This strategy serves as a major basis for segmentation, and also simplifies the major functions of pricing, promotion, and distribution.

There are product classes A,B, C,and D.

- Product A. consisting of Benson and Hedges special filter for high class.
- Product B. are aimed at a broader market segment. The category of customers in this group are middle, average income earners. They are price conscious, but are willing to pay more for higher quality. These

include John Player's goldleaf, Trend, High society etc.

- Product C. Class are aimed at low income earners, particularly in rural areas. Products in this class include Mars, Bicycle, Three rings, Sweet menthol. There is no filter in the cigarettes in this class. Brands in this class are popular with farmers who enjoy the strong nicotine they get without the filter. Prices are low, and mostly sold in economy packs.

Product Integration: A very important product strategy of NTC is backward integration where it provides Agricultural extension services to farmers to ensure a continuous supply of the Company's main raw material, tobacco. Backward integration has proved a successful and useful strategy. NTC also embarks on vertical and lateral integration. The Company in partnership with Times press ltd set up Niger park ltd to be producing packaging materials for NTC and other manufacturers in the country. Other businesses associated with NTC include mechanized land preparation for tobacco growers, road haulage, the pipe manufacturing for curing of tobacco.

Quality Control: NTC Devotes a lot of time, effort and resources to quality control. It starts with NTC tobacco growers to ensure high quality tobacco varieties. Tobacco leaves, once in the hands of the Company, undergo further quality control measures particularly in the leaf threshing departments. After production, cigarettes are taken to the quality control department to be further analysed in order to ensure right quality.

ii. **Pricing strategy:**

Prices are set by top management using the cost-plus approach, that is the average cost per unit of the product is found and based on the profit objective of the Company, the desired profit per unit will be added to determine the price of the product.

Pricing of tobacco product is influenced by Government price control board policies. NTC tries to maintain uniform price policy on its products. Sales tax is required in some states, which is added to the normal price set by the Company. Sales tax may differ from one state to another, therefore the same product may have different prices depending on where it is sold. To avoid price differences, the Company gives commission to the distributors and other costs that could result in price differentiation, such as transportation, are taken over by the Company.

NTC's pricing strategy is influenced by the following:

a. Increase market share. The Company, in 1987 owns about 55.2% market share, price can and often increase or decrease market share depending on how price sensitive consumers are and on competitors pricing strategy. NTC is constantly monitoring the pricing situation in the country to ensure that its prices do not differ greatly from that of competitors. Where and when necessary, the Company may engage in a price war, that is cutting prices to avoid loosing its market share.

b.. Satisfactory profit. Cost is an important factor in determining prices. Being a profit-oriented Company cannot afford to set price without considering cost. When cost has been determined, the desired profit margin is added.

c. Stability. Despite the dynamic nature of market forces, NTC tries to maintain stable prices over a long period of time. The Company realizes that having to reset prices anytime with a changing market forces, will not only cause a drain on the executives time, but customers goodwill can be lost if prices do not follow a logical pattern.

iii. **Promotion strategy:**

NTC views promotion as a vital part of its marketing strategy. Promotional activities are carried out throughout the entire organization, from the head offices to the various divisions and zones. The promotional objectives include creating awareness, enhancing potential and current buyers responses to the Company and its brands. The promotional blend of NTC is designed to accomplish the firms overall objectives. There fore the particular blend varies depending on promotional budget available, nature of market situation, performance of particular brand in the market, target of promotion, and competitors promotional strategy. NTC concentrates a lot on mass media, magazines, dailies, and TV especially in promoting class A and B brands. Sometimes these brands are promoted by sponsoring special programmes on television.

Promotion for products in class C differ from that of products in class A and B. Because products in former are targeted at low income groups such as farmers, labourers, petty traders; promotion is most often on radio and billboards. Majority of consumers in this category are illiterates, therefore the advertisement copy is usually nice pictures postulating strength and happiness. Any writing is done in local languages. Sales promotion activities carried out by the Company sponsoring social events like contests, sports etc and point of sale promotion through issuing out of Calendars, T- shirts, Ballpoints, Caps, Ashtrays etc, bearing pictures or names of NTC products.

Although little personal selling activities are carried out in zonal office, the nature of the product to a large extent does not permit the

use of personal selling. NTC has its own publicity department which is responsible for creating favourable exposure for the Company and its products, especially with the various media talking about the hazards of smoking.

Packaging and Branding:

Packaging and branding form important parts of NTC's promotional strategy. Packaging in NTC is as a measure for protection, and serve other purposes too. The Company use aluminum foil bounded to paper to provide aesthetic value. The colours are attractive and have a pleasant psychological effect on customers.

Branding strategy differs for every product because promotion for each of the product is designed separately depending on individual products needs. NTC executives are aware that many customers are willing to buy by the brand name rather than by inspection where there is an assurance of quality. Therefore branding is an important part of its promotional strategy.

v. **Distribution Strategy:**

NTC uses an intensive distribution system because its products are small consumable goods produced on a large scale, and serves a very large market. Distribution of NTC's products is entirely in the hands of independent Nigerian business men and women who distribute to the retail trade in their various areas of responsibility. NTC offers all its distributors and their staff training, and advice that enables them to be fully equipped to meet demands of modern business management.

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Transportation: The Company has a fleet of vehicles for carrying cigarettes from the warehouse to the zonal offices where they are distributed to middlemen.

Warehousing: NTC warehouses are on the factory. They stock mainly raw materials. The Company guarantees ready market for tobacco growers because they buy leaf tobacco even if there is no immediate use for them. The leaf threshing facility enables the leaf tobacco to be processed to a certain texture at which it can be stored for over five years, given the right atmospheric conditions.

2.1.2 **Mona Juice:**

Mona Juice was incorporated in l981 primarily as a schedule II Company under the Nigeria Enterprises promotion Decree formulation, with M/S Jafco impex limited as 40% foreign participants, to set up as a fruit drink manufacturing unit initially in kaduna state but later sited in Niger state. Before l987 the Company imported concentrates (juices extracted from highly concentrated formula) to be later diluted with sugar and water. The Company produces its own local concentrates by crushing local fresh fruits to produce in four flavours Pineapple, Lemon, Orange, and Mango.

The Company has production capacity of 3000 cartons per day. Its objective is to produce a refreshing and thirst satisfying quality drink.

I. **Product Strategy**

Mona juice is a mono- product Company producing one basic product i.e fruit juice in four different flavours to appeal to a variety of consumer tastes. The Company recognizes that people differ in their tastes and has tailored its product to satisfy such differing taste. The Company is also looking into ways

of broadening the product line through research into the possibility of using other local fruits such as Guava and Locust beans; and Natural sweetness in its on-the premises laboratory. Quality control is taken seriously with strict hygienic control, not only on the final product, but from the raw material procurement stage.

ii. **Price strategy:**

The Company's objective in pricing is cost recovery, that is to at least cover cost of production and break-even. Demand and seasonal trend also affect price. In setting price, management takes into consideration the cost of production. The Company practices cost plus approach to pricing, a mark-up is added to the base price for profit.

Demand and seasonal trends also influence price, thus in periods of high demand usually the dry season, slight price changes occur while in low demand periods, prices tend to be a little lower. The Company adopts a uniform pricing system by keeping generally within the range of competitors producing similar products.

iii **Distribution strategy:**

Mona juice in its channel selection uses a short chain i.e

producer------>Retailer-----> consumer; while its distribution policy is intensive since the product needs exposure. The Company bears the cost of transporting and moving the product to the distributors. This, short channel is suited to distributing small, mass produced and perishable items. This short routing is used to effectively service large retail out lets e.g supermarkets.

In moving the product to distributors, the Company uses its own vehicles thus having not only complete control over the transportation

function, but also as a means of promoting the product. This also has the advantage of enabling the Company to effectively adjust demand situations quickly. Delivery is quick and speedy, while uniform pricing is maintained at all points of distribution. A further advantage is that the Company logo and name, which serves as the product family name is used on all Company vehicles, thus creating product awareness.

iv. **Promotion strategy**

The objective of Mona juices promotional campaign is to inform and provoke customer response to purchase the Companies product. Budget allocation to advertising is based on whatever the Company can afford. Radio and Television are the favoured medium, although Newspaper is also occasionally used.

Sales promotion is thorough sponsoring of schools debates and the state cultural troop, while the Company also participates in the states stand at major trade fairs. Promotion is intent on informing, persuading and influencing people, it is an important element in non-price competition.

The thrust of the message is that Mona juice is a high quality taste satisfying, and refreshing natural fruit drink. the Company also does all its own promotional programme, that is it does not use professional advertising Companies. Only one percent of sales was spent on advertising, hence customers are more ware of close substitutes e.g Caprisone and giants like Coca Cola products, 7UP etc.

2.1.3 **Nasreddin Group of Companies:**

The Nasreddin group of Companies comprises four Companies, namely:

I. Northern Nigerian Fibre Product ltd.

ii Nasco Foods ltd

iii Nasco Packs ltd.

iv Household Product ltd.

It is a one man business owned by an Ethiopian based in Nigeria. It started in 1975 with Fibre factory producing bags. Actual commercial production started in 1978. Later Riceco, was opened, then Biscuits came up, followed by Detergent. Added later was Carpets and the latest was Cornflakes. Nasco Management Consultancy Services ltd was established(1986) to provide technical and professional services to all the units in the conglomerate.

I. **Product strategies**

The Nasreddin Group of Companies (NGC) produces diverse products both consumer goods and industrial goods and nondurable goods. viz;

a. Nasco food Nigeria ltd produces Biscuits, Cornflakes and Wafers.

b. House hold products like detergents (Action, Brytex)

c. Fibre Company produces Nasco Carpets, Jute bags, Herian cloth and Carpet backing

d. Nasco pack produces mainly on orders, cartons, labels etc.

Among the product strategies used by NGC include:

a. Greater integration. In the NGC the establishment of Nasco pack. This Company has been set up essentially to produce Packs and Cartons for her sister Companies.

b. Product quality. The group ensures that Nasco products are always very durable, uniform and reliable

so as to draw customers attention to their products.

c. Product service. Provision of service on a product is essential for manufacturers of industrial good. NGC performed these activities minimally because their products do not require much after sales services.

d. Packaging. Nasco Pack (though an independent Company) is a member of the group and produces all the packaging needs of household products and Nasco food. One of The objectives of packaging is convenience. The packaging of a product should be shaped so that the middlemen and consumers will have ease in handling. The Nasco Pack ltd produced packs made from cellophane paper. They do not produce Plastics, Bottles, Wooden or Metal Packs . the paper packages vary in size and quality and a package must contain the following when labelling: Product identity, name and location of manufacturer, packer or distributor, net quantity of contents like weight, measure, quantities of application or serving. NGC Provides all these when labelling its products.

e. Branding. NGC produces brands like Action detergent, Nice Biscuits, Teatime Biscuits etc. NGC employ multi brand strategy, Here the development of two or more brand that compete with each other e.g Household products has bonus, Action, and Brytex all competing with each other.

f. Product replacement. Products that tend to approach the decline stage of their life cycle are immediately replaced with others. Brytex detergent is replaced with Action.

ii **Pricing strategy**

The stetting of prices for all the groups products is the responsibility of top management. Like any other manufacturing Company, the Nasreddin group takes into consideration the three factors that influence the setting of prices: (a) cost of production, (b) Demand for the product and (c) competition.

The cost of production is the paramount factor considered in pricing except of course in cases where the Companies want to dispose obsolete, damaged or slow moving products, low prices are then set. Demand to a much lesser extent influence pricing. The group monitors price changes in the products of competitors and where possible tries to adjust to it. They have absolute monopoly of jute bag production, therefore set prices at will.

Discounts: Offered to induce customers to buy more frequently and in larger quantities. They have a fixed percentage of discount for a product regardless of the quantity purchased; 10% on Biscuits, 5% on Cornflakes and Wafers and 3% on Detergents.

There is also quarterly commission for distributors. Seasonal discounts are also offered during Christmas or Sallah sales. They do not offer cash discount. There is no governmental interference with their pricing systems. The Companies in turn do not dictate prices for distributors, but allow them to set their own prices.

iii **Distribution:**

The group uses three channels of distribution, viz;

a. Direct channel i.e producer to consumer. This include products like

- All packaging materials that are produced by Nasco Pack ltd. This is because they rely on orders and specification form other manufacturers before they produce them
- Carpets from the Fibre factory and Carpet backings and
- Jute Bags.

b. Manufacturer------>Wholesaler-------> Retailers------>Consumer. Items in this category include:

- All brands of biscuits
- Detergents and
- Cornflakes.

c. Manufacturer------> Retailer-----> Consumer. The products distributed through this channel are more or less the same with the second channel.

Agents are not used to assist in distribution because the Companies feel they can do without them. Merchant wholesalers are however, used for industrial goods like jute Bags, Packs and Carpets. The NGC own and manage a retail shop specially for the sale of Carpets. This is the only products where they act both as manufacturer and retailer.

Physical Distribution

Warehousing. Apart from the warehouses within the Company premises, the group do not own warehouses outside. The distributors carry their goods directly from the Company. There are sufficient warehouses to contain all products until the customers arrive to collect them. The daily allocation to middlemen correspond with the volume of production and the warehouses are

never overstocked.

Transportation. They do not own vehicles for transporting their goods. They do however hire vehicles for customers and charge extra for the cost of transportation.

iv. **Promotion Strategy**

The major objectives of advertising in the NGC are:

a. Introducing a new product. Newly introduced products are advertised more frequently so as to give them the maximum exposure.

b. Reminding users to buy their products i.e building brand preference

c. Combatting competitors advertising. When a competitor's similar product is being advertised, the Companies too intensify their efforts as well so that they still retain their market share.

On how much to spend, the management act on the recommendations of the marketing personnel. The actual amount to be spent depends on the anticipated sales of the product (when a new product is introduced). for already existing products, they spend more on advertising when sales decline and not when sales is on the increase. Frequently too, the action of competitors compel them to increase the amount they spend on advertising.

The decision on media selection rests on two major factors:

a. Which media organization produces the greatest impact on the consumers.

b. Which media organization are targeted customers more likely to patronize. They consider media like TV and Radio.

Personal Selling. The Company recognizes the importance of personal selling because their products are highly competitive. The sales representatives - who constitute the sales force - are allocated territories within Jos and environs

where they are to pay frequent calls on their distributors. They assist the middlemen on the general merchandising of their products and gather feed backs to the Company. this enables them to monitor actions and behaviour of the consumers as well. Sales representatives are assigned to specific customers where such customers purchase in bulk e.g in the Fibre products ltd are assigned to big Companies, ministries and institutions who frequently purchase Carpets for the furnishing of their offices and houses.

2.2 OTHER MARKETING FIRMS

General sampling is made here of Companies undertaking marketing operations in the country. This is to study the strategies used by other Companies that deal in products or raw materials that are not agricultural.

2.2.1 Astra - Area ltd

Astra-Arewa is a pharmaceutical Company established in 1979. It starts operation in 1980. Astra-Arewa ltd is a joint venture between Astra pharmaceutical international of Sweden, Northern Nigerian Investment ltd and some Nigerian private investors. The initial objective of the Company was the production and marketing of quality pharmaceutical developed through intensive research development.

I. **Products:**

Goods are imported from Sweden - prior to manufacturing operation- and arrive Lagos port from where they are transported by road to Kaduna. Manufactured goods, once sold or delivered but not expired will not be replaced by the Company. So the Company always advises organizations to order as much as they can sell or use. The Company always tries to supply goods with their longest possible shelf life. Indications of the products and the chemical composition and price

are always stated in the price list.

ii. **Pricing strategy:**

Selling is strictly on cash on delivery (COD) basis. Discount schedule is provided for all ethical and ethically promoted products. This is in respect of ;

a. All private Clinics and Hospitals without full time pharmacist are entitled to a 10% discount off public/retail prices.

b. All private hospitals with full time pharmacists are entitled to a 25% discount off public/retail prices.

c. All retail practising pharmacists are entitled to a 33 1/3% discount off public/retail prices.

iii **Promotion strategy:**

Promotion is the most important tool used in marketing the Company's products. Advertisements and personal selling through use of the Company's medical representatives and van salesmen, are the two promotional methods used by the Company.

Advertisements through the use of bills posted on boards and published literatures meant for doctors, pharmacists and allied professionals are used. Adverts in National dailies and TV have also been used to inform the public about the Company and what it offers in terms of product.

Personal selling through the medical representatives and van salesmen constitute the most important of the promotional methods in use. The medical representatives are assigned territories - Kaduna, Lagos, Benin and Enugu. They are on frequent contact with the users be they Doctors, in Clinics, Pharmacists in Chemists or Institutions and

other decision makers in the purchase of the Company's products-Drugs. By Personal selling, adequate penetration is made into the market and proper feedback on the products efficiency, customer acceptability and the general 'pulse' of the market is monitored and felt.

Other promotional gimmicks include us of samples for the Doctors to use on their Patients, organising of conferences or film show in a Hospital Coffee Room depicting the activity of the Company's product lines during annual conferences of Medical, Pharmaceutical or allied health societies.

iv. **Distribution strategy:**

Astra - Arewa ltd operates four area offices located at Kaduna, Lagos, Enugu and Benin city. These area offices are headed by Area Supervisors/Managers and are in direct contact with the headquarters at Kaduna. These area offices serve as collection centres of orders by sales representatives from customers, where the orders are collected and sent to Kaduna either through courier services (for urgent orders) or when the area van is on its schedule trip to Kaduna. From Kaduna, goods are invoiced in the customers name and the area van then takes the invoiced products back to the area office from where they are taken to their owners and cash paid on delivery.

The channel is therefore as such:

Kaduna (HQ)-------> Area office -------> Customer.

The system afford proper control of distribution and is also a preventive measure against fraud and use of Company's receivables by itchy representatives - although very expensive.

2.2.2 Texaco Nigeria plc (TNP):

Texaco Nigeria ltd was incorporated in 1969 under 100% ownership of Texaco Africa Limited. It first marketed Petroleum products in Nigeria in 1913 operating as a branch office of the Texas Petroleum Company. Distribution was handled initially through two general trading Companies. CFAO and UTC.

Subsequently, CFAO distributed Texaco products on an exclusive basis, until in 1964 when the newly named Texaco Africa ltd took over direct marketing through Petrol services stations acquired from CFAO. Texaco Nigeria plc went into manufacturing business in Nigeria with the commissioning of its Apapa installation in 1968. It was initially built to provide Lubricant blending capability together with office and warehousing.

Marketing mix strategies:

Four general strategies/ tactics have been identified as being used in the marketing of Petroleum products. These are:

a. Star Field Marketing System (SFMS). This system has seven training officers and their activities are coordinated and headed by a field marketing coordinator. These personnel are to implement various tactics that are geared towards improved customer service at all the Company's retail outlets nationwide.

b. Star Lubricant Marketing System (SLMS). This strategy is mainly aimed at promoting industrial Lubricant sales.

c. Star Operations Service System (SOSS). The operations unit implement this tactic to ensure excellent operations at all the Company's retail outlets.

d. Star Mart Programme. This is an additional revenue stream to the Company. It is a strategy of conscious utilization of space at designated retail outlets for the development of Star Mart operations.

The study has shown that Texaco's mission in the area of marketing has been total marketing network planning that is geared towards a systematic analysis, rationalization an optimization of the marketing investment chain for increased profitability and maximum return on capital employed.

The Company produces and market the following product class:

I. Petroleum products (Petrol, Diesel and Kerosine)

ii. Lubricants (Havoline and URSA)

iii. Greases

iv Liquefied Petroleum Gas (LPG) and

v. Petrochemicals.

The prices of the Company's refined products and lubricants are determined by the federal government of Nigeria and management respectively. In the case of Lubricant, provision for discount is normally made for bulk purchase.

The Company uses three channels of distribution in the marketing of its products. These are retail outlets (services stations), sundry customers, and pedlars.

The Company's packaging objective is mainly undertaken to improve or enhance the sales of the Lubricant as Petroleum products does not require any form of packaging.

The advertising expenditure is determined by what the Company

can afford at a particular point in time and the extent of competition at that time. The organisation of the Company's sales force is decentralized system of sales administration with each sales team reporting to regional manager.

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CHAPTER THREE

HISTORICAL BACKGROUND OF THE COMPANY

The original concept for Kaduna State farmers supply Company (KAFSCOM) is a result of the degree of success achieved at Funtua Agricultural Development project (FADP) in input procurement and distribution, and the realisation that since the life of FADP was to expire in 1980 there was a need to establish a more long-term system to serve farmers.

At the start of FADP in 1974, any service with a commercial nature performed traditionally by the Agricultural Extension staff of the ministry of Agriculture and cooperatives, were lifted out from the usual system for separate treatment by a specified commercial department. This lift changed many of the duties which were associated with extension service but are really outside their responsibilities. Thus the history of Farmers Supply Company (Kaduna state) limited started with its being only a commercial unit of the then FADP. In effect it maintained this status between the years 1974- 1979.

In 1980 when the need arose for it to cover the whole state, it became necessary, to convert this commercial department into a limited liability Company with its headquarters at Kaduna.

The Company is to procure and distribute farm inputs to farmers in all local governments in Kaduna state. Later, it is also hoped to expand its business to buying farm produce and supplying basic farm needs unrelated to the actual farm operations (which it did). Farmers supply Company was then incorporated as a limited liability Company since it is registered under the Company decree 1968.

3.1 OBJECTIVES OF THE COMPANY

The Company's overall objective is to ensure satisfactory and timely procurement of farm inputs and their efficient distribution throughout the state through its various outlets i.e Primary Delivery Points (PDP) Bulk stores and Farm Service Centres - the retail outlets. This is to serve as a vehicle for increase of farm products and income of all farmers. FASCOM thus

undertakes the following activities:-

I. To procure, distribute and sell fertilizers, improved seeds, seed dressing chemicals, insecticides, Herbicides, light agricultural machinery to mention a few.

ii. To set up Primary Delivery Points (Bulk stores) and Farm Service Centres (retail stores) throughout the state to act as retail out lets to meet the requirements of all farmers in the state.

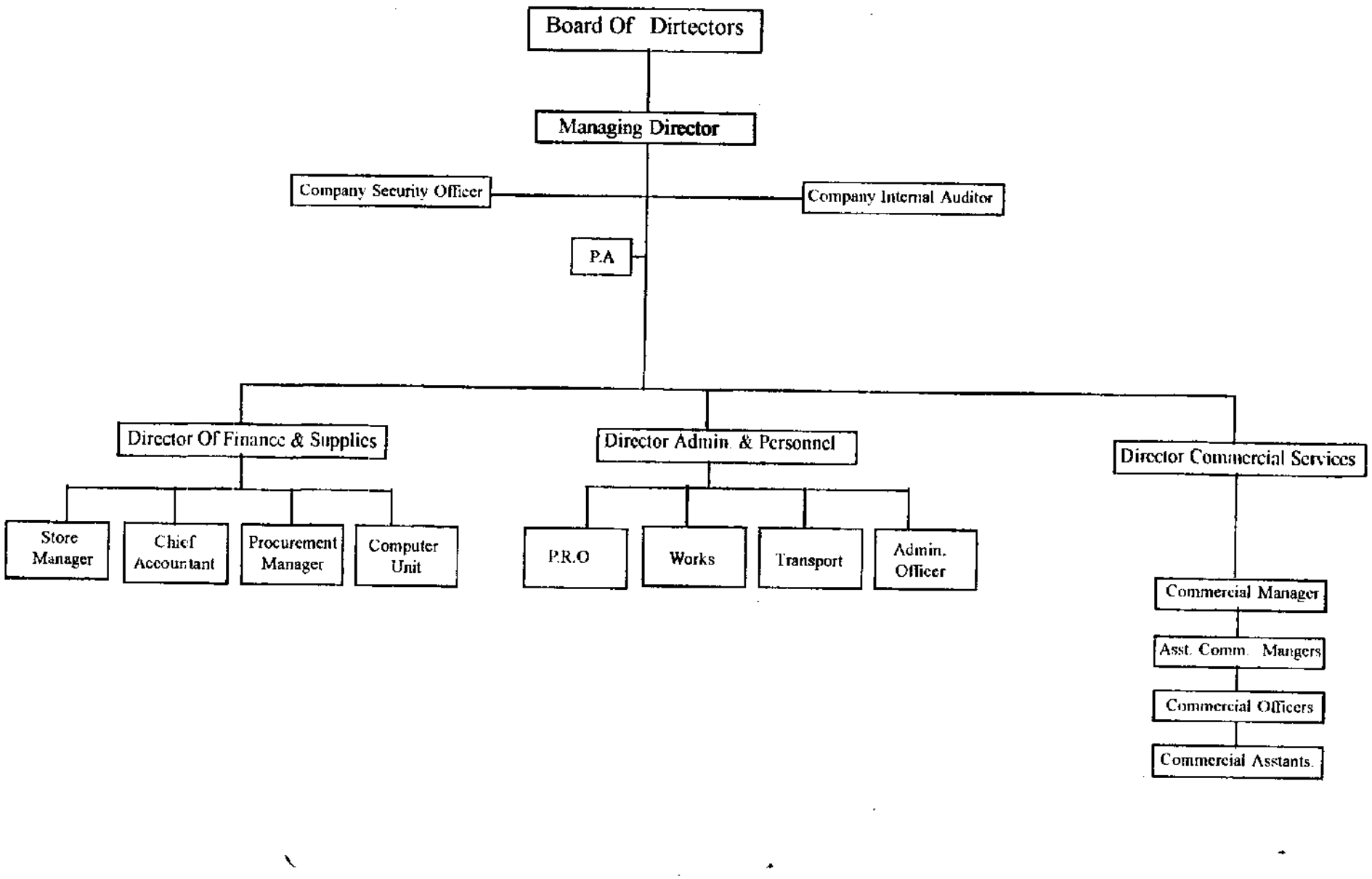
iii. To purchase produce on behalf of the state government. FASCOM, also assist the government in the storage of purchased farm produce. It also purchases cotton directly from the farmers, gin it and sell the cotton lint to textile industries, provide sufficient cotton seed to all farmers in the state.

3.2 ORGANISATION STRUCTURE

The organisation structure of a Company is the basic framework within which the executive's decision-making behaviour occurs. the quality and nature of the decisions made are influenced by the nature of the structure.

The organization structure of FASCOM (KDS) ltd as it exist today is presented as follows:

Figure 3.1 Oganizational Structure Of FASCOM Kaduna State ltd.



The board of Directors is at the top, followed by the chief executive and Managing Director (MD), reporting directly to the Managing Director are the Company security officer and Company internal auditor.

There are three major departments, viz: Administration, finance and commercial. Each is headed by a Director. Answerable to the Director of Administration are the following units: Public relations, Works, Transport and Personnel, each is headed by a Manager. The accounts units, the procurement, stores and computer units are under the Director of finance and supplier. The commercial department, being at the centre of the Companies operations, occupies a prominent and strategic position in the structure, as such it is discussed separately.

3.2.1 **The Commercial Department:**

The commercial department is the unit in the Company structure that is responsible for marketing of Company products. The commercial aspect of Fascom (KDS) ltd falls basically under two sections, namely:

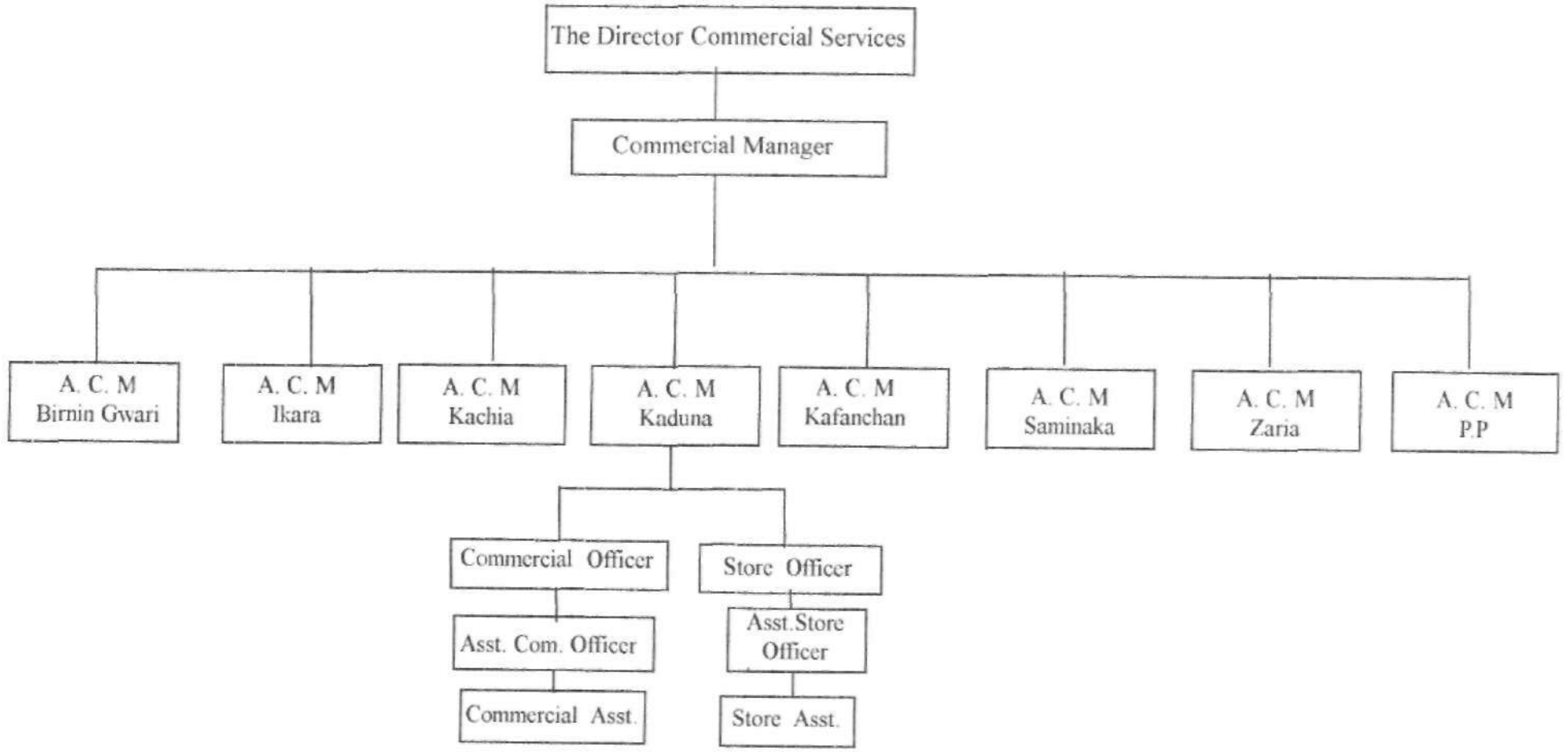
1. Storage and distribution, 2. commercial.

1. **Storage and distribution:**

The existing network for Fascom to meet the set target include seven centres which represent the site of its bulk stores i.e Primary Delivery Points (PDP's) and it is from these bulk stores that seventy four farm service centres (outlets) are supplied with inputs for sale to the farmers in the rural areas all over the state. The seven delivery points in the state are as follows:-

Birnin Gwari, Ikara, Kachia, Kaduna Kafanchan, Samaru Kataf and Zaria. Distribution of products is done by a fleet of Company vehicles. The PDP's are supplied with products from the central store using ten-toner vehicles, while the Farm Service Centres (FSC) at the villages are served with one-toner pickup vans. The PDP's and FSC's are strategically located and are based on a given number of farming families.

Figure 3.2 Structure of the commercial department



a. Primary Delivery Point Areas (PDP's). Assistant Commercial Managers (ACMs) are appointed to supervise each PDP area. The ACM is responsible to the headquarters and is in charge of the Company's commercial operations, field administration of Commercial Officers and their assistants, as well as being the revenue officer of the Company at his PDP area. He further coordinates the supply of inputs from PDP to FSCs, check stock in farm service centres and organise collection of cash sales revenue for remittance at the nearest appointed Banks.

Being the head of the PDP area, the Assistant Commercial Manager is answerable to all the success and short comings of the area. All the Assistant Commercial Managers are monitored through their data and returns in receipts and cash- book summaries weekly or when ever required.

They also participate in all sub-management committee meetings as much as their supervision will allow. The Director of finance and supplies keep cash-books to record weekly summary of collections and payments into the Banks. In this method by Comparing with stores receipt vouchers covering supplies to farm service centres, control can be exercised to spot shortages or losses early, at each Farm Service Centre.

b. Farm Service Centres (selling outlets). There are 74 farm service centres built all over the state. They serve as retail out lets to farmers. In each Farm Service Centre, there is a Commercial Assistant who takes charge and sells all the inputs. He maintains all records of receipt of inputs, keeps his store ledgers and other documents, maintains, a cash-book and receipts. These he presents to his ACM for checking as the latter comes round to collect cash. He also renders weekly returns to the headquarter to keep them informed of the availability of stocks with him.

c. Produce Purchase (PP). This section is a unit under Commercial department headed by an Assistant Commercial Manager (produce purchase). There are also Commercial Officers (produce purchase) under him. They assist him in the operation of the unit. The main function of this unit is to procure farm produce from the farmers on behalf of the Government. The unit liaise with produce section of the Ministry of Agriculture and FASCOM in handling, grading and storage of the produce purchased. This unit also assist some commodity boards in the purchase of some commodities, this is strictly done on commission basis. The Commercial department liaise with procurement unit to prepare indent of products to procure. It also liaise with public relations unit in the promotion of Company products. There is an overall coordination of Departments and units of departments in the Company's operation to achieve the overall objective of the organization.

3.3.1. **Product:**

The product mix of FASCOM consist of seven product line. These are:-

I. Insecticides

ii. Herbicides

iii. Fungicides

iv. Seeds

v. Farm machinery/Implements/Equipment

vi. Off-farm items

vii. Others.

Each product line consist of many product item. The items in the above lines include:-

I. Insecticides:- Karate, Cypermethin, Decis, Cymbush Super E. D. and so on.

ii. Herbicides:- Gramozone, Primagram, Teer, Risane, Primextra and so on.

iii. Fungicides:- These are seed dressing chemicals like Aldrex T, Fernason D, Cotoron and so on.

iv. Seeds:- These consist of Hybrid and improved seeds of Cereals, Legumes, Vegetables and others like Cotton seed.

v. Farm machinery:- Implements and or farm equipments include items like Tractors, Sprayers, Planters, Water pumps, Generators and so on.

vi. Off- farm items include: Kerosine stove, Knitting machine and Gas cylinders with burners.

vii. Items classified here as others include things like Agrolyzer; a non- conventional fertilization, a plant nutrition supplement.

Some of the Company's products are branded either with the Company trade name FASCOM or with its Logo. the products that mostly take the trade name are imported products. this is because, the printing of the name is part of the agreement with the supplier Company. Local purchases are branded using a sticker carrying the Company name and Logo. Order for the production of local containers carrying the Company name is also done so that product lines like Insecticides and Herbicides that are imported in drums containing 200 litres are divided into containers of 5 litres, 1 litre sizes. The repacking is done locally.

3.4 Product Pricing and Promotion

The Company's products are characteristically low price. This is because all the prices are subsidized by the state government. the pricing policy of the Company is that of cost recovery, break even or to a lesser extent a meagre profit margin based on competitors prices. Quantity discounts is always available. the pricing policy of the Company disagrees with credit sales. However, when it is given, the breucratic chain of approval is so cumbersome that only a highly insolvent customer or organisation will pursue it.

Promotional activities of the Company is undertaken by the public relations department in liaison with Commercial department. The Company promotes its products through advertisement and publicity. Media for promotion are Radio. Newspapers and Hand bills.

3.5 Customer Services

The Company is engaged in customer services though the use of its mechanical units to modify some of its implements to suit the taste of the customers. Initial installation of mills and threshers is done by the Company and follow up servicing at a very minimal charge. Transportation of bulk purchase is also provided at a fairly reasonable cost. As part of service to customers, special greeting cards are sent to customers during occasion like Sallah and Christmas so also annual Calenders and year planner catalogues. The Company further uses these medium to promote is products too.

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CHAPTER FOUR

RESEARCH METHODOLOGY

This chapter outlines the methods of procedure employed in carrying out the research. This include type, methods and procedures of data collection, sampling method used and data analysis.

4.1 Type of Data Required

The nature of a research warrants the type of data to be gathered. This research, being a case study: Requiring intensive and longitudinal study of a small sample, would require the use of both primary and secondary data.primary data were collected specifically for the purpose of the research, while secondary data (being data collected for some other purpose) are used where necessary.

4.2 Methods of Data Collection

Three methods of data collection were used, viz: personal interview, administering of questionnaires and reports study. Interview was conducted with key management staff of the Company, viz: The Director Commercial services, the Procurement Manager and the Public Relations Manager.

Two types of questionnaires were administered. One set to staff of the Company, another set to the two major type of customers the Company deals with, small and large scale farmers.

Through study of Company publications, like Pamphlets; memorandum of association; and product leaflets, was done to collect relevant secondary data.

4.3 Procedures for Collection of Data Employed:

Survey research method was used in the research. Surveys studies large and small

populations by selecting and studying samples chosen from the population. Questionnaires distributed to staff of the Company were restricted only to staff who have been at least five years in the service of the Company. This is to ascertain the extent to which the staff of the Company are acquainted with the Company policy and objectives and to obtain a fair assessment of their view regarding the Company operations.

Most large scale farmers are literate, so the questionnaire was directly issued to them to respond. Among the small scale farmers, very insignificant number could read. So, an enumerator was used to read and translate to them the questions and in turn notes down their responses accordingly.

Interview was conducted by the researcher. The interviewer noting the necessary information required and seeking clarification where necessary. The time given for the interview being in-adequate enough, mental note of some basic facts was done, which was later reduced to writing.

4.4 Sampling Method:

The Company's activities covers the whole of Kaduna state. So, farmers of the state are the population from which sample has been drawn for the research. The Company has seven area offices located at the former seven local governments of 1987, prior to the creation of the state. Each area office now covers three local governments.

Fifteen questionnaires were sent to each of the area office to be distributed and/or enumerated to the respondents. Respondents were selected randomly; mostly on market days, to ensure fair randomization of respondents from the three local governments the area office covered.

4.5 Data Collection

A total of one hundred and five (105) questionnaires were distributed to the farmers. All were collected back; one was rejected because the responses the farmer wrote were not answers to the questions asked. Information from one hundred and four (104)

questionnaires were utilised. Out of the total, thirty four are large scale farmers while seventy are small scale farmers.

Ten questionnaires were distributed to staff and management of the Company; eight were collected back. Pamphlets, Advert copies and other Company publications were used to obtain secondary information.

4.6 Data Analysis

The research, being a case study; where only a very small sample of the population is drawn for generalisation; employ, in analysing the data, the statistical tools of tabulation and percentages.

CHAPTER FIVE

DATA PRESENTATION ANALYSIS AND DISCUSSION ON THE FINDINGS

This chapter presents the findings based on the information gathered from questionnaires interview and other secondary sources. The findings are analysed and the result obtained are discussed.

5.1 QUESTIONNAIRE ANALYSIS

5.1.1. Farmers Questionnaire

Out of the total of 104 farmers that responded to the questionnaire, 34 are large scale farmers while the remaining 70 are small scale farmers. In the presentation, the two set of farmers are presented separately to show the diversity of reaction. The farmers responses to the questionnaire 1 (see appendix 1A) is presented in a tabular form below:

Table 5.1 Percent distribution of farmers according to availability of input obtained from FASCOM.

FARMERS	NUMBER	% YES	% NO	TOTAL (%)
Large Scale	34	-	100	**100**
Small Scale	70	57.14	42.86	**100**

I. On weather the farmers obtained all their farm inputs from Fascom (KDS) ltd or not; the table above shows that only 57% of the farmers, all small scale, obtained all their inputs from the Company. The rest (43%) and all the large scale farmers do not get all their inputs there.

TABLE 5.2 Product items availability.

ITEMS	L. S	S. S
Seeds	0 %	24.29 %
Agro-Chemicals	100 %	24.29 %
Agric.. Machinery /Equip.	29.41 %	18.57 %
Nothing	0 %	8.57 %

NOTE: L.S. and S.S. is used for large scale and small scale farmers respectively.

Table 5.2 shows that all the large scale farmers buy agro-chemicals from the Company and only 27% of them purchase agricultural equipment and machinery. The small scale farmers however, show that 24% of them buy both agricultural seeds and agrochemicals. Very few of them get nothing, (8%).

Table 5.3 Other sources of farm inputs available to the farmers.

Source	L. S	S. S
Open-Market (Hawkers)	55.88 %	60 %
Agro-allied Companies	44.11 %	40 %
Total	**100 %**	**100 %**

Table 5.3 shows two sources available to farmers for the supply of their needed inputs. 55% of the large scale farmers patronize open market i.e hawkers while 44% go to other agro-allied Companies. Most of the small scale farmers have their alternative source from the hawkers, while only 40% buy from other agro-allied Companies.

Table 5.4 Provision of discount for purchasing Fascom's product.

FARMERS	NUMBER	% YES	% NO	TOTAL
Large Scale	34	100	-	**100 %**
Small Scale	70	52.86	47.14	**100 %**

From table 5.4 it can be seen that all the large scale farmers get discount for buying the Company products. However, the small scale farmers presents a different picture 52% of them get discount while 47% do not.

ii. On the issue of quality and providing product information, all the farmers agreed that the Company's products are of high quality.

Table 5.5 sources of information about Company products.

SOURCE	NUMBER	%
Advertisement	67	64.42
Inter-personal	37	35.58
Total	**104**	**100**

Farmers claimed that their major source of information is through advertisement. This is shown in table 5.5 where 64% of the farmers mentioned advertisement through radio as their source of information on the Company's product. Inter-personal source provides 35% of the farmers with information.

iii. On the issue of customer service, all the farmers stated that they do not receive any service from the Company. However, 48% of them expresses satisfaction with the Company operations.

iv Farmers were asked about the Company prices. All were satisfied with the Company's prices; especially, as mentioned by a large scale farmers since discounts are given when "one buys in large quantity".

5.1.2 **Questionnaire for Managers and Staff of the Company (Refer Appendix 1b)**

Respondents were asked questions on the marketing activities of the Company to ascertain their degree of knowledge and participation there on. Information obtained are presented in tabular form to show the percentage of respondents knowledge on the question asked.

Table 5.6 Company products:

PRODUCT	NUMBER	%
Agro-chemicals	8	100
Agric.. Machinery/Equip.	8	100
Hybrid and Improved seeds	8	100
Fertilizer	1	12.5

Table 5.6 shows the range of product identified by the respondents as Company products. Only one respondents mentioned fertilizer as Company product.

Table 5.7 Product strategies

STRATEGY	NUMBER	%
Product simplification	5	62.5
Greater integration	6	75
Product Quality	7	87.5
Product Service	8	100
Product Guarantee	3	37.5

Table 5.7 indicates the proportion of respondents that identified the above product strategies employed by the Company. All respondents agreed that product service is used as a strategy. Product quality as a strategy is mentioned next with 87.5% of respondents. The least accepted strategy is that of giving guarantee on products, it has 37.5% response.

Table 5.8 Company competitors

COMPETITOR	NUMBER	%
Agro-Allied companies	2	25
Agric.. Equip. & Machinery manufacturers	4	50
ADP's & Other states's supply Companies	6	75
Hawkers	3	37.5
Agents of multinationals e.g ICI, CAPL e.t.c	2	25
Agro-chemical manufacturing Companies	4	50

Table 5.8 shows the respondents view of who they consider their competitors. Agricultural equipment and machinery manufacturers have been mentioned by 50% of the respondents. Other Agricultural development projects and state agricultural supply Companies have the highest response of 75%. Open markets or hawkers are considered, too, as competitors by 37.5% of the respondents.

I. On the issue of packaging, 75% of the respondents affirm to the use of it as a marketing strategy, while 25% could not identify any packaging made by or initiated by the Company as a strategy.

Branding has an opposite response to packaging. 75% of the respondents said the Company products are not branded, while 25% identify some branded products e.g vegetable seeds. All respondents agreed that the Company deals with related products only.

Table 5.9 Company market.

Market	Number	%
Large and small scale farmers	5	62.5
Agro-chemicals retailers	2	25
Agricultural Development projects	1	12.5
Agro allied Business	3	37.5

Table 5.9 shows respondents identification of who they consider their Company's market. 62.0% identified farmers as the Company market. Other ADPs and state supply Companies are mentioned are by 12.0% of the respondents.

ii. Customer policy. The following have been identified as customer policies of the Company.

a. Subsidized prices

b. Timely procurement and distribution of product to meet the seasonal nature of the Company's products.

c. Satisfying customer needs through provision of quality affordable products.

d. Product guarantee.

iii. Pricing. The pricing objectives of the Company have been enumerated as follows:-

a. To reach as many customers of the target market as possible through reduced prices.

b. To make profit

c. To maintain market

The factors influencing price setting in Fascom have been given as follows:-

a. Demand and competition

b. Cost

c. Seasonal usage of product

d. Procurement source

e. Subsidy.

Table 5.10 price determination

Department/Unit	Number	%
Commercial	7	87.5
Finance	3	37.5
Procurement	5	62.5
Management	3	37.5

Table 5.10 shows respondents view on how price is determined by the Company. Majority believed that price is set by commercial department (87%) procurement Unit has been mentioned by 62%, the management and finance department have been mentioned by 37% of the respondents.

Table 5.ll Types of discount offered by the Company

Discount	Number	%
Cash	7	87.5
Quantity	2	25
Geographical	2	25

From Table 5.ll above it can be seen that the Company offered cash discount as mentioned by 87.5% of the respondents. 25% stated that quantity and geographical discount are given too.

iv. 100% of the respondents agreed that the Company does not use any intermediary in its distribution system. All have mentioned the following channel (fig.5.1) as the only distribution channel used by the Company.

F.g 5.I Fascom's distribution channel.



The respondents mentioned both intensive and selective system of distribution for the Company. Intensive system is mentioned by 62% while 25% mentioned selective distribution system, the rest (12.5%) mentioned both.

v. The Company advertises its products with the following objectives:-

I. To inform the target audience

ii. To create demand through persuasion

iii. To reach out to its target market.

The media through which the Company advertises its product as mentioned by the respondents, include the following:-

I. Print media(e.g NewNigerian and Gaskiya tafi kwabo newspapers)

ii. Electronic media e.g F.R.C.N.

iii. Commercial vans and public address system as mentioned by 25% of the respondents.

The Company uses print and electronic media because:-

I. They are affordable e.g Radio

ii. They are faster and more effective, and

iii. They have wider coverage.

The Company uses what it can afford for advertisement purposes.

5.2 Analysis of Data Collected and General Discussion of the Findings

Information collected from questionnaires, both from the Company's major market, the farmers and from the staff and management of the Company; also from interview and study of some Company documents and publication were geared towards understanding the current marketing strategies the Company uses as it affects the 4ps of marketing. This analysis and discussion shall be done following the 4ps of marketing, i.e product, price, promotion and place.

5.2.1 **Product Strategy:**

FASCOM(KDS) ltd is in the reseller market. the reseller market produces time, place and possession utility. Interview conducted with the principal procurement officer of the Company (see appendix 2A) shows that the procurement exercise is conducted by a designed procedure adapted by world bank; called International Competitive Bidding (ICB) and Local Competitive Bidding(LCB). These are procedures or guidelines involved in making purchases. This,designed to contain all the information regarding the quality, quantity, technical specification, transportation; insurance, and so on regarding the product. The Company then places advertisement on local and international newspapers for interested suppliers to bid. The selection of suppliers is done jointly by commercial and procurement departments. However, one cannot ruled out government approved suppliers. Product quality is in question here.

By the nature of its procurement procedure, the Company might not be able to meet the time utility and hence possession utility. All its procurement exercise does is getting goods to the right places at anytime. Since farmers look for particular products at specific time, untimely supply of the needed products explains why 100% of large scale farmers do not get all their inputs from the Company's stores. As it is shown in table 5.2, large scale farmers obtain only Agro-chemicals. This could be explained by the life span of the chemicals and hence availability most of the time. Companies or Organisations in the reseller market have to make decision on:

I. what assortment to carry,

ii what vendors to buy from and

iii what prices and terms to negotiate.

These decisions are all carried out with strategic importance. The

strategies are:

assortment, vendor selection and negotiation strategies. Full control of buying decision is very important in the reseller buying process. FASCOM, it appears does not have full control of its buying decision since reference- in most cases- must be made to the government through the state ministry of agriculture and natural resources. This pro-long the decision making process and though difficult for the management to exploit the situation to its advantage.

Brand and packaging decisions. Among the seven product line of FASCOM (KDS) ltd, only one line carry a brand name and a special packaging. In the line, only two items are branded and packaged to serve as promotional tools (see appendix 3A and 3B). Information collected on packaging corresponds to the information given above from interview. 75% of respondents from staff and management affirm to the use of packaging as a strategy. However, the degree of packaging was not mentioned as provided by the interview. Only 25% of the respondents mentioned the use of branding as a marketing strategy in the Company. This clearly points to the extent of branding that is done by the Company. In fact they identify branding only with vegetable seeds.

Every reseller is confronted with the issue of branding. Branding can add value to a product and is therefore an intimate aspect of product strategy. The marketers of physical products that are offered to the market are confronted too with the issue of packaging. Many marketers have called packaging a fifth P of marketing mix. In more recent times, packaging has taken on the additional role of a potent marketing tool. Well designed packaging can create convenience value for the consumer and act as an effective promotional medium.

FASCOM (KDS) ltd is yet to realise this, in that it does not brand or package its major products, viz: agricultural chemicals, farm equipment and

machinery. The only product strategies employed by the Company as shown in table 5.7 are product service; installation, reconstruction and modification; and product quality enhancement as enumerated by l00% and 87% of respondents respectively. However, none of the customers (large or small scale farmers) mentioned receiving such services.

5.2.2 **Pricing Strategy:**

Information gathered from interview (see interview question on appendix 2A and B) shows that pricing in FASCOM (KDS) ltd is decided at three steps viz:

I. At the procurement unit. Here the procurement officers add up all the costs involved in bringing the product to the store house, where the company pay C.I.F FASCOM, the cost assessment becomes easy.

ii. The commercial department conduct a price survey on the product and come out with a current market price. This obtains when the product is already in the market. In cases where the product is new, then cost is used plus a markup.

iii. When the procurement Unit cost the product and the commercial department conduct a price survey, these costs are submitted to management in a meeting to decide the final price.

These steps above are confirmed in table 5.10 where the procurement, commercial and management are all mentioned as price setters by 62%, 87% and 37% of respondents respectively. Finance department as mentioned by 37% of respondents, could however, be as a result of the procurement unit being in the finance department.

FASCOM (KDS) ltd, solely own by Kaduna state government, has, as a primary function, extending the government agricultural policies to the grassroot. Among such policies is the provision of farm inputs at a subsidised prices. It does this through the Company. This issue of subsidy has a very important impact on the pricing decisions of the Company. The Company's pricing objective is cost-recovery. That issue of subsidy also makes the Company to adopt only cost-oriented pricing strategy. A noticeable lapse in using such a strategy is however observed in lack of efficient pricing tactics.

Table 5.4 show that farmers receive discount for purchasing the Company products. All large scale farmers affirm to this. This could be due to the fact that most of the large-scale farmers buys in large quantity and pay cash for their purchases. 47% of small scale farmers said they do not receive any discount. Since the Company offers cash and quantity discounts, this segment of small scale farmers may not qualify for discount at all. Table 5.ll indicates that cash discount is given more as mentioned by 87% of the staff and management of the Company. However, geographical discount as mentioned by 25% of the respondents, is not mentioned either during interview or from any secondary source. The factors that influence price setting in the Company are; cost, demand and government regulation, such as subsidy. Nature of procurement also affects price setting. Products procured from local bidding tends to be cheaper while those on international bidding more expensive. In terms of quality, the product obtained from international bidding are more qualitative. The management of the Company has to weigh between the two alternatives to fix the price

strategically so that the customer can afford it, putting other pricing objectives in line, too.

Demand pricing is also possible in FASCOM. This is because the Company at times act as a monopoly supplier of a particular product. So, it can reap the benefit of being the only supplier in the state for that product; in spite of its low pricing.

The pricing strategy methodology, as agreed by many reputable marketing organisation, requires establishing marketing objectives for the target, formulating the broad marketing mix strategy, developing pricing policies and constraints, choosing pricing strategies and setting pricing tactics. This has particular leaning on marketers operating in a sellers market, to which FASCOM (KDS) ltd is one.

5.2.3 **Promotion strategy:**

FASCOM (KDS) ltd promotes its products through advertisement and publicity. The sole responsibility of promotion is put on the public relations unit of the administration department. The promotional aspect of the Company has been highlighted by the public relations Manager. (See interview question on appendix 2C).

The Company utilises the services of advertising agencies and it approaches the media houses straight away. These strategies are used for the following reasons:-

I. The Company uses advertising agencies, when it has to advertise a product but does not have sufficient funds to finance the Campaign strategy. The advertising agencies can organise the campaign strategy and pay capital trust

to the media house to be used so that the advert is run on the air; without the Company paying fully for the charges at ones.

ii. Where there is sufficient funds, the Company approaches the media house directly with a prepared advertisement copy to be run on the air or published.

The Company uses Radio and newspaper for its advertisements. Radio, because an estimated 70% of its customer (farmers) listen to it. It is using the print media for its literate customers (mostly the large scale farmers). It particularly uses New Nigerian Newspaper for its wider circulation among literate farmers. The Company also produces hand bills and distribute them to the general populace to inform them of their products and uses (see appendix 4)

Table 5.5 shows that 64% of the farmers, both large and small scale, get information about the Company products through advertisement. Most of the information was heard from Radio. The Company publicity further enhances the inter-personal sources of information.

There is no standard policy on advertisement neither a clearly stated advertisement objective. The objectives mentioned by respondents in the previous section are a cumulative summation of what each respondent said. The public relations Manager stated the Company's advertisement objectives as follows:-

I. To make customers aware of what the Company have in stock.

ii. To make other related bodies become aware of the

Company products.

iii. To have a breakthrough of sales within the shortest time possible.

iv. To draw their customers closer to sales outlets all over the state that is the PDPs and FSCs.

Modern marketing calls for more than developing a good product, pricing it attractively and making it readily accessible to target customers. The Company must also manage its impressions in the market place. Its products, employees and actions will communicate something. What is communicated must not be left to chance. Every Company is inevitably drawn into the role of a communicator and promoter.

From the information gathered on promotional aspects of the Company, promotion is not yet given due consideration in the Company's marketing programme. The Company promotes through advertisement and publicity only, disregarding the effectiveness of sales promotion and personal selling. Although the Company is in consumer goods market, the nature of its products demand some level of personal selling. Farm machinery and agrochemicals need to be demonstrated to the farmer, on an extension programme on how to use or operate the machinery or agro-chemical. Through this, the Company can effectively use personal selling promotion strategy. This could go on to serve a good service to the customer. so the need for professionally qualified staff is necessary to make the farmer adopt.

The Company does not have promotion policy neither does it have promotional budget. Even the advertisement and publicity that the

Company use, are only use occasionally with out any periodically planned intervals; mostly when goods just arrive, for information purpose or when a good is becoming obsolete, that is none moving items. publicity is use to "push" the product into the market.

The public relations department does not have professional advertising staff, these pauses a question on the quality of the advertisement copy they produce. The Company produces hand bills without much consideration for professional advertising quality required from an advertising copy. the Company spends what it can afford at a particular time on promotion; whatever the Company can afford, should be effectively utilised in producing good advertisement copies, handbills and posters.

5.2.4 Distribution strategy:

From questionnaire two, information provided shows that the Company uses intensive distribution system as mentioned by 62% of respondents. Selective system was also stated by 25% of the respondents. From interview, it was mentioned that the Company uses selective system of distribution. This can be ascertain too from the record of availability of the Companies product as enumerated by farmers in table 5.1

The Company's product outlets are the PDPs and the FSCs. Before a PDP or FSC is located, a thorough study is made on the farming families around and a strategic location is selected to built a store so that it serve a large coverage of customers within that environment. The PDPs are essentially sited at local government

headquarters. The number of FSC in a district depends on the population of farming families around.

The main elements of the physical distribution mix are transportation; warehousing, inventory carrying, receiving, packaging, administration and order processing. From the information gathered, the Company has fleet of vehicles for transportation purposes. What is needed here is efficiency of operation. The Company has its warehouses with staff attached to each for receiving goods and inventory carrying. The missing elements in the physical distribution mix are packaging and order processing.

The Company does not use intermediary in its distribution channel. This deprives the Company of the services that intermediaries rendered. These include:- Marketing information, facilitating exchange, promotion,pricing and physical distribution.

If FASCOM (KDS) ltd were using intermediaries, it would have been easy to adopt intensive distribution system and go beyond its present coverage of Kaduna state. Modern marketing always justifies the existence of intermediaries in that, they reduce the number of transactions buyers go through before they purchase the items they need (see appendix 6).

5.2.5. **Competitors:**

The competitive environment constitute another level of the Company marketing environment. The Company must identify and monitor its competitors in order to gain and hold a profitable share of the market.

Table 5.8 shows the respondents identification of the Company competitors. Majority considers other agricultural supply Companies as their major competitors, followed by agricultural-equipment and machinery manufacturers. From the range of competitors mentioned, it appears the Company must have a very strong competitor policy to effectively compete in the market. An observable point here is, most of the mentioned competitors are the suppliers of the Company. That is, these Companies apart from making wholesale to other re-seller Companies like FASCOM (KDS) ltd, they have retail out lets who compete directly with the Company. So, for FASCOM to occupy any significant share of the market, it must effectively and efficiently monitor these competitors and come out with a dynamic marketing programme that would make it, efficiently choose the appropriate marketing mix for the target market. In doing this, the Company must examine the wants of that market and the position of competitors, and must make a decision on what of wants to competitively offer to that market. The Company arrives at its marketing mix by deciding on the competitive position it wants to occupy in the target market.

The above process can only take place in a Company with a modern marketing department. FASCOM's organization structure as given in fig 3.2 have only a commercial department that does not manage all the four ps of marketing. It is necessary for the department to move from a separate marketing department to a modern marketing department which will lead to the emergence of a modern marketing Company.

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CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

6.1 SUMMARY OF FINDINGS:

This project has examined the present strategy used by Farmers Supply Company (KDS) ltd an agricultural inputs marketer to have an insight into agricultural inputs marketing in Nigeria. The findings are summarised as follows:-

FASCOM (KDS) ltd is an agricultural input reseller and operates in the sellers market. The Company deals with related products and follow a strict procurement plan designed by World Bank and adapted by Kaduna state government, the owner of the Company.

Less than 5% of its products are branded and have special packaging bearing Company brand. The Company has not establish a modern marketing department but a rudimentary set up to carry out the marketing functions. Customer service is very negligible and in most cases absent. Product strategy as regard assortment, product line and product item are not taken into full consideration.

A conservative approach to pricing is adopted by the Company. this is devoid of strategic pricing. Discount is the only strategic feature in Fascom's pricing system. Government intervention, particularly through the policy of subsidy, influenced pricing among other things like demand and supply.

Advertisement though radio and Newspaper, production of handbills and publicity are the promotional tools of Fascom. There is no promotional policy. The Company spends what it can afford on advertisement. Most advertisement messages and copy production are done by the Company and seldom does the Company use agencies.

The Company's products are distributed by its own vehicles and kept in its warehouses located at local government headquarters and retail outlets at district levels. The channel of distribution is direct from central store to PDP bulk store and farm service centres (retail out lets). There is no intermediary in FASCOM distribution channel and it uses selective distribution system.

Although the Company has identified its competitors, it is not doing anything to oust their threat in the marketing environment.

6.2 CONCLUSION:

From the findings of the research, the following can be concluded:- That, Farmers Supply Company, a limited liability Company, essentially a marketing Organization. From its current setup and operations, it lacks the organisational setup of a marketing organisation.

The Company has seven product line with up to forty product items. this is more than enough for a well planned marketing programme to be vigorously pursued. The Company only passively wait, owing to the factor stated above. The Company has good opportunity of exercising strategic pricing but due to poor marketing programme facilitated by lack of a marketing structure by the Company, it adopts a conservative pricing system.

Promotion is not seriously taken as a marketing tool in FASCOM. The Company distributes its product to the last buyer without the use of an intermediary because it has well established physical distribution machinery though poorly managed.

Observably, the Company does not have professional marketing staff who have knowledge on marketing to implement marketing mix strategies. It appears then that Farmers Supply Company (KDS) ltd is not effectively marketing.

6.3 RECOMMENDATIONS

The functions of an organisations operating in sellers market requires a lot of strategies for the whole marketing mix elements to compete effectively and efficiently in

the market. The functions of marketing as widely known, is to relate the abilities of the organization to the needs of the consumer on one hand and to the profitable provision of goods and services on the other hand.

In general, the following are my recommendations towards effective marketing of agricultural inputs in FASCOM (KDS) ltd and vis-a-vis Nigeria.

1. Employment of qualified marketing personnel to manage the marketing operations of the organization.
2. Increasing retail out lets for the products to have a much wider coverage in term of distribution. FASCOM, from the nature of its distribution pattern, can open more farm service centres at the newly created local governments to attempt an intensive distribution in the state.
3. The Company should procure goods to satisfy the need of the customers. A need that should have been pre-determined through market research. Hence, a marketing research unit for strategic marketing information and planning should be created to gather and sort out relevant data for planning purposes.
4. The Company should use an intermediary in its distribution channel by simply establishing an agency relationship with hawkers of its products and other interested parties to expand its distribution channel wider.
5. Serious attention must be paid to promotional activities to accelerate demand and market penetration amidst competition. FASCOM must find its share in the agricultural input market.
6. Branding and packaging of its product should be taken more seriously.
7. Training of staff in marketing courses should be adopted to consolidate the Company's position as a marketing organisation.
8. Establishment of a strong and serious sales force or team at both headquarters and outstations be done. This must be coupled with attractive commissions and

other incentive package of personal development.

9. Production of handbills for advertisement purposes should be an elaborate one to contain all information regarding price, functions, ease of use and other relative advantage of the product. The part on pricing should be very prominent to depict the low pricing policy.

10. Staff should generally be motivated to enhance there productivity. These include timely promotions, general welfare issues, and all the welfare package that provides both extrinsic and intrinsic satisfaction on the job.

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QUESTIONNAIRE FOR LARGE SCALE / SMALL SCALE FARMER:

It is my belief that you are a customer to FASCOM (KDS) LTD, could you please Answer the following Questions regarding your transaction with the company.

QUESTIONS:

1. What type of customer are you ?
   (i) small scale ( ) (ii) Large scale ( )

   .....
   .....

2. State your local Government Area

   .....

   .....

3. Do you get all your Agricultural in puts from Fascom ?

   .....

   .....

4. If No, what, and what do you usually get from the company ?

   .....

   .....

5. Where do you get the remaining requirement of your farm in puts ?

   .....
   .....

6. Please compare the quality of goods you obtain from Fascom and those obtain elsewhere.

   .....

   .....

7. Do you get any explanation on how to use the product from Fascom ?

   .....

   .....

8. Do you usually get discount ?

   .....
   .....

9. If yes what percentage ?

   .....

   .....

10. How do you get information about the availability of Fascom's products ?

    .....

11. Do you get any service from the company ?

    .....
    .....

12. What would you like Fascom to do to improve its services ?

    .....

    .....

3. Who are your competitors ?

.....

.....

.....

(i) Why do you consider them so ?

.....

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.....

4. PACKAGING:

(a) Does your company has any packaging involvement on its products ?

.....

.....

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(b) If yes what are the packaging objectives of the company.

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5. Branding (Name or sign Identified with it).

(a) Are your products branded ?

.....

.....

(b) What Factor(s) do you consider in choosing a brand name.

.....

.....

(c) Have there been noticeable benefits derived from the type of brand name(s) you select.

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6. How many product line (e.g. Herbicides, Insecticide, Machinery) are available in the company ?

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.....

.....

7. How have the product lines been increase or reduce - (please give specific reason).

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8. How related or unrelated are the products of the company ?

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9. What influence has the commercial department on decisions regarding product line development.

.....1....

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10. Who consitute the bulk of your market ?

.....

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.....

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11. What are your customer policies ?

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PRICING

12. What are your pricing objectives ?

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13. What factors influence price setting in your company ?

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.....

14. Who or which department plays a major role in determining prices of goods ?

.....

.....

.....

15. Do you offer discounts ? If yes which type ?

(i) Quantity discount
(ii) Cash discount
(iii) Trade discount
(iv) Seasonal discount
(v) Geographical discount

16. Are there any external influence on your pricing systems ?
e.g. Government regulation like price control, subsidy etc.

.....
.....

DISTRIBUTION

17. Do you sell directly to customers or use intermedianies ?

.....
.....

18. What are the channels of distribution for your products ?

.....
.....

19. Do you operate an intensive, exclusive or selective system of distribution ?

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.....
.....

20. Any special reason why you select particular system of distribution ?

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.....
.....

21. How are your products transported ?

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.....
.....

ADVERTISING

22. Do you advertise your products ?

.....
.....

23. What are your advertising objectives ?

.....

.....

24. Which media do you use for your advertisement ?

.....

.....

.....

25. Is there any reason why you feel a particular media is more appropriate for your products ?

.....

.....

26. How does the company make decision on advertising expenditure. Is it based on :-

(i) What the Company can afford at a particular time ?

(ii) A fixed percentage of sales ?

(iii) What other competitors are spending or

(iv) Other Factors ? (Please state)

27. Are most of your advertising objectives achieved ?

.....

.....

* .....

28. Do you wish to suggest anything that could improve the performance of the Company ?

.....

.....

.....

INTERVIEW QUESTIONS

A. INTERVIEW QUESTIONS WITH PRINCIPAL PROCUREMENT OFFICER (PPO)

1. What procurement strategy do you use in buying your products? This is in terms of vendor selection, quality standards and specification.
2. Who makes your procurement decision?
3. Do you order a special packaging of your products for branding purposes? why?
4. How many product lines are available in the company?
5. How related or unrelated are the products you deal with?
6. Who or which department plays a major role in determining price of your products?

B. INTERVIEW QUESTIONS WITH DIRECTOR COMMERCIAL SERVICES (DCS)

7. How is your department organized?
8. What is its position in the organizational structure?
9. Do customers recognise your products at sight? How?

PRICING:-

10. Who or which departmeat plays a major role in determing prices of goods?
11. What are the companys pricing objectives
    (i) cost recovery?, (ii) Break even? or anyother?
12. What factor(s) influence price setting?
13. Do you offer discounts? what type?
14. Are there any external influence on your pricing systems? e.g. Government regulation like price control etc.

DISTRIBUTION:-

15. Do you sell your products directly to consumers or you use intermediaries?
16. What are the channels of distribution for your productw?
17. What type of distribution system do you operate?
    intensive, exclusive or selective.

18. Any special reason why you select a particular system of distribution?

19. What means of transport do you use in transporting your products?

20. Do you own or hire your warehouses?

21. What customer services do you offer?

C. INTERVIEW QUESTIONS WITH PUBLIC RELATIONS MANAGER

PROMOTION OF COMPANY PRODUCTS

22. Do you advertise your products?

23. Do you use advertising agencies or approach the media houses directly?

24. Which media do you use for advertising your products and why?

25. How do you make decision on advertising expenditure?

26. What are your advertising objectives? Do you achieve them?

27. Do you use publicity to communicate to your customers about your products? How?

28. What influences your choice of media?

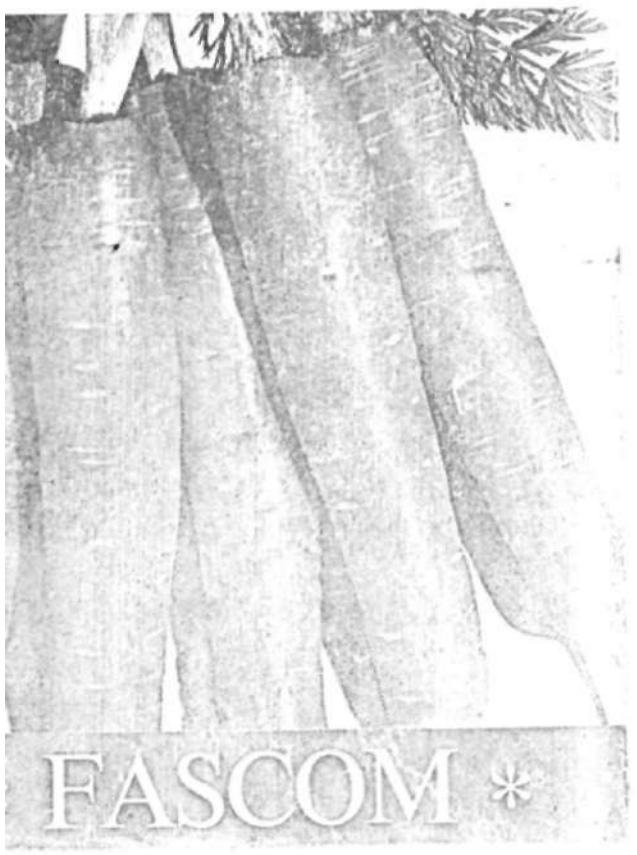
29. What strategy do you use (or instruct your selected media to use) in timing of advertising exposure?

30. How do you measure your advertising effectiveness?

CARROT

Early Nantes

6 Gr.



Yanda ake shuka karas

A ja layi da sanda, sannan a barbda shi de yatsu uku a cikin layin da aka ja. Tsakanin layi da layi ya kasance kamar inci 9 (9 inches). A yi rage in har ya cunkushe.

How to raise carrot

Drill seeds in basin 0.5–1 cm deep with 10 cm between rows. Thin if the plants are over crowded.

PRODUCT OF:
OHLSENS ENKE
DENMARK

FARMERS SUPPLY COMPANY (KADUNA STATE) LTD
13B Kabir Road
Malali G.R.A
P.O.Box 9237
KADUNA

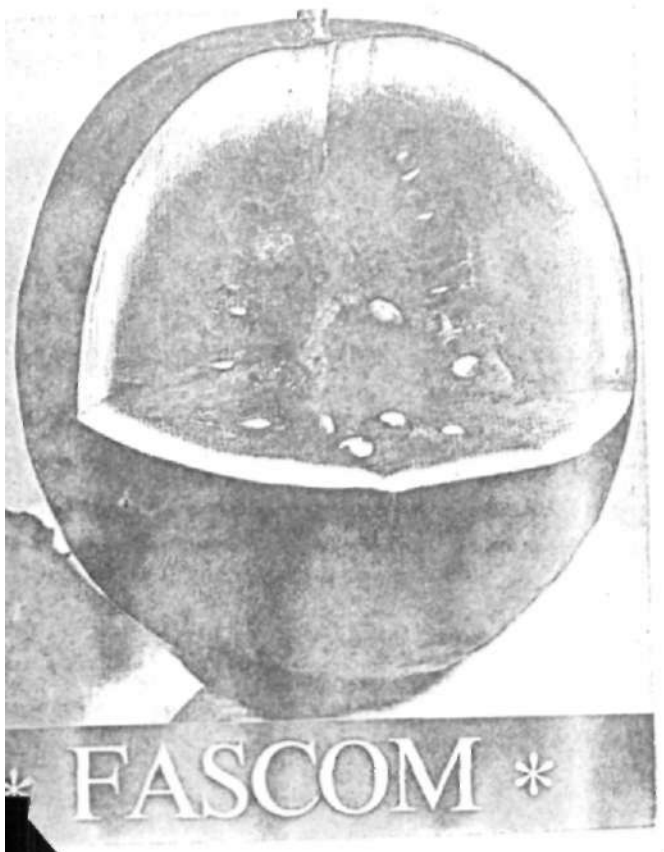
Date of test:

TERMELON

r Baby

ners' Choice

6 Gr.



Yanda ake shuka kankana

A shuka iri guda uku a ramin shuka. Tsakanin rami da rami ya kasance kafa uku kuma tsakanin layi da layin shuka ya kasance kafa shida. Bayan ta tsiro sai ayi ciro, a bar guda biyu a kowane gindin shuka.

How to raise water melon

Plant 3 seeds per hole on permanent site 90 cm *between plants and 150–180 cm between rows.* Thin to two plants/stand depth 1.5–2.5 cm.

PRODUCT OF:
OHLSENS ENKE
DENMARK

Farmers Supply Company (KDS) Limited
No. 12 Marnona Road U/Sarki,
P.O. Box 9237 Kaduna

Date of test: 1 4 00

Yanda ake shuka kubewa

A shuka iri guda uku a ramin shuka. Tsakanin rami da rami ya kasance kafa biyu kuma tsakanin layi da layin shuka ya kasance kafa biyu. Bayan ta tsiro sai ayi ciro a bar guda biyu a kowane gindin shuka.

How to raise okra

Plant 3 seeds per hole, 60 cm apart and 60 cm between rows. Thin to two plants stand.

PRODUCT OF:
OHLSENS ENKE
DENMARK

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P.O. Box 9237 Kaduna

e of test: 17 89

OKRA
Clemson Spineless

The Farmers' Choice

6 Gr.



* FASCOM *

Yanda ake shuka kabeji

A yafa shi a kwamin rainon iri. Bayan yayi sati uku zuwa hudu da tsirowa, sai a dasa shi. Ayi dashe, tsakanin shuka da shuka fadin ya kasance kimanin kafa daya da rabi. Tsakanin layi da layin shuka ya zamo kafa daya da rabi.

How to raise cabbage

Sow in nursery beds. Transplant after 3–4 weeks in nursery, 60 cm between rows and 60 cm between plants. Depth 1 cm.

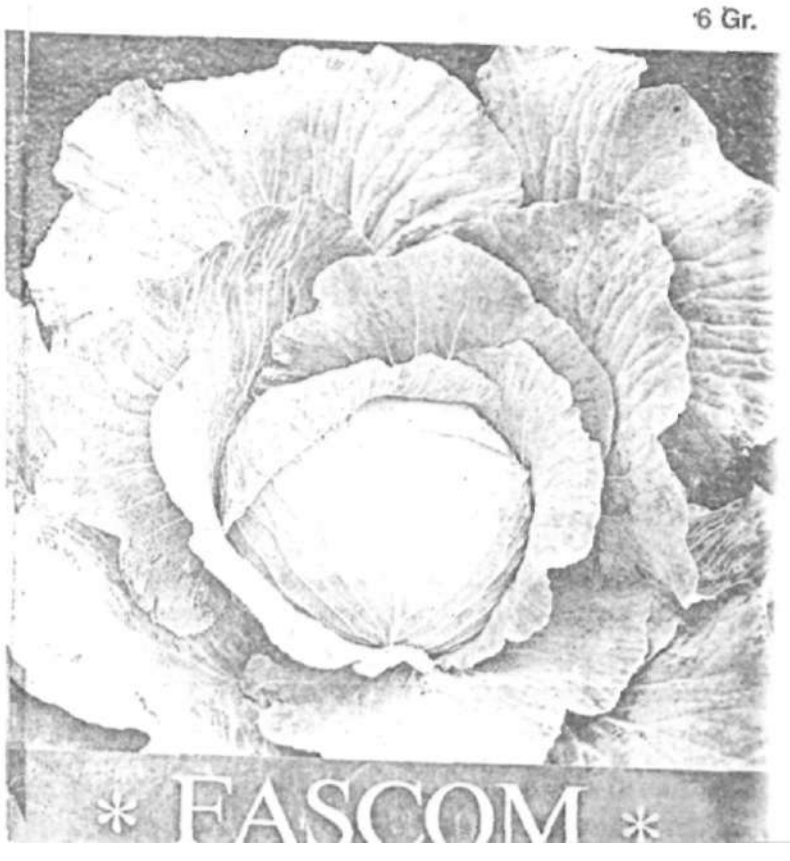
PRODUCT OF:
OHLSENS ENKE
DENMARK

FARMERS SUPPLY COMPANY (KADUNA STATE) LTD
13B Kabir Road
Malali G.R.A.
P.O.Box 9237
KADUNA

e of test:

CABBAGE
Drumhead

6 Gr.

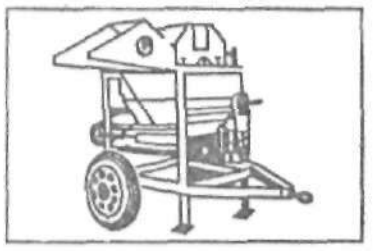


* FASCOM *

MULTICROP THERESHER

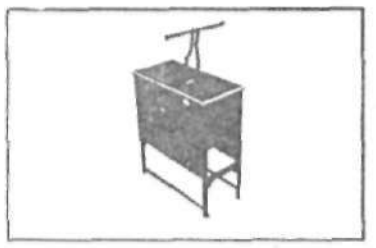
FASCOM Threshers are tested extensively for crpos like Maize, wheat, pearl-millet, rice, sorghum, sunflower and peas. The salient aspect is compact machine with threshing and winnowing combined together, mounted pneumatice wheels with towing hook for easy transportation. It can be coupled with Diesel or Petrol Engine or Electric Motor of 7 HP.

Capacity : Varies from crop to crop.
Net weight : 460 Kgs.



GROUNDNUT DECORTICATOR

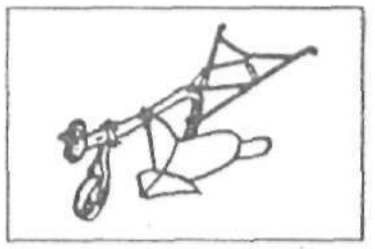
FASCOM Groundnut Decorticator is alternating type of Hand Operated decorticator of 100 Kg/hr capacity. Fascom decorticator is robust in construction. The Decorticated seed and husk drops down through sieve and the seed has to be seperated from the husk.
FASCOM Decorticator can be converted into power operated one, couple with Winnowing operation (seperation of husk from seeds) with a simple mechanism to connect to the prime mover.



RIDGER

OUR Animal Drawn Ridger is similar to Emcot or Cossuls Ridger which can be used in heavy soil condition for making ridges and furrows. These ridgers are widely used in Nigeria and West African countries for making rounded-top ridges for cultivation of Maize and Sorghum.

Capacity : Area covered: 1.25 to 1.50 hectares per day.
Net weight : 45 Kgs



HAMMER MILLS

Used for preparation of Animal and poultry feeds of cereal origin. It can grind hardest to softest substance. Fitted with reversible hammer supplied with sieves of 0.7mm., 1.5mm., 2mm., and 3mm with permanent magnet for removing magnetic impurities. It can be coupled with Petrol/Diesel Engine/Engine/Electric Motor of 5 HP.

Capacity : Based on the items to be ground and mesh size.
Net weight : Mill along with common platform for Mill and Prime Mover - 86 Kgs.

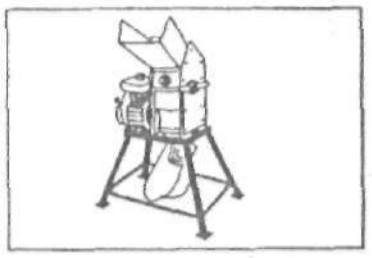
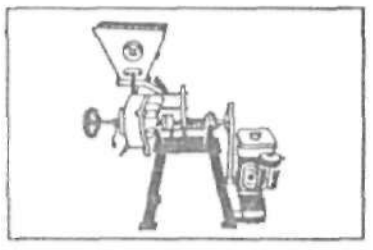


PLATE MILLS

Capable of dry and wet grinding of corn and cereals for human consumption and animals/poultry feed. These are fitted with a set of carborandum wheels and a set of chil cast iron serrated plates and are supplied with a permanent mangnet which enables removal of magnetic impurities. This can be coupled to petro/diesel engines or electric motor of 5 HP.

Capacity : a) 120 Kgs. of coarse flour whcih when fitted with chill cast iron plate.
b) 30 to 40 Kgs. of fine flour when fixed with carborandum wheels.

Net weight of Mill along with common platform for Mill and Prime Mover - 95 Kgs.



For further enquiries Contact:

FARMERS SUPPLY CO. (KDS) LTD
No 10. ZANNA DUJIMA ROAD
MALALI G. R. A.
P. O. BOX 9237, KADUNA.
Tel: 062-217613, 215261, 215869

- the farmers choice

The farmers choice

APPENDIX 4B

TROPICULTOR

FASCOM TROPICULTOR is a multipurpose animal drawn Wheeled Tool Carrier. Tropicultor was introduced and extensively tested in India by ICRISAT, and MEKINS is manufacturing and marketing them since 1978.

FASCOM TROPICULTOR is capable of performing many types of FARM OPERATIONS under different soil conditions for DRY CROPS.

FARM OPERATIONS are performed by attaching the required implement to the square tool bar like a tractor. The common operations done with TROPICULTOR are PLOUGHING, FORMING OF RIDGES & FURROWS, SEED BED PREPERATION, SOWING & FERTILIZER APPLICATION AND INTER ROW WEEDING.

TROPICULTOR is well suited for certian specialised operations like earthing up of SUGARCANE CROP and working in PLANTATION CROPS.

TROPLICULTOR has several unique features like adjustable wheel track, lifting & lowering of implements like a tractor, easy conversion into an Animal Cart of 1 ton Capacity.



The Ground clearance is high (upto 76 cms) and the operator can ride the machine and not walk behind the implement.

TROPICULTOR is widely used as an Energy Saving device and is popularised by the Government of India under the Energy Programmes.

NIKART

FASCOM 'NIKART' is another type of Ride-On type of Animal Drawn Wheeled Tool Carrier.

'NIKART' is similar to TROPICULTOR in many respects except that NIKART is a fixed track wheeled tool carrier 1.5 meter wheel track.

The implements that can be attached to NIKART are the same as those attached to TROPICULTOR. The depth adjustment is continuous in NIKART.

The method of attaching the implements to NIKART is similar to that of TROPICULTOR.

'NIKART' has arrangements to control the depth of penetration of implements without using a spanner.





AGRIBAR

FASCOM AGRIBAR is another Animal Drawn Wheeled To Carrier of fixed Wheel Track Type. The Wheels provide are of Sold Rubber Type, which avoids stoppage of wo due to puncturing.

AGRIBAR is simple in construction and has all the adva tages of a wheeled tool carrier except being capable converted into a "Bullock-Cart; and the cost is conside able low.

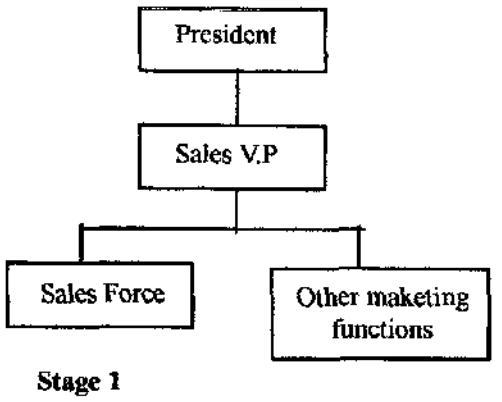
For further enquiries Contact:

FARMERS SUPPLY CO. (KDS) LTD

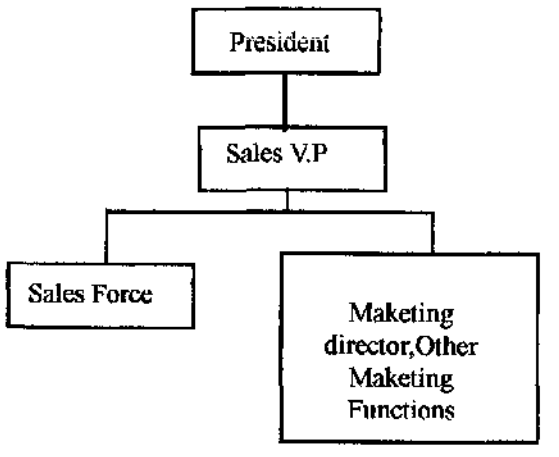
No 10. ZANNA DUJIMA ROAD
MALALI G. R. A.
P. O. BOX 9237, KADUNA.
Tel: 062 - 217613, 215261, 215869

Appendix 5

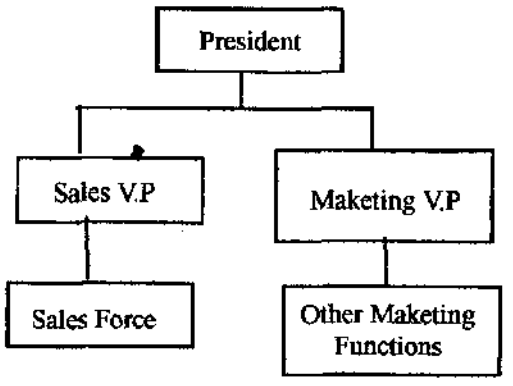
Stages in the evolution of a maketing department



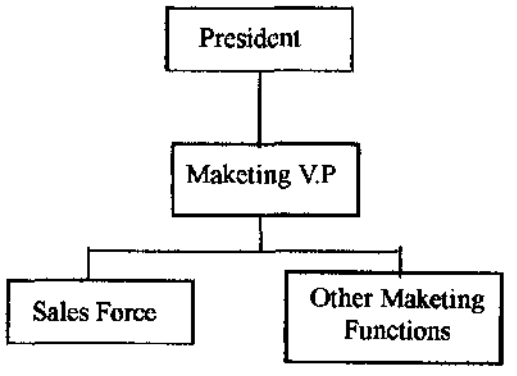
Stage 1



Stage 2



Stage 3

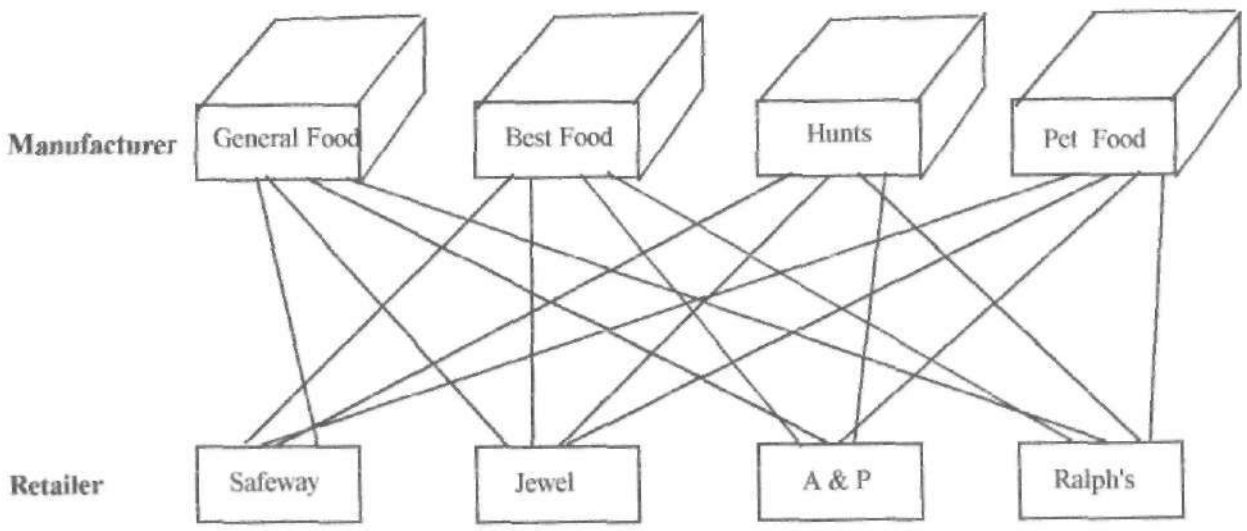


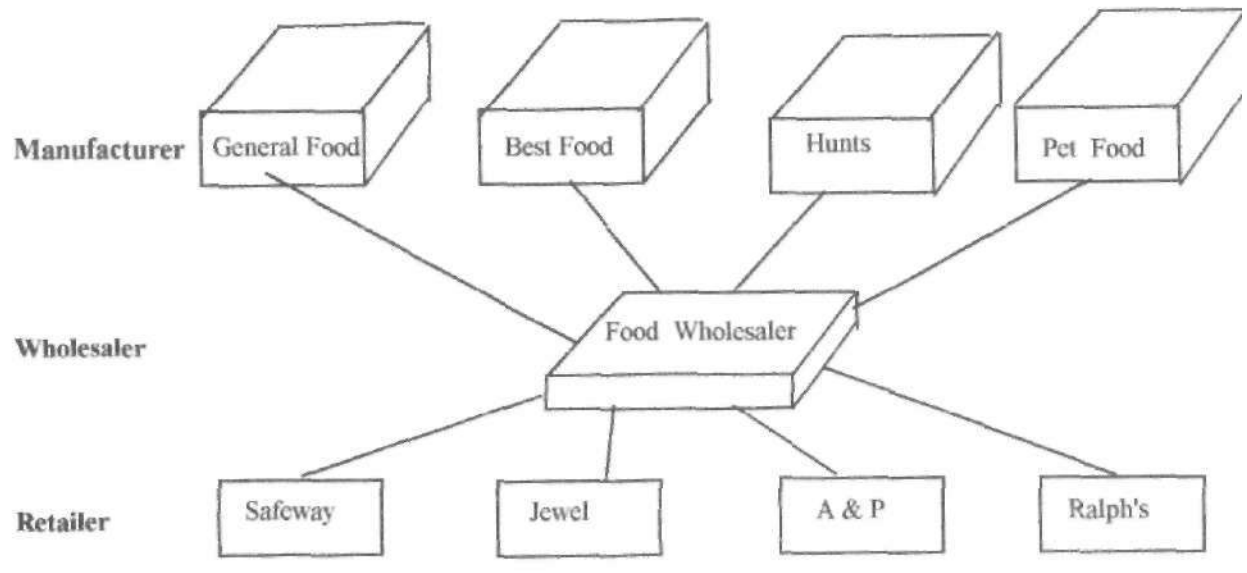
Stage 4 & 5

Ref: Principles of maketing, Philip Kotler (1980) P. 172

Appendix 6

Reduction of Transactions by an intermidiary

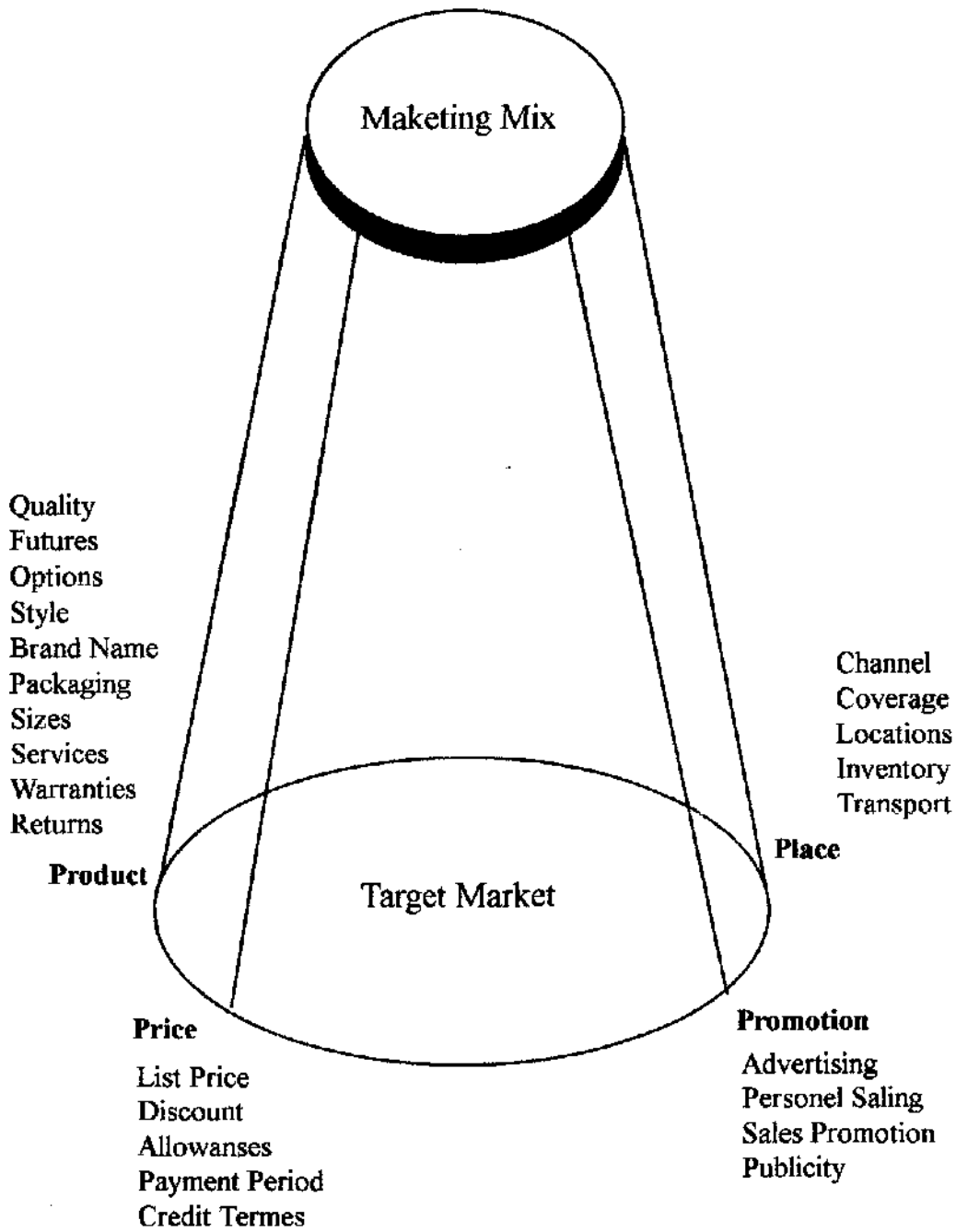




Ref: Maketing. W. Zikmund & M. D'Amico (1980) P. 317

Appendix 7

The Four P's Of The Maketing Mix



Ref:- Ibid-Appendix 5 p.90