# APPLICATION OF MARKETING STRATEGIES ON CONSUMER PRODUCTS

## A CASE STUDY OF LEVER BROTHERS NIGERIA PLC, KADUNA.

**BY**

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## CERTIFICATION

This project report/work entitled APPLICATION OF MARKETING STRATEGIES ON CONSUMER PRODUCTS. A CASE STUDY OF LEVER BROTHERS NIGERIA PLC (LBN) by Mohammed, Aisha Tata meets the regulations governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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# TITLE PAGE

# APPLICATION OF MARKETING STRATEGIES ON CONSUMER PRODUCTS.

## A CASE STUDY OF LEVER BROTHERS NIGERIA PLC, KADUNA

BY

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**(G93/BAP/7376)**

**BEING A PROJECT SUBMITTED TO DEPARTMENT OF BUSINESS ADMINISTRATION**

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**AHMADU BELLO UNIVERSITY ZARIA, Nigeria**

**OCTOBER, 1998.**

## DEDICATION

This book is dedicated to my Husband Wg Cdr. N.N. Mohammed for his financial and moral support. And finally to my dear children, El-Yakubu, Maimuna and Habiba who managed to stay alone throughout the duration of this course.

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## ABSTRACT

This research project is on the application of Marketing Strategies the Lever Brothers Nigeria, Plc. Would use to achieve a sustainable Competitive advantage.

The project covered the background of the study, the significance of the research, review of related literature, method used in collecting data, factors responsible for the high competition LBN's detergent are facing.

Some recommendation were proffered to enable LBN sustain the stiff competition it is facing.

This project is of the view that, the product differentiation, distribution, quality and pricing strategies have to be applied by LBN to solve the problem of high competition and imitation, its detergent are facing.

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# CHAPTER ONE

## 1.1 INTRODUCTION

According to Philip Kotler Consumer goods are those goods bought by final consumers for personal consumption. Marketers usually classify these goods based on consumer shopping habits. Such as convenience goods, shopping goods, specialty goods and unsought goods.

Strategy refers to action by management to offset actual or potential actions of competitors. According to R.E Runyan it is a term used to describe how objectives are to be accomplished. Steiner and Miner (1977) defined strategy as the forging of company missions, setting objectives for the organisation in the light of external and internal forces, formulating policies and strategies to achieve objectives and assuring their proper implementation so that the basic purpose and objective of the organisation will be achieved.

Strategies as earlier defined are means, schemes and methods designed by an organization for operationalizing policies and pursuing objective. The strategies to be set should be cost-efficient, and objective effective i.e. it should suit the objective. It should be within the resources capacity of the organization. It should be flexible to accommodate changes from the environment. In an organization, there should be a uniform strategy in all the units so as not to be in conflict.

Basically, an organization needs to identify the opportunities that it is



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willing and able to undertake be it adaptive opportunity, complementary opportunity and or break through opportunity. Conversely, the risks associated with them. According to Drucker (1979) this could be classified into four categories: the risk that must be accepted for which there are no elimination options, the affordable risks which could be borne comfortably without threatening the existence of the organization, the risks an organization cannot afford to take – not taking the risks means missing out on a potentially highly rewarding opportunity and lastly, the risks cannot be afforded no matter the reward because it might endanger its basic existence. An organization must also determine the extent of its scope and structure – this involves determining the proper balance between specializing integration and diversification.

Furthermore, an organization has to decide whether to make its own inputs or buy them. Should it grow internally or externally through merges and acquisitions? These are the issues considered by the time and money.

Organization should consider the structure that is appropriate and conducive to its economic realities, its opportunities and its programmes for performance. For instance, does it require flat or tall structure? Centralized lightly controlled organization or decentralized? Be appropriate towards achieving its goals and objectives.

Christian, Andrews and Bower (1973) define business policy as the duties, functions, roles and responsibilities of the general management level of the organization. It also includes the study of the problems that affect and influences the character and success of the whole organization. The major problems which policy address include the determination and choice of an organisations goals and objectives, the shaping of the character of the organization, identification of functions to be performed and the mobilization and efficient allocation of resources to achieve the stated goals and objectives in the light of the competitive environment.

Further down the managerial hierarchy operational line managers implement these policies by interpreting them into strategies and tactics for achieving predetermined objectives, such as missions are translated into goals which are in turn made more specific and actionable in objectives. Strategies are in turn developed to achieve the stated goals and objectives. Newman and Longman (1976) say strategy is concerned with where an organization should be headed in the future. Without some operational strategies, policy will not be translated into courses of action.

Lever Brothers (Nigeria) Plc, is a big conglomerate whose range of products touches every home which made it a fundamental consumer goods producer. The Company's Corporate Mission is "Lever Brothers Nigeria Plc will lead in all its

markets at developing, manufacturing, marketing and distributing products that best satisfy consumer needs, whilst operating a highly profitable and ethical organization that will continue to survive well into valuable asset to shareholders". Therefore the need to review related literature, conduct interview and survey the market to come up with suitable marketing strategies to be applied when producing consumer products to enable sustaining marketing strategies to be applied when producing consumer products to enable sustainable competitive advantage.

There are more and more major threats to Lever Brothers such as the increased giants as PZ and AJ Seward. Another threat posed to Lever Brothers' products is the mushrooming of fake manufacturers, particularly in the Eastern area of the country, adapting brand names which are similar to the former's brand names.

## 1.2 STATEMEENT OF THE PROBLEM

1. Increasing competitive tempo by giants such as PZ, poses great danger to its products such as Omo is facing stiff competitive competition from Elephant Blue detergents, solar detergent, Rex detergent etc.
2. Importation of such competitive products such as Ariel and Klin detergent.

## 1.3 **HYPOTHESIS**

1. LBN's detergents faces high competition due to its packaging.
2. Scarcity of fuel delays the distribution of LBN's Products.

3. LBN produce lower quality detergent and a bit higher price than that of its competitors.

4. LBN did not differentiate the colour of its detergents (Omo) from other the detergents.

## 1.4 PURPOSE/AIM OF THE STUDY

The purpose of this study is to generally examine the marketing strategies applied by LBN on its detergents and to suggest how LBN will apply clear marketing strategies on its detergents to maintain its sustainable competitive advantage thereby achieving it goals / objectives.

## 1.5 SCOPE OF THE STUDY

The scope of the study includes the study of various marketing strategies used by LBN since its inception with a view to identify possible ways of applying marketing strategies on consumer products. The study uses LBN as a sample company producing consumer products. And the suggested application of marketing strategies applies to all companies producing detergents in Nigeria.

## 1.6 SIGNIFICANCE OF THE STUDY

The significance of this study draws from the fact that detergents are very important and crucial to all consumers. They are daily used goods in almost every home both in the towns and villages. Therefore it is important that consumer gets quality low priced products and fairly distributed all over at



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the right time. Most consumers cannot differentiate between super blue Omo and other detergents produced in Nigeria

## 1.7 LIMITATION OF THE STUDY

Every research work has its limitations. This research is restricted to consumer products (detergents) of LBN that faces stiff competition and imitation of its product by other imported detergents and other competitors. And suggestions/recommendation of marketing strategies to be applied to enable this particulars product line to gain a competitive advantage. Marketing Strategies is suggested could be used by every detergent producing company.

# CHAPTER TWO

## 2.1 WHAT IS STRATEGY

For a policy to be meaningful, there must be some operational strategy that will translate it into courses of action strategies are means of operationalizing a policy and for achieving same predetermined objectives. According to Anao (1979), strategies are schemes, methods, manoeuvres which management hopes to deploy in order to move the organisation 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.

For a business organisation, "strategic decisions are primarily concerned with external rather than internal problems of the firm and specifically with the selection of the product mix which the firm will produce and the markets to which it sell, (Ansoff, 1984). In other words, a business firm which chooses to pursue the profit objective achieving it through what products it should produce and sell (Product mix) and where it intends to sell them (markets) in the light of the intentions of other competing firms.

The definition of the business needs to be clear out as broad as possible to enable the development of effective implementation of strategies. Such as it would be inadequate for Lever Brothers Nigeria Limited, as manufacturers of detergents toiletries, edible fats and oils and fruit drinks, to

define its business as makers of soaps and edible fats and oils, otherwise it would not be able to penetrate the market effectively as it is doing at present. One may correctly define the business of lever Brothers as a manufacturer of consumer products. That way the company can develop programmes aimed at exploiting the consumer market at large rather than just direct users of soaps, detergents and edible fats and oils.

An organisation should be able to re-define its business in terms of what it presently is. If there is a disperity between what it is and what it should be, then the need for a re-examination and readjustment would arise in order to complete effectively in the market. Furthermore, the organisation should give some thought to what its business will have to be in future in response to changes taking place in its competitive environment. It may have to change its structure, diversify or concentrate more on what it knows best.

Every PLAN should be flexible and as adaptive as possible to give room for changes likely to occur in the environment. A rigid plan creates planning shocks because it makes no allowance for possible planning errors arising from managerial mistakes, incomplete information and environmental changes.

## 2.2 MARKET POLICY

Market segmentation is one of the major areas a manager uses in formulating policies i.e. segment the market. Philip Kotler has identified three patterns of market segmentation these includes:-

(a) Homogeneous Preference:- In this case, all the customers in the market have roughly the same preference the brands are likely to be similar and located in the center of the preference.

(b) Diffused Preference:- Consumer Preferences here are scattered. This shows that consumers vary greatly in their preferences. A brand that enters the market is positioned in the center to appeal to the most people. Placing the brand in the center minimizes the sum total of consumer dissatisfaction. A new competitor entering the market will locate next to the first brand and fight for market share or at the corner to win over a customer group that was not satisfied with the center brand.

(c) Clustered Preferences:- a clear case of natural market segments. The first firm in this market has the following options:- Position in the largest market segment (concentrated marketing).

- Develop several brands and position each in a different segment (differentiated marketing). If the first firm had developed only are brand, competitors would enter and introduce brands in the other segments.

According to porter, a company must appraise five forces that determine "the intrinsic long – run attractiveness of a whole market or any segment in it these forces include, industry competitors, potential entrants, substitutes, buyers and suppliers.

## 2.3 MARKET TARGETING STRATEGY

According to Wendell R. Smith (1961) the firm might ignore market segment differences and go after the whole market with one offer. Undifferentiated strategy relies on mass distribution and mass advertising. The basic aim is to give the product a superior image in people's mind. This strategy, saves money by minimizing production, inventory, transportation, and marketing research cost.

## 2.4 DIFFERENTIATE STRATEGY

Wendell R. Smith (1961), the firm operates in most segments, but designs different programs for each segment in terms of quality and other attributes. Variety of products is one way to seek differentiated marketing usually result in higher sales than undifferentiated marketing quality, prompt availability, style & packaging.

## 2.5 CONCENTRATION STRATEGY

Aims for one or a small number of segments. The advantage is that the company knows and serve its market better. Costs are saved because there are large runs fewer products; advertising and distribution have more impact

## 2.6 DIFFERENTIATION VERSUS LOW COST STRATEGIES

In a differentiation strategy, the product offering is differentiated (or made different) from the competition by providing value to the customer, either by performance, the quality, the prestige, the features ( color, size, content, price etc ) the service back – up, the reliability, or the convenience of the product. Aaker has emphasized the need not always to associate the differentiation strategy with higher price. According to the author, the result of a differentiation strategy is usually to make price less critical to the customer.

Product differentiation enables a Company or firm to move the market the way it likes. Theodoie Levitt, in his article, " marketing success through differentiation – of anything (Harvard Business Review, Jan – Feb. 1986 pp. 83 – 91), points out that " product feature differentiation is not limited to those product features that the customer expects"

The whole idea according to Aoker is to change the nature of a business and its associated key success factors into one in which it is possible to develop SCAs. There is a Problem here – that of identifying augmented product ideas that:-

1. The Customer will value enough to pay for and
2. Will represent a sustainable competitive advantage not easily duplicated by competitors.



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In Tam Peter, Milliken addressed the two problems by creating customer action teams (CAT). A CAT would typically involves several people from customers firms as well as an inter functional team from milliken. The team would be charged to seek creative solution to better serve current markets or create new ones.

The customer involvement here is important because it ensures successful solution of problems.

According to Martin Christopher (1993), Companies are increasingly reviewing their strategy towards customer service to differentiate the company from its competitors. Customers used to differentiate companies before, but that is not the case today because commodity market (where competing products are seen to be similar or substitutable by customers) are on the increase, particularly as technological or functional differences between competing brands or suppliers becomes less. The message is that " quality and service can be a very powerful means of differentiation and it enable a higher price to be charged. After examining thousands of companies the PIMs researchers concluded that one of the biggest contributors to profitability in any organisation is the relative perceived quality of its products.

Hall (1980) shows that the most successful firms are those with both a favorable cost structure and high differentiation but that a structure designed

primarily to achieve differentiation can be successful too. There is the possibility of pursuing a strategy designed purely to reduce cost. Here too, positive results can be achieved for a certain time. But firms that neither achieve great differentiation must expect poor result.

Contrary to differentiation strategy, Aaker (1992) stressed that the low-cost strategy is to provide that sustainable cost advantage in some important element of the product or service. High market share, favourable access to raw materials or state of the ant manufacturing equipment are factors that can contribute to the overall cost leadership position. A lower cost could lead to enhanced profits, increased advertising or promotion instead of reduced prices. Price strategy to be on top, cost advantage have ability to produce more and capture large share of the market.

## 2.7 INNOVATION:-

Innovation is one of the main ways of obtaining competitive advantage such as producing products better than its rivals. Innovation has positive effect over the longer time. According to Aaker (1992) a well patent on a technological innovation can provide the most assurance that a resulting advantage will be sustainable.

## 2.8 CONCENTRATION OF FORCES

Only a concentrated use of resource will ensure a break through in a particular market. A company normally needs a certain minimum sales for a

company to be viable if there are competing products break through must be against competitors to achieve minimum market share if the objective is a break through of the market share, then forces need to be concentrated where the competitors are weak. Such as a firm should concentrate where its competitors are weak to be able to turnover its customers. The concentration of forces must be directed at areas where the main competitor has little or no chance of retaliating or where it has not yet recognise that it is weak.

### 2.8.1 CONCENTRATING OF STRENGTHS AND EXPLOITING OPPORTUNITY STRATEGY.

A company strategy must be aimed at achieving superiority in specific fields of activities. The principal of concentrating on strengths necessarily entails avoiding weaknesses. The basic idea of synergy is that two or more compatible elements should be combined to create something new such as combining different professionals for a better result.

According to Mark Menden Hall, Betty Jane Punett David Ricks (1995) strategic alliance can be thought of simply as Cooperative Ventures where two or more organisations choose to cooperate with each other for specific purpose for a defined period of time. A company with a good product might cooperate with another company that will develop distribution or marketing network. Companies cooperate to benefit from each other.

### 2.8.2 UTILIZING ENVIRONMENT AND MARKET OPPORTUNITIES.

A good strategy must exploit opportunity in the environment. Opportunity may be offered by new technologies, changing economic conditions, social trends political changes, customary requirement and market development.

Management should keep constant watch for opportunities in the market and the environment and achieve a healthy growth by making proper use of them. The main problem is that opportunities are not recognized soon enough. According to Steiner and Mainer (1977), the opportunistic approach is highly entrepreneurial in nature. It involves a constant search for new business ventures, new markets and new products to exploit. It also involves deferring commitment of resources until the opportunity arises the danger of this approach lies in the tendency to turn the company into a passive waiter for opportunities rather than an active searcher.

## 2.9 PRODUCT LINE

According to James C. Makens (1985), the evidence from highly successful marketing oriented companies strongly indicate there are definite advantages in grouping products into product lines. It is also apparent that groupings sometimes need be changed. Conditions within the market place may dictate that the current grouping of products into certain product lines needs to be seriously reviewed. Again, the evidence from highly successful companies within the product and service sectors and within both the

industrial and consumer goods areas strongly suggests that a system of product line management, is essential for growth. Eventually, there is an absolute limit to the number of different brands or product that any one person can effectively manage even with the aid of a computer.

Product line strategy enables a company to know the type of product or service to produce. Also the sizes, shapes, colour and grades of product to produce. And whether to change the product or not.

## 2.10 CUSTOMER POLICY

Martin Christopher (1993), viewed that, usually there exist a number of sub-markets or segments which share similar characteristic within a total market but will quite likely differ considerably in these characteristic from other segments. Thus a classic marketing strategy is to target a limited number of segments and to design specific marketing mix programmes for each segment monitoring and controlling customer service strategy improves the quality of service. Therefore, beneficial not only to the customer, but will also reduce the suppliers costs. In other words, the possibility of enhancing competitive advantage through the quality of service is a goal well worth pursuing.

According to Richard F. Gerson (1993), recruit, train and reward good staff. Superior customer service and quality performance that result in customer

satisfaction and retention can only be provided by competent, qualified people. Your service quality is only as good as the people who deliver it.

## 2.11 CUSTOMER RETENTION

According to Martin Christopher (1993), retained customers are more profitable than new customers. This is termed a customer service strategy there is rapidly emerging a new focus in marketing on the creation of relationships with customers. The principle behind relationship marketing is that the organisation should consciously strive to develop marketing strategies to develop and strengthen customer loyalty. A company will seek to maintain long – term relationships with its customers through training programmes, client seminars, frequent customer communication etc. if customers, are satisfied, the they are unlikely to want to look for alternative sources of supply. The combination of a superior product with a superior service package provides the ultimate source of sustainable competitive advantage.

According to Martin Christopher (1993), long term relationships with customers are more profitable for six reasons:-

(a) The cost of acquiring new customers can be substantial. A higher retention rate implies that fewer customers need be acquired and these can be acquired more cheaply.

(b) Established customers tend to buy more.

(c) Regular Customers place frequent, consistent orders and therefore, usually cost less to serve.

(d) Satisfied customers often refer new customers to the supplier at virtually no cost.

(e) Satisfied customers are often willing to pay premium prices for a supplier they know and trust

(f) Retaining customers make entry or share gain difficult for competitors.

Researchers at Bain and Co., a management consulting Co. have found that retained customers are more profitable for the above reasons.

There are a 'tail' of customers who are actually unprofitable and who therefore reduce total profit contribution. Therefore, the challenge to customer service management is firstly to identify the real profitability of customers and then secondly to develop strategies for service that will improve the profitability of all customers.

It must be recognised that different segments in total market may respond in quite different ways to higher or lower levels of service.

## 12 TARGET MARKET

James C. Makens (1993) viewed that, marketing manager have the responsibilities of selecting market segments which represent the most likely customers for the products and services of their companies customers

within these market segments will share certain common characteristics. A consumer – driven company cannot afford to limit its marketing activities and interests to middlemen. Company that produce consumer products often sell through distributors, brokers or wholesalers, and view these as their customers. They are wrong according to Makens. Competitors find ways to work with middlemen to push additional millions of pounds/ dollars of their products into and through retail stores.

Competitors also find ways to talk directly with the consumer and to pull their products through distributors and wholesalers whether or not these middlemen like the company and its sales force. Products can be sold directly to consumers through target markets.

## 2.13 PRICING STRATEGY

According to Aaker (1992 ) when a single product is in question, the price decision is simplified. Where a product is accompanied with consumable supplies, the product is priced at a competitive level. Prices for products in the line do not necessarily correspond to a total line or mix strategy as opposed to individual, item pricing. This understanding has given rise to two important price strategies Viz, " Trading Up" and "Trading – Down".

A high quality product may require high price to help establish prestige position in the market place and satisfy management to profit performance

requirements. If private branded product is supplied to a well-known store, its price has to be very competitive with those of other version in the store in order to obtain sales. Product mix, branding strategy quality and features should be analysed to determine their effects upon price strategy.

Aaker went further to stress that, in leasing on cutting prices, the marketer must be sure that his effort is supported by other marketing strategy. For example, a firm raises its forces may add a more expensive looking package and may begin a new advertising campaign. If it increases its price without this kind of total marketing effort the result may be disastrous.

According to Don Weller & Jane Kerry (1974), the 'right' selling price is not the one which covers costs and gives a desirable level of profit but the maximum figure at which an adequate number of customers are prepared to buy. Prices should therefore be customer based rather than company based.

Prices should be related to product cost, to competitors prices and to consumer use of the product.

James C. Makens (1993) in his 12 – Day marketing plan stressed that pricing strategy for a product or product line can be one of the most effective marketing tools available to a company. Successful marketing strategies depend upon well-planned pricing strategies for all product lines. In turn successful pricing strategies depend upon careful analysis.

According to Aaker ( 1992 ) high initial prices may help to revamp development costs low initial prices may help to keep competition at bay for a longer period.

## 2.14 IDENTIFYING COMPETITORS – STRATEGIC GROUPS

The strategic group provides a different approach toward understanding the competitive structure of an industry. Aaker defines a strategic group as a group of firms that :-

(i) Over time pursue similar competitive strategies (e.g. the use of the same distribution channel and heavy advertising)

(ii) Have similar characteristics e.g. size aggressiveness

(iii) Have similar assets and skills (e.g. quality image).

Briance Mascarentias and David Aaker see a set of strategic groups to include as set of mobility barriers that inhabit or prevent business from moving from one strategic group to another. In Nigeria, a typical case would be an industry like soap. Here there are national brands, price leaders, private label suppliers and local made entries. Each of these groups has its own peculiar entry barriers such as low - cost production, brand names low over – head, or local customer base.

Both exist and entry barriers exist for members of strategic groups. Aaker cites assets such as plant investment or specialized labor force as representing a meaningful exist barrier. In fact one way to develop a sustainable competitive

advantage is to pursue a strategy that is protected from competition by assets and skills that represent barriers to competitors. Using the strategic group concept is useful in the following one as :-

(1) Competitor analysis

(2) Refines strategic Investment Decision

(3) Projecting competitive strategy.

According to Makens (1993) a knowledge of competitors is critical in designing effective marketing strategies. It is important to understand what competition is doing even if you believe they are wrong. Several common sources of information about competitors includes, Articles in newspapers and news magazines, competitors annual report, competitors literature, trade shows and other professional meetings articles in trade magazines and trade news letters, sales people, occasionally visiting your competitor's store/showrooms, by acting as a prospective customer and by purchasing the products/services of your competitor, through conversations with the competitor, through other employees of your company from friends relatives, customers, and anyone who has contact with your competitors and is willing to share there information.

## 2.15 PROMOTION

According to G.A Cole, every product needs to be promoted. The principal methods of promotion are: advertising, personal selling, sales promotion and publicity. The aim of an organisation's promotional strategy is to bring

existing or potential customers from a state of relative unawareness of the organisations products, to a state of actively adopting them. Several stages of customer behaviour have been described as follows

Stage 1 – unawareness of the product

Stage 2 – Awareness of product

Stage 3 – Interest in product

Stage 4 – Desire for Product

Stage 5 – Conviction about value of product

Stage 6 – Adoption/purchase of product.

The four difficult methods of promotion above are applied, where appropriate, to each of the stages of customer behaviour.

Advertising is very important in reaching out to consumer markets. It is the process of communicating persuasive information about a product to target markets by means of the written and spoken word, and by visual material. The principal media of advertising are:

(a) The press – newspaper, magazine, journals etc.

(b) Commercial television

(c) Direct mail

(d) Commercial radio

(e) Outdoor – hoarding, transport, advert etc.

The most important medium is the press. The second most important medium is commercial television.

Philip Kotler ( 1992 ), came up with four promotional marketing strategies when introducing new product into the market. These includes:-

1. **A Rapid Skimming Strategy:-_** This is lunching the new product with a high price and a high promotion level. High price to cover cost and high promotion for fast market penetration.
2. **A slow skimming strategy;-** The product is launched with high price and low promotion. High price to recover as much gross profit as possible , and low promotion to keep marketing expenses down.
3. **A Rapid Penetration Strategy:-** The product is launched with a low price and heavy promotion the strategy promises a fastest rate of penetration.
4. **Slow Penetration strategy:-** The new product is launched with a low price, low level promotion. The low price encourages the markets rapid acceptance, while keeping promotion costs down in order to realize more net profit.

According to Aaker ( 1992 ) physical distribution involves the actual movement and storage of goods after they are produced and before they are consumed". It goal is therefore to get the right time for the least cost.

According to Peter Baily and David farmer ( 1990 ) Delivering on time is a standard purchasing objectives if goods and material arrive late or work is not completed at the right and penalty clauses may be invoked by dissatisfied customers. Foods must be delivered as an when required. Supplier who is in breach of contract by failing to deliver on time becomes liable to the purchaser to pay a sum which results in loss of profit.

Martin Christopher (1993) further stressed that since the retailers' primary limiting factor is half space, they have became increasing aware of the need to boost their Return on Inventory requiring manufacturers to hold the stock and to make more frequent deliveries on a just – in time bases.

According to mark Madenhall Betty Punnett David Ricks ( 1995), The use of new channels of distribution frequently offers opportunities to gain a competitive edge. It is the responsibility of the marketing department to asses new channels of distribution, experiment with them and the adopt them if the potential for reward seems higher than the risk. Consumer product companies have discovered that they can enter institutional markets with packaging modifications. Several cosmetic companies sell the products to some of the better Hotels for free distribution to guest in their rooms. This provides greater consumer exposure to the products and brand of the a company.

Idea for new channel of distribution come from many sources. Keeping one's eyes, ears and wind to opportunities and then being willing to experiment, are the keys to success in gaining new channels of distribution.

## 2.16 PURCHASING PRINCIPLES

According to Peter Baily and David farmer, " a traditional purchasing objective is: to procure goods and services of the right quality in the right quantity, at the right time from the right supplier, at the right price – the five rights. They went further to stress that "quality is fundamental. Unless the right quality is bought, there cannot be a good buy. Defective products not only lead to loss of sales, but may render the producer, importer, or seller liable for product liability claims. Product quality is increasingly a competitive advantage. Firms compete in quality as well as in price.

According to Richard F. Gerson (1993), there are four factors one must investigate to determine the cost of poor quality. Now, quality itself never costs, it pays. You have to determine how much it will pay you to provide quality products and services by checking the:-

(a) **Price:-** higher quality and better price allows you to charge more for your goods and services.

(b) **Profitability:-** True quality leads to cost savings and increased sales.

(c) **Market share:-** higher quality means greater share.



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(d) **Cost:-** Improved quality decreases production costs because you are doing something only once. Poor quality increases production cost, because you always have to do it over again or make reparations to your customers in the hope of keeping them.

## 2.17 BRAND STRATEGY

According to John M. Murphy (1990), Branding has been used from the earliest times to distinguish the products of one producer from those of another. A potter, for example would put a cross or a thumbprint on his product to distinguish it from products of others, and the satisfied customers would seek for the products of that potter again while the dissatisfied customers would be able to recognise the unsatisfactory product by its brand and avoid it.

According to Mark Mendenhall *et al* (1995), manufacturer engages in branding for several reasons. The company's objective to achieve repeat purchases, and branding provides an opportunity to develop a favourable relationship with consumers Branding enables a manufacturer to develop a specific market position for a product. A familiar Brand name represents a number of important attributes and it enables the consumer to make a decision with a minimum effort. Manufacturers who brand their products are concerned that their brand names represent a certain standard of quality and consistency. A brand may give the consumer pride and satisfaction in owing a well – known and high quality product.

# CHAPTER THREE

## METHODOLOGY

The research design follows a pattern of survey method. This is because it is most appropriate for identifying the real nature of the problem stated. It also give an insight for hypothesis testing at a later stage. The techniques or instruments to be used to collect data is interview method. At this juncture it is worth explaining what survey of research is all about and its relevance to this particular research/study.

### 3.1 SURVEY METHOD

This is the most widely used method in the social science. Survey consists of gathering data from usually a large number of respondents. The purpose of a survey is not the collection of data *per se*, but the discovery of meaning in the data collected, so that facts and events can be better understood, interpreted and explained.

Survey involves collecting data through asking question either in self-administered questionnaires or through interviews. Interview as data collection technique is a method in which the investigator direct question at the subject and records the obtained responses. These are after face-to-face interactions.

Survey method is used because it is cheaper, quicker, broader in coverage than most scientific experiments. This instrument used for the research method is interview. Questionnaires are not used because not everybody will want to answer the questions or not everybody can read and write.

## 3.2 ORAL INTERVIEW

A method of structured interview was used. This method was used primarily to test the existing hypothesis. The manager of Lever Brothers Nigeria Plc. was interviewed. The questions asked were directed towards what the researcher wanted to find out for the survey to be valid. Such as the product line facing problem among its consumer products, marketing strategies used, how goods/products are distributed, factors that affects the prompt distribution of LBN's products, their competitors etc.

## 3.3 CONVENIENT SAMPLING

Sheik Abubakar Gumi central market, and Kawo Market, Kaduna were the sources of sampling the respondents. The respondents included the consumers and retailers. A structured interview method was used to test the stated hypothesis. Any consumer and retailer in the above mentioned willing to answer the researcher's questions were interviewed. This is to find out consumer preference for different brands and packages of detergents. Packaging factors such as colour, size, general appearance, convenience and durability were tested for.

Respondent's (both consumers and retailers) were asked to judge the quality of super blue Omo, elephant blue detergent, solar detergent, Rex detergents, Rin Poly, Klin and Ariel. The detergents were analyzed by the researcher and the consumers were asked to differentiate the detergents from each other, to know if LBN differentiates its detergent from others.

## 3.4 METHOD OF DATA COLLECTION AND ANALYSIS.

Data collected as the result of the research findings through the structured interview with the Manager of LBN, Kaduna and the respondents both consumers and retailers, were presented and analyzed in a tabular form and analysis was made in a narrative form and analysis was made in a narrative form. Each research finding was backed-up with a review of related literature.

## 3.5 RESEARCH APPROACH

### 3.5.1 (a) PRIMARY DATA

For any academic research to be accepted, it must be based on a sound and reliable primary sources of data, through which the needed data are collected. Such sources usually provide more relevant and reliable data. The primary data for this research, was structured interview with the manager of LBN, Kaduna and structured interview with respondents (both consumers and retailers) sampled through convenience sampling.

The essence of every method of research is to find answers or solutions to existing problems. The personal interview method seems to provide a more

advantageous setting for the researcher. More questions and additional observations on the respondent are at the researcher's disposal. However, it has the disadvantage of being expensive and a subjectivity tendency.

### 3.5.2 SECONDARY DATA.

Researchers in most cases, start their research with secondary data instead of primary data. According to Benson – Gagar this is to see whether their problems can partly or wholly be solved" at least cost. All researchers need do is to source for relevant sources of information like textbooks, journals etc. the researcher used different text books from different authors as secondary data for this research.

## 3.6 HISTORY OF LEVER BROTHERS

Lever Brothers (Nigeria) Plc is one of the leading consumer goods producing companies. It has undergone series of changes of it's name and the organisational structure. However, the present name came into being on the 31st of May 1973. The company was initially established to serve as the sole distributor of Unilever soap in the West Africa sub-region. Later, the company decided to go into direct manufacturing. This development was due to the large un-exploited market waiting to be tapped, the cheap imports such as labour and local oil. The company's first factory was established at Dockyard Road Apapa Lagos, which also has the advantage of being near the port for easy transportation of products to other parts of the country.

The company's diversification effort to its present position makes it the leader amongst its competitors. This development started in the early fifties. Margarine production started in 1954. In 1963, toothpaste and toiletries were added to their production range, production of non-soapy detergent powder of the production drinks some of the consumer goods the company produces presently, are categorized under detergents, foods, personal products. These products includes Lipton (Yellow Label Tea), New super blue Omo, Omo Ultra, New Vim with lemon Oyo pure vegetable oil, fresh moisturizing range, Antes (medicated Soap), Esteem (Improved) Dove soap, New Breeze, close-up, cherish skin cream, Astral skin cream sunlight, Asepso Blue band margarine, Blue Surf, Tree Top (Black current Drink, orange drink), Royco, Pepsodent (Toothpaste), Lux (beauty Soap) Planta Margarine (New soft), Cookeen (pure vegetable cooking fat) life buoy, Pin Lipton Boncafe (pure Natural). Reward lime fresh bar shield pears baby Range they are categorized into foods, detergents, personal goods and each has it competitor.

Lever Brothers (Nigeria) Plc has consistently performed as a " Blue – Chip" on the Nigerian Stock Exchange. The Company's popular brands such as Omo, surf in the detergent line and Lux, Rexana in the toiletries have won the markets on the shop floor in the supermarkets and department stores, the shelves of smaller stores and supermarkets and department stores even on the trays of hawkers on the streets for long, the urban segment of the

chemical by-product had provided greater opportunities for growth. Over time the income distribution between the urban and the rural dwellers has been schemed in favour of the urban ones it is to this segment of the market that lever Brothers has concentrated almost all its marketing efforts.

All the activities of Lever Brothers Nigeria PLC, ranging from research and development, production, warehousing, distribution etc are aimed at satisfying consumer needs in the market. The company put much effort to ensure that success is achieved by serving their customers better than their competitors. To this end, it is the company's objective to ensure that quality products are produced at profitable cost, to obtain and maintain large market share, to ensure that their products gets to every nooks and corners of the country by opening up new outlets.

Lever Brothers Nigeria Plc has been able to provide varieties of products to cater for different levels of their customers needs. A lot of effort is exerted to have a good packaging style in order to make their products more attractive. Similarly, intensive advertisement of their products is part of this objectives. Continuous research and development is an evidence of the company's need to always improve upon their products and to go side by side with global economic development. The company" participation in the introduction of Kaduna State Government's "KADA PAYLESS SHOP" is a testimony of its will to provide their customers with products at affordable prices.

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The company launched its Lux, soap products giving it three different colours and with a beautiful package of international standard. Similarly, a new soap product named "Dove" was launched in Kaduna in July 1995 which is also and internationally accepted cream bar. All these are done to satisfy all categories of their customers. Indeed to Lever Brothers Nigeria Plc the customer is a big king and his satisfaction is the company's foremost goal. In addition to the strategies, others includes product development and innovation, brand image, sales policy, advertising and personnel policies.

The Nigerian environment is so dynamic and frequently changing that predicting it almost always end up an exercise in futility. There are frequent and unpredictable changes in the law at short notice and many of these have included in the recent past, price control regulations, Import controls, dividend restrictions etc. Also due to the poor management of the Nigerian political economy, the country seems to deal with its various economic crisis through short-term austerity measures which often come without adequate warning to the industry sector. This creates problem of planning.

Lever Brothers Nigeria Plc faces great problems and challenges in some of its product lines such as detergents because it does not think of a new measure of strategy where there are political, social etc. problems. Therefore, there is need for improvement of its strategies and creation of new flexible strategies.

# CHAPTER FOUR

## DATA PRESENTATION AND ANALYSIS

The data collected for the purpose of this research based on the methods discussed in the preceding chapter are presented and analyzed in this chapter. Data collected through personal interview with the manager of Lever Brothers Nigeria, Plc, Kaduna will first of all be presented. And then data collected through market survey using structure interview will be presented. All the data collected will be analyzed. Narrative forms of data presentation are used.

Personal interview held with the manager, LBN Kaduna, to test the stated hypothesis revealed the following:

### 4.1 RESEARCH FINDINGS THROUGH PERSONAL INTERVIEW WITH LBN MANAGER

#### 4.1.1 PRODUCT FACING GREAT COMPETITION

The main product line facing the problem of competition and imitation among its consumer products, is its super blue Omo. This is more rampant both in the east and in the North. Such imitated detergents includes Elephant blue detergent, and Rex of PZ, Solar detergent of Nasco etc.

#### 4.1.2 IMPORTED COMPETITIVE DETERGENTS

The importation of some competitive detergents especially from Indonesia eg. Klin and Egypt eg. Ariel. These detergents pose a lot of problems to LBN. And have been found to capture the market share.

### 4.1.3 HOW FUEL SCARCITY AFFECTS THE DISTRIBUTION OF LBN PRODUCTS.

Fuel scarcity affected the distribution of LBN's product as a whole in a very big way. Most factories are located in almost all part of the country. This affected LBN in two (2) ways:-

a. Cost of transportation , and

b. Inability to supply at the right time, this makes the products to be more expensive and inadequate supply of products. But efforts are made to give customers stock over of about three weeks. LBN contact agencies such as the petroleum companies to supply them directly with fuel.

### 4.1.4 HIGH CONCENTRATION OF LBN'S PRODUCTS IN THE URBAN MARKETS.

It is true that LBN concentrated highly in the urban markets neglecting the rural dwellers. By concentrating in the urban areas, the company has given its competitors the advantage of going into the rural markets and establishing themselves. As a result of this, this products, especially detergents are accepted and recognized by the rural dwellers. It was for this reason that LBN thought of producing Rin Poly detergent both in big sachet 1kg and small sachets of 40g. as such Lever Brothers will now engage in a very aggressive sales and promotion exercise in order to enter the market and gain acceptance.

### 4.1.5 ANALYSIS OF LBN'S CORPORATE STRATEGIES

a. Product development and Product Innovation

This is governed and regulated to a large extent by its foreign connections. New products of international brand are developed at the headquarters of its parent company – Unilever or any other foreign subsidiary endowed with the know-how and requisite resources. The strategy here is Nigeria by Lever Brothers for some time. For instance, tree top, squash drinks were sold in Nigeria for five years before the company went into local production in 1971.

Product innovation is also embarked upon based largely on suggestions from the sales force in the field or atimes from the technical department. For instance, product like Asepso was re-staged as a result of world Health Organization reservations about its high acidic content while close – up emerged as a result of high mint content as complained by the consumers in the Maclean. Royco too was developed to challenge Maggi Cube respectively with a view to capture a larger percentage of the market share. And Rin Poly detergent was also developed to penetrate the rural markets. LBN tries to produce new products to meet up that of its competitors to capture a larger percentage of market share.

LBN tries to differentiate its products through packaging such as it differentiates the colour, size, content etc.


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**b. Pricing Strategy:-**

LBN's pricing strategy is relatively low compared to other competitive brands under an assumed general economic conditions, competitor's reactions as well as price – conscious consumers response.

**c. Promotional Strategy:-**

LBN believers in intensive advertising and other promotional techniques. Such as it promote its products through adverts – out doors, point of purchase trade promotion and consumer promotion such as temporary price reduction eg. 10% discount, ruler/balloon inside close – up etc.

**d. Distribution Strategy:-**

The distribution system of LBN is based on the desire to maintain uniform control over the prices of its products and also to pursue an effective merchandising policy all over the country. Lever Brothers Nigeria Plc offer generous incentives for its distributors to ensure effective distribution of its products such as sales commission by issuing them credit notes. For example, a sales volume of N2 million and above would attract 7% commission while less than N2 million will attract 5%. However these, are based on a fixed period agreement. Failure to meet target will make the distributor not to benefit from the commission.

LBN uses new channels of distribution. It uses its product in hotels e.g Tetemosol. The problem that hinders the distribution of LBN's products at the right time is the fuel scarcity.

**e. Customer Retention:-**

LBN tries to retain its customers by creating relationship with them. Such as making them exclusive customer/manager (9 – 10 allocation). The manager is responsible in training etc of customers.

**f. Superior Customer Service Strategy:-**

LBN tries to offer a superior customer service to its customers by monitoring and controlling their services. It also tries to improve credit facilities and prompt attention.

## 4.2 TESTING OF HYPOTHESIS

Benson – Gager (1993) define hypothesis as "a state of problem, ideas, intentions made by a researcher which he subjects to proper scrutiny and logical analysis based on sample of opinions and data collected from people so interviewed.

The four(4) hypothesis designed for this research were tested and analyzed below:

### 4.2 .1 HYPOTHESIS ONE

LBN's detergents faces high competition due to its packaging and brand name.

**TABLE 4.1**:- Test for packaging of all the detergents

| **Number Served.** | **Super Blue OMO** | **Elephant Blue detergent** | **Rex** | **Solar** | **Rin Poly** | **Klin** | **Ariel** |
|---|---|---|---|---|---|---|---|
| 1000 | 200 | 100 | 50 | 50 | 100 | 250 | 300 |
| 100% | 20% | 10% | 5% | 5% | 10% | 20% | 30% |

Source:- Administered Interview

About 1000 respondents were interviewed on which color, size, general appearance, content and brand name of super blue Omo, elephant blue detergent, Rex, Solar, RIN Poly, Klin and Ariel they prefer most . this is to find out if the packaging of LBN's super blue Omo and Rin Poly are responsible for the high competition and imitation it is facing.

All the respondents responded to the questions asked during the interview. Two hundred respondents which represent 20% prefer the features of super blue omo and the same percentage prefer Klin too. Three hundred (30%) respondents prefer the features of Ariel. One hundred (10%) respondents each prefer the features of Elephant blue detergent and Rin Poly. Only about 50 representing 5% prefer the features of Rex and Solar detergents.

Since about 20% of the respondents prefer the colour, size, content and general appearance of super blue Omo and Klin, it is obvious that packaging is not responsible for the high competition and imitation of LBN is facing.

But during the interview, it was found out that most consumers cannot differentiate super blue Omo from Elephant blue detergent due to the brand name. Most consumers and even some retailers assumed the two detergent to be the same because of the "blue" in both names. Consumers knows the difference between Solar and Rex and between Klin and Ariel.

### 4.2.2 HYPOTHESIS TWO:- SCARCITY OF FUEL DELAYS THE DISTRIBUTION OF LBN'S PRODUCTS.

TABLE 4.2:- Test for distribution of LBN's products.

| Number Served | Yes | No. |
|---|---|---|
| 1000 | 900 | 100 |
| 100% | 90% | 10% |

Source:- Administered Interview.

About 1000 retailers were interviewed to know if present scarcity of fuel delays the distribution of LBN's products. It was found out that about 90% of the retailers answered yes.

This indicates that the scarcity of fuel hinders the distribution of LBN's products. The manager of Lever Brother Nigeria Plc, testified to this too. According to him, the present situation of fuel scarcity delays the distribution of their products.

And this affects Lever Brothers Nigeria Plc, in a very big way. Most factories are located in almost all part of the country. Therefore this affected the cost of transportation and inability to supply at the right time. This give room to its competitors to capture the market share.

### 4.2.3 HYPOTHESIS THREE:

LBN produce lower quality detergent and a bit higher price than that of its competitors.

TABLE 4.3:- Test for consumer preference

| Number Served | Super blue omo | Elephant blue detergent | Rin Poly | Rex | Solar | Klin | Ariel |
|---|---|---|---|---|---|---|---|
| 1000 | 100 | 100 | 100 | 100 | 100 | 200 | 300 |
| 100% | 10% | 10% | 10% | 10% | 10% | 20% | 30% |

Source: Administered interview.

About 1000 consumers were interviewed to say their views on which of the above detergents washes cleaner and brighter. The aim of this is to know LBN's detergents,- Super blue Omo and Rin Poly are of high quality. 300 consumers representing 30% of the number served responded that Ariel washes cleaner and brighter 20% of consumers interviewed, responded that Klin washes cleaner and brighter. 10% of consumer served each responded that super blue omo, Elephant blue detergent, Rex detergent, Rin Poly and Solar detergents washes cleaner brighter and at a favourable price.

From the response of the respondents, the figures shows that Ariel is of high quality followed by Klin. It is noticed from the figures too that consumers categorized super blue Omo and Rin Poly same with Elephant blue detergent, Rex and Solar detergents. This shows that super blue Omo and Rin Poly of LBN are of lower quality even though at a favourable price. The consumers are always confused whenever they go to purchase detergents they refer to every detergent as "OMO" because all the above mentioned detergents excluding Klin and Ariel, posses the same quality detergents.

### 4.2.4 HYPOTHESIS FOUR

LBN did not differentiate the colour of its detergent from other detergents.

Table 4.4:- Test for the colour of LBN detergents and other detergents. (Not the imported ones)

| Number Served | True | False |
|---|---|---|
| 1000 | 900 | 100 |
| 100% | 90% | 10% |

Source: -Administered interview.

From the above table, about 90% of consumers interviewed, responded that the colour of super blue omo, Rin Poly and Elephant blue detergent Rex and Solar detergent are all blue. 90% of the respondents answered "True" and

about 10% of the respondents answered "False" this hypothesis proved to be true. Because the researcher compared the colour of all the detergents, and all are blue. But only Klin and Ariel are white. This is another factor that contributes to the imitation of super blue Omo even though the problem of low quality is the major reason.

From the above discussion, the four hypothesis formed were tested and it was discovered that the first Hypothesis stated – "LBN's" detergents faces high competition due to its packaging, proved to be false.

The following hypothesis proved to be true.

a. Scarcity of fuel delays the distribution of LBN's products.
b. LBN produce lower quality detergents. Even though at a lower price.
c. LBN did not differentiate the colour of its detergents from other detergents.

The delay in the distribution of Lever Brothers Nigeria Plc detergents affects the sales of super blue Omo and Rin Poly detergents. According to Peter Baily and David Farmer, delivering on time is a standard purchasing objectives. If goods and materials arrive late or work is not completed at the right time, sales mayu be lost, production halted and penalty clauses may be invoked by dissatisfied customers. Goods must be delivered as and when required.

Supplier who is in breach of contract by failing to deliver on time becomes liable to the purchaser to pay a sum which results in loss of profit. Delay in distribution of goods forces customers to shift to goods that have prompt supply.

The major problem that makes the Lever Brothers Nigeria, Plc to face stiff competition and imitation is the quality of its detergent. It was found out during the market survey research that LBN's detergents, both Rin Poly and super blue omo are of very low quality, than Klin and Ariel. Almost every consumer prefer to purchase Klin and Ariel because they are sure of getting the best results from them when used. And since consumers prefer Klin and Ariel because of its quality, retailers prefer to sell them. Most retail shops visited were found decorated with long satchets of Klin and Ariel detergent. The quality of Omo needs to be improved. LBN has to review its strategies and come up with a strategy that will differentiate its super blue Omo from other detergents.

In a differentiation strategy, the product offering is differentiated (Or made different) form the competition by providing value to the customer either by performance, the quality, the prestige, the features, the service back-up, the reliability or the convenience of the product. Aaker has emphasized the need not always to associated the differentiation strategy with higher price.

In Peter Baily and David Farmer's purchasing principles and management, quality is fundamental unless the right quality is brought, there cannot be a good buy. Defective products need not only lead to loss of sales but may render the producer, importer, or seller liable for a product liability claims. Product quality is increasingly a competitive advantage. "firms compete in quality as well as in price."

# CHAPTER FIVE

## SUMMARY/CONCLUSION/RECOMMENDATION

### 5.1 SUMMARY

This research project consists of five chapters – chapter one – five.

In chapter one , the introduction of the study was made. Consumer goods and strategies were defined. A brief biography of LBN and its consumer product was given. Since LBN is a producer of different consumer goods/products, to be specific, its detergents product line was selected as a subject matter. The problem was stated such as :

a. Increasing competitive tanpo by giants eg. P.Z pases great danger to LBN's products such as its detergents..

b. Also, importation of such competitive detergents eg Ariel and Klin.

Four Hypothesis were stated and three were found to be true. The purpose, scope, significance and limitations of this study were briefly explained too.

Chapter two consists of literature reviews. Marketing strategies were quoted from related literature review, such marketing strategies include market policy, market target strategy, differentiate strategy, concentration strategy, differentiation versus low cost strategies, innovation, product line, customer policy, customer retention strategy, pricing strategy, promotional strategy, competitors analysis, quality and branding strategy etc.

A survey method of research was used for this research to test the stated hypothesis. The instrument/tool used was interview. Structured method of interview was used. And a convenience sampling of respondents in the market was used. Data collected through structured interview with the manager of LBN, Kaduna and the respondents (consumers and retailers) were presented and analyze in a tabular form and analysis was made in a narrative form. Each research finding was backed-up with a review of related literature.

Chapter four, is the data presentation and analysis. Data collected through an interview with the manager, LBN Kaduna was first of all presented, and analyzed. The data collected through the testing of the stated hypothesis was presented and analyze too. Tables were used in presenting the data collected.

It was found out that LBN's detergents are of poor quality than that of its competitors. And that is why it is easily imitated by other producers of other detergents. Lever Brothers Nigeria Plc does not distribute its products on time due to the present situation of fuel scarcity. The LBN detergents are not clearly differentiated form other detergents.

Chapter five includes the summary, conclusion and recommendation. A summary of all the chapters was made. Conclusion drawn from the research finding was explained and some marketing strategies to be adapted by LBN to solve the problem of stiff competition and imitation were recommended. Each recommendation is backed-up by some literature review.

## 5.2 CONCLUSION

It was noticed that most consumers cannot differentiate between super blue omo and Rin Poly of Lever Brothers Nigeria Plc from other detergent such as Elephant blue detergent and Rex of Pz and Solar detergent of Nasco. All the detergents are refered to as omo. Probably due to the same colour.

Lever Brothers Nigeria Plc detergents faces stiff competition form other imported detergents too. Such as Klin from Indonesia and Ariel from Egypt. Super blue omo and Rin Poly of LBN both were found during the research findings to poses poor quality and that is why it is facing the problem of imitation. Klin and Ariel have capture the market share because they poses high quality detergent.

The fuel scarcity that was found to delay the distribution of LBN's products causes the competitors to capture the share. Therefore strategies are recommend below to be adopted by LBN to sustain competitive advantage and solve the problem of imitation.

## 5.3 RECOMMENDATION

The following strategies are recommended to Lever Brothers Nigeria Plc.

1. Differentiation Strategy:-

   Lever Brothers Nigeria Plc should add value to its super blue omo in other words, the quality of its super blue omo should be very high, so that it cannot be imitated. Low quality detergents are very easy to imitate.

   In a differentiation strategy, the product offering is differentiated form the competitors by providing value to the customer either by performance, the quality, the prestige, the features, the service back-up the reliability or the convenience of the products. Aaker (1992) has emphasize the need not always to associate differentiation strategy with higher price. According to Martin Christopher (1993) "quality and service can be a very powerful means of differentiation.

   After examining thousands of companies, the PIM researchers concluded that one of biggest contributors to profitability in any organisation is the relative quality of its products.

   Hall (1980) shows the most successful firms are those with both favourable cost structure and high differentiation but that a structure designed primarily to achieve the possibility of pursuing a strategy

designed purely to reduce cost. Here too, positive results can be achieved for a certain time. But firms that neither achieve great differentiation must expect poor result.

2. The use of new channels of distribution. According to Mark Madenhall et al, (1995), the use of new channel of distribution frequently offers opportunities to gain competitive edge. The new distribution channel increase sales and provides greater consumer exposure to the products and brand of a company.

3. Innovation:- is one of the main ways of products better than its rivals. Innovation has positive effect over the longer time. According to Aaker (1992) a well patent on a technological innovation can provide the most assurance that a resulting advantage will be sustainable. LBN should change the colour and scent of its detergents.

4. Customer service strategy:- according to Martin Christopher (1993), this strategy is not only beneficial to the customer but will also reduce the supplier cost. Enhancing competitive advantage through the quality of service is a goal worth pursuing. This strategy should be improved by LBN.

5. Customer retention Strategy:- Lever Brothers Nigeria Limited should improve this strategy too because, according to Martin Christopher, retained customers are more profitable than new customers.

Customers can be retained through training programmes, client seminars, frequent customers communication etc.

The combination of a superior product with a superior service package provides the ultimate source of sustainable competitive advantage.

6. Concentration strategy:- After adding quality and prompt delivery to its products, LBN should concentrate where its competitors are weak. If there are competing products, the break – through in particular market must be against competitors to achieve minimum market share.

7. Strategic Alliance:- Just like LBN merged with Dove Soap producing company in Germany, it should merge with or have an alliance with the best detergent producing company to share ideas. A company with good product might cooperate with another company that has a well-developed distribution or marketing network. Companies cooperate to benefit from each others, mendenhall (1995).

Branding Strategy:- Lever Brothers Nigeria Plc, should change its brand name from super blue omo to super omo. The colour should be changed too. Branding has been used from the earliest times to distinguish the products from those of another (John M. Murphy, (1990).



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**APPENDIX I**

Which products are imitated?

Who are the competitors?

Does the fuel scarcity affect the distribution of products? If yes, how?

Where does LBN focus mainly in distributing its products. Is it in the urban or the rural markets?

Why are products easy to imitate?

What is LBN's kind of market segment?

What are the marketing strategies used by LBN, partaining to product, place, distribution, price, human development?

What are the different product lines?

How are consumer goods distributed?

**Appendix II**

Compare the colour, size, general appearance and quantity of super blue Omo, Rin Poly, Elephant blue detergent, Rex, Solar, Klin and Ariel.

Which one do you like most?

Does LBN distribute its product earlier or late?

If LBN distributes its product late, why?

Which of the detergent among super blue Omo, Rin Poly, Rex, Solar, Elephant blue detergent, Klin and Ariel washes clear and brighter and give a good result?

It is observed that most shops are decorated by long sachets of Ariel and Klin, why?

Why do you confuse super blue Omo and Elephant blue detergent? Is it because of the "blue" in each brand name?

What is the colour of super ble Omo, Rin Poly, Rex, Solar and Elephant blue detergent?