THE IMPACT OF BRANDING IN ENHANCING PROFITABILITY IN MANUFACTURING SECTOR.
A STUDY OF NIGERIAN BOTTLING COMPANY

BY

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BEING A PROJECT SUBMITTED TO THE POSTGRADUATE SCHOOL AHMADU BELLO UNIVERSITY, ZARIA, IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA) OF AHMADU BELLO UNIVERSITY, ZARIA.

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DECLARATION

I hereby declare that this project has been written by me and it is a record of my own research work. It has not been accepted in any previous application of a postgraduate degree. The information derived from the literature has been duly acknowledged in the text and a list of references. I hereby accept responsibility for any mistake or error in this work.

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Name of Student Signature Date

CERTIFICATION

This project entitled "The impact of branding in enhancing profitability in manufacturing sector" by Bello Taofik Abidemi meets the regulations governing the award of degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and it is therefore approved for its contributions to knowledge, and literature presentation.

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DEDICATION

This project is dedicated to almighty Allah for seeing me through, who has bestowed on me mercy and grace through my life and who has made it possible for me to achieve great height.

ACKNOWLEDGEMENT

I acknowledge Him by praising and glorifying the name of Allah.

Appreciation goes to my parent for their care and love and to my brothers and sisters.

Appreciation goes to my supervisor Dr Suleiman Hussaini for his guidance towards the completion of this work. May Almighty Allah bless him abundantly.

I appreciate those who have received Allah's mercy through continuous search for knowledge and depressing the animal part of themselves and thanks to everyone who has contributed in all manners of support to this another milestone in my life.

ABSTRACT

This research was carried out with the objective of determining the impact of branding in enhancing profitability in manufacturing sector. A case study of Nigerian bottling company. Data for the study was collected from both primary and secondary sources. Table was used to present the data and percentage was used to analyze the data. The result revealed that branding enhances profitability in Nigerian bottling company. The study recommends that management should ensure that good branding strategies should be adopted to enhance profitability and sales volume.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The success of any business or consumer product depends in part on the target markets ability to distinguish one product from another. Branding is the principal instrument used by marketers and companies to distinguish their products from that of competitors. It is regarded perhaps that, the most distinctive skills of professional marketers is their ability to create, maintain, protect and enhance brands. For centuries, business people have been devising ways to identify their wares and to distinguish them from those of competitors. Pictures were used in the early years because many potential customers were illiterate. Meaningless product names such as Kodak as created in 1988 by George Eastman, however, branding goes beyond just choosing a product name. In effect, a brand can encompass a name, a phrase, a design, a symbol or any combination of these so as to distinguish one product from another. A brand name is that portion of the brand which can be spoken, including letters, words or numbers. A brand mark is that portion of the brand that cannot be expressed verbally, such as a graph design or a symbol. Some of the world's most recognize brands are Mercedes-Benz. A brand mark is often referred to as logo, but it must be noted that a logo can also refer to distinctive type or style such as coca- cola's elegant script. Many companies offer several brands under one company name. In developing a marketing strategy for individual products, the responsibilities rest on the shoulders of the seller to confront the branding decision. In product strategy, branding is one of the most important issues that must be considered.

This research work intends to identify the effect that brand (name) have on company's profit.

It is of great importance that companies create a name that could easily be identified by target market and also helps to distinguish the product in question from those of competing products. Brand is defined by the American Marketing Association as name, term, sign, symbol or combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

The word brand according to Encyclopedia Britannica originated from the word TO BURN, which later passed into old English as BIERMAN and old French as BRINIER. The words quickly move from literal to metaphorical. The practice of marking or given identification to animals led to brand as a mark of ownership.

Branding begun many centuries before the word acquire its modern usage. The ancient Greek and Romans had various forms of promoting their goods. Messages would be written informing the public that this man who lived over there at this address could make shoes or was a scribe. In the early periods, advertising and marketing in the literal sense was done on personal basis with the name of particular individual as important as that of his products or services. The modern development of this can be seen in the name of a private shopkeeper over his shop. Some of the best name chain store names have originated as that over a single establishment. In the earliest days, shops as distinct from individuals were quick to sell their goods by using pictures. For example, in Rome, a butchers shop would

display a sign depicting a row of hams, a shoemaker, one of a boot. Such pictorial promotion was the forerunner of many shops which are still familiar today. A more sophisticated and literate age has led to the use of virtual signs and pun to suggest and suggest the brand name concerned. Since the earliest times, producers have used their brands or marks to distinguish their products. By identifying their products, producers have provided purchasers with the means of recognizing and specifying them should they wish to purchase or recommend them to others.

Branding pre-dates modern marketing and is generally believed to have originated in agricultural practices of middle ages. Farmers who allowed their cattle to graze on open common land needed some means of distinguishing their cattle to graze on open common land needed some means of distinguishing their cattle from those which were owned by other farmers sharing common grazing rights. They therefore "branded" their animals with a branding iron leaving an indelible mark which would clearly identify to whom a particular animal belonged.

The overall branding of a company or product is traceable to its logo, symbol or even design features (e.g. regularly used colours or layouts, such as red and white in the case of Coca-cola) that identify the company or its products/ service. A strong brand projects an image of quality in a business; many people see the brand as a part of a product or service that helps to show its quality and value. Branding, being a part of marketing concept and process has contributed greatly to survival of many business organizations and in marketing environment because they all interrelated with products, finance as well as other business concepts. Therefore, an organization that fully utilizes branding effectively will survive in the competitive business environment.

The choice of a brand is a very critical decision because the name affects customers' image and attitude towards products and the firm. Thus, it is a contributing factor in making it a winner or loser in the competitive market. This is to say that organizations should consider a variety of issues when selecting a brand name which is the most difficult task facing marketing management. Branding should therefore, improve the company's image, boost sales and profit. It could therefore be said that there is a strong relationship (positive) between the introduction of new brand and increase or return on investment and the significant way it affects profitability of firms. Careful brand management seeks to make a product or service relevant to the target audience brands should be seen as more than the differences between the actual cost of a product and its selling price. They represent the sum of all valuable qualities of a product to the consumer.

A brand which is widely known in the market place acquires brand recognition. When brand recognition builds up to a point where a brand enjoys a critical mass of positive sentiments in the market place, it is said to have achieved brand franchise. Brand recognition is most successful when people can state a brand without being explicitly exposed to the company's name but through visual signifiers as mentioned earlier like logos, slogan's and colours.

Nigerian Bottling Company Plc is one of the few multinational organizations that had its beginning in Nigeria. From a small family owned operation at inception, it has grown to become the predominant butler of alchohol-free beverages in Nigeria responsible for the manufacture and sale of thirty-three(33) different Coca-cola brands. The company was incorporated in November, 1951 as a subsidiary of the A.G. Leventis group with the

franchise to bottle and sell Coca-cola products in Nigeria and currently the company is part of the Coca-cola bottling company operating in 28 countries and serving more than 560 million consumers. Some of the ubiquitous and best known brands of the company includes: coca-cola, fanta, sprite, Schweppes, Eva water, five alive just to mention a few.

However, the importance of money in enhancing organizational activities cannot be overemphasized. This suggests that the level of success to be attained by any organization is largely determined by the amount of liquid cash available for their operations. Modern business organizations were set up with definite goals which must align with their corporate mission of meeting consumer's needs and while the organization in return makes profits. Hence, to adequately and effectively meet their aspirations, various marketing concepts, systems and process of product branding must be utilized to reflect the company's short and long term goals.

Branding is an effective tool in marketing strategy to promote goods and services for optimum turnover and profitability of industrial and household products. Therefore, branding of goods and services calls for product differentiation in the market which originality is traceable with trademark to their respective producers. Branding also determines the survival of organization products in the competitive business environment.

In any business organization, the choice of a brand is a very critical decision as the name affects customers' image and attitude towards the product and the firm. Thus, it is a contributing factor in making it a winner or loser in the competitive market. This suggests that organizations should consider a number of factors when selecting a brand name, which is one of the most difficult tasks in marketing operations. Branding

should therefore, improve the company's image, boost sales and increase profits. It could therefore result into a strong and healthy relationship between the introduction of new brands and increase on return and investments.

This study primarily focuses on branding and increased profitability and based its premises on manufacturing industries.

This study examined the impact of branding in enhancing profitability in manufacturing industries. This is with a view to highlighting the various branding strategies put in place by organizations to build, sustain and enhance profitability as well as assessing its impact on the firm.

1.2 STATEMENT OF PROBLEM

Branding is an important issue in any organization. This is because without a proper branding of a firm's products, it's difficult for the firm to run its operation smoothly for profit. As consumer become more sophisticated, manufacturers place more emphasis upon promoting their brands directly to consumers (rather than to distributors) spending considerable sums on advertising the high quality of their products thus profitability.

Furthermore branding has been a major issue especially in developing countries. As a result in order to explain the relationship between branding and profitability in developed countries.

However, despite the above importance this issue failed to attract the attention of researchers in Nigeria. Thus, while searching on internet, browsing through the books and journals the researcher didn't find directly related research topics carried out in Nigeria.

Manufacturers also believe that they will be less susceptible to demand from distributors for extra discount to stock their brands. For some products (e.g.) perfumes and alcoholic drinks), considerable effort has been devoted to promoting brands to reflect the personality of their likely purchasers.

Marketing research has indeed shown that for these products consumers can be persuaded to buy brands that enhance the image they have of themselves.

Manufacturers believe that if they invest in the quality of their brands they will build up a brand image to which consumers will respond by asking for their foods by their brand names and by being willing to pay a premium for them.

Therefore the researchers believed that the problem is almost untouched and there is a knowledge gap on the area. It is against this background that the research seeks to investigate whether branding adds to the profitability of manufacturing company.

1.3 OBJECTIVE OF THE STUDY

The broad objective of the study is to examine the impact of branding on profitability in manufacturing industry. the study also have the following specific objectives:

1. To find out the extent to which manufacturers engages in sales promotional activities including branding.
2. To evaluate the different branding strategies adopted by management of Nigerian bottling company.
3. To identify the extent that product branding has led to increased in profitability and return on investment in the company.

4. To find out the extent to which brand name has influence on consumers purchase decisions.

1.4 RESEARCH HYPOTHESIS

H_0: Branding has no significant effect on the profitability of Nigerian bottling company.

H_1: Branding of products has a significant effect on the profitability of Nigerian bottling company.

1.5 SIGNIFICANCE OF STUDY

This study by its substantive examination of past literature has contributed to the richness of the past studies. Furthermore, it has reinforced some past knowledge, updated information in studies relating to branding and how it enhances profitability in a manufacturing industry. However, it does not pretend to be a new breakthrough in the frontier of knowledge. This work can be retrieved for use by other researchers and writers particularly in related fields such as the social science and psychology. For these stated reasons, it is hoped that the effort and time expended on this study has been worthwhile.

1.6 SCOPE OF STUDY

The study limits its scope on the manufacturing sector of Nigeria only and precisely on how branding in a manufacturing sector enhances profitability (case of Nigeria Bottling Company). Here, attempts are made to look at concept of branding, product branding, branding strategy, effects of product branding or their significant contribution on organizational profitability.

1.7 LIMITATIONS OF STUDY

A study of this nature cannot be effectively carried out without certain constraints. However, these constraints do not have any prejudice on the result of the findings in the course of the study.

The major limitations of this study include inadequate resources; the unwillingness of some respondents to give all necessary information required. This work is not conclusive on its own; it is still open to further research studies.

1.8 DEFINITIONS OF KEY TERMS

Profit: this is the money made in business or by selling things especially after paying the cost involved. It could also be seen as inflow of assets into the firm as a result of sales of goods and or service by such firm.

Brand: brand is defined as the totality of product features such as a name, term, symbol, colour, design, mark or combination of things that

distinguish it from other products or a means by which the firm identifies it to consumers.

NBC: Nigerian bottling company.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 INTRODUCTION

The purpose of this chapter is to review some related literature and conceptual framework of various scholars and authors on the subject matter of revenue generation and branding. The literature reviews will however, be related to manufacturing company network with emphasis on NBC (Nigeria Bottling Company) our selected case study. The concept of branding, product branding, branding strategy, effect of product branding on profitability, principles of branding, historical background of Nigerian bottling company, the general overview of Nigerian bottling company, problems encountered in enhancing profitability.

2.2 CONCEPT OF BRANDING

The relative significance of branding as a means of enhancing a product's profitability varies with the product and company. It functions to bridge the gap between the manufacturer's promotional program and consumption of sales to final buyers. Most manufacturers are unaware of the significant importance of branding. However, the idea of improving the company's corporate images as well as its brand has been growing.

Kotler (1997) defines a brand as a name, a team, a symbol or a design or a combination of these to identify goods and services of one seller and to distinguish them from those of competitors. It is however observed that the definition is a brand term that includes the use of brand names, trademarks and particularly all other means of identification.

Brand identification has the highest potential payoff where it is possible to differentiate the product effectively in terms of features that consumers consider important. But it also has payoff potentials where present products have the features that shoppers look for – brand identification reduces the searching time that shoppers have to spend in finding products with the desired features Kotler(1997).

For example, the word "Volkswagen" can be used to illustrate this distinction. The Santana and Audi cars are branded under the name "Volkswagen" whether it is used orally or printed in any manner. When Volkswagen is printed in a certain kind of script, however, it is because of trademark. A trademark needs not to be attached to a product. It may not even be a word because a symbol can be used e.g. the familiar script of Coca-Cola is an example of brand name and trademark.

Kotler (1997) defined a brand as a name, term, sign, symbol or design or a combination of these which is intended to differentiate them from those of other competitors. Thus, a brand identifies the maker or seller of product. Stanton (1964) defined a brand as a comprehensive term, which includes " a name, term, symbol, or design, or a combination of them which is intended to identify the goods or services of one seller and to differentiate them from those of competitors. Schoell and Gultinan (1990) describe a brand as a name, term, design, symbol or any other feature that identifies one seller's goods or services as distinct from those of other seller. This in reality means that the brand name is that part of a brand that can be spoken - letters, numbers or words. Mc Donald's is a brand name. They further contend that the brand mark or logo is that part of a brand that cannot be spoken and is most commonly a

symbol, picture, design, distinctive lettering, colour or a combination of these. It is recognizable by sight but is not pronounceable.

McCarthy (1981) maintained that the distinction may seem technical, but they are very important to business firms that spend much money to protect their brands. He further maintained the idea behind choosing and protecting a brand name. Developing multiple manufacturer brands and distribution systems has been an effective means of combating the increased competition. In his argument, he stated that brand-name selection is still an art and that management's judgement may still have to come in because of its importance. He contended that it is difficult to pinpoint what constitutes a brand name because some of the successful good brand names seem to defy even the brims news, and that many of these names came to being when there was relatively little market competition. However, he agreed that a good brand name could make the difference by helping to commit something of importance about a company or its product. He went further to suggest that a brand name should have the following qualities: Short, simple and easy to spell and read e.g. Bic, Van, vano.

I. Should bring to mind the product's benefits or use – its characteristics quality, function or action e.g. names suggesting benefits include; wash and wear, cool spot or beauty rest. E.g. of names that suggest product action are Elephant, Eagle, Peak
II. It should be distinctive. A good brand name has an easy visualized image e.g. rainbow, 3 – rings.
III. It should be adaptable to any advertising medium especially bill boards and television.

IV. It should be pleasing when pronounced.

V. A brand name should be pronounceable in only one way.

VI. It should be "evergreen" i.e. not soon out of date.

Wilmshirt (1995) was of the opinion that a brand in its simplest form is a name 'Chemstrand' 'Canada dry' and 'Decker and Black'. He says that other features such as visual design colour. Typography and slogans usually cone into it. He further explained that a brand should sufficiently be versatile to be applicable to new products, which may be added to the product line.

According to Kotler (1997) a good brand speeds up shopping for the customers and so it reduces the marketer's selling efforts and that successful branding helps manufacturers to carve out a market for them among large customers.

However, he maintained that whether it is a manufacturer, wholesaler or retailer, consumer's brand loyalty protects him from competition because the development of loyal customers who are not only repeat buyers buy willing to recommend the products is the primary advantage of branding. This loyalty opens the door for expansion of a product line since customer begin to feel that "if it's a product of manufacturer 'A' then we know it's going to be everything it promises to be'. He went further to state the favourable conditions for successful branding:

I. The brand for the class or in the selected market should be large enough to support a profitable marketing plan.

II. The demand should be sufficiently strong so that the market price will offer large margin over additional promotion lost to make the effort worthwhile.

III. It is best when there is economic or mass production. If the brand were really successful, then the cost of production would decline with additional volume thereby increasing profits.

IV. The product quality being offered should be the best for the price in the market being served and the quality should be maintained.

V. Constant and widespread availability is necessary when a customer starts the use of product brand, he/she should be able to repeat its purchase.

VI. Brand promotion will be more successful if the branded goods can be assured a favourable positioning of his product in the stores. For some manufacturers, this is just good for their salesmen. But when wholesalers and retailers brand their own products, it becomes their center of activity.

VII. The product should be easily identifiable by a brand name or mark. This is easier said than done because many products do not lend themselves easily to be conspicuous. Hence, the brand prestige and value is lost.

In another contribution; "Kotler" (2009), suggested that some brand names are successful even though they violate principles of good branding mostly because they are promoted often enough and long enough for customers to build associations. However, they are of the opinion that this is risky and an expensive approach to branding. Alternatively, they suggest the following:-

I. A brand name should suggest something about the product's benefits or its use besides its characteristics, quality, function and action.

II. A brand name should be pronounced easily, spelt easily and easily remembered e.g. joy, lux, close-up, roam pro, etc.

III. Brand name should be adaptable to any advertising medium especially bill boards and television.

IV. It should be such that it can be registered and protected legally.

In another development, pride and farewell (1985), also inferred that brands also aid buyers (customers) by helping to identify specific product, which in turn facilitates the purchase of items that satisfy individual needs. They further contend that without brands, product selection would rather be random since buyers could not be assured that what they choose to buy is not the preferred items. Also, a brand assists buyers in evaluating the quality of products mostly when a person lacks the ability to judge a product by its characteristics.

They also preferred that a brand symbolizes certain quality level to a purchase and that the person in turn allows perception of quality to represent the quality of item. It is clear that a car buyer associates certain quality level with automobile brands such as Peugeot, Datsun, Toyota, and Volkswagen, hence, the habit of different stitches on different cars. Pride and farewell also suggests that a brand can also provide buyers with the psychological reward that comes from a brand that has a considerable status. Also, the ownership of certain brands of watches automobiles, television, for example, can be rewarding because of the status associated with those bands.

Furthermore, the individual units of a branded item maintain a consistency of quality that buyers can depend upon. A brand also offers some protection to the consumers: it identifies the firm behind the product. A customer may have purchased a fan belt or a few yards of woollen plain piece goods with which he was greatly pleased.

When replacement parts or additional material is needed and the customer wants to get the same product, he can easily be assured of doing so if the item is branded. Branding is an insurance of merchandise comparability when the buyers' uses more than one source of supply branded products tend to improve in quality over the years. Competition forces this improvement, because brand owners are constantly seeking new ways to differentiate their products in order to secure a stronger market position.

They maintained that sellers also benefit from branding as they identify each firm's product that in turn facilitates repeat purchase by customers. Thus, when buyers become loyal to a specific brand, then the firm's market share for that product achieve several of the typical marketing objectives of manufacturers. It aids in advertising and display program. Having a brand gives a seller something to advertise – something around which to build a company image. Brand names can denote more to a method of attracting the consumer's attention and registering an impression, which will motivate the buyer.

It also helps increase control and share of market. A branded canned tomato juice sold by a firm is helping the whole industry. By the Same token, a retailer advertise a manufacturer's brand, such as Dutch Boy paints, may stimulate a customer to buy this brand but to do that in a competitive outlet. Branding also helps the brand owner to stimulate repeat sales and to protect himself from product substitution. Branding also helps reduce price comparison and helps stabilize price. A brand in itself differentiates a product and enables the brand owner to establish a price for his product that cannot easily compared with prices for competing goods. The mere act of branding may create a marketing difference between two items. It also reduces price flexibility.

Pride and farewell (1985) further postulate that a stable market share places a firm in the position to be more efficient in the use of its resources, which is glaring that Unilever Nigerian Plc. 'Omo' enjoys this position they went further stating that branding aids an organization in introducing a new product that carries the name of one or more of the existing brands. In their contribution, they stress that branding enhances promotional efforts because each product indirectly promotes all the firm's other products that are branded.

The choice of the brand is a critical decision because the name affects customer's image attitude towards and sometime a firm. Thus, it is a factor in making it a winner or a loser. However, they are of the opinion that marketers should consider a variety of issues when selecting a brand name and selecting a good brand name is one of the most difficult tasks facing marketing management. In spite of the acknowledged importance of a brand, it is surprising how few really good brand they are. In the study made many years ago, it was found that only 12 percent of the names help sell the product; 36 percent actually help hurt sales, and 52 percent were "nonentities- contributing nothing to the sale appeal of the products". There is now improvement in the study mentioned earlier. Thus a brand name should allude to the product's uses, benefit or special characteristics in a positive way. Negative or offensive references should be avoided. For example, fresh would be an ideal brand name for a deodorant spray to protect against body odour.

Kotler(2001), point out that many firms do not brand their product because they either unable or unwilling to assume the two major responsibility inherent in brand ownership: his responsibility for demand stimulation through advertising, personal

selling and other forms of promotion and the responsibility of maintaining an adequate quality of output.

The company also considers customer dissatisfaction with the quality of the product purchased which will reflect unfavourably on the brand owner. If it is a manufacturer's brand, the customer may seek an immediate remedy from the middleman who sold the item, but the long-run harmful effects affect by the manufacturer- owner. The customer will hesitate to re-purchase not only the item that once proved unsatisfactory but also any other product carrying the same brand.

The nature of product is also a factor to be considered. Some items are not branded because of one firm from those of another. Safety pins, nails, clothes-pins are examples of goods for which product branding is generally unknown. The physical nature of some items may discourage like fresh fruits and vegetables. In conclusion, Kotler(1997) maintained that a firm should protest it's exclusive right to brand and that the company should be certain that the selected name is not likely to be considered and infringement on existing brand that have been registered. The importance and advantage of branding was recognized by Paul (1948) as making consumer feasible in a modern economy. He indicated the example of consumer dilemma in a supermarket, for the consumer has to consider seriously the advantages and disadvantages of each item he/she wants for shopping. He went further to state that customers are willing to buy new products but haven gambled and won, they like to buy the right item thereafter. And these customers are willing to pay a premium for the brands, which have appealed to them and have found a favourable experience in searching for.

Well-recognized brands are easily identified which makes market shopping easier with reference to shopping easier with reference to shopping in a departmental store. Brands protect consumers by assuring them of consistent quality. (Research has revealed that a favourable experience with a brand will likely lead to repeat purchase, a bad experience cues consumers to avoid that brand). It also helps to control and compare quality no matter where a product is purchased (Sony Television sets should all have the same quality weather but in cash 'N' carry store in Lagos or Dual store Ilorin. Brands provide that increase of psychological satisfaction not otherwise available (often, status is associated with brand names) branding reduces the number of buyers who will accept a suitable product from another company; this quality associated with an established brand name will be attributed to new products that are marketed in terms of product differentiation by giving them something different to advertise and promote, with branded product, there tend to be improvements in the quality over the years. Smith (1956) concluded that branding offers many advantages to customers and marketers. On the other hand, they some shortcomings like:

i. Involvement in extensive testing and promotion, costly development of an effective brand name.
ii. The problems of differentiating the qualities of some products such as paper clips, nails etc.
iii. Branding requires consistency in quality. While this is an advantage to the customers, they discovered that it is often technically difficult for marketer to ensure consistent quality.

iv. Also, branding increases the status consciousness of people who buy certain brands to “impress” other people.

v. Branding leads to higher consumer prices. This is because brands have to be supported by a lot of advertising, packaging and other costs, which are ultimately passed on to consumers

Finally, branding generally leads to false and unnecessary differentiation of goods especially in homogenous products categories.

2.3 PRODUCT BRANDING

Branding is a general term for describing the establishment of brand names. A brand can be defined as a name, term, or symbol or a combination of them which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

Kotler (2001), similarly defined branding as a name, word, mark, term, symbol, letter, device or some combination thereof that is used by manufacturers or merchants to identify their goods and services and to distinguish them from those of competitors.

From the above definitions, branding can be seen as the means through which a firm identifies itself to its customers.

2.4 BRANDING STRATEGY

According to Wilson (1992), “brands are designed to enable customers to identify products or services which promise specific benefits”. As such, they are a form of short hand in that they create a set of expectations in the minds of customers about

purpose, performance, quality and price. This in turn allows the strategist to build added value into products and to differentiate them from competitors.

In an attempt to establish brand strategy, pride and farewell (1989) stated that the first decision to be made is whether the firm should brand its product at all. They are of opinion that if a firm chooses to brand its products, it can peruse one of these four strategies:

I. Corporate umbrella branding strategy
II. Family umbrella branding strategy
III. Range branding strategy
IV. Individual branding strategy

They are of the opinion that if a firm chooses to brand its product, it brands based on:

I. The nature of the product
II. The product line
III. Promotional strategy and demand market penetration

Corporate branding can be used in one of two ways; either as a lead name such as Cadbury's or as a supporting brand name such as Allied-Lyions. In the case of Cadbury's for example, umbrella is used to cover a wide variety of chocolate and sweets including cream eggs, flakes, diary milk etc.

The family branding strategy on the other hand is where the marketer who handles more than one item often uses the same brand name "(family name) for all their products; Example, Marks and Spencer with its St. Michael's brand , which is use for food,

clothing and household textiles. Here, if the entire line of product has a good reputation, each product can benefit from the general approval. If one product is advertised, the entire products that the family name share the benefits. In addition, a well-established family name is an advantage in promoting a new product or line. The common links exist in terms of the quality, style and packaging. Range brand are use product that have clearly identifiable links in particular market. An example of this is the lean cuisine ranges of low calories foodstuffs.

The fourth strategy, which is the individual branding, mentioned an approach in which each product is named something different. Examples are close-up, Omo, key soap, and Astra by Unilever Nigerian Plc. It is typically used to cover one type of product in one type of market, possibly with different combination of size, favor and service option or packaging formats.

Pride and Farewell (1989) in their contribution said that individual branding strategy facilitates the use of market segmentation when a firm wishes to enter many segments in the same market because unrelated names can be used and a specific brand could be aimed at a specific segment. As stated earlier, Unilever uses an individual branding policy for its line products. Where these products are varying in quality of type, marketers often use an individual brand for each item; each brand name is applied to only one product and brand. With this policy, the reputation of the company does not suffer if any of the product or brand fails.

McCarthy and Perreault (1990), posit that branding means “the use of a name, term, symbol or design- or a combination of these to identify a product and that it includes the use of brand names, trademarks and practically all other means of product identification. Explaining further, they say a brand name has a narrower meaning and that a brand name is a word, letter, or group of words or letter. They assert that trademark is a legal term and it includes only those words, symbols or marks that are legally registered for use by a single company.

According to McCarthy and Perreault, branding started during the middle ages when craft guilds and merchant guilds were formed to control the quantity and quality of production. Early trademarks were also a protection to the buyer who could then know the source or the product. They give additional conditions favourable to successful branding such as:

I. When the product is dependable and has widespread availability.
II. The demand for the general product class is large.
III. The demand is strong enough so that the market price can be high enough to make the branding effort profitable.
IV. There are economies of scale. If the branding is really successful, cost should drop and profits should increase.
V. Favourable shelf locations or display space in store will help.

Bovec and Arens (1992) view branding as a fundamental differentiating device for all products. They elaborates further that, without brands, consumers really would not know one product from another and advertising them would be a nearly impossible task.

McCarthy and Perreault point out five levels of brand acceptance to consumers and middlemen (retailers), namely:

I. The first is the brand non-recognition when the consumers are not aware of the brand
II. The second is brand recognition when they are aware of it or recognize it in the store.
III. The third is brand rejection and this is when they have tried it and will not do so again unless it changes it quality and image.
IV. The fourth level is brand preference when people usually chose the brand over that of competitors.
V. The fifth is brand insistence-when they will not accept substitute

School and Gultiman (1989), observed that a brand offers consumers protection when it identifies the seller because poor product quality damages both brand and company image.

Kotler and Amstrong (1977), elaborates further that a brand is a seller's promise to deliver consistently a specific set of features, benefits and services to buyers. The best brands convey a warranty of quality.

2.5 EFFECTS OF PRODUCT BRANDING ON PROFITABILITY

Firms enjoy several benefits from branding which in turn helps to increase sales, profitability and return on investment. Some of these benefits are:

I. Market control

II. Pricing interdependence

III. Promotional advantage

IV. Expansion of product mix

V. New product introduction

Branding can significantly help an organization in increasing its own share of the market for its product. A manufacturer who advertises his branded product is enhancing the industry in general but is not helping the product to increases it own share of the market. Also branding helps the brand owners to stimulate repeat sales and avoid product substitution and when sales are repeated, there is increase in profit and return investment.

Consumers will often buy well established brands even when their prices are higher than those of less publicized competitors. And when there is awareness and trust about the particular brand of product, promotional campaigns can become effective and less expensive.

If a firm has one or more lines of branded goods, it can add a new item to it product mix much more easily than a company selling unbranded merchandise.

A new product is more favourable received by both the dealers and by consumers if it is linked to a respected brand name.

2.6 PRINCIPLES OF BRANDING

A brand name means a part of the firm's brand which can be spoken. These may be in words, letters or numbers. Some well known brand names in Nigeria include: Coca – Cola, Seven-Up, Lux, omo etc.

A brand mark on the other hand is a symbol, mark, coloured closely identify with a product or distinctive colouring of lettering. It is commonly recognized by sight but not expressed. This means that brand marks can only be seen, examples are Elephant in elephant blue detergent, Nigerian bottling company which is always Coca-Cola, package and red star of Texaco petroleum (Agbo O., 2000).

Finally, a trademark is a special legal designation in form of symbol or terms indicating that the owner as an exclusive use of a brand of part of a brand. This means that the law prohibits other firms or individuals from using it. All trademarks are brands and this includes the words, letters or numbers that can be pronounced and may also include in a pictorial design – (brand mark) simply put. Trademark is a legal name of a company. Examples of trademark are Lever Brothers in Nigeria Plc, Patterson Zochonis (PZ),

All these aforementioned terms are associated with branding. Thus, we can see that branding or the word brand is the comprehensive term that is done with clarity of dimension with which it is associated.

2.7 HISTORICAL BACKGROUND OF NIGERIAN BOTTLING COMPANY.

The Nigerian Bottling Company Plc (NBC) was incorporated in November 1951, as a subsidiary of the A.G. Leventis Group with the franchise to bottle and sell Coca-Cola products in Nigeria. From a humble beginning as a family business, the company has grown to become a predominant bottler of non-alcoholic beverages in Nigeria, responsible for the manufacture and sale of over 33 different Coca-Cola brands. Other popular brands of beverage produced by the company are Eva Water, Five Alive fruit juice and the newly introduced Burn energy drink.

The company presently has 13 bottling facilities and over 80 distribution warehouses located across the country. Since production started, NBC Plc has remained the largest bottler of non-alcoholic beverages in the country in terms of sales volume, with about 1.8 billion bottles sold per year, making it the second largest market in Africa. Today, the company is part of the Coca-Cola Hellenic Bottling company (CCHBC), one of Coca-Cola Company's largest anchor bottlers worldwide. CCHBC operates in 28 countries, serving 540 million consumers and selling over 1.3 billion unit cases of beverage annually.

2.8 PROBLEMS ENCOUNTERED IN ENHANCING PROFITABILITY IN NIGERIAN BOTTLING COMPANY

Just like any other human endeavour Nigeria bottling company has been encountering some difficulties since its inception of operation. Respondent to in-depth interview conducted in the course of this research work indentified two basic areas, which in turn have affected profitability of the company. These are:

I. competitors

II. Power needs

COMPETITORS

Activities of competitors have affected the profitability of Nigerian bottling company because so many substitute goods are available in the market now unlike those days that it was only Nigerian bottling company that produces eva water, five alive and other drinks. We have dangote drink now called dansa which is competing seriously with five alive and also we have so many other drinks in the market now, in these case the demand which Nigerian bottling company would have gotten from the market as been shared by it and competitors which as affected the demand for their product and also the profit.

POWER NEEDS

The heavy technical infrastructures needed to run Nigerian bottling company successfully could only be sustained by constant supply of power. The epileptic nature of power supply in Nigeria, power failure, fluctuations and outages affects the production of goods at times and result in loss of profit for the company. Even if the companies decided to adopt other power alternatives like heavy duty generator or solar energy, the cost, maintenance and quality of diesel consumed on a daily basis add to their running or operating cost which is transferred ultimately to consumers (Hudson 1998).

2.8.1 Factors Contributing to Brand Value Erosion

Over the years, brands have come under increasing pressure. Some have been devalued and others have been discontinued. The following factors have contributed to brand value erosion:

1. **Negative brand associations**- as part of the strategy to explain the brand attributes to customers, organizations make associations with the personalities, who encapsulate the standards, values and beliefs of the brand. For some brand, associations are made with the owners, such as Richard Branson and Bill Gates, and for others it is sports and media celebrities. Whilst these are generally positive, the brand can be damaged if the personalities are associated with inappropriate behavior. Products or corporate brands can also become too closely associated with sponsored events that disappoint visitors or are badly organized and can have a negative impact.

2. **Unacceptable business practices**- a number of brands have been associated with unethical business practices such as environmental pollution, exploiting child labor and misleading customers. Often this is due to malpractice by contractors who must be very carefully policed. The problem in this area is that what is acceptable and unacceptable is often a very personal view and is affected by different stakeholder values, culture, affluence levels and understanding of business practices.

3. **Unexpected crises**- high profile brands are vulnerable to unexpected crises that occur from time to time. These events are often outside the organizations control, for instance, tempering with products, attacks on IT systems and many more. Customers expect to have systems in place that will prevent many of these events. Even with

unavoidable events and where no blame is attributed to the firm, the brand can still suffer from being associated with negative publicity.

4. **Grey marketing-** branded products that reach the market through unauthorized channels are often sold to customers at much lower prices than the authorized channels and can lead to customers believing that they have „ripped off

2.8.2 Conditions Favorable to Branding

Most marketing managers accept branding and are concerned with seeing that their brands succeed. The conditions listed below are favorable to the success of branding.

1. The product should be easy to identify by brand or trademark.

2. The product quality should be the best value for the price and the quality should be easy to maintain.

3. Dependable and widespread availability should possible. When customers start to use a brand, they should be able to continue using it.

4. There should be favorable shelf locations or displays space in stores retailers can control this when they brand their own products but producers should use aggressive sales people to get favorable positions.

5. The demand for the general product class should be large.

6. The demand should also be strong enough so that the market price can be high enough to make the branding effort profitable.

7. There should be economics of scale. If the branding would be successful cost should drop and profits should increase.

2.8.3 Importance of Branding

1. It creates brand loyalty among customers. Customers who frequent purchase of a particular brand are most likely to become BRAND LOYAL. The ultimate reward for successful marketers is the habit of cultivating brand loyalty among customers. This important since these customers are far less to be persuaded to switch to other brands as compared to non-loyal customers.

2. Brand provides stability to the company because managers are more confident in forecasting future income streams through respected relationship with customers. High calibers of company's employees are attached to companies with powerful brands and they like to be associated to prestigious brands.

3. Product positioning effort becomes more effective with well-developed they form mental image or feelings or the benefits they receive from using the brand; it is invariably means that the brand may have attained a considerable competitor advantage.

4. Brand provides the basis for restricting firms. Brands provide the basis for structuring companies. With brand portfolios, they facilities the allocation of resources. It also acts as resources identification, cost & revenue. This makes it easy to understand the data when it is presented in terms of brand performance among customer groups.

5. Brand provides easy identification to company's products. Brand enables a company to identify its products. This does not only aid in the fulfillment of marketing strategies but also help customers to make a prudent buying decision.

2.8.4Specific Importance of branding

a. To the consumers/customers

1. It provides identification to the source of the product.

2. Assignment of responsibility to the product maker

3. Risk reducer

4. Signal of quality

5. Search cost reducer

b. To the manufacturer (company)

1. Means of identification to simplify handing and tracing.

2. Means of legally protecting unique features

3. Signal of quality level of satisfied customers

4. Source of competitive advantage.

5. Source of financial returns

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

Research methodology is a plan or strategy for conducting a research. It is the process followed by the researcher to arrive at a dependable solution to the problem. This forms the framework of any research work. It involves methodology selected for the study, tyres of data, sources of data, instrument of data collection, population, sample size and the method the researcher intends to use in analysing the data and relevant facts obtained.

The research methodology serves as a pilot compass in guiding the researcher throughout in the process of the research and it is usually determined by the nature of the research.

3.2 RESEARCH DESIGN

The research design facilities the procedure for gathering the required information for the study and also states the sources of such information. Vincent, (2006) defines research design as the plan, structure and strategy of investigating, conceived so as to obtain answer to research questions and to control variables

This study used both exploratory and descriptive design. The exploratory and descriptive research design is flexible and accurate when applied on a wide range of issues. The exploratory and descriptive researches are also very important in the identification of variables by interpreting and analyzing existing conditions

3.3 SOURCE OF DATA

The primary and secondary sources of data were used for the study. Richard U. Uche (2006) defines a primary data as those data which are supplied by actual eye witness or a participant. They are obtained from representative samples by means of direct observation of events, manipulation of variables, resourceful plan of research situations and also performing experiments as well as responses to questionnaires. Awotunde, (2002) says "primary source of data contain eye witness account of events" the primary data involves the administration of well structured questionnaire to some selected groups of respondents. It was used to gather information from the distributors of products of Nigerian bottling company within Kaduna state and personal interview was also used to collect primary data from employees of the company

3.3.2 SECONDARY SOURCE OF DATA

Awotunde P.O et al (2002) defines secondary data ad accounts of events given by people who are not eyewitness of or participated in the events. Richard U Uche (2006) defines a secondary data as a data which are recorded, reported or supplied by someone else who is not directly present at the actual place of occurrence, however, the facts still remains that no researcher working on this nature of research problems can afford to ignore secondary information. It is therefore used in this research work as a background and general reference material. The secondary source of information involves extracts from text books, journals and other relevant publications on the topic under consideration. The source of which have already been acknowledged by means of foot notes

3.4 INSTRUMENTS OF DATA COLLECTION

The instruments to be used or employed for data collection shall be questionnaire that is well designed and distributed to randomly to consumers and distributors as well as staffs of Nigeria breweries. Personal interview shall be used to supplement the information generated from the questionnaire

3.4.1 QUESTIONAIRE

According to Awotunde, (2002) a questionnaire can be referred to as a set of questions that can be related to the purpose of study to which the respondents are expected to respond to in writing. There are two types of questionnaire namely; closed and open ended questionnaire. A closed ended questionnaire or fixed response type restricts a respondent to some response option whereas am open ended or free response type questionnaire does not provide response option for the respondents. In this type of questionnaire relevant questions are provided for the respondents to supply necessary answers in their own way.

3.4.2 PERSONAL INFORMATION

Awotunde, 2002) defines personal interview as face-to –face interpersonal role situation in which one person (the interviewer) asks another person (the interviewee) questions that are responded to orally. Interview allows the researcher to obtain first hand information about a person's knowledge, values, experience, preference as well as attitude and beliefs.

3.5 POPULATION OF STUDY

In a general sense, population is regarded to be the groups of people living in a particular territory. The term population in a research work is used to cover all members or elements that define a group. Asika (1991) defines a population as all conceivable elements, subjects or observations relating to a particular phenomenon of interests to a researcher.

Ezejule and Ogwo (1990) defines a population of study as that group usually of people or things, set of individuals, objects of measurements about whom you want to be able to draw conclusion. The study population here comprises of selected distributors, consumers and staffs of Nigerian Bottling Company. The study population is 80 broken down.

3.6 SAMPLE SIZE

Sample is a subset of a population you are studying. According to Ezejule and Ogwo (1990) a sample size is the total number of elements of the population that are selected for a closer study. In this research, a total of 60 persons which are broken down into 15 distributors, 35 consumers and 10 staffs of the company will constitute the sample size. Apart from the criterion of adequate representative there is a need to avoid large sample size so that repetition of respondent's answers will be guided against.

A total of 40 questionnaires shall be administered. 10 questionnaires to the distributors of products of Nigerian Bottling Company,15 questionnaires to the consumers of this products and 25 questionnaires to the employees of the company.

3.7 METHODS OF DATA ANALYSIS

In order to analyze the data collected effectively, a simple method of tabulation and percentage will be employed also the chi square method of statistical analysis would be used for analysis and interpretation.

CHAPTER FOUR

4.1 DATA PRESENTATION AND ANALYSIS

4.2 INTRODUCTION

In the previous chapter, the method of study was considered. This chapter will present and analyse the data obtained and also the hypothesis will equally be tested. Relevant findings to the research will also be discussed.

4.3 PRESENTATION OF DATA

Staff of Nigeria Bottling Company, it distributor and consumers within Kaduna metropolis. The respondent response would be presented in a tabular and chi-square would be used in analyzing it. The researches chose to use percentage technique and chi-square in organizing, presenting and interpreting the data collected because it provide for a simpler and more effective understanding of the data presented. Sixty questionnaires were distributed and all were filled and returned. The analysis of questionnaires are here by presented in the table below:

Table 4.3.1. Questionnaire administered

Option	No of questionnaire distributed	Percentage
Staff of NBC	15	25.00%
Consumers	45	75.00%
Total	60	100.00%

Source: field work 2011

Table 4.3.1 shows the questionnaire distribution. A total number of 60 questionnaires were distributed of which 10 out of the 60 were directed to the staffs of Nigerian bottling company. The 10 questionnaire represents 17% of the total sample size, 15 of the questionnaire were directed to the distributors of Nigerian bottling company. The 15 questionnaire represents 25% of the total sample size. The remaining 35 were directed at the consumers of the products of the company which constitutes 58% of the total questionnaire distributed.

Table 4.3.2 is there a Marketing Department in Your Organization?

Option	No of Respondents	Percentage
Strongly Disagree	0	00.00%
Disagree	0	00.00%
Agree	15	100.00%
Strongly Agree	0	00.00%
Indifferent	0	00.00%
Total	15	100.00%

Source: field work 2011

Table 4.3.2 shows that 100% of the total respondents is of the view that there is a marketing department in the organization.

Table 4.3.3 Branding in your Organization Affects its Profitability

Option	No of Respondents	Percentage
Strongly Disagree	0	00.00%
Disagree	0	00.00%
Agree	12	80.00%
Strongly Agree	3	20.00%
Indifferent	0	00.00%
Total	15	100.00%

Source: field work 2011

Table 4.3.3 shows that 12 which represents 80% of the total respondents is of the believe that branding affects profitability in Nigerian bottling company while 3 respondents representing 20% of the total respondents strongly agree that branding affects profitability of NBC.

Table 4.3.4 The Problems Faced in Trying to Increase Profit in your Organization is

Options	No of Respondents	Percentage
Improper financial Planning	6	40%
Insufficient Sales	3	20%
Producing badly Made product	2	13.333%
Poor Branding Strategy	2	13.333%
Indifferent	2	13.333%
TOTAL	15	100.00%

Source: field work 2011

Table 4.3.4 shows that 6 which represents 40% of the total respondents believed that improper financial planning is a problem faced by NBC in trying to increase profitability, 3 which represent 20% of the total respondents is of the view that insufficient sales is a problem faced in trying to increase profitability in NBC, 2 respondents which represent 13.3333 believes that producing badly made product reduces profitability. 2 which represent 13.3333% of the total respondents believe that poor branding strategy is a problem faced by NBC while trying to increase profitability and 2 respondents representing 13.333% are indifferent.

Table 4.3.5 Branding Enhancing Sales Volume

Options	No of Respondents	Percentage
Strongly Disagree	0	00.00%
Disagree	0	00.00%
Agree	10	66.67%
Strongly Agree	5	33.33%
Indifferent	0	00.00%
Total	15	100.00%

Source: field work 2011

Table 4.3.5 shows that 10 which represent 66.67% of the total respondents believe that branding enhance sales volume. While 5 which represents 33.33% of the respondents strongly agree that branding of Nigerian bottling company products enhances sales volume..

Table 4.3.6 Branding of NBC Products is one of the Determinants of Sales

Option	No of Respondents	Percentage
Strongly Disagree	0	00.00%
Disagree	0	00.00%
Agree	5	33.33%
Strongly Agree	10	66.67%
Indifferent	0	00.00%
Total	15	100.00%

Source: field work 2011

Table 4.3.6 shows that 5 which represents 33.33% of the total respondents strongly agree that branding is one of the determinants of sales while 10 respondents

representing 66.67% strongly agree that branding of NBC products is one of the determinant of sales in NBC.

Table 4.3.7 Companies Succeed Without Branding their Products

Option	No of Respondents	Percentage
Strongly Disagree	0	00.00%
Disagree	15	100.00%
Agree	0	00.00%
Strongly Agree	0	00.00%
Indifferent	0	00.00%
Total	15	100.00%

Source: field work 2011

Table 4.3.7 shows that 15 which represents 100% of the total respondents sees the companies can not succeed without branding their product.

The following questionnaires were administered on customers;

Table 4.3.8. Change in Branding Impact the Demand of Customers

Option	No of Respondents	Percentage
Strongly Disagree	0	00.00%
Disagree	0	00.00%
Agree	25	55.00%
Strongly Agree	15	33.00%
Indifferent	5	12.00%
Total	45	100.00%

Source: field work 2011

Table 4.3.8 shows that 25 which represent 55% of the total respondents are of the opinion that branding as impact on NBC products 15 which represents 33% of the total respondents strongly agree that branding impacts on demand of NBC products 12 which represents 12% of the total respondents are indifferent.

Table 4.3.9 Does branding enhance the profitability of Nigerian bottling company

Table 4.3.21Options	Number of respondents	Percentage %
Yes	22	63%
Partially	5	14%
Fairly	5	14%
No	3	9%
Total	35	100%

Source: field work 2011

Table 4.3.9 shows that 22 which represents 63 of the total respondents are of the opinion that branding enhances the profitability of NBC products 5 which represents 14% of the total respondents are partial in there judgement that branding enhances profitability.5 which represents 14% of the population are still fair while 3 which represents 9% of the total respondent believe that branding as no significant effect on the profitability of NBC.

Table 4.3.10 Customers Relate Branding to Product Quality

Option	No of Respondents	Percentage
Strongly Disagree	0	00.00%
Disagree	0	00.00%
Agree	32	71.11%
Strongly Agree	6	13.33%
Indifferent	7	15.56%
Total	45	100.00%

Source: field work 2011

Table 4.3.10 show that 32 which represents 71.11% of the total respondents is a strongly agree that customers relate branding to product quality 6 which represents 13.33% of the respondents strongly agree that customers relate branding to product quality 7 which represents 15.56%% of the respondents are indifferent if customers relate branding to product quality.

Table 4.3.11 satisfaction with company product

Option	No of Respondents	Percentage
Strongly Disagree	0	00.00%
Disagree	0	00.00%
Agree	10	66.67%
Strongly Agree	5	33.33%
Indifferent	0	00.00%
Total	15	100.00%

Source: field work 2011

Table 4.3.11 shows that 10 which represent 66.67% of the respondents are agree that they are satisfied with the company's product while 5 which represent 33.33% of the respondents are strongly agree that they are satisfied with the company's product.

Table 4.3.12 how product are received

Option	No of Respondents	Percentage
By road	15	100%
By air	0	0%
By rail	0	0%
By sea	0	0%
Total	15	100%

Source: field work 2011

Table 4.3.12 shows that 15 which represent 100% of the total population receives the company's product by road While no respondents receives the company's product by air, rail or sea.

Table 4.3.13 time taken to receive other

Option	No of Respondents	Percentage
Few hours	0	0%
Few days	12	80%
Few weeks	3	20%
A month	0	0%
Total	15	100%

Source: field work 2011

Table 4.3.13 shows that no respondents receives product ordered within few hours of order while 12 which represents 80% of the total respondents receive product ordered within few days of order, 3 which represents 20% of the respondents receive product ordered from the company within few weeks while no respondent receives product ordered in a month time.

Table 4.3.14 distribution system satisfaction

Option	No of respondents	Percentage
Yes	9	60%
Partially	4	27%
Fairly	2	13%
No	0	0%
Total	15	100%

Source: field work 2011

Table 4.3.14 shows that which represents 60% of the total respondent are satisfied with the distributive system of the company while 4 which represents 27% of the respondents are partially satisfied with the distributive system of the company. 2 which represents 13% of the respondents are fairly satisfied with the distributive system of the company and no respondents is not satisfied with the distributive system of the company.

Table 4.3.15 prompt delivery and consumer's satisfaction

Option	No of Respondents	Percentage
Yes	12	80%
Partially	2	13%
Fairly	1	7%
No	0	0%
Total	15	100%

Source: field work 2011

Table 4.3.15 shows that 12 which represents 80% of the total respondents. Agrees that prompt delivery of the company product increases consumer's satisfaction while 2 which represent 13% of the respondents agree that prompt delivery of the company's product will partially increases consumer's satisfaction. 1 which represents 7% of the total respondents agree that prompt delivery of the company product will fairly leads to consumers satisfaction while no respondent agree that prompt delivery of the company product will increase satisfaction agrees that prompt delivery of the companies product will increase satisfaction

Table 4.3.16 number of years consuming company's product

Option	No of Respondents	Percentage
1-5 years	2	6%
6-10 years	4	11%
11-15 years	5	14%
Above 15 years	24	69%
Total	35	100%

Source: field work 2011

Table 4.3.16 shows that 2 which represent 6% of the total respondents have been consuming the company's product between 1-5 years. 4 which represent 11% of the total respondents have been consuming the company's product between 6-10years. 5 which represent 14% of the total respondents have been consuming the company's product between 11-15years while 24 which represent 69% of the total respondents have been consuming the company's product for 15 years and above

Table 4.3.17 consumer's incentives from NBC

Option	No of Respondents	Percentage
Yes	15	43%
Partially	10	29%
Fairly	5	14%
No	5	14%
Total	35	100%

Source: field work 2011

Table 4.3.17 shows that 15 which represent 43% of the total respondents receive incentives from Nigerian Bottling Company. 10 which represent 29% of the total respondents have partially received incentives from Nigerian Bottling Company. 5 which represents 14% of the total respondents have fairly received incentives from Nigerian Bottling Company and 5 which represents 14% of the total respondents do not receive incentive from Nigerian bottling company

Table 4.3.18 types of incentives

Option	No of Respondents	Percentage
Cash	0	0%
Gift item	12	34%
Free drink	18	52%
None	5	14%
Total	35	100%

Source: field work 2011

Table 4.3.18 shows that no respondents receives cash as incentives from the company while 12 which represents 34% of the respondents received gift items from the company. 18 which represents 52% of the total respondents have received free drinks from the company while 5 which represents 14% of the total respondents have neither received cash, gift items or free drinks from the company.

Table 4.3.19 what attracted you to the product of NBC

Option	No of respondents	Percentage
Brand name	10	29%
Availability of product	8	23%
Advertisement	13	37%
Price	4	11%
Total	35	100%

Source: field work 2011

Table 4.3.19 shows that 10 which represent 29% of the total respondents are attracted to the company's products because of its brand name. 8 which represent 23% of the total respondents are attracted to the company's product because of the availability of the product. 13 which represents 37% of the respondents are attracted to the company's product because of advertisement while 11% of the respondents sees price as a factor that attracts them to the company's product.

Table 4.3.20 distributive nature and customer satisfaction

Option	No of Respondents	Percentage
Yes	25	71%
Partially	5	14%
Fairly	3	9%
No	2	6%
Total	35	100%

Source: field work 2011

Table 4.3.20 shows that 25 which represents 71% of the respondents believes that distributive nature of the companies products leads to consumers satisfaction while 5 which represents 14% of the respondents partially believes that distributive nature of the companies product leads to consumers satisfaction. 9% of the respondents fairly believes while 6% of the respondents do not believe that distributive nature of the companies product leads to consumers satisfaction

Table 4.3.21 effective channel management and consumers satisfaction

Option	No of Respondents	Percentage
Yes	22	63%
Partially	5	14%
Fairly	5	14%
No	3	9%
Total	35	100%

Source: field work 2011

Table 4.3.21 shows that 22 which represents 63% of the total respondents believes that effective channel management leads to consumers satisfaction while 5 which represents 14% of the respondents partially believes that effective channel management creates consumers satisfaction. 5 which represents 14% of the respondents fairly believes that effective channel management leads to consumers satisfaction while 3 which represents 9% of the total respondents do not believe that channel management leads to consumers satisfaction

4.4 HYPOTHESIS TESTING

In this section, the hypothesis formulated to guide this study will be tested. To test this hypothesis, the chi-square statistical method was informed by the fact that the formulated hypothesis involved the personal view and assessment of the respondents

H_0: Branding has no significant effect on the profitability of Nigerian bottling company.

H_1: Branding of products has a significant effect on the profitability of Nigerian bottling company.

T**able 4.3.9 Does branding enhance the profitability of Nigerian bottling company**

Table 4.3.21Options	Number of respondents	Percentage %
Yes	22	63%
Partially	5	14%
Fairly	5	14%
No	3	9%
Total	35	100%

Computation of expected frequency (E)

E =N/n

Where;

N = Total Number of Respondents

N = number of options available

Therefore, E = 35/4 = 8.75

From the value obtained in the observed frequency and expected frequency, the value of the Chi-Square will be obtained using the formula below

X^2 =

Where:

O = observed frequency

E =expected frequency

X^2 = Chi –square

Table 4.5.2 Chi-square evolution

Options	Number of Respondents	E	[O-E]	$[O-E]^2$	$\frac{[O-E]^2}{E}$
Yes	22	8.75	13.25	175.56	20.06
partially	5	8.75	-3.75	14.06	1.60
Fairly	5	8.75	-3.75	14.06	1.60
No	3	8.75	-5.75	33.06	3.77
Total	35	35			27.03

X^2 = 20.06+ 1.60+1.60+3.77= 27.03

In order to test the hypothesis the degree of freedom has to be calculated using this formula

DF = (c -1)(r-1)

Where:

c = number of Column

r = Number of rows

Which is

c = 4 and r =2

Therefore, (4-1)(2-1) = (3)(1) = 3

Level of significance of the study is 5% which is equal to 0.05

From the critical value table, the degree of freedom of 3 under 0.05 = 7.81

We now compare the value of X2 which is equal to 27.03 and that of the critical value table which is 7.81

The decision rule states that if the calculated value of X2 is greater than the table value, then the study will accept the formulated hypothesis which is the alternate hypothesis and reject the null hypothesis, while if the table value is more than X2 then we accept the null hypothesis and reject the alternate (Lucey,1996)

Hence, in this situation, X2 value which is 27.03 is higher than that of the table value which is 7.81 as a result, we accept the altenate hypothesis and reject the null

4.5 DISCUSSION OF FINDINGS

From the analysis carried out on the data collected and personal interview, it was discovered that branding of organisations product increases profitability

Other findings of the study include the following:

1. The organization view brandings of its products as essential.
2. The company's branding objectives is for satisfaction of consumers
3. The company distributive network system is excellent
4. The company relationship as it affects the consumers satisfaction is excellent
5. The company's distributor receive their products mainly by road
6. Consumers are attracted to the company's product because of its brand name
7. Distributors receive their order from the company few days of placements

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 INTRODUCTION

The summary of the research work based on major findings of the study in relation to the study's objectives is presented in this chapter. Conclusions was drawn from questionnaire administered, interview conducted on the study related materials and material on branding and revenue generation in manufacturing companies to improve on their recognition of the importance of product branding as a tool for enhancing profitability and returns on investment.

5.2 SUMMARY

This research project has continuously tried to emphasize the fundamental essence of enhancing profitability through product branding among manufacturing companies in Nigeria. In the course of this study, NBC was adopted as the case study with the aim of trying to analyze its product brand in enhancing profit and increase in sales. The study findings clearly indicates that branding of NBC product is one of the determinates of sales and continuous increase in return on investment and among the company's product, five alive, sprite, fanta, coke etc.

In chapter one, the research topic was thoroughly introduced giving an insight into the nature of the study. Chapter two contains reviewed literature and text written by scholars and researchers relating to the study. The historical background of NBC in Nigeria Chapter three focused on research methodology where the research design

which involves research for solution to problem through planned and systematic approach was discussed. For this work, the exploration and descriptive research design were used also primary sources of data which involves the use of first hand information and secondary sources which uses information that already exist were used to source for information. The research instruments used for data collection was personal interview and the administration of questionnaire. the sample size used for the work is 60 comprising of 10 staffs of Nigerian Bottling Company, 15 distributors of the companies product and 35 consumers of the companies product. Finally, the percentages and Chi- Square was used in analysing and presentation of data

Chapter four presented the data collected from the administered questionnaire which were then interpreted and analysed using the percentage and Chi- Square method. After the interpretation and analysis, the alternate hypothesis was accepted while the null hypothesis was rejected since the value which is 27.03 is larger than the table value.

5.3 **RECOMMENDATIONS**

Based on the researcher's findings, branding is one of the determinants of sales in NBC. Because of this, competitors may want to imitate the brand of NBC in order to:

1. To forestall the occurrence of competitors imitating the brand of NBC. The branding should be done in such a way that it cannot be imitated.
2. The researcher also observed that the problem of improper financing, planning, poor branding and insufficient sales can be revered. This can be achieved through

proper allocation and use of funds and accurate planning and forecasting techniques to be used by management.

3. Good branding strategies should be adopted to enhance profitability and sales volume.
4. Finally, employees' loyalty should be maintained by adequate monetary and non-monetary rewards. The company should keep abreast of developments in the labor market as a means of ensuring rewards viz-a-viz other manufacturing companies. This is because, equipment no matter how sophisticated they are must be operated by people and finally frustrated employees are a threat to a company's profit enhancement.

5.4 CONCLUSIONS

From the research, it is evident that principles of enhancing profitability tools and techniques are quite applicable and have been used in Nigeria bottling company (NBC) companies in Nigeria like any other industry that deals with tangible and intangible products. Market has been segmented so also the customers and products were differentiated to the target markets that results into different brands both heavy customers and light customers with the aim of increasing profit among manufacturing industry.

Nigerian bottling company PLC has been able to retain and motivate its channel members thereby increasing the market position of the organisation. The company management has been able to improve its knowledge of the needs of its consumers and fine turning its strategies to quickly adjust to changes in the environment. To a large extent the company has been in a fairly good position to

withstand the threats of competitors within the industry like 7up bottling company, Chi Nigeria limited, Nigerian brewery just to mention a few.

1. The company should refrain from loading the distributors with excessive inventories but providing adequate sales potential, monitoring distributors profits to ensure that their channels remain financially viable
2. The company should embrace the marketing strategies of constantly innovating and improving their products to increase consumers satisfaction
3. A strong intelligence network should be maintained to enable the company monitor the activities of competitors in the industry on regular basis
4. The management of the company should explore every opportunity possible to create innovation which motivates its distributors and consumers of its products with a view of having competitive advantage

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School of Postgraduate Studies
Ahmadu Bello University
Samaru Zaria.

Dear Respondent,

I am a Masters in Business Administration student of the above named institution carrying out a research on the topic “The Impact of Branding in Enhancing Profitability in Manufacturing Sector, a case study of Nigerian Bottling Company”.

It is purely an academic exercise as such, all information will be treated confidentially.

Please answer the question as applicable.

Yours faithfully,

TAOFIK ABIDEMI BELLO

APPENDIX

QUESTIONNAIRE

STAFF QUESTION

1. How do you view branding in your organization

   Good ( ) Very Good ( ) Excellent ( ) Not Good ( )

2. What is the company branding strategy objective?

   Meet Competition ( ) Consumers satisfaction ( )

   profitability ( ) all of the above ( )

3. To what extent has branding enhance profitability in the company ? Partially achieved ( ) Fairly achieved ( )

   Fully achieved ( ) Not get achieved ( )

4. Has the company branding objective help in achieving profitability? Yes ( ) Partially ( ) fairly ( )

   No ( )

5. What do you think of your companies distribution network system

   Good ( ) very good ( ) excellent ( ) not good ( )

6. Do you think that an improved relationship between your company and it distribution will increase consumer satisfaction

Yes ( ) Partially ( ) Fairly ( ) No ( )

7. Are you satisfied with the performance of your distributors?

Yes ( ) Partially ( ) fairly ( ) No ( )

DISTRIBUTORS QUESTIONS

1. What type of customers are you with NBC? Distributor ( ) Sub-Distributor ( ) Merchant company ( ) all of the above ( )

2. How long have you been customer of NBC Plc?

Less than 2 years ( ) two to 5 yrs ( ) 5 to 10 yrs ( ) 11yrs and above ( )

3. Are you satisfied with the company's product?

Yes ( ) Partially ( ) fairly ( ) No ( )

4. How do you get products from NBC? By road ( ) By air ( )

By rail ( ) By sea ( )

5. Are you satisfied with the distribution system adopted by NBC

Yes ( ) Partially ( ) fairly ( ) No ( )

6. Do you agree that prompt delivery by NBC will increase consumers satisfaction of the product? Yes ( ) Partially ( ) fairly ( ) No ( )

Consumer questions

1. For how long have you been associated with the products of Nigerian Bottling Company?

   1-5yrs ( ) 6-10yrs ( ) 11-15yrs ( ) above 15yrs ( )

2. Do you receive incentives from NBC? Yes ( ) Partially ( ) fairly ( ) No ( )

3. What type of incentive do you receive?

   Cash ( ) gift items ( ) free drink ( ) none ( )

4. What attracts you to the product of NBC? Brand name ( ) Availability of products ( ) Price ( ) None ( )

5. Are you satisfied with the distributive nature of the products of NBC advertisement? Yes ( ) Partially ( ) fairly ( ) No ( )

6. Do you believe that effective channel management can lead to customer satisfaction Yes ( ) Partially ( ) fairly ( ) No ( )