THE RELEVANCE OF MARKETING IN SMALL SCALE INDUSTRIES

A CASE STUDY OF

NIGERIAN MARBLE INDUSTRY IGBETI

BY

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DECLARATION

I HEREBY DECLARE THAT THIS PROJECT IS A PERSONAL EFFORT AND THAT MOST MATERIALS USED FROM VARIOUS BOOKS, JOURNALS AND RELATED LITERATURE HAVE BEEN ACKNOWLEDGED IN THE BIBLOGRAPHY



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DEDICATION

THIS PROJECT IS DEDICATED TO MY FAMILY - MRS. FLORENCE M. ADEDIRAN (WIFE), BEATRICE IFELAJA ADEDIRAN (DAUGHTER), PRECIOUS TUNDE - GOLD ADEDIRAN JNR. (SON), INNOCENT SHOLA TEMI ADEDIRAN JNR. (SON) AND MY PARENT CHIEF AND MRS JOHNSON A. ADEDIRAN IN RECOGNITION OF THEIR STRUGGLE IN THE MARBLE SQUABBLE.

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ABSTRACT

This project is concerned with the nature and scope of solving some of the numerious problems faced by small scale industries with Nigerian Marble Industry, Igbeti as a case study.

In this research effort has been made at:

(a) Finding out the state of art as far as the carrying out of two major functions viz – Distribution and Advertisement are concerned, with the aim of determining the effective and efficient Management of these functions.

(b) Studying the distributors (Dealers) perception of the company with respect to the functional management of these factors.

(c) Investigating what constitutes major bottlenecks in the area of marketing and distribution by small industries.

The study is of an exploratory nature; this being so coupled with the fact that it focuses on one company, the case study method has been used. The approach used in conducting the study is descriptive and analytical with the important data obtained from the primary and secondary sources.

The collection of information and data analysis from this study resulted in a recommendation that: in order to alleviate some of the problems of small scale industries there is the need for their adoption of modern marketing techniques such as marketing research, product planning, publicity advertisement

and promotional activities.

Commercial banks should also make bold move by encouraging and ensuring the operation of marketing departments in these industries while providing credit facilities to small scale industries.

Similarly, research centres and Institutions of higher learning should help to conduct marketing research on small scale industries, collect adequate data and disseminate them to small firms.

It is pertinent to emphasize the need for the establishment of Small Scale Industrial Advisory Services (SSIAS) in different locations (preferably all State Capitals) to assist and monitor the activities of Small Scale Industries.

There is also the need for Small Scale firms to engage the services of trained staff and professionals, with the encouragement in the formation at the local levels, trade associations and possibly their ultimate acceptance into Chambers of Commerce and Industries to enhance adequate exposure and acquisition of relevant experience on the long run .

CHAPTER 1

INTRODUCTION - BACKGROUND OF THE STUDY

1.1 Small Scale Industries make immense contributions to the economic development of any nation, to this effect, both material and human resources have been directed in recent time towards the establishment, development, and growth of small scale industries by both the State and Federal Government.

Prior to these developments, the Nigerian Economy had been predominantly dominated by agriculture with the related agricultural products forming the core of the national economy. However without the complementary Industrial base the produce were purely export oriented.

The succeeding era of oil boom ultimately reduced and discouraged the initial inclination towards agriculture; and invariably a total decline in that sector.

The nation drifted bye and the need for industrialisation and self reliance became apparent. This informed the sudden change for industrialisation which has led to the various measure taken by the Government towards ensuring a successful transformation from a dependent to an Industrial - economically viable nation.

Hence the establishment of various capital projects

such as the Iron and Steel Industry, Oil Refineries, Proposed Liquidified Gas Project, Petrol-Chemical Plant, National Fertilizer and many others. Some of these Industries are aimed at producing raw materials for other Industries both BIG and SMALL.

The establishment of Small Scale Industries credit scheme fund and National Directorate of Employment, are pointers to the good intent of the government for the promotion and development of Small Scale Industries in Nigeria, through which entrepeneurs source their projects/scheme. The range of which is unlimited but include the followings, - automobile, block making, stone crushing, quarry (Marble and the like) and other precious stones to mention just a few.

1.2 NIGERIAN MARBLE INDUSTRY - IGBETI is a quarry and marble blending Industry marketing marble of various grades for the production of marble related products e.g. tiles, toilet basins, wash hand basins and raw materials for paint, toothpaste etc.

1.2 OBJECTIVES OF THE STUDY

The objective of this study is to find out the relevance of marketing in small scale industries attempt to satisfy their customers: specifically the study aims at:

1. Identifying reason why most small scale business fail

2. Identifying the various marketing strategies employed by small scale Industries to reach and maintain their customers.

3. Determining marketing problem of Small Scale Industries, most especially since.

"Sales represent the life wire of every business through the provision of funds necessary for its existence".

"Marketing is an important activity to any business that market products or services. The owner/Manager of a small firm must recognise that no matter how useful he feels the product is, he has absolutely no business without customers"2

1.3 RESEARCH METHODOLOGY

The study is of an exploratory nature. Being an exploratory study and for the fact that it focuses on one company the case study technique has been used. The approach used in conducting is descriptive and analytical. That is an attempt is made both to analyse with the aid of the theoretical marketing concept and techniques the state of art as the management of these two functions. - Distribution and advertising is concerned. All the important data of the study have been collected from the primary sources viz - the company's personnels and distributors.

The Questionaire and observation methods have been used, with regards to the Questionaire, the "structured undisguised" approach has been used, in which case the questions exact wordings and sequence are determined in advance and the purpose of the study is not disguished from the respondents. All types of questions according to the needs have been used in designing the Questionaire viz, "open ended" dichotomous" and "multiple Choice". The method of communication that has been used is the personal interview approach. Both the executives and other staff in the company were interviewed with the help of the Questionaire.

Similarly the distributors were interviewed to get information concerning the availability of the product, their perception and reaction to the distribution and advertising methods used by the company. Observational study was also made at various point in the quarry, packaging, paying and loading units.

Although the basic data in connection with this study was obtained through the primary sources, the secondary sources were also used for collecting the necessary information regarding small scale industries.

SAMPLING PROCEDURE

Stratified sampling procedure was adopted for collecting data from distributors. The aim is to be able to cover a reasonable number of distributors coming for one

Sample elements were selected through convenience sampling. Under this method, sample units (product Grades) are selected on the basis of convenience to the researcher. In other words, the sample units (products grades) are selected (self selection) because of product utility within an area which can be reached.

Description of Research Methodological Tools:

The following is the brief description of the important methodological tools which have been employed for the purpose of this study. Reference to these tools were earlier made under the caption: Research Methodology.

The method used as stated inter alia is the case study approach and this approach involves an intensive study of the selected cases of the phenomenon in which the researcher is interested. The method may involve the examination of existing record taking to knowledgeable persons and conducting case studies of actual situations. There is no specific research design as the design depends on the ingenuity and the creativity of the researcher. By using this method the investigator is expected to take a balanced view when examining specific situation. In the case of N.M.I. Igbeti the important records which the company could make available to the researcher in this connection were used in analysing the management with regards for their ability to manage the

marketing functions. In addition the concerned functionaries of the company were also interviewed for obtaining relevant information about the company. Similarly, the researcher interviewed some distributors on convenience thus stimulating the non-probability sampling approach. The fact that the sample units/elements (in this case, product grades) were not selected probabilistically precludes an assessment of "sampling error", invariably without the knowledge of the error that can be attributed to sampling procedures, it is difficult to place bounds on the precision of our estimates.

QUESTIONAIRE DESIGN: The questionaire drawn up was structured pattern and non-disguised, this method was adopted to facilitate clarity of information from respondents. Both "open ended" and "Multiple choice" questions were used as part of the structured questionaire. Needless to mention that structured questionaire determines both the wordings and sequence of question in advance.

Non-disquised means that the purpose of the study is disclosed to the respondents. A total number of Eighty (80) questionaires were distributed to respondents as sample size/Frequency.

COMMUNICATION: The methods of communication used was personal interview methods.

PROBLEMS: The problem associated with the non-disquised questionaire method is the temptation by respondents to give the socially accepted response.

1.4 LIMITATIONS

Besides the Limitations which arise from the use of the different tools that have been used for this study already described above, the following are some other limitations of this study.

Sample Unit Selection - the sample unit selection was based on "non-probability sampling". In this method, the selection of population elements that will be part of sample elements is based to some extent on the judgement of the Researcher/field interviewer. It is only those who happen to be within the easy reach of the researcher field interviewer that have the chance of being selected. This invariably makes it impossible for the researcher to know the chance of any particular element in the population being selected. Therefore the determination of sampling error that occured in the study is very difficult.

Management of small scale industries possibly for fear of being exposed to criticism of poor management (if any) are not willing to divulge much information.

Published material on small scale business and Industry is very scarce, which amplified Osaze's view point that:

"Very often though, the problem of conducting research assumes more complicated dimentions as one moves from the highly industrialised Western environment to the more culture bound developing economic where various constraints of resources, equipment, computing facilities and absence of cooperant subject matter, often frustrates the researcher."3.

CHAPTER TWO

AN OVERVIEW OF SMALL SCALE INDUSTRIES

2.1 LITERATURE REVIEW

Marketing iis a philosophy of business which states that all business activities must be intergrated towards consumer satisfaction. Kotler has defined marketing concept as:

> "a management orientation that holds that the key task of the organisation is to determine the needs and wants of target markets and to adapt the organisation to delivering the desired satisfactions more efficiently than its competitors.

In essence, all business activities must be tailored to the satisfaction of the consumer, at a sustained profit for any organisation to meaning-fully achieve its objectives and set goals. Secondly, if business is consumer oriented as it should be, all the activities of the various units must interact and integrate i.e. the efficient functioning of one depends on the other. Hence, the activities of the production, finance, personnel and marketing departments must be integrated and properly co-ordinated.

Iornem,[5] indicated that many small businessmen fail in their venture because of lack of orientation to

marketing. He added that their real problem usually start right from product planning or at the innovation stage. At this stage, little or no attention is given to the needs and wants of the consumer of the product. Such developer he said, erroneously assume that the product or service would create a market for itself. This, he concluded, is an obsolate marketing" approach.

In modern marketing, products or services are not designed before finding a market. Rather, the procedure is to first identify consumer needs and then proceed to develop a product or service that meets the already identified needs. This is a "marketing concept" approach which emphasises that business activities must be directed towards consumer satisfaction. Failure to recognise this procedural strategy is to invite failure. With regards to this, IORNEM has pointed out that technology oriented firms are more vulnerable to this trap, but added that all types of new small businesses are also vulnerable. For example, new retailers open their shops without any prior plans including that of advertising and promotion. Some retailers open a shop in an area simply because they have seen other retailers succeed. They fail to analyse the market to determine whether an additional retails shop will still make enough turnover and profit to keep it in business. The usual consequence of pre-occupation with products or services

rather than consumers iis that the enterpreneur finds himself marketing an obsolete or unwanted product or service. Iornem indicated that such an enterpreneur sometime blindly continues to push such a product or service long after the market has turned in another direction thereby ending in a failure.

The idea that business success requires being consumer oriented rather than product oriented is very much at the heart of and is synonymous with modern marketing. Consumer orientation can be viewed from four aspects[6] i.e.

(a) the generic product definition

(b) the target group

(c) customer orientation it self and

(d) consumer research.

Milk is a generic product and the other side of it is said to be brand e.g Peak Milk, Nido Milk etc. Nwokoye[7] has given us four ways in which a marketer can proceed in meeting the needs of customers and achieving his own objectives such as profits.

(a) asking the customers about their needs;

(b) developing or acquiring the products to fill those needs;

(c) Planning and organising the marketing programme to bring the products to the customers in such a manner as to lead to the achievement of stated

goals.

(d) carrying out post-sale activities that will ensure that the products are satisfactory in use and learning of customers reactions that will guide future improvements.

A good marketing concept will involve a broad definition of the product or service in which one is interested. A broad definition keeps aware of environmental changes, taking necessary actions where a threat to continue survival is predicted and exploiting a profitable niche when detected.

Every business must know its customers - target groups who constitute the nucleus of its good and services. Who they are in terms of demographic variables such as age, education, income etc.

A business cannot be customer oriented unless it knows its customers - their tastes, their preferences and how much they can afford to pay. This serves as the basis for developing an appropriate marketing strategy.

2.2 THE RELEVANCE OF MARKETING FUNCTIONS

After talking about the objectives of this study, it would be relevant to mention the importance of the marketing functions. As already mentioned, Nigerian Marble Industry, Igbeti is in a seller market and in this type of market situation, the temptation has been to neglect the marketing task. The neglected role of the

marketing task is not only peculiar to Nigeria but also to other developing countries of the world.

The major task of marketing is to build demand and to regulate the level, the timing and the character of the demand created for the organisation's product in terms of its objectives. Also, marketing has the role of converting the latent purchasing power into an effective demand. It is needless to say that improving marketing efficiency will provide a useful training ground for the development of managerial and enterpreneural talent much needed for the economic development of Nigeria.

Also, the understanding of the marketing functions will help remove the problem associated with unwholesome attitudes like the unwholesome promotional practices. Furthermore, capital formation can be achieved through marketing efforts aimed at shifting investors' preferences from trading to production and dissemination of investment opportunities.

MARKETING CONCEPT

Different connotations have been attached to marketing by both scholars and practitiioners in the field of marketing. For instance, a salesman views marketing as selling, while to a departmental store manager it means retailing and merchandising. While these connotations are appropriate so far as their respective fields are concerned, but when viewed in the

context of marketing field, they are inadequate.

Since marketing concept originated in the United States of America, it may be worth-while to look at the definition as developed by the American Marketing Association - (AMA). The AMA views marketing as the "performance of business activities that direct the flow of the goods and services from the producer to the consumer."13 This rather restrictive definition of the association tends to suggest that marketing begins only after the goods have been produced. The above definition is inadequate and rather narrow when viewed in the present day context and the stage of development of the marketing discipline. As against this, a relatively modern marketing definition looks at marketing " as a total system of interracting business activities designed to plan, price, promote and distribute want, satisfying products and services to present and potential customers in a way as to enhance the profit of the firm." By implication, this is a managerial definition and it cuts across the whole organisation, since marketing is directly responsible for such activities as selling, advertising, distribution and promotion and indirectly responsible for production, and accounting. This is to say, marketing ascertains, creates and satisfies consumers wants.

Generally, marketing activities are concerned with the demand-fulfilling efforts of an enterprise. These activities obviously Interract with one another as components of the total system by which a company develops and makes its products available, distributes them through marketing channels considered to be most effective. Specifically then, makrketing is also defined "as the business process by which products are matched with markets and through which transfers of ownership are affected"? Matching of products with markets can only be possible through effective marketing management decisions and policies. To match products with markets demand adequate marketing research activities, that will uncover the product characteristics wanted by the final buyers, thereby necessitating management translating these wants into product specifications. Also marketing management is responsible for the continual adjustment of marketing controllables for the company's products already in the market.

There are about four approaches to the study of marketing and these are:-

(1) The marketing of individual products and classes of products

(2) The problems and operations of different marketing institutions.

(3) The activities performed is marketing.

(4) The decisions required in carrying on the marketing process.

From the point of product approach to marketing, description and analyses centre on the problems encountered in marketing a particular product. Under this approach, the sources and conditions of supplies, producer marketing organisations and policies, the different middlemen who help in distributing the product and the extent of the market are usually examined.

The institutional approach concentrates on description and the analysis of the different institutions engaged in marketing, like, producers, wholesalers, agents, retailers and a host of others. It pays attention to the problems and operations of each institution.

The functional approach breaks the marketing field down into the activities involved in the performance of marketing, that is, buying, selling, storage and transportation.

Finally, the decision making approach combines the characteristics of the other three approaches and seeks to relate them from the decision maker's viewpoint.

Two important concepts in marketing are "market and market segmentation" most problems in marketing therefore are either because a market is not directed properly analysed or that a particular product is not directed

towards the right segment. It should be recognised while trying to solve problems in marketing that, markets rather than being homogeneous, are really heterogeneous. Buyers of a product are never identical in all respects. With the segmentation of market, Management will effectively tailor marketing programmes unequally fitted for each segment.

Marketing as can be seen today starts with the germ of a product idea and does not end till customers are satisfied and for an organisation to be successful, its marketing programme must be geared towards maximising profitable sales in the long-run.

THE MARKETING MIX

Marketing mix comprises of product, pricing, place (distribution) and promotion usually referred to as the 4Ps of the marketing.

The mix structure is among other things used by the management as a tool in taking vital and fundamental decisions as regards the operations of the enterprise. Hence marketing mix is at the core of every marketing programme that is the combination of controllable variables which spells out the marketer's strategy Kotler has defined marketing mix as:

> "The set of controllable variables and their levels that the firm uses to influence the target market."[10]

Product - The product has to be right in terms of meeting consumer requirements in every aspect as much as is commercially possible. The kind of decisions to be made here are product assortment, design, quality, branding and packaging, product modifications and deletions.

Distribution (Place) - This includes all strategies, channel systems and sellection, retailing and wholesale intermediaries where necessary and the management of physical distribution. This involves sellecting and managing the middlemen through whom the products will reach the right market at the right time, establishing a system for storing, handling and transporting the product.

Price - This must be accepted by consumers as being a fair representative of value of the product they purchase. The kind of decision to be made here are:- setting base price, middlemen margins, allowances, discounts, freight payments and geographic considerations, product-line-pricing changing established prices etc.

Promotion - This includes all elements connected with planned marketing communications, advertising and the management of personal selling. This involves stimulating market interest in the product by determining the relative contributions to be made by advertising, personal selling and sale promotion, choosing advertising

message, copy, the media and managing the sales force.

Policies for marketing in any organisation are said to be inextricably tried to decisions on the above elements in the marketing mix.[9] Many organisations adopt this policy because they believe that not only price but past reputation or quality of service given or promised are of greater considerations to customers.

2.3 PRODUCT

An important aspect of marketing is that, a firm should seek to determine the multi-dimentional nature of consumer demand and then deploy its resources in a most efficient and effective manner in creating products which will satisfy these demands. "Acceptance of this principle recognises that the firm's ultimate success, whether measured by total profits, return on investment, market share or any other criteria is largely dependent upon its product policy."[11] The whole operation of any business enterprise is built around its product policy. Product decisions will usually dictate the industry to which a company belongs, the market it will serve the nature and extent of resources to be employed, and the method and techniques, to use in producing such products.

The word 'product' has several meanings. It has been defined "as anything that has been offered to a market for attention, acquisition, use or consumption; it places organisation and ideas"[4] We can distinguish

product into three main aspects and these are the formal product, core product and augemented product. The formal product is a physical object or service offered for sale, lipsticks, computers, educational seminars, political candidates, are all formal products. If a formal product is a physical object, it may be recognised by the market as having five characteristics, a quantity level, features, styling, a brand name and packaging; while a service may be "some or all of those facts in an analogons manner."

The core product is essentially the utility or benefit being offered or sought by the consumer - for instance, a woman purchasing lipsticks is not buying a set of chemical and physical attributes for their own sake; she is buying hope. A marketer's job is therefore to sell core benefits, not product features.

The augemented product is the totality of benefits received or experienced by the consumer from the total product. For example, a computer has a whole set of accompanying service-instruction called soft ware programmes, programming services, maintenance and repairs, guarantees and so on. Augemented product is highly desirable as a competitive maneuver, as it gives the seller the opportunity to look at the consumer's total consumption pattern. This according to Levitt, "the new competition is not between what companies

produce in their factories, but between what they add to the factory out-put in the form of packaging, services, advertising, customer advice, financing, delivery arrangements, warehousing and other things that people value"[18] It is therefore the firm that develops the proper and right augemented product that will thrive in the competition.

PRODUCT PLANNING

The product is the offer that the marketer makes to the buyer which is of central importance in the marketing effort. Nwokoye defines a product as:-

> "a bundle of physical and psychological satisfaction that a buyer receives from a purchase. It includes not only the tangible object, but also such supportive elements and others that buyers value"[7]

A product is a complex of tangible and intangible attributes which a buyer may accept as offering satisfaction.

It could be conceived as consisting of the "generic" form and the "augmented" form. The generic product refers to the basic object or services that is offered to the target market. The augmented product conists of the generic product plus solicited and unsolicited extras. For example, a good ice cream package that prevents the ice cream from soiling the hands of the consumer in the

course of consumption of the ice cream, is an extra which consumers expect or solicit. Alternatively, the package could be used as a cup after consuming the ice cream. This is an unsolicited extra but will reinforce satisfaction. Solicited and unsolicited extra are aimed at producing "cognitive consonance", that is positive post purchase feeling, a feeling of satisfaction. On the other hand, "cognitive dissonance" describes negative post purchase feeling; a feeling of dissatisfaction, while cognitive consonance may lead to repeat buys, congnitive dissonance may lead to consumer rejecting the product in the future. A good marketer strives to generate repeat buys and so delivers not only the generic product but product augmenting extras that assure full satisfaction.

Product planning is the matching of all aspects of a product, with the consumer, taking into account the constraints posed by the resources of the firm as well as government and environmental factors. It includes decisions on product range (all the products offered for sale by a firm) and product line (a group of product) that are closely the satisfaction of the consumer.

Product decisions may relate to the modification of existing product or the introduction of a new product.

The process in either case is basically the same. Three decisions are fundamental to new product

development. An organisation has to decide whether or not there is need for it to offer a new product. It has to decide what new product to develops and it may have take decisions regarding what new products to drop.

All products grow, mature, and dies. It is only through feeding the market with entirely new products or modifications of existing products that the firm can cope with the rapid changes in todays market-place. Product promotion, and distribution strategies may be used to influence the product life cycle (growth, maturity and death) in the shortrun, rather than offer an entirely new product or modify an existing one. But in the longrun products innovation is inevitable if the firm must survive. And in any case new products are a major factor in company growth and so if a firm desires survival and growth, it must engage in new product development. The new product may lead to lower production and marketing cost per unit of present products. It may also affect the life cycle of existing products adversely or favourably and so affect overall profitability of the firm in the longrun. Generally, the greater the possibility of the new product using the firm's plant capacity, physical facilities, materials, skills, goodwill and other resources the lower the production cost per unit.

The first step in new product development is idea

generation. The ideas for new products may come from research, brain storming session, salesmen, production men, etc. Ideas generated must be screened.

Screening is the preliminary evaluation involving the elimination of ideas not technically feasible or not consistent with the company's product lines, objectives and resources.

After idea screening comes profitability analysis. This entails estimating costs, and determining the sales potential of the expected price at which the product will be sold. It includes taking into account the effect of competition and analysing the effect of the new product on the overall profitability of the firm. If the result is encouraging, initial samples are then produced.

These samples will embody the significant characteristics of the product and will be tested on a panel of consumers. Their views on the attributes of the product are received and evaluated.

Refinements are then introduced to the product reflecting the findings from the product testing exercise. The sale of the product to small market representative of the distribution channel, price and promotion plan. This is the test marketing stage. It will give indication as to the ultimate sales response in the larger market.

After test marketing comes the "GO, NO GO" decision.

This is a question of evaluating the test marketing exercise and deciding whether or not to proceed with production and marketing more of the product. If the company decides to proceed, it has to draw up a detailed marketing plan and schedule the launching of the product. Some of the marketing planning would have been done before the test marketing exercise, so that inveriably what is involved at this stage is "enlarging" and "matching" the choosen marketing mix with the larger target market.

Another important factor in product planning is product positioning. Positioning has something to do with directing a product or service to a particular group of customers. This can be done through advertising and personal selling. Irornem has indicated that for enterpreneurs to be successful in today's highly competitive markets, they have to focus their attention and efforts on developing a strong, clear and consistent identity for specific groups of customers. The aim here is to distinguish one's company and products from those of competing firms by - stressing the unique selling points such as special products, low prices and quick service. He went further to say that many small firms often display their inexperience by taking just the opposite approach. Rather than concentrate on an identifiable group of customers, many owner-managers opt

for universal appeals. They seek to appeal to the rich and poor, the young and old, the men and women. The approach may seem good on the surface, but it is actually bad. The reason is that, going after a diverse market actually limits rather than expands a firm's sales potentials. The firm gets little experience in any particular market; it also gets little credibility and generates a strong appeal to very few customers.

Recent trends in marketing seem to suggest that product positioning is now more than ever before crucial to the success of a business. Competion is becoming more and more stiff and small business need to differentiate themselves from their various competitions in the minds of their customers. In addition, it appears more emphasis is being laid on the class structure in terms of age and wealth. For example, it is not surprising to hear people designating some products as a "gentleman's products, "bigman's "products or for "cash madams" or "you pees".

While illustrating this point, Iornem cited the case of Hajiya Mairuwa. She was said to have opened a women's boutique shop in Zaria and tried to appeal to every Lady in the town starting from University girls to the Hajiyas in Zaria city. She stocked merchandise designed to please them all. At first, her business appeared to be doing fine. But suddently, she discovered that the customers were fast decreasing. She thought that it was

because she was charging very high prices or that her services were not satisfactory. As a result, she was said to have quickly reduced the prices of her products and trained her staff to be more curteous to customers. Yet, the problems was not solved because she failed to discover the root of the problem. In actual sense, Hajiya was said to have never had problem with pricing nor with the quality of her services. The problem was that the young University girls were put off on the appeal to the older women and did not want to be seen shopping there. The old women on their part were said to have boycotted her shop because of the young University girls they normally meet there. So we can clearly see that by seeking to appeal to everyone, the inexperienced small business owner really appealed to no one.

2.4 MARKETING RESEARCH

There is today increasing emphasis on research. This development is not surprising. This is because the market and marketing have become very complex. Competition has become a lot stiffer. Rule of thumb and guesswork can no longer be relied on for marketing decisions. Facts have to be substituted for guesswork and opinions.

Nwokoye explained the relevance of marketing research for the present day business organisations by saying that:

"Adequate information is the life blood of decision making and Management"[7]

Ibekwe has defined marketing research as:

"the systematic empherical and critical investigations of the market and marketing problems"[12]

The role of marketing research is to make marketing operations more efficient and profitable by improving the quality of planning and decision-making. It may be aimed at finding out:

(a) the number and types of present and potential buyers and their geographical spread.

(b) the habits, preference and motives of these buyers:

(c) competitors strategy and market penetration;

(d) the suitability of company's marketing methods.

It is important to note that market research varies from Marketing Research. Market Research is only an aspect of marketing research. Market Research is concerned with the identification of actual and potential buyers in number, location and types. Identifying buyers in types, demand finding out the characteristics of the consumers, their habits, preferences and motives. This is called consumer research.

The aspect of consumer research that studies motives (i.e. why people buy) is called motivation research. Market Research therefore covers market size studies, and

studies on consumer behaviour and characteristics. It is concerned with finding out the market and knowing the consumer.

Iornem indicated that market research can be used to identify customers or trading areas, uncover consumer needs and desires determine reaction to new products, study market potentials evaluate advertising or sales campaigns and analysis of distribution channels. In addition market research conducted prior to the establishment of a business would give the enterpreneur a knowledge of the kind of customers he is going to meet in the market and a feel of the strength of the competition he is likely to encounter. The information derived from market research can be helpful in developing a firm's marketing strategy. He concluded by saying that:

> "Most, if not all the marketing deficiencies faced by the small business can be attributed to lack of market research. Some of them considered marketing research as wasteful venture".[13]

2.5 PRICING

No product can enter the market place without a price. Price determines in many respects the volume that can be sold as well as the final profit because it is one of the key factors that consumers consider when making a purchase. Consumer's acceptance of any price is crucial

in the success of any product. However, determining the price for any product or service is one of the most complex of marketing decisions. Every organisation whether it is profit oriented or not, whether big or small has to face upto the problem of fixing a price for its goods or services at one time or another. Nwokoye has defined price as:

> "the amount of money needed to acquire a given quantity of goods or services"7

Price is the one component of the marketing Mix that generates revenue, all the other three components - the product, the place (distribution) and the promotion generate costs.

Pricing is the marketing function which seeks to reconcile in monetary terms, buyer's want from a product with seller's objectives. The buyer wants value for money, be it material or psychological value. If he is an intermediate buyer who has to re-sell the product, he should want material value in terms of discount that could enable him resell the product at a profit.[14]

The objective of the company selling either to ultimate consumer or seller may be to make profit, to penetrate the market, or to make safisfactory return. Iornem indicated that:

> "Prices or service fees set too low to cover costs and still leave a reasonable profit plague many

small enterpreneur."5

He further explained that businesses are forced into this situation by general price declines in the market for some product or services during a recession; others are trapped trying to compete with larger firms. On the other Hand Iornem said that:

> "the enterpreneur's strong desire for profit may induce him to over price his products or services, the impending result would be that prices charged for his products or services would be excessively high and beyond most customers; or they may be higher than those generally found in similar markets for similar products." 13

A product may not be profitable in itself but may contribute to the profitability of other products of the company in such a way that without it, profit is reduced. Such products are called loss leaders. In such a sitution, it is said that total profit and not product is the ever-riding profit objective of the seller.14

In the same vein, profit considerations may be short-run or long-run. Ibekwe [14] has pointed out that a company may sacrifice a short-run profit opportunity in order to earn larger profit in the long-run. Sales volume is another factor that affects the profit objective. It is said that a company may decide to charge a lower price in order to make larger sales volume

and consequently larger profit.

A company may decide to collect the largest total profit through charging the highest price now and gradually reducing it with time so as to attract the more price elastic buyers. This is a form of price discrimination Overtime and is called" Market - Skimming." The risk here is said to be that competitors may take advantage of the high price to break through to a lower price.

In price discrimination over space, a company charges different prices at different segments of a market which can be effectively separated so that no reselling from a low price market is possible. This is said to be easier to apply in the sale of services than in the sale of tangible goods because services are consumed by the buyer and cannot be resold i.e. doctor's services and entertainment.

Ibekwe [14] also indicated that a company may, instead of the largest total profit, be simply interested in sufficient profit - which is at times called satisfactory Rate of Return. It therefore sets a price that is sufficient to earn the satisfactory rate of return irrespective of the additional profit potentials of the market.

Market penetration objective may be in the form of wanting larger market for a product/service or wanting a

larger share of the available market. A pioneering firm in a New product field may want to penetrate the market through setting low prices. A competitor in a developed market on the other hand, may want to set at low price just to increase his share of the existing market.

Ibekwe again indicated that the popular pricing techniques are cost - plus, mark-up, going rate and bidding. In cost plus approach, all relevant cost are summed up and a percentage of cost is added to the price. Total cost consists of prime cost, factory overhead, selling and administrative overhead. He added that the percentage to be added to the cost to arrive at price should take price elasticity of demand into consideration. If a price becomes higher than what consumers are willing to accept, definately the product will not sell. Mark-up approach simply means increasing the purchase price of a product for resale by a percentage called the mark-up. This is similar to the cost-plus approach except that in the cost-plus approach the emphasis is on the total cost as the basis of the mark-up, while in the mark-up approach the price at which a product for resale was procurred is the basis for the mark-up. The latter is common with firms in the distributive trades. Like the cost-plus, mark-up approach has to take into account the elasticity of demand. It also has to take competition into account.

While some firms are said to have left their distributors to determine the mark-up for purpose of resale to subsequent buyers, others recommend the re-sale prices. apart from firms recommending re-sale prices, government may interfere to control prices of essential commodities.

Cash discount is discount given for immediate or early cash payment. Volume discount is discount given for large purchases. While cash discount is aimed at speeding up payments, volume discount is aimed at stimulating purchases. Trade discount or commission is a reward to middlemen for their efforts.

Going-rate pricing is the charging of the average price charged by the industry. Such prices have no direct bearing on the individual company's cost or demand, but are based onthe belief in the collective wisdom of the industry. It is hoped that by charging the same price as the industry the company would earn a fair profit. Again Ibekwe indicated that a company may adopt the going-rate purely because it has no choice. This is so in purely competitive markets. Here, charging more than the market price would mean virtually no customers, and charging less is unnecessary since output of the firm can be sold at the going rate.

Bidding in terms of making a tender means stating

the lowest price at which one can supply certain specified items or do a specific work. In competitive tenderting, the company with the lowest bid usually wins the contract. The objective of a tenderer is often to obtain the contract at a profit making price. The higher the bid the lower the probability of winning the contract but higher the profit if the contract is won.

Iornem finally pointed out that the job of fixing price can be less complex and consequently less troublesome if marketers are guided by a clearly defined conceptual framework.

2.6 ADVERTISING

Kotler defines advertising as:

"any paid form of non-personal representation and promotion of ideas, goods or services by an identified sponsor."[4]

Strictly speaking advertising is a form of communication. However, what differentiates it from other forms of communication is that;

(a) It must be for the public or masses

(b) It must be paid for.

(c) It must aim at selling goods, services or ideas.

It is instructive to think of advertising as a campaign that lasts over a period of time and with a defined marketing objective.

Iornem has indicated that small business owners

sometimes don't see the need for advertising and promotion. He went further to say that most of them hardly go beyond erecting sign-boards which merely indicate their location. Hardly do they realise that effective advertising makes prospective customers to develop strong opinions on their products in particular and the firm in general. He added that where such business owners attempt to undertake some advertising, the message is usually unclear and sometimes misdirected, because of lack of knowledge in advertising. Consequently, the cost incurred on advertising is not usually covered by the proceeds from the sales generated by the advertisement.

Doghudje[15] indicated that planning for advertising entails the following;

(a) Working out an advertising budget.

(b) Arriving at an advertising strategy.

(c) Preparing a meaningful time table showing when advertising events are to take place.

Success in advertising to a large extent depends on the money available for it. This can be worked to a percentage of sales of turnover or profit. It can also be worked out on the basis of what competitors are spending on basis of the task ahead, after considering the prevailing circumstances and available options.

Doghudge once more indicated that a good advertising

stragegy would define the following:

(a) advertising objectives

(b) target customers

(c) Brand image

(d) Basic consumer benefit

(e) Supporting evidence.

These are the basic points that guide in the preparation of advertising and media proposals.

Below are some of the principles for good and effective advertising as further outlined by Doghudge:

(a) Advertising must be based on an agreed copy strategy. No matter how good, it is no use if it is not based on strategy.

(b) Advertising must attract attention. It can, by being new or different or unique or better produced.

(c) Advertising must be addressed to a clearly defined target audience, possibly a target consumer. This is because there is nothing like "everybody" in the world. Everyman thinks of himself first and foremost and this is what a good advertisement should exploit.

(d) Advertising must promise the consumer meaningful benefit. The bigger the benefit or the more competitive the benefit the better.

(e) Advertising must aim at selling one idea at a time.

You do not have time in fifteen to sixty seconds of your radio or television commercial to sell many ideas. The more the idea, te less the impact of your sales message.

(f) Advertising must be interesting. Too many things are craving for the consumer's attention for him to have time for your message if it is not interesting.

(g) Advertising must be simple or easy to understand. It should speak the language that the target audience can clearly understand.

(h) Advertising must be credible and sincere. No half-truths, no misleading statements, no exaggarated claims beyond acceptable hyperboles.

(i) Advertising must be consumer-oriented. It should say what the consumer wants to hear and not what the manufacturer wants to say.

A wide variety of media are available to' the advertisers for conveying their messages to the public. Nwokoye had outlined the key advertising media as:

(a) Newspaper

(b) Magazines

(c) Radio

(d) Television

(e) Outdoor Advertising

(f) Transit Advertsing

(g) Direct Mail

(h) Theatrical Films

(i) Point-of purchase advertising.

2.7 DISTRIBUTION - (PLACE)

Distribution is a very important area of marketing and is a logical end of the product on processes. Usually, more actual effort needs to be put in the establishment and maintenance of distribution systems in developing countries than in any other area of marketing activity. This is more so because they are crucial to the success of most endeavours. Two basic aspects of channel decisions place them among the most critical marketing decisions of Management. The first is that "channels chosen for the company's products ultimately affect every other marketing decisions," and the second is that, "channel decisions involve the firm in relatively long run commitments to other forms." Channels provide the institutional linkage through which producers' products flow to the market. The choice of marketing channels is always not easy in marketing management decisions.

Secondly, the products nature, its unit value, its degree of differentiation from competitive products may limit the number of possible channel alternative.

Also, estimates of the sales volume and the cost could greatly influence channels decisions. A

manufacturer could decide either to use mass or exclusive distribution. Mass distribution provides maximum sales exposure for a product, whereas exclusive distribution involves using selected middlemen which invariably is the case of Nigerian Marble Industry.

Therefore, distribution involves the movement of goods from the producer to the ultimate consumer. The movement of goods may be direct from the producer to the consumer or through various types of intermediaries or middlemen, depending on the perishability nature of the item, among other factors.

Channels of distribution perform such functions as creation of a place, ownership and time utilities. The goods on the shelves in the company's warehouse-for example are of no use if they cannot be moved to the point where the consumer will buy them. Ownership is created when a transfer of tittle is effected and by making the goods available when they are needed, thereby creating time utility. Channels of distribution do bulk purchasing, assume risks and break the bulk. That is to say, it entails the task of buying in large quantities from producers and storing it for the final consumers. It also involves risk bearing in terms of product absolescene, robber and fire outbreak, and other likely natural dissasters.

Lastly, it performs the functions of buying in large

quantities and selling in bits as desired by the consumers.

Richard Burskirk defines channels of distribution as "a network of institutions that have developed relationship with each other to facilitate the process of moving goods from the point of production to their intended market"[16]

PHYSICAL DISTRIBUTION

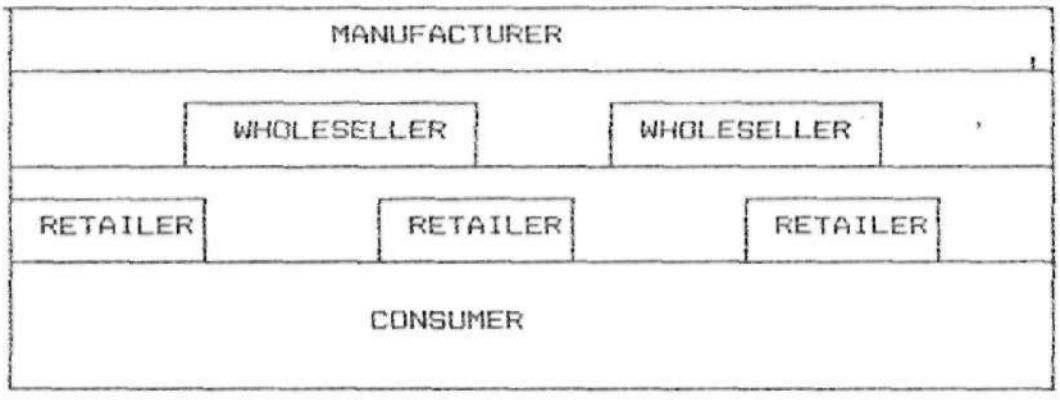
Physical distribution comprises of the set of tasks involved in planning and implementing the physical flows of materials and final goods from the points of origin to the points of use or consumption to meet the needs of the consumers at profit. The tasks include sales forecasting, distribution planning, production planning, material procurement, order processing, inventory Management, customer service and warehousing. The customer service function include the delivery time, ordercycle and delivery reliability. The order cycle time refers to the normal time the company takes to fill an order after receiving it and delivery reliability refers to the percentage of times the company actually fills the order within the stated order cycletime.

CHANNELS OF DISTRIBUTION

Channels of distribution refers to a pathway taken by goods as they flow from the point of production to the points of consumption. It may be described as a

'pipeline' for goods from the manufacturer to the consumers, that is, it is a vehicle for bridging the gap between the producers and the Users. There are variations in the channel arrangement system. If the intermediaries are used, the flow could be direct from the manufacturer to the retailer then to the consumers or direct from the manufacturer to the retailer then to the consumers or direct from the manufacturer to the wholesaler then to the retailers. Also the arrangement could be direct from the manufacturer through two levels of wholesellers, i.e. wholesellers who provide different set of marketing functions to a retailer and finally to the consumers. This type of distribution arrangement system is shown in table.

TYPICAL CHANNEL OF DISTRIBUTION FOR CONSUMER GOOD



In discussing the channels of distribution a reference was made to the wholesellers and retailers. It will also be relevant in this context to discuss the wholeselling

and retailing functions and their importance.

WHOLESELLING

Wholeselling consists of the activities involved in selling to buyers other than the ultimate consumers. It may be defined as a business unit which buys and resells merchandise to retailers and other merchants and or to Industrial, institutional and commercial Users but does not sell a significant amount to the ultimate consumers. The tasks of wholeselling include buying, storing, selling, transporting, financing, risk bearing and gathering market information.

RETAILING

Retailing consists of the activities involved in the sale of commodities to the ultimate consumers. In order words, the retailer is the last link in the chain of distribution and he is a specialist in selling and the community looks to him for the supply of the needed goods at a convenient place in convenient quantities at reasonable prices and at a time when they are wanted. The retailer assembles at convenient points from numerous sources an assortment of goods in small quantities with minimum trouble and expense at short notice. The retailers' primary functions include the buying of satisfactory assortment of goods anticipating the monetary demands of the consumers, providing credit facilities and risk taking associated with ownership and

changes in demand and storing of adequate stocks of diverse assorments of goods to meet the demand of customers at all time.

2.8 SALES PROMOTION

The other important element of the marketing mix is 'Promotion'. Promotion is any communication that is used to inform both present and potential customers about the products attributes and company activities for the purpose of stimulating their demand from customers. It should be understood at this point that sales do not occur automatically. Once products are developed, priced and distribution policies established, it becomes reasonable that customers are adequately informed before sales could be commenced.

This is moreso as the customers will like to know the product attributes and benefits to be derived from such products. Establishment of communication between the producer and the customer to provide these vital information regarding the products and the company is therefore of paramount importance in the present day business.

The gap between the producer and the consumer is usually bridged by the use of effective and positive promotional tool, as it draws attention, arouses interest, creates desire and induces favourable action on the part of the customer. This is normally referred to

as AIDA; promotion is used as a management tool to differentiate the company's product especially in a highly competitive market. It creates actual value for the producer and psychological and percieved value to the consumer. Good promotional programme is necessary for product rejuvenation in a situation where the customer's demand is dwindling and needs to be re-awakened.

Promotion embraces such activities as advertising, sales promotion, personal selling and publicity.

Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. The above definition implies that advertising is paid for, it is a commercial transaction, and it is this which distinguished it from publicity. Also, advertisements are identifiable with their sponsor or originator.

Personal selling is the oral presentation in a conversation with one or more prospective purchasers' for the purpose of making sales. It involved sales call by a field sales representative. It is used for creating product awareness arousing interest and developing reinforcement of the desired response. Sales promotion is a short term incentive to encourage purchase or sales of a product or service.

Sales promotions are therefore marketing activities other than personal selling, advertising and publicity.

Sales promotion stimulates consumer purchasing and dealer effectiveness, such as displays, shows, expositions and demonstrations. Scholars and practioners in the marketing field more often than not misconceive sales promotion as synonymous with advertising.

Publicity is "a non-personal stimulation of demand for a product, service, or business unit by planning commercially significant news about it in a published midia or obtaining favourable presentation of it upon radio, television, or stage that is not paid for by the sponsor."10

Nwokoye defines sales promotion as:-

> "any activity that is used to stimulate sales of a product or service and usually occuring once or over a limited period of time, such as a "sale" conducted retail store and featuring price - reductions on many items of merchandise."

Nwokoye has given four methods of consumer promotions as follows:-

(a) Free Samples - An offer of a free sample or trial of product to the consumer. The offer is usually a small size of the product and is expected to last a much shorter time than the regular package.

(b) Price-Off and Special Sales - Price-off promotion refers to various ways of reducing the price of a product's regular package, such as by stating the

price reduction on the package itself or by selling three packages at the price of two. Special sales are conducted by retail establishments at specific times in the year and feature attractive price reductions on various items of marchandise. The offer lasts for a few weeks only.

(c) Premium - A low items of merchandise that is offered as a bonus to purchasers of a particular product. It may or may not be separate from the product's package e.g. a whistle inserted in a detergent packet or a calendar inserted in the middle page of a newspaper. An unusual type of premium is to provide attractive reasonable plastic bags at the checkout counters for sales clerks to pack customers purchases.

(d) Competition - Consumers are invitied to participate in a sweepstake or contest in which a small fraction of them win cash prices, goods or 'free trips somewhere.

Nwokoye further outlined four methods of trade promotions as follows:

(a) Buying Allowance - A short-term offer of cash reduction on the price of each case, bale, or other quality of products. This encourages the middlemen to buy an item or quantity of an item that he might not ordinarily buy. It is often offered during the

introductory stage of a new product.

(b) Free Goods - An offer of a certain amount of a product to wholeselers and retailers at a no cost to them but conditional on the purchase of a stated amount of the same or another product.

(c) Co-operative Advertising - This is when a manufacturer agrees to pay all or part of the cost of advertisements placed by a dealer in his local media and which feature the manufacturer's product. This encourages the dealer to stock and push the sales of the product,

(d) Sales Contests - These are arranged for distributors, retailers, and their salesmen, and designed to stimulate and motivate them to greater performance. Prizes awarded may be cash or non-cash, but must be attractive enough to induce participation by all sellers.

These are other promotional activities. A firm may participate in a trade fair and set up a stand to promote its products. Samples of the Company's products are displayed and some of them as well as descriptive literature are handed out to enquring visitors. Orders may be taken from customers but the emphasis is on stimulating interest among potential buyers. Sports contests

may be sponsored by the firm. In return for the publicity received, the firm contributes financially or otherwise to the sporting event. Many Companies which do not engage in elaborate sales promotions at the least give desk pads and calenders to their customers.

2.9 PERSONAL SELLING

Personal Selling, that is selling dome through person-to-person contact, is a key marketing tool. Kotler defined personal selling as:-

> "Oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales."[3]

Also Stanton defines it as:

> "individual personal communication, in constract to the mass, impersonal communication of advertising, sales promotion and the other promotional tools."[8]

Many small firms may not be able to use advertising, but there is hardly any that does not employ at least one salesman, even if part-time. Selling is one function the firm can control directly. Personal selling allows great flexibility in shaping the firm's message to the individual needs and behaviour of each customer.

To make effective marketing decisions, Doghudje has suggested that these things be taken cognisance of:-

(a) Finding the right Marketing Officer

(b) giving him authority overall marketing functions and

(c) setting deadlines for decisions about marketing.

The basis tasks in selling are three-fold:-

(a) to locate prospective buyers,

(b) to convert prospective buyers into customers and

(c) to maintain customer satisfaction so that repeat sales can be made over a period of time. Nwokoye has identified seven steps in the salemen's attempt to produce a satisfied customer as follows:-

(a) Prospecting - This involves hunting for names of, or leads to, potential buyers. Leads may be obtained from present customers: through membership of clubs, religious or fraternal organisations; from friends and acquaintances; by exposure to articles and new items in the media; from enquiries to Company's advertising; or in various ways.

(b) Pre-approach - This means obtaining information about the prospects that will help screen out those who are not likely to be interested in, or able to afford, the product or service. Additionally, the salesman tries to get more information on the legitimate prospects that will facilitate the initial contact and sales presentation. If the prospects is an organisation, the salesman must make such he is planning to see the person who has the authority to make the purchase decision.

(c) The Approach - This involves gaining assess to the prospect, obtaining his attention, stimulating his interest in learning about the sales, proposition, and providing a smooth transition into the actual sales presentation. Basically, a good approach provides the prospect with a reason for listening some benefits to be gained, problems to be solved, costs to be saved etc.

(d) Sales Presentation - Here, the salesman first tries to arouse a feeling of need in the mind of the prospects and then shows how his product or service fills that need. To be effective, the presentation should be clear, complete, and capable of instilling confidence in the mind of the prospect regarding the salesman's sincerity and the product's worth.

(e) During the presentation the salesman answer any objections raised by the prospect and should avoid arguing with the prospect.

(f) Closing the sale- Here, the salesman attempts to obtain an order from the prospect and thereby converts him to a customer. The closing is climax of sales interview.

(g) Follow-up - After completing a sale, the salesman should follow-up with the customer to handle any problems associated with the purchases and use of the product, to help sustain the customer's enthusiasm for the product (this over-comes post-purchase dissonance), to discover opportunities for additional business and maybe, obtain

leads to other prospects. If no sale has been made, the salesman should analyse the interview to discover what might have gone wrong to guide him in future calls. He should consider calling back on the prospect in furture if the chance of success look promising.

Proper recruitment and sellection of salesmen should be undertaken. Names of individuals to be considered for salesman position may be obtained from various sources such as - other departments of the Company, from files of applicants seeking employment with the company, through the recommendations of existing salesmen and through advertisements. The sellection process is designed to measure such applicant's suitability for the sales job. Nwokoye has outlined four steps in the sellection or elimination process as follows:-

(a) evaluating the application blanks filled out

(b) checking of references supplied by the applicants

(c) the personal interview

(d) tests, both oral and written to measure such qualities as mental ability poise, clarity of speech etc.

Newly hired salesman have to be adequately trained before they are set on the job. The training programme should first and foremost impact sound knowledge about the product or service. Nothing can be more embarrassing than for a salesman to be unable to answer the prospect's

questions about the product. Salesman should be taught the principles or techniques of successful salesmanship, but more importantly should be given the opportunity to develop their selling skills through such devices as role playing, video tape recording and on the job experience. Training programmes are not of course, designed only for new recruits. Order salesmen may need retraining from time to time, especially if they are to handle new products or new types of customers, and if they are being groomed to assume supervisory positions.

Management should constantly seek ways to stimulate the sales force to improve their performance. This is the problem of motivation. Nwokoye has given us a number of devices that can be used to motivate salesmen. These are - bonuses (cash or kind), commissions, compensations, sales contests, conventions and conferences, written commendations from headquarters etc.

2.10 NIGERIA MARKETING CONDITION

Idederbo rightly described the Nigerian Market as:

> "a seller market, permeated by so much inadequacies, hapharzard planning, mad rush for quick returns without wanting to invest physically and properly."17

The sellers market is said to be obsolete and as old as Nigeria. Mekenna and Fleming define a sellers market as:

"a situation which occurs in times of shortage. There are more buyers than sellers and thus more demand than supply"18

In constract, they defined a buyers market as that:

"in which favourable condition for buyers prevail, characterised by an excess of supply over demand."18

Contrary to Mekenna and Fleming's view, there need not be more buyers than sellers for a seller's market to exist.

Conceptually a seller's market is simply that in which demand exceed supply. In an extreme case this means that the sellers are powerful as to be able to decide almost unilaterally (in the absence of government intervention) the terms of the buying and selling game with little or no regards for the feelings and interest of consumers.

Idederbo has indicated that in a sellers market condition little or no attention is paid to the needs of the consumers their various wants and how they (the consumers) want to be served. Goods are said to be merely produced and sold to the market through accredited distributors, without determining the ultimate users, special factors involved, and consumer perception of the said goods.

This is however said to be the reverse in the buyers

market. Developed countries mostly use the buyers market orientation. In this, the manufacturers strive to determine the extent of the market, the percentage that can be viably served, channel distribution the quality of their sales force, the influencing factors in costing and pricing of these goods vis-a-vis their competitors. The shortcomings inherent in the sellers market necessiates and bring about the buyers market. This buyers market situation creates an atmosphere condusive to effective and comprehensive planning, control, coordination, delegation and span of control. In a buyers market, the marketing department initiates strategies and how they hope to service customers, at the sametime improve their performance in the market "arena". Here, marketing research and development plays an important role, in that they are effective vehicles with which new products are ushered into the market place. Through the initiated market researches and surveys, Ideberbo added that the firm is able to determine:-

(a) Existing products in the market

(b) The extent to which these products are being sold

(c) The different age groups that buy them

(d) The different defects embedded in the products

(e) The methods of distribution currently employed

(f) The defects of these methods; their remedies and problem cost.

(g) The role and uses of sales people that will be considered.

The Nigerian Market stricken by an arrant, quick returns/result is predominantly sellers market. The obsolete method though yields quick profits however, does not take into consideratioon the consumers taste and wants. This explains why sub-standard goods and even medically unfit products are seen daily in our market stalls.

IMPORTANCE OF MIDDLEMEN

The middlemen specialise in carrying out the transfer of tittle between the producers and the consumers. These middlemen may be either Merchant middlemen like wholesellers taking tittle to the goods or Agent - (Middlemen) like brokers and commission agents who assist in bringing about their transfer of tittle.

"Middlemen are used by the manufacturers because they can perform the marketing functions more economically than the manufacturers and even more effectively at a given cost, because the manufacturer does not possess adequate financial resources to perform them effectively." Even those producers who have the required capital to sell directly to final consumers often can earn a greater return by increasing their investment in other aspects of business. Direct selling involves owing ware-houses, delivery equipment and sales-

personnel. All these involved fixed cost and increase risk if the direct marketing does not succeed. The manufacturer's financial resources will be depleted if direct marketing does not succeed and during declining sales period, the selling expenses per unit will increase. But if the middlemen are used, these risks are borne by the middlemen. Thus the use of middlemen by virtue of their specialisation, experience and contacts offer the producer more than what he can achieve on his own.

2.11 LOCATING SMALL SCALE INDUSTRIES

The important decision converning the location of an industry or business has not always been given due consideration it deserves especially among small scale industries and businesses.

When a decision to start a business has been taken and the necessary physical resources have been planned, the small scale businessman is usually just too eager to locate his business whereever it suits him with minimum consideration for other facilities which are paramount for effective and efficient operation of organisational objectives.

While not disclaiming the fact that adequate land space is one of the essential consideration in locating a business, Aderoba indicated that it is also vital to note that it is not the only one. He continued by saying

that there are many factors which must be considered before locating an industry or business. Without adequate consideration of such factors, it may indeed be better not to go into business altogether than make poor decision on the location of the business, thereby committing the business venture to failure right from the start. A detailed study based on:-

(a) the resources needed by the business;

(b) the products or services generated by the business; and

(c) the environment in which the business is expected to operate, is said to be needed, to arrive at a good decision for locating the business.

For the private sector, the objective is usually to maximise the profit of the business. Maximisation of total costs of production and distribution. In analysing the various cost items it is necessary to consider those items which will be affected by location. These are said to include machines, land, raw materials, infrastructural items such as housing, schools, roads, water etc. For example, there is no point in siting a mining industry in an area where there is no sufficient amount and quality of the mineral of interest.

An addtional consideration in locational analysis is said to be the business environment. This concerns the availability of municipal services such as streets

police, fire services, electricity, water, business services such as data processing, chartered public accountants, lawyers, consultants etc. Other business environmental factors are labour, skilled and unskilled, complementary or competing local industries, local markets, financial institutions and local attitude to the company's activities.

Iornem has indicated that for a manufacturing wholesale Enterprises; finding the right location involves the sellection of the region or town with low transportation costs, reasonable amount of relevant labour, power supply, accessibility to suppliers and market, freedom from burdensome local regulations and taxation. He further said that site location for retail firms are also to some extent, determined by the factors listed above. In addition, they require adequate automobile transport to improve distribution. In conclusion, he said that small business enterprienuers, do not take the above points into consideration when choosing suitable locatioon for their businesses. The result is that distribution and sales are adversely affected and business stagnated.

IMPORTANCE OF SMALL SCALE INDUSTRIES

Substantial recognition has been accorded the significant contribution that small businesses and industrial set ups could generate in accelerating the

tempo of economic development in the developing countries. Given a well-conceived programme which encourages growth and efficiency, the small scale industrial sectors hold promising potentialities which can provide the thirst for the realization of the country's goals and objectives.

These includes:-

Capital Saving and Creatition of Employment Opportunities

In the context of low rate of capital formation the existence of surplus labour in developing economies, small-scale industries which are mostly labour intensive provide the means of creating employment opportunities at relatively low capital cost. The fact that small scale industries can provide appreciably more employment with a given amount of capital than is possible in the large scale sector is considered a very important factor for countries with surplus labour in which the scarcity of capital becomes an additional drawback in the effort to create jobs.

Mobilization of Local Resources

Small scale industrial set ups make possible the mobilization of local capital resources like family savings which may otherwise remain un-utilised or channeled to un-productive ventures and luxury spendings. In addition, the development of small industries can utilize the skills of tranditional craftmen and channel

them into new lines suited to modern economy either by modernising the traditional crafts themselves or training these craftmen into related, useful fields.

Small - Scale Industries As Nurseries of Economic Development

Economic growth requires men with personal qualities, initiative and leadership skills in organising and managing. By serving as a nursery and training ground for economic development and managerial talents, small industries enable suitably talented and motivated individuals to find an avenue to new types enovation for economic development. Moreover, small scale industries set ups not only can develop the sector for positive growth but given proper guidance, they can gradually build their competence in organising larger underakings for the future.

Regional Dispersal of Industrial Development and Better Equitable Income Distribution

The very process of small scale industrial sector on a regional dispersed basis contribute to reducing regional disparities and promoting a balanced growth in the country.

In many developing Economies the need has been felt to discourage the concentration of economic powers in the hand of a few and invariably to promote small industrial development as an important tool for the decentralisation of ownership.

This is in recognition of the fact that a situation in which the vast majority of the people do not share in the fruit of development can not only discourage self sustaining industries in the long-run but also foster a number of anti-social activities e.g. strikes, armed robbery, drug pushing etc.

Active and efficient small industrial set ups tend to conteract undue concentration of wealth and power, whether in the hands of a large concern or a few dominant families, and to promote a less monopoly ridden private sector as well.

Moreover, vigorous development of small-scale industries and businesses provide a very important channel for social and economic mobility, apart from motivating talented individuals who can take initiatives and be self reliant.

Therefore, it is desirable to give priority to the development of small scale industries not only for economic reasons but also for socio-political reasons.

Strengthening the Industrial Structure

Through the sub-contracting tie-ups, small scale Industrial sector can concentrate on strengthening of industrial structure. Rather than exclusively viewing the undertakings as competing with larger firms, efficient small industries can complement large ones, by relieving them of the necessity of making certain parts

of performing certain operations which for one reason or another the smaller units can provide at a lower costs. The complementary relationship economises on the need for larger capital may be difficult to acqure.

CHAPTER THREE

NIGERIA MARBLE INDUSTRY

THE COMPANY AND ITS PRODUCT

3.1 HISTORY OF THE COMPANY

Nigerian Marble Industry (NMI) Nigeria Limited, Igbeti was established by the Federal Governement in July 1985. The Company took over the Assets and Liabilities including the man-powers of the former Managements of the Igbeti Marble Quarry - a company known as Igbeti Marble Industry (IMI) which was solely owned by Chief Ashamu; a multi-millionaire who has high interest for investment in Industrial sector.

The marble deposit at Igbeti was accidentally discovered in the late sixties on River Ogudu along Igbeti - Igboho Road by a visiting whiteman to the area.

The Crystal white stones littering the place attracted the adventuring whiteman and the resultant analysis of the sample proved that the hidden treasure in Igbeti is marble the quality of which is highly rated.

The discovery was made known to the Oyo State Government who were not too keen or possibly did not know the potentialities of the discoveries. One Chief M. Faturoti of the Metallergical Department of University of Ife took personal interest of the discoveries and made further analysis including the survey of the area covered by the "gem".

He finally sold his idea to a foreign based Karabo Marble Company who then commenced work on the site by 1972.

A family rift bordering on mistrust and greed prompted one Chief Alabi to approach Chief Ashamu on the viability of investing in marble Industry which the Chief readily bought and he also commenced work on another section of the vast deposit for marble quarring.

The two companies - Karabo Marble Company and Igbeti Marble Industry started undermining each others" interest in order to secure the monopoly of the general site of the deposit and invaribly Chief Ashamu of Igbetti Marbel Industry succeeded in sending the foreigners packing and a "deed of Conveyance" of the total area was signed and passed to Chief Ashamu in 1975, by a faction of the indegenes on behalf of a company acting on behalf of the parties and the family who owned the area.

This Act began the genesis of another rift and litigation as to the locus standing of the signatories to the deed of conveyance, by 1979 the then Oyo State Government under Chief Bola Ige directed the stoppage of Marble Mining from the site by Chief Ashamu's IMI under the decree that all lands belongs to the State Government and thus invalidating the deed of conveyance by any group of individual especially for areas with mineral deposits and the likes. Oyo State Government then Managed the

quarry from 1979 to 1983 under the name - Igbeti Marble Company. By 1984 the Federal Government under the Minister for Mining and Petroleum Alhaji Alhassan intervened in the (then) IMI and OYSG legal tussle on the right of ownership of the area. The Federal Government invariably promugated the decree that all Mineral deposit in Nigeria is vested under the Federal Government, further mining was as such stopped that year 1984.

By the year 1985, the Federal Government in a round table conference resolved the impasse between all the warring interest groups by allocating equitable shares based on investment on plants and machineries as follows;

Descriptioon	Percentage
1. Local Government	10%
2. Oyo State Government	30%
3. Federal Government	20%
4. Igbetti Marble Industry (Chief Ashamu's Coy)	25%
5. Technical Partners	15%

The new arrangement was considered and accepted by all parties and a new company under the name NIGERIAN MARBLE INDUSTRY was formed and commenced operation in 1985.

.2 RAW MATERIAL

The availability of raw materials in right quantity at the right time and the right quality play an important role in the effective functioning of any company.

Needless to mention that the present economic recession and the restrictions placed on the importation of some required raw materials has had impact on the performance and development of many companies. Nigerian Marble Industry however has its major raw materials on the site (Marble Chips) naturally bestowed on it, its products invariably become the input (raw materials) of the other Producers and Manufacturers, notwithstanding the afore-mentioned, it becomes imperative that the management of certain marketing functions (in the marketing mix) could pivot the company towards a targetted goal.

3.3 PRODUCT OF THE COMPANY

The Company's products include the followings;

- GRADE 4 - MARBLE CHIPS

These are marble threshed into chips but not acceptable into commercially marketable categories. They are not finely threshed enough to fall into industrially demanded grades, they could however be rethreshed to make them acceptable.

They are hardly demanded except for construction companies.

- GRADE 3 - MARBLE FINE CHIPS

This grade is popularly in demand by Terazo Flooring Industries. It fall within the fine coarse chips. Often in use to design tiles or independently applied. This

grade is popularly demanded along with the two following grades.

- GRADE 2 - MARBLE FINE

  This grade is similarly demanded by Terazo Flooring Companies for another class of terazo. It is finer than the previous chips crushed and this category is called Grade 2 "fine" because of its class.

- GRADE 1 - MARBLE FINEST

  As the name implies this is the finest chips, very small and finely threshed and crushed. It is also usually demanded by Terazo Flooring Industries.

Other products of the company include the followings which are in the dust form, they are:-

- CALCIUM CARBONATE 3 (CC3)

  This is normally used in the Glass Industries and is fairly coarstic in texture. It is used in translucently fabricated glass panes.

- CALCIUM CARBONATE 2 (CC2)

  This type of marble dust is smoother that the previous class and is in demand by paint making Industries as well as glass companies for yet another branch of glass.

- CALCIUM CARBONATE 1 (CC1)

  This is smoothest dust of marble, it is in the best powder form and is highly demanded by Toothpaste,

Tiles, and Paint making Industries. The Quality and demand for this product is higher than any other.

3.4 MANAGEMENT OF MARKETING FUNCTIONS

Before discussing the management of the marketing functions of Nigerian Marble Industry, Igbeti, we shall very briefly give an Overview of the approach which may be used in managing these functions.

"Management is the enterpreneurial agent that interprete market needs and translates them into meaningfuly products and services."20 To execute this uphill task necessitates the use of strategic management process, consisting of the key steps taken at the corporate and divisional levels, to develop long-run strategies for survival and growth. This process provides the context for the strategic marketing process, which consists of the steps taken at the product and market levels to develop viable marketing policies and programmes.

The strategic management process consists of defining the company's purposes, objectives, growth strategies and porfolio plans. A clear statement of Company's purpose provides employees with a shared sense of responsibility, opportunity, direction, significance and achievement. It should define the company's business domain, preferably in market oriented terms.

Strategic management thus calls for developing a set of objectives, such as growth in sales and market share, profitability and innovation to support the company's purposes. These objectives should be hierarchial, quantitative, realistic and consistent.

To achieve growth, the company must identify market opportunities where it should enjoy differential advantage over competitors.

Also, strategic management must define for each strategic business unit in the company's portfolio, whether that strategic business unit be built, maintained, harvested or divested. Within this context, the strategic marketing process can be developed and applied.

The first task consists of identifying, assesing and evaluating market opportunities. The next obvious step is to examine the product/market structure and identify the best target market. The third step in the series is to decide on the best competitive position for the company within that target market, as well as the best mode of entry and timing.

The fourth step calls for designing an appropriate marketing organisation, information system, planning system and control system to operate within that market. The fifth steps calls for developing long-range and annual marketing plans that specify sales goals,

marketing expenditures, marketing mix and mark allocation. The final step calls for implementing and controlling the marketing plan so that the marketing objectives are achieved. In addition, management must carry out profitability, efficiency and strategic control.

It is in the context of this brief background that we shall try to examine functioning of the sales and marketing activities of the Nigerian Marble Industry, Igbeti with particular attention on advertisement and distribution.

3.5 MARKETING ACTIVITIES OF THE COMPANY (NMI)

Considering the various definitions of marketing, one can convincingly claim that marketing activities hang around the marketing mix, which highlights the controllable variables which marketers use to influence customers' responses - which include marketing research, product development, pricing, packaging, distribution, advertising and sales promotion.

It is in the context of these over-view that the marketing problems and activities of Nigerian Marble Industry Igbeti will be discussed.

Typical of most, if not all small scale Industries, NMI has no classified sales or marketing department, the role of this department is over seen by the Accounts Department - which monitors and loading of the products

in bags from the quarry.

The company uses only one major outlet for distributing its product which is through an intermediary company -Igbeti Marble Industry (IMI) as the main distributor.

The Clientele of the company - dealers, retailers and consumers alike are "forced" to purchase through this main channel.

The diagramm below shows the pattern of distribution of the company product:-

Quarry	Distributor	Dealer	Retailer	Consumers

There is no provision of credit facilities in the company as it operates only "cash and carry" basis.

Prices are usually determined based on competitors prices taking the cost of raw input into consideration.

The demand for the product (marble) makes it a self-selling product with the stock level being determined by weather and market demand.

The company does not distribute directly nor carry out sales promotion or advertisement.

CHAPTER FOUR

4.1 ANALYSIS OF DATA

This charpter will tend to analyse the information received from respondents (within and without the company) during the course of this study which highlight the problems facing small scale industries especially NMI Igbeti. It is intended to treat these facts under the following sub-headings:-

a. Company goals

b. Company marketing objectives and strategies

c. Company Product

d. Pricing

e. Promotion

f. Transportation (distribution)

g. Marketing Management need

It is hoped that such analysis will provide the basis for identifying the marketing problems of small scale industries especially Nigerian Marble Industry, Igbeti, which forms the core aspect of charpter four.

- COMPANY GOALS

The organisational goals of the company were listed to include the followings:

- Production of good quality marble chips and powder at a profit
- to satisfy customers
- to render social services to the nation by reducing

dependence on imported raw materials by industrial users.

- To maximise profits.

These goals are all regarded of paramount importance to the company in view of the divergent share participation in the organisation.

- COMPANY MARKETING OBJECTIVES AND STRATEGIES

In keeping with the above, the company adopts an undifferentiated marketing strategies in which the market is treated as an aggregate and focus on what is common in the needs of the users rather than what is different; in which case the company produces what appeals to the broadest number of users. The method has some cost advantages in view of the fact that product line it has help inventory and production cost.

COMPANY PRODUCT

The products of the company as earlier indicated are infact raw materials to other industries, the production and management of which could contribute to the attainment of the organisational goal of profit maximization, most especially the government restriction of imported goods - ceramic nature and the encouragement for the need to be inward looking for raw materials by other Users (Industries). Grades G3, G2, and G1 usually in demand for by the industries manufacturing terazo floor tiles, calcium carbonated Grades 2 (CC2) and 3

(CC3) for the glass industries and CCI for the toothpaste manufacturing Industries are produced in similar quantity, to cut cost, especially since it is a line production pattern being operated despite the fact that demand varies.

On the issue of ensuring high quality of final product the company maintains control at the excavating pits and threshing area to ensure the quality control.

Most importantly the essence of quality control cannot be over emphasised in that the success or failure of the organisation in the field of marketing depends and begins with the product of the organisation, in this regard effort was made to determine the quality of NMI products. The table below highlights the assessments of the products by respondents:

ASSESSMENT OF PRODUCT QUALITY

ASSESSMENT	FREQUENCY	RATE IN %
VERY HIGH	59	73.75
HIGH	21	26.25
AVERAGE	-	-
POOR	-	-
VERY POOR	-	-
TOTAL	80	100

SOURCE: QUESTIONAIRE

Of 80 selected samples of NMI Igbeti users, 73.75%

confirmed the high quality of NMI products.

PRICING

Price acceptability by users and consumers is crucial in the determination of sales volume which invariably determines the profit of the organisation. The NMI uses the cost plus method to fix the prices of its products which makes the unit price unstable inview of the additional cost involved during the raining season. Furthermore evidence available showed that customers do not complain about prices inview of the product quality and the possibility of "passing on" the cost in their final products for ultimate consumers.

PROMOTION MIX

Promotion or communication mix refers to all communication variables that will appeal to a particular target market. These include sales promotion, public relations, personal selling and advertising. These components of the mix are not all used at the same time, rather some are emphasised depending on the nature of both the product and structure of the market.

In Nigerian Marble Industry Ltd. Igbeti, promotion or advertising are not considered at all. This organisation is of the view that its product is self selling hence the belief to de-emphasis promotion and advertising, invariably there is therefore little or no use of advertising materials or media like the radio,

television and printed papers in the Industry to boast sales.

Typical of small scale industries public relation activities like diaries, calenders etc. are not produced at all.

Similarly there is a total neglect of marketing communication activities which is believed to be totally irrelevant in that it would contribute little or nothing to their sales figures.

TRANSPORTATION (DISTRIBUTION)

The complexity of products and nature of product assortments makes products transportation (distribution) very crucial, most importantly the zone and location of the industry (NMI) and the users of its products in the transformation process of the raw marble, regardless of the grades, into finished assorted products such as terazo, tiles paints, toothpaste etc.

The Marble Industry location and that of its product Users is differently zoned thus the importance of transportation system, road or rail to facilitate efficient and prompt channel of distribution. Rail would have been ideal because of the bulkness of marble and the nearest railway station is Ilorin which is about 70 kilometer from the Industry site though the ineffectiveness of the Nigerian Railway would have possibly posed hinderance.

Thus the only left alternative is the road. Igbeti has problem of good raods which impliedly affect effective distribution. The company uses only one major distributor who is also one of its shareholders - the IMI Ltd (Igbeti Marble Industry Limited). Who invariably sells to sub-distributors or end users (factories) directly.

MARKETING MANAGEMENT NEED

Marketers can benefit considerably if they posses relevant information about the market; with marketing research providing inputs into marketing information systems to aid managerial decision making. The importance of marketing management and research can not be over-emphasised inview of the complexity of market and marketing the rule of thumb can no longer be relied on for decision making as facts must be substituted for guess work.

Nigerian Marble Industry has neither marketing departments nor engages in marketing research. The company does not use the significant of such set up. This situation does not however augur well for organisation that operates in complex situation as in Marble Industry.

Effort to determine the company's methods of collecting information about its produces was observed to be based purely on personal initiative of the supervisor

and customers (users). While information dissemination is basically based on users.

An attempt was made to determine and identify the extent of competition which is discovered to be very low; while customers are discovered to be attracted to the company despite its numerous problems by its high quality product (marble).

CUSTOMERS ATTRACTION

Determinant	Frequency	Rate in %
Price	20	25
Quality of Product	40	50
Prompt Supplies	5	6.25
Goodwill	-	-
Nearness to City	10	12.50
Others	5	6.26
Total	80	100

Source: Questionaire

4.2 PROBLEMS FACED BY THE NIGERIAN MARBLE INDUSTRY

Like many small scale industries Nigerian Marble Industry Igbeti is faced with a number of problems which include the followings:

POLITICAL

The genesis of the company and its shareholding pattern is a manifestation of this problem. Situation of which may not augur well for the development of the

company.

PRODUCTION COST

The plants and machinery in use at the factory site were those taken over from the default management of the quarry; which are now old, obsolete and inefficient towards effective production.

TRANSPORTATION - ASSESS ROAD

The assess road to Igbeti is very poor. Ogbomosho - Igbeti Road is no longer motorable as a result of gullies, erosion and serious pot holes; while the shortest route to the cities is the Ilorin - Igbeti Road, though tarred and appeared good it has three narrow bridges which are nearly collapsing, infact Bailey bridge was constructed to safe the situation on one of the big rivers while others are purely being managed. This type of situation does not encourage or allow for big trucks to ply this area for the transportation of the company's products.

LACK OF STORAGE FACILITIES

The Company's products are purely stacked up in the open space due to lack of storage facilities. To this effect production limit is determined by weather and demand.

DISTRIBUTORSHIP

The choice of a single main distributor by the shareholders is not in the best interest of the company,

in view of the fact that the priviledged distributor may strife (though) to ensure that company's product is disposed of the effort could not be equivalent to that of multiple distributors and direct selling combined, which is not operative in the present set-up.

LACK OF MARKETING/RESEARCH DEPARTMENT

The total absence of a marketing department in the company is reminiscent to the reliance on the product selling itself; with the users chasing the products instead of vice versa which invariably is affecting sales and profit margin of the company.

CHAPTER FIVE

5.1 RECOMMENDATION

In the context of the above problems, the following are some of the recommendation which one may suggest based on the analysis, finding and data earlier on disclosed.

On the political issue which has adversely affected the performance and dedication of company operatives this could be maintained or the shareholding pattern reviewed to compensate each parties in the course of total privatisation of the company which is highly favoured in view of the resulting gain in that dimension. It is strongly recommended that the company be totally privatised.

The resulting effect of the company working at full or never full capacity with new or refurbished machinery will obviously reduced the cost of production as it will be able to increase production to meet demand thereby marginalising cost of maximize profit.

The problem of assess road can be solved by the company if recommendation for privatisation is accepted, in that Bailey Bridges can be constructed to facilitate access on the damaged and collapsed bridges while governmental assistance is sought for effective repairs of the roads, bearing in mind the need for social

responsibility by the company.

The company should adopt warehousing of its products to enable it meet demand promptly and reduce damages due to weather and accident.

The need for Marketing Research Department is paramount inthat there is a need for advertising and promotional supports, to impart knowledge about the products of the Industry and to create aura or image that will always prompt users the quality of the organisation's products.

The notion that the product is self selling should be erazed in that nothing sells itself, not even the most venerable and tantalizing of all commodities - sex, according to Levitt (1974), it has to be embellished, elaborated, amplified, enriched, perfumed, styled, corseted, coloured and cosmetised.21.

In this regard advertisement and other promotional activities are required to give information about' the products attributes as such it is not in the interest of the company to ignore the importance of the roles marketing/Research department could play in the goal attainment of the organisation.

Lastly, once the company succeed in increasing product then it should appoint distributors and engage in personal selling. Effort should be made to allot each distributor supplies which would match the potential

demand of targetted market in the area. This would of course necessiate collection of necessary data to enable decision to be taken, thus amplifying the need for an effective marketing Research department.

5.2 CONCLUSION

This work attempts to look into the marketing problems of the small scale industries in Nigeria with the Nigerian Marble Industry as a case study. The company was discovered to lack the marketing concept in totality, a phenomenon common with most small scale industries thus being unable to exploit the market to their fullest advantage.

Similarly the notion that the product sells itself is non-appreciative of marketing function as outlined by Kotler and Iornem; though the Nigerian Marketing environment which is believed to be a seller's market has led to this misdirection.

In these regards it is urgently necessary that the small scale Industries in Nigeria and the Nigerian Marble Industry in particular adopt the modern marketing concepts as outlined by Kotler, Levitt, Iornem, Nwokoye, stanton and others.

Good quality products must be fully backed up with marketing strategies for the attainment of organisational goals. It should be borne in mind that marketing planning entails setting of objectives in consonance with

goals, analysing the market opportunities and competitive environment in order to achieve knowledge of the market.

The governmental roles through the Ministry of Trade, Commerce and Industry should be more involving towards the small scale Industries in order to facilitate Industrial take-off of Nigeria; which could be by policy formulation in respect of financial assistance, import and export liberalisation of machinery and equipments or even advisory services. All these in place, the Small Scale Industries in Nigeria would be the long awaited pivot towards the Industrial take off of the Nations Economy.

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MARKETING PROBLEM OF A SMALL SCALE INDUSTRY
A CASE STUDY OF NIGERIAN MARBLE INDUSTRY, IGBETI
QUESTIONAIRE FOR NIGERIAN MARBLE INDUSTRY'S
EXECUTIVE/STAFF

Name:

Address:

1. Which Intermediaries do you use for distributing your product?
   (a) Distributors
   (b) Whole Salers
   (c) Dealers
   (d) Others (Please Specify)
2. What Factors do you consider in selecting Intermediaries?
3. What facilities do you offer your Intermediaries?
4. (a) Do you give commission/Discount to them?
   (a) What rate or %
5. Specify minimum quantity an Intermediary can buy at a time.
6. Do you undertake any form of marketing research?
7. Do you have a marketing department? Yes No.
   (b) What is your (marketing) staff strength?
   (c) Specify their educational qualification
   - No Formal education
   - Primary School
   - Secondary/Teachers College
   - Polytechnic
   - University

- Others (please specify)

8. Which media do you employ for your product promotion

(a) T.V. (b) Radio (c) News Papers (d) Other

Please specify

9. Which method(s) do you employ in fixing cost implications of advertisement.

10. How do you plan and control the adertising and distribution functions.

11. How do you determine your stock level?

12. Is competition within your area of operation-

- Very High
- High
- Average
- Low

13. How do you price your product?

- Cost Plus
- Marketing
- Bidding Haggling
- Others (Please Specify)

14. What is your assessment of the quality of your product?

- Very High
- High
- Average
- Poor
- Very Poor

15. What is your most serious marketing problems?

- Poor quality product
- Lack of Market
- Inadequate Stock
- Lack of Marketing Research
- Lack of Advertisement & Sales Promotion
- Inadequate Storage facilities
- Lack of Transportation facilities
- Others (Please specify)

16. State other problems which your company is facing.

MARKETING PROBLEM OF A SMALL SCALE INDUSTRY

A CASE STUDY OF NIGERIAN MARBLE INDUSTRY IGBETI

QUESTIONAIRE FOR INTERMEDIARIES (DISTRIBUTORS/DEALERS)

OF NIGERIAN MARBLE INDUSTRY IGBETI PRODUCTS.

Name:

Address:

In answering the questions listed below, additional sheet of paper could be used where space is inadequate.

Please note that information provided therein would be treated with maximum confidentiality.

1. Are you distributing marble? Yes No.
2. From where do you get your supplies?
3. What factors were considered by the Industry/ies in offering distributorship to you? (please specify)
4. What facilities were provided under the distributorship agreement? (Please describe)
5. Are you satisfied with these facilities
   - Yes
   - No.
6. If 'NO' in what respect are you dissatisfied?
7. Which grade of marble products do you stock?
8. What problems do you face in getting your supplies from the Company? (please list in order of seriousness)
9. Have you any suggestion to help solve these problems?
10. What are your suggestions? (Please explain briefly)

11. Are the Promotional activities of the company considered adequate enough?

    Yes

    No.

12. If 'No' what forms of promotional activities do you suggest should be emphasized? Please list in order preference

    (a)

    (b)

    (c)

    (d)



APPENDIX 1



APPENDIX 2



APPENDIX 3 - BLASTING AREA



APPENDIX 4 - TRACTOR/CARTERPILLAR AT WORK IN QUARRY

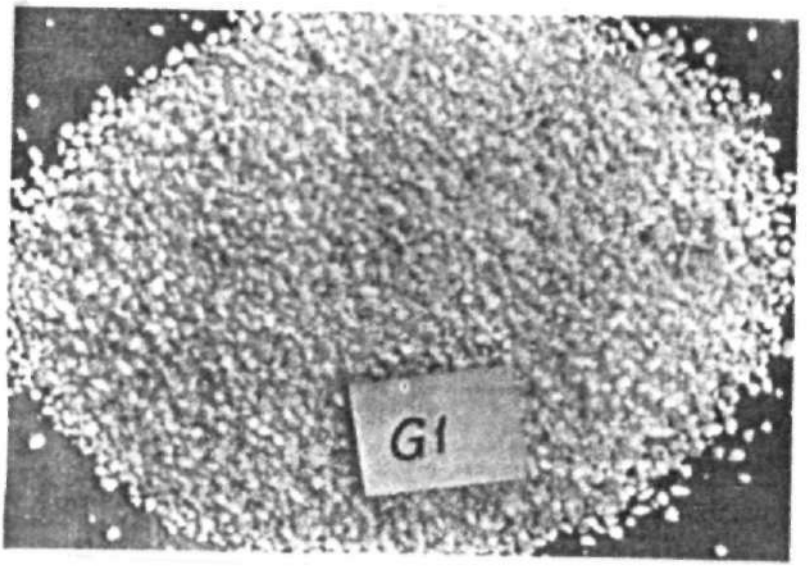


APPENDIX 5: LABOURERS AT WORK IN THE QUARRY



APPENDIX 6: THRESHING MACHINE

COMPANY´S PRODUCTS



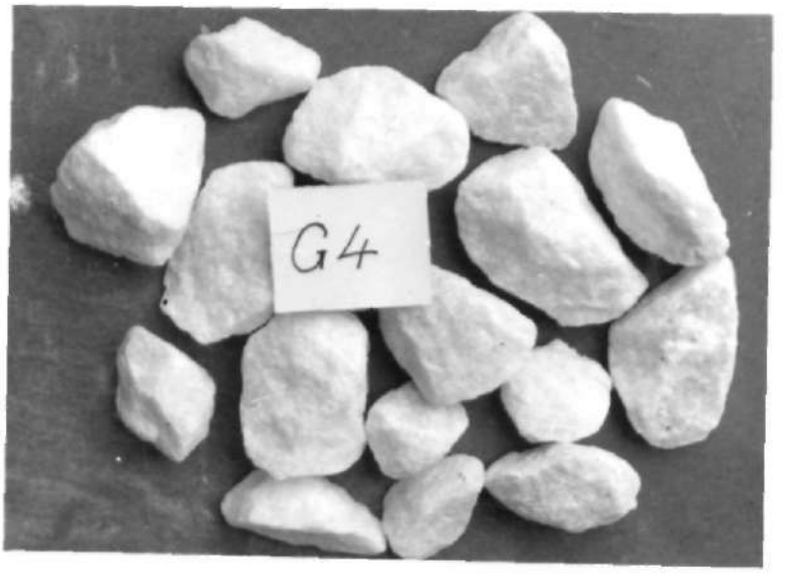
APPENDIX 7 - GRADE G1 - MARBLE FINEST



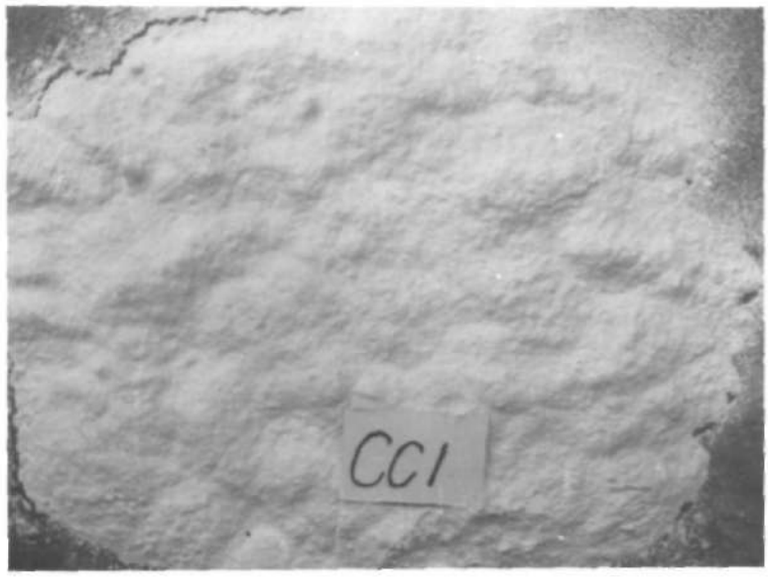
APPENDIX 8 - GRADE G2 - MARBLE FINE



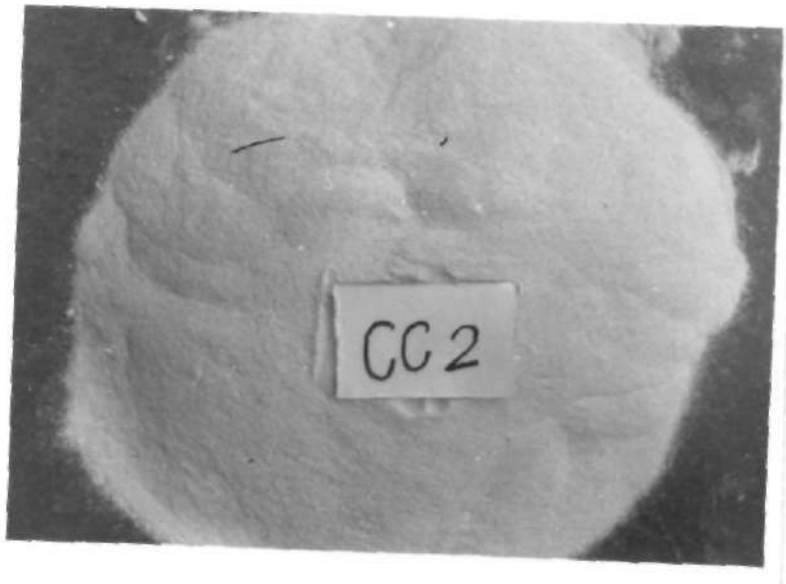
APPENDIX 9 - GRADE G3 - MARBLE FINE CHIPS



PPENDIX 10 - GRADE G4 - MARBLE CHIPS



APPENDIX 11: CALCIUM CARBONATE 1 (CC1): MARBLE SMOOTHEST POWDER FORM



APPENDIX 12 - CALCIUM CARBONATE 2 (CC2) - MARBLE SMOOTH



APPENDIX 13 - CALCIUM CARBONATE 3 (CC3)
MARBLE COARSE