

THE MARKETING PROBLEMS OF TEXTILE INDUSTRIES IN NIGERIA: A CASE STUDY OF UNITED NIGERIA TEXTILE PLC KADUNA

BY

MBA/ADMIN/05411/93-94

A THESIS SUBMITTED TO THE POSTGRADUATE SCHOOL, AHMADU BELLO UNIVERSITY, ZARIA IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (M.B.A.).

DEPARTMENT OF BUSINESS ADMINISTRATION,
INSTITUTE OF ADMINISTRATION,
AHMADU BELLO UNIVERSITY,
ZARIA.

NOVEMBER, 1997

CERTIFICATION

This project entitled, "THE MARKETING PROBLEMS OF TEXTILE INDUSTRIES IN NIGERIA: A CASE STUDY OF UNITED NIGERIA TEXTILES PLC KADUNA by AHMED TIJJANI ABUBAKAR meets the regulations governing the award of the degree of MASTER OF BUSINESS ADMINISTRATION (M.B.A.) of THE AHMADU BELLO UNIVERSITY and is approved for its contribution to knowledge and literary presentation.

M. S. Akande (no) M. S. Akande
SUPERVISOR SIGNATURE

1/9/2000
DATE

Professor Usman A. Zahradon Usman A. Zahradon
EXTERNAL EXAMINER SIGNATURE

17/02/2000
DATE

[Signature]
HEAD OF DEPARTMENT SIGNATURE



2/9/00
DATE

[Signature]
10 JUL 2004

DIGITIZED

PROF. M. A. CHADO
DEAN POST GRADUATE SCHOOL. SIGNATURE

DATE

DECLARATION

I, hereby declare that the project is a product of my research findings and that I am responsible for any errors committed and/or omissions. All works consulted have been duly acknowledged in the references.

Ahmed Tijjani Abubakar
AHMED TIJJANI ABUBAKAR

2/10/2020
SIGNATURE

1/9/2020
DATE

DEDICATION

Dedicated to my Mother and to the memory of my Father.

ACKNOWLEDGEMENT

I feel very pleased to pay respect to those who have in one way or the other contributed to the realisation of this study.

Firstly I am most grateful to God for making it possible for me to write this book.

I thank the course co-ordinator, Masters of Business Administration A.B.U. Zaria Mal. M. N. Maiturare.

I also thank my supervisor Mrs. M. Akanet she guided me through the course of the study and also took the unusual pains of reading through the scripts and making useful suggestions. I will not forget her simplicity and audience conducive enough for free discussion.

My profound gratitude and appréciation go to my Wife Binta Labo Mahuta for her encouragement. I will also not forget to express my sincere appreciation to the entire staff of U.N.T.L. However there are some I consider very important for the purpose of this project especially in the assistance they offered to me inspite of their numerous commitments. Foremost among them is Alhaji Fatahu Abdullahi who inspite of the demand of his schedule was patient enough to attend to research questions and enquiries. I am also grateful to Mallam Aliyu Ibrahim, the sales manager who also assisted greatly.

I am grateful to them all. May God continue to guide and bless us.

ABSTRACT

This work is an attempt to look at the marketing activities of UNT PLC Kaduna as a case study. The study is aimed at identifying those marketing problems that militate against the survival, successful and profitable operation of the company.

We are faced with high cost of production today, the threat of recurring recession and inflation, and increased government regulation. Some industries face intensive foreign competition and others have to contend periodically with shortages. People's values are fast changing. There is a growing demand for a better quality of life. There is concern about our social activities and physical environment.

These social and economic changes pose major challenge to business in general and to marketing in particular. To carry out this work successfully, questionnaire and interviews were used. Facts were gathered from respondent and analysed. The research found out that the current marketing operation of the UNT PLC leave much to be desired. For instance, the marketing department should wake up to its responsibility, narrow view of the marketing concept and marketing strategies and lack of market intelligence and research system..

The finding of this thesis is concluded by giving some recommendation on how best to improve on the effectiveness of the marketing operation under the present economic conditions.

TABLE OF CONTENTS

Title Page	i
Certification	ii
Declaration	iii
Dedication	iv
Acknowledgement	v
Abstract	vi
Table of Content	vii
CHAPTER ONE	
1.1 Introduction	1
1.2 Problem Definition	5
1.3 Relevance of the Study	6
1.4 Scope of the Study	7
1.5 Research Methodology	8
1.6 Limitations	8
1.7 Definition of Terms	9
1.8 Summary	13
CHAPTER TWO - LITERATURE REVIEW	
2.1 Introduction	14
2.2 Cultural Factors Affecting Textile Production and Sales in Nigeria .	17
2.3 Smuggling and Its Effect on the Nigeria Textile Industry	19
2.4 Marketing at a Glance	23
2.5 Production Concept	27
2.6 Product Concept	28
2.7 Selling Concept	29
2.8 Marketing Concept	30
2.9 Marketing Strategy	34
2.10 Marketing Mix Strategy	38
2.11 Promotion Strategy	45

CHAPTER THREE

HISTORICAL BACKGROUND AND ORGANIZATIONAL STRUCTURE OF UNITED NIGERIAN TEXTILES PLC KADUNA

3.1	Historical Background	50
3.2	Objectives of United Nigeria Textiles PLC	53
3.3	Organizational Structure	54
3.4	Operational Performance of the Company's Marketing Department	59

CHAPTER FOUR - RESEARCH METHODOLOGY

4.1	Introduction	62
4.2	Problems of Research in West Africa	63
4.3	The Structure of West African Enterprises	66
4.4	Primary Data	67
4.5	Secondary Data	73
4.6	Data Collection	75

CHAPTER FIVE -

5.1	Data Analysis and Interpretation	76
5.2	Company Goals and Marketing Goals and Strategies	77
5.3	Marketing in UNT PLC	82

CHAPTER SIX - SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.0	Introduction	96
6.1	Summary	96
6.2	Conclusion	97
5.3	Recommendations	99
	BIBLIOGRAPHY	104
	APPENDICES	107

CHAPTER ONE

1.1 INTRODUCTION

The textile industry by nature of its business has a very fundamental significance to the well being of man world wide, Nigeria inclusive. Man's consumption or use of textile goods has been increasing at a tremendous rate most especially with advance increase in economic development.

Since there is an increase in the demand for textile products by consumers, it is relevant to have a corresponding increase in marketing activities such as sales and promotional efforts. This therefore means there is the need to put into practice the marketing concept.

Today most nations regardless of their degree of economic development or their political philosophy are recognising the importance of marketing. Economic growth in developing nations depends greatly upon those nations' ability to develop effective distribution systems to handle their raw materials and upon their agricultural and industrial output. Countries with some major state owned industries such as Great Britain, Sweden, and Italy are looking to modern marketing practices as a way to improve their economic health. Even communists countries (Russia and other Eastern European Countries) are using advertising, pricing and other marketing activities to improve their domestic distribution systems and to compete more effectively in international trade.

It is within the context or scope of this study to determine whether or not the marketing concept is being rightly applied to alleviate the marketing problems of United Nigerian Textiles Plc. This study also considered how modern marketing practices are applied in the textile industries.

Governments in the developing world today face far greater problems than what the developed countries face during their industrialization. There has not been gradual building up of resources over hundreds of years as was the case in Europe prior to its industrialization. There seems to be too many people, as a result for is scarce, and capital is in short supply. Only manpower seems to be abundant. In many ways, the difficulties of marketing in the third world has been on the increase because of the impact of the developed world.

In many situations the government is probably second to the consumer in importance as an external influence on marketing. Anything that is so much a part of our economic system as marketing is bound to be influenced directly by governmental actions. Government intervention takes two forms. First the government officers aid on a voluntary basis to businesses, to foster competition and to increase business efficiency. Federal agencies publish many different sorts of information of considerable value to marketing people. At the state level, many states offer programmes in distributive education (retailing) with Federal support.

The second form of governmental intervention involves regulation and control. Government interventions or regulations come about because (1) private industry is either unable or unwilling to accept its responsibility for acting in the public interest or (2) special interest groups foster the legislation. Because of the inability or refusal of private business to accept its responsibilities, we have the various antitrust laws, laws prohibiting unfair competitions and legal restrictions on advertising. This study will determine how governmental influence has affected

the marketing of the products of textile industries in Nigeria. One of the marketing aims is the ability of a marketer to maintain his position in the market which if not fulfilled or partially fulfilled can lead to a failure in the business. Also the development of a new idea for a product and a new market with its special needs should be studied by the firm extensively for better application or management.

Looking across the country and the industries within, one can discover that marketing is still at its infant stage in the Nigerian Textile industry. It is the aim of this study to find out why this is so and how it can be improved. The research has thoroughly examined the marketing problems of United Nigerian Textiles PLC Kaduna and has given suggestions and recommendations taking into consideration global implications and particularly, Nigerian economic situation.

Apart from the fact that clothing (which is part of textile products) is one of the basic necessities of man's life, other benefits of the textile industries include development and employment opportunities.

Considering the ways Nigerians fashion by using the textile materials, one can classify products coming from the textiles as second to food in the hierarchy of basic needs.

Location is a very important factor in marketing decisions. Most of the heavy textile factories are located in the urban centers such as Kaduna, Lagos, Aba and Kano to mention but a few. The government has banned the importation of some foreign textile goods so as to orient us to accepting or patronizing the locally produced ones. This will also serve as a protection for the local industries.

However, many foreign textile materials of the type produced in Nigeria still flow in the Nigerian markets. This study will look at why the Nigerian textile industry has not meet up to this challenge which is affecting both the quality and prices of their products so as to chase the foreign textile goods but of the Nigerian markets.

In order to examine the marketing problems of the Nigerian Textile Industries, this work has been divided into six reasonable chapters.

The first chapter is dealing with the problem being investigated, the relevance of the study, scope of the study, limitations of the research and definition of terms.

The second chapter which is the literature review looks at the development and present state of the textile industry and factors affecting textile production and sales in Nigeria.

Chapter three deals with the historical background of United Nigerian Textiles PLC which is the case study for the purpose of this research.

Chapter four is the research methodology. It deals with the various techniques adopted in collecting the information for this study. The use of the questionnaire was adopted, interview was conducted and relevant textbooks and bulletins used.

Chapter five deals with the presentation and analysis of the data collected in the light of the company's goals, policies and marketing objectives to determine their direction towards price, promotion, distribution and the marketing information factors for marketing success and marketing problems.

Chapter six summarises the study. It also draws some conclusions and gives some recommendations as to how to address the marketing problems of textile industries in Nigeria as identified through the research.

1.2 PROBLEM DEFINITION

The key problem of this study is to determine why the textile industry has failed to measure up to expectation in the Nigerian textile market. The study examines the resulting hardship experienced by both the industry and the people.

For many years back the Nigerian factory workers have experienced very alarming and pressing hardship. There has been series of lay-offs. This has made a lot of employees to lose their jobs without corresponding compensation for them to set up another means of livelihood. The consequences has contributed to the socio economic problems in the country. The textile industry workers were about the greatest victims. This is because the industry is not making enough profit to maintain the owner's wealth and to pay workers' salaries and allowances. This is because the industry has failed to incorporate the ideals of the marketing concept that would have helped the textile in solving some marketing problems facing the industry. This study attempts to identify such problems and to examine how marketing strategies can be employed in managing such problems.

The case study for this research which is United Nigerian Textiles Plc Kaduna is a manufacturer of women wrappers, bed sheets, thread and men's materials.

1.3 RELEVANCE OF THE STUDY

All over the world, substantial recognition has been accorded to the significant contributions that textile industry could generate in accelerating the tempo of economic development especially in the developing countries.

Apart from the basic or primary function of the textile industry in provision of clothing for men, there are numerous other significant roles of the textile industry. These other roles include the fact that they are vital instruments for generating economic growth. In addition, they diffuse industrial skills, create job opportunities and reduce rural-urban migration.

Furthermore, the textile industry provides capital saving and creates employment opportunities. The textile industry has been identified as the largest single employer of labour after the government.

Also the textile industry helps to increase foreign exchange earnings. This is usually done either through import savings or through export promotion, i.e. expansion of exports of textile products.

The textile industry also contribute in the mobilization of the hitherto untapped local resources.

The textile industry promotes regional dispersal of industrial development and a more equitable distribution of income.

It plays a vital role in the preservation of cultural heritage in that it takes cognisance of the cultural peculiarities of a society in producing their textile products.

Because of these contributions and many others by the textile industry, research into the problems confronting this industry has become very necessary with the hope of determining avenues or finding solutions to such problems so as to enhance the productivity of the textile industry.

1.4 SCOPE OF THE STUDY

Considering the global economic depression, finance and time factor constraints, the research is considering one industry as a case study. The study will examine in depth the marketing activities of the Nigerian textile industry towards identifying the problems confronting it. These problems as they affect United Nigerian Textile as a case study will surely provide some valuable insight into the marketing problems affecting the whole industry in Nigeria. The study serves as a guide to other prospective textile industries.

This study assumes that there is a total neglect of the application of the modern marketing concept in the marketing operations of the textile industry.

It also assumes that internal factors within United Nigeria Textiles PLC such as the marketing strategies adopted in the company adversely affect its results or operation as well as general external factors such as government and smuggling activities of textile materials into the country.

The study further assumes that the knowledge of marketing mix concept has not been understood in Nigeria in general.

The research intends to expatiate and to develop strategies for the application of the whole concept of marketing in textile marketing.

1.5 RESEARCH METHODOLOGY

This study is using United Nigerian Textiles Plc Kaduna as a case study. This study will required both primary and secondary data. For secondary data the research would rely on the data collected from the company so as to help it answer the questions or hypothesis formulated in respect of the marketing problems confronting the Nigerian textile industries.

In order to carry out this study, the researcher has decided to adopt or employ the use of the questionnaire and interview in getting the necessary data. These techniques will help in getting the necessary information about the problem under consideration.

The interview will help in answering some silent questions not addressed by the questionnaire. It will afford the interviewer the opportunity to make personal expression a detailed manner where the questionnaire makes no provision for so.

1.6 LIMITATIONS

Research of this nature will normally be subjected to certain constraints. In many cases the constraints will not be within the control of the research study. One of the most pressing handicap or constraints is the finance. Lack of sufficient fund does not allow the researcher to take the study not to have conducted in a wider perspective, hence the use of case study.

Another constraint is the human factor. Human-beings being what they are serve as a constraint in studies of this nature. At times there may not be the willingness from the human side to allow the free flow of facts finding in such

organization as a result of management bottle neck. For reasons best know to them, the human beings at times maintain secrecy or confidentiality in respect of some information sources within the organization. Thus not every detail demanded is given. Nevertheless, every effort was made in gathering the data that the study require, hence the report.

1.7 DEFINITION OF TERMS

In order to clarify issues as regards the meanings given by the researcher with other meanings, definitions of some terms are hereby given. This is also to provide more meaning to both the person undertaking the study and any other person interested in the study.

(i) MARKETING

Systems definition of business marketing defines marketing as the creation and delivery of a standard of living which involves finding out what consumers want, then planning and developing a product or service that will satisfy those wants and then determining the best way to price, promote and distribute that product or service. Stated in a more formal way therefore, marketing is a total system of business activities designed to plan, price, promote and distribute want satisfying goods and services to present and potential customers.

In a business firm, marketing generates the revenues that the financial people manage and the production people use in creating products or services. The challenge that faces marketing is to generate those revenue by satisfying consumers' wants at a profit and in a socially responsible manner.

No matter what the economic climate, marketing considerations are the most critical factors in planning and decision making. In the American socio-economic system, the national association of manufacturers expressed it thus: 'In this exciting age of change, marketing is the beating heart of many operations. It must be considered a principal reason for corporate existence.

(ii) **MARKETING CONCEPT:**

This is an entirely new way or new philosophy of business thinking based on three fundamental beliefs:

- (a) All company planning and operations should be customer oriented.
- (b) Profitable sales volume should be the goal of the firm and not just volume for the sake of volume alone.
- (c) All marketing activities in a firm should be organisationally coordinated.

In its fullest sense therefore the marketing concept is a philosophy of business that states that the customers' want satisfaction is the economic and social justification for a firm's existence. Consequently all company activities must be devoted to finding out what the customers want and then satisfying those wants while still making a profit over the long run.

(iii) **MARKETING MANAGEMENT:**

For a business enterprise to realise the full benefits of the marketing concept, the philosophy must be translated into action. This means that the

marketing activities in the firm must be fully coordinated and well managed and that the Chief Marketing Executive must be accorded an important role in company planning. As those two moves occur, marketing management begins to develop. Marketing management in other words, it the marketing concept in action.

iv. **MARKETING SYSTEM:**

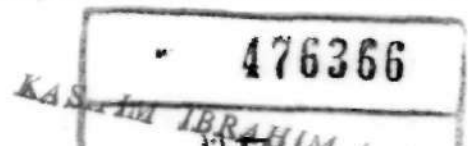
An increasing number of companies are adopting:

- (a) a fact-based approach to solving their marketing problems.
- (b) a coordinated effort in the management of their marketing programmes.

In effect these companies are applying systems theory and analysis to their marketing activities. Webster's new collegiate dictionary defines system as a regularly interacting or interdependent group of items forming a unified whole. A series of flows connects the items and is the means by which these items interact.

In marketing, the interacting or interdependent group of items includes the:

- organization doing the marketing job.
- Product, service, idea, or person being marketed.
- Target market
- Intermediaries helping in the exchange (the flow) between the marketing organization and its market. These are the retailers, wholesalers, transportation agencies, financial institutions and so on.



- Environmental constraints, demographic factors, economic conditions, social and cultural forces, political and legal forces, technology and competition.

The simplest marketing system consists of two interacting elements viz the marketing organization and its target market.

(v) **THE MARKETING MIX:**

Marketing mix is the term used to describe the combination of the four inputs that constitute the core of a company's marketing system: the product, the price structure, the promotional activities and the distribution system. These four ingredients in the mix are interrelated. Again we see the systems concept: decisions in one area usually affect action in the others. Also each of the four contains countless variables. A company may market one product or several-related or unrelated. They may be distributed through wholesalers or directly to retailers and so on. Ultimately from the multitude of variables, management must select the combination that will best adapt to the environment. Management is seeking the mix that will lead to the optional synergistic results.

(vi) **MARKETING PLANNING:**

An effective marketing programme is influential in a firm's well being.

Marketing planning involves setting goals and strategies for the marketing effort in the firm. This planning would include the development of long range programmes for the major ingredients in the marketing mix

- the product, the distribution system, the pricing structure and the promotional activities. Realistically, however, planning in all these areas must be done concurrently and must be carefully coordinated, because each element in the mix interacts with every other element.

1.8 SUMMARY

This chapter introduces the whole purpose of this research by clearly specifying things like the objectives of the study, scheme of study and definitions of some basic terms.

In searching for the data many problems were faced by the researcher despite all safeguards and explanations of the purpose of the study to many of respondents. They were reluctant to answer questions they felt were sensitive to their business. They had suspicions that the study had something to do with taxation and consequently refused to answer some questions.

Moreover not all records are kept. As such up to date or accurate information about some issues could not be obtained. In spite of all these limitations however, the study has been successful, conclusions drawn and suggestions made will not only be useful to the textile industry alone but to Nigeria at large.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Textile products are as early as civilization of man. The products are apart and part of man's daily life. Their significance (clothing) is a basic necessity for man. Textile products are used for clothing, home furnishing and for various industrial purposes.

It has been proved through archeological evidences that fine quality of textile products were made thousand years before written records noted their existence.

The issue of textile industry cannot go without mentioning the industrial revolution of the sixteenth and seventeenth centuries in Europe. The revolution brought a change, that is from home made textile products to factory product. The change from home to factory saw a mass production of textile products. To this effect the production of raw materials for these factories were affected, thus the growth and production of cotton and wool became the concern of governments in the affected areas if not the entire world. Because of industrial advancement, the production and marketing concept also developed to meet the advancement.

According to Joseph (1980) the first manufactured fiber was rayon and it was developed, marketed and made into a practical reality in the early 1930s. Years after then have seen major changes in the manufacturing process and in equipment involved with the production of yarns and fabrics.

In Nigeria, among other industries, textile industry is one of the oldest ranging from cotton spinning mills and other cottage industries found mostly in the Northern and Eastern parts of the country. Adegbite (1980) noted that these mills specialised in the production of finished cotton textile goods such as sewing thread, hair plaiting thread, under and outer wear fabrics because the basic raw material (cotton fibre) was produced locally and was readily available then.

In addition to this development as a step towards advancement, Nwosu (1984:22) noted that the manufacture of textiles from man made fibre, was introduced in Nigeria around 1968.

In today's Nigeria, there are several companies involved in the production of textile products. These include the United Nigeria Textiles Plc Kaduna, Kaduna Textiles, Gaskiya Textile Mills Kano, The Aba Textile, Zaria Industries Ltd and a lot of others.

According to Akhile (1979) the textile industry is the largest employer of labour after the public sector of taxation, excise duty, man-power development and applied technology.

In line with this is the write of Adekeye (1990) that after the civil service, the textile industry is the second largest employer of labour. Commenting on remuneration, Adekeye said only the oil sector and the merchant banks are remunerating their junior employees better than the textile industry.

In the early 1980s the textile industry was badly hit by the economic recession, most of the workers were laid off.

Also with increase in population and some kind of awareness, the locally manufactured products could not meet the need of this large population. Thus Nigeria witnessed a heavy importation of textile products. The situation should have been a good marketing opportunity for Nigerian textile to produce more.

In line with its responsibility for the protection of her economy, the Nigerian government did not fold arms to keep on with such importation, Nwosu (1984) noted that this state of affair was not considered healthy for the economic and technological development of the nation. The government of the land therefore sought a gradual but steady replacement of this state of affairs with a Nigerian based industry to be established and maintained in Nigerian in order to meet Nigerian's textile requirement in quantity and in quality.

Therefore individuals, business organisations and state governments were encouraged to set up more textile factories.

In order to facilitate the move the government imposed a ban on the importation of foreign textile materials through the import prohibition order legal notice No. 16 of 1978. The government policy was to revive the dying industries in order to boost local production. As a result of the prohibition, the then existing industries started working three shifts and were almost at full capacity.

Most of the textile industries in the country are known to produce different types of cloths. Among many others, they include scitings, shirting, ware blocks, drills, bahts coloured woven, satins, dermis, embodies, African prints, gingham, dyed shirting, dress prints, brocades, twills, tussones, rainbow coloured wovens, damask etc. To get the above, raw materials such as cotton, polyster, wool, nylon, viscose etc can be used. These can be used singly or in combination(s).

Nwosu (1984) painted art that the futures of the industry started experiencing down turn. The market situation in the industry declined, putting most of the textile firms in the country in serious financial squeeze. Many companies in the industry have cried out that they can not meet up their daily obligations. Many have folded up our night while others have resorted to the sad experience of retrenching their workers in order to remain afloat bringing about untold hardship to thousands of Nigerian workers.

This situation happened shortly after the ban on imported textile materials. At this point one would think that the home made or local industries would market their products well that is to have a situation of healthy business environment for the textile industry. In this investigation, Nwosu did not go further to say why the local industries faced such a down-turn.

At this juncture, one can assume that many factors contributed to the down-turn. Such factors includes lack of marketing concept, problems of marketing textile products in Nigeria, poor financial stand of the industry and lack of managerial skills.

2.2 CULTURAL FACTORS AFFECTING TEXTILE PRODUCTION AND SALES IN NIGERIA

Culture is a way of life of a people. It includes their language, mode of dressing and their pattern of behaviour in general. It plays an important role in shaping their behaviour. There are three major languages or tribes in Nigeria viz Hausa, Igbo and the Yoruba. Each of these depending on their ethnic regional inclination have their own distinct behavioural and cultural peculiarities. They are each noted with some kind of dressing pattern.

Also apparent in these languages is their differences in preferences in various textile designs, colour and texture used in their various areas. However, despite all the differences in dressing, there are some similarities.

The understanding and knowledge of these differences give direction into the textile fabrics and design preferences of the Nigerian people.

The idea of the culture will no doubt gear the textile industry to meeting the challenges of clothing in the nation. It will also afford the textile industry the opportunity to produce the right product for every target market thus upholding the marketing concept.

Colour preferences by consumers of textile products is of paramount importance. It is worth noting that colour preference by the Nigerian populace is fairly stable over time. The Igbos are known to prefer red, green and yellow colours. The Yorubas on their own part prefer dark and blue colours while the Hausa prefer plain colours especially white.

The concept of analysing textile as social documentation involves the idea that textiles and dress, as many other cultural artifacts, are socially significant and provide a visual record of social and historical events.

The visual events can include variety of pictures and prints ranging from international, national and local. Some examples include the print with the symbol of the All-black world festival of Arts and Culture held in Nigeria in 1977, all African games, picture of late General Murtala Ramat, pictures of the Nigerian map and the country's coat of arms and many more. In Nigeria people, especially women make a conscious solution of textile prints as a favourite type of cotton

fabric. Names are given to these prints by consumers and especially by market women. Thus by so doing the sales volume of particular textile prints is increased. The names given to these prints may not necessarily relate to the original designer of the prints.

Nwosu (1984) noted that when Nigerian public gives a textile design a name, sales consistently improve.

Textile producers must appreciate the fact that Nigerians view clothing or dressing very important and that serious attention is given to dressing or owning or weaving fine cloth and a bore full of fine clothing materials.

In addition the Nigerian consumer is a person of taste who knows what he wants and who often is prepared to pay the price of wore prints or textile fabrics provided they are of the desired quality and design and of the right tone of colour.

The inability or negligence of a textile producer to take culture and its implications into consideration, most especially as it affects the textile market poses the danger of experiencing poor and ever declining sales.

2.3 SMUGGLING AND ITS EFFECT ON THE NIGERIAN TEXTILE INDUSTRY

During periods of economic degeneration like the present situation of the third world countries, one can not but lament over problems that have maligned a people for ages and have defined applied solutions.

One of such written problems is smuggling. This stands as a them in the flesh and it has injected paralytic virus into the Nigerian textile industry and the Nigerian economy in general.

This is a very old problem which has been with us for a very long time. However its adverse effects are ever becoming much more pronounced and felt. The rate at which smuggled goods came into Nigeria day in day out is not only alarming but calamitous to the Nigerian economy. It has sent many of the Nigerian factories into a half capacity production or even a total shut-down of plants.

The rate at which smuggling is increasing every now and then makes one to think whether it has been legitimized. The society is not very much helping matters in this area because smugglers are no longer viewed as economic saboteurs but successful business men and women. The society is even beginning to accord this group of heartless individuals a place of honour and respect.

However the government is not usually silent or lenient about this economic sabotage.

None the less still, the Nigerian markets are dominated by the smuggled materials. The routes for these smuggled goods are usually foot and other unofficial paths along the Nigerian borders and sea ports.

The reasons for the survival of such economic vice despite all legislation are not far fetched they include:

- i. The attitudes of Nigerians in preferring foreign goods at the expense of the locally produced ones. A typical Nigerian does not care about the foreign country that makes a product, provided it is non Nigerian, he gives the product a place on top of the Nigerian products. It is common among Nigerian market men and women to tell a customer "it is foreign" when

they mean to boost the importance or value of their products- home made.

Imported goods are often associated with high aesthetic value, dependability and with lot's of styles to satisfy their particular desires.

This much importance attached to foreign textiles means a turn down to the locally produced textile materials.

- ii. Another reason for the Nigerian institutionalization of smuggling is the Nigeria's ambition of getting rich over night. However there are so many variables in play here. In other words the Nigerian ambition here is a function of so many things.

As earlier mentioned, in a typical Nigerian society the amount of respect or honour given to an individual depends on the amount of naira or wealth he possess. In other words there is a positive correlation between your honour in the Nigerian society and your money. With this problem therefore, there is the tendency by one to adopt whichever means to get money and earn a high place or respect among his people.

- iii. Another reason for smuggling in Nigeria is the corrupt mind of the unpatriotic Nigerian top security officers.

This group of Nigerian are empowered to impose the laws against smuggling.

Unfortunately, they work hand in hand with the smugglers. In many cases the smuggled goods belong to the security agents.

There are so many other reasons why the smugglers are able to keep their business moving.

One of such reasons is the obvious fact that the security officers at the national borders are not well equipped in terms of communication and mobility devices. There is also the lack of arms to the security officers. This makes them a step behind the smugglers who are at times well armed.

Furthermore most of the footpaths and other illegal routes are not known by the government as such there is normally no provision to man them thus paving way for the smugglers.

Among the unhelpful attitudes of some Nigerians is the provision of transit shed for smuggled goods by inhabitants of border villages and towns. In fact many of such inhabitants are smugglers.

In effect therefore, the attitude of Nigerians towards smuggling and smugglers provides a conducive atmosphere for such business. This is traced to the fact that smugglers find ready made marketers for their goods. The smugglers are able to sell at very exorbitant prices thus making a lot of profit. The smugglers are also the very important members of the society.

All these are very dangerous to the progress of the Nigerian economy in general. Many companies are reducing their production capacity. They cannot even sell the little they produce thus most of their warehouses are always filled with unsold stock. Because they can't sell, they don't generate any revenue to maintain the shareholder's wealth not even sharing dividend. As a result of this they continuously reduce their staff strength thus rendering Nigerian jobless.

2.4 MARKETING AT A GLANCE

Nigerian business environment in recent years has become so competitive. The failure of business organisations to understand marketing and its implications as well as application may render such organisations helpless.

With the increasing competition and economic recession internally and externally, marketing institution in Nigeria must be sure of their positions.

With the significance of marketing as a business activity has been defined in several ways by different people depending on how they perceive it to be in their own position of responsibility, circumstances and also as marketers in the marketing activities. Some of the definitions are viewed from a broader or macro system perspective. The argument or debate about marketing is considerable and it focuses on the appropriate domain for the marketing discipline.

Some view marketing as a set of techniques employed by business organisations to elicit desired response from other organisation or individuals. Other however have argued for the broadening of the range of organisations in which it can apply. such outlook is advocated far by the social system perspective which sees marketing in relation to the national economy and other aspects of the total cultural and social complex.

The American marketing association's official definition of marketing is "marketing is the performance of business activities that direct the flow of goods and services from the producer to the consumer or user". This definition unfortunately makes marketing sound largely like a distribution activity. In another way marketing begins only after a product or commodity has been

produced and ends when it is sold. Such a narrow interpretation is highly inappropriate because in well managed organisations, the marketing process begins before the good is produced and ends when it is sold. The definition does not indicate the marketing's role in determining what goods are to be produced. It does not indicate the specific business activities consisting marketing.

Marketing has also been described as "getting the right goods and services to the right people at the right place at the right time, at the right price with the right communication and promotion".

This information supplies an idea of the specific activities that marketers carry out. However it fails to define marketing activity broadly enough in that other things besides goods and services can be marketed. It also sees marketing as a business firm process rather than a social process.

Mc Nair (1968) defined marketing as "the creation and every of a standard of living". This definition takes a macro or social view of marketing. However it does not reveal the fundamental and universal nature of marketing.

Kotler (1980) on the other hand made a broad definition as "human activity directed at satisfying needs and wants through exchange process." Because of its difficulty, Kotler advanced another simple definition which looks as follow "human activity that takes place in relation to markets".

Butch and Houston (1985:21) have defined marketing as "the economic and social process by which society's needs are served through exchanges within the constraints of available and affordable resources". This definition views marketing as a economic process, as its participants seek gains often of a monetary nature,

it is a social process as its participants occupy well defined roles that necessitate social interactions if the process is to work, but finally the process is deficient by the availability and cost of resources.

Lavy Rosenberg sees marketing as "a matching process, based on goals and capabilities, by which producer provides a marketing mix (product, services, advertising, distribution, pricing etc) that meets consumer needs within the limits of society".

As a matching process, any miscalculation will lead to a failure. The definition is saying that a business organisation exists but selling its products and services. In carrying out this process it seeks to achieve its profit and other objectives.

According to Nwokoye (1987:2) marketing is "a set of activities that facilitate exchange transactions involving economic goods and services for the ultimate purpose of satisfying human needs". This definition tries to take into consideration some of the basic requirements of marketing.

Few out of many definitions, one can say that marketing is the set of skills that enable a business to determine in response to "the market" had resources including human are to be employed in terms of machinery, labour, design, materials, what is to be made, in what qualities, what size, what price range and where, when and how they are to be presented for sale.

It could be seen from all the definitions, that the starting point of marketing lies within human needs. That is all marketing activities are directed at satisfying human and wants.

Overhauling all these decisions, however, and ruthlessly measuring them must be the hard test of what Agbro described as "Rift and profitability".

Consideration of the two measurements constitute our modern day scientific marketing. A totally new approach to marketing has become necessary if business is to continue to sell profitably, what technological progress has indicated it can produce. The worlds' present population and the vastly changed distribution of income among the people of free world have wiped out many former ideas about marketing and have focused attention on science and on scientific management in the field of marketing. The number of families possessing discretionary buying income is increasing annually and the amount of money available for such non essential buying is a tremendous force in a free enterprises economy.

Only coordinated marketing management can adequately sustain the vastly increased productive capacity, maintain job opportunities and ensure profitable operations in industries. All company decisions are, as a result made in light of the known facts about the market.

The market has therefore become the focal point of management decision making.

In addition to the above, Rines (1981) pointed out that to survive and grow, a business must earn a satisfactory planned rate of profit. This statement is affirmative in the sense that a business firm engages many activities which involve many hands coming in, thus by maintaining such a stand it continues to serve its customers on a long term basis and fulfil its obligations to its own

managers and employees, its share holders, its suppliers, the local community and the society at large.

To accomplish this task, every one in the firm from the top management to the board room is involved to some degree in creating value for the customer or in minimising the delivered cost of the product or service. Being marketing oriented means encouraging everyone to consider his or her individual tasks and responsibilities with the interest of the customer in mind. It also means making everyone aware of the impact of his or her decisions and actions on the customer. It further means abandoning the idea that there are some people in the firm that serve the customer and others who do not or think that it does not matter.

Theoretically, the marketing function is essentially a matching process as described by Larry. It is concerned with the profitable matching of the firm's resources and capabilities with the requirements of the customer and it was the recognition and acceptance of the need to plan ahead to achieve the best match that result in the formalization of marketing as a scientific function and in the establishment of marketing departments within firms.

Understanding marketing orientation is understanding marketing concept.

The concept takes the following perspective:-

2.5 PRODUCTION CONCEPT

The production concept focuses on the factors necessary to manufacture or produce a product. The primary concern is in locating power supplies and machinery, adequate supply of raw materials, and the necessary labour. The idea that "supply creates its own demand" characterised this philosophy.

Kotler (1980) defined production concept as "a management orientation that assumes that consumers will favour those products that are available and affordable and therefore the major task of management is to preserve improved production and distribution efficiency".

The concept has the following premises:

- i. Consumers are primarily interested in product availability and low price.
- ii. Consumers know the prices of the competing brands.
- iii. Consumers do not see or attach much importance to or on price differences within the product class.
- iv. The organisation's task is to keep improving production and distribution efficiency and lowering costs as the key to attracting and holding customers.

Management uses the production concept when there is more demand than supply and manufacturers are able to sell all that they can produce. The attention of management here is focused primarily on improving production methods. The close example that can be used is the Harmony Brothers Nigeria Ltd dealing in foot and children wears. They set their prices lower and continue improving production methods when compared to other foot wear companies.

2.6 PRODUCT CONCEPT

In this concept management assumes that consumers will favour technically sophisticated products.

Kotler saw this concept as a management orientation that assumes that consumers will favour those products which offer the most quality for the price

Kotler defined this concept as "a management orientation that assume that consumers will either not buy or buy enough of the organisation's products unless the organisation makes a substantial effort to stimulate their interest to resist buying most things that are not essential.

- i. Consumers have a normal tendency to resist buying most things that are not essential.
- ii. Consumers can be induce to buy more through various sales stimulating devices.
- iii. The organisations task is to organises a strong sales oriented department as the key to affecting and holding customers.

2.8 MARKETING CONCEPT

This concept focuses on the satisfaction of the consumer's need as the key to satisfying organisational goals. To achieve these objectives, the emphasizes an orientation of the firm's product toward consumer satisfaction. The philosophy holds that the consumer is the lifeblood of the organisation since if he does not buy, firms can not sell and the aim of the firm is to produce and sell so as to be in business. Profit is to derived if customers are satisfied. Therefore controls for programs desired to bring about desired exchanges with target audiences should be analysed, planned and properly implemented, for the purposes of mutual gains.

Butch and Houston (1985:35) thus defined the concept as "the managerial philosophy that maintains that on organisation must integrate and co-ordinate its objectives.

Urdell and Laznick(1981:7) on their own part remarked that the marketing concept has four dimensions:

- i. Profits are the major incentives for being in business and a pre-requisite for being in business. It is the major incentive for the entrepreneur to assume risk.
- ii. The satisfaction of customer desires through the provision of goods and services is the economic justification for the existence of a business.
- iii. The satisfaction of customers desires is the means to attaining their patronage and attaining a profit. Thus both society and firms try to benefit when management identifies customer's needs and desires with a view to effectively designing, producing and marketing a product.
- iv. The profitable satisfaction of customer desires require an integration and coordination for efficient operation. coordination should be both internal and external. Internal coordination is directed at product planning, pricing, promotion and distribution which are highly interdependent. In addition to this, the marketing programme should be well integrated with the other operations of the firm. This could be achieved through the acceptance of the marketing concept by all departments. Therefore the marketing concept is a total philosophy which provides a common focus for all elements of the enterprise. In so doing it helps to bring business and society into a meaningful and mutually beneficial relationship.

Since its inception, the concept has been adopted by many business firms. Because of its role Jolson (1987) pointed out that "the marketing concept is so

ambiguities in the marketing classroom that the student of marketing is generally led to believe that the firm which fails to employ this philosophy is a business criminal.

The rise of consumerism however, shows that the concept has its own shortfall. In other words, the acceptance of the concept has not eliminated customer dissatisfaction.

Despite the acceptance of the marketing concept, in a sellers market like Nigeria, the concept still remains at its rudimentary stage. This is as a result of lack of mass production of goods and ready substitutes. In addition there is the lack of awareness of the tenants of the concept, poor consumer education, horizontal collusion by producers and resellers in nearly all industries. The unwillingness of marketers to give the concept a chance is also a contributing factor. The low level of technology, the market structure, planning, organisation and style and environmental stability strive the minds of firm's marketers to give the concept due respect.

The comment of Uche (1980) throw light as to why the concept is a myth in Nigeria.

"It is a country where locally manufactured candles burn out in a few seconds, where locally manufactured bulbs are replaced after every other day, where locally assembled vehicles are but shadows of their present stock, where locally produced fabrics do not stand the first way and where locally manufactured shoes lose their sales after the first use in the rains, the poor consumer is treated like an orphan even before he is born".

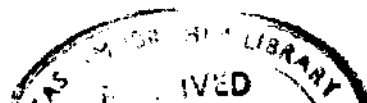
Some highly competitive industries have and are still making efforts to practice the concept e.g. soft drinks industries. The present economic depression has succeeded in reducing the purchasing power of consumers thus making the volume of business activities in less competitive industries to rationalise their marketing practices. It would appear that what mass production did in bringing about the concept in developed countries, reduction in purchasing power in Nigeria is doing like the tonic to its implementation.

The benefits of the marketing concept are not only to organisations in terms of corporate goals, but play a vital role in protecting consumers and ensuring social responsibility. The key role of the concept is attracting public organisations to call for professional marketers. According to Kotler and Levy (1967) "the choice facing those who manage non-business organisations is not whether to market or not to market, for no organisation can avoid marketing.

The chance is whether to do it well or poorly...". Thus the chance to market the organisation's product a service can not be successful except if the marketing concept is fully applied.

When the marketing concept is implemented, there are a number of benefits to be derived. Such benefits include:

- (i) Risk Reduction - this arises due to effective market research, the scientific acquisition and analysis of market data relevant to decision making and better market and sales forecasting.
- (ii) Planning of business - is improved as a result of identification and assessment of future market trends and opportunities and the acceptance



of planning discipline based on defined objectives with which all departments must gear their programmes.

- (iii) Creation of competitive power because of marketing skills acquired and with the technological advancement.

However, there are some limitations such as internal dissension, increased cost and lack of suitable personnel.

2.9 MARKETING STRATEGY

Nigerian business environment in recent years has become very competitive so that without the use of strategies, success in business may not come. Business operations are becoming harder, more competitive and more intensive because of notable changes being experienced in our society today. With this nature of business environment, marketers must take a stand. Business organisations regardless of their sizes, must endeavour to keep their present customers and struggle for more prospective ones with their offerings to the markets.

Nigerian society is influenced by complex environments factors such as social, political, cultural, religious and economic forces where interactions create new business environment.

To achieve an appreciable degree of success in operation in Nigerian competitive business environment, marketers must devote a lot of time, money and energy to their development and implementation of marketing strategies.

At this stage, for clarification, I would like to examine the term "Strategy". The word strategy is derived from a latin word "Strategies" used in military to mean "the art of a general". This term has been adopted to solve marketing problems.

Andrew (1971:28) defined Strategy as:

"The pattern of major objectives, purpose or goals, stated in such a way as to define what business it is in or it is to be and the kind of company it is to be. In a changing word, it is a way of expressing a persistent concept of the business so as to exclude some possible new activities and suggest entries into others."

The definition spelt out the concept and the process that can lead to the concept.

Furthermore, Gluek and Joach (1984:8) see strategy as "a unified, comprehending and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the enterprises are achieved through execution by the organisation."

On the other hand Hofer and Schendel (1978:25) defined strategy as "the fundamental pattern of present and planned resource deployment and environmental interactions that indicate how the organisation will achieve its objectives."

A strategy is therefore concerned with the long term survival and growth of an organisation. It involves the chance of objectives," the search for opportunities and the identification of the opportunities must be feasible given existing resources.

Rase and Keni (1973:132) outline the importance of strategy as "without a strategy, the organisation is like a ship without a rudder, going around in circles. it is like a tramp, it has no place to go."

With increasing risk and uncertainty of time in the business environment, organisations are turning to strategic marketing as a means for combining growth, profitability and viability of their firms.

According to Kotler (1980:272) marketing strategy is "a consistent, appropriate, and feasible set of principles through which a particular company hopes to achieve its long run customer and profit objectives in a particular competitive environment."

Giving his own definition, Kelly (1972:80) defined marketing strategy as "the fundamental marketing logic by which the business unit intends to achieve its marketing objectives." This is done through:

- (i) Well defined target markets, including the types of customers the firm wishes to reach and
- (ii) The composition of the marketing mix.

Three strategic decisions are left when the market, resources available and the environment have been analysed as objectives to be reached.

The decisions are:

- (a) Should we use a total market or market segmentation - product positioning approach?
- (b) Should we attempt to differentiate our products in the minds of our existing and potential customers and how do we view our position in the market?
- (c) What marketing mix strategy should we use?

The first question is geared towards choosing target markets and working out the opportunities in them. It is clear that to satisfy specific needs and requirements of every customer is not possible, hence there is the need to group customers into similar needs and to reach them with distinct common market efforts.

If a marketer chooses to segment his market, as a base for segmenting, he may use any of the following criteria:

Geography:- The market is subdivided into smaller units like country, region, states etc.

Demographic Variables:- These include education, sex, income and nationality as means to segment his market.

Psychographic Variables: These include life style and personality of individuals.

This approach is a behaviour's variable adopted to satisfy certain group of customers. To do this well, a marketer should segment based on where customers buy, why they buy (motives), when they buy (time), how they buy or the benefit which the consumer wishes to obtain from the use of the product.

The second question refers to competitive marketing strategies and their effectiveness. In this regard the company takes into consideration factors such as company's competitive size and position in the market; the company's resources, objectives and policies, competitive strategies, the stage of the product life cycle, etc.

In terms of market share a company may assume any of the following:-
Market leader, market challenger, market follower and market richer.

The third question addresses the issue of marketing mix strategy which is a combination of man power and other resources and inputs needed in the marketing programme to fulfil objectives and plans in the market place.

2.10 MARKETING MIX STRATEGIES

Marketing mix is the firm's total offering to the market, this includes internal elements of product, price, channels distribution, direct and indirect promotion and external elements of markets competition, other company products and programmes, and environmental factors. A marketer in forming his strategies must integrate all the elements.

Various attempts have been made to develop a list of the basis of marketing mix variables (a term first used by Neil Borden). No matter what criterion is used no real difference between one list of mix ingredients and others put forward in the literature or in practice. Nevertheless, McCarthy has outlined a four factors classification called the 4Ps in marketing (product, price, price, place or distribution and promotion).

The extent to which the marketing performance level as well as firm's ability to adopt changes depends on the manner in which each of the marketing mix components listed above is evaluated and implemented. To achieve a pure mix may not be possible so firms need marketing strategies in order to blend marketing decision areas into optimal, or best possible combinations. The idea of blending of marketing offerings involves balancing the cost incurred against

subsequent revenue derived from the product or service being distributed at various prices and communicated via different promotional programmes. In evaluating the elements, assessment should not concentrate on macro environment factors influencing these offerings but also impact of these offerings on the total environment. From this, the effectiveness of the marketing strategy will be determined. A marketer may adopt the following marketing mix:-

(a) **PRODUCT STRATEGY**

Urdell and Lazniak (1980:232) see a product as "a bundle of potential satisfaction produced by nature and industry to be sold in the market place. As such the product usually has physical, psychological and sociological dimensions."

This concept of the product is not limited to the physical entities and service activities, but of importance is the product policy decisions that give the firm a competitive advantage as well as control of all marketing. One of the principal purposes of all executives involved with product decisions is the development of a conscious effect towards matching product with the firm's resource capabilities. The focal point of a firm's marketing mix decision is the product policy decision.

Some other strategies that can be adopted by a firm are in the areas of the product life cycle, new product introduction and packaging. Each of these positions call for distinct strategic approach.

A product strategy is only effective in strategic terms, when it is capable of earning sufficient returns during its total life-cycle in relation to the point of recovery of investment made on it. It is only at the point of recovery of investment that a firm can begin to address the question of extra returns or profit.

(b) PRICING STRATEGY

This is a very different area when a marketing manager is called to make a decision. Arriving at an extra price and how to work it out so that it would not favour your competitor is a complex issue. The benefits for the right price are sales, profit and an advantageous market position. Price in business is a measure of product or service. This is important because they shape business profits by indicating the margin between revenue and operating costs.

To say that profit maximisation is the only key issue businesses strive to achieve may not be so correct because profit is just one of the several pricing objectives.

Price is the value of a product expressed in terms of Naira and Kobo. Pricing is the art of translating into quantitative terms (Naira and Kobo) the value of the product to customers at a point in time.

However, the notion of the value here is flexible and objective and is basically determined by the customer. Value may be concrete such as the cost savings of replacing a worn-out tune with a new one. It may be intangible such as the owner's pride in having a new car. The same product may have a different value for the same customer over time. Having a sport car may seem important to a 19 year old, but by the time the person reaches 25 years he may be more concerned with economy or safety.

Considering the objective of pricing, a firm may go for more than one objectives at the same time. While it pursues maximum profits in the short and long run, it may also wish to maintain good relations with labour, the government,

and the consumers. It may wish to build a good image for the entire company even at the face of decreasing profits. The firms' pricing decisions will reflect all these objectives.

PROFIT ORIENTED OBJECTIVES

Each time we talk of pricing decisions, the main goal is often to make a profit.

(i) **PROFIT MAXIMISATION:** Each company no matter the size strives to maximise profits. There is nothing wrong with this, only the term "profit maximisation" has an ugly connotation. Each time the term comes up, it starts sounding like profiteering, high prices and monopoly.

However, what actually makes profit maximisation useful from the economic point of view can be seen in the following explanation. If profits became unduly high because supply is short in relation to demand, new capital will be attracted into a field to better balance demand and supply. No monopolistic situation can exist indefinitely. People suddenly find substitutes. A clear example is the current bread market. With the rising price of a loaf of bread, consumers readily find "solace" in beans cakes (akara or kosai).

If a firm goes for a price that maximises profits in short run, it may lose the opportunity to establish a market chiete, thus leaving the field open for competition. To maximise profits over the long run, companies may have to accept short run losses.

(ii) **TARGET RATE OF RETURN ON INVESTMENT:** Many firms have a predetermined level of profit and work towards it. This is generally known as

target rate of return on investment. This serves as a new product live. The actual market conditions in each industry dictate the target rate.

Companies who use target return pricing set a rate of return that they consider satisfactory and then calculate a price level that will guarantee that rate if their plants are operating at perhaps 80 percent capacity.

(iii) SATISFACTORY PROFITS:

Some firms are not interested in maximising profits or in target rates. Instead they seek a satisfactory level of profits. Prices are determined from costs so that a satisfactory return on investment is forthcoming. What is considered satisfactory may change internal needs - need for increased production, stockholder pressure and other external needs like pressure to clean up the environment.

VOLUME ORIENTED OBJECTIVES

Firms strive for variety of volume oriented objectives. In most cases, the more the volume of sales a particular firm, the more idle spread consumer acceptance of the firms products.

- (i) Maximisation of Sales Revenues:** Many businesses have traditionally pursued maximum sales revenue through high volume of sales. Common sense has it that sales growth is a positive business indicator, that high sales lead inevitably, to high profits, and that high production levels build a sizeable work force. However, recession and economic shortages as we are now witnessing in Nigeria have resulted in a re-examination of this volume oriented thinking. Firms have realised that sales growth does not

necessarily lead to higher profits. Certain product lines with high marginal costs may be popular with customers, but may yield only limited profits for the firm.

(ii) **MAXIMISATION OF MARKET SHARE** - The pricing policy of a firm is geared toward maximising the firm's market share when volume is increasing, but the firm's competitions are fast increasing and multiplying, a false sense of security may prevail. To off set this danger, firms keep a close watch on their percentage of market share. In a competitive market situation, firms reduce their prices in order to maintain their share of the market.

(iii) **MAXIMISATION OF CUSTOMER VOLUME** - A business firm may choose to offer unusually low price in order to increase dramatically the number of customers using its products.

STATUS QUO OBJECTIVES

So far we have seen how pricing strategy can be used to bring about changes in the market place. But when a favourable situation exists, any change represents a threat, whether from customers, competitors or government. to protect its position, a firm may pursue status quo oriented objectives.

(i) MAINTENANCE OF MARKET SHARE

Many firms are satisfied with just being able to maintain their market shares. A dramatical increase in a firm's market share may automatically attract government actions. Moreso, the process of increasing the market share is very expensive, and may eat into the profit.

(ii) MEETING COMPETITION

Many firms price to meet competition. In an industry where there is a price leader, and where the product is highly standardised, most firms have a follow-the-leader policy. Petroleum companies are examples. They simply set their prices to meet competition. The major firms usually wait until they have proof that the price in a market has broken. Then they cut their prices in order to meet competition.

(iii) MAINTENANCE OF IMAGE

For a company to survive and prosper, it needs a solid image in the market place. If its basic strategy is to produce high quality, high prestige goods, then putting out a low budget line could damage the company in the long run even if the economy line made initial profits. A company respected for putting up in expensive but reliable goods could tarnish its image and reputation by promoting a different line that long time customers see as "show" or "snobbish."

(iv) MAINTENANCE OF STABLE PRICES

Some firms choose to keep prices stable because they fear to go into a price war. Security minded executives believe that stable prices lead to stable profits and stable job tenure. Price stability is seen as being important to the overall well being of the firm. As such an industry leader usually fights for stable industry - wide price policies. An example is the current instability in the global oil.

(v) ACHIEVEMENT OF CERTAIN MARK-UPS

Wholesales and retailers are especially likely to rely on mark-ups. It may

be difficult for them to calculate demand or operating costs for their many products. These mark-ups became a convenient means of making pricing decisions. It is assumed that mark-up policies if properly arrived at will lead to favourable market share and profits.

(vi) **RECOVERY OF COST:**

Non-profit organisations must rely on various types of fees in order to help offset their cost. These 'prices' though not enough to meet the financial needs of these organisations, do provide funds for day-to-day operating expenses.

PROMOTION STRATEGY

The promotion activities of companies are usually classified into four basic categories:-

- (i) **Advertising** - Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- (ii) **Personal Selling** - Oral presentation in a conversation with a customer or mere prospective purchasers for the purpose of making sales.
- (iii) **Sales Promotion** - These marketing activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and exhibitant, demonstrations and various non-recurrent efforts not in the ordinary routine.
- (iv) **Publicity** - Non personal stimulation of demand for a product, service, or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it upon radio, television or stage that is not paid for by the sponsor (Rosenberge P.406).

Most companies go beyond the effectiveness/efficiency factors in determining which elements of the promotion mix to use. They also use the following factors:

- (a) **Life Cycle Stage:** There are basically five stages in the product life cycle - introduction, growth, maturity, saturation and decline. The promotional emphasis changes with each stage.

During the introductory period, the marketer must stimulate primary demand - demand for the product itself, rather than for a particular brand. Here the objective is to create awareness, and advertising is the best to build demand. Personal selling is also useful if the product is to be pushed through the trade. Trade shows, fairs and conventions also help to push the product through the trade or channel members.

Publicity is often useful at the introductory period as it works to dismantle resistance and negative attitudes to the new idea.

During the growth phase the marketer is all out for higher volume and a greater share of the market. The promotional mix at this point demands increased advertising. But unlike the initial phase the message has to change from information to persuasion. Marketers now face keen competition and they must emphasize the benefits and advantages of their products over competition. Selective demand creation is the aim of advertising at this stage

In the maturity and saturation phases, a balanced promotion mix is used to maintain the sales level.

During the decline stage however, new products overtake old ones, which are finally abandoned. Unless sales can be revived by a change in the market or by repositioning the product, promotional expenditures are usually reduced substantially or eliminated during this stage.

Commenting on the promotional strategy, Bush and Houston (1985:625) noted that promotional strategy of an organisation covers all marketing strategies designed to communicate to the market place usually through a set of activities, the nature of the organisation and its marketing effort.

People act and react based on the information received. Therefore, promotion must persuade buyers that positive consequences will be realised from consumption of the firm's product and that these consequences are more positive than those of competitor brands.

We have seen that the components of promotion include advertising sales promotion, personal selling, packaging, public relations and publicity. They are sometimes referred to as the promotional mix.

The distribution strategy of a firm is the channel structure used to transfer products and services from an organisation to its markets. According to Nwokoye (1981:131) distribution channel is "the combination of institution through which a seller markets his products to the ultimate buyer. By institution, we mean middlemen like distributors, retailers and agents."

Bucklin (1976:86) defined marketing channel as "comprising a set of institutions which perform all activities (functions) utilised to move a product to its market and its title from production to consumption.

In handling distribution, a marketer has three major decision areas to focus his attention. These include the choice and length of channels, the intensity of distribution to be adopted and the physical distribution strategy.

In the first place the marketer decides on the nature of channel members he wishes to employ. Taking decision on this aspect is greatly influenced by the nature of his products, the size and nature of customer demands, the price of unit sale and the extent of the seller's product line.

The second decision variable centered in the area of trade channel policy. A marketer decides on selective distribution which is a policy of selecting a limited number of retailers or wholesalers and working closely with them to further the sales of his merchandise.

The last element in the distribution mix is the physical distribution. The role of marketer is to map out strategies relating to transportation, storage, warehousing, inventory control and other logistic decisions involved in moving the goods from the place of production to the ultimate consumer or user.

Distribution strategy must be coordinated and carried out most efficiently and effectively because most of the cost of marketing is tied to the cost of distribution and relative efficiency will mean substantial decrease in the total cost of marketing which must be reflected in the prices of goods and services.

To be successful therefore, management must coordinate and integrate all the marketing efforts usually the 4Ps in such a way that the sum total of the results obtained is promising. The integration and coordination should go beyond marketing functions to include other functional areas of the firm. Through this the company can be able to reap the opportunity available to it.

Finally, we have so far seen that marketing is a very important activity in any economic setting and that its best performances will definitely increase the welfare of the society. It is also clear that only coordinated marketing management can adequately sustain the vastly increased productive capacity, maintain jobs opportunities and ensure profitable operating in every industry. All company decisions are therefore made in the light of known facts about the markets. The market and not the plant, has therefore become the focal point of management decision making.

CHAPTER THREE

HISTORICAL BACKGROUND AND ORGANISATIONAL STRUCTURE OF UNITED NIGERIAN TEXTILES PLC KADUNA

This chapter attempts to show briefly the general set up of United Nigeria Textiles Plc as at today. The chapter is treated under the following headings.

- 3.1 Historical Background
- 3.2 Objectives of United Nigeria Textiles Plc
- 3.3 Organizational Structure
- 3.4 Structure of the Marketing department

3.1 HISTORICAL BACKGROUND

United Nigeria Textiles Limited (UNTL) as it was then known was incorporated in May 1964 and commenced operation as a textile finishing plant in 1965, using imported gray baft as its main raw material.

The share holder structure as at its inception was a one-man show. That is to say that the company was fully or hundred percent owned by a single individual. The single owner (Mr. Cha Chi Ming), a Chinese by birth but Nationalised in Britain. He was already an statute businessman who was globally known even before the establishment of United Nigerian Textiles Limited. He was very well known in the field of Textile business.

Because of the importance of textile industry which include the manufacturing of clothing materials for the society, the creation of employment opportunities in a country, the utilization of local raw materials, the creation of revenue for the government and lots of other social responsibilities, some influential gentlemen approached the then Premier of Northern Region (Sir

Ahmadu Bello) requesting the establishment of a textile industry in the Northern part of the country.

The late Premier in appreciation of the socio-cultural significance and economic advantages of the textile industry and having heard about and meet with Mr. Cha Chi Ming on a number of business engagements in Britain then approached and invited him to establish a textile industry in Kaduna.

Some feasibility studies were therefore conducted to determine the will be success or otherwise of such a venture. There was no doubt or question on the availability of cotton which is the basic raw material of the textile industry. The smooth operation of a textile industry also needs constant and un-interrupted supply of water and energy (electricity). All these were both a problem for UNTL. This justifies why United Nigerian Textiles PLC is located near the river.

The main products from inception were African prints and later wax. The major problems the company faced then, were the question of raw materials especially grey baft which had to be imported because the factory started as a finishing mill not fully integrated.

In line with the company's objective of customer satisfaction, the company produces according to the request of it's individual customers and these requests are believed to be the request of the consumers of the products.

Also the company tries to improve or keep improving the quality of its product so as to protect and increase its share in the total textile market.

However by 1967 the company had developed into a fully integrated mill with its own spinning and weaving facilities capable of producing grey cloth from

locally grown cotton. In the same year UNTL acquired a major share in Zamfara Textile Industries Limited at Gusau in now Zamfara state, thereby taking the first step towards the formation of the UNTL PLC group of companies.

At the invitation of the North Central State Government (now Kaduna State Government), Funtua Textiles Limited, another subsidiary company, was established at Funtua (now under Katsina state) in 1978. This factory was designed to produce bed sheets and pillow cases, thus diversifying the group's range of products.

In 1977 the company went public and offered ten million ordinary shares of 50 kobo each at per to the Nigerian public. This was as a result of the promulgation of the Nigerian indiginisation decree which put the textile at 60 percent foreign and 40 percent Nigerian.

Another subsidiary company, Unitex Limited, and an associated company, Supertax Limited, were set up in 1981 and 1982 respectively. Unitex is purely a spinning mill whereas Supertax is a finishing plant with the capacity of producing popular Wax fabrics.

All these subsidiaries and the associated company are now fully operational.

The group has an installed capacity for producing well over 100 million metres of finished goods per annum. In 1995 the parent company had a work-force of 5,500 workers while the group provided employment for about 10,000 people. Clearly the United Nigerian Textiles Plc group is the biggest of its kind in the West African sub-Region and the largest single employer of textile labour.

The products of the group are now designed to meet the specific requirements of both local and international markets. For instance finished products of the company are exported to the ECOWAS countries, Grey Baft to the United States and Yarn to Europe. Some of these goods are exported so as to meet the demand and specifications of the international markets.

Most of the supporting administrative activities are being computerized and the manufacturing process now includes such sophisticated aspects as computer assisted design and colouring of materials.

Almost all the companies within the group are now pursuing programmes of modernisation and expansion from ginnery to spinning, and from weaving to finishing. Technology is continually being updated and a great number of technicians in the field of textile manufacturing have been trained. The group has been instrumental in facilitating the much needed transfer of textile technology to Nigeria. Apart from these, the group has continued to make significant contributions to the country's resources by meeting its various tax obligations.

The secret which is the strength of the organisation's success lie in its determination to continually improve the production process, its willingness to diversify its products, the ability to meet the challenges posed by economic dynamics, and paying good attention to the welfare, skill and progress of its work force.

3.2 OBJECTIVES OF UNITED NIGERIAN TEXTILES PLC

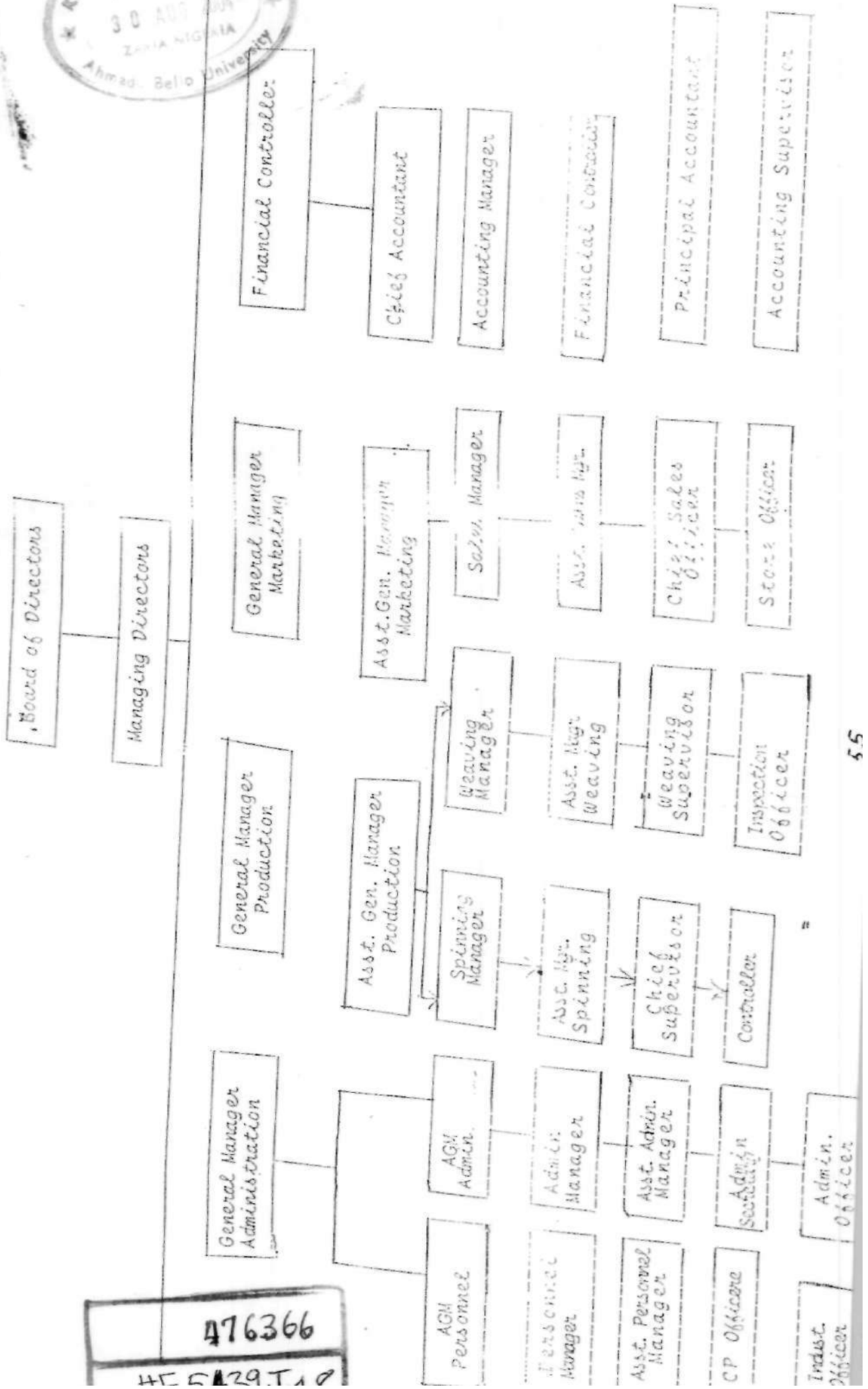
Its basic objectives include the production of top quality textile material at a profit, satisfaction of customers' demand at a profit, rendering of social services

to the individuals, government and the society as part of corporate social responsibility and profit maximization is another vital objective of UNITED NIG. TEXTILES PLC.

3.3 ORGANISATIONAL STRUCTURE

The company has a 13 member Board of directors, Eight of these members are expatriates and the remaining five are Nigerians. The chairman of the Board is Mr. Cha-Chi Ming, a Briton. He is being assisted by Alhaji Mohammed aminu Sanusi. As shown in the chart below the managing director/chief executive is at the helm of affairs closely followed by the General Manager in various departments such as administrative, production, marketing, finance and medical departments. These managers are responsible to the managing director. Next on the hierarchy are the assistant general managers. The AGM Administration is in charge of personnel, training, recreation and welfare. The AGM marketing is in charge of marketing sales, design and research departments. The AGM finance takes care of budget planning and accounts, while the AGM production takes care of printing, weaving finishing, maintenance, product control and inspection. The AGM computer and data processing operations and finally the AGM Engineering is in charge of the entire engineering workshop. The AGMs are being assisted by another staff as clearly shows in the organizational chart of the company.

UNITED NIGERIAN TEXTILES - ORGANIZATIONAL CHART



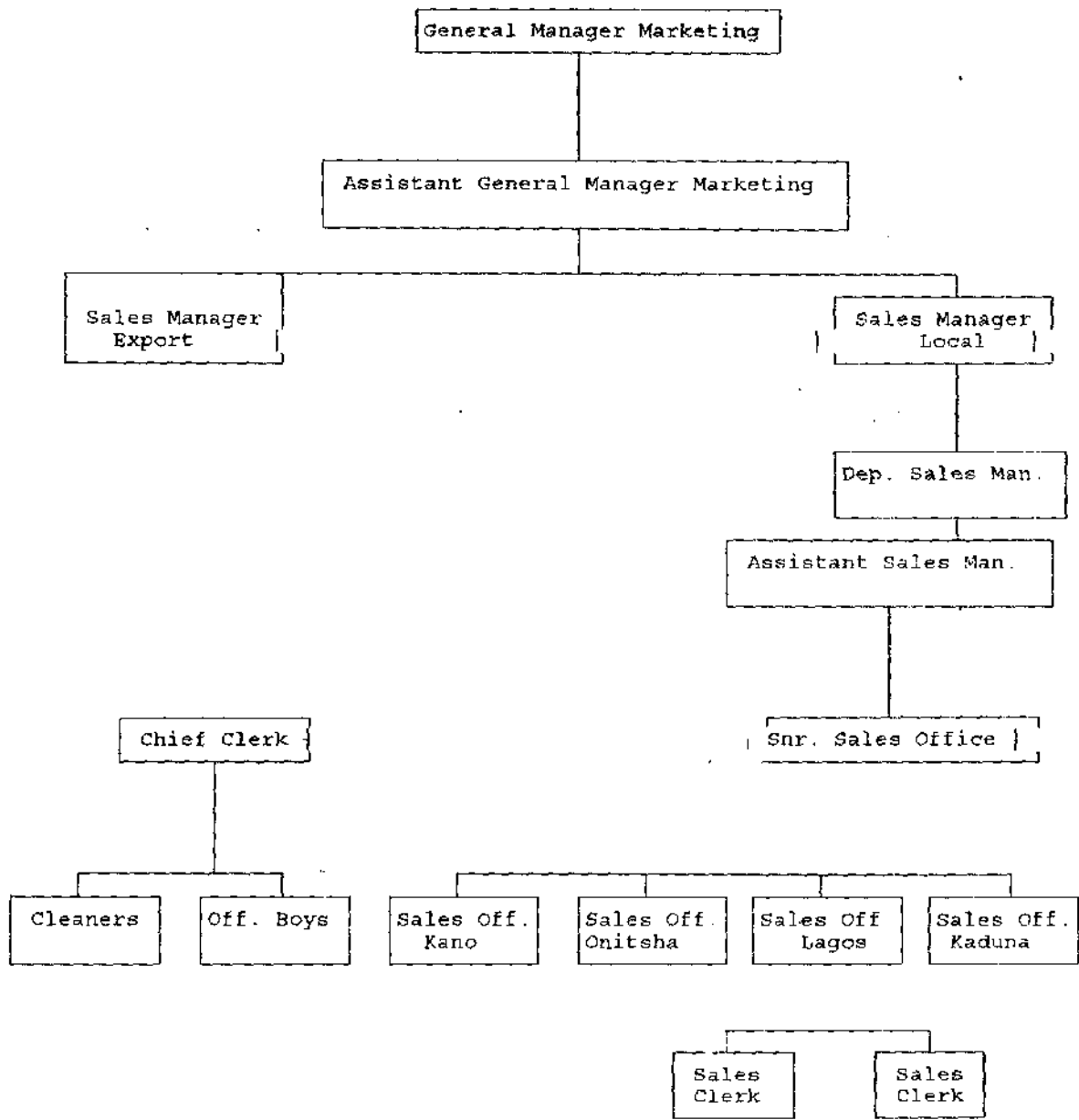
476366
H55A29.T10

The chart is a map representation of how departments that make up the United Nigerian Textiles Plc are tied together along the principal lines of authority. It shows the decision making authority and also the managers and employees how they fit into the entire system. At this point, I shall limit my discussion to the marketing department.

MARKETING DEPARTMENT

The marketing department is headed by a General Manager. He is assisted by an Assistant General Manager. Other officers of the department are as specified in the organisational chart. The department is further divided into local sales and export sales departments.

THE STRUCTURE OF MARKETING DEPARTMENT



The functioning of the marketing department is as represented in the chart above. The department is divided into two sections. i.e. the local sales and the export sales. These two sections are headed by a sales manager.

EXPORT SALES

The company exports its products to the ECOWAS Sub-region Europe and the United State of America. For instance, finished products are exported to the ECOWAS sub-region, Grey Baht to the United States of America and Yarn to Europe. The West African Market has been so utilized to the extent that demand from this region has been rarely met.

LOCAL SALES

The local sales section is controlled by a sales manager. Apart from the Kaduna head Office sales, three other sales region has been created across the country. They are Lagos, Kano and Onitsha. The Lagos sales office is emerged from the Western sales region, Onitsha, Eastern sales region and Kano from Northern sales region. The choice of these three cities is influenced by the commercial characteristics.

3.4 OPERATIONAL PERFORMANCE OF THE COMPANY'S MARKETING DEPARTMENT

The sales figure of the United Nigerian Textiles Plc has really confirmed its position as the leading textile manufacturing company in the West African sub-region for instance, whereas the company's total sales figure for 1994 stood at ₦3.3 billion it went up to ₦7.97 billion in 1995, an unprecedented 142% increase. It has also recorded performance of ₦9.9 billion from its external sales. The performance of its subsidiary companies were equally encouraging. The Funtua Textile Ltd increased its sales from ₦351 million in 1994 to ₦656 million in 1995. An increase of 87. The sales figures for Zamfara Textiles Industries Ltd also increased from ₦404.7 million in 1994 to ₦1.2 billion in 1995. Similarly too, the capacity utilization of Unitex Ltd increase by 89%. It made a turnover of over 1 billion for the year ending 1995.

The United Nigerian Textile Plc has contributed enormously to the growth of Nigeria economy both financially and otherwise.

The company which started with about 30 employees has over six thousand labour strength all in Nigeria and among these are top management staff such as General Manager, managers and Deputy/Assistant Managers. It is equally worthy to mention that the company provides its staff with many motivational activities such as providing vehicle loans,

housing loans etc.

MARKETING PROBLEMS OF UNITED NIGERIAN TEXTILES PLC

Nigeria as identified specialist in business field described the country as a "seller market" thus buyers market assumes excess supply, high competition between buyers. This also suggest that consumer is a king and producers are servants, that is producers marketing efforts should be high and prices are relatively low rather than high. In view of this it is important to consider those marketing problems that have hindered the progress of United Nigerian Textile Plc.

i. COST OF PRODUCTION

Pricing of a product is very important to the success of a business organization. In pricing a product, certain factors are taken into consideration. One of the key factors of fixing price for the textile product is cost production. It is clear that the textile is both capital and labour intensive. In regards to this one is made to accept it high cost of production a problem. The overall effect of these high costs is high prices of finished products which eventually affect sales volume.

ii. SMUGGLING

Another problem that has hindered the sales of the textile products of the company is smuggling. Smuggling has been on the increase in

the country because smugglers feel that it is the cheapest way to get rich and earn their living. The activities of smugglers have affected the textile industry so badly by rendering them almost inefficient. The study revealed that the real competitors of the company are smugglers of foreign textiles. It so happened that most of these smuggled foreign textiles are of high quality and so consumers tend to prefer them to indigenous textiles.

iii. **PHYSICAL DISTRIBUTION**

Physical distribution becomes the most important problem facing textile industry. One of the alarming factors is the steady rise in the bill for such physical distribution, Services as freight and warehousing bill are rising as a result of increased labour and equipment cost.

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 INTRODUCTION

Research is simply the process of arriving at dependable solution to problems through the planned and systematic collection, analysis and interpretation of data. Research is a most important tool for advancing knowledge, for promoting progress, and for enabling man to relate more effectively to his environment, to accomplish his purposes, and to resolve his conflicts.

Research is oriented toward the discovery of the relationship that exists among the phenomena of the world in which we live. Research is devoted to finding the conditions under which a certain phenomenon occurs and the condition under which it does not occur in what might appear to be similar circumstances.

Research does not include the routine activities of applying what is already known or of teaching in the exact sense of the word. Research is therefore reserved for activities designed to discover facts and relationships that will make knowledge more effective.

In the dynamic environment in which we live, it is very naive of any organisation or individual to think that important decisions can continue to be made by rule of thumb, highly isolated guesswork hunches. The

complexity of the decisions to be made and the magnitude of the problems confronting the people of Nigeria and in fact the people of West Africa or developing nation in general are such that systematic procedure is required in order to ensure that decisions are made as much as possible with all the facts available. Present day decisions often cost a lot of money sometimes what is required in everyday decision is not right or wrong answers but intelligent decisions that are made possible by research. Success in every enterprise involves the identification of the critical aspects of the dynamic environment, making intelligent forecasts and utilising those forecasts. All of these involve research and research for many underdeveloped Countries means continued survival.

4.2 PROBLEMS OF RESEARCH IN WEST AFRICA

There are numerous factors hindering research efforts in West African. These factors can be outlined as follows:-

a. ILLITERACY

Illiteracy remains the most serious problem facing the people of West Africa. Most Countries in West Africa have a disquietingly high percentage of illiteracy. According to 1963 census the percentage of illiteracy in Nigeria was put at 81 percent. Although this percentage has been substantially improved since then, most people in Nigeria are still illiterate. It is difficult for people who can not read and write to appreciate the need

to supply relevant research information. Effective communication is also a difficult and there exists an apparent inability to complete research questionnaire. Illiterate respondents do not see the need for accuracy nor the reason why the information is sought. Often information relating to demographic factors such as age, occupation, educational background, income and so on is presented because it appears as probing. The researcher is often mistaken for a government agent collecting information in order to better assess the respondent.

b. **SECRECY**

Many West African Countries tend to have a special liking for secrecy. Even in government ministries, information that would otherwise be for public consumption is considered "Secret". Individuals dislike any activity that appears as "hosting around" or trying to probe them.

c. **SCANTY STATISTICS**

Research in West Africa is still in its infancy. Most of the background data are not readily available. The basic statistics that form the bed-rock of research are often not available. And where available, they are by no means reliable this has often contributed a major bottleneck in carrying out empirical research. In West Africa many key decisions are known to have been made without necessary data to support the conclusion.

Only very few serious empirical research projects have been undertaken in most countries of West Africa. These countries rely heavily on research conducted in continental Europe and the Americas and believe in their practical application to their circumstances. Such important research questions as what motivates an African Student? What is the impact of education on job satisfaction? Is there a correlation between method of child upbringing and delinquency and so on, have been answered in the African context. The reasons for all these are multiple and include (a) the lack of research skills. (b) Limited demand for research scholars and (c) that the African society seems to be prejudiced against University Professors and their research which they tend to believe is too academic and has only limited practical application.

iv. SCARCE RESOURCES

The need for research is constantly felt by both the public and private sections but priority has often shifted to other competing needs because of Africa's scarce resources. Many policy makers think that it is a waste of time thinking of research when many of the countries of West Africa lack adequate transportation, reliable water supply, electricity and so forth. They fail to realise that scholarly research would help to make these things possible.

4.3 THE STRUCTURE OF WEST AFRICAN ENTERPRISES

In the developed countries, research is intensively undertaken by business organisations. Major organisations are known to devote a reasonable percentage of their sales or gross profit to research. The situation in West Africa is however different. Only few West African enterprises are research oriented.

Most of the larger enterprises have been foreign enterprises until recently. Most of the research was conducted at their research head office by the parent company. Many companies operating in West Africa do not encourage research which adds to the difficulties of conducting their business in Africa.

Most West African enterprises are relatively small and they can not support any meaningful research project. The businesses are not only small, they are by no means sophisticated. Many are agents to manufacturers overseas and the nature of products gives the owners the feeling that they understand their business perfectly. The inventory is simple and easy to control and the distribution system is basic. Above all they operate in the seller's market. There is no need for an intimate information or knowledge on buyers' description and characteristics, competition and pricing policy. Furthermore some companies operating in West Africa are reluctant to reveal their business records, policies and profit figures, future plans and

past records because of fear of competition and possible tax increases.

However, the need for research information in Africa can hardly be overemphasized. Every effort must be made to encourage it by making research skills available to students in West African institution of higher learning. It is through this means that more research can be undertaken and most of the barriers to research can be eliminated.

In order to achieved the objectives of research or any investigation, research data can be gathered through primary data, secondary data or both. What data you need? Primary and secondary data explain what they mean or both. Method for gathering each one of them. For example primary data- survey method you explain it and its few sub-methods e.g. questionnaire, personal interview, telephone interview and focus group or explain each one of them and then select the ones you are using why focus group.

4.4 PRIMARY DATA

These are original data gathered specifically for the project at hand. Such data are expressly collected for a specific purpose. The main advantage of obtaining such data is to ensure originality which close to factual the exact information wanted is obtained. Terms are carefully defined so that as far as it is humanly possible misunderstanding is avoided.

There are numerous sources of primary data in a company research project for instance, e.g. interviewing the firm's sales people, middlemen, or customers to obtain the desired market data. There are however three widely used methods of gathering primary data survey, observation, and experimentation. The choice of the methods to use will be influenced by the availability of time, money, personnel, and facilities.

A survey method consists of gathering data by interviewing whether the whole people concern or a limited number of people (a sample) selected from a larger group. A survey has the advantage of getting to the original sources of data. In fact this may be the only way to find out the opinions or buying intentions of a group. There are certain inherent limitations contained in the survey method. Surveys may be very expensive and, they are time consuming. Another key weakness is (hat respondents sometimes may not give correct answers.

The interviewing in a survey may be done in person or by telephone,

- i. Personal Interviews-Are more flexible than the other two because interviewers can alter the questions to fit the situation as they see it. They are able to probe more deeply if an answer is not satisfactory. Ordinarily it is possible to obtained more information by personal interview than by telephone.

The major limitations of this method of interviewing are its relatively high cost, the length of time needed to conduct the survey, and the chance of introducing errors during the interview.

ii TELEPHONE INTERVIEW

Here the respondent is approached by telephone and the interview is completed at that time. Telephone interview usually be conducted more rapidly and at less cost than either personal or mail surveys. Telephone interview are less flexible than personal interviews, but more flexible than mail surveys since a few interviewers can make any number of calls from central points. This method is quite easy to administer. Another significant advantage is that a telephone survey may be timely. One limitation of the interviewing in survey is that interviews must be short.

iii. QUESTIONNAIRE

Involves mailing a questionnaire to potential respondent and having them return the completed form by mail. Since no interview are involved, this method is not hampered by interviewer bias or problems connected with the management of interviewers. This method is more economical than personal interviews and is particularly useful in broad national surveys. Also, if the respondents remain anonymous, they are more likely to give true answers because they do not feel the need to impress the interviewer.

A major problem with the use of questionnaire is the complication of a good mailing list, postage system, especially for a broad scale survey. Another significant limitation is the reliability of the questionnaire returns, particularly when the returns are anonymous. Further, the questionnaire must be reasonably short and the questions very simple. There is no way to explain a puzzling question. There is also no opportunity to get additional data by observing the respondent.

iv. QUESTIONNAIRE

According to Denga and Ali (1983:155) is "any research instrument comprising carefully designed questions for the respondents to answer". Questionnaire really constitute to the first attempts at true scaling. They are particularly advantageous whenever the sample size is large enough to make it uneconomical for reasons of time or funds to observe or interview every subject. Perhaps the greatest difficulty with questionnaires that are distributed to the subject is the probable bias which exists when less than the total number in the sample actually respond. Infact most of the problems in data collection, whether it is done by personal or telephone interview even questionnaire center around the preparation of the question. Extreme care and skill are needed in designing questionnaires to minimize bias, misunderstanding, and respondent anger.

b. OBSERVATIONAL METHOD

Here the data are collected by observing some actions of the respondent. No interviews are involved, although an interview may be used as a follow-up to get additional information. For example if customers are observed buying beer in cans rather than in bottle, they may be asked why they prefer one form of packaging to another.

Information may be gathered by personal or mechanical observation. In one form of personal observation, the researcher poses as a customer in a store. This technique is useful in getting information about the caliber of the sales people or in determining what brands they push. Mechanical observation is illustrated by the use of an electric cord stretched across a highway to count the number of cars that pass during a certain time period.

The observation method has several merits. It can be highly accurate. It often removes all doubts about what the consumer does in a given situation. Because the consumers are unaware that they are being observed, they presumably act in their usual fashion.

The technique reduces interviewer bias. However, the possibility of bias is not completely eliminated as long as people are used as observers.

However, the observation method is limited in its application. Observation tells what happens but it can not tell why. It can not delve into motives, attitude or opinions.

c. **EXPERIMENTAL METHOD**

This method of gathering primary data involves the establishment of a scale model or a controlled experiment that stimulates the real market situation as much as possible. The theory is that the small-scale experiment will furnish valuable information for designing a large scale marketing program.

The experimental method may be used in several different ways. IN one instance, a firm may manufacture a few units of a product and give them to employees or consumers to try out. Probably the major application of the experimental method has been in market testing. This technique consists of establishing (i) a control market in which all factors remain constant, and (ii) one or more test markets in which one factor is varied. A firm may be trying to determine whether to change the colour of its package. In city A, the product is marketed in its traditional color. In each of the cities B,C, and D, a different color is used. All other factors are kept constant. By measuring the sales in the four markets over a period of time, the manufacturer hopes to determine which color is most desired by customers.

The outstanding merit of this method is its realism. It is the only one of the three methods of gathering primary data that affords actual market tests and simulated an actual market situation .

Two big problems are encountered in market testing: selecting the control and test markets, and controlling the variables. It is difficult-through necessary- to select markets that are identical in all significant socio-economic factors. Some variables are really uncontrollable, and these may upset the comparability of results. For example competitors may get wind of the test and try to confuse the picture by suddenly increasing their advertising. Furthermore the experimental method is expensive, it requires long period of careful planning and administration.

4.5 SECONDARY DATA

These are data that have already been gathered for some other purposes. Ordinarily, secondary information can be gathered much faster and at far less expense than primary data.

Secondary data must be used with caution. Such data may not give the exact kind of information needed, and may not in the most suitable terms great attention must be paid to the precise coverage of all information in the form of secondary data. Several excellent, readily available sources of secondary information are always available. One such source, of course, is the multitude of records, reports, and other data within the firm being studied outside the firm the major sources are as follows;

a. LIBRARIES

A good library is probably the best single, all-round source of secondary information. It will contain publications from practically all the sources mentioned here.

b. GOVERNMENT

The Federal Government furnishes more marketing data than any other single source. Also the government has access under the law to types of information (company sales and profits, personal income and the like) that are impossible for private company to get.

c. TRADE, PROFESSIONAL, AND BUSINESS ASSOCIATIONS

d. PRIVATE BUSINESS FIRMS

Companies such as the A.C. Nielsen company (The largest marketing research firm in the world) conduct various kinds of market research.

e. ADVERTISING

Many magazines, newspapers, radio and television stations publish information that marketing researchers may not find available elsewhere.

f. UNIVERSITY RESEARCH ORGANISATION

Most large Universities operate research bureaus and publish findings of value to the business community.

g. FOUNDATION

Non profit research foundations and related groups carry out many

kinds of research project. Statistical analysis and reports on special topics are published by such groups as the conference board and the American management association.

4.6 DATA COLLECTION

The actual collection of primary data in the field by interviewing observation or both is normally the weakest link in the entire research process. Ordinarily in all other steps reasonable well qualified people are working carefully to ensure the accuracy of the results. The fruits of these labours may be entirely lost if the field workers are inadequately trained and supervised. Most of these field workers are part time workers with little or no job motivation and they are thus difficult to manage. Also their work is done where it can not be observed, often at many widely separated locations.

A myriad of errors may creep into a research project at this point and poor interviewers may increase this possibility. Bias may be introduced because people in the sample are not at home or refuse to answer. In some instances, field workers are not able to establish rapport with respondents or the interviewers revise or repurpose the wording of a question and thus obtain untrue responses. Finally some interviewers do just plan to cheat in one way or the other.

CHAPTER FIVE

5.1 DATA ANALYSIS AND INTERPRETATION

The analysis of data can be defined as the ordering and breaking down of data into constituent parts. It consists of the statistical coalitions performed with the raw data to provide answers to the questions initiating the research.

For the data to be useful it must be interpreted in the light of the condition under which it was done. In addition consistency of results should be considered in arriving at conclusion regarding the applicability of the interpretations of various research findings.

The analysis and interpretation of the raw data of an investigation are the means by which the research problem is answered and the stated hypothesis are validated or invalidated.

The terms are defined in many ways by different authors. The interpretation of data takes the result of analysis, makes inferences pertinent to the research problems studies, and draws conclusions about their relations.

A careful study of this chapter exposes the reader to the various research methods and principles and their simplified meanings given so as to enhance understanding to readers and users of this research work. The chapter thus provided the methodology framework that was used in

gathering the data for this research study.

Going through the chapter will also enable the reader to understand the individual merits and demerits of the various research methods and their relative applicability under different situations. The chapter also provides the reader with the opportunity to appreciate the complimentary roles of the various research methods.

For the purpose of this study however, a number of research method were applied. The methods used were the personal interview, the questionnaire and some forms of secondary data.

5.2 COMPANY GOALS AND MARKETING GOALS AND STRATEGIES

The United Nigerian Textiles Plc has among its major product lines, real wax and super print textile materials. However, it has various items within these lines i.e. the different brands of wax and prints of textile materials. U.N.T.L. P.L.C takes cognisance of the point that customers have different tastes, requirements, preferences, income, social status etc. As such, products are developed according to how best they fit the consumers.

New product development is a very important aspect of U.N.T.L. operation. The company has a special product Development Team (PDT), which comprises of skilled, high calibre personnel from the marketing, finance, (accounting), cotton processing and production Departments. The idea of a new product stem from one or more of the following reasons:

- i. Marketing requirements
- ii. A gap in the market, for example a paired gap or a product gap.
- iii. Excess stock of raw materials
- iv. Competition i.e. to keep in line with its competitor(s).

The product Development Team sits monthly. Suggestion of a new product comes from the marketing department, because they are in form with the consumers. The company has a market research section, headed by a market research section, headed by a market research manager, in Kaduna market research is done locally and is sometimes contracted out, to an independent market research agency. The market research managers main task is to study consumers demand, requirements, look for new opportunities in the market, and coordinate his findings with company policy. In addition, he carries out research activities such as studying the day to day performance of individual brands, competition, and keeping records.

Market research provides the necessary information regarding varying consumer need, tastes etc. Because of these varying requirements, U.N.T.L. adopted the strategy of product classification. This strategy serves as a major basis for segmentation, and also simplifies the major function of pricing, promotion and distribution.

There are product classes; class A,B,C, At present superb print is a product in class A, while superb jara prints is a product in class B and real Wax print is a product in class C.

The product in classes A and B are aimed at a broader market segment. The category of customer in this group are high, middle and average income earners. Customers in class C combined of low income earners. They are not as willing to pay more for higher quality as those in classes A and B products in class C are of lower quality than classes A and B and are less expensive. Class C products are aimed at rural dwellers and generally low income earners.

INTEGRATION

A very important product strategy of U.N.T.L. P.L.C. is backward integration U.N.T.L. provides agricultural extension services to over 14,000 independent formers. This is to ensure continuous supply of the company's main raw material, cotton. The locally produced cotton has greatly helped U.N.T.L. in this line of worsening economic condition, foreign exchange scarcity and import substitution. Many factories and companies are producing for below capacity because of these adverse condition U.N.T.L. restricts the use of its foreign exchange allocation to only item that have to be imported. Backward integration has proved a successful and useful

strategy.

U.N.T.L. also embarks on vertical and lateral integration. The company is in partnership with Times Press Limited with the objective of producing packaging materials UNTL it has similar arrangement with other independent Nigerian painters, for the supply of various components of textile packaging.

QUALITY CONTROL

U.N.T.L. Devotes a lot of time, effort and resources to quality control. Quality control starts with the U.N.T.L. cotton graven. To ensure high quality, the cotton department, carries out extensive research to establish the most suitable lead cotton varieties, the best types of fertilizer, and the correct rotation of crops. Information gathered from research is constantly passed to farmers who grow and sell cotton to U.N.T.L.

Cotton, once in the hands of the company, undergoes further quality control measures, particularly in the cotton thrashing department. After production, textiles are taken to the quality control department to be further analysed on order to ensure high quality paints are rejected if they are sub-standard. A whole batch can be rejected. If this happen, the prints are sawed and stored for further use.

Even after necessary scrutiny and products leave the factory, quality control continue. U.N.T.L. Sales representatives visit the distributors and

retention all over the country. The sales representatives also listen to customer complaints and reports to the marketing department.

U.N.T.L. PRICING STRATEGY

Prices are set by top management using the cost- pilan approach, that is the average cost per unit of the product is found and based on the profit objective of the company, the desired profit per unit will be added to determine the price of the of the product. Pricing of textiles products is influenced by government price control board policies. U.N.T.L. tries to maintain uniform price policy on it's products. Sales tax is required in some states, which is added to the normal price set by the company. Sales tax may differ from one state to another, therefore, the same products may have differences, depending on where it is sold. To avoid price differentials, the company gives commission to the distributors; and other costs that could result in price differentiation, such as transportation, are taken over by the company.

U.N.T.L. pricing strategy is influenced by the following:

1. **Increase Market Share**

According to the marketing manager, the company at present owns about 52.5% market share. Its major competitor Epe textiles own 30% and smuggles own 17.5% price can and often increase or decreases market share, depending on how price sensitive consumers are, and on competitive

pricing strategy UNTL is constantly monitoring the pricing situation in the country to ensure that its prices do not differ greatly from that of competition. Where, and when necessary, the company may end in a price war, that is cutting prices to avoid losing its market share.

ii. Satisfactory Profit

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

iii. Stability

Despite the dynamic nature of market forces, UNTL tries to maintain stable prices over a long period of time. The company realise that having to reset prices anytime there is a change in market forces, will not only come a drain on the executives time, but customers goodwill can be lost if prices do not follow a logical pattern.

5.3 MARKETING IN U.N.T.L P.L.C

Marketing at U.N.T.L P.L.C involves the use of various marketing strategies. The marketing Department is responsible for marketing the company's products. It is the marketing department that serves as a communication channel between UNTL and the consumer. The rural marketing strategy includes the "right mix of product, price, distribution and

promotion strategies.

Marketing Department Structure

For easy coverage, the country is divided into major areas, the North and the South. The Regional Marketing Manager (North) is in charge of the marketing operation in the North. He may take his supplies from the factory at Kaduna and other subsidiaries. He has six Divisions.

One of the major function of the Marketing Department is getting the products of the UNTL PLC to its end user. Although, the factories of the company are located in the North, the Southern axis is considered in the marketing of the company's products and this inform the division into two major areas, the North and South. Furthermore, to facilitate easy flow of the company's product from the factories to the consumers, there are marketing divisional officer located in twelve different cities and state capitals. Activities in each of the divisional offices are coordinated by a divisional marketing manager, and an assistant in addition to other clerical staff and secretary to help with the administrative activities of the division. Promotion and local advertising are giving out by the divisional officers in addition to physical distribution. The marketing divisional offices in the North are located in some main towns namely Sokoto, Kano, Zaria, Minna, Yola, Jos and recently Maiduguri. Each divisional marketing manager also coordinates the activities of the zonal officers, which are smaller

autonomous units created to further assist in easier distribution of UNTL Plc products. The zonal officers are closer to customers, as such collect information from customers, about their likes, dislikes and complains about the products.

The head of marketing is in charge of the entire marketing department, which is located in Kaduna. He coordinates the function of all regional and divisional managers. In addition, he perform activities such as sales forecasting (i.e. draw up the desired sales levels for the year and strategies to achieve the goal). He also eliminates badger for the whole department, drawn up training programmes, monitors competitor's activities in the country and coordinates other marketing activities.

The marketing department has a five year long term plan, starting from the company's long term plan. The head of marketing and his team are responsible for drawing an annual plan which includes decision on the desired sales, market share, resource allocation for the various activities of the marketing department, and the departmental growth objectives. Top management, which includes the head of the marketing department reviews the plan to see how reasonable and feasible it is. The plan can either be approved, modifies or rejected.

5.4 PRODUCT COMPONENT MIX

As earlier asserted, the product mix of the UNTL Plc. Consist of real wax and superb print textile materials. This in a nutshell comprises two product lines. Each product line consist of several sublines. Real wax breaks down into veritable wax, and other wax categories. Each line and subline has many individual items. UNTL Plc product mix includes 1300 items. The product mix width and product line length for UNTL plc is depicted below. Real wax, Superb Print, Dyed Poplin Superb print.

This shows the product mix width.

The product line length consists of

Poplin

Silk White

Polyester

Opanka

Mulier

5.5 PRICING COMPONENT MIX

As initially asserted, prices are set by top management using the cost plus approach, that is the average cost per unit of the product is found and based on the profit objective of the company, the desired profit per unit will be added to determine the price of the product. The company's pricing decision are affected by many internal company prices and by external

environmental factors. Internal factors include the marketing objectives, marketing mix strategy, costs and organisation. External factors include the nature of the market and demand competition, and other environmental factors.

The internal factors affecting pricing decision would Centre around decisions that would facilitate other include; too much capacity, heavy competition, or changing consumer needs. As such, the top management of UNTL Plc set prices taking these factor into cognisance while upholding profit maximisation and market share leadership principles. The UNTL management also considers her product quality leadership in the market. The internal factors is a vis their external counterparts informs, largely, the pricing mix by top management.

5.6 PROMOTION COMPONENT MIX

U.N.T.L. Plc views promotion as a vital part of its marketing strategy. Promotional activities are carried out throughout the entire organisation, from the head office to the various subsidiaries and divisions, including the zones.

The promotional objectives of U.N.T.L. includes creating awareness, enhancing potential and current buyer's responses to the company and its brands. The promotion blend of U.N.T.L. is designed to accomplish the firms overall objective. Therefore the particular blend varies depending on

promotional budget available, nature of market situation, performance of particular brand in the market, target of promotional strategy.

U.N.T.L. concentrates a lot on mass media, magazines, dailies, and television, especially in promoting class A and B brands. Sometimes these brands are promoted by sponsoring special programmes on television. This is usually a very expensive venture, so it is not used regularly. Because U.N.T.L.'s products are bought in masses, it uses mass marketing strategy. There are merchandizing representative at each zone, who go into rural inferior to promote products to the villagers. Sometimes, mobile cinema units are used in some areas for display.

Promotion for products in class C differs from that of products in class A and B. Because products in former are targeted at low income groups such as farmers, labourers, petty traders, promotion is most often on radio and bill boards. Majority of consumers in this category are illiterate, therefore the advertisement copy is usually radiant and flamboyant picture postcarding beauty and elegance. Any writing is done in local language.

Sales promotional activities carried out by the company sponsoring social events like contests, sports etc, and point of sale promotion. U.N.T.L. is known for its contribution in the field of sports especially football. Over the years it has donated cash generously, sponsored tournaments and had given trophies. The company provides point of sale items such as Calendars,

T. Shirts, ball points, shopping bags, caps etc. These items normally bear picture or names of U.N.T.L. plc.

Because of the nature of its products, U.N.T.L. to a large extent does not use personal selling. However, little personal selling efforts or activities are carried out in zonal offices, where there is more constant interaction with customers, distributors and retailers. U.N.T.L. Zonal representatives perform the function of salesmen, however, they are not paid any commission. They receive regular salary and are paid overtime allowances when they work beyond normal working hours.

U.N.T.L. has its own publicity department which is responsible for creating favourable exposure for the company and its products.

Advertising is rarely able to create sales itself. Whether or not a customer buys wax or prints will depend on other aspects of marketing strategy such as products, price, packaging etc.

Packaging and Branding

Packaging and branding form important parts of UNTL's promotional strategy. There are two types of packaging material for packing prints and wax. The paper cap and the cardboard shaped into large packets. The paper cap fits all round the prints therefore needs no additional inner protection. They are cheap and usually used for class C products which are mostly packed in economy containers. The Cardboard on the other hand, are more

expensive. They need additional inner protection, otherwise "the superb prints will get damaged as they move around themselves. Packaging in U.N.T.L. is a measure of protection and serves other purposes too. The company uses aluminum foil bounded papers to provide authentic value. This is usually in gold or silver colour and are attractive and have pleasant psychological effect in customers.

U.N.T.L. engages in branding primarily for identification and promotional purposes. The company tries to encourage brand loyalty, thus guarantee continuous patronage. Branding strategy differs for every product because promotion for each of the product is designed separately depending on individual products needs. U.N.T.L. executive are aware that many customers are willing to buy the brand name paper than by inspection where there is an assurance of quality. Therefore, branding is an important part of its promotional strategy.

5.7 RESEARCH FINDINGS

In the preceeding analysis facts about marketing operations of the UNTL Nigeria Plc were presented and analysed. The company's position towards its products, price, promotion, distribution (place) and marketing information were discuss. Base on these facts, the researcher in this unit attempts to interpret these functional activities with a view to achieving the main objective of this work, that is identifying the marketing problems in

Zaria Industries and make recommendations for the solution at the problems identified with a view it may help the firm and other academic work in future.

Nigeria is identified by specialists in business field described the country as a 'sellers market' thus, buyers market assumes excess supply, high competition between buyers. This also suggest that consumer is king and producers are servants, that is to say producers' marketing efforts should be high and prices are relatively low rather than high and that producers generally try to persuade middlemen to carry the company's products. In view of this, it is important to consider those marketing problems that have hindered the progress of UNTL in the past five years. The following will be considered.

i. Neglect of Marketing Concept

The study showed that the use of the modern marketing concept are not fully adopted by the firm in its marketing operations. For instance the study revealed that the named marketing department is not given the full hand to integrate the marketing activities. Management must start with the consumer's needs and desires in so far as they can be ascertained in advance of production and followed through to activities which aid the consumer in getting value from products which he has purchased. The usual customer's complaint about product price and shrinkage has not been solved

by the firm.

ii. Product Quality

In meeting one of its objectives the product quality is said to be good as indicated by distributors and customers in a situation where low quality is produced it came as a result of low quality raw material used at the input. Despite the good quality produced by UNTL the company needs to improve as regard to the weight of tarpaulin when compared with the foreign one.

iii. Information System

A neglect of the information system is by no means a major deterrent to the firm's success. From the data collected the firm does not engage in any marketing research. It is time for the company to know that business is no longer a rule of thumb activity and one which can be "played by ear". The researcher therefore, is suggesting that UNTL should embrace a comprehensive marketing information system which will enable it make a realistic location and measurement of consumer demand, which will act as a satisfactory input into its products, and a plan of making the products available to the consumers and keeping actual and potential consumers constantly informed of the capability of the products to satisfy their needs. The company can do well in its profitability and long-term growth and survival if it embarks on market information.

iv. Smuggling

Smuggling has been on the increase in the country because smugglers feel that is the cheapest way to get rich and to earn their living. The activities of these smugglers have affected the textile industry so badly by rendering them almost inefficient. The study revealed that the real competitors of UNTL are smugglers of foreign textiles. On its part the company should take positive steps to improve on its quality and price, and meeting the consumer needs.

Cost of Production

Pricing of a product is very important to the success of a business organisation. Pricing of a product does not come automatically, but certain factors are taken into consideration, one of the key determinants of fixing price for the textile product is cost of product. It is clear that the textile is both capital and labour intensive, in regard to this one is made to accept its high cost of production problem. Also, the heavy equipments used in production are imported in most cases at escalated prices. In some other occasions the machines are full of constant breakdowns, maintenance and also the importation of machinery spare parts for these machines at the same high prices. In addition, the cost of labour is very high in Nigeria today, whereby the national minimum wage is ₦300.00 per month.

In another development, payment of customers and Excise tax for the imported material is another key problems to the company. In addition, the taxable profits of the company, the firm overhead costs (very high) and cost of direct raw materials are affecting the operation of the company, moreover, the effect of the Structural Adjustment Program (SAP) which has not only led to high cost of imports but low sales volume as shown from the data.

The overall effect of these high taxes and costs is high prices of finished products and because these costs have to be recovered if the company is to make profits for its existence and survival.

TEST OF HYPOTHETICAL ASSUMPTIONS

In Chapter One of this work certain hypothetical assumptions were made which need to be proved right or wrong based on the research findings in this chapter.

In the first place the work assumed that there is a total neglect of the implications of the modern marketing concept in the ZIL thus cannot be able to generate enough funds to meet the need of employees and the users. Based on the analysis of this Chapter this assumption is proved right. From the study the company has not fully embraced the philosophy of the modern marketing concept which has its cardinal points 'consumer orientation', backed by integrated marketing this is a general management function in which there is an intelligent adaptation and co-ordination of product, price, promotion and place to build a strong exchange relationship

with customers. From the interview some of the employees are not satisfied in the ways management are meeting there needs. For instance, the operators are not given free medical service and their families. The customers on the other hand, do not even know who is the producer of the product they are using that is, tarpaulin.

Marketing therefore, should not be regarded as one person affairs but an intergration with other departments so that the product will meet the needs at the right price and place.

In the second assumption, that is "idea generaation is not seen as a key to success like their foreign counterparts in terms of marketing knowledge". It is clear that the absence of research of any kind, means production decisions will be base on guesses. in this case consumer will not be in the focus.

The finding shows that the company does not engage in any marketing research. The question about how, when, what, and why their products aare used and by whom can best be answered when a proper market research and investigations are undertaken if not the company is in total ignorance about its market. A repeat purchase can only come through a satisfied customer, and where this has not been encouraged there would not be any repeat purchase.

The usual consumer preference in the imported textiles to locally produced ones are stimulated from the claim that they are more durable and

of better quality compared to the ones produced in the country, it does not matter to a consumer to pay an extra amount of the foreign material. If there is a proper information the situations where made in Nigeria products are far better than the foreign materials but consumers will not know that unless he is informed.

So far, from the above discussion, idea generation is not practised well in the factory to enable here to reap success like their foreign counterparts most especially in terms of the marketing expertise. Thus, the second assumption is proved right.

In the final note the data revealed that the company is faced with seasonal demand pattern, this has been a key problem found in the past five years.

In addition to this, is smuggled/low tariffed products. The company should study the nature of this seasonal demand so as to take care of such abnormality.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.0 INTRODUCTION

It is customary to conclude with a very brief summary restating in the briefest outline the problems, the procedures, the major findings made and probable suggestions for further research and application for findings.

6.1 SUMMARY

The entire study centres on the topic problems of Textile Industries in Nigeria. UNTL was chosen as a case study on the assumption that most of the "happenings" in Textiles are significantly a reflection of what obtains in the textiles industry. The negative attitude of Nigerian Textile Mills (UNTL inclusive) towards the adoption of professionalism especially in the area of marketing which culminated in a sudden down - turn in the volume of operations at a time when importation of foreign clothes were banned (a time when sky should have been the limit for the textiles industry), was identified in chapter one as the problem of the study. The study became vital realising the importance of the personal selling component of the marketing mix which is the backbone on which increased sales volume, profit and continuous survival of the industry and UNTL is based. And besides, the mere fact that competition is on the increase, coupled with the immediate replacement of the ban on importation with smuggling as well

as the hyper/galloping inflation coupled with the decreased value of the naira and the general difficulty of predicting the increasingly dynamic marketing environment pushed the author into attempting to confirm the root cause of the down - turn with a view to prescribing solutions that would save the textiles industry and UNTL in particular from imminent collapse.

While chapter two exposes the professionally recommended approach to the problems of Textile, chapter three clearly shows the present situation of UNTIL. Chapter four attempts to "weigh" the problem identified in chapter one by comparing chapters two and three, based on available data.

The analysis and subsequent research findings in chapter four confirms the problem identified in chapter one. This chapter has not only confirmed the entire "story" but has exposed areas that actually require adjustments, the nature of which shall be clearly exposed in the recommendations and conclusion.

6.2 CONCLUSION

The study has revealed that there is an urgent need for more research into Textile industry. It is obvious that the problem for Textile industry is still very much in place. The development and adoption of proper marketing mixes is very important because it provides the sole opportunity for improving productivity and profitability of textile industries.

Specifically, it has been shown that in any organisation be it manufacturing or service oriented, understanding, acceptance and patronage of its products and services by the public or target market can only be achieved through a well planned and implemented marketing mix which should be effectively designed for efficient performance. Marketing concept has to be understood in shaping the actions and plans of marketers to suit consumer's wants for better performance.

A major problem of Nigerian textile industries today is that of survival which is a consequence of the bitter pills of the Structural Adjustment Programme (S.A.P) and hence, the need for acceptable marketing mixes.

The findings emphasized the importance of high customer patronage to the survival of all Textile industries. Most Textile industries whether publicly or privately owned are out to maximise profits, sales, market share and mainly for their survival. This goal can only achieved by satisfying the cravings of customers.

Finally, the provision of desired services at affordable prices with the right marketing and marketing management, the right marketing mix and the right promotional mix and at the right place (target market) is a sure instrument for ensuring the loyalty of present and potential customers of Textile industry.

6.3 RECOMMENDATIONS

Having identified and confirmed the research problem based on the entire investigation, the following recommendations (although not exhaustive) are objectively aimed at solving these problems once and for all.

1. The need for absolute touch of professionalism in the entire selling strategy.

In as much as the company is currently relying on the services of distributors who are not professional salesmen, there is every need for the company to employ the services of professional salesmen whose services as explained in chapters one and two are indispensable in view of the current "happenings".

2. Adoption of the Modern Marketing Concept:

In the last chapter we discovered that the marketing concept is not fully practiced by the firm. The effort by the firm to be in touch with the consumer is less or non and the adoption of the marketing mix components, that is, price, promotion product and distribution is not well handled. The concept as noted in chapter two centred around the consumers' wants and needs and the business firm should make it the centre of its operation. To adopt the marketing concept in the organisation is to start with the development of a complete internal education and communication system.

The incorporation of the marketing concept into practice is referred to as the implication of the concept. If the industry is able to co-ordinate among the major departments of the firm this become a first step to the implementation of the marketing concept.

The firm should give priority to its consumer needs rather than centred attention on product. If the interests, and needs of the consumer are brought closer to those of the firm then the firm objectives of profitability and long-term survival will be reached through their ability to provide consumer satisfaction.

The marketing concept is appealing because it can increase sales volume by creating products that are easy to use, easy to buy and easy to care for.

3. Marketing Research

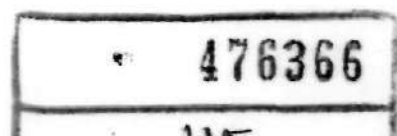
This aspect of marketing represent a keystone of the marketing concept. For it is one of the major tasks of marketing research to assist in the determination of customer needs. David (1974:10) pointed out that marketing research is "a systematic study or investigation conducted to establish facts or to solve problems relating to the marketing of goods and services". For this reason, it is necessary to resist the temptation to over-represent its capabilities and value. It can however, provide useful inputs to the process of formulating marketing strategy.

The researcher is recommending at this point that the company should adopt a comprehensive marketing research system which will enable it make a realistic location and measurement of consumer demand, translation of that demand into satisfactory textile products and well design plan for reaching consumer with the products in good time. Similarly, actual consumers and potential ones should be constantly informed of the capability of the products in order to satisfy their needs. It is important to note that unless the company posses relevant data of the requisite quality and quantity, decision making and strategy formulation may largely be meaningless without relevant information, an organisation cannot exist for long because it lacks what to manage, take decision or justify expenditure.

4. Innnovation and Diversification

The company understudy has only expand its product line by introducing spinning section, but over the years idea of diversification is yet to arrive. Innovation is that aspect of recognising and exploiting of a new consumer want by a firm before its competitors. A firm with vision will innovate to ensure that want! But this opportunity is for those around the company or in Kaduna State. It is therefore recommended that sales depots should be established in every state capital of the federation.

The company is recommended to seek for more markets in some of the ECOWAS states that are yet to be reached with its product by so more



market opportunity will be opened to her.

5. Smuggling

UNTL has less to think about its real competitors, but more about the smugglers. The smuggling of the foreign textiles into the Nigerian market is by no means, a problem to our Nigerian textile, that is the marketing chances for them is slimmed or the influx of the foreign materials have made it difficult to dispose the home made goods. And the attitude of an average Nigerian is that preference to foreign made than home made help to widen smugglers market.

The way to curtail smuggling rests on both the government and the industry. On the company quality of home made materials, the company therefore is left with the option of improving its product quality in order to have a good image in the face of Nigerians. Nigerians have developed a high taste. Although this degree of loyalty is rare, but is something marketers strive for. Since customers have become price conscious, marketers should try by all means to keep cost down. Effective control of cost enable the company to maintain profitability even when it raises prices only moderately.

7. Price

The inability of the company to control the price to the final users is by no means exploitative to final users. This could have a negative effect

on a repeated purchase. It is recommended therefore, that Zaria Industries should fix prices which products are to be sold to final users. This will make room for equal prices range depending on location of sales instead of the present proliferation of prices by distributors and agents.

8. It is recommended that the present tariff structure be reviewed. The present practice whereby import duties are imposed on raw materials, spare parts and machinery is detrimental to the consumer. Also, it is recommended that all excise duties should be completely abolished for all locally manufactured goods except traditional luxury items.

BIBLIOGRAPHY

1. Adegbile P.O. Otal, "Man-Made Fibres: Success and Prospects" The Nigerian Textile Industry (Resource Potential, A.B.U. Press, Zaria 1980)
2. Akhile Fred, "Textile Industry Expands" Business Times, March 6, 1979 Vol. 4 No. 23.
3. Andrew K.R. Concept of Corporate Strategy (Homewood, III Dow Jones Irwin Inc. 1971) Pg. 28.
4. Author H. Walker and Jay W. Lorch, "Organisation Choice Product Vs Function" Harvard Business Review XLIV Nov.-Dec. 1968 Pp. 129-138.
5. Busch P.S. and M.J. Houston, Marketing: A Strategic Foundations (Homewood, II Richard Urwin Inc. 1965) P.18.
6. Busch and Houston, Op Cit Pg. 34.
7. Busch and Houston Op Cit. Pg. 626..
8. Borden N. "The Concept of the Marketing" Journal of Advertising research (June, 1964) Pg. 2-7.
9. Busch and Houston Op. Cit Pg. 425.
10. Buclin P. L. The Theory of Distribution Channel Structure University of Chicago Press Ltd. 1976) Pg. 85.
11. Committee on Definitions Opp. Cit. 1960 Pg. 20.
12. Davis H. L. Silk A.K., "Interaction of influence Process in Personal Selling" Slavan management Review Vol. 13 No. 2, 1972.
13. Danga D.I. and Ali A., An Introduction to Research Methods and statistics in Education and Social Sciences, (Savannah Publishers Ltd. 1983) Pg. 14.
14. David J. Luc et al, Marketing Research 4th Addition (Englewood Cliffs, N. J. Prentice Hall. 1974) Pg. 10

15. Hofer W. and Schendel D., Strategy Formulation: Analytical Concepts (Minaessota, West Pub. Coy. 1978) Pg. 25.
16. Osakue Idemudia A., Marketing Mix in Zaria Industries (Nig.) Limited, Zaria (A Critical Analysis) (A.B.U. Unpublished M.B.A. Thesis 1985)
17. Gluek W. and Joach R.I. Corporate Strategy, Planning and Control (Lisbon, Magbon O-Hill Int. Books Coy, 1984) Pg. 8.
18. Ibid Pg. 155.
19. Joseph, M. L., Essentials of Textile (Holt Rinehart and Winston, New York 1980).
20. Jolson M. A. and Walter F.S. Marketing Management London, Collier Macmillian 1978).
21. Kotler Philip Op Cit Pg. 100
22. Kotler Philip, Marketing Management: Analysis, Planning and Control, N.J. Prentice Hall Inc., 1980)
23. Kotler P. and Levy S.J. "Broadening the Concept of Marketing" Journal of Marketing Vol. 33 (Jan. 1967) P. 1015.
24. Kotler P. Opp. Cit 1980 Pg. 272.
25. Kelly E., Marketing Planning and Competition Strategy (N.J. Prentice, Hall Inc. 1972) Pg. 80.
26. Larry Rosenberg, in Mr. Akpan Handout Notes 1991.
27. Marketing Definitions: A Glossary of Marketing Terms, Committee on Definitions (Chicago: American Marketing Association, 1960)
28. Maccarthy J. Basic Marketing (Homewood III Richard Urwin, 1971)
29. Nwosu C.C. Op Cit Pg. 22
30. Malcolm P. McNair, "Marketing and Social Challenge of Our Times" In a New Measure of Responsibility for Marketing ed Keith Cox and Ben M. Enis (Chicago: American Marketing Association 1968) P.2.

31. Micheal Rines, Marketing Handout 2nd Edition (Gover Publishing Coy, Ltd. England 1981)
32. Marion Horper, Jr., "A New Profession to Aid Management" Journal of Marketing, January, 1961 Pg.
33. Nwosu C.C. Op cit
34. Nwosun Christopher c., Marketing Problems of the Nigerian Textile Industry: The Case of Kaduna State Textile Mills. (A.B.U. Unpublished M.B.A. Thesis 1984)
35. Nwokoye Nonyelu Modern Marketing in Nigeria London Macmillian Publishers Ltd. 1981)
36. Nwokoye N. Op. Cit Pg. 131.
37. Philip Kotler, Marketing Management, Analysis, Planning, Implementation and Control (Prentice Hall Inc. 1988) P. 13-17.
38. Rase and Kani, Corporation in Crisis: Why the Mighty Fall (N.J. Prentice-all Inc. 190) Pg. 132.
37. Seyi Adekeye, Business Concord Tuesday October, 1990.
40. Umasi, Godfrey "The state of Industry" Business Times Sept., 25, 1990 Vol.5 No. 50 P. 18.
41. Urdell G. and Lazniak G.R., Marketing in An Age of Change: An Introduction (N/York, John Wiley and Sons 1981) P.7.
42. Uche, U.U. "The Legal Aspect of Consumer Protection in Nigeria" Business Times October 14, 1980 P. 14.
43. Urdell G. and Lazniak G.R. Opp. Cit Pg. 232.
44. William J. Stanton, Fundamentals of Marketing (McGraw-Hill International Book Coy (1984) Pg. 465.

APPENDIX I

Dear Respondents,

One of the requirements for obtaining a Masters Degree in the Universities, is writing a research project.

In obtaining Masters in Business Administration from Ahmadu Bello University, Zaria, I am required to write a project, incidentally, my supervisor did assign me the task of writing a case study on UNTL, Pic. The topic happens to be "The Problems of Textile Industries in Nigeria".

In doing this, your kind assistance is required in the form of giving answers to questions contained in this questionnaire.

Your response will be treated in strict confidence.

Thank you.

Ahmed Tijjani Abubakar

MBA QUESTIONNAIRE ON MARKETING PROBLEMS OF TEXTILE
INDUSTRIES IN NIGERIA.

"THE CASE OF UNITED NIGERIAN TEXTILES PLC. KADUNA"

INSTRUCTIONS"

1. Do not write your name on the questionnaire
2. Where you have no answer to a specific question, do not worry
3. Completed questionnaire should be returned to the researcher
4. Where boxes are used, please tick the appropriate box that applies to
you

PART 'A'

1. When was United Nigerian Textiles Plc established?

.....

2. What are the company's main goals/objectives?

(a)

(b)

(c)

(d)

3. What are the main products of the Company?
 - (a)
 - (b)
 - (c)
 - (d)

4. What other products if any can the company produce?
 - (a)
 - (b)
 - (c)
 - (d)

5. What are your basic raw-materials?
 - (a)
 - (b)
 - (c)
 - (d)

6. Are these raw materials readily available?
.....

7. What are your company's Marketing Objectives?
 - (a) To satisfy consumers
 - (b) To gain rapid growth in total sales
 - (c) To capture a large share in the textile market
 - (d) All of the above
 - (e) Any other

8. Do you think you are achieving the objective?
.....
9. Which of the following marketing strategies do you employ?
- (a) Differentiated Marketing
 - (b) Undifferentiated Marketing
 - (c) concentrated Marketing
10. Which of the following affects the choice of any of the strategies above?
- (a) Company Resources
 - (b) Product Heterogeneity
 - (c) Market heterogeneity
 - (d) Competitive Marketing
 - (e) All of the above
11. How do you ensure customers satisfaction?
.....
.....
.....
.....
12. How do you handle customers dissatisfaction?
.....
.....
.....

476366

13. Do you normally engage in market research?
.....
14. How efficient is the communication between your company and the end users?
.....
.....
.....
15. To what extent are you applying the marketing concept in your company?
.....
.....
16. How would you grade the marketing department vis avis other departments in your company?
 - (a) Superior
 - (b) Equal
 - (c) Subordinate
 - (d) Any other
.....

PART B- PRODUCT:

1. Do you carry out market studies before developing new products?.....

2. What are your basic sources of textile designs?
 - (a) Foreign
 - (b) Local
 - (c) Distributors produce their own designs
 - (d) All of the above
3. What problem(s) do you face in improving the basic quality and design of your products?
 - (a)
 - (b)
 - (c)
 - (d)
4. What do you think are the reasons for the none-acceptability of locally produced textile materials?
 - (a)
 - (b)
 - (c)
 - (d)
5. To what extent are you utilizing your plant capacity:
 - (a) 80 - 100%
 - (b) 60 - 80%
 - (c) 40 - 60%
 - (d) 20 - 40%
 - (e) Below 20%

6. What production problems have you been facing?

(a)

(b)

(c)

(d)

7. What Marketing problems have you also been facing within the past five years?

(a)

(b)

(c)

(d)

PROMOTION:

1. What degree of importance do you attach to promotion and public relation.

(a) Very Important

(b) Your products sell themselves- You don't need them

(c) Use them when you have excess stock only.

2. What media do you use in advertising?

(a) Radio

(b) Television

(c) Printed Papers

- (d) All of the Above
 - (e) None at all
3. What determines your choice of the media?
- (a) Cost
 - (b) Courtage
 - (c) Reliability
 - (d) Company Policy
 - (d) No particular determinants
4. Do you have a public relation programme aimed at improving relationship between you and the public?
-
5. Do you consider trade fairs important in the promotion of your products?
-
6. What promotion and Public relations materials do you have for your customers?
- (a) Some pieces of material produced
 - (b) Calendars
 - (c) Diaries
 - (d) All of the Above

7. How much has promotion increased your sales figure for the past five years?
 - (a) Substantially
 - (b) Moderately
 - (c) Very Little
8. How do you receiving feedback from your promotion programmes?
 - (a)
 - (b)
 - (c)
 - (d)
9. What is the strength of your sales force?

.....
10. Do you have preference for or take into consideration factors such as age, influence in the local language?

.....

PRICING:

1. What factors go into determining the price of your final products?
 - (a)
 - (b)
 - (c)
 - (d)

2. The company pricing is:-
 - (a) Cost Oriented
 - (b) Market Oriented
 - (c) A combination of A and B
3. What are your selling terms?
 - (a) Cash and Carry
 - (b) Credit sales
 - (c) A and B
4. What is the difference between retail and manufacturers price?
 - (a) Substantial
 - (b) Little
 - (c) None
5. Who are your real competitors?
 - (a) Foreign textile manufacturers
 - (b) Other local textile manufacturers
 - (c) Smugglers of foreign textiles
 - (d) All of the above
 - (e) Others(specify).....
6. How do you view competitors in your operations?
 - (a) A real threat
 - (b) Means of improving product
 - (c) No effect

DISTRIBUTION:

1. to whom do you sell your products?
 - (a) Distributors/Wholesalers
 - (b) Government agencies
 - (c) Other Textile Mills
 - (d) Customers who submit their own designs
2. What is your present channel of distribution?
 - (a) Direct to customers
 - (b) To retailers, then to customers
 - (c) Through wholesalers to retailers then to customers
 - (d) All of the Above.
3. What type of relationship exists between the company and its distribution channels?
 - (a) Degree of dependence - High/Low
 - (b) Degree of Cooperation - High/Low
 - (c) Degree of control - High/Low
4. Do you also produce for other friendly or neighbouring countries?
Yes/No
5. How much of your products has been exported to such countries in the past five years?

OTHERS

- 1. What are your methods of sales?
 - (a) Use salesman
 - (b) Sell on contract basis
 - (c) Sell direct from the sales office
 - (d) Other (specify).....

- 2. How do you determine and take account of the always changing condition of the Nigerian Textile Market?
 - (a)
 - (b)
 - (c)
 - (d)

- 3. What problems do you encountered with the following?
 - (a) Government
 - (b) Smugglers
 - (c) Middlemen

- 4. How has SAP affected your operations?
.....
.....
.....

5. How much of the raw materials need in your production is imported?

.....

.....

.....

6. How do you think the marketing concept can help in eliminating problems in the Nigerian manufacturing industry?

.....

.....

.....

7. What changes in any would you recommend in your organisation for more positive developments?

.....

.....

.....

8. Please use the space below to make any comments or suggestions that you consider useful in this exercise.

.....

.....

.....