

EFFECTIVE RETAILING IN NIGERIA: A CASE STUDY OF
SELECTED OUTLETS IN LAGOS MUNICIPALITY

BY

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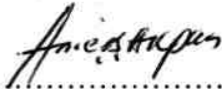
DECLARATION

I hereby declare that the project has been written by me, and it is a record of my own research work. It has not been previously presented in any application for a higher degree.

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CERTIFICATION

The project entitled "EFFECTIVE RETAILING IN NIGERIA: A CASE STUDY OF SELECTED OUTLETS IN LAGOS MUNICIPALITY" meets the regulation governing the award of Master of Business Administration degree by the Postgraduate School, Ahmadu Bello University, Zaria and is hereby approved for the contribution to the advancement of knowledge and literary presentation.



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DEDICATION

This work is dedicated to my wife - Mrs. Sarah E. Ekpo, my children - Essien-Ma, Vincent and Mayen.

ACKNOWLEDGEMENT

I remain grateful to all the officers and airmen of the Nigerian Air Force Technical Training Group for assistance rendered during the period of the programme - 1992-1995.

I also express my sincere gratitude to my lecturers during the entire programme. I will specifically mention Mr. A.B. Akpan who apart from supervising the project, showed great interest in my entire work.

I will not fail to express my gratitude to some friends who were helpful during the programme. I wish to mention the effort of Squadron Leader Ajayi, Captain Izilien (Nigerian Navy) and Wing Commander Olajide who provided moral and financial support.

I will also express my gratitude to my wife Mrs. Sarah Ekpo and children for accepting to make "sacrifices during the period.

Finally, I return all glory and honour to the Almighty God for His protection and provision. My His name continue to be praised.

ABSTRACT

Retailing involves all activities in the selling of goods or services directly to final consumers for their personal, non business use while the retail marketing tends to emphasize the planning and distribution aspects involved in the buying and selling activities. This concept is very important in the national business today because everybody is involved in the activity. Therefore, this research work is interested in finding how most of the retail outfits operate in the present economy which is characterised by uncertainties.

On this basis, this study presents a theoretical expositions of how retail stores/shops operate with particular reference to Lagos metropolis.

The researcher went further to evaluate the impact of store image, retail competition, quality of service by store operators, assortment of goods/products and of course the general performance of the stores selected. Questionnaires were drawn and administered on five areas in Lagos metropolis. Information obtained from these questionnaires were supported by the interviewed.

It was discovered that the stores' corporate image, location and design, relationship with customers and the quality of service rendered by the stores play a vital role

for the success and survival of the stores. Product assortments also play important role in differentiating these stores from other retail shops/stores. Retail competition has forced retail stores like supermarkets to become more efficient, to find and develop better produces, offer better services, keep facilities up-to-date and at affordable prices.

It was observed that the problems of the economy has affected the general performance of the retail business. Specific in-house policy measures were recommended to boost the profit contributions as this is the only way to enhance return on investment.

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CHAPTER ONE

GENERAL INTRODUCTION

1.1 INTRODUCTION

It is a known fact that any economic system must provide for production and distribution of goods and services. In Nigeria, the distribution sector is one of the largest sectors of the economy. One could say that apart from the macro economic influence, this sector also has a great macro economic influence on the country which of course means the active sector that should be taken very seriously.

Physical distributions entails efficient movement of products from the end of production line to the consumer. The retailer happens to be the final link in the chain between the producer and the consumer.

The retailing business in Nigeria is a comparably less complex business an individual could engage in with the little financial capital and using any place with prejudice to government restriction. One therefore could see variations in the class, status, economic strength and other capabilities as well as abilities of both individuals and groups in this business.

With the multiplicity of people in the business, it makes the business look like an all comers affair. One could therefore imagine the various efforts put in by those in this business to satisfy consumers who patronise their business and therefore keep as much sector of the business as possible to themselves. These efforts no doubt is bound to bring about competition. One then wonders what strategies the various participants in the game of competition could put in place to ensure continued stay in the business without running at a loss and possibly even folding up business.

Like in some fields of endeavour where competitions at times brings out the best in individuals or groups, one also wonders whether these strategies could not even make some retailers to grow and excel to the status of giants in the retailing business.

1.2 STATEMENT OF THE PROBLEM

The number of retail shops in Nigeria especially in Lagos area could be an indication to the ease with which a retail shop can be established.

A study of the ownership shows that a great number belong to those in the lower economic class. The lower economic class notwithstanding this group, collectively in

addition to its other components in the distributive trade sector forms a substantial block in the Gross Domestic Product (GDP) of Nigeria. For example, in 1974 the sector accounted for 10.86% of the GDP coming third after agriculture and mining (Olaloku et al 1979).

Therefore a study of some aspects of the activities of this group; will be of benefit not only to the country at large but also to some individuals or groups who may have dumped their life earnings into a business.

The competitions which must have arose as a result of a large of participants in the business has two sides that is, either brings out the best in the participants thus propelling them to greater heights or run some participants down such that they are run out of business.

The competitive factors which could influence this business include excessive number of retail shops in an area, chain store competitions, competitors offering special discounts to attract customers and price cutting to enhance patronage which could affect successful retailing operation.

The study of these factors need to be made to assist as guide towards the Strategic retailing in Nigeria.

Furthermore, Okolo, 1990, had carried out a similar research on the Retail Stores in Akoka. There is the need to find out whether the same results will be obtained using a wider environment.

1.3 PURPOSE OF THE STUDY

It is believed that certain factors could enhance or militate against the effective performance of a retail store. Factors like -

- i) great number of stores;
- ii) effective use of price by competitors e.g. discounts;
- iii) price war amongst competitors;
- iv) having similar stores in a particular line;
- v) effect of a perceived economic status of an area on retail store.

This study therefore is intended to confirm whether these factors actually influence a retail store business or not.

1.4 SCOPE OF THE STUDY

The study will cover five marketing areas in Lagos municipality and these are

- i) Victoria Island/Ikoji area
- ii) University of Lagos area

- iii) Ikeja/Orodu Area
- iv) Festac Town area.
- v) Apapa/Ajegunle area

The retail stores that will be studied will vary both in size and line of stores.

1.5 HYPOTHESIS

To effectively carry-out the study, the following hypothesis have been drawn.

1. Locating a retail store in an area with high concentration of similar retail stores would result to great competition.
2. A retail store with high quality goods compared with other stores may attract higher customer turnover.
3. The tagging of lower prices for items may attract more customers.
4. The retail store offering better services may attract more customers than others.
5. Perceived economic class of a neighbourhood may not generate competition among retail shops in the particular area.

1.6 SIGNIFICANCE OF THE STUDY

This study will benefit both individuals and groups wishing to go into or already in retail store business. With self employment being the easiest means of one getting

employed now in Nigeria and considering the capital required to go into retail store business, young school leavers including graduates will benefit from this study. Those retired or dislocated from employment will also require the result from this study.

Furthermore, the effective use of the outcome of this study by groups or individual will be of benefit to the government in many areas - economically in that more money will be generated within the country, and socially in that more people will be gainfully employed thus reducing the country's level of unemployment and reduce also the number of social misfits in the society.

1.7 PLAN OF THE STUDY

In the establishment of retail store, Gist (1967) states three criteria necessary for the selection of site as:

- i) Adequacy of trading potential within an area. This is done by determining the volume of business in the given location.
- ii) Accessibility of the location to 'would be' customers. The more the number of people on the way of the store the better the trading volume.
- iii) Growth potential - an increase probability of increasing total business volume.

With Gist's criteria as a bases the study was conducted in Lagos - a commercial nerve centre of Nigeria.

To effectively cover all areas of study, a pilot study was carried out around Lagos area to identify centre of study. The pilot study included Festac Town, Lagos University Campus Akoka, Ikoyi along with Victoria Island, Ojudu and Ikeja which is an industrial area and Apapa with Ajegunle low income class area.

Primary and secondary data were used for the collection of the research information. Questionnaires constituted the main bulk of the primary data investigation. oral interviews and observation were also used. Apart from the questionnaires, oral interviews and observations were used.

The data collected are presented in the form of statistical percentages and Chi square test approaches were adopted to analyze and test hypothesis.

1.8 DEFINITION OF RELEVANT TERMS

Independent traders:- Independent traders are defined as retail organisation and with less than ten branches. The usual number of branches controlled by the sole trader is one at most two.

Multiple or Chain Stores:- The large multiple retail organisation is invariably of the joint stock company type (either private or public) and therefore in common ownership with a degree of centralised control. A large multiple is defined as an organisation with ten or more branches, the chain is often made up of specialty shops.

Specialty Shops:- These shops specialise in one or two segments of a particular product line. They are specialists in serving the needs of the target consumers in depth.

Departmental Stores:- These are large units that offer numerous product lines, including furniture, clothing, appliances, toys, books, gifts items, sporting equipment and candies.

Co-operative Societies:- These are defined as a co-operative retailing organisation trading on co-operative principles, affiliated to National Co-operative Movement and registered under the Industrial and Provident Societies Acts, because many retail co-operative societies operate branches they are in this respect similar to multiple store chains.

Supermarkets:- These are generally low margin, high turnover retail organisations which are large in size and have a wide product line.

Limited Line Stores:- They offer an inventory that is restricted to only one or several similar product lines. Examples are hardware, furniture, grocery and sporting goods.

Discount Stores:- These units operate on low margin high turnover basis. They attempt to secure differential advantage by offering prices that are lower than those of rivals.

Shopping Centres:- Are made up of a number of retail units which coordinate their efforts in order to attract consumers.

Super-stores and Hypermarkets:- Super Stores have sales area of 25,000 to 50,000 square feet, while the term Hyper market is reserved for units over 50,000 square feet of selling area.

Franchising:- Franchising is the granting of sole selling rights within a given geographical area. The franchising company (the franchisor) supplies equipment and/or raw

materials for licensee who either pays franchise fee or a percentage turnover, or contracts to buy supplies from the franchisor.

Service Retailing:- As disposable income rises so consumer spending has shifted from purchasing essential items to goods and services which increase the consumer quality of life. Service retailing is the sales of services which are intangible in nature.

Product Image:- The particular subjective picture that consumers actually acquire of the product is called product image.

Mail Order Retailing:- Using the mail to get orders and/or facilitate delivery takes several forms. Mail order catalogues, direct response and direct mail.

CHAPTER TWO

LITERATURE REVIEW**2.0 RETAILING DEFINED**

Generally retailing could be said to include all activities involved in the sale of small quantities of goods and services at a profit, to ultimate consumers personal user¹.

Philip Kotler defined Retailing to include all activities involved in selling goods or services directly to final consumers for personal use². Retailing is the buying and selling of goods and services to satisfy the consumer.

Cox and Brittain defined retailing as the sale of goods and services to the ultimate consumer for personal, family or household use³. Thus Retailing involves more than selling tangible products. The purchase of a service such as a haircut or dry cleaning is also a retail transaction.

According to Wingate and Samson, retailing involves the sale of goods to the final consumer⁴. Retailing, the

final step in distribution serves as a collector or assembler of products from all over the country and the world. These goods are then sold to those persons who will use them. The contributions of retailing includes the following; specialisation, place utility, time utility, information, interpretation and supportive services.

2.1 FUNCTIONS OF RETAILING

A retail-sale is one in which the buyer is the final consumer and the purchase is for non business use. Retailing is the last activity in the distribution chain and their duties therefore is very important in the distribution channel. Retailers perform the following functions⁵:

1. The final link in the chain of production which begins at the extractive stages, moves through manufacturing processes and ends by the distribution of goods to the final consumer.
2. They act as important tax collection point e.g. Value Added Tax.
3. Selections of an assortment of merchandise appropriate to the particular market.
4. Breaking of bulk so that small quantities can be sold.
5. Holding of stock, for instance availability at relatively stable prices.

6. Helping to effect change in ownership of goods.
7. Causing goods to move through the system for example from warehouse to retailer and finally to consumer.
8. providing information not only to the consumer but also to suppliers.
9. providing product guarantees, after sales service, and dealing with customers' complaint.
10. Providing credit and hire purchase facilities.
11. Place utility: The role of retailers in assembling good at a source readily available to customers is one of the major economic justifications of retailing.
12. Time utility: They provide goods in sufficient quantities at the time consumers want them.

2.2 TYPES OF RETAILING

Retailing institutions exhibit great variety, and new forms keep emerging, several classification have been proposed⁵. Basis of classification: Retail forms can be classified into a number of categories by⁷:

- a) Legal form:- Based on ownership, mainly sole proprietorship, limited liability company.
- b) Operational Structure:- Three operational structures; the independent trader (usually operating only one retail outlet) the multiple or chain store and the consumer co-operative.

- c) Range of merchandise:- Offer wide range of goods or specific range in which case it is called a specialty store.
- d) Degree of Service:- Although many retail outlets have been converted or built to self locations in town centres.
- e) Pricing Policy:- Some retailers choose to emphasis low price.
- f) Location:- Another way to classify retailers is according to geographic location. some retailers sought edge-of-town locations, other, prefer to stay in 'cluster' locations in the town centres.
- g) Size of Outlet:- The average size of many multiples' branches has increased quite markedly over the past few years as more and more firms become large and medium space users. The term, 'Superstores' has been used to define outlets between 25,000 to 50,000 square feet and Hyper-markets are those stores over 50,000 square feet
- h) Method of Customer Contact:- Most retail Transactions are conducted by face to face contact in retail stores. However, a significant proportion of retail sales is generated by non-store retailing operations such as mail order catalogues, telephone selling, vending machine, door-to-door selling or mobile shop.

It will be seen that some of these categories overlap but they are all important in specific marketing situations. The conventional and most common classifications of retail organisation is based on operational structure and range of merchandise.

Wingate and Samson suggested four forms of retailing, which include⁸:

1. Over-the-Counter Retailing:- The most common form of retailing. it involves having a store where a customer may come personally to examine, select and purchase what she wants from the retailer's stock.
2. Mail-Order Retailing:- In this form of retailing, the customer examines a catalog or advertisement for merchandise she wants to purchase. Her order is mailed or telephoned to the retailer's business place. The retailer receives the order and then sends the merchandise to the customer by mail or other forms of delivery.
3. Direct Retailing:- In direct retailing, the sales man comes to the house of the consumer with merchandise or samples. Door-to-door selling is one common form of direct retailing. Generally, orders are taken and the goods delivered late, although some salesmen carry or supply of goods and make delivery at once.

4. Automatic Retailing:- In this type of retailing the customer deposits money in a machine and receives the goods immediately. Merchandise sold in this manner is usually convenience type such as stamps and soft drinks.

Wingate and Samson also stated that changes in retailing have followed the changes demanded by the consumers in the past and this pattern will continue⁹. As new consumer demand involve so new types of retailing will emerge. Retailing can not change customers, but customers can change retailing.

Wingate and Samson divided retailing into small-scale retailing and large scale retailing¹⁰.

Small-Scale retailing:- Usually operated as a single unit, has little or no specialization in management, it is not departmentalized and is operated by an owner-manager who also performs the activities of a salesperson, buyer, stock clerk and book-keeper. The main types are general sores, single line store, road-side establishment, iterate (travelling) stores and personal service stores.

Large-Scale Retailing:- Successful small retailers frequently expand their operations into large scale

retailing establishments. The main types of large scale retailing establishment are the departmental stores, discount stores, variety stores, supermarkets and mail-order firms. It might be appropriate to historically discuss the main types of retail organisations.

DEPARTMENTAL STORES

This could be traced to the early 1800s when local merchants were faced with a high level of demand to satisfy due to the growth in cities. Furthermore, Certain cultural, social and technological forces were also operating which set the stage for the birth of department stores. Merchant began paying more attention to rice as a promotional instrument. Also increased, literacy and broader newspaper circulation made large-scale advertising possible. There were improvement in the level of transportation. This, it gave birth to the first early department stores.

The impact of automobiles to the development of department stores could be summarised in the words of General Robert E. Wood¹¹, president of Sears, Roebuck as presented by Stern and El-Ansany (1977).

The automobile has revolutionalised American business, yet the great body of retailer were long oblivion to its

Eventual effect on retailing. With a larger and larger proportion of the populations possessing autos, the problem of parking space, traffic congestion and resulting inconveniences to downtown shoppers became more and more serious. The automobile made shopping mobile and this mobility now created an opportunity for the outlying stores, which with lower land values could give parking space; with lower overhead, rents, and taxes could lower operating costs and could with its larger clientele created by the automobile - offer effective competition for the down town stores.

Chain stores

This was mostly noticeable in the 1920s. It came into existence as a result of the logical competitive response to the growth of department stores. Chain stores through their economic advantages, offered lower prices and more convenient locations. The chain concept was widely adopted by general merchandise retailers.

Stern and El-Ansany (1977), outlined some impinging environmental factors during the period of 1930-1950 as¹⁴;

- a) Switching to supermarket and closing smaller stores for larger ones.

- b) New organisational structure were needed and a pool of management talent had to be developed.
- c) Shortages of funds for use in expansion during the 1930 depression.
- d) World War II created shortages of man power and building materials as well s restriction on non-military construction¹².

After this period, there has been strong growth in both outlets and sales as a result of the economic advantages of bargaining power. Wholesale functions efficiencies, multiply store efficiencies and larger retail store size.

SUPERMARKET

This developed in late 1920s and early 1930s. it introduced several of the modern day principles of mass merchandising such as customer self service and scrambled merchandising. Their main objective was to provide a comprehensive assortment of these products at a single store via efficient low cost methods of distribution.

According to Kotler (1980), a number of environmental factors were at work to cause the supermarket to evolve when it did. These are¹³;

- a) The great depression forced price-conscious behaviour

on consumer and simultaneously allowed operators to obtain merchandise at low prices from distressed sources, as well as occupy large buildings of low rentals.

- b) The mass ownership of automobiles made distance less important and increased weekly shopping.
- c) Advances in packing technology meant that food products could be marketed in storable consumer - size packages.
- d) Advances in refrigeration technology meant that supermarkets and consumers could both store perishable longer.
- e) The integration of grocery, meat and produce departments made one-stop shopping feasible and attracted customers from considerable distance, thus giving stores the volume they needed for successful supermarket operations¹³.

Above were responsible for rapid growth and development of supermarkets in the 1930s and has since been on the increase.

DISCOUNT HOUSE

This was mostly noticeable after the World War II when they began to merchandise nationally advertised hard goods (electric appliances) at considerable markdowns compared to

more conventional outlets. Sten and El-Ansany (1977) has attributed at least three factors to the spectacular growth viz.

- a) Located in the suburbs which were under-Retailed at the time.
- b) More blue-collar workers were moving to the suburbs and thus enabling the discounters fill a void in the market.
- c) The spending habit of the working class were becoming more prudent and therefore were seeking the type of goods being sold by the discounters¹⁴.

NON-STORE RETAILING

The use of automatic vending to retail a wide variety of convenience goods has also grown remarkably overtime. These include mail-order shopping, vending-machine retailing, telephone selling, Door to Door personal selling just to mention a few. Stern and El-Ansary (1977) outlined the factors responsible for these developments as:

- a) More women are working and have less time to shop on stores.
- b) Shoppers are retreating from crime-plagued urban shopping areas.
- c) Gasoline is less plentiful and more costly.

- d) Sales assistance is less available in stores due to the desire of traditional retailers to cut costs¹⁵.

The historical development and subsequent trends of the various retail organisations can readily be seen in our dynamic society. General stores were the mainstay of retailing activities in this country until our population took on urban characteristics and as a result all types of retailing outlets came into existence.

2.3 CUSTOMER BUYING BEHAVIOUR

The consumer is the focus of all retail decisions¹⁶. It is therefore important to appreciate how consumers go about their buying decisions.

Cox and Britain suggested that the buying process is essentially a decision process designed to provide awareness of a need or want, this is followed by an information processing stage prior to the purchase decision¹⁷. But the buying process should not be considered complete until the product or service has been used and remitted in satisfaction or dissatisfaction in the original need or want. A study of the customer including his educations, interest, financial status and buying habits is the basis of successful retailing¹⁸.

Wingate and Samson suggested that merchants should not buy item that customers will not buy no matter how good the bargain might be. The retailer who takes the time and trouble to study customer, to listen to them and to analyse what they have bought in the past, has taken the first step towards successful buying. A careful analysis of past sales Records tells much about what customer wants and are likely to buy again sales records can provide satisfaction.

Retailers have found that today consumers is better educated and more sophisticated than ever¹⁹. The consumer is more knowledgeable, more selective, and more aware of quality. Consumers attitudes towards family, work, themselves and their personal needs, and the economy have changed a great deal in the last 25 years²⁰.

According to Gillespie and Hecht, customers respond to economic and social changes, by altering their living habits and attitudes towards spending²¹. The marketers' job is to keep close track of these changes. By studying economic and social changes marketers can predict changes that will occur in buying behaviour in their trading area.

Individuals are becoming more self-centred and show a greater need for self-expression. This is reflected in the growth of designer labels and specialist clothing shops.

people are paying more attention to their quality of life and health living and concern for the environment are current issues. There is a growing consumer movement which requires business to operate in the best interest of the consumer²². Cox and Britain however stated that these changes in society will be reflected in the wants and needs and the retailer must be aware of these changes in order to fulfil the primary role to anticipate and satisfy these wants and needs.

THE BUYING DECISION PROCESS

The buying decision process is essentially a decision process designed to provide solutions to problems. The first State in the process is the awareness of a need or want; this is followed by an information processing style prior to the purchase decision. The buying process should not be considered complete until the product/service has been used²³.

The Felt Need/Want -

Human beings have certain fundamental needs for survival: food, water, shelter (warmth) and security. These may satisfy in quite simple ways or through the expression of more complex requirements - wants. These felt needs or wants can be considered as a problem. The natural response of the human being to this problem state

is to seek a solution, and the process of seeking a solution leads naturally to the search of information and the exploration of alternative ways of solving the problems²⁴.

Pre-purchase Activity -

This stage is concerned with gathering information and processing it to allow the consumer to move towards a purchase decision. Firstly the consumer becomes aware of the product and service which may satisfy his or her requirements. Interest is then generated which becomes more intense as more information is gathered, resulting in a desire to obtain the item, and finally action - the decision to purchase²⁵.

The Purchase Decision -

The purchase decision is not a single decisions, but a bundle of decisions, any one of which can result in a change of mind and alternative route being followed. The actual time of purchase is important s it can either help or hinder the decision process. A consumer decision to modify, postpone or avoid a purchase decision is heavily influenced by the attitude of others, unanticipated situational factors, and perceived risk. A consumer who decides to execute a purchase intention will be making up to five purchase decisions; brand decisions, vendor

decisions, quality decisions, timing decisions and payment mode decisions²⁵. The purchase transaction is important as it is the last impression the customer has of that purchase situation.

Use Behaviour -

The product usually is not purchased for its own sake but for its ability to satisfy a need. Much is to be learnt by understanding why consumer buy products, other questions like who uses the product? When and where is it used? and what other product is it used with? The answers can provide opportunities for ensuring customer satisfaction and additional sales²⁷.

Post-Purchase Feeling -

The buyer's satisfaction(s) is a function of the closeness between the consumer's product expectations (E) and the product's perceived performance (P), that is $S = f(E, P)$. If the product matches expectations the consumer is satisfied, if it exceeds them the consumer is satisfied, if it falls short the consumer is dissatisfied²⁸.

Dissatisfactions with a product can be as a result of a Genuinely disappointing performance of the product due to faulty manufacture and inappropriate use. Sometimes, however, dissatisfaction is due more to psychological

factor such as the tension created by wondering if the right choice has been made - particularly if the alternatives were also attractive. Also if the product appears to be performing well, adverse information provided by friends or neighbours may reduce satisfaction or cause the consumer to fear failure of the product so causing him or her to return it and demand a refund.

Recognition of these phenomena known as post cognitive dissonance will lead the retailer to provide mechanisms for reducing this tension either at the time of purchase or shortly afterwards. A liberal return policy will allow the customer the time to feel that even if the product is not quite right when they get it home, they are still able to get a refund without problem. This assurance actually makes it easier for the customer to make the purchase decision. The fear of product failure can be lessened by the retailer providing extended guarantees or offering products which offer a manufacturer's extended guarantee²⁹.

TYPES OF BUYING BEHAVIOUR

Consumers decision making varies with the type of buying decision. The more complex and expensive decisions are likely to involve more buyer deliberation and more buying participants ³⁰. Assael distinguished four types of consumer buying behaviour based on the degree of buyer

involvement in the purchase and the degree of differences among brands³¹.

1. Complex buying behaviour:- Consumers go through complex buying behaviour when they are highly involved in a purchase and aware of significant difference existing among brands. Consumers are highly involved in a purchase when it is expensive, bought infrequently and risky.

Typically, the consumer does not know much about the product category and has thus, much to learn. The marketer therefore has to develop Strategies to assist the buyer in learning about the attributes of the product class, it's relative importance and the high standing of his brand on the more important attributes

2. Dissonance- Reducing Buying Behaviour:- Here the high involvement is based on the fact that the purchase is expensive and risky. In this case, the buyer will shop around to learn what is available but will buy fairly quickly because brand differences are not pronounced. The buyer responds primarily to a good price or convenience of purchasing at that time or place. After the purchase, the consumer might experience post purchase dissonance. The consumer

starts learning more things and seeks to justify his or her decision to reduce the dissonance. Thus the consumer first passed through a state of behaviour, than acquired some new beliefs, and ended up by evaluating his choice favourably.

3. Habitual Buying Behaviour:- Here most products are bought under conditions of low consumer involvement and the absence of significant brand difference. Consumers do not search extensively for information about brands, evaluate their characteristics, and make a decision on which one to buy. Instead consumers are passive recipients of information as they watch television. Consumers don't really form an attitude towards a brand but select it simply because it is familiar. After purchase, they may not even evaluate it because they are not involved in the products. So the buying process is, brand belief, formed by passive learning, followed by purchase behaviour, which may or may not be followed by evaluation.
4. Variety-Seeking Buying Behaviour:- Some buying situations are characterised by low consumer involvement but significant brand differences. Here consumers are often observed to do a lot of brand

switching. Brand switching occurs for the sake of variety then dissatisfaction.

The Buying Participants -

The buying process has been described as a problem-solving exercise, designed to result in the satisfaction of a need or want. However, it should not be forgotten that the consumer does not live in a vacuum and there are many factors which influence consumer behaviour in a particular buying situation³².

The four possible roles of the actors in the buying process include influencers - these are the people who encourage, inform or persuade at any stage in the buying process, deciders - the actual purchase decision is not made by an individual but by a group of individuals; the buyer- the significance of the decision making unit is highlighted when the buyer is considered as the individual who makes the actual purchase; users the final buying participant is the end user. The user of a product may have had no role in the initial product/store/brand choice but being the user of the product will either be satisfied or dissatisfied with it. This will usually be communicated to the purchaser who will react appropriately³³.

Factors Influencing Choice -

The consumer is influenced by many factors in choosing the product/store/brand complex. These factors may be perceived as internal variables - needs, motivation, personality, perception, learning and attitudes, or extended-family, reference groups, social class and culture.

2.4 QUALITY SERVICE

Customer services are important parts of retailing throughout the world because they can so powerfully affect customer patronage. Fred Jones (1976) describes retail service thus: In abroad sense all activities of a store are services since all store activities are directed to having the right merchandise at the right place in the right quality at the right price and right time. To the extent that a store performs this service efficiently, it is economically justifiable. The Services that are discussed here, however, are certain activities that facilitate the performance of the basic service or principle of retailing.

David Rachman (1975), however sees services as all those non-price devices used to help the retailer differentiate his offerings in order to achieve higher sales and thereby maintains a certain segment of the market.

Carl et al (1978), defined services as all those non-price activities undertaken by a retailer to assist him or her in carrying out the mission to achieve the twin objectives of customer satisfaction and higher trades volume.

Pearce et al (1981) stated that for each store the important first step is to determine exactly what services are basic for its clientele. The fundamental reasons for offering customer services are to satisfy the customer, even after the sales are completed, and to draw new customers to the store.

However, in setting strategies for retailing in a depressed economy, services policy is very important. This will enable the customer appreciate his value for money spent on any item, it has been earlier stated that when the economy is poor consumers go for quality and durable goods, so also they will go for quality service.

2.4.1 Classification of Service

Carl et al (1978) classified services into three; the pre-purchase services, post purchase services and ancillary services.

Pre purchase services are those services offered before the buying, they include; accepting telephone orders, accepting mail orders, advertising, window display, interior display, shopping hours, fashion shows, etc.

Post purchase services are services offered after buying has taken place, they include delivery, regular wrapping and bagging, gift wrapping, adjustment, returns alterations, tailoring, installations and engraving.

Ancillary services are those services offered to further enhance the image of the shop, they include check chasing, general information, free packing, restaurants, repairs, interior decorating, credit, rest-rooms and baby attendant service.

Carl et al (1978), also classified services into essential, expected and optional services. Essential services are basic services that retailers must provide such as parking areas, store hours, sales person, display, adjustment and wrapping. Optional services are neither basic nor expected services such as children's play-rooms.

Wingate & Samson stated that there are four different types of services that a store may provide, they include; selling and shopping services, convenience services, profit services and ~~community~~ services³⁴.

Selling and shopping services are associated with the actual merchandise carried by the store and are probably the most frequently used by the customer. The presence or lack of a selling or shopping services may influence the customer's decision to buy. Selling services include personal attention and assistance, alteration etc. Shopping services include mail orders, telephone orders, personal shopping, fashion shows, gift wrapping, returns, adjustment and delivery.

Convenience services according to Wingate and Samson are the numerous non-profit services provided customers. Many stores provide such services to make shopping a pleasure, examples include provision of parking area for customers, use of door men, information desk, rest rooms, first aid stations, play rooms, pay phones, and store hours.

Community services are activities undertaken by the store on behalf of the community. This will help to attract the community interest in the store. The Store may also provide live entertainment or informative lectures by well known persons. Some store include in their budgets financial contributions for community betterment.

2.4.2 Determinants of Services

The extent to which a retailer provides consumers with extra help in purchasing a product or service will be determined primarily by the target market (and its expectations) and the retailer's objectives with particular regard to store image.

Most of the common determinants of services include:

- a) **Types of Merchandise Handled:-** The type of merchandise is a major determinant of services requirements with bulky and heavy items requiring the retailer to offer a delivery service. Carl et al believes that to a large extent the kinds of retailing is determined by the type of merchandise carried.

- b) **Competition:-** Professor McNair's wheel of retailing hypothesis claims new retailers enter the industry with a minimum of service because they seek to acquire a price advantage over the established retail stores. These new stores gradually add services which increase their cost, and soon begin to lose their price advantage. The store ultimately matures into high priced shops offering maximum of service. The wheel of retailing continues to turn, and the retailers ultimately lay themselves open to the competition of

aggressive new comers who feature low price and a minimum of services.

- c) Types of operations:- A retailer who identifies with mass merchandise will provide fewer services with low quality discount although the offerings may be entirely different from a store that sells higher quality goods.
- d) Location:- Location may also be an important determinant of services offered. Location is also important in identifying the class of the retailer and the affluence of their customers. Some locations are elegant, and shops must provide many optional services to pamper the type of customer who shops there.
- e) Financial Strength:- Financial resources are another determinant of services rendered by shops, because many of the services the retailer may consider offering the customer can be very costly. It takes more than good intentions and desire to provide a delivery system, fitting rooms, restaurants, free parking or a number of other services.

Pearce et al (1981) stated that specific factors that influence service policy includes; types of merchandise

sold, types of clientele and merchandising aims and policies, store locations and competitions.

2.5 MANAGEMENT OF RETAILING INSTITUTIONS

Retailing management could be defined as the planning, organising, staffing, directing, coordinating and controlling of the different facet of a retailing operations³³. The operation of retailers covers such areas of store location, building and interior, personnel, product planning, promotion and credit.

LOCATION

Retail store location decisions include the acquisition of sites for planned or expanded facilities as well as the discontinuance or relocation of an ongoing operation. The location of the retail outlet can be a major determinant of its success especially for convenience and shopping stores. As a general rule, the selection of a specific site is customer oriented rather than supplies-oriented.

A trading area is the area surrounding an existing or proposed location from which a retailer draws or expects to draw the vast majority of his customers³⁴. We have observed that trading areas result from the collective responses persons make in balancing the attractiveness of near and

distant retail outlets against the cost, time and energy that must be spent in overcoming distance.

Furthermore, other factors are accessibility and traffic flow, extent of trading area, population and its distribution income, economic feasibility and competition. Despite the multitude of important issues that shall be considered, when selecting a specific site, many retailers particularly the smaller operations choose their locations on an ad-hoc basis without the benefits of an overall planning of potential site evaluation.

Hanson et al (1976) therefore, concludes that a good location should permit the retailers to develop all their merchandising plan at reasonable costs with expectations of generating a profitable sales volume. The site must be easy for the shoppers to reach and often must provide ample parking³⁵.

STORE BUILDING AND INTERIOR

Basically, the store building and interior should match consumers' expectations and be reasonable in cost. Store buildings help determine the image that consumers have of retail units. Consumers may have a negative image if the building appears to be poorly maintained and old. Retailers should design buildings that are very pleasing aesthetically.

The interiors should be carefully designed so as to create desired images and to direct customers traffic. Decisions must be made as to floors, wall, ceilings, fixtures, counters, tables and checkouts.

The type of fixtures, arrangement of fixtures and equipment and store decoration are all carefully planned to enhance a particular image. If the store's exterior and interior are old fashioned people tend to view the company as traditional and conservative³⁵. The furnishing and construction of various fixtures should suggest quality and service.

RETAIL PERSONNEL

One of the keys to successful retailing is the acquisition of good personnel - managers, salesmen, and non-salesman. The personnel function includes recruiting, selecting, training, supervising, motivating, compensating and terminating employees.

Accordingly, Akpan (1994), described store personnel as the living symbols of the company. All the good effects of product assortment, locations, store design and services offering can be destroyed ineffective personnel.

It is part of an expected service for store employees to be able to direct, be friendly, courteous, helpful and knowledgeable in the area of product features.

Personnel personal appearance also matters a lot. Most organisations attempt to build morale and productivity by filling job vacancies from the ranks of existing employees - by promoting from within.

Robin (1977) further added that chain stores enterprises have developed fringe benefit programmes, that include employee disability benefits, health insurance, retirement benefits and discount on purchases made by personnel and their families³⁶.

Adequate training should be provided from "top-down" as it helps the employees to gain confidence in his or her ability, and this is reflected in overall attitude and behaviour towards the customers, store itself and fellow employees. Retailers who develop effective personnel programs recognise that good employees are a vital element of their own survival and prosperity. Good programmes attempt to provide satisfaction of the needs of employees as well as of the retailers.

The role of the salesperson in retail selling is to communicate those satisfactions, and persuade the customers of the advantages of processing the product. A good sales person possesses a fund of knowledge about the products,

how they are made, how they are used, what they will do for their owners, and able to justify the price being used.

Recent surveys have shown that major retailers are increasingly concerned about the quality of their recruitment, the need for management to be more professional and more highly trained and the requirement to think strategically about their future. Retailers are aware that in the business environment of the 1980s and 1990s in which competition will become more not less, intense the need for the manager to understand the force at work in the retail environment and translate these into effective strategies is becoming increasingly pronounced³⁷.

Shafter and Greenworld suggested that because of the law of limitations, you must delegate a number of functions to others. As far as customers, vendors, salesman and other people doing business with the store are concerned, the employee they deal with is the store. Large stores maintain expensive training departments to teach new employees how to perform their jobs according to the store's policies. If the fundamental aim of the retailer is to succeed satisfying the needs of customers by providing them with appropriate merchandise at acceptable prices, then the activities should serve the same purpose. Good retail selling must be based on understanding of, an

appeal to customers point of view, that is to his or her needs in regards to the purposes he or she wishes the purchase to serve.

The quality of performance and appearance he or she expects give him or her idea of what constitutes value for money. He, however, stated that the role of sales staff persuading passersby to shop, though this has changed with time, the sales staff also exercise persuasion by means of window display and advertising them by personal exhortation. Their functions also includes policy decision on the market to be catered for, provide appropriate merchandise and present it by display and sales promotion to attract customers.

The success of a retail business depends greatly on human factor. Wingate and Samson however suggested that retailers have learned that a satisfied employee will devote his best efforts to the store's success and to the needs of customers. They are of the opinion that personnel policy should be good enough to ensure that the employee is loyal and productive. Some of the personnel policies that a retailer must decide upon are those concerning employment, compensation, fringe benefit, working conditions, job relocations, communications and labour relations.

CREDITS AND COLLECTIONS

Many retailers offer credit to their customers. Among the major forms of credit are open account (charge account), credit cards and installment credit. It was found that credit customers tend to buy more from the store than non-credit (cash paying) customers. Some also use the roster of credit customers as a mailing list to send marketing-research questionnaires or direct-mail advertising materials.

Robin (1977), emphasized why most retailers also avoid it. It is costly and create expenses such as (1) bad debts, (2) interest on the money is tied up in account receivable and (3) the cost of operating a credit and collection department³⁷.

Therefore, each retailer is in position of having to compare the benefits and the disadvantages of credit sales and decide whether to implement it or not.

2.6 MERCHANDISE MANAGEMENT

Merchandise management includes not only acquisition of goods and services but also encompasses the income producing sector of the retail firm. Therefore, it involves all the activities directly involved in planning, organising and controlling the selection, buying, price-

setting, promotional and selling policies of the retail firms merchandise and service offerings. Regardless of size, the success of the firm, depends on the primacy of the merchandising divisions as the income producing segment of the operation.

The basic objective of the merchandise management is to achieve a well balanced Stock because such a Stock will permit the Retailer to meet customer demands satisfactorily, improve profits, provide buying information and optimise investment in inventory.

2.7 THE RETAIL MIX

All those factors that facilitate retail activities constitute what we call retail mix; they include store location, product decision, pricing, advertising, layout and customer service.

Product Decision

The most important element of the retail mix according to most retailers is the product that is what customers require, why they visit a retailer and what generates profit. A product is anything that can be offered to a market that might satisfy a need or a want. However, in retailing a product can be referred to as a merchandise. The type of merchandise offered by a Retailer is a major

determinant of the business the retailer is in, and the variety of merchandise will have a major impact on how the customer perceives the store, a retailer will either carry only a few related product lines or a wide range of variety of product lines³⁸. The quality of merchandise is also very important in retailing, the amount of merchandise ordered at any particular time must be related to the demand for it. Seasonal facts and fashion are major determinants of quality of merchandise sold, or left in the store, the price and quality of the product is important and must be related to the target market. For any product to satisfy the needs and wants of the consumer the timing of the arrival of merchandise is an important factor³⁹.

Wingate and Samson stated that quality merchandise is merchandise that will serve customers so well that they will have little question about rice and will purchase the item again if needed⁴⁰. They also emphasized on the importance of pricing. Most stores attempt to keep their retail prices competitive and some stores have definite policy not to be undersold.

Pricing -

Price is for some retailers the most important element of the retail mix. For others, such as convenience stores, the main consumer benefit is not the low prices but the

convenience both in terms of location and hours of trading. Price has Traditionally been determined by the cost of goods and then adding a bit to cover/profit⁴¹. The establishment of an appropriate retail price on merchandise is necessary if the retailer is to cover his expenses and earn a profit. The retail price must also be one that is attractive to customers and one at which they will buy the merchandise readily. The amount that merchants add to the cost price of merchandise in arriving at the retail price is called mark up;⁴².

If a retailer knows the mark-up percentage that he wishes to achieve, he can use this knowledge in buying merchandise for resale. He can use it, for example, in determining whether he is being offered a reasonable price for an item. In practice merchants tend to vary considerably in the pricing of individual items, on the whole they attempt to achieve an average planned mark-up on the total of their purchases⁴³.

2.8 FACTORS AFFECTING PRICING DECISIONS

In placing price for goods sold by Retailers, certain factors influence the pricing Decisions this includes cost of good, demand for goods and competition.

Cox and Britain stated that the cost of goods sold is the amount which the retailer has paid the suppliers for goods actually sold⁴⁴. It is by far the largest expense incurred by a retailer who makes profit by adding on the margin from which all expenses may be paid and the net profit left must be large enough to service and replace the capital and thus keep the retailer in business.

Wingate and Samson are of the view that the largest single factor in establishing a retail price is the cost of the merchandise to be sold⁴⁵. In addition to the cost, there is also the expense of handling the merchandise in terms of getting it ready for sale. Pricing decisions should very closely need the requirement of the target market, if that need is for the best possible price deal then low price would be offered. If exclusively service and status are required, higher prices should be in order.

Cox and Britain also stated that the analysis of competitors pricing strategy will determine what pricing strategy a retailer may adopt in order to complete effectively, and that pricing decision must be consistent with overall company objective⁴⁶. However, if the price perceived as a key element in the consumer's purchase decision, then price will be used to establish a differentiating role. Some of her factors that will

influence the pricing decision include intermediaries, financial institutions by altering rates of interest, suppliers may put up their prices, trade unions may demand higher wages or the government may change the legal frame.

2.9 SETTING PRICES

Cox and Brittain were of the view that the most basic method of setting the retail selling price is to add a standard mark-up to the cost of buying in⁴⁷. The problem with this approach is that it takes no account of competitors price or Demand for the product, but they could be crucial in determining if a line sells or not. They profound ways in which retailer may set prices, they include:

Demand Oriented Pricing:-

Here prices are set according to the anticipated demand for the product or services, which could be

- 1) **By Customers:** Price discrimination is determined by the retailers assessment of what an individual customer might be willing to pay. The eventual selling price of an item will depend to some extent on the negotiating skill of the customer.
2. **Version:** The price of an item in a line of products will be determined by the demand for that model.

- 3) Place: There is need for the retailer to serve the needs of his or her local market place.
- 4) Time: When a product is purchased, may determine its price.

The Multi-Stage Approach -

The recommended method for setting retail price is to take into account cost, demand and competition in a multi-approach by selecting the target market, determination of the floor price, determination of the ceiling price.

Cox and Brittain were of the view that price living could be used mostly in variety stores⁴⁸. Price living is the setting up of reduced number of distinct selling prices within a line of merchandise, goods, being marked at these price points and at no others. With many types of merchandise, customers tend to group themselves into fairly narrow buying zones.

2.10 RETAIL COMMUNICATION

Retail communication is the process of communicating with the target market, it is accomplished using advertising, personal selling, sales promotion and public relations. The extent to which each of this is used will depend on the retailer's objective.

Advertising provides a systematic means of communicating with potential customers⁴⁹. The major aim of retail advertising is to encourage customers to come into the store and personally examine merchandise offered for sale.

Cox and Brittain divided advertising objectives into short term and long term objectives⁵⁰. Short term objectives stimulate traffic building within days of appearance of an advertisement, usually by means of a specific merchandise or promotional off. This is called promotional advertising.

Long term objectives increase the number of customers in the target market who automatically think of the advertised store as the right choice for the classes of merchandise that are on sale in building Store loyalty. This is called corporate advertising. These objectives are achieve by informing, persuading, reminding, or reassuring as part of the overall communication function of advertising.

Promotional and Corporate advertising:-

The also stated the goals that can be achieve by the retailers as follows:

- To bring customers into the store to inspect merchandise offerings and to use services.
- To introduce new goods and services.
- To stimulate the Demand for product.
- To prepare the way for the sales-person in selling.
- To keep the customer satisfied with previous purchase.

2.11 STORE IMAGE ENHANCEMENT

Over the years, people have come to associate Store patronage with several factors. Such factors range from purely objective attributes of individual stores to basically psychological oriented factors as well as traditional beliefs of individual customers. However, the factors most generally chosen as major determinants of store patronage are more often than not influenced by the customer's cognitive structure. This in most societal Settings, it is not uncommon for people to associate Store patronage with supernatural forces - a phenomenon that would be totally contrary to the marketing concept. But whether supernatural forces play any role in selling is not our concern here, rather, our concern centres on the fact that whether a consumer patronises a store depends both on the valuative criteria of the consumer and the perception of how the store characteristics compares with these criteria⁵¹. This Evaluation is both instinctive and circumstantial in nature, and consumers actively indulge in

it to arrive at Desired goal. The Result is always an impression on a general perception about a seller and his store. This impression is very crucial to sellers, because it constitute the Store image.

2.12 IMAGE

Image has been given various definitions. Martineau thought of image as the 'personality of the store and defined it as ' the way in which a store is defined in the shopper's mind, partly by its functional qualities and partly by a aura of psychological attributes⁵². Leon Arons Defines image as a complex of meanings and relationships serving to characterise the store for people⁵³. Another author defines image as 'the impression personality, or mental picture generally called to mind when the firm's name is mentioned⁵⁴. As a result you will either react with a lot of excitement to an invitation to visit a particular store, or turn down the invitation with excuses such as 'that place is good for nothing or that place is good for pigs'. These descriptions express your friends feelings about this store. And since such feelings may be shared by a great majority of customers, it becomes necessary for this store to embark upon a program to erase this impression. This is what image enhancement is all about. But a store image is more complex than say the image or personality of an individual, because it is the

accumulative effect of all the impressions made by all the firms employees either directly or indirectly. For example, each time a sales clerk attends to a customer, each time a store advertises, each window or interior display, each Assortment of goods, each remark about the store made by an employee (or anyone else) - all contribute to the store image.

2.12.1 Image Assessment -

'No fruitful image work can be done with organisation until research is conducted to Determine how the organization is seen by its various key public⁵⁵. After the research, the store's management may be very happy with its measured image and simply strive to maintain it. On the other hand, the organisation might discover that it has some serious image problems, which case its interest lies in correcting and improving its image⁵⁶. What is involved here is a reassessment of the stores image. These elements are many but the important ones are⁵⁷.

- 1) Store location
- 2) Store design
- 3) Product assessment
- 4) Store services
- 5) Store personnel

Since these elements are vital to any image enhancement

programme, it becomes relatively useful to discuss them here in detail to highlight their roles.

1. Location -

C. Glem Waters defines location as the 'physical placement of the enterprise in its environment'⁵⁸.

Today, many owners and managements have realised the fact that the location of their establishments influence the way customers perceive them and their operations, and are choosing their sites accordingly. Several Eating, drinking places, and recreational facilities are internationally located at remote, obscure corners to depict the get-away image. Here individuals as well as partners can 'spirit away' from the watchful eyes of spouses and parents. Drug Stores, grocery stores and hardware stores that are located in an adjacent to their primary markets get more customer traffic than those located elsewhere. Customers see these stores as friendly, interesting and cooperative, and their locations as offering convenience.

Another way of enhancing a store image is by locating it among others. A store that is located among others that emphases quality is likely to be associated with high quality merchandise. Such a location has a sort of trading

up effect on the store. Due to psychographic tendencies, some consumers prefer hotels, houses, and offices that overlook peculiar natural features such as lakes, seas, and mountains because of the air of freedom and relaxation these locations communicate.

Assesibility is another image factor. When a seller makes his store accessible to shoppers, he is communicating convenience. Shoppers consider such factors as traffic flow, and parking as important criteria for store location. Some sellers locate their stores in busy downtown areas without adequate parking facilities and expect customers to beat the path to them. These stores sooner or later become victims of poor locations. Promotion can help to reduce the poor image, but that is all that it can accomplish⁵⁹.

2. Store Design -

The store design also creates impression in the consumer's mind. Indeed, the most obvious of the physical qualities of a store is the store design itself. 'The type of fixtures, arrangement of fixtures and equipment and store decoration are all carefully planned to enhance a particular image'⁶⁰. The consumer is likely to feel that the store's mission is reflected in these facilities. As a result, the store should always be designed around a theme. 'A Mens' store may want to stress a manly and,

athletic image. By use of solid wood fixtures, natural wood colours, a few autographed photo of local and national sport personalities, the store has the basis for the desired image.⁶¹.

Some stores convey the children store image by using light colours, balloons, pictures of clowns, wildlife, and story book characters on the wall. If the store's exterior and interior are old fashioned, people tend to view the company as traditional and conservative⁶². Modern facilities convey liberal images, and are viewed as willing to change and adopt new methods. Any management that allows its facilities to become run down, is conveying a message of incompetence and poor quality.

Recently, the use of burnt bricks in buildings has brought the rural theme into prominence. Most recreational facilities are also enhancing the rural theme by emphasizing traditional or local manu, accompanied by the use of local eating and drinking implements. For example, sellers of 'Isi-Ewu' - a traditional delicacy, use traditional wooden mortars to popularise this theme. Sellers of Palm-wine and bito use both local calabash cups and filter for the same purpose.

Display fixtures in a store aid in creating the desired atmosphere or the impression to be made on a consumer. If the policy of the store is to make an economy appeal and to handle merchandise at moderate prices, the fixtures should be simple and not expensive. When the policy is to handle top quality merchandise, and to extend considerable personal services, the fixtures should be in keeping the theme'⁶³. This means that the finished and construction of such fixtures should suggest quality and service.

3. Product Assortment -

Assortment refers to different classifications of goods, such as clothing, furnishing, groceries, building materials etc. 'But ... after the term is used to refer to the range of the variations of a single product as for example, the different kinds of light bulbs that may be carried'⁶⁴. Laboratory experiments and surveys indicate that store offering either a deep assortment or a wide variety of product lines are preferred over stores having medium depth or breadth of assortment⁶⁵. Alaba market in Lagos has successfully enhanced its image through its assortment of electronic products. However, as consumers continue to look for saving through one-stop shopping, the complement of product assortment becomes an important evaluative criterion. A wider assortment encourages

suggestive selling, explanation and service, all of which give complement to the product.

Related to product assortment is the product's package. The products' package is considered a stimulus factor, and has the ability of shaping consumer's perception of the product. Each time a nearby hotel uses toilet paper to wrap its meat-pie for customers, they are more or less associating their meat pie with the kind of human wastes that go with toilet papers. The customer's perception of their meat-pie is not far from this either. An appropriate packaging evolves good impression, and aids the store's image.

The price of the product is another imageenhancer. However, the importance of price in this area depends on the type of the products store, and customers. If a seller emphasises low price and is appealing to the low income group, discount pricing is Recommended. To many customers, high prices are surrogate indicators of high quality, and sellers can use high prices to appeal to a particular market segment. But, as the present economic trend continues to make what should be necessities to become luxuries for most consumers, the importance of discount pricing as an image factor is bound to increase.

4. Service -

David Rachman defines service as 'more price services used to help the retailer differentiate his offerings in order to achieve high sales and thereby maintain a certain segment of the market'⁶⁶. Larson et al see services as 'all those non-price activities undertaken by a retailer to assist him or her in carrying out the mission to achieve the twin objective of customer satisfaction and higher sales volume'⁶⁷. Unfortunately Nigerian store owners do not seem to consider services as an important aspect of their image. In most of these stores services are either not existing or provided on preferential basis. There is no questioning the fact firms that offer similar merchandise use services to make special appeal to consumers. A seller who wants to increase his product satisfaction can employ such services as credit, alterations, installations, and performance checks. Delivery, parking and wrapping can also be employed to enhance convenience. Special benefit services such as, product return, handling of complaints, and repairs all add up to create positive impressions in the minds of consumers. It is sad to realise that many stores in Nigeria do not provide shopping baskets and carriers for shoppers. 'Installation and alteration are types of services that usually cannot be separated from the product, as they are necessary to complete the product'⁶⁸. Another image enhancer is availability of clean basic conveniences.

Most of our stores, especially drinking places provide only make-shift uninaries. They forget about important facilities like toilet and their related fixtures. Our transport companies share the Greatest balem in this area. Despite the exhorbitant fares, these companies charge, none of them has realised the importance of providing these expected services, not even Air Nigeria. On the whole, while the provision of services may appeal to either the real or whmsical needs of many consumers, 'the reduction of services has been converted to a positive selling tool since it infers that a retailer is pursuing a policy of low prices'⁶⁹.

5. Personnel -

'Store personnel are the living symbols of the company'⁷⁰. 'All the good effect of product assortment, location, store design, and Service offering can be destroyed by ineffective personnel'⁷¹. Many consumers consider the attitude of employees as the best guide to the tune personality of the business'⁷². Following this, observers agree that '...failure of stores to make sales is a direct result of the negative attitude of store employees'⁷³. They also agree that an estimated 70% of customers who stop patronising particular store do so because of eployee attitude. In order therefore to create a favourable image of their company, employees have to

treat customers fairly. They have to show interest and attention rather than focus on the sales. It is part of an expected Service for store employees to be able to direct, be friendly, courteous, helpful and knowledgeable in the area of a product features.

According to C. Glen Walters, 'any enterprise, whether self service or using sales personnel, can benefit from a company of friendly, courteous, helpful customers relations'⁷⁴. Excessive make-ups, unacceptable dress styles, unkept hair and nails, coupled with offensive body odour can communicate a negative image of a store. To avoid this management must prescribe dress codes and proper length of hair for both male and female employees.

Observation shows that several personnel actions, such as chewing gum, sleeping on duty, standing on the phone, throwing customers' change on the counter, playing loud music in the store, using offensive language, picking on certain parts of the body (especially nose), and exhibiting preferential treatment can be very detrimental to a store image. To check this, a very effective training programme is prescribed.

Training changes attitude. Effective training leads to customer satisfaction which helps to build patronage.

If management is anticipating to the opening of a new store, employees should be trained before the new store is open. However, for any training that is directed towards enhancing the firm's image to be effective, it must be 'top down'. The top-down method is important because workers are more attentive to training if their supervisors thoroughly understand the program and are sold on it.

2.13 LIMITATIONS (Akpan:1989)

If image enhancement is this important, why then are many companies not embracing it? Several factors are responsible for this. Notably are lack of capital, impatience on the part of management and owners, the ignorance, the newness of the concept, fear, responsibilities, and the business environment.

1. Lack of Capital

Image enhancement programme can be capital intensive. A lot of capital is required to create the expected impact on customers, several firms, especially, the smaller ones find it difficult to acquire the necessary credits to do this. However, many owners are finding a way out of this situation by emphasising the traditional theme. This way, they can use local materials at affordable prices to create the desired impression. The high cost of contracts is another inhibiting factor. The most effective way of

getting around this problem is for managers and owners to act as their own contractors through the use of direct labour. Research shows savings of 15 to 20% through the use of direct labour.

Impatience -

Major renovation works and effective training programmes aside from being capital intensive take longer periods of time, and require some patience on the part of owners and management. Owners must be willing to forego a few weeks of sales for the required job. However, this problem can be properly solved by carrying out major renovation jobs in phases.

Ignorance -

Not all retailers are aware of the enormous benefits accruing from customer satisfactions. A retailer re-education programme is necessary to create this awareness. Retailing organisations as well as the various city health units can play an important role here.

Newness of the Concept -

The concept of image enhancement is still very new. It is hoped that with time, most retailers will embrace it. However, the adoption can only be feasible when retailing becomes competitive. Experts believe that image

enhancement comes as a result of competition and the need to keep customers. But where a seller market is persistently in operation, coupled with scarcity of consumer items, the adoption appears unnecessary and wasteful to the owners.

Fear -

The fear is on the part of owners, and is justified because of the unpredictable nature of consumer behaviour. To many consumers, a Store wearing a new image may signal the advent of high prices. If this impression holds, the owner is bound to lose long standing patrons.

Responsibilities -

Two major responsibilities may prevent companies from embarking on image enhancement. They are, the responsibility to create awareness about the new image through mass advertising and the responsibility to maintain the image in terms of quality output consistency of store operations.

Business Environment -

Physical environments in which the business finds itself may discourage image enhancement at any meaningful level. It may not make any sense after all trying to give a face-lift to a one room store which has mechanics,

vulcanizers, corn and tomato grinders as well as beggars as its immediate neighbours. The collective negative image of these neighbours eventually makes nonsense of the whole endeavour.

Landlords are known to be very much against alteration in their houses or premises, and are quick to eject tenants on short notice. This situation works against most aspects of image enhancement.

2.14 EFFECTIVE CUSTOMER RELATIONS SKILLS

Effective customer relations have to do with attracting and maintaining customers through purposeful manipulation.

THE FOUNDATION OF EFFECTIVE CUSTOMER RELATION

1. The marketing concept is the foundation of an effective and enduring buyer - seller relationship. It is a total customer orientation. The seller organisation determines the needs and wants of customers, and adopt itself to delivery the desired satisfaction more effectively and efficiently than the competition. The marketing concept in this regard points a picture of a seller who goes all out to sincerely satisfy customers in the best possible way. It is a costly effort, and logically, anything

realised through such an effort must be nurtured and maintained through a meaningful relationship.

2. The triangular relationship between public Relations, Personnel Relations and Customer Relations is a solid foundation for the latter.1 The three are tied together, one influencing the other, so that loss of employee, good will costs the organisation's customers, while loss of community good will is economically fatal.

THE SKILLS

Knowledge of Customer -

It is very important for us to know who our customers are now and who they will be in the future. This is done by carefully analysing the customers. A careful customer and competitor analysis will answer the following questions:

Customer Analysis -

- What are the major segments?
- What are their motivations and ultimate needs?

Competitor Analysis -

- Who are the existing and potential competitors?

- What are their level of sales, share growth and profits?
- What relationships do they maintain with their various customers?

The knowledge that each customer defines our business differently, has different expectation, and values is very useful in our own effort to initial and maintain an effective customer relations.

When we know our customers the question of positioning and repositioning our products or services becomes simple (either by price, channel or product use). A careful analysis of our customers will reveal the heavy users of our products. The 80/20 rule stresses intensive effort in maintaining the 20% that is responsible for more or organization's revenue.

It is also important to know where our customers are. Why are the gari sellers in the South prospering? One of the secrets of their prosperity is in their discovery earlier that their old customers have moved North to urban locations. For them to sell they decided to trace and supply them.

WHAT DOES THE CUSTOMER BUY

We saw earlier that the customer never buys a product. Rather he buys a satisfaction to a want or a solution to a problem. NICHOLAS DREVSTADI, the German-born service

mechanic who took over CADILLAC Motor Division of the General Motors in the Depression years of the thirties had this to say:

'Cadillac competes with diamonds and Mint Coats. The Cadillac customers does not buy 'transportation' but 'status;'

This statement saved Cadillac From going under. Within two years or so Cadillac experienced remarkable growth despite the depression.

What is value to our customers. Is it prestige, durability, affordability, or ...? Let's find them out and start moving forwards prosperity.

To conclude this section, it is important to explain that: A business is not defined by the company's name, statutes, or articles of incorporation. It is defined by that want the customer satisfies when he buys a product or a service. To satisfy the customer is the mission and purpose of every business'.

SPECIFICALLY WHAT SHOULD WE DO TO MAINTAIN GOOD
RELATIONSHIP?

It is not sufficient knowing the customers. The seller has to do a lot beyond just that. We shall see certain marketing situations and processes to explain this.

1. The Customer Buying Process

The real importance of the buying process to a seller, (be he industrial or consumer) is that it shows how customers make a purchasing decision, and it also shows what must be done if the company's product or service is to be considered and ultimately purchased (R. HAAS, p.35). This calls for a relationship. The relationship has to be intimate enough to allow the manager recognise that this process does exist. Secondly, and very important too, the manager must get himself involved in the process as early as possible if it is to be considered for supplies.

We stand a better chance of getting an order if our sales people are involved in the first step of the process, than if they are to get involved later in the process. Getting involved in the first step means that the seller or the salesperson may solve the purchase company's problems around the specification or recognising needs. When this occurs the seller's specifications or prescriptions become the basis for the product to be purchased. If an

organisation or government wants to go into mass transit business, we can do much by assisting such to solve most of their initial problems in the area of selecting and designing the fleet for them.

We can therefore conclude by saying that an effective customer relations is very pertinent in our operation. Each time we interact with our customers we acquire the needed information, decide how we position both the business and our products.

GETTING RESULTS THROUGH EFFECTIVE COMMUNICATION

There are three basic methods of business communication:

- 1) Face-to-face
- 2) Mail
- 3) Telephone

1. Face-To-Face -

In making a face to face presentation always use the 5s strategy? For guaranteed result:

- Sell yourself
- Sell your company
- Sell interest to client's well being
- Sell emotional appeal of product
- Sell product or service.

Note that you will always win the confidence of customers if they perceive that you have a broad knowledge of your products or industry. Learn the jargon and vocabulary p.80/81 of your business, the goals and objectives of your company backed by knowledge of industry trend.

2. The Mail -

Read your mail as soon as you get it. Reply at once. Even if you cannot give a detailed reply, acknowledge the receipt of the letter and give your customer a time to frame within which to expect a detailed reply. Secretaries and Special Assistants can be trained to reply simple letters and acknowledge the receipt of others that require more detailed attention. When writing your customers use the four A check-list.

1. Aim -

Do you have any special purpose for your letter? Does your letter accomplish that purpose?

2. Appearance -

Is your style of writing/typing correct and consistent? Is your letter pleasing, to the eye?

3. Accuracy -

Is the letter correct grammatically? Will your

customer understand what you mean, clearly and consiely?

4. Attitude -

Does the letter have positive words or words that will have good effect on your customer?

Did you use courteous expressions? Did you appreciate and thank your customer for bringing busines to you?

Did you close the letter in such a manner as to leave your customer on a positive frame of mind?

3. The Telephone -

The telephone is the only second to face-to-face discussion as a medium of communication. it is a powerful medium. Its power lies partly in its anonymity. Many employees think that they can hide their rudeness to customers behind the anonimity of the telephone. But the anonimity of the telephone is one of the things that makes it dangerous to bad-mannered, rude employees.

- In face to face discussion, the good employee is courteous sto his customer. He shows tolerance, good mannders, enthusaism and positive attitude. The role is: never say anything over the telephone that you will not say fac-to-face.

- When you answer a call and it's for your boss or another executive, make sure you transfer the call to the right person. Take telephone messages carefully. Also write down the name of the caller, the date, the subject of his call, his number and specific requests. Make sure that the person whom the message is directed gets it. As a Secretary, you can filter telephone calls. But it will be wrong to filter messages.
- End telephone calls in a courteous friendly manner. Thank your customer for doing business with you.

USE TIME TO BEST ADVANTAGE

1. Time is a limiting factor of production, time is completely inelastic. You can inject more money. You can employ more people. You can buy more land. But you cannot create more time. There are 24 hours in the day, 168 hours in the week and 8,736 hours in the year. You cannot hire, rent, buy or otherwise obtain more time. Time is totally perishable and totally irreplaceable.

2. Don't Waste Other People's Time

Don't waste the time of your customers by making them wait unnecessarily. Don't waste the time of your subordinates by organising pointless and mischeduled meetings because by so doing you prevent them from serving customers promptly. Don't disrupt front office staff

engaged with customers with trivial issues and enbrands that can be handled by other employees.

3. Re-Curent Crisis

A crisis that reoccurs a second time is a crisis that must not occur again. a recurent crisis is a sign of laziness. After the first crisis, the situation should be analysed. Loo0holes can then be plugged with forward planning.

4. Excessive Meetings

There is a saying in management that 'one either meets or one works, one cannot do both at the same time'. The reality is that there must be meetings. Managers must resist the temptation of calling unnecessary meetings. Your meeting should not last more than two hours.

5. Develop A Schedule of Work

As much as possible schedule all operating work - meeting, reviews, seeing visitors - for specific days and specific periods of time. But front office personnel must see customers always. That should be the first priority.

6. Learn To Ease Off Unnecessary Interruptions

Learn to discourage (or ease off) drop-in social visitors and business associates. Unnecessary telephone

calls should be politely brought to an end. Visitors should be politely told to round up and give room for other visitors.

7. Organise Yourself

Properly organising yourself will help you minimize the hunt for correspondence in clustered desk, duplication of efforts, confused Responsibility and waste of customer's valuable time.

8. Systems Effectiveness

When the information system is defective, back-up systems are not working and accurate information is not provided on times front office personnel are bound to waste a lot of time on mistakes and duplication.

9. Decide Quickly on Small Matters

Most problems do not require a lot of time for a decision. Or small matters, especially, there is rarely justification for asking for time, think them over. A prompt 'Yes' or 'No' saves time since it enables a manager to dispose of the matter without having to return to it later.

10. Use Mass Media for Group Communication

A broad side memo, report, or bulletin touches many

people at once. It helps to reduce face-to-face explanations.

AVOID PUBLIC CRITICISM

Public criticism either through greed, ineptitude or carelessness should be avoided. They attracts suspicion, scrutiny, criticism and condemnation, and as such does not enhance customers favourable attitude toward the company.

PROVIDE SPONSORSHIP

Sponsorship has a touch of philanthropic patronage. A well accepted brings good reputation and favourable attitude to the company.

GUARANTEES AND WARRANTIES

These are promises that touch the consumer's basic rights in every transaction for the purchase of goods. Few things have caused more distress and distrust than the so-called guarantees of the past, and marketing management, still needs to appreciate the Public Relations implication of meaningless promises. The fact that customers may not always resort to law is not enough reason for their exploitation.

HANDLE INDUSTRIAL DISPUTES TACTIFULLY

Customers suffer during industrial disputes. Such

sufferings coupled with customers sympathy to employees can injure a buyer earlier relationship.

COMPLAINTS

Complaints are a form of feedback, consequently, how complaint is of considerable importance in maintaining customer relation. Poorly handled complaints result in weak and reduced competitive stance. The sales representative should therefore try to do as he would wish to be done by:

- a) Listening and accurately noting down the complaint.
- b) The receiver of the complaints should be both practical and at the same time sympathetic - not necessarily apologetic.
- c) Something is done about the complaint and that the buyer is kept informed about the progress of the matter.

PRODUCT RECALL

It should be noted that Product Recall (PR) is not always about good news and favourable mentions. Admission of product failure requires courage. Hiding bad news can be short-sighted, for the chances are that someone will enlighten the media, and cover-ups are notoriously wretched to excuse.

Honesty is always a good policy in Product Recall. Marketers will doubtless prefer to avoid unpleasantness, but they have to understand that it is not a perfect world and while admission can be forgiven, deceptions cannot. It is believed that in the long run both company and product reputaton will gain from a readiness to admit error and make amends.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 SAMPLE POPULATION

This study has more or less a local coverage within Lagos metropolis. This study does not require a national coverage or extensive field work. This is because almost all the data required could be collected from the chosen areas of Lagos metropolis.

In the course of data collection primary source of Data had been tested. In the process of gathering these data, structured questionnaire were used to some shop operators (shop attendants) and shoppers in selected areas of Lagos metropolis. Personal interview was also conducted to obtain mission information.

The writer restricted his interview to some selected area because of time and cost outlay involved. The researcher found it convenient to employ Research assistants which he can make use in the collection and administration of data from questionnaires. Those areas selected for the survey include Ikoyi area, University of Lagos area, Ikeja/Ojodu area, Festac Town area and Apapa/Ajegunle area.

3.2 SAMPLE DEFINITION

From scholars point of view, it has been asserted that statistical theory tells us that fairly accurate Result concerning the characteristics or responses to a given enquiry can be obtained by analysing or surveying only a small part of the populations understudy. However, a good method or technique must be used in selecting the sample in such a way that it reflects all characteristics or as much of them as it is possible to obtain of the parent population from which it is Drawn.

The sampling techniques used in deciding which area to include in our sample area is judgement Sampling Technique and random sampling technique.

The term 'judgement' is used to enable two quite different sorts of deliberate choices. While random sampling refers to the act of picking some selected customers and shop attendants in the course of interviewing, that is, the Age, Sex, Occupations and the type of patronage involved.

Under the judgement technique sampling, one tends to look at sampling by opinion in which an enumerator who is well conversant with population decides which members in his own opinion or judgement will constitute a proper cross-section to the Research.

Another form of judgement technique is Statistical judgement which tries to specify the criteria used for the selection and data on such factors are examined properly in order to be able to find the population members that meet the earmarked specifications. The parameters used for selecting the areas are populations concentration, Availability of retail stores/shops, presence of access roads to the stores and services rendered by the shops.

All the areas selected or chosen are areas where populations of high densities and have nearly all the needed characteristics required by the researcher.

The researcher has chosen the University of Lagos area, Apapa/Ajegunle area Ikoyi area, Ojudu/Ikeja area and Festac Town area because nearly 90% of the retail stores/shops in Lagos are located in these areas. Data have been collected through shops or stores operators and shoppers/buyers.

Stratified sampling technique was used for selecting the elements within the sample area. This is the grouping of all population under study together and selecting the sample from the population using certain parameter.

The researcher ascertained that the elements were those that have retail stores or shops, or have access to retail stores and/or patronize these shops through purchases. Equal chances of being chosen was assigned to each and every member of the population. The monitoring of the questionnaires was accomplished by assigning questionnaire on only one person within a store, shop or household leaving at least fourteen houses between the elements.

A total of one hundred and fifty questionnaires were duly completed and returned. Out of these only 120 were found to have been satisfactorily completed and useful for proper analysis. Some managers and owners of some of the retail shops or stores were personally interviewed to provide the missing data received from their various shops or stores. The writer's later interview was a great contribution in the course of writing this report.

3.3 TECHNIQUE OF DATA ANALYSIS

This Study is purely descriptive research. The data collected is analysed using such statistical methods as percentages, charts, graphs and/or variance analysis.

Percentage like ratio is a sample mathematical expression of the relationship between two items may be

expressed as a ratio or as a percentage. From this analysis we could determine whether there is increase or decrease in sales return. The rate of growth or decline could also be clearly discernable. The same method is used in analysing the cost of operation of the retail shops. This is with a view to Determining whether the operators of the shops have adopted effective cost management in their system of operation.

Variance analysis is simple mathematical expression which shows the difference between standard and the Actual outcome. Variance analysis is used to compare sales returns, sales Targets and cost operation set for the retail stores within a period.

Chart and graphs are constructed to show vividly the increases and Decreases in sales. The increases in sales thoroughly analysed through the use of graph. The aim of "using charts and graphs is to assess at a glance the performance of the Retail shops or stores. Also, the chart is meant to assist in knowing to what effect has retail shop been able to manipulate the marketing orientation principles in achieving the desired objectives, that is, their ability to generate enough revenue in covering their operational cost.

In essence, statistical analysis is used to weight the impact of retail shops on consumers and to measure their ability to sustain the organisations (shop/store) through the gains of this patronage.

3.4 RESEARCH DESIGN

Green and Tull Define research design as the specification of methods and procedures for acquiring the information needed to structure or to solve problems. It is the overall operational pattern or framework of project that stimulates what information is to be collected, from which source, and by what procedures. If it is a good design, it will ensure that the information obtained is relevant to the research problem, and that it was collected by objective and economical procedures.

3.5 TYPES OF RESEARCH DESIGN

These include (1) Exploratory, (2) Descriptive and (3) Experimental research designs.

1. Exploratory Studies -

This is the beginning of all marketing research. Exploratory studies are designed to assist in identification of problems and locating of relevant variables, and produce new hypothesis. There is the need for such studies to be flexible; since the researcher is

still uncertain about the true nature of the problem. The hope is that the exploratory research will generate data that point to meaningful research questions.

Three principal stages exist in exploratory research: (1) search for Secondary information sources, (2) interviews with knowledgeable persons, (3) After the interviews, Are completed, the interviews are analysed in two ways (a) the study of unique suggestions of each interview subject; (b) the aggregate conclusion of that can be drawn from the majority of the sample.

On bringing out the major advantage of exploratory research, McGown believes that exploratory research provides a Relatively low-cost, low-risk form of research that may pay very high dividends. The benefits in this case is the much clearer picture of the problem. The practice however, is that the exploratory phase of marketing research is always skipped.

2. Descriptive Research -

Attempts to describe market characteristics or functions. For example, a market share of the Fast food industry may describe the share of the market held by leading competitors in chicken and meat pie products. A sales analysis for a Bank may show the company's sales by

territory, type of Accounts, and other Variables.

Three common characteristics of descriptive research exist: (Rosenberg)

1. Association of two or more key variables. An example of this is a frequency distribution of sales by the income level of consumers. This can help the firm develop inferences and predictions and marketing strategies.
 2. Specific Research Questions - In this type of Study, the researcher Starts with a solid knowledge of the problem and clear ideas about hypothesis and testing methods.
 3. Replanned and Structured Design- Whereas the explanatory research is broad and somewhat without focus, the descriptive study must be precise and somewhat without focus, the descriptive study must be precise and systematic. The research Design Strictly controls sources of information and procedures for information gathering.
3. Experimental Research -

According to Cox and Enis, experimental is the 'third

dimension of additional information assembly. They go on to State that experimentation concerns the manipulation of Variables for the purpose of determining cause and effect Relationship among marketing phenomena. Another author sees experimental research as concerned with determining conclusively whether a relationship exists between two Variables (McGown). For example, a researcher may wish to know the proper effect of colour change in a product.

It is only through careful experimental design that the researcher can build a conclusive case for the existence of a particular casual relationship;s. Other Designs-exploratory and Descriptive fall short of having this attribute.

3.6 QUESTIONNAIRE CONSTRUCTION

Definitions: A questionnaire is a formal question designed to gather Responses from consumers on a given topic. They are the major instrument used in obtaining primary data from respondent through the survey approach.

As a means of Communication.

A questionnaire can be seen as a means of communication, a method of communicating between interviewer and interviewee. When a questionnaire fails to collect Desired information from respondents, often clarity

is lacking, or have been influenced by the questioning process so that they are unwilling to respond. Some of these difficulties can be overcome by careful structure and disguise in questionnaire construction.

3.7 SAMPLING

A sample is a collection of observations from a present population or universe.

When we are dealing with information, a sample is a portion of the total amount of information that can conveniently be gathered.

Universe or Population -

It is the entire collection of items the researcher wishes to study, from which he or she plans to draw conclusions. If every item in the universe is studied, we have a Census. With large populations it is too difficult to construct a census.

Reasons For Sampling -

We use sampling methodology because a sample can be more easily, quickly and cheaply secured than a census of every item in the population. This promise is upon the assumption that the sample is truly representative of the universe. In order for a sample to represent its

population accurately, it must be large enough and must be large enough and must be so taken that it does not over represent some elements in the population while under-estimating others.

There are six good reasons for using a sample instead of a census.

1. **Financial Constraints -**

The researcher does not always have enough money to survey each item in the population. Limited funds also calls for a certain number of people to be employed for a limited period of time to collect required information. Financial constraint also helps determine Example size by placing a limit on the number of consumers to be surveyed or observation made.

2. **Time Constraint -**

In marketing decision making, relevant information are always required, with urgency. Collecting such information from the entire population can be an enormously time consuming process, and may result in delays.

3. **Universe Size -**

With a large universe, sampling is usually more feasible than making a complete census. A complete census

of the universe may not be possible even where time and money are not the most important considerations. At any given point, some people are out of the country, others are in jails or asylums; still others, such as minors, factors and hunters are inaccessible. Generally speaking, the larger the population, the greater the likelihood of resorting to sampling where the population is relatively small - e.g. producers of flour - a complete census becomes practical; but with large population such as the total number of ultimate consumer of coca-cola, the researcher is more likely to sample.

4. The Destructive Nature of Sampling -

The sample process is of a destructive nature especially in many quality control situations, e.g. testing useful life of a light bulbs and fuses. Here taking a census is out of the way.

5. The Sufficiency of An Approximation -

Quite often the exact description of a characteristic or an exact value of a population parameter is not really necessary for the researcher to make a decision. Sample information will suffice and no census need be taken. It is not necessary for a seller to know how many yam tubers will be bought in a day to decide what quantity to carry to the market. If too many are taken to the market then the

seller can carry the extra back at no cost. This is not saying that having fairly precise knowledge is not desirable.

6. Accuracy -

It is possible for a sample result to be more accurate than the results obtained from census. In the census error may arise as a result of volume.

3.8 SAMPLING PROBLEMS

Sample Design -

In designing a sample, the researcher must consider three things - (1) the sampling frame (2) selection of sampling items and (3) sampling size. The sampling frame is the list of items in the universe from which the sample is selected. Thus it may be all the students in Kodiano University, names in the phone book, etc. After determining the sampling frame, the researcher must decide how sample items will be selected. Basically this choice has to do with selection of probability or non-probability techniques. Finally, the size of the sample must be determined. Should 20 or 50 people be interviewed? Though accuracy is greater with larger samples, so are the costs.

Skilled Personnel

If Research has to be meaningful, a great deal of time has to be spent on sampling methodology. As a result only skilled personnel skilled in administration surveys and interpreting sample data must be employed throughout this phase of the research project. People possessing these skills are often difficult to find and expensive to hire. With people of inadequate skills, the reported results may be more confusing and misleading than if a complete census have been taken.

Sample Error

No sample is guaranteed to be exactly representative of the universe from which it was drawn. Generally the larger the sample, the smaller the likelihood that it will differ from the universe, but differences are sometimes found. In such cases we have sampling error, the difference between characteristics of the sample and those of the population from which the sample was drawn. Sampling error can occur by chance and be difficult to detect when the characteristics of the total population are unknown.

3.9 TYPES OF SAMPLES

1) Probability Sampling

Also referred to as Random Sampling. Here every

elementary element of population has some known element of chance of being selected in the sample. The selection of units is determined solely by chance using some random device. Such as a table of random number. Four plain types of random samples are identified - (1) simple random, (2) stratified random (3) cluster and (4) systematic.

Simple Random Sampling -

Here all units of the population have equal probabilities of being selected.

Stratified Random Sampling -

Here the population is not homogenous, and can be divided into distinguished strata that differ significantly from other strata. The population is divided into sub-groups and a simple random sample is taken from each sub-group.

Cluster Sampling -

This involves groups of sample items chosen at random. It is best used when stratified sampling is not possible. Often referred to as a multi-stage sampling technique, can be either a two-stage or three-stage exercise. For example, the selection of census tracts would be a first stage, the selection of city blocks within the census tract

would be a second, and selecting individual families would be a third.

Systematic Sampling -

This involves the random selection of the first item and then The selection of a sample item at every 7th interval. It is used in quality control.

NON-PROBABILITY SAMPLING

Here the selection of sample items is not determined by chance, but rather by personal convenience, expert judgement, or any type of conscious researcher Selection.

The use of non-probability sample arises from two reasons.

- 1) Some investigators are not very scientific in their sampling techniques.
- 2) In smoke cases precise accuracy in sampling may not be necessary. For example, when finding the cost of test marketing a new product on the national scale is such that most new products are test marketed only in one or a very few cities. These cities are selected because the researcher thinks they represent typical Nigerian cities.

There are 3 types of non-probability or non random sampling:

- 1) Convenience
- 2) Judgement
- 3) Quota

Convenience -

Named convenience because it is convenient for the researcher to select the first few samples or items quickly rather than going through the process of probability sample, used when time and more are at short supply.

Selection on the basis of convenience may be seen in man-on-the street interviewer conducted by a researcher seeking first-hand information. He chooses a time that is convenient and also place. Questionnaire pretesting often uses non-probability sampling. Researchers use this convenience Sampling because of its speed. It is also useful in exploratory research and any other case where a representative sample is not considered necessary.

Judgement Sample

This is slightly more Scientifically selected out of intention or some other subjective basis. Sample representativeness is highly dependent upon the good judgement of the researcher and probably upon a good hint of luck, also. It may be misleading to interpret judgement samples as accurate reflection of universe characteristics.

Quota Sample

This is the most sophisticated of the three non probability sampling techniques. Here the population is divided into a number of Segments and the researcher arbitrarily selects a quota of sample items from each Segment or cell. Taking a quota sample is a three step process.

- Deciding how many segments or cells to divide the population into.
- Deciding what percentage of sample items should be in any one cell, and
- Actually selecting the sample items.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA4.1 INTRODUCTION

The early questions were centred on the overall general performance of the retail Stores. Most questions not on the questionnaires were asked during the interview method and both responses are analysed below.

The respondents were asked what are the basis of formulating a sales target/budget for each store. They gave the following factors in their responses:

- i) Previous actual sales
- ii) Store location and size
- iii) Any new government presence, that will improve the financial position of that town/area.
- iv) The calibre of the store manager in terms of expositions.

We can conclude from the expositions that sales budget/target differs from store to store.

The respondent were asked of their respective sales target and actual sales performance over-time. None of

them was willing to release these figures and therefore figures could not be made available. The best they could go was to explain verbally. They all agreed that they hardly meet up with their sales target/budget. Sometimes they move close to attaining it during peak periods like Christmas, New-year, Easter as well as Moslem's Festivity.

The respondents were asked to comment freely on the general trend in the market. They all pointed at the poor purchasing power and inflationary trend in the economy as reasons possible for the poor performance.

The respondents were asked if the growth and development of small retail outlets in all over the places have any significant effects on their sales. They argued that though it is small effect on the sales performance, they are never competitors because of their merchandise assortments. These small outlets can only achieve better in areas of pricing since they do not incur any general overheads in terms of salary, lighting refrigerators, etc.

We can add that pricing competition at the retail level is the inter play of differences in product-line assortment, private brand policies, spatial location as well as cost factors, changes in wholesales price and consumer ignorance.

Furthermore, most of these small retail outlets can not be compared with big departmental stores or supermarkets because of the Services offered to customers (credits); shopping atmosphere, parking facilities, shopping assistance, etc) merchandise assortment made available and location. When all these are put together, it becomes easy to differentiate themselves from one another.

4.2 ANALYSIS OF HYPOTHESIS I

Locating a retail store in an area with high concentration of similar retail stores would result to great competitions.

The respondents were asked if locating a retail shop in an area with high concentration of similar retail stores would result in great competition and all indicated their responses as shown in Table 4.1 below.

TABLE 4.1

AREA	TOTAL NO.	YES	PERCENTAGE (%)	NO.	PERCENTAGE (%)
University of Lagos	20	15	75	5	25
Ikoyi Area	20	16	80	4	20
Festac Town Area	20	16	80	4	20
Apapa/Ajegunle	20	18	90	2	10
Ikeja/Ogudu Area	20	18	90	2	10
AVERAGE	20	16.6	83%	3.4	17%

SOURCE: Questionnaires

From the above table, 83% of the entire respondents agreed that locating a retail store in an area with a high concentration of similar retail stores would result to great competition.

However, an average of 17% of the respondents give a contrary view on the hypothesis.

Nevertheless, the result obtained from the investigation or research goes to prove the above hypothesis. We can conclude from the above that the respondents from the five areas selected have positive response about the hypothesis since only 17% of the respondents have negative views about the hypothesis as against the 83% respondent that have positive view/response in support of the hypothesis.

4.3 ANALYSIS OF HYPOTHESIS II

A retail store with high quality goods compared with other stores may attract higher customer turnover:

The Questionnaires were distributed to respondents to find out if a retail store with high quality goods compared with other stores may attract higher customer turnover and they all indicated their responses as shown in table 4.2 below:

TABLE 4.2

AREA	TOTAL NO.	YES	PERCENTAGE (%)	NO.	PERCENTAGE (%)
University of Lagos	20	19	95	1	5
Ikoyi Area	20	15	75	5	25
Festac Town Area	20	17	85	3	15
Apapa/Ajegunle	20	16	80	4	20
Ikeja/Ogudu Area	20	18	90	2	10
AVERAGE	20	17	85%	3	15%

SOURCE: Questionnaires

From the above table, an average of 85% of the entire respondents agreed that a retail shop/store with high quality goods compared with other stores may attract higher customer turnover. In other-words, an average of 17 out of 20 respondents in each area agreed with the hypothesis tested.

The analysis further Reveals that an average of 15% of the entire respondents indicated a contrary response on the hypothesis.

Based on the results obtained, we can therefore accept the second hypothesis to be true.

4.4 ANALYSIS OF HYPOTHESIS III

The tagging of lower prices for items may attract more customers.

The respondents were asked if the tagging of lower prices for items would attract more customers and they independently indicated their responses as shown in table 4.3 below:

TABLE 4.3

AREA	TOTAL NO.	YES	PERCENTAGE (%)	NO.	PERCENTAGE (%)
University of Lagos	20	14	70	6	30
Ikoyi Area	20	12	60	8	40
Festac Town Area	20	14	70	6	30
Apapa/Ajegunle	20	15	75	5	25
Ikeja/Ogudu Area	20	19	95	1	5
AVERAGE	20	14.8	74%	5.2	26%

SOURCE: Questionnaires

The above analysis reveals that an average of 74% of the entire respondents accepted the assertion that the tagging of lower prices for items in the retail store would attract more customers.

The analysis further reveals that an average of 26% of the respondents sampled rejected the hypothesis and hence showed a negative response.

Although the average percentage of those who accepted this third hypothesis seems to drop from the first two hypotheses, we still have the highest response from those who agree with this assertion.

Based on the results obtained from the analysis, we can therefore say that this other hypothesis (third hypothesis) has been tested and confirmed to be true.

4.4 ANALYSIS OF HYPOTHESIS IV

The retail store offering better services may attract more customers than others.

The questionnaires were distributed to the respondents and subsequently collected and analysed to find out if the retail stores offering better services would attract more customers than others and they all independently indicated their responses as shown in Table 4.4 below:

TABLE 4.4

AREA	TOTAL NO.	YES	PERCENTAGE (%)	NO.	PERCENTAGE (%)
University of Lagos	20	16	80	4	20
Ikoyi Area	20	18	90	2	10
Festac Town Area	20	17	85	3	15
Apapa/Ajegunle	20	14	70	6	30
Ikeja/Ogudu Area	20	17	85	3	15
AVERAGE	20	16.4	82%	3.6	18%

SOURCE: Questionnaires

From the table above an average of 82% of the entire respondents sampled for the analysis indicated that retail stores offering better services would attract more customers than others. We also see from the table that only 18% of the respondents had a contrary opinion.

The analysis of the questionnaire further reveals that retail shops offering better services irrespective of their size stand a better chance of getting more customers than others.

Based on the results obtained from the above analysis, it could therefore be said that the fourth hypothesis has been tested and proved to be true.

4.6 ANALYSIS OF HYPOTHESIS V

Perceived economic class of a neighbourhood may not generate competition among retail shops in a particular area.

The respondents were asked through questionnaires if perceived economic class of a neighbourhood would not generate competition among retail shops in a particular area and they all independently indicated their responses as shown in table 4.5 below.

TABLE 4.5

AREA	TOTAL NO.	YES	PERCENTAGE (%)	NO.	PERCENTAGE (%)
University of Lagos	20	8	40	12	60
Ikoyi Area	20	15	75	5	25
Festac Town Area	20	4	20	16	80
Apapa/Ajegunle	20	17	85	3	15
Ikeja/Ogudu Area	20	11	55	9	45
AVERAGE	20	11	55%	9	45%

SOURCE: Questionnaires

From the above analysis, it is Revealed from the table that an average of 55% of the entire respondents accepted or agreed that the perceived economic class of a neighbourhood would not generate competition among retail shops in a particular area.

The analysis further reveals that 45% of the respondents had a contrary view or negative response about hypothesis. The analysis also reveals that the percentage of those who responded positively to the questions asked on this particular hypothesis has decreased considerably as

against the previous hypotheses while the percentage of those who responded negatively to the questions asked on this subject matter has increased considerably as against the previous ones.

We can however, see from the table that 55% of the respondents agreed on this subject matter as against 45% of those that disagreed with the subject matter.

Based on the results obtained thus far, we can convincingly say that although the average percentage of those that responded positively to the subject matter of this fifth and last hypothesis has decreased from the first four hypothesis, the results have clearly shown that the hypothesis have been tested and further proved and confirmed to be true.

The summary of above analysis is that product assortments, pricing strategy, stores location, customers service as well as stores personnel all play collective role to boost sales performance.

CHAPTER FIVE
SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 SUMMARY

We will try to highlight the environment (economy) under which Retail business strive in Nigeria. Through this examination, we will be able to assess whether retail marketing has done extremely well in the country in the past years. The economy has been bedeviled by a lot of problems in the past decade cutting across all facets - political, religion, socio-economic and legal structures. Most budgets have been directed towards amending or changing the situation and only little has been achieved.

The above could be put further by the reactions by different bodies in the middle of 1990s during the assessment of the last few years budgets. The Central Bank of Nigeria (CBN) had during that period accepted the soaring inflationary pressures during this period under review which has weakened the purchasing power of an average Nigerian consumer.

The pressure increased further as a result of the relative stabilization of Naira exchange rate at higher levels coupled with high import duties, imposition of Value Added Tax (VAT) on virtually all products and the seasonal shortages of staple food.

It would be interesting to note that in this research work, the researcher apart from gathering facts through the use of questionnaires, also conducted personal interviews with the stores' management and again personally observe some major stores' operations.

The essence of conducting the interview was to gain

Further insight into the mode of operations and problems of the stores in areas under study as expressed by their managements, and also to expose the extent to which the managements possess the knowledge, attitude and practice required in Retail Marketing, coupled with their level of awareness (conscious or unconscious) of the phenomena known as Retail Marketing (Retailing) and its importance to success in the retail business.

The managements of some retail stores when asked what they felt customers were in favour of, the proprietresses and proprietors of these different stores agreed that Generally customers were in favour of an attractive and homely type of stores, especially where they could feel free to ask for credit or any help without feeling embarrassed.

They went further to say that customers were in favour of an understanding and welcoming management since some customers enjoyed being offered a drink as they sat down for a chat; prompt and personalised services without bias so that customers' would not be wasted unnecessarily; neat, clean, courteous and accommodating staff since some customers were friendly and looked forward to cracking jokes. They also agreed that, presently, everybody prefers low prices since salaries were grossly inadequate when compared to the soaring rate of inflation.

As regards to what customers were looking for when they come into the stores, the proprietors in their opinion said that customers were in essence looking for essential goods at affordable prices and personalised services. The management also believed that the key to success in their business was related to their friendly staff, generosity and the good public relations of management - these

attributes kept people coming back for more. Also some managements once gave out gifts to customers and their children at Christmas but now gift items were becoming too expensive. In short, customers were treated not only as kings but also as family members.

The management felt that retail business was a good business in the olden days as it was possible to make up to 25% profits without exploiting the customers. According to one of proprietors of the retail shops, 'presently, there are so many retailers, you will be lucky to make 5% profit which is useless when compared to the high cost of things or items. To survive, you need to make at least 100% profits'.

The retail business in Nigeria has over the years witnessed a serious set back and decline. This decline has been attributed to certain problems. The possible reasons given for such a decline in the retail business were:

- The continuous devaluation of the Naira which made imported goods too expensive to purchase and stock;
- a simultaneous inflation in the prices of essential commodities that have rendered them beyond the purchasing capability of the average Nigerian consumer;
- the recent demolition exercise in Lagos in which many Structures, shops and stores were affected.

We had earlier said that the inflation rate since the beginning of this decade has been on increase. The manufacturers are worst hit by this phenomenon. They have experienced some barrage of problems among which are under

utilization of installed industrial capacity, accumulated inventory of finished goods, Drop in local sourcing of raw materials and lack of new investment in the sectors by members.

Above expositions are all explaining the state of the economy. The retail businesses are mostly hit by the present economic environment in Nigeria. The major problems of the retail industry are highlighted below:

- i) The pricing of infrastructures has been very high. These bodies has been charging indiscriminately. It may be appropriate to emphasize that the pricing policy of commercialised or privatised utilities operating outside the discipline of competition should be a matter of indifference to the government. This is because, in the absence of competition the consumer is exposed to exploitation which can only be checked by an effective price regulation mechanism.
- ii) The foreign exchange rate system is on the high side. This makes it difficult for imported items to be bought and stock in the stores, and where these are stocked, they beyond the reach of an average Nigerian consumer because of their prices. An improvement in the mechanism of building the foreign exchange market can favourably affect the situation to a lower exchange rate.
- iii) High cost of operations apart from infrastructures already mentioned above also affect the profitability of the retail industry. The agitation for higher income without a corresponding increase in sales performance affects the profit contribution.

- iv) Transportation and ordering costs as well as cost of maintaining facilities are soaring higher and higher everyday. All these costs affect the profit contribution of the Retail industry.
- v) Lastly, the circulation of local currency is in few hands. Most Retail stores can not pay their workers promptly while banks that do enhance the circulation through loans and overdraft facilities are distressed. The financial squeeze affects the general purchasing power in the economy.

5.2 RECOMMENDATIONS

Generally, policy recommendations are made towards improving and enhancing a sustainable a sustainable growth in the retail industry. We have discovered that, the problems are that of the entire economy in which owners of retail stores operate and the only way for better performance is to adopt strategies or policy measures to bail them out of the present economic predicaments.

The following points have been suggested for effective performance of retail business:

- i) The retail stores should adopt a good pricing policy that will make them competitive. This should be competitive as to attract customers to the stores. This should cover cost of operations so as to make profits for the owners.
- ii) Operation cost should be curtailed as much as possible in order to reduce expenses and enhance profits.
- iii) The managements of the retail stores/shops should improve product assortment, attitude of personnel

towards customers, and survey prices in other stores before fixing their own.

- iv) The retail stores should make their services more fast and effective, renovate the stores and keep clean, properly place the items and lower the prices as to attract more customers as well as irregular customers who have by one reason or the other not patronised the store.
- v) Service of staff to customers should always be excellent and without bias, keep prices reasonable, stock goods not normally found in other stores and of high quality.
- vi) Suggestion box should be installed at the entrance to enable the suggestions, likes and dislikes of the customers to be known for a change.
- vii) The managements of the Retail stores should carry out market survey to keep in touch with and be informed about prices elsewhere, known the prices of commodities in the market and other competing stores before fixing their own; and
- viii) stores owners should improve the product assortment on offer to become more adequate and satisfying to customers who prefer one-stop shopping.

5.3 CONCLUSION

This research work has analysed what retailing or retail marketing is all about. The different types of retail outfits were highlighted. The management of retail business-store location, building and interior decoration,

retail personnel, sales management and credit collection and effective customer service, functions of retailing, consumer buying behaviour, Retail mix, factors affecting pricing decision and retail communication were examined. Trends and developments in retailing were not neglected.

It also attempted to highlight some of the problems facing the Retail industry which is the reflection of the economic environment under which they are operating. On this basis, policy measures were prescribed to boost profitability. Suggestions were also made on how to improve on their performances and step up their profitability.

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