THE APPLICATION OF THE MARKETING CONCEPT IN THE NIGERIAN MANUFACTURING INDUSTRY:

A CASE STUDY OF SUNGLASS LIMITED, KADUNA

BY

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In Partial fulfillment of the requirements for the Award

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CERTIFICATION

This project entitled "THE APPLICATION OF THE MARKETING CONCEPT IN THE NIGERIAN MANUFACTURING INDUSTRY: A CASE STUDY OF SUNGLASS LIMITED, KADUNA‰ by Obute L.O. meets the regulation governing the award of the degree of Master in Business Administration (MBA) of Ahmadu Bello University, Zaria; and is approved for it's contributing to knowledge and literary presentation.

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DECLARATION

I hereby declare that this project has been written by me. All information not original to this research have been duly acknowledge by way of reference. All mistakes in thought or sequence that there are entirely my responsibility.

MR. LAWRENCE O. OBUTE.

DEDICATION

This work is dedicated to my wife Mrs. Betty E. Obute and my boys Ojone, Rhalumi, Uyor and Ekojorka Obute for their love, understanding and encouragement.

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I thank the Almighty God for giving me the spirit, guidance and protection all through my study.

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ABSTRACT

This study was undertaken to enable us understand the extent to which firms in the manufacturing industry in Nigeria, apply the marketing concept.

Taking into consideration the country's large population, and large number of manufacturing firms which hinder on individual analysis of manufacturing firm as regards the application of the marketing concept, a case study of Sunglass Limited, Kaduna was undertaken.

The consumer is the life-blood of the organisation, since if he does not buy, firm cannot sell and every firm that produces must sell to be in business. Therefore, the importance of the consumer to the achievement of corporate goals cannot be over emphasize. It is important, in order to achieve overall objective of the organisation, to strengthen and incorporate into the organisation the pillars of the marketing concept, that is consumer orientation and satisfaction, integration marketing effort, profit criterion and societal orientation.

In our case study analysis of Sunglass Ltd, I found that the company is a marketing oriented enterprise. The consumer is the king is a watchword in Sunglass Limited and all marketing activities are planned around this concept. Sunglass Limited applies the marketing concept to a large extent, although some aspects of it are employed to the neglect of others.

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CHAPTER ONE

1.1 INTRODUCTION

Marketing was defined by Stanton (1964) as "a total of interacting business activities designed to plan, price, promote and distribute want - satisfying products and services to present and potential customers" (1) and Paul Mazur defined it as "Marketing is the delivery of a standard of living to society (2) which was later amended by Prof. Malcom MC. Nair as "the creation and delivery of a standard of living to society (3) Stanton's definition talks about marketing being a managerial function, a customer oriented activities, a total dynamic process in business, that is, it is a result of interaction between activities, marketing is in the beginning up to the end and even after the sale of products or services and it maximize profitable sales over the long run.

Schewe and Smith saw marketing concept as the philosophy of business or attitudes of management which maintains that the local point of the entire firm is the consumer. All business administrators recognize that marketing is important for the success of a business firm and that customer's want satisfaction is the economic and social justification of a company's existence. All company activities are devoted to determine what the customer's wants are and then satisfy these wants while still making a reasonable profit.

It is far easier to sell goods or services that properly match the needs or wants of buyers than it is to sell those products that do not, and since sound knowledge of consumers needs and wants provide information base to effect this match application of the marketing concepts should result in greater sales which assuming efficient and effective management of costs should result in great profits.

Simple everyday exchanges benefit from marketing concepts by recognizing the needs and wants of people in day-to-day activities we can make our social and economic exchanges more satisfying. Consumers communicate their needs and wants by buying or refusing goods and services offered to them by retailers and other intermediaries. If the offering are not satisfying, no sales occur and products are not recorded from manufacturers. Those items that satisfy the needs and wants of consumers or users are sold and orders are made. As a result of this, the raw materials for mis-matched items are not demanded by manufacturers because production is geared towards those products that are desired by consumers, consumers therefore are the key to keeping economic

exchanges in balance through communication. The backward communication from consumers to producers is essentially what the marketing concept is about.

A successful organization is that which recognize consumers' desires and therefore adjusts its activities to meet those needs and wants.

In this era of development, the Board of Directors and the Chief Executive determines the nature of business for the organisation through corporate planning, so, marketing concepts permeates the entire company. The Marketing Manager, therefore selects and implements a set of marketing activities that will help to achieve the goals and objectives of the firm. These marketing activities are called the "Marketing Mix". Basic functions included are products development, packaging, branding, pricing, promotion which includes advertising, personal selling, publicity and personal advertising and distribution which includes selection of channels and physical distribution.

1.2 STATEMENT OF THE PROBLEM

This research is primarily concerned with the study of how far Sunglass Limited has actually put into practice the various elements of marketing most commonly found in theory and whether those that have been applied have had any appreciable impact on the performance of the marketing functions of the organisation. There has been scarcity of raw materials for manufacturing industries in Nigeria, so we should know how this ban has affected the application of the marketing concepts in the organisation and what changes the company under goes due to lack of basic raw materials in the economy.

1.3 OBJECTIVES OF THE STUDY

The general objectives of this study is to assess the extent to which Sunglass Limited applies the marketing concepts when marketing its products.

The specific objectives are as follows:-

1. To assess how far the scarcity of raw materials in the manufacturing industry has affected the quality of products.
2. To find out if the scarcity of raw materials has led to scarcity of products.
3. To find out if the scarcity of raw materials has led to increase in price of products.

4. To identify marketing problems facing manufacturers that use local raw materials for production and suggest measures for solving the problems.

1.4 SIGNIFICANCE OF THE STUDY

Marketing concepts play a significant role in the development of an economy. Those are not without impediments that hinder the growth of the concepts as applied and adopted in a developing economy like Nigeria.

The application of the marketing concepts in Nigeria was said to be a myth due to the numerous problems in the economy thus the concepts are not applied in most businesses. The significance of this study therefore, is to find out what the problem(s) is (are) and then make recommendations that if the management should implement will help greatly as a result, the marketing concept will be applied and this will help in the development of the economy.

1.5 SCOPE OF THE STUDY

The aim of this study is to identify the significance of marketing concepts in satisfying consumer demands and needs. This study therefore covers only Sunglass Limited as a glass container producer in Nigeria.

The study covers mainly the marketing concepts as applied in business organisation and the extend to which the concepts are used to achieve organisational goals in Nigeria.

The scope of this research is within prescribed standards set by the academic programme undergone by researcher.

1.6. DEFINITION OF RELEVANT TERMS USED IN THE STUDY

Just like any other discipline, business management has terminology used by people to express themselves. Words are used to convey ideas and people in the profession have many words which they use when they communicate. They do not have to define these words amongst themselves but to people outside their field. Doctors, lawyers, chemists, physicists etc. all have professional languages on terminology of their own.

- MARKET

Marketing has been defined by so many people in so many different ways, but there is no consensus definition, so it could be defined as the performance of business activities that direct the flow of goods and services from producer to consumer or user.

- MARKETING CONCEPTS

The marketing concepts is the philosophy of business or attitudes of management which maintains that the focal point of the entire firm is the consumer. This refers to all the variables under the firms control that can affect the level of demand. The variables here are product, price, place or distribution and promotion.

- MARKETING MIX

This means the apportionment of effort, the combination, the designing and the integration of the elements of marketing into a programme which on the basis of an appraisal of marketing forces will best achieve the objectives of an organisation at a given time.

- DISTRIBUTION

This refers to wholesalers of various types of products who make exchanges for the purpose of resale or business use. they are merchant intermediaries who take title to products.

- INTERMEDIARIES

This refers to independently owned business concerns that help more products from producers to ultimate consumers. Merchant middlemen take title to the goods while agents don't.

- SELLERS MARKET

This is a situation which occurs in times at shortage at goods or services. There are more buyers than sellers and thus demand exceed supply.

- CHANNEL OF DISTRIBUTION

The channel of distribution is the path or movement of title from the producer to the consumer or user. Many parties are involved depending upon the type of channel, product distribution, agent, wholesaler or retailer which are middlemen and the consumer or user.

- INFLATION

This is a situation of using prices attributable to scarcity and or over demand.

- NEEDS

Needs are deficiencies that an individual experiences at a particular point in time. The deficiency may be biological, physiological, sociological or psychological. They are seen as energizers or triggers of behavioral responses.

- GOALS

Goals are the hoped for rewards towards which motives are directed.

- SYSTEM

A system is a collection of inter-related parts which form some whole.

ORGANISATIONAL EFFECTIVENESS

An individual or group is said to be effective if he uses his limited resources efficiently. Organisational effectiveness may be defined as the ability to mobilize and utilize resources both human and material optimally in achieving set goals, providing satisfaction within and outside the organisation while developing and adopting to the environment through time.

1 - 7 LIMITATIONS OF THE STUDY

Studies at this nature cannot be made without encountering some problems and limitations.

1. Time is a constraint because the time allowed to complete this study is short, for data collection, analysis and write up of the report.

2. Financial constraints has also limited the study to Sunglass Ltd.

3. Sunglass is a foreign company so, due to confidentiality and other reasons, access could not be had to some important and necessary documents and information from the company.

4. Due to the seasonal nature of production, researcher could not interview many distributors, retailers and consumers.

1.8 RESEARCH METHODOLOGY

* RESEARCH DESIGN

This research study is aimed at finding out to what extent Sunglass Limited applies the marketing concept to market its products and satisfy consumers at a profit. The objective of this chapter is to define the research methodology adopted in the study and the procedure and approach of data collection.

• RESEARCH METHODOLOGY

To achieve the objectives mentioned above, the researcher used explanatory and descriptive methods to collect data. The method is explanatory in the sense that some consumers and distributors were interviewed to find out why products are consumed and descriptive because data collected was to describe and interpret existing conditions, prevailing practices, beliefs, attitudes etc., and to also discover meaning of things.

The instruments used to collect data were personal interview and observation and the data used were obtained from the primary source through interview and observation carried out by the researcher. No secondary source was used because the researcher was not given any written document. These techniques, interview and observation, give a chance of knowing the non-verbal situation that questionnaires cannot provide and it is necessary to consider other situations other than words said.

Questions were designed and the researcher assumed that since all marketing functions (4ps) relating to getting the product to the end users are carried out in the marketing department, the Marketing Manager answered most of the questions while the Personnel Manager answered some too.

Distributors, retailers and some consumers were also interviewed in the market and around the company premises.

The researcher conducted all interviews. Two weeks was spent by the researcher in making observations of the employees, distributors, retailers and consumers at the company's premises. By observation, then interviewing the researcher had ample insight into the major marketing activities of the company.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The marketing concept is a modern approach to marketing which developed from the evolution of mass production which resulted in high competition among businesses. It is a managerial philosophy aimed at mobilizing, utilizing and controlling of the total corporate efforts for the purpose of providing consumer's satisfaction, as well as enhancing the profit position of the company. It is a modern way of directing management attitudes to consumers. There are two important issues in the marketing concept:

1. Consumers' satisfaction should be the main aim of any business organisation, i.e. the firm must find out what the consumers' needs and wants are and should endeavour to satisfy them because it is through the consumers that profits are generated (and dividends).

2. Making maximum sales should not be target of business, but making profitable maximum sales.

An expression of the marketing concept described in General Electric's Annual Report of 1952, brings out clearly what the concept is all about. The Marketing Manager has this to say about the concept "The concept introduces the marketing man at the beginning rather than at the end of the production cycle, and integrates marketing into each phase of the business. Thus, marketing through its studies and research will establish for the engineer, design and manufacturing man, what the customer wants in a given product, what price he is willing to pay and where and when it will be wanted. Marketing will have authority in product planning, production scheduling, and inventory control, as well as in sales distribution and the servicing of the products.

The concept calls for a customer orientation, and this can be expressed in the following form.

1. The consumer is the king: What the consumer wants, he gets it.
2. The consumer is at the top of the organization chart in terms of importance.

Sunglass Limited is a buyers' market.

Since 1960, American business has been operating increasingly under what is called the "Marketing Concept". Once mass production could be taken for granted, attention was directed from what was adequate for most people to producing what was desirable to meet individual needs and requirements. Thus the emphasis changed from selling what manufacturers made to making what people will buy. In line with this new marketing concept, marketing preferences are determined before manufacturing starts, so that once a product is manufactured, it will virtually sell itself.

The table 1 below show the difference in management thinking when the marketing concept is applied and is not applied.

S/No	Decision Factors	Marketing Concept Applied	Marketing Concept not Applied
1	Product Colour	"We better research to find out which colour most consumer prefer".	"We will give the black colour so long it is a car"
2	Product Improvement	"We have got to make next year's model even better"	"The current model is good. The consumer can take it or leave it.

OBSERVATIONS

Firm A: is aware of change in consumer preferences. Management knows people's want vary and is trying to keep abreast, continued success seems assured.

Firm B: is committing economic suicide and consumers will shift to competitive products. Management is ignoring consumer, continued success is in jeopardy.

The marketing concept is a marketing orientation that sees the satisfaction of customers needs as the key to achieving organisational goals. That is:

i. All businesses and marketing decisions must be consumer oriented.

ii. Making maximum sales should not be target of business, but making profitable maximum sales.
iii. Integrated marketing effort is a necessity.

Sunglass Limited manufactures glass containers used by other industries for packaging of their products. This leads us to industrial marketing.

E Raymond Corey, in his book, "Industrial Marketing" defined Industrial Marketing as that aspect which is concerned with the marketing of goods and services to businesses and other organizations for use in the goods and services which they, in turn, produce. Industrial customers therefore include commercial enterprises, government organisations and institutions as opposed to ultimate consumers, that is individuals and family units. Taking business and government buying together, therefore, we see that industrial market as a whole, goods are not purchased for themselves but for the contribution they can make to the economic, political or social objectives of the purchaser.

Thus, quoting Stanton in his book 'Fundamental of Marketing', "Industrial buying behaviour, like consumer buying behaviour, is initiated when an aroused need (motive) is recognised. This leads to goal oriented activity designed to satisfy the need".

According to Philip Kotler in his book "Marketing Management - Analysis, planning and control - emphasized that selling to organisations introduces several considerations that are not found in consumer marketing.

Some of these are as follows:-

1. Organisation do not buy for personal consumption but for the purpose of further production, re-selling or servicing.
2. More persons are involved in organisation buying since they (the decision makers) are charged with different organisational responsibilities and thus apply different criteria to the purchase decision.
3. The organisation imposes certain policies and requirements that must be needed by its buyers.
4. The purchased instruments such as requests for quotations, proposals feature here and are thus conspicuously absent in consumer buying.

2-2 EVOLUTION OF MARKETING

In its evolution, marketing has achieved the image of the society saviours in the minds of many and society corrupter in the minds of others. Marketing makes a vital contribution to the advancement and satisfaction of human needs and wants. It is the means by which organisations identify unfulfilled needs and convert them into business opportunities and create satisfaction for others and themselves. The capacity of organisations to survive and prosper depends on their ability to continuously create value for target market in an environment of ever changing human needs and wants.

To understand marketing, we must first understand organisation. For example sole proprietor, partnership, cooperatives, corporations, conglomerates, the farmers, sellers, Ife Stores, Bata, Lenards, Imani Aviation, Oduduwa Hall incorporated, Zoo etc. They may be publicly owned or privately owned, they may be run for profit, service or some other goals. They may have a single product liner such as paper or sell as many as 150 items as in case of super markets. They may operate in one locality, in a region, naturally or internationally.

Organization begins as ideas in the head of one or more entrepreneurs. The organisers must raise fund, attract personnel, establish a production or services facilities and find its market for output. An organisation can survive only if it is able to acquire the resources necessary to its sustenance.

Human Needs and Wants:

Needs: Mankind needs food, air, water, clothing and shelter to survive. Beyond these, people have stronger desire to esteem and a sense of belonging, creation, education and other services.

A need is a state of self deprivation of some generic satisfaction arising out of the human condition. People actually need very little, these needs are not created by their society or marketer. They exist in the very texture of human biology and human condition.

Wants: Wants are desire for specific satisfier of these ultimate needs. A person needs food and wants a steak of chicken or Iyan or Eba. A preson needs clothing and wants s suit, a long dress, a person needs esteem and he wants a Mercedez Benz or 505 car. Why people needs are few, their wants are many. Human wants are continually shaped and reshaped by forces called *institutions*. Such as churches, schools, corporations, and families.

Intentions: Are decisions to acquire specific satisfier under the given term and conditions. Many people want Honda car or Mercedes Benz only a few want to buy more at today's prices.

Demand: This will be wants backed up by purchasing power. This distinction, sheds light on the frequent change by marketing critics that marketers create needs or get people to buy things they do not need. Marketers do not create needs. Needs pre-exist market. Marketers in the society influence wants. They suggest to consumers that a particular good satisfies a particular need. Marketers also try to influence people's intention to buy by making the product attractive, affordable and easily available.

In conclusion, marketers do not create needs but influence wants and intention.

A Product: A product is something that is viewed as capable of satisfying a need or want. That is a product is a satisfier, not physical object alone but also services that it renders. A product can be an object, service, person, organisation, an idea, place, and activities.

Demand states, its associated marketing tasks and the formal name given the tasks.

S/No	Demand State	Marketing Task	Formal Name
1	Negative Demand	Reverse Demand	Conventional Marketing
2	No Demand	Create Demand	Stimulation Demand
3	Latent Demand	Develop Demand	Developmental Demand
4	Faltering Demand	Revitalize Demand	Re-Marketing
5	Irregular Demand	Synchronize Demand	Synchro-MArketing
6	Full Demand	Maintain Demand	Maintenance Marketing
7	Over Full Demand	Reduce Demand	De-Marketing
8	Unwholesome Demand	Destroy Demand	Counter-Marketing

Exchange: The fact that people have needs and wants and the fact that they have products capable of satisfying them are necessary but not sufficient to define marketing. Marketing exists when people decide to satisfy needs and wants, in a certain way called exchange.

Exchange assumes five conditions.

1. There are two parties
2. Each party is capable of communication and delivery.
3. Each party has something that could be of value to the other
4. Each party is free to accept or reject the offer
5. Each party believes it is proper to deal with the other party (or parties) in this way.

Where these five conditions exist, there is a potential for exchange. Whether exchange actually takes place depends upon whether the two parties can find terms of exchange that will leave them both better off or at least not worse off than before the exchange. This is the sense in which exchange is described as a value - creating process. That is, exchange normally leaves both parties with a sense of having gained something of value.

Market: The concept of exchange leads naturally to the concept of a market. A market is a set of all actual and potential buyers and sellers of a product. the size of the market depends upon:-

1. The number of persons who have interest in the object (or product).
2. The necessary resources
3. The willingness to offer the resources to obtain aid.

These three things make up the level of demand. Where there is a potential for trade, there is a market. The term market can be used to describe a human need, or product type or demographic group or geographic location. For example, a relaxation market, rice market in Oyo State, Shoe Market, Motorcycle Market means etc. We now see that marketing means working with market which in turn means attempting to actualize potential exchange for the purpose of satisfying human needs and wants.

2 - 3 BASIC CONCEPT OF MARKETING

There are 5 basic concepts of marketing management or ways in which producers guide their exchange activities.

1. Production Concept
2. Product Concept
3. Selling Concept
4. Marketing Concept
5. Social Marketing Concept

1. Production Concept:

It is a management orientation that assumes that consumers will favour those products which are available and affordable and are therefore the major task of management is to pursue improve production and distribution efficiency.

The implicit premises of production concept are:

a. Consumers are primarily interested in product availability and low price.

b. Consumers know the prices of the competing brands

c. Consumers do not see or attach importance to non price differences within the product class.

d. The organisation's task is to keep improving production and distribution efficiency, thereby lowering cost as the key to attracting and holding customers.

The production concept is an appropriate philosophy of management in two types of situations.

i. Where the demand for product exceed supply. Here, consumers are ready to buy any version of the product they can find. Thus companies in developing nations that are able to sell all they produced, put their energy into improving production.

ii. Where the product cost is high and has to be brought down to expand the market. Examples of production concept in international world are pocket calculators and digital wrist watches. They are made in Japan. They make them available and affordable. While this type of management result in the handling of many cases per hour, it is opened to the charge of impersonality and consumers insensitivity.

2. PRODUCT CONCEPT

The product concept is a management orientation that assumes that consumers will favour those products that offer them most quality for the price and therefore the organisation should devote its energy to improve its product quality.

The implicit premises of the product concept are:

a. Consumer buy product rather than solution to needs.
b. Consumers are primarily interested in product quality
c. Consumers know the quality and features differences of the completing brands.
d. Consumers choose among competing brands on the basis of obtaining the most quality for their money.
e. The organization task is to keep improving product quality as the key to attracting and holding customers.

EXAMPLES

1. Manufacturer that built a better mouse trap (Falt 1962 pp. 26 - 27 titled "so we made a better mouse trap")
2. Railroad management
3. Manufacturer of office files.

Cases in marketing management by Ralph West Falt and Happer W. Boyd published 1961 PP 16 - 24.

3. THE SELLING CONCEPT

This is also called the Sales Concept. The selling concept is a management orientation that assumes that consumers will either not buy or will not buy enough of the organisation's product unless the organisation makes a substantial effort to stimulate their interest in its product.

The implicit premises of the selling concepts are:

a. Consumers have a normal tendency to resist buying most things that are not essential.

b. Consumers can be induced to buy more through various sales stimulating devices.

c. The organisation's task is to organise a strong sales oriented department as the key to attracting and holding customers.

Companies practicing the selling concept typically assume that their goods are sold not bought.

EXAMPLES

Insurance Agents hold that people do not feel a strong need for insurance policy and do not beat a path to their door. Therefore, it is necessary to aggressively search out potential customers and hard sell them on the benefits of insurance. The same philosophy pervades the thinking of encyclopedia and Bible companies, land developers and home repairs contractors and political parties.

Obviously there are great risk in practicing the selling concept especially in its high drying form where customers' satisfaction is considered as secondary to getting the sales. This practice will spoil the market for this seller in that eventually, there will be no customer that will trust him. For the selling concept to work for extended period of time, the following circumstances are required.

a. Many of the customers come in knowing that dealers are hard sellers and feel they can handle that situation.
b. Customers who are dissatisfied soon forget their dissatisfaction.
c. Dissatisfied customers do not talk very much to other customers.
d. Dissatisfied customer probably will not complain to consumers organisation.
e. There are great number of potential customers out there. The company does not have depend upon repeat business.

4. THE MARKETING CONCEPT

The marketing concept is a more recent idea in the history of exchange relation. The marketing concept is a management orientation that holds that the key task of the organization is to determine the needs and wants of the target market and to adopt the organization to delivering the desire satisfaction more effectively and efficiently than its competitors.

In short, the marketing concept says find wants and fill them rather than create product and sell them. This orientation can be seen in many aspects. Examples: There is a fast food that sells Hamburger and the advertisement says "have it your way" (Burger King). United Airline and its advertisement says "You are the Boss" Food Company "No Dissatisfaction Customer".

The underline premises of the marketing concept are:

1. Consumers can be grouped into different marketing segment depending on their needs and wants.
2. The consumer in any market segment will favour the offer of that organisation which come closet to satisfy their particular needs and wants.
3. The organisation task is to research and choose target markets and develop effective offer and marketing programme as the key to attracting and holding customers.

The marketing concept is the company's commitment to the time-honoured concept in economic theory known as *Consumer Sovereignty*. The determination of what is to be produced should not be in the hands of companies or in the hands of government but in the hands of customers. The companies produce what the consumers want, and in this way they maximise customers' welfare and earn their profits.

5. SOCIETAL MARKETING CONCEPT

It is a management orientation that holds the key task of the organisation is to determine the needs and wants of target market and to adopt the organisation to delivering the desired satisfaction more effectively and efficiently than its competitors in a way that preserves or enhances the consumers and the society well being.

It calls for 4 considerations in marketing decision making:

1. Consumers needs and wants
2. Consumers interest
3. Company's Interest
4. Society's Interest

The underline premises are as followers:

1. Consumers Wants do not always coincide with their long run interest or society long run interest.
2. Consumers will increasingly favour organisations that show concern with meeting their wants, long run interests and society long run interests.
3. The organisation task is to serve target market in a way that produces not only wants satisfaction but long run individual and social benefit as the key to attracting and holding customers.

Societal Marketing Concept is also called *Intelligent Consumption Concept* and some call it *Ecological Imperative Concept*.

The management process as applied to marketing consists basically of:

a. Planning a marketing programme
b. Evaluating its performance

The Planning stage includes:

Setting Goals and Selecting Strategies and tactics to reach these goals.

The implementation stage include forming and staffing the Marketing Department of the organisation and directing the actual operations according to mapped out plans.

The evaluation stage is a good example of the interrelated, continuing nature of the management process. Evaluation is both a look back and a look ahead link between past performance, future planning and operations. Management looks back to analyze their performance in light of organisational goals. Findings from this analysis of the past performance are then used to look ahead in setting their goals and plan for future periods.

2.4 MARKETING

Marketing. Definitions: All business organisations perform two basic operating functions. These two functions are:

1. The production of goods and services
2. The marketing of these goods and services.

This is true of all firms whether giant manufacturers like Lever Brothers Ltd, or even smaller business such as Northern Diary Ltd, Kaduna and provision stores etc. Production and marketing are the most important aspects of life.

Marketing as defined by the American Marketing Association (1960) is "The performance of business activities that direct the flow of goods and services from producer to consumer or user". To understand this definition, we need to understand the meaning of certain terms in this definition. The word business means the production and distribution of goods and services for a profit. This implied that marketing is undertaken by business organisations excluding governmental, charitable and other non-profitable institutions. Also directing the glow of goods and services from producer to customer means that Marketing Managers are only responsible for flow of goods and services to consumers. It is assumed here that whatever is produced will be sold. This view is contrary to what marketing is today. Today's marketing is more customer oriented that just producing. A marketer must know what his customers' needs and desires are, and then try to satisfy them. Actually, directing the flow of goods and services from producers to consumers is selling and not marketing. Therefore this definition is regarded as a traditional one way, i.e. transfer of goods and services from producer to consumer. The above definition ignores the societal aspects, reactions from unions or buyers.

Some accepted marketing definitions are:

a. By Beckman and Davidson : "Marketing is the performance of all activities necessary for ascertaining the needs and wants of markets, planning product availability, effecting transfer in ownership of products, providing for their physical distribution and facilitating the entire marketing process".

b. Ryans defines marketing as "the determination of the needs and desires of the market so that goods and services can be provided to satisfy these needs and desires.

The above two definitions are management oriented and they emphasis the needs and wants (desire) of the markets. These two again ignores the non-business organisations and do not stress the exchange activities.

3. A modern definition is given by Burton Marcus, who defined marketing as "those activities performed by individuals or organisations, either for profit or non-profit that enable facilitate, and encourage exchange to the satisfaction of both parties".

2.5 THE RAPID ADOPTION OF MARKETING

a. In the business sector
b. In the international sector
c. In the non-profit sector

Marketing most recent entry has been in the nonprofit sector of the economy. Such diverse organisations as colleges, hospitals, police departments, museums and symphonies are currently taking a look at marketing. Consider the following developments.

More than 170 private colleges have closed their doors since 1965, unable to get either enough students or funds or both. Tuition at the top private universities is now over $6,000.

Hospital costs continue to soar, leading to daily room rates of N300.00 or more in some large hospitals. Many hospitals are experiencing under utilization, particularly in the maternity and pediatrics sections.

The Catholic Church drew as many as 55 percent of all adult catholic under thirty years of age to church in a typical week in 1966. By 1975 the figure had fallen to 39 percent, and further declines in weekly attendance were expected.

Many performance groups cannot attract large enough audiences. Even those that have seasonal sellouts, such as the lyric opera company of Chicago, face huge operating deficits at the end of the year.

Many non-profit organisations that flourished in earlier years - the YMCA, Salvation Army, Girls Scouts, and Women's Christian Temperance Union - are now re-examining their mission in an effort to reverse membership declines.

These organisations all have market place problems. Their administrators are struggling to keep them alive in the face of rapidly changing client attitudes and diminishing financial resources. Many of these institutions have turned to marketing as a possible answer to their problems. As a sign of the times, the Evanston Hospital of Evanston, Illinois, recently appointed a vice president of marketing and was the first hospital in the world to do so.

In addition, U.S. government agencies are showing an increasing interest in marketing. The U.S. postal service and Amtrak have developed marketing plans for their operations. The U.S. Army has a marketing plan to attract recruits and is one of the top advertising spenders in the country. Other government agencies are becoming involved in marketing - energy conservation, anti smoking and other public causes.

2.6 MARKETING FUNCTIONS

Marketing functions are the economic activities carried out in the marketing system. The marketing system has eight basic marketing functions which are divided into three major functions.

1. Exchange or merchandising (buying/selling). The activities under exchange or merchandising involve the transfer of title from the seller to the buyer.

   Buying is concerned with the selection of the kinds and sizes of goods to be bought the quality desired, the proper quantity, and the appropriate supplier.

   Selling which is viewed as the most important aspect of marketing involves.

   a. The creation of demand - advertising and personal selling
   b. Finding of a buyer - use salesmen to seek buyer out, telephone, wholesalers and retailers.

c. Making the actual sale
d. Negotiation of the price and terms of sales, as well as providing advice and services to customers.

2. Physical distribution (transportation and storage). These functions of transportation and storage, are concerned with the movement of goods from the place of production to the point of consumption and the storage of goods until they are needed by consumers.

Transportation involves the change of location of goods .i.e. from the producer to the buyer. As the distance between the two increases, transportation becomes an important function to watch in terms of cost. goods can be transferred using railroads, waterways, airways, trucks pipe line (oil water). Before deciding on any method of transportation, cost aspect must be considered. Also speed must quote cost i.e. the faster the speed the more costly the transportation.

Storage: This function is performed by manufacturers, wholesalers, retailers and specialised firms e.g. public warehouses.

This is the creation of time utility by holding and preserving goods for different periods of time. storage is necessary if regular demand is to be made for seasonal demand, when demand is irregular. Storage facilities are necessary for the following reasons.

a. To protect the goods against unavoidable delay in delivery.
b. It is useful in meeting reasonable demand that may arise and it permits transportation in economical units.
c. If is necessary in order to fulfill public designed by Federal Government Agricultural programme which ensures that certain goods must be preserved and conditioned before marketing them e.g. tobacco and cotton.

3. Facilitating Functions (finance, marketing, research and information, risk taking, product standardization and grading). These functions are concerned with exchange of title and physical distribution.

Finance Function involves the provision of money, management of money and other credit facilities necessary to get the goods across from the producer to the ultimate consumer or industrial user. The financial transaction here exclude those relating to production. Financial problem pervades the whole marketing process. The manufacturers need money to carry enough inventories to pay his workers and manage store houses. The retailer also need money to enable him sell on credit etc. Therefore the assistance from financial institution, e.g. commercial banks are usually sought to help meet the various financial needs of money.

The Research and Information activity provides marketing data which marketing managers use in decision making. Unless companies are able to collect adequate information regarding customers' desires and needs, customers' buying habits and motives, reaction to price, product design and colours, competitors, it may be difficult to assess the market.

Marketing information can be collected through journals, trade papers, government publications, personal observations and other market studies.

Risk Taking which is the exposure to a possible business loss, it present in all business activities. Anything you do involves risk and business must assume risk if they want to succeed. Risks in marketing could be brought about by natural occurrences or changes in supply and demand.

Natural risk such as fire.disaster, flood, accident, robbery and theft, all these can be reduced by taking an insurance policy risk due to change in supply and demand can be reduced through a good sales forecast, product differentials and marketing research. Other types of marketing risk are:

Standardization: Simplifies buying decisions by creating specific classifications of goods based upon criteria such as size, weight, colour measurement and taste. The standard for goods are set by an organisation or bureau e.g. Nigeria Standard Organisation, etc.

Grading: Is a means of sorting out items of goods into a recognised category. It identifies the classification or category in which to place the goods. Grading is in terms of quality and weight.

2-7 MARKETING MIX

This refers to the combination of decision elements in a company's marketing programme. The combination is determined and controlled by marketing executives. These decision elements are commonly known as the **4PS.**

1. Product concerned with product planning, development, modification, bounding and packaging decision.

2. Place concerned with decisions to determine which marketing establishment can be linked together most effectively in transferring product ownership from producer to consumer.

3. Promotion deal with communication to consumers and the related personal selling, advertising, sales promotion and publicity.

4. Price deals with decision regarding price determination, general and specific pricing policies, supply and demand relationship, and legal restrictions.

The Concept of the Marketing Mix:

This concept was coined by Borden. It contains the ingredients of the elements of the marketing mix and the forces that bear on them. A marketing manager in marketing management is taken to be a decider, an artist and a mixer of ingredients - Culliton (1940)

Thus in marketing mix concept, three (3) things are essential, the elements of the marketing mix, the forces that bear on them and the role of the marketing manager.

ELEMENTS OF THE MARKETING MIX

1. The first element is product planning. This deals with policies and procedures relating to the following:

   a. Product lines to offer their quality and design
   b. Market to sell where, who, when and what quantity

c. New product policy - research and development programme. If for example tomato is sold fresh, do we now sell it in tinned form etc.

2. Pricing the policies and procedures relating to the under mentioned are considered.

Price level to adopt

a. Specific prices to adopt
b. Price policy e.g. one price or varying prices, price maintenance, use of price list etc.
c. Margins to adopt for company, for the trade.

3. Branding. It includes policies, procedures relating to selection of trade-marks.
   a. Selection of trade marks
   b. Brand policy - individualized or family brand e.g. PTF on rice policy
   c. Sales under private label or unbranded. Branding is used to make ones product different from others. Selection of trade mark comes in here and is one aspect of branding.

4. Channels of Distribution: These includes policies and procedures relating to the channel of distribution.

   a. Channels to use between plant and customer
   b. Degree of selectivity among wholesales and retailers
   c. Efforts to gain CO-operation of the trade. The institutions that help in marketing are called the trade.

5. Personal Selling: This talks about policies and procedures relating to the following:-
   a. Burden to be placed on personal selling and the methods to be employed in.

      i. Producers' organisations
      ii. Wholesale segment of the trade
      iii. Retail segment of the trade.

6. Advertising: This is a device to make people purchase immediately and it will have carry over. Here we have policies and procedures relating to:

a. Amount to spend i.e. burden to be placed on advertising
b. Copy platform to adopt

    i. Product image design
    ii. Corporate image desired
    iii. Mix of advertising to the trade through the trade to consumers

7. Promotions: We have policies and procedures relating to:

    a. Burden to place on special selling, plans or devices directed at or through the trade.
    b. Form of these devices for consumers promotion, for trade promotion.

8. Packaging: Relates to policies and procedures relating to formulation of package and label. The kind of package used depends on the type the consumers want. For exactly consumers like exposure (a king of packaging) for gari.
9. Display: Relating to policies and procedures relating to the following:

    a. Burden to be put on display to help effect sales
    b. Methods to adopted to secure display

10. Servicing: Provision of services needed is the concern of policies and procedures required here. This is common in supermarkets where you are given a cart to select goods and helped to pack them into your car or any other thing available. However, this is not very common in developing countries.

11. Physical Handling: Deals with policies and procedures on warehousing, transportation (e.g. use of cart) inventories.

12. Fact Finding and Analysis: Deals with policies and procedures relating to securing, analysis and use of facts in marketing operations.

Each of the above elements used in combination with others depend on the target market you are focusing on.

Marketing Mix Strategy: Marketing mix is the particular blend of controllable marketing variables that the firm uses to achieve its objective in the target market.

What variables make up a company's marketing mix? There are actually a great number of marketing mix variables. Fortunately, they can be classified into a few major groups. One of the most popular classifications has been proposed by Mccarthy and is called the "four P's, product, price, place and promotion as discussed earlier.

How does the company choose the appropriate marketing mix for the target market? The answer is that the company must examine the wants of that market and the position of competitors, and it must make a decision on what it wants to competitively offer to that market. The company arrives at is marketing mix by deciding on the competitive position it wants to occupy in the target market.

The company decisions on the product quality, features, price, advertising budget, marketing channels and other marketing variables for this target market make up its marketing mix. The marketing mix is the means by which the company defines and supports the competitive position it seek to occupy in the target market.

The role of a marketing manager is a mixer of ingredients.

The marketing manager analysis, plan, implement, control and evaluate programmes designed to create, build and maintain mutual beneficial exchanges and relationships with target market for the purpose of achieving organisational objectives. He relies on a disciplined analysis of the needs and wants, perception, and preference of target and intermediary market as the basis for effective product design, pricing, communication and distribution.

He stimulates demand for the organisation's product. he regulates the level, timing and character of demand in a way that will help the organisation achieve its goal.

A marketing manager in marketing management is taken to be a decider on artist and a mixer of ingredients Cullition (1940).

MARKETING FORCES BEARING ON THE MARKETING MIX

1. Consumer buying behaviour as determined by:
   a. Motivation in purchasing
   b. Buying Habit
   c. Living Habit
   d. Environment (present and future) as revealed by trends for environmental influences, consumers attitudes towards product and their use of them.
   e. Buying Power
   f. Number i.e. now many
   g. Distribution
   h. Age

2. The trade behaviour i.e. wholesalers and retailers behaviours. As influenced by:

   a. Their motivation
   b. Structure, practices and attitudes
   c. Trends in structure and procedures that portents change.

3. Competitors position and behaviour as influenced by:

   a. Industry structure and the firms relation there to
      i. Size and strength of competitors
      ii. Number of competitors and degree of industry concentration
      iii. Indirect competition i.e. from other products

   b. Relation to supply and demand, over supply of under supply
   c. Product choices offer consumers by the industry i.e. quality, price and services.
   d. Degree to which competitors compete on price versus none price basis.
   e. Competitors motivations and attitude. There are likely responses actions to other firms.
   f. Trends - technological and social for providing change in supply and demand.

4. Government behaviour - controls over marketing

   a. Regulations over product
   b. Over pricing
   c. Over competitive practice
   d. Over advertising and promotions

2.8 CHANNELS OF DISTRIBUTION

Channels of distribution are the routes that goods take on their way from producers to consumers. All the middlemen with the system of distribution work closely with each others in order to get the goods from producers to consumers in the least expensive manner and in the fastest way possible.

Types of Goods

All goods can be placed into two broad categories.

1. Industrial Goods
2. Consumer Goods

Industrial goods are goods that sold mainly for use in producing other goods or in rendering services. Industrial goods can further be classified according to their use in business.

a. Unprocessed and processed materials: These are goods that are directly used in the production process such as raw materials, semi manufactured goods and parts.

b. M.R.O. items: These are the maintenance, repair and operating supplies which are used to support the product process.
c. Capital Goods: They consist of the major installation and equipment that utilized to from the product.

2. Consumer Goods: These are those goods that are used by ultimate consumers or households and they are already in such a form that does not require further commercial processing before use. They are also further classified into many categories.

a. Convenience goods are goods that are sold through many outlets, easy to buy, purchased frequently and bought by habit. Generally, convenience goods have low unit prices e.g. Sweets, cigarettes etc.

b. Shopping goods sold in a limited number of selected outlets, not purchased frequently and they are usually bought after comparing several brands of the semi products. Their prices are high or higher than convenience goods e.g. suits, automobiles and furniture.

c. Special goods are goods purchased after a special shopping effort is made, purchased very infrequently and sold in a few exclusive outlets. Their prices are very high and they do not have many substitutes e.g. fine jewelry, prestige automobiles and expensive perfume.

CHANNELS FOR CONSUMER GOODS

1. The most convenient and direct channel for consumer goods is where the producer sells directly to the consumer. This channel is used by firms that sells their goods from house to house, e.g. fan ice company and also companies whose products are distributed by mail. This last aspect is not fully practiced in Nigeria.

2. Another channel is where the producer sells to the retailer, who then sells tot he consumers e.g. departmental stores.

3. The next channel is from the producers to the wholesalers, the retailers and finally to the consumers. This is the common method of distributing goods to the consumers.

CHANNELS FOR INDUSTRIAL GOODS

In distributing industrial goods, the retailer who is the back-bone in the distribution of consumer goods is completely absent here. There are two major channels used for distributing industrial goods. There are:

1. From the producer to the industrial user or consumer
2. From the producer to the wholesaler and then to the industrial consumers

FACTORS DETERMINING THE CHOICE OF CHANNELS

The selection of a channel should involve the consideration of the following:

a. Nature of Product: The distinction between industrial and consumer gods should be considered.

   i. Industrial goods include capital equipment and raw materials for further processing. These are usually sold directly to firms. Distribution policies for such goods are simpler, outlets are few and create values per sales are greater - less need for a larger sales force and lower overhead marketing cost to sales.

   ii. Consumer goods are mainly purchased by the public and are goods in constant demand, e.g. food and clothing, cars etc.

   Direct sale to a consumer, usually occur when the product is of a technical nature, necessitating expert knowledge. If sold through inexperienced retailers, this would be harmful to the manufacturer e.g. computer or accounting machine would not be sold through a retailer.

b. Financial Position of Manufacturer: The fewer the number of organisations in the chain, the smaller the financial burden on the manufacturer. Expenditure on distribution, through alternative channels must be noted.

c. Variety of Products to be sold: A wide variety may necessitate numerous channels. The actual selection may fail into the established pattern for the trade, which has proved satisfactory.

METHODS USED FOR DISTRIBUTING PRODUCT IN A GIVEN MARKET

There are three methods used for distributing products in a given market. The selection of channels of distribution helps in determining the intensity of market coverage. There are three kinds of distribution:

1. Intensive Distribution
2. Selective Distribution
3. Exclusive Distribution

INTENSIVE DISTRIBUTION

This is also called blanket distribution. The marketer's aim is to have maximum exposure for his product, therefore all available outlets are used. This method is used for distributing standardized products like sweets, soap, cigarettes and all items generally demanded like bread and sugar. The policy of intensive distribution is adopted by manufacturers of convenience goods. In the case of industrial goods, intensive distribution is limited to operating supplies and other standard items like small tools. The retailers control the extent to which the policy of intensive distribution can be used. The is because they carry a particular brand or not. Intensive distribution places most of the burden of advertising and promotion on the manufacturer as it is the common practice here in Nigeria.

SELECTIVE DISTRIBUTION

It covers a wide range of market exposure. A business which adopts this policy may have only a few outlets in a particular market. This policy is used mostly by manufacturers of consumers specialty goods; and in the industrial market, it is used by manufacturers of accessory equipment for which most customers have a brand preference. Where a particular firm adopts this policy at the retail level, there is normally a reduction on the number of wholesalers used, or the firm may bye-pass them completely. Most firms shift to selective distribution in order to achieve high profit level. A company may adopt a selective distribution policy after it has had some experiences with intensive distribution. This may be due to high cost of intensive distribution or unsatisfactory performance of middlemen. In some instances, customer order in small unprofitable quantity, others may be poor credit worthiness, others may be chronic complainants who may frequently return the goods they brought or may be demanding extra-ordinary services. For these and many other reasons, it may be advisable to choose fewer outlets and responsible middlemen who will display the goods more prominently and who would promote the goods more aggressively. The main aim of selective distribution is to control the distribution in the market and to ensure adequate coverage at a lower cost.

The main aim of selective distribution is to control the distribution in the market and to ensure adequate coverage at a lower cost.

EXCLUSIVE DISTRIBUTION

Here the supplier will enter into an agreement with a particular wholesaling man or retailer, whereby the supplier will sell only to that wholesaler or retailer in a given market.

Note that exclusive distribution is mostly used with a wholesaler than with a retailer under the agreement of exclusive distribution, the middlemen are prohibited from handling direct competitive products. A new firm that is having difficulty in establishing a distribution outlet or shaving a desirable middlemen or an established firm trying to market a new firm may attract distribution outlet by offering exclusive franchise. Exclusive dealership is often used in the marketing of consumers especially goods and management often adopt this policy when it is essential that the retailer should carry a large inventory in order to meet customers' demands and choice. This is also used when the dealer must provide maintenance services.

From the manufacturing point of view, exclusive distribution policy has many advantages.

1. It helps the manufacturers to control the retail segment of his channel
2. He is better able to determine what the retail price of his product will be.
3. He is in a position to approve or disapprove advertisement featuring his product.
4. The dealer will cooperate with the manufacturers because his future is tied to the success of the manufacturer.
5. With few accounts to deal with the manufacturers reduce credit losses and other marketing costs.

Designing the Physical Distribution System

The starting point for designing the physical distribution system is to study what customers want in the form of service and what the competitors are offering. Customers are interested in several things.

1. On-time delivery
2. The suppliers willingness to meet the customers emergency merchandise needs.
3. The care with which merchandise is delivered in good condition
4. The suppliers readiness to take back defective goods and re-supply them quickly
5. Suppliers willingness to carry inventory for the customer.

"Physical distribution is an integral part of a firm's marketing programme in that the management of this activity can affect a company's marketing mix -particularly its product planning, pricing and channels of distribution policies".

1. Adjust to Rate Time and Place: The firm can use physical distribution profitably by applying transportation and warehousing facilities in adjusting its rate, time and place of production to meet market demand.

   In Order cases, warehousing enhances seasonal consumption but year round production. Transportation and warehousing therefore links location of production and market demand.

2. Influential Buying and size of Inventory. If management has adequate storage space, he is in a position to buy in large quantities thus taking advantage of quantity discounts offered by suppliers. Also if manufacturers and middlemen have access to warehousing facilities on short notice that are able to stock up when retailers run a sale on products which they normally stock for resale. Finally strategic use of warehousing can enable a buyer to speculate an inventory price increase.

   When a firm foresees a rise in the price of a given product, management may be willing to take the risk of stock-pilling the article in unusually large quantities with the expectation of capitalizing on the price increase (Stanton, P. 398). This is a common practice in Nigeria, and some people refer to it as **HOARDING.**

3. Stabilize Price: Careful warehousing and transportation can help stabilize price within an individual firm or entire industry. If a market is temporally glutted with a certain product, sellers can warehouse the product until demand condition improves

4. Effects on other Aspect of Product Planning: According to Stanton "Management can use warehousing to cure age or ripen a product properly" mode of transportation affects packaging requirements. Also packaging affects the types of material handling equipment.

5. Determining Choice of Channels: A manufacturer decides on the channels through which he will push his products based on the physical distribution facilities, and service offered by such channels. For example, one manufacturer may select merchant wholesalers who perform storage and other warehousing services while another may prefer to use a combination of manufacturers' agents and public warehouses.

   The agents can solicit orders, provide aggressive selling, and do the necessary promotional work, while the orders can be physically distributed through and from public warehouses. Also a manufacturer through the use of adequate physical distribution facilities may decide to bye-pass wholesalers and sell straight to retailers or industrial users.

6. Determine Location of Middlemen: Mainly the cost of physical distribution facilities will influence a manufacturer's decision on where to locate his branches or in what cities he will seek wholesalers. This is one reason why companies establish their branch offices in central cities. Transportation factors also influence the location of regional distribution facilities.

6. Develop the Distribution Center: The thought behind the distribution center is to develop under one roof a speedy and fully integrated order - taking filling, and delivery system. Normally various classes of goods are brought in under the one proof, and with the help of modern techniques in data processing, materials handling, record keeping and inventory control, firms are able to process orders efficiently and rapidly. The advantages are that, distribution costs are reduced as a result of reduction in the number of warehouses, excessive inventories, inconsistent deliveries and out-of-stock conditions.

COMPONENTS OF THE PHYSICAL DISTRIBUTION SYSTEM

Physical distribution is seen to consist of four major components. These four elements are interrelated, and what is done in one are affects decision making in others.

The elements are discussed below:

1. Order Processing:

   This involves receiving recording, filling and assembling orders for shipment. Here management is concerned about whether the orders are properly filled, quality control and time taken to fill and dispatch orders.

2. Warehousing:

   To be efficient in meeting consumer demand and responding to competition every company must establish warehouses at various locations. Some of the company's stock will be kept near the plant while the rest will be located in some rented warehouses (public warehouses). One advantage in owing a warehouse is the control it affords the company. Additional services can also be provided such as, inspecting goods, packaging them; shipping them to customers, invoicing customers and even providing desk space and telephone service for company sales people.

3. Inventory:

   "Inventory levels represent another major type of physical distribution decision affecting customer transaction and satisfaction. It would look or seem advisable to carry enough inventory to fill all customer orders immediately. As reasonable as this may appear, it is not however, cost effective to carry this much of inventory as too much money would be tied up in inventory.

   To determine the order point, one takes into account, the lead time, the usage rate and the service standard. The higher these factors are, the higher the order point.

4. Transportation decision are important to the marketer. The type of transportation a company chooses will affect the price of its product, its on-time delivery performance, and the condition of goods when they arrive. These result also affect consumers, attitude towards the company.

2.9 PRODUCT STAGIES

WHAT IS A PRODUCT?

A product is anything that is seen as being able to satisfy a need or want. Suppose you are thirsty, this state of felt deprivation can be expressed as a desire or want for water or soft drink. Here the water or the soft drink is a product that is capable of satisfying the thirst need.

A product is also referred to as anything capable of rendering a service i.e. satisfying a need. Consequently, persons, places, organisations, activities and ideas can be said to be products.

Another author, sees a product as a complex of tangible and intangible attributes including packaging, colour, price, manufacturers prestige, retailers prestige and manufacturers and retailers, services, which the buyer may accept as offering satisfaction of wants or needs.

PRODUCT POLICIES

Product policies are managerial guide regarding what products will be made or sold and what attributes these products will have. Such policies are end products of the organisation's consistent customer and marketing orientations. Adoption of these orientations recognises that the organisations ultimate success, whether measured by total profits, return on investment, market share or any other criterion, is largely dependent upon its product policy.

Lets' emphasis here that an organisation product policy is fundamental to the whole operation of the business. "As you sow, so shall you reap". When an organisation determines to produce a specific product or group of products, it is this decision which dictates the industry to which it will belong, the markets it will serve, and the nature and extent of the resources, methods and techniques it will employ. Very often, these factors tend to be ignored, as most organisation become inextricably linked with their product line. They fail to define their mission effectively and in the process find themselves serving a

narrow market. Be it as it may be, let us not hurry into saying that even our auto companies have taken two narrow a view of their market, because they think in terms of their product offering (the form and style of which are determined overseas) rather than in terms of the fundamental needs (indigenous needs) which these products satisfy. May be, these auto companies can broaden their market by looking into such virgin areas as mobile homes, in areas where housing is constantly eluding collective efforts of individual and governments, detachable carts for farmers and moves (they can take a cue from the American U-Hall), and a lot more. A careful definition of their business will also cover under served areas such as tourism since cars, traveling and resting go hand in hand.

THE THREE DIMENSIONAL PRODUCT CONCEPT

The product concept can be viewed as including certain explicit, implicit and external characteristics.

The explicit characteristics may be objectively observed and are managed by the producing organisation. These characteristics, including physical construction of the product, packaging, brand name, etc.

In general, a company's range of goods or services for sale should be such as to:

1. Attract Prime Customers

   Here we are referring to these people who have been designated in the initial marketing plans as the key to the success of the company. The temptation to attract other minority groups is always there especially if they can provide the needed business. "But we must always put our bread and butter first. The jam is nice to have but useless with no bread to go on".

2. Selling the Year Round

   Naturally, most individual products are seasonal in nature. But while this is true, products within a range should complement each other in such away that there is never an off season. "Lawn Mowers" and hedge clippers, fertilizers and insecticides, anti-freeze and car polish. The benefits of such a complementary range is enormous, in cash flow, in maintaining a presence in a trade or to customers, in evenly utilized production and distribution systems, in communication.

3. Have few show movers:

Slow movers and out of stock situations create disinterest among our staff and customers alike. A solution to this is having a sufficiently large range to attract those designated prime customers.

4. Related Services

Certain services form part of the selling agreement and therefore part of the product. They include installation, repair services or operator training. A decision by PAN to finance most of its auto sales will fall in line with character major related characteristic.

The implicit characteristic

Are more consumers centered and include such subjective qualities as symbolism, perception and satisfaction.

CONSUMER DIMENSION

1. Symbolic

To a consumer, a product is a group of symbols, for example going to college may symbolize credentials for a career, the opportunity to obtain a well rounded education, way to meet a spouse, a fun-filled social life, and getting away from home.

2. Communication

KUKURU is not the only product that talks to consumers. Each product communicates information to the consumer. Management difficulty job is to find out the most profitable information and then fashion the product to convey it.

3. Perception: A relevant product is one that is perceived by the consumer in the way the marketer intends. The following features may make a product relevant: *Price, group influence and the consumers - life style and self concept.*

4. Evaluation: Evaluation comes after experience. A favourable evaluation depends on the degree of satisfaction produced by the product. a marketer has to consider the anticipated reward of a product and the effort necessary to reach it. The reward includes element such as how much the product costs, how good it looks and how long it lasts.

THE SOCIAL DIMENSION

Sometimes the societal dimension conflicts with the managerial and consumer dimensions. E.g. cigarettes in some countries have a health warning on the label (which does not please the manufacturers at all). There are also no smoking sign in public places which is frustrating to many smokers.

The External Characteristics include:

1. Impact on Environment, Society and Consumer Welfare: Society has developed concern for the effect of some products on users as well as non users. A higher nutrition level in some food has been called for.

2. Claim on Resources: In Nigeria for example, the dwindling foreign exchange has necessitated the call for local contents in products.

3. Safety to Users: Public concern over many potentially harmful products has resulted in product redesign and many new safety regulations. For example, there has been repeated calls on Peugeot Automobile of Nigeria to redesign its doors.

4. Product Related information: An increase in the amount of information provided to consumer through labeling consumer programs, and packaging regulations makes it more difficult for products to be sold on implied rather than real benefits. Nutritional information on food packaging is an example.

5. Government Regulations: There has been an increase in restrictions on the composition and packaging of many products. This will lead to more product standardization and conformity, jeopardizing the marketers task of differentiating a product from that of the competitors.

The Impact of Attributes (features that can hence the product)

1. Add Cost: All attributes cost money, which finally the consumer must be willing to pay.

2. Production: Each additional feature incorporated into the product complicates the production process. To enhance the production process an item should be kept as simple and standardized as possible, unless there is a concrete consumer demand for a certain feature.

3. Service: Some features may present serious obstacles to rendering good service. Some television firms have added remote control units to their sets. Consumers find this attribute desirable are ready to pay for it, its addition has caused service problems. Many repairmen who do not know how to repair the units are forced to send them to the factory for servicing.

   i. Addition of features requires the training of service personnel
   ii. Many new addition requires carrying parts in inventory.

4. Inventory: Addition of a new feature complicates the existing inventory problem. But when features are added, new parts must be carried not for production purposes only but for repair services. The middlemen are equally affected. Research has shown that dealers dislike the numerous models and optional features on appliances because they complicate carrying of an adequate inventory from which to sell.

5. Effect on Market: Addition of features on an existing product can either broaden or narrow the market. When PAN came out with its fashionable series it successfully broadened its market. More people bought the new series.

   Some features can restrict the market. A contractor who puts two toilets in his house may eliminate people who are out for a self-contained house. A car manufacturer who places many expensive features in his car may eliminate those looking for just an economy car.

Narrowing of the market may not be favourable. Sometimes it becomes necessary to add features in order to narrow the market, but at the same time appealing to the narrow market with more forceful motives. For example the addition of two toilets above will only attract those who want such features. The purpose of adding features to narrow the market, is to appeal strongly to a specific group of people.

RANGE ANALYSIS

As part of management concern for the well being of the organisation, product managers should analyse those products for which they are responsible in light of the following considerations which lead to rational action.

Analyse: The customer, competition coverage, raw materials, production, distribution, sales force, export, research and development, profitability, corporate needs, product life cycle.

The Customer: A manager should be able to find out whether the product is still right for today's customer needs.

Competition: "Is the range still competitive or can others offer attributes that our range does not posses?"

Coverage: Does the ranger cover all reasonable customer requirements for the product category within the market sector concerned? Our auto companies might have lost sight of the fact that in the face of unfavourable economic conditions, emphasis has shifted from bigger luxury cars to smaller economy and less expensive ones.

Raw Materials: Are the sources of raw materials the same as before and are they reasonably stable.

Production: Here production processes changed through new technology or other reasons, and has this led into change in costs and therefore profitability? Does this require change in specification or in sales emphasis?

Distribution: Are there new problems of delivery requiring specialized transport or warehousing or stock control for certain products in the range? Pilferage and tampering at ports and warehouses right impasse a greater degree of security.

Sales Force: With possible changes in sales force structures and the continual reduction in the size of sales forces, are products in the range still salable?

Export: Are the inevitable special problem caused by different cultures, attitudes, market requirements, compensated by the business gained. Export is a specialist subject. Countries differ remarkably. To try to sell a product range designed for Nigeria in Europe with no changes, is seldom sensible.

Research and Development: Has the company's expertise in and control of each product in the range remained the same? If expert advice is a bought in commodity, or production is carried by one associate company, or overseas main plant, or other supplier, then one has little control. This implies that the ability to keep up to date is limited for some items in the range. If so, perhaps concentration on those lines over which one does have knowledge and control, might be more profitable.

Profitability: Is each product in the range sufficiently profitable? They will certainly not be equally profitable. The 80/20 rate tends to apply with 80% at profits deceived from 20% of the range. Can they do anything about the other 80% of the range? Is sales effort concentrated on the right lines?

Corporate Needs: Does the emphasis resulting from all the above factors marry in with the company's overall requirements? If a company is promoting a new market, PAN going into mobile homes, or mobile shops, the company may be more concerned with brand share or market penetration than with short term profits.

Product Life Cycle: Finally where is the product category in its life cycle? Has it many years of growth ahead of it, is it setting down in maturity or is it in decline?

2.10 PROMOTION

Marketers do not promote simply to inform, educate and entertain. They communicate to influence and encourage buyers to accept or adopt goods, services and ideas. The company that can establish a reputation for trust worthiness, progressives and social responsibility. Starts with an advantage over other firms in the minds of actual and potential customers.

Promotion according to P. Kotler involves all the tools in the marketing mix major roles is persuasive communication.

The promotional mix comprises of:

- Advertising
- Personal Selling
- Sales Promotion
- Public

To accomplish the promotional objective, marketers must take decision in five key areas:

1. Target audience - who is/are the target audience
2. Desired behaviour - what is the desired audience behaviour
3. Message - what message should be developed
4. Media - what media should be used
5. Source attribute - what source attribute should accompany the message.

6. Advertising: Advertising is a non-personal means of presenting information to a selected audience. It is normally paid for by an identified sponsor, it consists of those activities by which visual or oral message are addressed to selected publics for the purpose of informing and influencing them to buy products and services to act or to be inclined favourably toward ideas, person, trade marks, or institutions featured. In contrast with publicity and other forms of propaganda, advertising message are identified with the advertising message are identified with the advertiser either by signature or oral statement.

Advertising activities include the following form of messages. Messages carried on newspapers and magazine, on out door boards, on streets, cars buses and trains, cards and posters, in radio and television broadcasts, and in circulars of all kinds, whether distributed by mail, by person, through tradesman, or by inserts in packages; dealers help materials and motion pictures used for advertising etc.

Labels, tags and other literature accompanying merchandise are also deemed advertising. Writers sometimes exclude those activities. Some of the activities excluded are: Offering of premium to stimulate sales, the use of exhibitions and demonstrations at fairs, shows and conventions; the use of samples, and the so called "publicity activities" involved in sending out new releases. Likewise, excluded from the category of advertising are the activities of personal selling forces. Advertising effect takes sometimes to materialize.

2. PURPOSE OF ADVERTISING: Many companies have their own individual objectives in using advertising. The main objective of advertising in most cases is to inform and sell. These apart there are other reasons for advertising and there are:

   i. To remind customers and potential customers constantly of the availability of the existing products and companies and how they compare with other products and firms.

   ii. To create awareness of and build consumer interest in new products, new technology and new companies.

   iii. To reduce customers dissonance (state of anxiety that arises when a person has one or more ideas that conflict with other ideas or beliefs held) and eliminating some dissatisfaction.

   iv. To pre-sell products and ideas. This help in supplementing the efforts of the sales persons. Advertising include a state of mental readiness to buy.

   v. To alert and sensitize all members of a marketing channel (e.g. retailers and wholesalers) to products, product improvements, special promotions and other features in a company's operation.

3. PERSONAL SELLING: Personal selling has several forms, such as sales call by a field representatives, assistance by a sales clerk (Retail selling) etc.

   Personal selling is an oral presentation in a conversation with one or more prospective purchases for the purpose of making sales. Personal selling can be used for many purposes, such as creating product awareness, arousing interest, developing preference, negotiating prices and other terms, closing a sales and providing post transactional reinforcement. Personal selling has certain distinctive qualities as a component of the promotional mix, these are:

   i. Personal Confrontation - personal selling involves an alive, immediate and interactive relationship between two or more persons.

   ii. Cultivation - personal selling permits all kinds of relationships to spring up ranging from selling relationship to deep personal friendship.

   iii. Response - personal selling, in contrast with advertising, makes the buyer feel under some obligation for having listened to the sales talk or using up his time becomes a necessity for the person to response even if it is just a polite thank you.

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

   A company and its products can come to the attention of the public through being newsworthy. Here the sellers pay nothing for the press receive the results of free publicity can sometimes be spectacular.

5. QUALITIES OF PUBLICITY:

6. High veracity - News stories and features seem to most readers to be authentic media originated reports.

7. Off-guard - Publicity can reach many potential buyers who otherwise avoid salesman and advertisement.

8 Dramatization - Publicity has, like advertising a potential for dramatizing the company or product.

9. SALES PROMOTION: Sales promotion are those marketing activities, other than personal selling, advertising and publicity, that stimulate consumer purchasing and dealer, effectiveness, such as displays, shows and exhibitions, gifts games demonstrations and various non recurrent selling efforts.

Sales Promotion is a catch-all for various promotools that are not formally classified as advertising, personal selling or publicity. These tools are directed at consumers, the trade, or the manufacturer's own sales force. Sales promotion is an adhoc collection of sales tools used for short-term sales stimulus.

With its professionalization in recent years couple with the present worldwide economic recession, sales promotion is increasingly viewed as a true auxiliary and support activity for advertising and personal selling, the effect of sales promotion are often more immediate and measurable than those of advertising.

2-11 PRICE:

A price as defined by R.K. Lere and J.P. Mahajan (1983) is "*The Exchange value of a good or service*". It is the value of an item i.e. the amount of money for which the item can be sold. It is a measure of what one must give in exchange to obtain a particular product or service.

Pricing on the other hand has been defined by E. Raymond Covey as "*The Art of translating into quantitative terms (e.g. Naira, Dollar, Pounds etc.) the value of the product to customers at a point in time*". The notion of value in this case is subjective and is basically determined by the customer value may be concrete, such as the cost savings of replacing worn out shoes with a new pair. It may be intangible, such as the owner's pride in having a new machine or car. The same product may have different values for two different customers or different values for same. The customers overtime. For example owing a house may not interest a young person of 18 years old, but by the time the person reaches 30 years of age, he or she is concern for a personal house will be more.

SITUATION THAT NECESSITATE SELLING DECISION

Certain situations give rise to pricing decisions.

These may include the following:-

a. When a company wants to introduce a new product or enter a new market with an old product.
b. When costs, demand, inflation render old prices inadequate.
c. When competitors initiate a price change
d. When the firm produces several products that have interrelated demands and/or cost.

MAJOR PRICING DECISONS

Decisions on price are made in three major areas, namely:

1. What are the firm's pricing objectives?
2. What are the pricing policies?
3. What are the pricing procedures i.e. how are prices to be administered?

4 PRICING OBJECTIVES: The objectives of pricing can be placed under three main categories:

a. Sales Objectives
b. Profit Objectives
c. Competitive Objectives

A. SALES OBJECTIVES

Companies do have different objectives setting are price or the other some of these are:

i. Sales Growth
ii. Growth and maintenance of market share
iii. Survival

B. PROFIT OBJECTIVES

Cost pressures led more and more companies to see financial goals through pricing i.e. they have become increasingly profit oriented.

Some of the profit objectives of pricing are:

i. Profit maximization i.e. getting the highest profit possible.
ii. Target return on investment (ROI) i.e. the firm seek to regain a certain percentage of its investment.
iii. Cash flow or current revenue pricing i.e. the recovery of cash as fast as possible. Use by firms with cash flow problems of or those not certain about the return.

C COMPETITIVE OBJECTIVES

There are firms that consciously price their products to meet or prevent competition. In most industries, there are price leaders and the other companies simply follow the leader in setting price. This is mostly found in sealed bid contracts where the firm hopes to get the contract by offering a price it hopes to be lower than other bidders. Under certain condition (e.g. large potential market with few competition and less potential competition) a company may enter such a market with extremely low prices in order to discourage competitions.

BASIC PRICE DETERMINANTS

Basically price may be determined by one or more combination of the following factors:

a. Buyer Demand: The traditional law of demand states that price reduction generate demand increases and price increases generate demand reduction, all other things being equal. However, not all products display this relationship for some products the reverse is the case. Price some times may reflects quality and other factors such as status, etc.

b. Competition: In a perfect competition market, buyers and sellers interact and the prices at which goods are exchanged are determined by that interaction i.e. demand and supply and hence equilibrium price. The monopolists in most cases set their prices without regard for demand.

d. The price leader policy - followed by companies that are followers. A leader might have about 60% at the market.

e. The customary policy - low or high as the case may be. By looking at the personality.

f. The survival policy - pricing out of business or for staying in business.

PRICING PROCEDURES

There is a wise spread agreement that actual price setting should be based on three factors:

a. Cost
b. Demand
c. Competition

Based on the above factors, there are three major pricing procedures.

1. Cost - Oriented Pricing Procedure: By this prices are set on the basis of costs. Among some of the methods under cost oriented pricing is *Mark up pricing* and *Cost - plus pricing*. In all these cases price is determined by adding some fixed percentage to the unit cost. Retailers use mark up. Another cost oriented pricing is the *Target pricing*. The firm determine the price that would give it a specified target of return on its total costs at a given standard volume.

2. Demand - oriented Pricing: This calls for setting a price based on consumer perceptions and demand intensity rather than on cost.

   Types of Demand Oriented Pricing are:

   a. *Perceived Value Pricing* - What customers perceived the value of the product to be.

   b. Demand - differential pricing or price discrimination - this is a situation where a product, or service is sold at two or more prices that do not reflect a proportional difference in marginal cost. It takes various form e.g. product form basis and a customer basis - different customers pay different prices for same product. it could also be on place basis and time basis.

3. Competition oriented Pricing: Prices are charged mainly based on what competitors are charging. The price charged may not necessarily be the same with competitors prices. The company may on the basis of competition decides to keep its prices lower or higher than competitors.

   Among the types use under this procedure are: *Going rate price* - usually for the industry.

Sealed Bid pricing - charged based on what competitors are likely to charge

2-12 MAKING THE MARKETING CONCEPT WORK

Risely believes that marketing concept is very popular, but the implications aren't understood, that is, you can not quantify the implication, while Tavish and Maitland said that marketing concept is simple but varying theory and practice is difficult. Marketers therefore spend a lot of effort an research and forecasting how they will satisfy customers, but this is not the solution to their problem, what they (marketers) need is re-arrangement of management attitudes. Because of the implication that made it difficult to apply the marketing concept, some people want it revised.

"Inspite of the difficulties inherent in implementing the marketing concept, Rosenberg believes that 'where there is a way to use the marketing concept, there will be a way to implement it. However, the proper method of implementation will vary with each organisation's size, product, markets, arrangement styles etc.". This statement means that there is a way that organisations should follow if they want to adopt the marketing concept.

1. Customer Orientation: This orientation he said, should be tip down. That is, top management officials should develop a marketing frame of mind. They should have a through understanding of the marketing concept and its application to the organisation. There must be a unity of purpose and there should be no prima donna syndrome, that is, some people shouldn't think that they are more important than others. They should be together in trying to satisfy customers to achieve organisational goals.

2. A Marketing Orientation: In this orientation, the organisation should have marketing department that should carry all marketing functions. In today's modern complex cooperation, these functions in turn must be fully integrated with all other functional departments. Where the organisation is small, it should satisfy customers without having a functional structure, but just a marketing department, while with big organisations, there has to be marketing and other functional departments for efficiency.

3. A Profitable Margin Criterion: Here, the organisation aims at a profitable sales volume and not high sales volume. Under the marketing concept, the organisation should plan for long-term profits because the short term profits is affected by costs incurred in launching new products. The organisation's long-term profits are used to measure the balance between customer satisfaction and its financial efficiency. A high order professional and executive stills must be utilized as well as adequate direct and indirect controls.

Stanton (1964) defined marketing concept as "a corporate state of mind that insists on the integration and coordination of all marketing functions which in turn, are welded with all other corporate functions for the basic objectives of producing maximum long-range corporate profits" and stated that the definition are important ingredients in the concept. This shows that there is a consensus among marketers that the concept hinges around the three orientations named earlier.

In marketing consumer is crowned as a "KING" (that reigns but does not rule). Therefore all focus is on what the consumer wants rather than what the firm can produce.

In marketing, sales volume is not a guarantee for volume profits, so the organisation must determine its acceptable profit level through analysis of its products, customers, distribution methods etc. Under the marketing concept, the long run profit is sought.

Integrated marketing requires that all marketing activities i.e. (the 4ps of marketing) of a firm are coordinated and directed towards target market. The whole firm must aim at consumer satisfaction and this means that all departments in the organisation should clearly understand the implication of their individual or collective actions as they affect the customer.

The marketing concept is the organisations commitment to consumer sovereignty. The accept aims at maximizing consumer satisfaction. The marketer should therefore know the charging consumer wants and influence the organisation to adjust it mix of goods and services to those that are needed in the target market. Consumers' buy satisfaction and not products per se, therefore, marketers must know consumer motives and what they will buy rather than what they say they will buy.

To be consumer oriented, the firm must consider consumers before production, while planning at product development levels etc. and even after production. The firm must also be marketing oriented.

The concepts is concerned with satisfying wants rather than creating products and selling them thus is has three underlying assumptions.

1. Consumers can be grouped into different market segments depending on their needs and wants.

2. The consumer in any market segment will favour the offer of that organisation which comes closest to satisfying their particular needs and wants.

3. The organisation's task is to research and choose target markets and develop effective offers and marketing programmes as the key to attracting and holding customers.

Kotler's (1980) definition of marketing concept agrees with the above assumption. The concept he says, is a "management orientation that holds that the key task of the organisation is to determine the needs and wants of target markets and to adopt the organisation to delivery the desired satisfaction more effectively and efficiently than its competitors.

Markets can be segmented according to consumer needs and wants and quality goods and services should be produced to achieve consumer satisfaction, and all elements of marketing must be coordinated and integrated to provide optimum consumer satisfaction and minimize conflict with them.

All company employees must engage in a coordinated effort to provide customer satisfaction. All functional areas must be fully integrated and participate in a unified effort to satisfy customer needs and achieve organisational goals, i.e. satisfy customers at a profit.

Management by objective (MBO) is a managerial strategy that helps to achieve such an objective. Corporate objectives are set then departmental objectives will be set later, and must not be in conflict with the corporate objectives or other departments in the organisation. All departments must synchronize their activities so that the ultimate goal of customer satisfaction is achieved.

Customer satisfaction leads to good customer relationship which results in increase in profits and profit in most cases are responsible for growth of the organisation. This has a cyclic affect, because growth leads to increase in employment which leads to increase in services which will satisfy customers and customers' satisfaction will improve standard of living which in turn strengthens the economy.

It is assumed especially in developing economies that profit is the sole aim of business, but in actual fact, it is a bye-product of a good business. If the business activities were not properly conducted, profits would not have been made. Most firms in addition to a profit objectives, may also aim at providing satisfying and safe goods and services to selected market segments and contributing to the society as a whole. however, social goals are dependent on a firm's survival and long growth and this is not possible without profit a firm can not be socially responsible.

In recent years, a number of questions have been raised about the marketing concept. One of such questions is one asked by R. Greeneveld and R.D. Medferd in their book *Is it time to revise the marketing concept?*" They suggested that unique "*Consumer satisfaction*" should be replaced by *"the consumer best interest"*. According to them the supplier should help the consumer choose what is right for him (consumer).

Some marketers have raised the question of whether the marketing concept is an appropriate organisational goal in our present world economic depression, with resources shortages, high population growth, worldwide, inflation etc. Progressive organisations seem to be moving towards a new marketing concept which has four elements.

1. A new societal orientation is replacing the consumer orientation
2. A system orientation is replacing the traditional emphasis on the coordination and integration of individual organisation.
3. A human orientation is replacing the profit orientation.
4. The marketing concept is being applied to both buyers and sellers.

The consumer orientation fails to consider other components of life quality. According to Dawson (1969) "a consumer orientation directs the attention of an organisation only to some faction of the population which supports it. Moreover, in so far as present or potential consumers are concerned, the consumer orientation generates concern only with the individual's role as a buyer or consumer at a particular product or service. Thus the consumer orientation is limited in scope and one dimensional in nature".

In the act of trying to satisfy human desires, some beds are created. Some products that satisfy the short run needs of consumers have negative long run effects on the individual consumers and the society as well. For example, a car satisfies a transportation need, but at the same time it reduces population level in the society. Similarly, alcohol and cigarettes provide short-run satisfaction but are harmful in the long run. The enlightened marketer therefore is trying to contribute to the quality of life, which is a function of the quantity and need satisfying quality of goods and services, the quality of the physical environment and the quality of the cultural environment. The objective of marketing is not simply to provide consumer satisfaction and create a better quality of life, but also a clean and healthy environment, an intelligent use of resources and a recognition of the needs of the society as well as of individuals. The societal marketing concept has been proposed as an answer to the dilemma and inadequacies of the simple marketing concept.

Kotler (1980) defined the societal marketing concept as "a management orientation that holds that the key task of the organisation is to determine the needs and wants of target markets and to adopt the organisation to delivering the desired satisfaction more effectively and efficiently than its competitors in a way that preserves an enhances the consumers and society well being".

The societal marketing concept differs from the marketing concept. In that it considers two things, first it calls upon the marketer to concentrate on the buyers needs and interests as well as their wants. People have needs for which they have no defined solutions. The second consideration is the emphasis on the long-run consumer and societal well-being. A societal orientation directs an organisation's marketing activities towards creating better quality of life including providing consumer satisfaction, creating healthy environment, using resources wisely and economically and responding to the broads needs of society. It also helps the buyer to buy intelligently, sellers to be more responsive and responsible and government agencies to be more effective in promoting social welfare. (Kotler)

In the societal marketing concept, a system orientation is replacing the traditional emphasis on the coordination and integration of individual organisation that includes the entire channel of distribution i.e. manufacturers, wholesalers, retailers and not on the organisation as an entity. Marketing management is that of the whole system not just one department or organisation. Co-operation among nations is essential to world economic survival because economics are interdependent. The organisations that adopt the system marketing concept will dominate those of the marketing competition to adopt the system orientation. Furthermore, the system orientation calls for the use of marketing information systems to control information flows.

The systems orientation calls for mangers to aim towards balancing the human needs and machinery within it i.e. stockholders, managers, employees, wit overall organisation goals. The success of an organisation, be it profit or non-profit will depend upon cooperation and proper structuring of the people, infrastructures etc. Profit orientation is only a business philosophy, the human element can not be ignored.

The new marketing concept is being applied to both buyers and sellers. Traditionally marketers are expected to be socially responsible and act in the best interest of their customers. Little mention is made of the buyer. With the new marketing concept, buyers are urged to fit their individual demand with the broader needs of society learn to coordinate and integrate their efforts and where necessary form joint efforts such as consumer movements or organisations, local consumer CO-operative etc. Such organisations are often able to influence business and political decisions. In Nigeria, there is not much of such organisations. The few that exist are in the agricultural sector, where cooperative farmers are formed to benefit from the agricultural loan scheme.

Marketing is a dynamic function it is always changing, however,. The basic concept is that all marketing activities begin and end with the consumer. Therefore one who understands the marketing concept visualizes the administrative activities which are influential in every stages of the product flow and is able to relate these activities to his own performance. He can therefore direct his performance so it is complementary to the whole.

Felton (1959) in recommending the marketing concept to managers, warned that, "Those companies which do not devote their full effort to making the marketing concept work will soon find themselves dropping behind in the procession.

2.13 IMPORTANCE OF THE MARKETING CONCEPT IN MARKETING

Marketing is a crucial human invention. It embraces activities we engage into satisfy economic needs and wants. The core concept of marketing is the transaction which involves desired exchange by individuals, organisations, government, both in private and public and in the international scenes. This exchange could be trade by barter or product for money in its various forms. The role of marketing concepts to profit and non-profit making organisations in the development of an economy cannot be our emphasis.

The Marketing concept when applied leads to extension and enlargement of markets as a result of the promotion of specialization and production for sales and the introduction of new product or services, promoting new users for existing products and seeking out new classes of consumers.

Secondly, marketing concept was born to help establish a management philosophy in the midst of very difficult planning decisions where business management is faced with a very difficult planning decision involving development relating to its customers, competitors and its own resources. Marketing concepts encourage greater competitiveness based on marketing skills. It calls for and demands full cooperation of the various departments of the organisation thereby increasing operating efficiency and proficiency and prepares firms for economic competition in foreign markets by stressing on the needs and wants of the consumer on user and better ways of selling.

Application of the marketing concepts creates a merchant class which in turn is the major sources of entrepreneurial and managerial talent needed to establish and run business enterprises. Stanton (1964) supported this when he wrote "for a business enterprises to realize the full fruits of the marketing concept, the philosophy must be translated into practice. This means that:

1. The marketing activities in a firm must be better organised coordinated and managed and

2. The chief marketing executive must be accorded a more important role in total company planning and policy making than has been generally true in the past.

Other importance of marketing concept includes: Local communities that are linked to the outside world and acquainting economy and promoting the habits and attitudes appropriate to it. The standard of living of the people is improved and is reflected in Stanton's (1981) argument that "*Marketing is the creation and delivery of standard of living*".

Establishing the marketing concept in an organisation takes considerable planning, persuasion education and re-organisation. For business to realize the full potential of its concept, it must be put into practice. The chief executive should be more involved in planning and policy making. Marketing know how is needed both at the top management level and board of directors. For the company to have a properly balanced total management operation. However, management should be given some time between adoption of the concept and the fulfillment of all the necessary organisational adjustments.

1-14 THE IMPEDIMENTS OF THE APPLICATION OF THE MARKETING CONCEPT.

Earlier on we have observed the significance or role played by marketing concepts in the development of an economy. These are not without impediments that hinder the growth of the concepts as applied and adopted in a developing economy like Nigeria. These include among others, the current relative scarcity of essential goods and services in the country. Scarcity of most essential commodities have persisted in the post-civil war period as most of the efforts energy were directed to arms for the war and also most farmers left their farms for the war front. Poor performance of our productive sector especially our

manufacturing industries has also contributed to shortages of goods and services. The country cannot therefore produce enough for her needs. This places Nigeria in a situation where there is the sellers market and Alatis (1979) identified the problems of marketing in a sellers market as follows; "*There are shortages of foods in the country. All sectors of the economy are affected by inability of manufacturers to meet the very high demand of consumers. The staggering demand is also accompanied by weaknesses in our social and commercial infrastructures. The problem faced is that of managing property caused by demand that cannot be matched by increased production*".

With this problem of scarcity, marketers cannot apply the marketing concepts. The scarcity and absence of substitutes make demand for the products to exceed supply and even where they are (products) displayed, they are unaffordable. With the Structural Adjustment Programme (SAP) sapping everybody, people cannot afford the basic needs of life. Example of such consumable products include maize, milk, rice, sugar, car, spare parts, candles, refined petroleum products just to mention a few.

Complexity of distribution channel get another problem encountered in applying the concept. There is a marked absence of specialization by stages of distributing with the same firm transacting business in unity of widely different sizes. The channel of our distribution system is laid by many middlemen and women who are being accused of adding nothing but cost that inflates consumer prices. These middlemen sometimes board to create artificial scarcity of essential commodities and profiting by the act. The middlemen are therefore technically inefficient to handle the flow of goods in a fast growing economy like Nigeria.

Nigeria is facing the problem of producing low quality products, hence consumers prefer foreign goods to home made goods. Thus Professor Uche (1980) commented that "it is a country where locally manufactured candles burn out in a few seconds, where locally manufactured bulbs are replaced after every other day; where locally assembled vehicles are but shadows of their present stock; where locally produced fabrics do not stand the first wash and where locally manufactured shoes loose their sole after the first use in the rains; the poor consumers is treated like an orphan even before he is born".

As if producing poor quality goods is indicated above is not enough, same unscrupulous indigenous producers have gone to the extent of deceiving consumers by putting foreign labels on locally made items and demanding for higher price to achieve their selfish ends. Some marketers sell defective or spoilt goods while others package and label containers that do not contain the actual products. Thus Ajayi (1977) in his article stated that *"hoping to have a tea party for a group of friends, I bought a tin of Bournvita at one of the retail stores in Lagos. But to my disappointment, the tin that was supposed to contain Bournvita, was packed full with sand particles"* . This problem is seen mainly with the production of vehicle spar parts, shoes, boxes, necklaces, bournvita, omo, vegetable oil etc.

Other impediments include absence of educated sellers and buyers, lack of the general knowledge of marketing concept and its tannest by both management and staff of organisations, absence of proper state of mind by Chief Executive, non-availability of technology for mass production and the fact that Nigeria businessmen and women are not willing to give the concept a trial. An absence of research by most firms also affect the concept.

Marketing concept is said to be customer oriented philosophy, thereby placing customer welfare at the upper most of marketers' mind, beforé, during and after sales of products, but in Nigeria, sellers are not interested in pleasing customers. Rather they are only interested in their profit volume. Thus starting with the retail level, consumers are either ignored and at best given a rude reception or they are flattered and given attention that is largely aimed at cheating them (customers). It is easier to sell goods and services that properly match the needs or wants of buyer than it is to sell a mis-matched product and since sound knowledge of consumer needs and wants provide information base to effect this match application of the marketing concept should result in greater sales, which assuming efficient and effective management of costs should result in greater profits.

Simple everyday exchanges can benefit from marketing concept by recognizing the needs and wants of people in day-to-day activities, we can make our social exchanges more satisfying. Consumers communicate their needs and wants by buying or refusing goods and services offered to them by retailers and other intermediaries. If the offerings are mis-matched, no sales occur and products or services are not re-ordered from manufacturers. Those items that are matched are sold and orders are made. As a result of this, raw materials for mis-matched items are not demanded by manufacturers because production is geared towards those products that are desired by consumers. Consumers

therefore are they key to keeping economic exchanges in balance through communication. This backward communication from consumers to producers is essentially what the marketing concept is all about. A successful organisation is that which recognizes consumers' desire and therefore adjusts its activities to meet those needs and wants and this is done through the four Ps.

Marketing concepts is not beneficial to organisations alone but also to consumers by protecting them and ensuring social responsibility. Even governmental organisations are asking markets for professional advise thus Kotler and Kevy (1967) stated "the choice of facing those who manage non-business organisation is not whether to market or not to market for no organisation can avoid marketing. The choice is whether to do it well or poorly.

Since the organisation has to determine the needs and wants of the target market through the 4Ps namely ***product, price, place and promotion*** by adopting itself. (organisation) towards the effective and efficient delivery of the satisfaction and wants, we must know what these marketing mix elements are.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3-1 Research Design and Methodology

The aims, the company marketing strategies, that is product, price, promotion and distribution strategies and determine how each strategy contributes to the achievement of customer satisfaction.

3-2 Historic Background of Sunglass

Sunglass Limited Kaduna was incorporated as a limited liability company in the year 1992 to undertake the business of producing glass containers. After incorporation it bought over the assets of the former Ballapur Glass Limited, which explains why Sunglass is occupying the premises vacated by the defunct Ballapur Glass.

Sunglass Limited started commercial production of glass containers precisely on the 15th of November, 1995. The management of Sunglass Limited is pleased to welcome you into her service when the need arises and hope that you will have a rewarding and challenging career. Sunglass Limited see every job as very important and views every employee as part of a very large family whose output will lead to the growth and success of the company.

3-3 Company's Expectations of its Employees

The company expects of its employees:

i. A high degree of honesty, loyalty, initiative, and devotion to duty to be able to maintain its efficiency and retain its customers.
ii. To show a sense of personal responsibility and pride for the quality of work produced, based on the principle of fair days pay.
iii. To devote the whole of his time, energy and ability to further the interest of the company and to retain from other occupation during working hours likely to be detrimental to those interest.

iv. To exercise reasonable care in the use of machinery, equipment, tools, materials, etc. provided for the use of staff and CO-operate and work in harmony with fellow employees.

v. Make constructive suggestions for the three cadre in the company, due consideration will be given to education, training and practical experience. It is the sole responsibility of management to determine the suitability of candidates for job in the company.

3-4 Product Lines

Sunglass has four product lines namely:

i Pharmaceuticals
ii Soft Drinks/Beer Bottles
iii Cosmetics
iv Table Wares

i. PHARMACEUTICALS

Sunglass produces pharmaceutical bottles. There are standardized bottles like:

USP - United State Pharmaceutical Standard

BP - British Pharmaceutical Standard. The bottles are in 30mls, 60mls, 100mls, 150mls, and 200mls. Pharmaceutical companies usually produce to suit these levels. The size of cock or cap is 28m Ropp (Roll on pilfer-proof) are all of the same neck and cap despite the various sizes. Millions of these bottles are produced annually and are not returned after use. Sunglass Limited procures the moulds, produces them, and subsequently send samples to users companies who test them before placing orders.

II. SOFT DRINKS/BEER BOTTLES

Sunglass Limited also produces soft drinks and beer bottles for 7UP company and some other Breweries respectively. There are also some unique bottles that are used by some companies for instance, Nigerian Bottling Co. (NBC) has the sole franchise to produce Fanta bottles. Also, some bottles are registered to be used by a particular

company for example, Stout bottles used by Guiness PLC, Gulder bottles used by Nigerian Breweries PLC can be produced by Sunglass Limited only on permission.

iii. COSMETICS

Various bottles used by cosmetics companies are produced by Sunglass Limited. The bottles are artificially beautified and produced in Millions. These categories of bottles are not registered.

iv. TABLE WARES

Sunglass Limited also produces table wares. These include glass tumblers, mugs, vases etc. Moulds for the various wares are made. These products are stored and later marketed.

3-5 OTHER GLASS COMPANIES IN NIGERIA

1. Guinea Glass - owned by Leventis Group
2. Delta Glass, Ugheli - owned Leventis Group too
3. International Glass, Aba - owned by Abia State Government but managed by Churchgate
4. West African Glass Industry, Port Harcourt - presently not producing.
5. Oluwa Glass, Ondo - for glass sheet only

Sunglass Limited has raw materials advantage. About 80% of required Sunglass raw materials for producing different types of glass containers are source locally.

1. Dolomite - source from Abuja area
2. Feldspar - source from Lokoja, Borno State and Yobe State
3. Limestone - source from Abaji - Lokoja and Ukpila
4. Silica Sand - source from Katsina State
5. Cullets (broken glass containers) source from all over Nigeria
6. Soda Ash - usually imported but can be source locally i.e. from companies.

2. The operations of all other oil mills are influenced by the same economic situations i.e. recession prevailing in the country at the time of study.

3. All data collected were assumed to be authentic and that responses which were received from key officers of the organisation are considered to be the reflection of the of the views held by the principal officer (General Manager) of the organisation.

3-8 PRESENTATION

In the presentation, the researcher introduced the reader to the theoretical aspect of the topic being discussed, before going on to analyse the application of such concept in the organisation. This is to aid the reader in understanding more of what is being discussed.

CHAPTER FOUR

ANALYSIS OF DATA

4-1 Marketing in Sunglass Limited Kaduna

Marketing at Sunglass involves the use as various marketing strategies. The marketing department is responsible for marketing the company's product.

The study of the organisation and marketing structure of Sunglass Limited showed that the marketing department is controlled by the National Marketing Executive, under whom there is a Marketing Operation Manager in Kaduna and Sales Manager in Lagos. Marketing Superintendent at Aba, Marketing Supervisor in Kano and a Regional Manager based in Lagos. Before the appointment of Sales Manager, the Regional Manager was handling the marketing, commercial, finance and sales activities. Now with Sales Manager he took the Sales and Marketing job. Formerly at the apex of marketing was the Marketing Operation Manager who was reporting to General Manager. With stiff competition from other glass industries in the south, a new position of National Marketing Executive was created over and above Marketing Operations Manager. Sunglass is the only glass industry in the North with three others in the south located at Aba, Ugheli and Lagos. Over 80% of Sunglass market is currently located in Lagos, Warri, Aba and Onitsha areas.

Before the era of economic recession there were many soft drinks factories and five breweries in the North e.g. Noble Beer in Ilorin, more beer in Makurdi, Rock Beer in Jos, Kroneburg in Kaduna and Double Crown in Kano using Sunglass products. Most of these companies have closed down except IBBI in Kaduna and Highland Breweries in Jos. This economic down turn, has affected the market share of Sunglass. They now have to look south wards to regain their market share. This explains why they have marketing offices in Aba and Lagos.

Some companies in the south still get their supplies from Sunglass despite the distance because as a policy, companies keep more than one suppliers of their raw materials. With the new diversification policy of producing table wares, Sunglass Limited is able to sustain its self despite all odds.

4-2 Marketing Strategies at Sunglass Limited, Kaduna

The overall marketing strategy includes the right marketing mix, product price, distribution and promotion strategies.

Through an in-house marketing staff placed in different regions of the country, Sunglass market their product. Marketing Strategies at Sunglass Limited are:

- Price mist be very competitive
- Products must be of very high quality
- Customer services not be toiled with
- Goods programmed to reach customers in very good time
- Give credit facilities at times to cross buyers
- Attend all major trade fairs in Nigeria and West Coast of Africa

4-3 Sunglass Pricing Strategy

Prices are set by top management using the cost-plus approach, that is the average cost per unit of the product is found and based on the profit objective of the company. The desired profit per unit will be added to determine the price of the product. Sunglass Limited pricing strategy is influenced by the following:

I. Increase Market Shares. What is the percent of the market Share?

Price can and often increase or decreases market share, depending on how price-sentive consumers are; and on competitors pricing strategy. Sunglass is constantly monitoring the pricing situation in the country to ensure that its prices do not differ greatly from that of competitors. Where, and when necessary, the company may engage in a price war, that is cutting prices to avoid losing its market share.

ii Satisfactory Profit

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

iii Stability

4-4 *Sales Growth*

- Expansion of market share within and outside the country
- Target and project for percentage gain every coming period over the last one.
- Compensate the sales force team in accordance with their achievements, thus making them to put more strength in getting better results at all times.

4-5 Sunglass Limited Promotion Strategy

The promotional objectives of Sunglass include creating awareness, enhancing potential and current buyer' response to the company and its brands. The promotion blend of Sunglass is designed to accomplish the firms overall objectives. Therefore the particular blend varies depending on promotional budget available, nature of market situation, performance of particular brand in the market, target of promotion and competitors' promotional strategy.

Sunglass concentrates on mass media, magazines, dailies and television in promoting the products. Sometimes these brands are promoted by sponsoring special programmes on television. This is usually a very expensive ventures, so it is not used regularly. Promotion is most often on radio and billboards.

4-6 Factors Affecting the Marketing of Sunglass Limited, Kaduna Products

i. Company Policy
ii. Inter-corporate Relationship
iii. Politics
iv. Inter personal relationship between the management of companies.

Company Policy: Most organisations have vested interest on where to buy their products. For instance, Leventis Group has interest in Guinea and Delta Glass, consequently, all their glass requirements are bought from these companies.

Sunglass Limited is affiliated to 7UP Bottling Co., therefore, 7UP company will always buy its glass requirements from Sunglass Limited no matter where it is located.

Inter-corporate Relationship: There are companies that have the franchise to manufacture and supply them alone. Some companies have placed their moulds with few companies as a matter of policy, for instance, Nigerian Breweries PLC has their moulds with Sunglass Limited so most of their glass requirements are produced by it.

Most government agencies in the North, patronize Sunglass Ltd being the only glass company in the North e.g. W.J. Bush & Co. Ltd, Kano. Sunglass Ltd has better chance of competing in the north than glass companies in the south.

The company compensates its marketing officers with:-

a. Good Salary
b. Commission on Sales
c. Bonus

Quality Control

There is a Quantity Control Department headed by qualified Quality Control Manager with staff strength of about fifty. The Laboratory is responsible for the analysis of raw materials and ensuring that the materials meet the required specification before usage. It is also responsible for ensuring that the final products meet customer specification before distribution.

Environment

The company is conscious of its environment in which it operates. Although Sunglass Limited production is not a major pollution to the environment, the company ensures that their solid wastes are disposed at designated sites. Waste water is monitored, treated before discharging into the environment.

Sunglass Limited products have no health hazard to customers since they are mostly for packaging. The worker are provided with protective wares, uniform, safety boots, ear plug, nose mask etc. Regular safety awareness clinic are run at intervals. They have 24 hours medical facilities for workers in addition to two reference hospitals.

Social Responsibility

The company is socially responsible to some communities around them. Kaduna village got a handsome donation of money from the company for electricity supply. Nasarawa Community was assisted with cement, zinc and sand towards rehabilitation of Nassarawa Junior Secondary School. The company also single handedly constructed a 2.3 kilometer road to the factory. Other factories located in the same vicinity with them also benefited from this gesture.

Sunglass Limited Distribution Strategy

"Physical distribution involves the actual movement and storage of goods after they are produced and before they are consumed". Its objective is therefore, to get the right goods to the right places at the right time for the least cost.

Sunglass Limited has about seven private transporters. Goods are produced on demand for specific customers like PZ, NEIMETH (Pfizer), NBL, Evans Medical, Intercontinental Distillers, Nigerian Distillers, Jos Breweries etc.

They also manufacture table wares like tumblers etc. to consumers through distributors to retailers. Distributors are appointed nationwide. The company being affiliated to 7UP Bottling Co. Plc, has warehouse and offices in the 7UP Bottling Plants in Kano, Aba and Lagos which are called regional and area offices with staff to man them. They make use of infrastructures of the 7UP company in these areas such as forklift, communications, transportation etc. Where a customer rejects goods, for instance, these can be returned back to 7UP plants in those areas.

The company was basically established to produce for 7UP Bottling Co. Plc so majority of their products go to 7UP Bottling Co. PLC producer of 7UP Pepsi Cola, Mirinda Orange, Teem soft drinks.

Glass Containers are bulky when they are packed in cartons or pallets and most occasions the goods are not moved directly from the production line to the company that need them pending when they are loaded into the trucks.

For this therefore, the company has facilities to accommodate about 50,000,000 glass containers packed systematically in the factory premises and at the 7UP premises in Kaduna. These premises are known as "go-downs". These facilities make up what they call warehousing section of the marketing department under a warehouse superintendent.

It is this section that has the responsibility to do the documentation, loading of truck with the goods upon receiving order to load from the marketing department. They take stock of finished goods, damages and defects and has the responsibility for the control of goods. In other organisation, these should be the sales department. They make sure that goods leave the factory to customers. They do not collect LPOs but work on the LPOs to see that the goods reach their destinations.

In bad times, with particular reference to household items, when market is dull, with little or no sales. Goods not sold are moved to 7UP premises for shortage until when they are needed to make space for new manufactured products. These items which are not in hot demand till a particular season like pomade jars used more during harmattan are stored till when there is demand for them. This is so because there is only one furnace and one production line for many products. For instance, while jars are produced at a particular time. even though there is no demand at the time of production, they are stored until required.

4-7 Marketing Problems at Sunglass Limited, Kaduna

- Too much competition, leading sometime to not meeting set targets
- Raw materials sometimes escalates, thus affecting the production cost of finished goods, but customers not willing to accept any upward change in price.
- Because of the stiff competition, "price war" becomes the order of the day. This portrays it to be a "buyers" market where the buyer dictates the price at which he is willing to pay for the products.

- Because Sunglass only hire vehicles, in transporting goods to our customers, these vehicles (trailers and trucks) are at some seasons hard to get easily, thus delaying the arrival time which customers expect their consignment.

- The present utilized production capacity is too large for their market thereby leading to having numerous stock of finished products in the warehouse.

4-8 Problems Facing Nigerian Manufacturing Industry

Nigerian economy is still in serious recession. Economic activities continued to experience a flagging tempo with industrial capacity utilization still on decline whole inflation surged. The result was a worsening of the unemployment situation in the country and heightened social hardship. The problem lies in the implementation of some of the measures announced in the budget to stimulate the productive sectors of the economy. In this connection, it bears mention that some incentives designed to increase capacity utilization and engineer non-oil exports are yet to become operational e.g. establishment of export processing factories, effective operationalisation of the manufacturing-in-bond and duty suspension schemes, and processing of duty free imported raw material for re-exportation etc.

A major factor that has adversely affected manufacturing business in the country is cost burden. Government must therefore be commended for granting the discount of 35% on customs duty announced in August last year. It was a source of great relief to the beleaguered manufacturing sector. Unfortunately however, its beneficial effects on production cost are being vitiated by new and higher levels of multiple levies and taxes being imposed by various state and local government. While the Federal Government directive that these levies should be stopped is highly appreciated and commended, it is necessary to draw attention to the need for firmer and binding order on this subject. The situation has now gone out of control in some states with companies being sealed up for non payment of one levy or the other. This is very unhealthy for a country that is in need of private investment to re-invigorate her economy. The local and state governments should therefore not be allowed to make the investment climate hostile and repelling through the use of unorthodox means for revenue drive.

At this juncture, it is pertinent to observe that a number of well-intended policies of the government are frustrated by executing officers through opaque practices. Of particular concern are problems associated with import administration at the ports which call for urgent action to sanitize the whole system. The presence of more than thirty uniformed agencies from importers through blackmail makes business operation in the country agonizing frustrating and costly.

4-9 Analysis of the Extent of the Application of the Marketing Concept in Sunglass Limited Kaduna.

Marketing entails the effective CO-ordination, of all those separate functional activities that contribute to overall effectiveness of the organisation in satisfying customer needs.

"Consumer is king" is a watchword in Sunglass. All the marketing activities are planned around this concept.

The product strategy adopted by the company indicates market orientation. Ensure that its products are of standard quality.

For effective implementation of the marketing concept, it is important for an organisation to have a carefully thought out organisational structure. These components seems necessary to make the marketing concept work; the Chief Executive, integrated marketing efforts and the marketing staff. Sunglass Limited is a market-oriented enterprises as revealed by its organisational structure and the structure of the marketing department. The marketing personnel are highly placed in the management hierarchy, and specialists are employed to take care of major functional area. The head of marketing CO-ordinates the functions of all regional and divisional marketing managers.

The success of the company's marketing programs depend on his executive influence at top management level, and also his decision making, in addition to effective participation by marketing staff, proper integration and CO-ordination of marketing activities. The importance attached to marketing has no doubt contributed to great deal to Sunglass success and growth. The marketing staff are constantly engaged in marketing research, thereby providing information about customer needs, and wants, product and service design, competitive product advantages etc. The company therefore is in constant touch

CHAPTER FIVE

5-1 CONCLUSIONS AND RECOMMENDATIONS

The marketing concept in the Nigerian Manufacturing industry remains a myth in the absence of mass production of goods and ready substitutes.

5.2 Reasons for Marketing Vulnerability

1. The new or recent origin of marketing: Marketing is a relatively new business discipline that is too often confused with one of its sub-functions such as sales or advertising.

2. Hostility towards marketing: Marketing is normally resisted by vested interest in the company and must fight an uphill battle to establish its role, scope and authority.

3. The law of slow learning: marketing passes through several stages of misconception as it grows in the company. Before the mid 1950's banks have no understanding or regard for marketing. Bank was supplying needed services.

4. Law of fast forgetting: Marketing principles tend to be forgotten with success and the executive have to be reminded of them periodically.

5.3 AIMS OF A GOOD MARKETING

1. Maximization of market consumption of whatever the company is producing.
2. Maximization of consumer satisfaction
3. Enhancing the quality of life

The number three above is the one that best describes the aim of a good marketing. That is higher purpose of marketing.

5.4 SUMMARY

Marketing, the management of exchange process and relationship is the corner stone disciple of some of the most successful companies all over the world and a discipline of growing interest to companies and non-profit organisation. Organisations face the problem of how to increase value for target market that are undergoing continuously changing needs and wants. Organisations must thoughtfully define their products, services, prices, communications and distributions in a way that meet real buyer needs in a competitively viable way. That is the task of marketing. Although selling is a very old subject. It represents a higher order of integration of many separate function, selling, advertising, marketing research, new product development, customer service, physical distribution etc. to customers needs and satisfaction. Many organisation at first resist marketing because it threatens vested interest within the organisation and their own concept of how to mange the organisation effectively. Marketing gradually gets established how-even first as a promotional function, later as a customer service function, still later as an innovation function then as a marketing positioning function and ultimately as an analysis planning and control function. Few companies understand and install marketing in its full form when first considering it. Even after marketing is effectively implemented in an organisation, there is a tendency for many managers to forget its main principle in the wheel of success.

Marketing task in the organisation is not only to help it recognise business opportunities and serve the various public but also to harness the organisation energy to enhance the quality of life of society.

5.5 RECOMMENDATION

i. Marketing is an important aspect of business, and the success of a company mostly depends on its marketing activities

ii. It is not enough to produce goods or services and make them available to consumer, it is equally essential that markets are predetermined and a basic need converted into positive demand. According to the marketing concept, organistions' key task to determine customer needs and wants and adopt their organisations to delivering the desired satisfactions more effectively and efficiently than its competitors. The prime task of marketing management therefore, is the planning and implementation of marketing strategies to achieve maximum consumer satisfaction.

iii. The application of marketing concept affects all types of business activities, therefore an organisation should adopt it and incorporate the concept into its philosophies of business management.

iv. An information system should be created to satisfy product or service satisfaction, which aims at implementing the core elements of marketing concept which are consumer orientation, consumer satisfaction and integrated marketing.

v. Consumer orientation implies that firm must focus on the needs of consumers and not product or service alone. This show that the organsiation must also focus on consumers' future needs and wants and this is important in business.

vi. Needs must be defined in relation to the market segment and this implies a variation in consumer needs. The organisation therefore should have differentiated products or services and marketing programmes.

vii. Integrated marketing needs the effective management of the marketing mix through corporate marketing strategies and this needs the support of management as well as all employees in all departments of the organisation, from top down.

viii. Marketing research should be conducted to give information on consumers wants and needs so that plans (present and future) could be made and be implemented by the use of the marketing variables namely product, price, place and promotion for operational activities in the company..

ix. Consumers satisfaction concept aims at satisfying the desire of the consumers at a profit. Its aim is more to help than to please. Here, marketing research is conducted to find out the products or services needs by the consumer, who purchases those products or services that come closest to satisfying his particular needs and wants.

Finally, marketing concept is the backbone of every business oriented firm. It strengthens the relationship between customer and management. Marketing concept will remain largely a myth in Nigeria if no effort is made by company management to put their energy into improving production so as to enhance mass production. Product qualities will have to be improved and false and deceptive promotion will have to be stopped. With current developments in the country, such as the new economic measures, reduction in consumer purchasing power, government's new interest in marketing, keen competition and increasing consumer awareness of their rights, it seems not long from now, business may have no option but to implement the concept just as some have already done.

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INTERVIEW QUESTION

1. Your company's goals and objectives are

   a) To maximize profit
   b) To satisfy customers
   c) To render social services to the nation
   d) Any others! Please specify

2. Your Company's marketing objective are:

   a) A high level consumer satisfaction
   b) Rapid growth in total sales
   c) To capture a large market share
   d) All of the above
   e) Any others! Please specify

3. Who decides the marketing objectives in the organisation?

   a) Top Management
   b) Managing Director
   c) Marketing Manager
   d) Any other

4. Where do you classify your marketing organ?

   a) Function Oriented
   b) Product Oriented
   c) Market or Demand Oriented
   d) A mixed from A, B & C above

5. Which of the following marketing strategy do you employ?

   a) Differentiated Marketing
   b) Undifferentiated Marketing
   c) Concentrated Marketing

6. What factors affect the choice of any of the strategy(s) you employ?

   a) Company Resources
   b) Product Heterogeneity
   c) Competitive Market Strategy
   d) All of the above

7. What are the methods generally used to coordinate the activities of the marketing department with the activities of other departments?

   a) Inter-departmental Meeting
   b) Committee
   c) Others [please specify]

8. How often does your company conduct some form of marketing research?

   a) Continuous basis
   b) Conditionally [specify duration]
   c) Does not at all

9. Who conducts the marketing research function?

   a) The company staff [Marketing Department]
   b) Outside firm [Management Consultant]
   c) Others [please specify]

10. Which employee training programme(s) does your company use which is aimed at the marketing concept?

    a) On the job training
    b) Company run meetings and conferences
    c) University Executive Development Programmes
    d) Special lectures by Business Consultants
    e) Others

11. Which department is emphasized more in overall company efforts?

a) Marketing
b) Manufacturing/Production
c) Finance
d) Personnel
e) Other

12. Is your Top Marketing Executive a member of the following committees or groups?

a) New Product Planning
b) Executive
c) Board of Directors
d) Operations
e) Finance
f) Others

13. Which methods of communication are generally used to coordinate the activities within your Marketing Department?

Formal

a) Report of actual as planned results
b) Approval of operating budget
c) Reports of planned activities
d) Statements of Policy

Informal i.e.

a) Periodic and special staff meetings
b) Non-periodic exchange of information
c) Voluntary exchange of information, copies of correspondence
d) Special purpose committee

14. What are the different types of products produced?
15. What factors determine how much to spend on one product?
16. How much do you ensure high quality of your products?
17. Which of these products is most popular?

BRANDING

18. What are the sources of different brands?
19. What factors do you consider in choosing a brand name for your products?
20. How many product lines do you have in the company?
21. Do you foresee having new product lines added tot he ones you have?
22. What influence has Marking Department on decision regarding new product development?
23. Who constitute the bulk of your marketing?
24. What are your customer policies?
25. How does the company generates feedback from the customers?

PACKAGING

26. What are your packaging objectives?
27. How are your packages designed to attract consumers?

PRICING

28. What are your pricing objectives?
29. What factors influence price setting in your company?
30. What are your selling terms?
    a) Cash and Carry
    b) Credit Sales for a period not less than 30 days and not greater than 70 days
    c) Credit to any credit worthy customer
31. Who are the real competitors?
    a) Foreign
    b) Other producers in the country
    c) Smugglers
    d) All of the above
    e) Non of the above
32. How do you see competition in your operations?

a) A real threat
b) An opportunity to improve product
c) Has no effect at all

33. Do you offer discounts? If so which type?

a) Quantity Discount
b) Cash Discount
c) Seasonal Discount
d) Promotional Discount

34. Are there any external influence in your pricing system?
(e.g. government regulation – price control)

DISTRIBUTION

35. What type of distribution do you use? [Selective or Intensive]
36. How do you select your middlemen?
37. Any initiation on their number?
38. What are the channel of distribution of your products?
39. What do you consider to be the degree of market coverage by your chosen channel?
40. Do you have specific reason for selecting a particular channel?
41. What is your market share?
42. Do you own or hire your warehouse?
43. What advantage do you gain from either owning or hiring the warehouse?
44. How are your products transported?

PROMOTION

45. Your advertising and promotions are:

a) Competition Oriented
b) To create awareness and market demand
c) What other competitors are spending
d) Other factor

46. What medium do you use in your advertisement?

47. Are most of your advertising objectives achieved?

PERSONAL SELLING

48. Do you use personal selling objective?

49. Do you employ sales representatives or you use agents?

50. How do you organize your sales forces?

51. Do you train your sales representatives? [if yes, what type of training]

52. How do you evaluate field performance of your sales representatives?

53. What sort of compensation is provided?

    a) Straight salary

    b) Commission

    c) Bonus

    d) A combination of any of a, b & c

54. Which sales promotion tolls do you use?

    a) Consumer Promotion

    b) Trade Promotion

55. If [a] or [b] in question 54 which tools do you use to implement?

56. How socially responsible is your company in terms of:

    a) Ensuring that the products produced are of a standard quality

    b) Minimizing health hazards to customers, employees and the general public as a whole

    c) Other social responsibilities e.g.

    - Donating to charity organisation
    - Providing scholarships
    - Selling shares to employees etc.

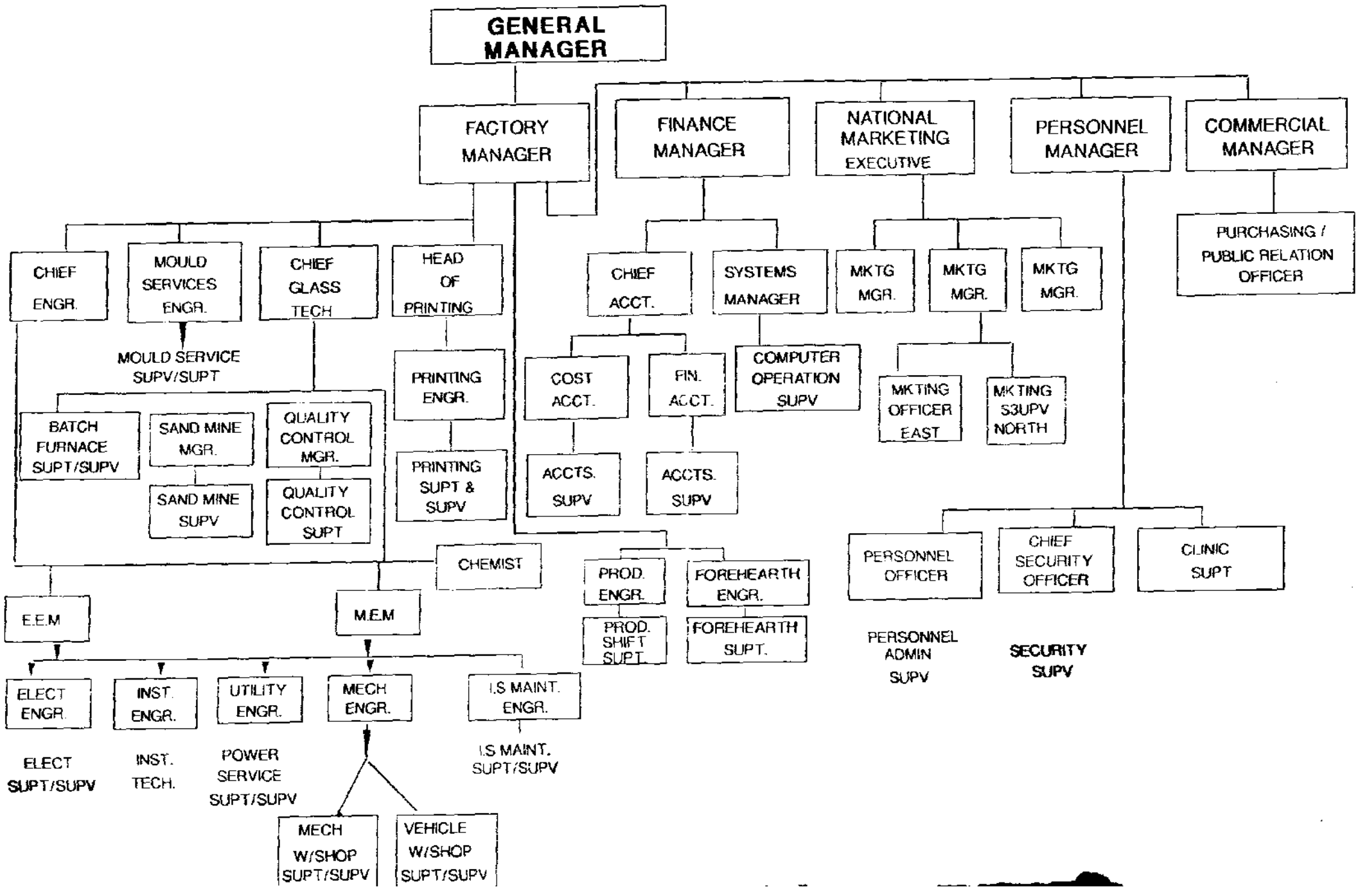
57. What are the raw materials you are using?

58. Sources of your raw materials?

59. Production process

60. Level of technology used?

SUNGLASS LIMITED ORGANISATIONAL CHART



MARKETING ORGANIGRAM

