

**MARKETING OF CONSUMER GOODS AND SERVICES IN NIGERIA:
PROBLEMS AND PROSPECTS. CASE STUDY OF PZ CUSSONS
NIGERIA PLC, ZARIA**

BY

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DECLARATION

I hereby declare that this project work titled “Marketing of Consumer Goods and Services in Nigeria: Problems and Prospects. Case Study of PZ Cussions Nigeria Plc, Zaria” is a product of my research effort and has never been previously presented in any submission for a higher degree.

HAMZA BILKISU

Date

CERTIFICATION

This project work titled “marketing of Consumer goods and Services in Nigeria: Problems and Prospects. Case study of PZ Cussions Nigeria Plc, Zaria” by Hamza Bilkisu, meets the regulations governing the award of Masters Degree in Business Administration of Ahmadu Bello University, Zaria and is approved for its contribution to knowledge and literary presentation.

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DEDICATION

This research work is dedicated to almighty Allah, my parents¹ and
Aunty Khairata Toyin Yusuf.

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Firstly, my profound gratitude goes to the Almighty Allah who made this research a reality. I will like to thank my Supervisor; Dr. A.B. Akpon, I really appreciate my Aunty Mrs. Khairat Toyi Yusuf for her financial and moral support. Special appreciation goes to Babangida for his encouragement and brotherly advice throughout my Masters programme.

ABSTRACT

Nigeria has witnessed tremendous changes in the marketing of consumer goods and services. This is so because the marketing environment in the past decades cannot be compared with what is obtainable now. Today 's business n Nigeria thus operate in a more complex environment than before, because consumers are now more knowledgeable about goods and services in the market. This project work aims at identifying the problems and prospects of marketing consumer goods and services in Nigeria, with spec/a/focus on PZ cussons (Nig) Plc. In the course of this project, however, relevant literatures and journal of marketing were reviewed. The researcher showed the methodology used in collecting data and the population, sample size upon which the research is conducted. The result of the data collected were subsequently presented and analysed, hypothesis tested and findings were made. Finally, summary, conclusion and recommendations were made.

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CHAPTER ONE

INTRODUCTION

1.0 Background to the Study

Nigeria plans to establish one of the world's largest Liquefied Natural Gas (LNG) by the mid 1980's. The chief obstacle appears to be the findings of buyers both within the country and outside for the estimate production of 2 billion cubic feet of LNG per day (Iyanda, 1988). Secondly, Business Times (2002) reported that Nigeria textile manufacturing companies are closed down because of a grave financial crisis as a result of the poor market for its product within the country. Thirdly the Punch 2010 reports that the coca production company of Nigeria have drastically failed in the annual output of the commodity from 330,000 metric tones in 2007 to 212,000 in 2009 as a result of financial problem facing the industries. These three cases have underlined the important of finding a buyer, having a goods morals or developing consumer acceptance for a product. This essentially is what marketing is all about, via to identify, develop and maintain a good profitable market for the products, service, or any other form of output of an organization bears its social, economic or religious.

However, Nigeria has witnessed tremendous change in the marketing scene in recent time. Tremendous in the sense that the marketing

environment in the past decades will not be compare to what is obtainable today. This is a good development for the consumer. This is because the developments have great competition among firms in providing quality product that will meet the consumer taste. It also brought about new market demand and open up new market potential.

Meanwhile this research work is conducted with the aim of “Evaluating the problems and prospects of marketing consumer goods and services in Nigeria” and is considering PZ Cusson’s product as its study. This chapter will look into the background of the study, statement of the problem its objectives, research questions and hypothesis, scope and significance of the study, and limitations.

In the light of that below is a brief background of PZ Cusson’s Nigeria Plc.

The company had its beginning in Sierieleone when Mr, G.B Zochonics and Mr. G.H Paterson meet in free town in the 1890’s and established a trading company by name Paterson Zochonics Company formed under the English law in February 1889 with a registered office in Liver pool. In 1899, Business commenced as a traditional West African merchant. In 1948, PZ acquired the soap factory of PB Nicholl and cc LTD. 1953, name changed to Alagbon Industries, and in

1976, named changed to Paterson Zochonics Industry Plc. P7 Cussons PLC later enter into a joint venture (Nutricina) with Gambia PLC to supply evaporated of milk and powder in Nigeria in 2003. In 2005, Nutricina commence manufacturing in Nigeria.

In Nigeria, the chief executive at present is Christos Giannopoulous. While the chief finance officer is Anders Kristiansson. And the managing director is Georgios Sotoropoulous. The head office is in Lagos. Manufacturing unit in Ilupeju, Ikorodu and Aba. They have a total of 3,775 employees at present.

The company had branches in Ghana, Europe, Kenya, Asia etc.

Their major brand of product includes;

- i. Detergents: Elephant, zip, jet, Tempo, Rex, Morning fresh.
- ii. Soaps; Premier, Imperial leader, Joy, Duck, Canoe, Drum.
- iii. Pharmaceutical; super Atlas, maladrir, zubes
- iv. Medicaments; Robb, Heatol, super Robb, medicated dusting powder.
Baby care; Nigerian Baby cares Cussions baby range.
- v. Skin care; Venus, Stella pomade, joy, carex.
- vi. Appliances: haier thermo cool.
- vii. Nutrition: Coast, Nunu, Olympic, powder fist.

1.1 Statement of the Problem

Nigeria is largely a seller's market, as such consumers are rarely afforded the opportunity to get sufficient information regarding the product or service they want or are encouraged to take action in case of dissatisfaction.

In Nigeria consumers have constantly fell victims of certain malpractice by manufacture and seller alike. The old adage of "caveat emptor" (let the buyer beware) testifies to the practice where by businessmen and women dupe customers in the sales of defective goods, false and misleading label, deceitful advert, over pricing etc.

This is further compounded by problems such as absence of consummation, inability of consumer to articulate and express their want in words, lack of consumer satisfaction, inadequate marketing infrastructure and tendency of the country towards production orientation.

Today, marketing thus operate in a more complete environment than it was known before. As scientific and technological knowledge grew, new interest developed and institutions emerged to protect such interest.

Therefore, the problems highlighted have serious threats to the marketing of consumer goods and services in Nigeria and have necessitated the researcher to conduct this research.

1.2 Research Questions

The problems this research work shall attempt to find answers to are:

Does the level of technological development in Nigeria constitute a problem to the marketing of consumer goods and services?

How does the turbulent economic and natural environment affect the marketing of consumer goods and services?

Can any major indicator of a brighter future be seen as regard to marketing of goods and services in Nigeria?

Does the poor promoting strategy affects thee marketing of consumers' goods and services in Nigeria?

Does sales decline affect the marketing of consumers goods and services?

How does weather condition affect the marketing of consumer goods and services?

Does the level of income in the society affect the marketing of consumer goods and services?

How do the misleading label, advert and over pricing affect the consumer goods and services?

Do the inadequate of marketing infrastructure affect the consumers' goods and services in Nigeria?

1.3 Objective of the Study

The purpose of this research is the theoretical and practical reason of implication of broad economy policies of company marketing decision and of social welfare theory.

The research study make us to realize that the production concept whereby goods are manufactured in large quantities without having the consumer desires in mind does not hold ground in Nigeria again. The business realize hat consumer have become more enlightened and as such will not have any thing given to them or just searches for things or products which will meet his particular needs or wants.

The research study is also to make every organiza1on or business sectors realizes that the consideration of consumer behaviour will go a long way in creating an effective business and particularly the satisfaction of these consumers want will help in maximizing profit for the business organizaion.

To investigate methods, ways and process involved in the marketing of goods and services in Nigeria.

To find out reasons responsible for the problems in marketing of goods and services and the potential prospect that can be exploited.

To suggest ways in how marketing of goods and services can be improved in Nigeria and how opportunities can be fully utilized.

To find out major indicator that show brighter opportunities for marketing of consumer goods and services in Nigeria.

To suggest promotional strategy for marketing consumer goods and services.

To find out reasons responsible for the course of weather condition affecting marketing consumer goods and services.

1.4 Research Hypothesis

According to Osuala (1993), hypothesis is a proposition that is stated in a testable form that predicts a particular relationship between two or more variables.

It can also be defined as a tentative explanation for which the evidence necessary for testing it is best potentially available.

For the purpose of this study the following hypothesis are formulated to guide this study:

H₀: Technology, Economy, natural environment do not have effect on the efficient marketing of consumer goods and services of PZ Cussons product in Zaria.

H_i: Technology, Economy, natural environment are problem's to the efficient marketing of consumer goods and services of P.Z Cussons product

1.5 Scope of the Study

The scope of the study is limited to PZ Caisson's product in Zaria. The study will evaluate the problems and prospects of marketing PZ Cusson's product over a span of five (5) years (2004-2009). It is hoped that this will provide insight into the problems and prospects of marketing goods and services in Nigeria. The study will have a scope of six chapters i.e. introduction, literature review, research methodology, data presentation and analysis, summary, conclusions and recommendations.

1.6 Significance of the Study

The economic importance of marketing to both developed and developing nations can not be *over* emphasized. As marketing has been defined as an important and growing role and as powerful tool in the world of today, it is necessary that importance is placed in finding and developing improved ways of marketing consumer goods and services. This research work will be useful to manipulate government, authorities, state and federal government, private investors seeking information about marketing activities in Nigeria,.

The study will be also useful to marketing companies and manufacture in planning out marketing strategies, promotion strategy and promotional decision.

The effect of better marketing techniques will be felt by consumer in term of improved standard of marketing of goods and services. Organizations, institutions and individual in Nigeria and beyond who might have been forecasting Cr imaging the status and potential of marketing level will find this study useful.

1.7 Limitation of the Study

It is pertinent to note that no one has everything he or she desires to have. In a research study of this nature some constraints are encountered in one way or the other.

The major set back of this project rest on the inability of the researcher to contact branches of PZ Cussons Nigeria Plc nationwide so as to get information to aid in more analysis.

Secondly, the series aspect of the topic is constrained by the fact that Pz is not a fully fledged services company. The service it renders basically is in the sales and distribution of its products.

Lack of material, time and financial resources also pose as a limitation to this project work.

CHAPTER TWO

REVIEW OF LITERATURE

2.1 Introduction

In any research study, it is important to review and critique the various conceptual, theoretical and methodological issues central to the variables of measurement as a way of contextualising the researcher's findings within the existing body of knowledge as well as providing symmetry between the current and previous studies. Consequently, this chapter is devoted to a thorough review of relevant literatures on the concepts of; consumer goods and services characteristics of consumer goods and services, classification of consumer goods and services, and the various theoretical and methodological underpinning that are related to these concepts.

2.2 The Concept of Consumer Goods and Services Marketing

Marketing as a business activity is faced with many problems. One of such problems is the superficial search for a differential advantage of "offering" more of what people want and less of what they do not want.

Most marketers have failed to realize that there is a link between the respected “marketing concepts and marketing vision (prospects), leading to a damaging over emphasis on the role of a consumer marketing.

Another problem with marketing of business activity (goods and services) is that, most people have found it difficult to perceive or accept items that are not tangible as product if they cannot see it physically, touch and use it directly. However, during the last two decades, it has become popular to accept intangible, non- physical items as service provided as products. The banking industry most probably blew most minds when it suddenly started advertising is ‘products’. Perhaps, to many, it must have appeared that some banks were offering their banking office building, the furniture there in and so on for sale.

Marketing prospect on the other hand has been defined by Bello J.A. and Iyanda (1988) as “a challenge to purposeful marketing action that is characterized by a generally favourable set of environmental circumstance and an acceptable probability of success.

Every self respecting marketing must understand what problems are in the target market so as to minimize or avoid them, and the prospects a potential target markets has, so as to maximize them. Retiming (2001) This chapter which is basically a literature review begin with a clear and in-

depth discussion of the concept of consumer goods and services marketing among other items, with the review of publication made by scholars in the field of marketing.

The goods and services (products) an organization offer to its market is not simply a bar of soap, a rental car, or a charitable cause. As with so many other marketing elements, there are more to the product than meet the eye. A product (goods and services) may be a thing, but it does not have to be something tangible. It can be a reward offered to those willing to pay for it: a mowed lawn is the payoff for someone who buys a lawn mower. To an organization, a product is a bundle of benefits. This customer-oriented definition stresses what the buyer gets, not what the seller is selling.

Defining the products in terms of benefits allows anything from tangible items to services to ideas to be identified as product. Whether an organization offering it is largely tangible (a ship), intangible (financial counselling), or even more intangible (The idea of world peace), its offering is a product. Because goods and services (product) can have so many aspects and benefits, marketers think in terms of the total product: the broad spectrum of tangible and intangible benefits that a buyer might gain from a product, goods and services. Once it has been purchased, marketers view total products as having characteristics and benefits at two levels. Primary

characteristics are basic features and aspects of the essential benefits common to most competitive offering. Here the consumer expects a basic level of performance. A quarter, inch drill, for example, is expected to provide quarter inch holes. Auxiliary dimension of a product provide supplementary benefits and include special features package, marketing, instruction for use, repair service contract, reputation, brand name and so on. Each auxiliary dimension is part of augmented product. Together, these two groups of features fulfill the buyer's needs. Any one of many benefits may be important to a particular buyer. Effective marketer builds strategies emphasizing those benefits that are most meaningful to the target markets.

Source: Marketing, (St Paul: Zikmund. William G. and dAmico, Michael (1996), P.277.

Using close up tooth paste to illustrate. The nature of a core product and the associated auxiliary dimension, the essential benefits of any tooth paste are cleaning teeth and preventing tooth decay.

Close - up package (a tube with a flip cap) also benefit the consumer by making the product convenient to store, easy to use and easy to reuse. The Brand name close up suggests social confidence and romance. The manufacture name, country of origin, and telephone hotline number printed on the package provide a safety benefit. Each auxiliary dimension adds a benefit that may be important to a buyer.

2.3 The Nature and Characteristics of Consumer Goods

These are goods that are bought for personal or household satisfaction, or used directly in satisfying human wants. Consumer goods are therefore destined or final consumption by ultimate consumers and households. Examples are Television sets, clothes, perfume etc. Though there are so many different consumers' goods that it is clearly impractical to analyse each consumer item individually.

However, consumer goods can be categories into two, which are non durable and durable goods.

1. Non durable goods are tangible goods normally consumed in one or few uses. Examples are juice drink, soap, coke etc. Because, these goods are consumed quickly and purchased frequently, the marketing strategy is to make them available in many locations, charge only small mark up and advertise heavily to induce trial and build preference.
2. Durable goods are tangible goods that normally survive many users. Example includes; refrigerators, machine tools and clothing. Durable products normally need more personal selling and service, command a high margin and require more seller guarantees.

2.4 Classification of Consumer Goods

1. **Convenience Goods:** These are items that the consumer buys frequently, immediately and with minimum shopping efforts. Examples include cigarette, candy, chewing gum, magazines etc.

Convenience goods are further sub-divided into staples and impulse or emergency goods. Staples are goods that consumer buy on regular basis such as bread, biscuit, sweet etc. Impulse or emergency goods are purchased without any planning or when the need is urgent example, umbrellas during rainstorm. The marketing strategy is to place them in many locations for easy access.

2. Shopping Goods: These are items that a consumer selects and buys only after making compromises on such bases as suitability, quality, price and style. Examples include furniture, clothing, used car and major appliances.

Shopping goods are further divided into homogeneous and heterogeneous goods. Homogeneous shopping goods are similar in quality but different in price, to justify shopping comparisons. While heterogeneous are different in product feature and service that may be more important than the other. The marketing strategy is that a seller of heterogeneous shopping goods must carry a wide assortment to satisfy individual tastes and must have a well trained sales people to give information and advice to consumer.

3. Specialty Goods: Are consumer goods with unique characteristic or brand identification for which a significant group of buyers is willing to make a special purchase effort. Examples are stamps, cameras, flowers and prestige brands of men's suit, the consumer already knows what he wants to buy. The extra effort is to find out where it is on sale.

4. Unsought Goods: These are consumer goods that the consumer does not know about or know about but does not normally think of

buying. New products such as milky milk, toothpaste fluoride are unsought goods until the consumer is made aware of them through advertising.

2.5 The Nature and Characteristics of Services

Services vary with respect to organizations. The offer ranges from a pure physical product to a pure service. Osuagwu and Eniola (1997) distinguish between four types of offer, namely:

1. A pure tangible product for example a packet of biscuits, cello tape, a tin of vegetable etc.
2. Tangible product with accompanying services. For example, Pz sell its brand of refrigerators with warranty, service and maintenance instruction.
3. A major service with accompanying minor goods and services for example Lagos line passengers buying transportation services. The trip may include other purchases such as snacks, newspapers and magazines. This service requires a capital intensive good, such as buses for the service to be realized. The primary item is road transport service.

4. A pure service, for example, legal service, personal service, medical service, insurance service, spiritual service, consultancy service etc.

The difference in services may also be on the basis of personal services and business services. The charge for private individuals differs from those of company employees on retainer ship. Lawyers for instance vary their charges on the basis of individual clients or retainer ship.

Some service requires the present of the client for example, medical operations while others may not, for example the repair of a faulty motor vehicle.

The objectives of services providers may also differ. Some provide services basically for profit, while others operate on charitable (non - profit) basis. They may also differ on the ownership. Some may be private, while others are public.

These differences in the nature and provision of services call for the development of different marketing strategies by marketers of services.

2.6 The Characteristics of Services

In designing service marketing program, it is necessary to take into consideration the service characteristics. The concepts and practices of marketing in the services sector differ from those in the physical products

sector. The characteristics of services differentiate them from tangible products. These are:

1. Intangibility,
2. Perishability,
3. Inseparability,
4. Variability or heterogeneity.

1. Intangibility:

Most services are intangible, even though the production of a service may be linked to a tangible product (the transportation service an airline provides is tied to its fleet of airplanes, renting a video taped movie is tied to the temporary usage of the video cassette, and so on). The element of intangibility makes the marketing of tangible goods. Intangibility means the buyers can not see, feel, smell or taste a service before they conclude an exchange agreement with the seller. Because of this intangibility, consumers may misunderstand the exact nature of a service. To help consumers understand and evaluate the nature of these services, marketers often employ a marketing strategy to make the intangible tangible.

It can be argued that because of service intangibility, consumer who can not taste, feel, smell or watch a product in operation in advance

purchase promises of satisfaction. This implementing a strategy to make a service tangible is requires stressing symbolic clues or providing supplemented tangible evidence to indicate that the promise about a service quality will be kept. This may be as simple as polishing the brass railings to symbolically enhance a restaurants atmosphere.

Prominently display a brand name and logo on the organization letter head facilities and equipment or highlighting them in advertising and sales promotions efforts are more stable ways to associate a tangible symbol with a service.

In an advertisement for Hartford Insurance, a comedy, team, playing the role of reporter and business owner had the following dialogues:

Report: What if fire hits your plant and cuts of your income.

Business owner: It won't take me to the cleaner; I've got extra protection from the Hartford.

Report: (?)

Business owner: It is a stag my agent got me an opportunity with my Hartford policy that replaces lost of income for as long as a year.

Associating the company with a stag is an attempt to visual symbol to intangible insurance service. An additional dimension of this is the use of

celebrity spokes persons to create confidence that the service marketing is committed to the promise of satisfaction.

Promotional messages often portray people who provide the service to make the service more tangible. Example all state's slogan "you are in god's hands with all state promote the idea that the people and company are reliable. Effectively, marketing intangibles relies on developing a symbolic appearance of competency and credibility. Consumers should believe that what is promised will be delivered.

The strategy for creating tangibility through symbols is typically implemented with branding and through the promotional mix. However, service marketers often tie physical goods to provide additional evidence of promised service. A health club membership comes with a membership card in a hotel room, the bathroom drink glasses are wrapped in fresh bags or flagstick film, providing silent symbols communicating that the room has been cleaned for the guests use.

2. Perishability:

Leo Burnett (?), the founder of a major advertising agency, said "All our assets go down the elevator every evening". He was referring to the fact that services are perishable, services provided by human cannot be stored. Thus if the ability to produce a service exists, but this productive

capacity goes unused because demand of the service is low, units of the intangible offering “perish”. Consider, for example an aeroplane flying from Abuja to Lagos with half its seats empty. Every minute the plane is in the air, it produces transport service, which is consumed simultaneously by the passenger on board. The airplane cannot store the service equivalent of the empty seats on that particular flight for later sale. Empty seats at the Opera or in a movie theatres, the absence of students in a classroom, and a slow night at a restaurants represent cases where all or part of the service suppliers investment of productive capacity has been asked because of perishability.

Because perishable services cannot be inventoried, service market plan and implement demand management requires accurate forecasting of the need for services.

Demand management, then involves managing a services supply to be in line with demand for the services, for example, restaurant often hire part time employee to work during peak times or offer price reduction during slow times to even out demand.

Because services markets cannot store their product for some other time, they must pay special attention to price adjustments. When prices fall, a dentist cannot wait until his service until prices rise again. A hotel

owner in Florida U.S.A cannot suspend operating without considerable cost while waiting for customers to return during the winter season. Pricing strategy provides an important tool for levelling the services markets demand.

To adjust losses due to perishability, service marketers often implement two part of pricing; the user of the services pays two prices'. The fixed fee (e.g. a membership initiation fee) plus a variable usage fee (e.g. fee for tennis court time) many hotels restaurants and online sells their services in advance or require reservations to avoid problems associated with perishability. Airtime are knows in for overbooking flights because not all travelers are able to be on time for their flights. When everyone does not show u, airline offers free tickets or a monetary incentive to individual willing to take an alternative flight. Selling services in advance and demand management strategy.

3. Inseparability

In marketing exchange of tangible goods the producer (for example, industrial engineers or assembly line workers) need not come in direct contact with those who buy the goods. Because it is possible to separate production from consumption in exchange of tangible products, distant

selling and marketing department evolved naturally to handle the activities aimed at consummating these exchange.

This type of separation is often impossible in marketing intangible services. In many cases, services are inseparable from their produces. Inseparability means that producer and consumer must be present in the same place at the same time for service transaction to occur. Inseparability changes the sequence of events usually present in exchange of a product.

In goods marketing, the product is first produced, then sold and then consumed. Although some goods are not produced until a firm order has been received (custom-tailored dresses), in most cases producers of tangible can produces, show or display their offering suppose, however, a patient is to be operated by a surgeon. Delivery the promised service requires the simultaneous presence of both surgeon and patient. Should some problem prevent either from being present the other is likely to suffer.

Sources: Marketing (St. Paul) Zikmund Million G. and D'Amico M., 1996):p. 335.

The figures above show how the order of events in a typical service exchange differs from that in a typical exchange of goods.

Essentially, inseparability constrains the flexibility that services suppliers have in designing their offering because the amount of service they can produce depends largely on the amount of time available. Neither a surgeon nor a hair dresser can squeeze more than a certain number of operations or hair cuts into a given day or month.

Because of the element of inseparability, services organizations have been extremely production oriented in their approach to distribution. For instance, hospitals were located at the corner of such and such streets, and their clients were expected to visit the "factory." Today under more competitive conditions, hospitals realized the need for convenient, multiple location emergency care centres, and laboratory care centres that

supplement the main hospital. Similarly university traditionally were located in small towns and student could come to the service facility to purchase the service. Today, however, universities offer extension programs e.g. classes in urban business centre. Bank no longer have a single location but offer many locations as well as automated teller machine (ATM) services.

Most services are delivered by peoples. The quality of contact between the customers and frontline staff provides the competitive edge so employees are the key to success. The service marketer must therefore, consider employees as part of the service offering. The Doctor's bedside marketer and the lawyer's receptionist's personality are part of the product offered to competitors. Competent employees must be hired and trained so that they perform the service properly. Service employees need to know the organization's marketing goals and be trained to serve well and respond to any complaint. In fact, they must be trained to assume consumer satisfaction.

4. Variability

Because many intangible offering are closely tied to the supplier's personal performance there can be great variability among the service provided. This implies that special efforts may have to be made in order to

maintain an acceptable degree of consistency of output standard between similar units of services.

Standardizing services that is reducing service variability is difficult equal amount of “Smiling” by all employees at service outlets, medical care of equal quality by several Doctors at the same time or even care of equal quality by the same Doctor all the time. When service is bought say in the form of an airtime ticket, the customer can know only in a very general way what to expect from the pilot and flight attendants. Knowing precisely what to expect ahead of time is different and often impossible. Variability leads service marketers to choose one of two alternative strategies; standardization and customerization.

The strategy of standardization — because of the variability nature of services, mass marketers many choose a strategy to standardize the offered. For example, although a hotel room at the Sheraton in Abuja may be slightly difference from a hotel in the Lagos Sheraton, the company will make an attempt to standardize its services.

The strategy of standardization emphasizes careful personnel selection and extensive personnel training in selected situations, it is possible to standardize service by using machines. Thus, automated

washes and electronics funds transfer system ensure that service quality does not vary.

2.7 Buying Decision Process for Consumer Goods and Services

To deal with marketing environment and marketing purchase, consumer engages in a decision process. One way to look at the process is to view it as problem solving. When faced with a problem that can be resolved through a purchase, the consumer goes through services of logical stages to arrive at a decision.

Source: A.B. Akpan, (2006), Marketing Thoughts and Consumer Behaviour (Zaria, Nigeria) p. 246.

As shown in the diagram above the stages of the buying decision process are:

1. Problem Recognition: What happens to initiates the process.
2. Information search: The sources of information used to arrive at this decision, and their relative influences.

3. Alternative Evaluation: The consumer weights the pros and cons of the alternatives identified
4. Choice: The solutions that are made from the available alternative.
5. Outcome: Is the choice followed by satisfaction or by doubt.

1. Problem Recognition: Every one has unsatisfied need and wants that create discomfort. Some needs can be satisfied by acquiring and consuming goods and services. Thus, the process of deciding what to buy begins when a need that can be satisfied through consumption became strong enough to motivate a person. This need recognition may arise internally (for example, when you feel hungry) or the need may be dormant until it is aroused by an external stimulus, such as an advert or the sight of a product. The decision process can also be triggered by the depletion of an existing product (your pen runs out of ink) or dissatisfaction with a product currently being used.

2. Search: Once a problem is recognised, the consumer faces the task of finding available alternatives for action. The first step is an internal search within the central processing unit to determine whether or not sufficient information is available. Internal search for information is purposeful. It occurs unconsciously. 'If the feedback show that there is sufficient information clearly stored, it is probable all other things being

equal that there will be no external search. For example a consumer may have little or no awareness of the quality of existing varieties of rice. He may consult friends or relatives or turn to published sources that identify rice in terms of quality.

3. Alternative Evaluations: once all the reasonable alternatives have been identified, the consumer must evaluate them before making decision. The evaluation may involve a single criterion or several criteria against which each alternative is compared. For example, you might select a frozen dinner on price alone or price taste and ease of preparation. When multiple criteria are involved, they typically do not carry equal weight. For example, preparation time might be more important than nutrition because experience is often limited or dated and information from sources such as advertising or friends can be biased, evaluation can be factually incorrect. That is a consumer may have believed that the price of brand "A" is higher than that of brand "B" when in fact the opposite is true. Marketers monitor consumers to determine what choice criteria they use to identify any changes that may be taking place in their criteria and to correct any damaging misperceptions.

4. Choice: choice follows the formation of purchase intention, but perception unanticipated circumstances can serve as a barrier, such barriers can change several forms of change of income, change in family circumstances, non availability of alternatives etc. if this happens, intentions either remain in existence until a later time or the decision making process begins a new.

5. Outcomes of Choice. After buying and trying the products, the consumer will experience any of the outcomes of choice viz.

a. Satisfaction: if the product performance matches expectation the consumer is satisfied and if he is satisfied, further purchases (repeat purchase) will be achieved.

b. Post-Decision Dissonance; what a consumer learns from going through the buying process has an influence on how he or she will behave the next time the same need arises. Furthermore, new opinions and belief have been formed and old once have been revised. It's change in the consumer that leads to discovering of new idea.

2.8 Marketing Strategies for Consumer Goods and Services

According to Kotler (1980) marketing strategy is the marketing logic, by which the business unit hoped to achieve its objective. It consist of specific strategies target markets positioning, the marketing mix and

marketing expenditure levels. Marketing strategy should detail the segment on which the company will focus, these segments differ in their needs and wants responses to marketing and profitability. The company will be smart to put its effort and emerge into those market segments. It can best serve from a competitive point of view, and then develop a marketing strategy for each targeted segment.

Before a successful marketing strategy is developed for consumer goods and services, the various elements which make up the marketing mix must effectively be combined. These elements are:

1. Product
2. Price
3. Promotion
4. Place/distribution.

1. **Product:** The term product according to Kotler (1989) is anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, person, places organizations and idea.

Because customers often expect more from an organization than a single tangible product the task of marketing management is to provide a complete offering - a total product that includes not only the basic goods or

services but also extra that go with it. The core product of a city bus lines may be rides or transportation, for example, but its total product offering should include courteous service, on-time performance, and assistance in finding appropriate routes.

The product, the customer receive in the exchange process is the result of number of product strategy decision. Developing and planning of a product involves making sure that it has the characteristics and feature customer wants. Selecting brand new designing a package, developing appropriate warranties and service plans and other product decisions are also concerned with developing the right products.

2. **Price:** According to A.B Akpan (2004), price is the value placed on goods or services by customers at some point in time. Marketers must determine the best price for their product to do so; they must ascertain a product value, or what it is worth to consumes. Once the value of a product is established, the marketer knows the price to charge. However, because customers evaluation of a product worth change over time price are subject to rapid change.

According to economist, prices are always on “trail”. Pricing strategies and deci5ion require establishing appropriate prices and carefully -maintaining the competitive marketing place. However, Berry in Kotler

(1960) argued that the biggest contribution the marketing department can make is to be exceptionally clever in getting every one else in the organization to practice marketing.

3. **Promotion:** According to Nwokoye (2000), marketers need to communicate with customers. Promotion is the means by which marketers talk to existing customers and potential buyers. Promotion may convey a message about the organization, a product, or some other element of the marketing mix, such as the new low price being offered during a sale period.

Advertising, personal selling, publicity and sale promotion are the elements of promotion strategy. While each offers unique benefits, all are forms of communication that inform, persuade or remind.

For example advertising that tell us, always coca-cola or always the real thing coca-cola reminds of our experience with a familiar coca. The essence of all promotion is communication aimed at informing or persuading potential buyers.

4. **Place/Distribution:** Determining how goods get to the customer or consumer, how quickly and in what condition involve place, or distribution strategy. Transportation storage, materials handing and the like are physical distribution activities.

The examples so far have shown that every organization engages in marketing. Every organization however does not have the resources or ability to manage all the activities required in the distribution process. Thus organization may concentrate on activities in which they have a unique advantage; wholesalers, retailer and various other specialist have developed to allow for such specialization and to make the distribution process more efficient for example PZ Nigeria Plc, find it efficient to utilized independent distributors in distribute its product to markets.

Source: Salesmen Training Manual Pg.7.

A good look at the diagram indicates that products leave dept through two ways

- Distributor, and
- Sales staff

2.9 Problem of Marketing Consumer Goods

Not all consumer goods are the same. Consumer purchases an extensive number of products. The Nigeria economy, however features scarcity of essential consumer goods in particular, shortage of goods such as milk, sugar, petroleum products, cement are partly the inadequacy of the country's manufacturing sector to produce enough goods to meet the people need and lack of enough foreign exchange for the country to import the needed goods to supplement local production. In effect, demand for the scare goods for exceed their supply, the result of this are high price and little marketing effort that hinders the development of good marketing skills. Another aspect of scarcity is hoarding. This is artificial creation of scarcity by individual wealthy business men. Sometimes the government contribute to this issue of artificial scarcity example government may decide to withhold money in circulation. The second republic government under Shehu Shagari witnessed scarcity of rice while the regimes of Ibrahim Babangida and Sani Abacha created scarcity of petroleum products. These activities are inimical to the marketing of consumer goods in Nigeria. There is the issue of bank loans and high interest charges on these loans by banks, All these are also problems constituted to marketing of consumer goods.

Nigeria infrastructural facilities such as transportation, network, electric power, drinkable water, postal service and telephone system, are grossly inadequate and poorly developed. These have constituted an impediment to the marketing of consumer goods. For instance, the manufacturer can not assume product quality and quantity when electric power is constantly interrupted during production process. Frozen foods in the supermarket are similarly under threat and destruction by electric power cuts that may exist for days. The marketing research can not make use of telephone tar interview/mail questionnaires but have to depend on costly and consuming personal interview.

A complex and efficient distribution channel is also a problem to marketing of consumer goods. Channel of distribution in Nigeria are very lengthy and features many layers of middlemen most of whom are small trader with little capital. In addition there is little or no specialization by stages of distribution, the same distributors may sell in whole sale units and in retail units to ultimate consumers. Such a system according to Nwokoye (1987) is technically inefficient to handle the flow of goods in a fast growing economy.

In addition there is a public suspicious and distrust of the role intermediaries in the economy. They are seen as adding cost, which inflate

consumer prices. Such unscrupulous operators are involved in profiteering and hoarding to create artificial scarcity of essential commodities. These activities further compounded the problem of marketing consumer goods in developing economy like Nigeria.

The marketing concept is the philosophy of business, which states that organization should be customer oriented. This means that the welfare of customer should always be the motivating factor in the mind of the marketer. The experience in Nigeria is that pleasing the consumer is not the interest of business organizations rather, thirsts is how much profits they can make. Scarcity of essential goods obviously contributes to this problem. Apart from shortage in the economy, the existence of state-run monopoly, which provide vital services, contribute to the neglect of consumers. Examples of such organizations are the Nigeria Airways, Nigerian Telecommunications (NITEL), Power Holding Company of Nigeria (PHCN) formally NEPA, Nigeria Postal Services (NIPOST), Nigeria National petroleum Corporation (NNPC) among others.

It is believed, however, that the current privatization and commercialisation of such operations by the government will, to a large extent change the attitude of these organizations positively towards the consumer. This may help in embracing the marketing concept.

2.10 Problem of Marketing Service

Today's service companies and or firms offer a wide range of service reflecting the modern complex and sophisticated nature of society. Lawyers, Doctors, Bankers etc are among the earliest classes of domestic servant and professional who have being offering services.

Advance countries like the united state of American is first service economy. Two third of the private or nongovernmental labour force is engaged in supplying services and almost one half of consumer expenditure are for the purchase of service.

Marketing word is characterized by a wide range of service such as, insurance consultancy services car rental, data processing etc. For some product marketing success required the manufacturer or middlemen to service the goods, this may simply involve installing the product or explaining its operation. On the other hand, service may be extensive, time consuming process especially for certain industrial equipment. However, there are some problems identified in the marketing of service viz.

1. Problem of Value and Worth

Because of the intangible nature of service, value and worth is often very difficult to assess by the consumers price levels and pricing practices

varies greatly, price are often expressed in rates, fees commission, charges tuition and contribution.

2. Service Product Differentiation

Services marketing have more. problems in differentiating their offering from those of competitions. Since there is less latitude from creative product design. Innovations are quickly copied and price competition is typically strong. There is need for service firm to try and develop on effective product positioning. This would involve determining what attribute of the service are important to specific market segments and how those segment perceive the firm and other competitors as performing against these attribute. A suitable position statement is derived from the analysis and this is used in promotion strategy.

3. Service Quality Control (Maintenance)

This is another serious problem for service firm as they market there products. It has been noted that:

- a. Service quality is more difficult for consumers to evaluate than goods quality.
- b. Service quality perceptions result from a comparison of consumer expectation with actual service performance.

- c. Quality evaluation are not made solely on The outcome of a service, they also involve evaluations of the process of service delivery.

4. Problem Of Inventory (Storage)

Many services are created and marketed instantly. A surgeon for instance produces the service of medical operation and markets it at the same time. In such situation a major dimension of competition in the service industries is providing quick time and place utility. In the word of Burnett (2004), the founder of major advertising agency “All our assets go down the elevator every evening” He was referring to the fact that services are perishable. Thus, if the ability to produce a service exists but this productive capacity goes unused because demand for the service is low units of intangible offering will “perish”. This means that, service providing firm can do in most case ensure against risk of various kind (e.g., strikes in the firm) also seasonality of production or seasonality of demand.

5. Difficulty In Synchronizing Supply and Demand

Because service can not be stored and it obvious that actual demand (inform of orders) is rarely exactly the same as forecast demand.

2.11 Prospects of Marketing Consumer Goods and Service

Nigeria is becoming increasingly important as a big market because of her size and resources. Marketing can be defined as the process of

identifying consumer need and want and providing these needs and want that will satisfy the consumer at a profit. While selling is pushing the goods and services to the consumers. Marketing take place before selling. Selling is the activity of marketing. Marketing prospects therefore, according to Bell (1980), is “a challenge to purposeful marketing action that is characterized by a generally favourable set of environment circumstances and acceptable probability of success”. That is the chance to provide satisfaction.

In looking at the industries and business prospects in Nigeria, we shall use the four basic categories suggested by Martin L. Bell (1980):

- The prospect to innovate
- The prospect to improve efficiency
- The prospect to create competitive difference
- The prospects to carve out a market.

There is a great prospect to innovate product distribution and promotion of products in Nigeria. That is, in innovation there are four elements of marketing - product, price, promotions and place. In these four areas, there are virgin fields that need to be tapped, what is needed is a thorough study of the market in order to innovate.

Our efficiency is skill lacking behind normal. This is because efficiency is a function of many variables, for example, if we are talking of

efficient distribution of the products of our manufacturing industries, we cannot do this in isolation of the infrastructure system in the country. For manufacturer to distribute their products efficiently, they must be assumed of goods transportation system and good communication.

Today many Nigeria manufacturers are facing distribution problems. Every body want to be a sole distributor so that he can bring the goods and change his processes. But there are lots of opportunities in transportation business Nigeria needs entrepreneur in physical distribution or transportation business to provide the service to both the production and middlemen.

Nigeria is mature for product/service differentiation. An educated consumer is critical and demanding. There are prospect to create a competitive difference that is an opportunity to become marketing minded. Being marketing minded is creation prospect opportunity to carve a niche in the market. Once this prospect is carved the industry would tap the opportunity that exit for such risk bearer.

The Nigeria industrialist has got many prospects now to establish himself. The developed countries market are now saturated market and marketing are bound to shift to the developing countries. In the field of region, the market is also big. Apart from the pigrariages undertaken by

Nigeria every years the number of religions house are growing more and more. These churches need marketing know- how in order to maintain there members.

2.12 An Evaluation of the Problem and Prospect of Marketing PZ Goods and Services

The marketing of PZ products in Nigeria is not without some problems. Most of these problems have to do with the economy and the state of infrastructures in the country.

On page Eight (8) of the 1998 annual report, chief, Kola Jamodu (the then chairman of the company) expressed optimistic over the 1998 federal government budget which was taught will bring a welcome relief to the oiling economy. But the low level of public spending persisted contraction in purchasing power witnessed, the fuel shortage persisted and harmful product and sales, this lead to cost escalation, the year also witnessed a significant escalation in the continued dumping of cheap finished goods from the Far East and West. Up to now, some of these problems are being experience, they have not change.

The poor state of infrastructure for example road, railway, which the company used in transporting its goods to various means are in poor state.

Electricity facilities are inadequate. These are among other problem that the company is faced within marketing of its products in Nigeria.

However, the following are the income statement of PZ Cussons Plc, Zaria.

CONSOLIDATED CASH FLOW STATEMENT		
	31 st May	31 st May
	2009	2008
	₦	₦
Assets		
<u>Non-current assets</u>		
Goodwill and other intangible asset	157.6	152.2
Property, plant and equipment	200.8	180.0
Other investments	0.6	0.7
Net investment in joint venture	19.0	22.8
Receivables	1.6	0.1
Retirements benefits surplus	20.6	21.5
	<u>400.2</u>	<u>377.3</u>
<u>Current assets</u>		
Inventories	158.3	167.4
Trade receivable and pre-payments	111.3	113.6
Investments	0.3	0.3
Cash and cash equivalent	84.2	44.0
Current taxation receivable	0.8	2.5
	<u>354.9</u>	<u>327.4</u>
Total assets	<u>755.1</u>	<u>704.7</u>
Liabilities		
<u>Current liabilities</u>		
Borrowing	(16.4)	(16.4)
Trade and other payable	(142.1)	(108)
Current taxation payable	(28.3)	(18.5)
Provisions	(3.8)	(1.7)
	<u>(182.6)</u>	<u>(145.0)</u>
<u>Non-current liabilities</u>		
Borrowings	(44.9)	(59.9)

Other liabilities	(1.0)	(1.5)
Deferred tax liabilities	(47.2)	(40.7)
Retirement benefit obligation	(29.6)	51.7
	(122.7)	(153.8)
Total liabilities	(305.3)	(298.8)
Net assets	<u>449.8</u>	<u>405.9</u>
Equity		
Ordinary share capital	4.3	4.3
Capital redemption reserve	0.7	0.7
Hedging reserve	0.3	-
Current translation reserve	20.4	23.0
Retained earning	364.2	320.7
Equity attribute	389.9	348.7
Equity monetary interest	59.9	57.2
Total equity	<u>449.8</u>	<u>405.9</u>

Source: <http://www.pzcussons.com>

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes how the researcher conducts the study. It explains the procedures used in answering the research questions earlier developed by the researcher and outlines the operational plan of the study. The researcher attempts under this chapter, to describe the materials employed in gathering relevant information for the study so that the problems and prospects of marketing of consumer goods and services PZ Cussons Nig. Plc, Zaria could be analysed objectively and systematically.

3.1 Research Design

This research employed two techniques in obtaining all relevant data. The relative effectiveness and efficiency of each method to the study depend a lot on the reliability and validity of data gathered for this purpose.

For this study, it considered more appropriate and convenient to use the descriptive and survey research design. This was adopted due to its distinguished flexibility with respect to method use in gaining in- sight and developing hypothesis.

This will enable the research to describe and give full analysis of data collected which result to valuable suggestion and recommendation.

3.2 Population

Population means the actual numbers (aggregates) of all units which by virtue of common characteristics may be defined as belonging to the same group. Osuala (2001).

In this study the population will constitute the various markets in which Pz depot Zaria supplies and these supplies are done through their various distributions in the market.

1. Funtua	2 distributors
2. Anchau	1 distributor
3. Sobon Gari Zaria	3 distributors
4. Malunfashi	1 distributor
5. Tudun Wada	1 distributor
6. Jaji	1 distributor
Total	9

Source: Pz (Nig) Plc 2002 Annual Report P. 39

3.3 Sample Size

Imoisili, C Imonitic (1996) "Says sample size is concerned with the number of population element that is selected (i.e. sampled) for close study in a research.

The sample size for this study includes six (6) distributors representing one from each location mentioned above, five retailers, two (2) jobbers for each of the two markets and the sales manager PZ (Nig) Plc Zaria, totalling the number of 16 respondents all together.

3.4 Sources of Data

This research entails the use of primary and secondary data. Primary data is defined as the information collected by the research from the field of study. These include data collected through the use of questionnaires which are issued out to distributor, retailer, jobbers and the sales manager of Pz Cussons (Nig) Plc Zaria depot.

Secondary data is an information that has been gathered by some one other the researcher and/or 'or some other purpose them the project at hand. They are obtained from published journal of marketing, Business time newspaper and other relevant textbooks. Bern (1976) defines secondary data as information •collected by other agencies but utility for research in his studies.

3.5 Method of Data Collection

Questionnaire were developed and given out. The research depends on both primary and secondary data as stated. The questionnaires were

designed to get information from the sales manager, distributors', jobbers and retailer of Pz Cussions (Nig) Plc Zaria.

3.6 Method of Data Analysis

The essence of data analysis is to transform the raw data into meaningful form for easy understanding as a basis for drawing references.

In this study, the sample percentage method in tabular form would be employed. The sample percentage method is used to analyze and interpret each response in relation to the over all respondents as a percentage. It is represented by the formulae.

$$\frac{\text{No. of Respondents}}{\text{Total Respondents}} \times 100\%$$

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This section of the research report shall present the data collected for the research and the analysis of these data will follow afterwards. The data to be presented were sourced through the administration of questionnaire. The presentation of these data shall be carried out in four phases via: (a) response from management; (b) responses from the distributors; (c) retailer; and (d) jobbers. Data analysis will take the same precedence as the data presentation. Also the hypothesis earlier being developed in chapter one, shall be subjected to empirical test accordingly.

4.1 Presentation of Data

Presentation of data would be done in four phases as aforementioned. The order of presentation is as thus;

- a. Management responses
- b. Responses from distributors
- c. Responses from retailer and responses from jobbers of PZ Cussions (Nig) Zaria, respectively.

a. Responses From PZ Cussions Management

The questionnaire is divided into (2) sections, A and B containing total of (15) questionnaires administered to the management of Pz cussons (Nig) Plc Zaria. These questions which almost all are close ended were all being presented as follows

Section A

s/no	Questions asked	Responses
1.	Is your company encountering any problem in marketing of its products?	Yes
2.	Given the quality of PZs products in respect to those of the foreign competitors do you see quality as an impediment to marketing of your company's products?	No
3.	Owing to the fast changing trend in technological advancement have your company's product been able to cope with the development. If yes/no please explain why.	Yes We update our technology to keep with changing time
4.	Infrastructural facility are said to be poor in Nigeria, is this affecting the marketing of your products?	Yes
5.	Information technology has greatly affected the nature of promotion, advertising etc. do you think customers of pz cussons are fully informed of the various range of, products offered by your company?	No
6.	Does the economy have an effect on the pricing system used by your company?	Yes
7.	Do you experience sales decline whenever there is a, change in the price of your, company's products?	Yes
8.	Bank leading and fuel scarcity, do they constitute a	

	problem, to the marketing of your, company's products?	
9.	Is there any linkage between the rate of sales of your company's products and seasonal variable?	Yes
10.	Notify that there are two basic seasons in Nigeria, in which of these season is your product greatly affect by poor sales. a. Raining Season b. Dry Season c. It varies by types of products.	Raining season
11.	Assessing the performance of pz's products in the market and consumer attitude towards these products. Do you see the company's product capturing more of the market share in the future? If yes/No please explain why?	Yes Nigeria is a big market and with improvement on Pz product, the prospect for Pa product would be great.
SECTION A II		
1.	Sex	Male
2.	Age	31-40
3.	Educational level attained	Higher education
4.	How long have you been a sales manager with PZ (Nig) PLC Zaria	12 years

Source: *Questionnaire Administered 2010.*

Section (B)

B. Response from the Distributor, Retailers and Jobber of PZ Zaria.

Sixteenth (16) questionnaires containing close ended questions were issued out to major distributors' retailer and jobber of PZ (Nig) PLC Zaria,

and all questions were attended to. Tables would developed were necessary for clear and concise presentation. Hence the data presentation to these groups of respondents will proceed as follows.

Section B

Table 4.1 Opinions of Respondents on Gender Composition of Respondents

Sex	No of respondents	Percentage %
Male	10	62.5
Female	6	37.5
Total	16	1000%

Source: Questionnaire Administered, 2010.

Table 4.1 Showed that 10 of the respondents which were male represent 62.5%, six were females representing 37.57%. Thus, questionnaires administered were not equal in gender consideration.

Table 4.2 Opinions of Respondents on Age Distribution

Age range	No. of respondents	Percentage %
21—30	3	18.75
31—40	8	50
41 above	5	31.25

Total	16	100%
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Source: Questionnaire Administered, 2010.

From table 4.2 there is no respondent between the age range of (18-20), (3) three within the age range of (21-30), eight (8) from (31- 40), while 5 from (41 - and above). These represent 18.75%, 50%, and 31.25% respectively.

Table 4.3 Opinions of Respondents on Educational Qualification

Educational qualification	No. of Respondents	Percentage %
Non forma	2	12.5
Primary School	3	18.75
Secondary	6	37.5
Higher institution	5	31.25
Total	16	100%

Source: Questionnaire Administered, 2010.

The table above (4.3) show that 2 respondents have non-formal education at the point of filling this questionnaires, 3 respondents have primary school qualification while 6 have secondary school certificates. The remaining 5 have attended higher qualification. This depicts that 12.5% don't have any formal educational qualification. 18.75% of the respondent

attended primary school, 37.5% were secondary school tertiary school graduates, lastly, 31.25% of the respondents were tertiary school graduates.

Table 4.4 Opinions of Respondents on Role Perform in the Company.

Role perform	No. of Respondents	Percentage %
Distributors	6	12.5
Retailers	5	62.5
Jobbers	4	25
Total	16	100%

Source: Questionnaire Administered 2010.

Table 4.4 shows the percentage of distributors to be 12.5%, which represent six of the respondent. That of retailers is 62.5% and jobbers 25% which represents five and four respondents respectively.

Table 4.5 Opinions of Respondents on the Duration as a Distributor, Retailers, Jobbers with PZ Cussions, Zaria.

Duration	No. of Respondents	Percentage%
6 months	-	-
1 year	3	18.75

3 years	5	31.25
4 years and above	8	50
Total	16	100%

Source: Questionnaire Administered, 2010.

Table 4.2 indicates that 50% of the respondents have been dealing with PZ Cusson (Nig) Plc products for more than 4 years, while 31.24% of them for 3 years and 18.75% for a year now. This means that greater percentages of the respondents are experienced in the field and they can serve as a reliable source of information for the research work.

Table 4.6 Opinions of Respondents on Problem Encountered in Marketing the Company's Products.

Options	No. of respondents	Percentage %
Yes	12	75
No	4	25
Total	16	100%

Source: Questionnaire Administered, 2010.

Table 4.6 indicates that 75% of the respondents have problems in marketing of the company's products. 25% of them said there is no problem. This shows that a greater percentage of the respondents have one problem or the other as they market PZ's product in the market.

Table 4.7 Opinions of Respondents on Quality of PZ Products with those of Foreign Competitors

Options	No. of Respondents	Percentage %
Yes	9	56.25
No	7	43.75
Total	16	100%

Source: Questionnaire Administered, 2010.

Table 4.7 show from the respondents that there is the problem of technology with 56.25% of against 43.75% so d quality is problems indicating that product from outside the country have superior quality than the one produce in Nigeria. This can be said as a result of superior technology advancement and investment in research and development.

Table 4.8 Opinions of Respondents on Infrastructural Facilities are said to be Poor.

Options	No. of Respondents	Percentage %
Yes	10	62.5
No	6	37.5
Total	16	100%

Source: Questionnaire Administered, 2010.

While 62.5% against 37.5% said infrastructural facilities re poor. Most of the goods are shipped via the roads by big trucks, this might mean high cost charged on the products due to bad road. In developed countries, tracks are specially made to transport certain goods. This is to ensure that there is less damage or no damage at all of those goods while on transit. This is in contrast to what is obtainable here in Nigeria.

Table 4.9 Opinions of Respondents on the Effect of (I.T) on Advertising, Promotion etc.

Options	No. of Respondents	Percentage %
Yes	5	31.25
No	11	68.75
Total	16	100%

Source: Questionnaire Administered, 2010.

Again 68.5% against 31.25% said questioners re not fully informed of the various range of PZ products. Majority of Nigerian are illiterate. They cannot read or write and mostly live in the rural areas. Media used to reach these people i.e. television and radio its operation not yet efficient in Nigeria. Problems like poor receptions, no signal, arid break in transmission due to power failure among other are problem to this system or information technology in Nigeria. Even the urban dwellers are not left out of these

problems, as a result of poverty; many cannot afford a television set r good radio, magazine or newspaper were advertisement are made. These have serious effect on marketing of goods in the country.

Table 4.1.0 Opinions of Respondents on Effect of Money on Level of Sales

Options	No. of Respondents	Percentage %
Yes	16	100
No	-	-
Total	16	100%

Source: Questionnaire Administered, 2010.

Table 4.1.0 interestingly this show that 100% of the respondent are agreed that lack of money affect the level of sales. The purchasing power of consumers, inflation devaluation of currency, G.D.P. all are determination of what consumer can go and buy from the market thereby affecting marketing.

Table 4.1.1 Opinions of Respondents on PZ Product (price) in Relation to Close Substitutes

Options	No. of Respondents	Percentage %
Yes	13	81.25

No	3	18.75
Total	16	100%

Source: Questionnaire Administered, 2010.

Table 4.1.1 indicate that 81.25% of the respondent agreed that the prize at which PZ product sell in relationship to close substitutes affect sales against 18.75% who said sales is not affected. Normally due to the competition n the market, whenever there is a change in the price of a particular product which has close substitutes; consumers go for the one with the lesser price, but with the exception of some consumers who are loyal to a particular product of a company.

Table 4.1.2 Opinions of Respondents on the Effect of Climatic Changes

Options	No. of respondents	Percentage %
Yes	16	100
No	-	-
Total	16	100%

Source: Questionnaire Administered, 2010.

Table 4.1.2 show that greater percentage agreed that climatic and seasonal change affects sales. 100% of the respondents all attest that climatic change affects sales in Nigeria, especially up north and middle belt

usually experienced hot and cold climatic, condition in the year. This affects the sales of some product in the market, example product like Robb, Chinese balm don't sale in the market during the heat period,

Table 4.1.3 Opinions of Respondents on Season that is greatly affected by Poor Sales

Options	No. of respondents	Percentage %
a. Raining season	15	93.75
b. Dry season	-	-
c. Varies by type of product	1	6.25
Total	16	100%

Source: Questionnaire Administered, 2010.

Meanwhile, 93.7% against 6.25% said that poor sales are experience greatly during the raining seasons. This is due to the fact that raining season disrupt a lot of marketing activities e.g., transactions goods cannot be displayed because of the fear that they can be spoiled by rain fall and at most time force distributors, retailers and jobbers to close business before time. These may constitute a problem to general sales of the products.

Table 4.1.4 Opinions of Respondents on Performance of PZ Products in the Future

Sex	No. of respondents	Percentage %
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Yes	16	100
No	-	-
Total	16	100%

Source: questionnaire administered, 2010.

Table 4.1.4, 100% (16) respondents all agreed that the company's product have a brighter future in the market. This means that PZ's product are among the quality products produced locally in Nigeria and with that of their number one major competitors, liver brother (Nig) Plc. With the ban on foreign goods, the prospects are great both for local manufacture and those willing to invest in the country. Example; certain toilet soap is being imported into the country: Giv toilet soap. This soap have optioned a large market share than Pz's and liver brothers (NIG) Plc put together out with the embargo these two companies has taken over the market of Giv toilet soap now.

4.2 Data Analysis

Data analysis in this research work would follow the same precedence as the data presentation in order o maintain orderliness and also, as to avoid complexities.

Analysis of Management Response

The answer given in question one showed that PZ Cussons [Nigerian] PLC do encounter some problem in the marketing of its product. In question number two, it shows quality as compare with those of foreign competition is not a problem. Question 3 and 5 also indicates that technology is not a problem in marketing consumer goods services in Nigerian. This could be understood from the fact that P.Z Cussons [Nigerian] PLC is trying in updating it's technology and also adverting it's product through various means e.g. media, advertising agents issuing of publicity materials. Response to question 4 suggests that the state of infrastructural facilities affect marketing in Nigerian.

Question 6, 7 and 8 show that the economy have effect on the marketing of consumer goods and services purchasing power, inflation, GDP, GAP and even recession in the economy will affect production and price in the market. Responses to question 9 and 10 shows that there is link between the level of sales with climatic and seasonal variation, with sales greatly affected during the raining season.

Finally responses to question 11 reveal that there is great prospect in the Nigeria market. First of all, the market is large enough and the country is blessed with human and natural resources that ensure market growth. The embargo on imported manufactured goods from developed countries

has even brighten the prospect the more to local manufacturers and those willing to invest in the country.

Section "A" II of the questionnaire shows that the respondents are male between the ages of 31 — 40 years. The respondents is educated up to higher institutions and have served PZ (Nig) Plc for about 12 years now which means that respondents is well experiences in the field of marketing.

4.3 Test of Hypothesis

The hypothesis, Ho and Hi earlier developed and sated in chapter one shall be subject to empirical test. The statistical tools that would be used for this purpose is the chi-square. The chi-square is denoted by a Greek letter χ^2 .

A chi- square is a sample statistics. It is computed as follows:

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

Where χ^2 = Chi square

O = Observed value

E = Expected value

Hypothesis testing on the other hand measures the discrepancy between observed and expected frequency. Hence, testing the hypothesis

of generating statistical values from the data so far gathered. These values would be based on respondents of the problems and prospects of marketing consumer goods in Nigeria, from (3) groups of respondents via distributors, jobbers and retailers.

Note that to get expected frequency, the formula to be used as given as thus

$$\Sigma f = \frac{NR}{NO}$$

Where

Σf = Expected frequency

NR = No of responses and

No = Number of options

From the research data, the numbers of options are two (2) i.e. yes or No. To test hypothesis one of the table of distributors, jobbers and retailers was picked.

Table 4.2 Price in Relation to Close Substitute

Options	No Of Respondents	Percentage%
Yes	13	81.25
No	3	18.75
Total	16	100%

$$\Sigma f = \frac{NR}{NO} = \frac{16}{2} = 8$$

Options	O	E	O-E	(O-E) ²
Yes	13	8	5	3.125
No	3	8	-5	3.125
Total	16	-	-	6.25

$$X^2 = 6.25$$

To get our degree of freedom we use

$$V = K - 1$$

Where; V = Degree of freedom

$$K=2$$

1 = constant

Therefore;

$$V = K - 1$$

$$V=2- 1$$

$$V=1$$

The critical value of X² at 99.5% confidence level or 0.05 significance level is 7. 88 (check X² discounting table at degree freedom of 1).

Decision rule; Reject Ho if the value calculated X² is greater than the critical value otherwise accept it.

Since 6.25 is less than 7.88 H_0 is rejected and H_1 is accepted. This confirms that technology, economy and natural environment are problems to marketing of consumer, goods and services in Nigeria.

4.4 Research Findings

In the course of this study, the researcher comes in contact with these findings which are as follows:

1. That there are certainly problems in the marketing of consumer goods in the Nigeria market.
2. That there is still problem of technology, even though manufacturers are trying to improve o their technology so as to match foreign competitions but infrastructural facilities within the country e.g. electricity, communicating etc is an impediment to this move.
3. That Illiteracy and poverty also hinder efficient marketing of goods and services in Nigeria.
4. It was discovered during the course of this research, contrary to opinion of some authors view that the marketing concepts is not in use as it should in Nigeria but due to the researcher observation and distributors, retailers and jobber the researcher find out that due to the fierce competitions presently all marketing activities are fashioned towards the consumers goods and wants. Both manufactures, the

distributors, retailers and jobbers are oriented to be market conscious.

5. Sales is affected ,by purchasing power (income) f consumer that is why whenever there is an increase in price of products, consumer go for close substitutes of these products.
6. Climatic and seasonal change affects marketing of consumer goods in Nigeria. Company's distributors, retailers and jobbers all confirm that sales move greatly during the dry season in Nigeria.
7. Prospects of the Nigerians market can not be compared with any other in Africa because of its great human and natural resources .most recently also government policy on imported goods into country, has brighten the local manufactures prospects and investment opportunities.
8. A new finding with regards to problem of marketing products in Nigeria is the current ugly incident of ethnic Sand religion and political crisis that has plague the country. The researcher through observation and interaction with the players in marketing has come to discovered that there is a problem. If nothing is done very fast about

it, these ugly problems will dim the prospects that already exist in marketing of consumer goods and services in Nigeria.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

Marketing success is all about efficient and effective satisfaction of consumer needs and wants among other things which place's one company at competitive advantage over other's in the same or different industries. In chapter (1) one the background of this research work on problems and prospects of marketing consumer goods and services was discussed. Other items like statement of the problem, objective etc of the study were stated.

Chapter (2) two of the study which is basically a review of relevant literature of marketing touches several issues like concepts of consumers goods and services, characteristics and prospects etc of marketing consumer goods and services in Nigeria were reviewed.

While chapter three (3) of this study, made an attempt in given an explicit description of the procedure use in carrying out the research work.

In chapter four (4) the study dealt mainly within the presentation and analysis of data obtained from the field survey conducted. At the end of its hypothesis was tested and findings were made.

5.2 Conclusions

The outcome of the study shows that there are problems and likewise prospects in marketing of consumer good and services in Nigeria markets. Some of these problems are in the area of infrastructural facilities for example for the manufacturers to distribute their products efficiently they must be assured of good roads, good transportation system and good communication. Today many Nigerian manufactures are facing distribution problem. The adverse economy in Nigeria has effect on marketing activities.

The fluctuations in oil prices or scarcity make the cost of many things to raise beyond the common consumers who are the majority, thereby causes problems of poor sales to manufactures, distributor and retailers in the market. Other problems like bank interest rate, inflation, consumer purchasing power are problems to marketing consumer goods in Nigeria. The natural environment, climate and seasonal conditions are factors affecting the marketing of consumer good and services.

Climate tends to determine the sales of some certain products in the market. The raining season in Nigeria tend to create obstacles to transportation and distributions of consumer good and services, for example during the raining season some remote area, even in urban cities

due to poor road network are not easily assessable. Therefore, this causes the problem of like in prices of consumer goods and services thereby affecting the level of sales.

As regards to prospects they are enormous in Nigeria for instances, there are prospects for those who want to innovate, improve efficiency, create a competitive difference and then carve out a market.

5.3 Recommendations

From the foregoing discussion, the researcher makes the following recommendations in line with research findings.

1. Given the prospect in marketing of consumer goods and services, manufactures should invest heavily on research and development. By this, they would be able to bring out products that are of foreign competitors. They should also sponsor researcher in universities and in research institutions. This is because Research and Development (R&D) can not be independent of production. And production of quality products lead to marketing which is result to satisfaction of human needs and wants for a given consideration profit. Nigeria needs entrepreneurs in physical distribution or transportation business with modern facilities to provide the services to both the products and distributors.

2. By research and development, product can be produce to suit the climatic and seasonal variations in Nigeria, new package can be made for products so that climatic or seasonal conditions cannot have effect on or damage them easily. This will go a long way in providing solutions to problems faced during the raining season by marketers, as most of the goods are displayed outside in the open markets.
3. The fact that the economy is the engine growth in the organization responsible for the production of consumer good and services is no longer debated. It is a matter that has been accepted by marketers and any other professions. As it has now become clears that the race of business transactions or activities is largely determined by the economy. Government should make policies that control bank high lending rate and also appropriate monetary policy rate that will check inflation in the country believe, government can be able to do this effectively through the central bank of Nigeria.
4. We are happy that the country is in a democratic era now; with this development relationship with many other countries has improved. These have created more chance of foreign investment in Nigeria. But just as it has been mention in the course of this study, the recent

ugly incident of ethnics, religions and political unrest is a great threat to these prospects in Nigeria. Therefore, government should take appropriate and drastic actions against the occurrence of such incident by improving on security operations (Intelligence, logistics and training) to protect life and property.

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APPENDIX

QUESTIONNAIRE TO THE SALES MANAGER PZ CUSSONS (NIG) PLC, ZARIA DEPOT

Introduction: Please tick the appropriate column against your answer where alternative answers are provided, where otherwise use the space provided. Thank you.

Section A

1. Sex: Male [] Female []
2. Age: 21—30 []
31—40 []
31—40 []
41&above []
3. Educational level attained
 - a. Secondary school []
 - b. Higher institution []
4. How long have you been a sales manager who PZ Cussons (Nig) Plc?
 - a. 6 months []
 - b. 1—2years []
 - c. 3—4years []

d. 5 years above []

Section A II

1. Is your company encountering any problem in the marketing of its product?

a. Yes [] No []

2. Given the quality of PZ's products with respects to those of the foreign competitors. Do you see quality as an impediment to the marketing of your company's products?

Yes [] No []

3. Owing to the fast changing trend in technological advancement, have your company products been able to cope with the development?

Yes [] No []

If yes/No please explain why

4. Infrastructural facilities are said to be poor in Nigeria. Is this affecting the marketing of your product?

Yes [] No []

5. Information Technology (I.T) has greatly affected the nature of promoting, advertising etc. Do you think customers of PZ industries are fully informed of the various range of products produce by your company?

Yes [] No []

6. Does the economy has an effect on the pricing system used by your company?

Yes [] No []

7. Do you experience sales decline whenever there is a change in the price of your company's product?

Yes [] No []

8. Do bank lending and fuel scarcity constitute a problem to the marketing of your company's products?

Yes [] No []

9. Is there any link between the rate of sales of your company's product and seasonal varieties?

Yes [] No []

10. Notify that there are two basic seasons in Nigeria, in which of these seasons is marketing of your products greatly affected by poor sales?

a. Raining season [] b. Dry Season []

11. Assessing the performance of P.7's products in the market and consumer's attitude towards your company's products. Do you see the products capturing more of the market share in future?

Yes [] No []

12. If yes/No please explain why

QUESTIONNAIRE TO MAJOR DISTRIBUTORS, RETAILER AND JOBBERS

Introduction: Please tick the appropriate column against your answer where alternative answers are provided, where otherwise use the space provided. Thank you.

Section B

1. Sex: Male [] Female []

Age: 18—20

21 -30 []

31- 40 []

41&above []

2. Educational level attained

a. Non-formal []

b. Primary education []

c. Secondary school []

d. Higher institution []

Section B II

1. What role do you perform in the channel of distribution?

Distributor []

Retailer []

Jobber []

2. How long have you been a distributor, retailer, jobber of P.Z. Industries?

a. 6 months []

b. 1 year []

c. 3years []

d. 4 years and above []

3. Do you have any problem in the marketing of the company's products?

Yes [] No []

4. Given the quality of PZ products with those of the foreign competitors, do you see quality as an impediment to the marketing of the company's products?

Yes [] No []

5. infrastructural facilities are said to be poor in Nigeria do you consider this affecting distribution?

Yes [] No []

6. Information Technology (IT) has greatly affected the nature of advertising, promotion etc., do you Think customers are fully informed of the various range of products produce by PZ?

Yes [] No []

7. For some years now, most Nigerians complain of lack of money. Does this affect your level of sales?

Yes [] No []

8. Does the price at which PZ's product sell, in relation to close substitutes affect your sales?

Yes [] No []

9. Does climatic change affect the marketing of PZs products?

Yes [] No []

10. Notify that there are two basic seasons in Nigeria, in which of these season is marketing greatly affected by poor sales?

a. Raining season [] b. Dry season []

c. It varies by types of products []

11. Assessing the performance of PZ's products in the market and consumers attitude towards these products, do you see the company's product capturing more of the market share in the future?

Yes [] No []