

**AN APPRAISAL OF MARKETING MIX APPLICATION IN RETAIL  
INDUSTRY**

*(A Case Study of Jovenson in Auchi, Edo State)*

**BY**

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**BEING A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF  
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## CERTIFICATION

We, the undersigned certify that this research work titled “*An Appraisal of Marketing Mix Application in Retail Businesses*” A Case Study of Jovenson in Auchi, Edo State was written by **AGBEBOAYE ODION ASSURANCE** with **MAT NO: SBS/2122040275** in the Department of Marketing, School of Business Studies, Auchi Polytechnic, Auchi.

We also certify that the work is adequate in scope and content for partial fulfillment of the requirement for the Award of Higher National Diploma (HND) in Marketing.

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## **DEDICATION**

This project is dedicated to Almighty God and all lovers of knowledge

## ACKNOWLEDGMENT

I am grateful to God Almighty for his mercy, love, care, blessing and understanding toward my education.

I wish to show my appreciation to my project supervisor **Mr. Abdulkareem Danlami Oseni** for his direction and understanding toward my project, May God bless and give him and his family good health.

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## ABSTRACT

*This research work shall determine whether or not the principles of marketing as being taught theoretically is applied in the retail Business and to what extent. In order to effectively and efficiently carryout an appraisal of marketing mix application in retail industry that would be a reflection of the entire retail business in Auchi town, some selected retail business was used as a case study where questionnaires was administered. The data collection techniques used was primary and secondary sources of information. My greatest limitation in this endeavour was the smallness of research-based evidence and some inaccessible publications, despite this and other obstacles spurred me on and I try to make the best use of an otherwise bad situation. This work is divided into five chapters. Chapter one focuses on Background of the study, statement of research problems, purpose of the study, research questions, research hypothesis, significance of the study, scope of the study, limitation of the study and operational definition of terms. Chapter two (2) build on literature Review by looking at an overview of marketing and marketing mix elements, Retailing as a marketing function, nature and importance of Retailing, marketing mix application in retail business, retail price and pricing strategy, promotional mix, distribution as a marketing mix element and an appraisal of the marketing concept in Retail businesses. In chapter three (3) reflected on research methodology where research design, population of the study, sampling procedure, methods of data collection, data analysis, validation of instrument, cut-off point and decision rule was discussed in chapter four (4), questionnaires were structured and administered to respondents, their responses were analysed and hypothesis tested while in chapter (5), it discussed summary of findings, conclusion and recommendation. Conclusively, the marketing mix element should not be seen as a more marketing too for activities but a veritable market tool for achieving an organizations goals and objectives in the long-run.*

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

Since the business world is becoming increasingly competitive, businesses try to out-do the others with different marketing strategies in order to gain a competitive stand in the market. Managers at different business organizational level are using some controllable variables at their disposal to achieve their business objective. These variables are what we call the marketing mix elements.

According to Nnolim and Nkamebe (2007) defined marketing Mix as a combination of product, Price, promotion and distribution utilized by a marketer or company to address a target market during a given period. A target market is the group of present and potential customers that the company aims its product at. In developing the appropriate marketing mix to reach a target market, the target marketing is evaluated as a function of its acceptability to the customer and its ultimate effect on the society. Some of the logistical factors affecting product decisions are physical product decision, product characteristics and differentiation. Physical product characteristics as regards storage of the product include the weight value relationship and the risk associated with buying of product. Pricing interacts with logistics in several areas being terms of transfer of the product title and responsibilities of transfer are determined by the specific geographical pricing system used. A retailer regards price as the amount for which he or she wants to sell his product in order to make profit, while a buyer or consumer on the other hand often



view price differently as the cost of acquiring and owning a product or service, including the time required to shop and compare brands. Promotion interacts with logistics in the area of advertising, sales promotion and personal selling e.t.c. Advertising promotional campaigns must be planned, the focus here will require an exploration of promotional process and element of communication on which it is based.

From the foregoing, a check on the performance of the marketing mix element in retail business and if effectively and continuously appraised, it can yield better customer satisfaction and thus increase the profit of retail business.

The marketing strategy conducted by any firm always based on the state of the external and internal firm which includes strength, weakness, opportunity, and threat. This also known as the SWOT analysis. This analysis determines which kind of marketing strategy best applied by the firm and then the result of the marketing strategy can be seen from the sales as a representation of the product's performance in providing profit to the firm.

The term product refers to a physical commodity or anything offered by an organization to provide customer satisfaction(Bell and Vincze, 2006).A firm's product mix has four important dimensions: width, length, depth, and consistency. The width of product mix pertains to the number of different product lines that the firm sells. The length of product mix pertains to the number of total products or items in its product lines. The depth of product mix pertains to the total number of variations for each product. The variations include size, flavor, formulation, and any

other distinguishing characteristic. The consistency of product mix pertains to how close is a product line to another product lines in terms of use, distribution lines, or other terms (Kotler and Armstrong, 2008). Every product generally can have three major elements: attributes, benefits, and a support system(McDaniel and Darden, 2002).

## **1.2 Statement of the Problems**

Many retailers in recent years have been experiencing low patronage from customers, which has in most cases led to decrease in profitability of such business. A common trend among customers who patronise these various outlets is that they either complain of price of their product (exorbitant prices) or poor product quality stocked, inability to get the product when needed to lack of awareness of the existence of the product. Looking at these complaints from customers, and low response on the part of the retailer. A study of this nature to find out how this problem can be solved became apparently imperative. So the problem of the study put in question form is; how can retailers improve on their services by applying the marketing mix?

## **1.3 Objectives of the Study**

The aim of this study is to examine the extent and scope of the application of marketing concept to service industry.

The specific objectives of the study are:

- a. To examine the relevance of marketing mix application to retail business

- b. To evaluate the problems encountered in the adoption of marketing mix application in retail business
- c. To know how marketing mix application enhances retail business?

#### **1.4 Research Questions**

- a. To what extent is the relevance of marketing mix application to retail business in Auchi?
- b. To what extent do problems encountered in the adoption of marketing mix concept in retail business Auchi?
- c. To what extent does marketing mix application enhances retail business in Auchi?

#### **1.5 Statement of the Hypothesis**

The following hypotheses were formulated in order to carry out a detailed research on the topic they include:

##### ***Hypothesis I***

***H<sub>0</sub>:*** The evaluation of marketing mix application has not enhanced retailing business in Auchi.

***H<sub>1</sub>:*** The evaluation of marketing mix application has enhanced retailing business in Auchi.

##### ***Hypothesis II***

***H<sub>0</sub>:*** The marketing mix application cannot be successfully applied in retailing business in Auchi.

***H<sub>1</sub>:*** The marketing mix application can be successfully applied in retailing business in Auchi

### ***Hypothesis III***

***H<sub>0</sub>***: There is no extent to which problems encountered in the adoption of marketing mix in retail business in Auchi

***H<sub>1</sub>***: There is extent to which problems encountered in the adoption of marketing mix in retail business in Auchi

### **1.6 Significance of the Study**

This research work will be important to those individual or group that are engage in retail businesses, as it will furnish them with information that will improve their businesses. In addition, this project work would serve as an information source to any subsequent researcher that may consult it, in an attempt to equip his or herself with formation on the marketing mix as it relates to retail outlets.

Most importantly, the study would serve as a very useful guide to potential retailers who will consult it, since the project work deal extensively on the relationship that exist between the theoretical marketing mix variables and the retail businesses in Auchi town. The potential retailers would be in a better position, to effectively blend the various variables of the marketing mix, so that they will suit the need and aspirations for better customer satisfaction and meet the profit standing of the retail business.

### **1.7 Scope of the Study**

This research work is aimed at an appraised of marketing mix application in the retail industry. Being that, retail businesses in Auchi town has been selected to serve as a case study, the researcher will administer structured questionnaires to

managers and staffs of some selected retail outlets to collate information (data) on their product line, stock control, price and pricing, distribution and promotion. From the findings, information sourced would be analysed to know if they are applying the marketing mix variables effectively and efficiently.

### **1.8 Limitation of the Study**

This work is limited to retail business in Auchi town. The essence being to enable the researcher have enough time to carry out in-depth study of the subject matter which is an Appraisal of the marketing mix elements in retail businesses. Some of the major limitations the research faced on the course of carrying out this work are as follow;

1. **Time Constraint:** This factor posed some constraint on the successful execution of this project, encroached upon by other activities such as assignments, test and preparation for my examination.
2. **Financial Constraint:** The researcher finds it difficult to complete the project on time due to inadequate financial resources to meet the logistics of travelling (transportation) and internet search for published materials.
3. **Attitude of Respondents:** Respondents attitude to the questionnaire posed serious problem as regard the amount of the information gathered from field survey.
4. **Inadequate research materials:** Obtaining related materials such as textbooks, journals, and other publication from the library and other source was somehow difficult.

## 1.9 Operational Definition of Terms

It is pertinent to know some marketing jargons that are use in this research work and they are enlisted below

- a. **Retailer:** A retailer is a merchant, a person or occasionally an agent whose main business is selling directly to the ultimate consumer. He is an intermediary that functions as a link between the wholesaler or producer with the final consumer.
- b. **Appraisal:** The act of estimating, or judging the nature or value of something. It is an estimate or considered opinion of nature, quality, importance etc.
- c. **Marketing Mix:** This is a combination of product, price, promotion, place which are controllable variables that a marketer use to satisfy customers needs and wants as well as meet it business objectives.
- d. **Price:** This refers to what the buyer gives and what the seller gets in return for a product. The price to an item is the monetary value for which the seller is willing to exchange the product or it is the perceived value of a product in the eyes of the buyer.
- e. **Product:** This is defined as anything that can be offered for market attention, acquisition and consumption and it is capable of satisfying the wants or needs of the consumers at a profit. It is the benefit derived from a physical entity or service marketed.

- f. **Promotion:** Promotion as any form of communication which is aimed at affecting and facilitating exchange. This is sometimes called marketing communication and it is made up of personal selling, sales promotion, advertising, publicity, direct marketing etc.
- g. **Place:** Also know as distribution or channel of distribution, it may be defined as the flow of title to goods and the movement of the goods from the point-of-production towards the point-of-consumption.
- h. **Selling:** selling is handing over something of value in exchange for money or another item of value. But to get to the point where someone is willing to part with their money to obtain an item or service often requires persuasion.
- i. **Business:** The term business refers to an organization or enterprising entity engaged in commercial, industrial, or professional activities. Businesses can be for-profit entities or they can be [non-profit](#) organizations that operate to fulfill a charitable mission or further a social cause. Businesses range in scale from sole proprietorships to international corporations and can range in size from small to large.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

Every modern economy consists of households (consumers), business enterprises, and non-business organizations. These bodies interact constantly in the context of a dynamic environment. The economic interaction among these different entities result in the conception, development, production, distribution and consumption of goods and services is to satisfy human needs and wants.

Within any organization, a number of activities are necessary to generate, facilitate and direct the flow of goods and services. The entrepreneur must acquire resources (men, materials, money, machines and technology) and combine them in suitable proportions. The production department has responsibility for the creation and provision of services (in the case of service organizations) or for the chemical and/or physical transformation of materials into final outputs (in the case of a manufacturing concern). The personnel department is responsible for procuring, developing and managing the human input; Finance unit function is acquisition and development of the funds needed to keep business afloat while the accounting department is responsible for the collection, recording, analysis, presentation and interpretation of data relating to the financial transactions of the organization.



## **2.1 Conceptual Framework**

### **2.1.1 Concept of Marketing Functions**

Marketing and its functions may be viewed from two broad perspectives. A macro-marketing viewpoint examines entire economic system of a given society. The second perspective, which is the micro-marketing viewpoint, involves the consideration of marketing as an enterprise function. This second approach analyses marketing's role within a given economic unit such as business organization. The relationship between micro marketing and macro-economics is akin to the relationship between macro-economics and micro-economics. While micro marketing is concerned with individual marketing units, the latter deals with the entire marketing system as an aggregate.

No business organization can survive in the long-run without customers. For this reason the marketing concept which is a fundamental business or management philosophy. In order to place the discussion of this concept in perspective, it is necessary to first, discuss other business philosophies or orientation, which predated the marketing concept. The philosophies are production, product and sales orientations. Others are the marketing concept and societal marketing concept.

**Production Orientation:** Prior to, and during the industrial revolution which occurred, between the middle of the eighteenth century and the middle of the nineteenth century. With the birth of the factory system, the major concern of business was how to produce enough goods and services to meet the demand for

them and how to reduce the unit cost of production. This gave rise to mass production and standardization.

**Product Orientation:** This concept holds that consumers will demand for products with best quality, best innovative feature and of course best performance. Markers that believe or adopt this concept focus on producing good quality products and keep on improving on them from time to time. However, it should be noted that an improved product without it being advertised, distributed and priced cannot sell (i.e. a good product will sell itself).

**The Sales Orientation:** Emphasis on selling techniques and methods appeared as a natural follow up of the product concept. If attention to product design and quality could not guarantee sales, improvements in selling methods and techniques was required to do the trick. Among the selling techniques that companies adopted in this period were salesmanship, product display, advertising and branding. The gains resulting from this new orientation turned out to be short-lived, thereby setting the stage for a marketing orientation.

**The Marketing Concept:** The marketing concept has been described as “the satisfaction of customers wants at a profitable (sales) volume, in the integrated business operation, where the businessman is socially responsible for his product even beyond the reaching the needs of the final consumer”. It recognises that searching for better ways of serving customers is the route to both customer satisfaction and long-run company profits.

The production and selling orientation focus on the needs of the producer, while marketing concept focuses on the customers needs.

### **2.1.2 The Marketing Mix**

Modern marketing recognises four broad areas of marketing decision-making in profitably serving the company's target market. These decisions relate to;

- i. The kind of product to make and/or offer for sale;
- ii. How to promote the product
- iii. How to price the product; and
- iv. How to distribute/place the product.

Therefore, the variable that the marketer can manipulate or change, in his attempt to be effective, are the product, promotion, price and place (distribution). These are popularly referred to as the 4P's of marketing because each of them begins with a "P". this is why they are sometimes referred to as controllable variables or the controllable marketing decision variables to distinguish them from other variables over which the marketer has little or no control.

According to McCarthy (1981), the marketing mix refers to "the controllable variables which the company puts together to satisfy its target market". A target market is the group of present and potential customers that the company aims its products at.

While Agbonifoh, Ogwo, Nnolim and Nkamnebe (2007) define the marketing mix as that combination of product, price, promotion and distribution utilized by a marketer or company to address a target market during a given period.

### **2.1.3 Nature and Importance of Relating**

According to Kotler (2008) any institution that is involved in the selling of goods and services to the ultimate consumers for their personal non-business use whether manufacturer, wholesaler is doing or involved in retail. It does not matter how the goods or services is sold whether it's retail. One of the most popular or common forms of business activities that the bulk of people in any society are engaged in, this is a result of the case which it is established by renting a location and having products suppliers who are ready to grant credit facilities, hence the capital requirement can be held to a minimum. Virtually anybody regardless of experience can open a retail store; one side effect of this however, is the high rate of failure among those who lack competence and experience required to effectively deal with the problems of;

- i. Sophisticated management skill needed to solve complicated and dynamic problem.
- ii. Escalating cost of physical and human resources.

According to Kotler (2004) the days have long disappeared when rule of thumb were sufficient to run a successful retail for survival than most other business enterprises do. Retail activities such as advertising, personal selling, Merchandising and interior store design are artistic, while activities such as inventory control, market research and financial analysis demand the science discipline.

One of the myth of retail that existed for so long, was misguided perception. The case with which a person can enter the field, but do not know how to stay in business.

According to kotler and Armstrong (2006); Apart from the very slow growth rate among retailers, the rate of failure among them is very high, while there may be comprehensive research figured to justify the claims of slow growth rate and high rate of failure; for now, an important review of retailing carried out by this research within Auchu town, corroborated with the claim to a very large extent. To avoid slow growth and high mortality rate of retail business; existing retailers should embark on formal training in the Art and Science of retailing.

#### **2.1.4 Importance of Retailing**

Retailers provide place, time, a possession and sometimes form utilities for customers and suppliers effectively. They do this by actively by performing transactional logistical and facilitating functions. Retailers make goods and services available at the point where they are needed, thus eliminating inconveniences that consumers would have otherwise faced. They constitute an important link pin for information between the consumers and producers, particularly where the communication channel established and in use is quite usual being that consumers do not buy in large quantities. Therefore, retailers meet their needs by selling in bits and pieces.

### 2.1.5 Marketing Mix Application in Retail Business

According to google.com; Being that retail business is the variable been treated in this research work. Products are also termed as merchandise. The different product that store offers is termed as the merchandise mix.

As has been mentioned earlier: A merchandise line consists of a group of product that is closely related because they are intended for the same end use, are sold to the same customer group or fall within the same price range. For example, if we consider the men's wear section at a department store, the merchandise line would consist of formal wear, casual wear, accessories etc.

The variety of the merchandise mix refers to the number of different lines that the retailer stocks in the store. Thus, the merchandise lines in a department store would be menswear, ladies wear, children's wear, jewelry etc. The same in case of grocery retailer would comprises of cereals, pulses, personal care products, ready to serve foods, packaged food like biscuits, snacks etc.

The **breath** also called assortments refers to the number of merchandise brands in the merchandise line, if the merchandise line is menswear, an example of breath of the formal wear shirts would be the number of brands of shirts that the store stocks.

The **depth** of the merchandise refers to the average number of stock keeping units within each brand of the merchandise line. Stock keeping units (SKUs) are the individual products that the store carries, defined by brand, size, colour, price, style and pattern.

**Price:** Pricing is an integral part of the retail marketing mix. The price policy that the organization decides to follow depends on the customer profile that is the target audience for its range of products. It also depends on whether the product offering is unique or has other substitutes available. For example, designer clothing is always expensive as compared to petty lines offered.

**Place:** For a very long time the location of the retail store was considered to be the most important element of the retail marketing mix. However, with the advances in technology and the advent of television shopping and the internet, many retailers are now going in for a click and mortar approach.

**Promotion:** The advertising budget, the sales promotions, publicity and public relations play a very important role in competitive world of retailing. Retailers need to develop a communication strategy in line with target market and the products that they stock in store.

**Presentation:** The manner in which the merchandise is presented at the store level is very important. This aspect not only deals with the store layout and ambience created, but also with visual merchandising, that is the orderly systematic and intelligent way of putting stock on display in the retail store. Many large organizations employ visual merchandisers to aid the store in this function.

**People:** Retailers operate in a unique environment. The retail industry is characterized by a large number of inexperienced workers, who need to put in long hours of work. Most of the time, these employees are in direct contact with the customers and may face irate or unreasonable customers. The people who work at the

front end of a retail organisation are very important, as they are the face organisation present to the customers. Their attitude, behaviour, manners and product knowledge play a very important role in building long-term relations with the customers.

**Customer Service:** The support services that a retailer has have become very important today. The credit policies, product returns policies etc. need to clear not only to the sales staff but also to the end customer relationship marketing data warehousing and customer relations management are the new buzzwords in the industry today, and all these are aimed at enhancing customer service.

### **2.1.6 Price and Pricing Strategies**

The commonest definition of the price of a commodity is that, it is the monetary value for which the seller is willing to exchange the item. To be precise, the price of an item is what the buyers gives in return for it.

According to Agbonifoh, Ogwo, Nnolin and Nkamnebe (2007): They define price to be what the buyer gives and what the seller gets in return for a product. By this definition any expenditure by a buyer which does not become an income (revenue) to the seller is not considered to be part of the price of the commodity or service being sold. While McCarthy (1981) sees price as what is exchanged for something. This means that, price is the value placed on what is exchanged. Price is a basic regulator of a free enterprise system economy.

Given the above definitions of price, the definition of pricing follows naturally; it refers simply to the process of price determination or price fixing.



There are many outside influences that affect profitability and a retailer's bottom line. Setting the right price is a crucial step toward achieving that profit. Retailers are in business to make a profit, but figuring out what and how to price products may not come easily.

Before we can determine which retail pricing strategy to use in setting the right price, we must know the cost associated with the products. Two key elements in factoring product cost is the cost of goods and the amount of operating expense. The cost of goods includes the amount paid for the product, plus any shipping or handling expenses. The cost of operating the business or operating expense, includes overhead, payroll, marketing and office supplies.

Regardless of the pricing strategy used, the retail price of the products should more than cover the cost of obtaining the goods plus the expenses related to operating the business. A retailer simply cannot succeed in business if they continue to sell their products below cost.

### **2.1.7 Retail Pricing Strategies**

Now that we understand what our products actually cost, we should look at how our competitors is pricing their products. Retailers will also need to examine their channels of distribution and research what the market is willing to pay. Many pricing strategies exist and each is used based on particular set of circumstances. Here are a few of the more popular pricing strategies to consider.

**Mark – up Pricing:** This is used to describe the price fixing technique of many retail outlets where the final selling price is simply the cost price plus a mark-up or a given percentage.

**Loss Leader Pricing:** Here, supermarket and departments stores drop the price on well-known brands to generate store traffic. But manufacturers typically disapprove of their brands being used as a loss leader because this can dilute the brand image as well as cause complaints from other retailers who charge the normal price.

**Haggling:** Also called higglering, this is a flexible pricing method which involves both the seller and the potential buyer in negotiations regarding the transaction price. The seller is normally called upon by the potential buyer to name his offering price. The buyer then makes his counter offer which is usually lower than that of the seller. Negotiation begins and continues until both parties either unable to agree or until they strike a mutually acceptable price.

**Customary pricing:** This is a method whereby a seller charges a price which has become customary in the industry. The method suggest that the new firm for all practical purposes, considers itself a price taker since deviating from the going rate or the customary price could lead to unpleasant repercussions either in the form of adverse consumer response or retaliatory or punitive measures from competitors. Example, rate of hairdressing, barbing saloon are quite similar from one to the oth

### **2.1.8 Retail Pricing Policies**

**Penetrating Price:** Pride and Ferrell (1985) define a penetration pricing policy as a lower price designed to penetrate the market and produce a larger unit sales volume.

Most retail firms that come into the market use this policy to gain higher patronage, increase market share and as well as increase sales volume. This policy is been used by itinerant and kiosk traders.

**Price Skimming:** policy under this pricing policy, prices would be charged higher at first and lowered as sales is captioned from one market segment after another (Heskett 1976). Here the firm set the highest initial price, those customers who really desire the products are willing to pay. These customers are not very sensitive to price, they weigh the new products price, quality and the ability of the products to satisfy their needs against the same characteristics of substitutes.

**Odd even Pricing:** This is a psychological strategy commonly used in retailing. Odd pricing sets prices at uneven (odd) amounts, Autos and houses are priced at odd rather than at even amounts. But in presage products such as expensive men's suits, prices are set at even instead of odd prices. The rational for odd pricing is to lower prices to yield greater sales than even pricing. According to this reasoning, a price of ₦97 will bring in greater revenue than ₦100 price for the same product (Stanton, 1994).

**Prestige Pricing:** This is an artificial high price set to provide prestige or a quality image to a product (pride and Ferrell, 1985). Ferrari cars, diamonds, perfumes and fine crystals have an element of prestige pricing appeal in them and sell worse at lower prices than at higher ones.

**Keystone Pricing:** This is not used as often as it once was. Doubling the cost paid for merchandise was once the rule of pricing products, but very few producers these days allows a retailer to keystone the product price.

**Multiple Pricing:** Is a method which involves selling more than one product for one price, such as three items for ₦100. Not only is this strategy great for markdowns or sales events, but retailers have noticed customers tend to purchase in larger amounts where the multiple pricing strategy is used.

## **Promotion**

Every organization communicates with its many and varied publics (consumers, suppliers, employees, governments, creditors, shareholders, middlemen etc). Some of these communications are aimed at attracting reliable supply of labour, and raw materials; others are aimed at attracting financial support; some others elicit government support and favourable legislation, while yet others seek patronage for the company's product.

Pride and Ferrell (1985), Describe promotion as a communication with individuals, groups or organizations, to directly or indirectly facilitate exchange by influencing one or more of the audience to accept an organization's product. To facilitate exchange, marketers communicate with selected audiences about a firm and/or its goods, services and ideals. Boone and Kurtz (1992) Sees promotion as the function of informing, persuading and influencing the consumer's purchase decision. It is the element in an organization marketing mix that serves to inform, persuade and remind the market of a product.

According Agbonifoh, (2007), the term promotion is defined as any form of communication which aim at effecting and facilitating exchange. It involves sending messages to, and sharing information or meaning with specific audiences.

### **Promotion mix**

A company's total marketing communication mix otherwise known as promotional mix, are the blend of advertising, personal selling, sales promotion, public relations, publicity and direct-marketing tools that companies use to pursuer their marketing objectives.

Boon and Kurtz (1992), posit that promotional mix involves the proper blending of numerous variables to satisfy the needs of the firm's target market and achieve organizational objectives. There are six forms of tools (promotion) which retailers can use to communicate to its target customers; they includes

**Personal Selling:** This refers to the face – to – face or over the phone presentation of a firm's product or service by the company's sales representatives to a customer, prospective customer or to a middleman.

**Advertising:** This include any paid form of non – personal presentation and promotion of ideals, goods or services, by an identified sponsor (Kotler and Armstrong 2006). Advertising can be done through broadcast media (TV and Radio), print media (newspaper and magazine), direct mail, billboards and the internet.

**Sales Promotion:** Etzel, Walker and Stanton (2005), see sales promotion as a demand – stimulating activity designed to supplement advertising and facilitate personal selling. Many sales promotions are directed at consumers. Included in sales

promotion are a wide spectrum of activities, such as event sponsorships, contest, trade shows, in – store display, rebates, samples, premiums, discounts and coupons.

**Public Relations:** Public relation is a firm's communication and relationship with its various public. The public includes customers, suppliers, employees, the general public etc. public relations programmes can either be formal or informal.

**Publicity:** This special form of public relations involves the news, stories about an organization or its products. Like advertising, it involves an impersonal message that reaches a mass audience through the media. However, several things distinguish publicity from advertising: it is not paid for, the organization that is the subject of the publicity has little or no control over it, it appears as news and therefore has greater credibility than advertising (Aluyor P. 2010).

**Direct marketing:** Kotler and Armstrong (2006), consider direct marketing as direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships. It includes the use of telephone, mail, fax, email, the internet and other tools to communicate directly with specified customers.

## **2.19 Distribution as a Marketing Mix Element**

Distribution is one of the element of the marketing mix and one of the 4P's. The aim of distribution is to get goods and services from the point of production, to the point of consumption. This involves not only the physical movement and handling of products, but the transfer of ownership as well. It is often said rightly,

that production remains incomplete until the goods or services concerned reach the consumers.

According to Kotler and Armstrong (2003): In modern exchange when goods are made, they need to be transferred from the producers to the ultimate consumers. The price of transferring goods and services from the producers to the consumers is what is known as distribution.

This research work will be looking at the retailing aspect of distribution. That is not withstanding however, distribution has been described as ideal way of moving, transferring goods and services to people who want them and who can pay for them.

In retailing distribution, place decision involve identifying, evaluating and selecting the actual location in which the retailer will operate its business so that they can effectively and efficiently serve their target audience or market.

The location of any retail business e.g supermarket must satisfy these basic requirement.

- i. There must be available market for the wares to be sold.
- ii. The location must be easily accessed by the customers or prospects.
- iii. The location must be suitable for easy shopping.
- iv. The political atmosphere must be conducive and stable for better patronage.

That is to reduce the problem of burglary and theft as well as shop-lifting.

In fact, distribution is so recognized by retailers because it creates place utility. In product planning, effective distribution system can be a significant decision points in developing an overall marketing strategy.

For most retail supermarkets, physical distribution accounts for 19 to 22 percent of the retail price relating to the cost of holding inventory. Therefore, choosing who should handle stored goods in a retail firm is essential to the marketing manager or the physical distribution manager.

Distribution is usually anticipated through direct channel system and the indirect channel system. The direct channel system involves producers who handle the whole distribution job themselves. They do not use independent middlemen who have different objectives which means they want control over their products. On the other hand, indirect channel system involves the wholesales to retailer and then to final consumers.

### **An Appraisal of the Marketing Concept in Retail Business**

According to [www.google.com](http://www.google.com) retail marketing has become one of the major emerging trends in the entire economic cycle. It is the retail market which provides the consumer a basic platform to encounter with goods and a shop - keeper for the first time. Retail market consists of a fixed location like boutique, store, supermarket, departmental store etc. Here, in these locations consumers meet the shop - keeper and purchase goods in return of certain value. Maintaining a certain profit margin, these shop - keepers sell goods to their consumers. The basic motive of these shop – keepers is to satisfy the consumers and fulfil their needs and demand.

Retail marketing strategy has become one of the basic elements of marketing strategy which includes a lot of planning and proper execution of this planning.



Focusing on the basic nature of retail. First in retail, a marketer needs to focus primarily on the needs and desires of the customers.

Retailing marketing even focuses on satisfying the consumers, maintaining a proper margin for the owner of the goods. Customer needs are the basic key factors of retail. Retail marketing consists of 5 basic pillars. First is saving the precious time of the consumers. Secondly is setting the right prices of the goods, third is creating a proper connection with the emotions of the consumers, fourth paying the right respect to the customers and lastly solving the problems of the consumer is another pillar of retail. Creating customer loyalty is the basic function of retail, as once you create customer loyalty towards your brand it will be easier for you to stay in the market for a longer period. Creating customer loyalty is not an easy task, as it takes years for a brand to create customer loyalty. You can only create customer loyalty if you have a retail-marketing plan. Some of such marketing plans are the sales promotional activities like loyalty card, gifts, coupons, special discounts and reward programs.

Reward program includes special gifts on purchase of bulk goods and loyalty cards are special privilege cards that are offered to customers in order to provide them huge discounts and gifts. These sorts of special sales promotional activities not only increase sales target but at the same time increase customer loyalty also.

With so many sales promotional programs promoted by the retail marketing strategies, now it is possible to create a healthy relationship with the customer. Previously, creating emotional bonding with the customers was not taken into

consideration and thus customers who were only treated as customers who were just supposed to pay the price of the goods. Thus, this resulted in lower customer loyalty and it gave rise to huge number of product switching. Previously, customers used to shift to other brands very easily as there did not exist any brand loyalty. But now with the extensive features of retail marketing, it has become easier for the company not only to capture a huge market but at the same time create a strong bonding with the customers. Thus, this sort of marketing strategy did not ignite the sales target but at the same time increase the brand loyalty.

Summarily, retail business that consciously apply the marketing concept by locating the business in the most appropriate place for easy accessibility, stock merchandise assortment that create brand loyalty, to meet customers needs and desire, build strong customer relation by creating a friendly ambience, and other promotional activities aforementioned, to deliver value to customer at a profit; tends to enjoy longevity as against those retail forms that fall short of the marketing concept which subsequently have poor patronage and high mortality rate.

## **2.2 Theoretical Review**

This section theories and models of the study are discussed in details. Reviewing the theories on the variables is important as it gives deeper insight on the retail sector performance. This section will discuss the existing theories in retail such as spatial interaction and general theory of firm growth and performance.

### **2.2.1 The Spatial Interaction Theory**

This theory relates to the way competing retail areas affect the shopper in an intermediate residential areas. The theory is based on the assumption that consumers will not always go to the closest shopping area offering them the products they need. However, shoppers will sacrifice longer distances in order to go to larger shopping areas with more options (Wang, 2011). The theory also states that the distance a consumer is willing to travel to a shopping center is proportional to the size of the shopping center even though the shopping center is far. Thus a shopper is ready to spend more on travelling cost and time in order to get what they want from a mall as long as it is accessible. The theory explains why the shoppers travel longer distance to carry out shopping. The importance of the theory in the study underscores the role of marketing mix decisions on the performance of shopping mall. The mall's marketing manager must therefore design marketing mix dimension to attract shoppers from other areas. Travelling a longer distance can be justified by availability of wide variety of products and brands, competitive pricing, regular promotion, availability of recreational facilities and strategic location of mall to attract shoppers from other areas.

### **2.2.2 Theories on Firm growth and performance**

For a shopping mall, performance can be attributed to an increase in sale turnover and number of shoppers who patronize the mall. According to Gopinath (2012) theories of firm growth can be divided into four categories: classical models; stochastic models; resource based models and models of learning. According to the

neo-classical theory, all the firms within an industry are pushed by the existence of a U-shaped long-run average cost curve and by the goal of maximizing profit to expand their size until they reach the scale corresponding to the feasible cost (Gopinath, 2012). The process of growth is exhausted as far as the process of optimization is completed, as there is no incentive to grow beyond the optimum size (Hart, 2000). However, this is made under the assumption that firm operates in a homogenous product market and can easily expand or contract to arrive at the optimal output level.

The stochastic model argues that growth of firms is a random process and the expected increase in firm size is proportional to the current size of the firm. However, there may be other large number of systematic factors affecting growth; collectively they have little impact on firms' proportionate growth. The resource based view of the firm considers the firm as a set of resources and the focus is on what it can do with those resources. The models of learning and selection takes into account the dynamics of the firms and their level of efficiency. Firm growth is dependent on the path taken by the organization and is an organizational outcome resulting from the combinations of firm specific resources, capabilities and routines (Coad, 2009). The firm performance and survival depends on firm's capacity to learn and adapt its strategies to the changing environment (Gopinath, 2012).

Thus the firm performance will be determined by how well the marketer is skilled on blending marketing mix dimensions and resources allocated in doing that. Firm marketing mix dimensions include its orientation to the market needs through

adaptation of various mixes such as product, place, and price in response to the customer needs. The mall's marketing mix strategy is dependent shoppers' behavior and level of competition in the industry. In addition the nature of organizational structure and dynamism like the strategic decision making, RandD expenditure and preparedness to grow has a positive effect on overall mall's growth (Coad, 2009).

## **2.3 Empirical Review**

### **2.3.1 The Relationship of Marketing Mix Dimensions and Retail performance**

Several studies carried out in different countries such as China, USA, Malaysia, United Arab Emirates, South Africa among others have empirically demonstrated the effect of marketing mix strategy, store image attributes, customer satisfaction and changing consumer behavior in relation to shopping mall performance. From retailers marketing mix, it was possible to outline a specific mix for shopping mall. Thus, there is the specific marketing mix that caters to all visitors who make purchases in shopping mall, and on the other hand other the mix focused on the business units' i.e. performance (Ievuta, 2012). According to Mokgabudi (2011) shopping mall development has contributed to a change in consumer behavior due to availability of larger variety of goods, lower prices and one stop shopping. However the inability of many shopping malls to attract shoppers is due to their failure to recognize the diverse needs shoppers (Singh, 2011). According to El-Adly (2006) the shopping mall attractiveness factors from the shoppers' perspective are comfort, entertainment, diversity, mall essence, convenience, and luxury. For shopping malls to be successful they must understand the consumer behaviour trends

,incorporate theirs needs in designing marketing mix strategies to enhance performance .

### **2.3.2 The Product Mix Dimension on the performance of Shopping**

According to research done by Yuo ,Crosby, Lizieri and McCann (2003) on tenant mix variety in regional shopping centres, they found that there is the positive relationship between variety and productivity, thus the higher diversity in product variety, the higher the operational performance. In addition the higher the variety in categories and brands the higher the rent. Tuncer, Alkibay and Hosgar, (2008) explored on Turkish shopping centers and a research on the reasons for their attraction, in their findings, they highlighted three most important reasons for choosing shopping malls. The main elements were product diversity and the number of shops, closeness to home and the presence of food and beverage options. They suggested that by considering the above factors, shopping center investors, developers, and managers may increase their competitive powers by developing marketing mix strategies revolving around these components.

According to Shanmugam (2012) study on anchor store quality in malls and economic analysis, found that there was a positive relationship between mall size, anchor quality, and variables relating to mall performance. The higher quality anchor stores, it increases valuation of the anchor goods and makes expected utility higher for most customers. Consequently, an increase in anchor quality results in greater profits for each store.

Njoka (2012) studied on factors influencing consumer choice of supermarkets in Nairobi. The study established product variety and proximity as the main factors driving customer store choice. Ndwiga (2012) examined on the factors influencing customer loyalty in supermarkets in Kenya. The study established a sharp increase in retail stores to meet the increasing demand of consumer products. This trend has made the provision of quality service critical and is now a major strategy of the retailers marketing plan. The need to retain customers has made the stores customer loyalty critical.

### **2.3.3 The Place mix Dimension on the Retail Performance**

According to study conducted by Saxena (2011) on Dubai mall found that the strategic location of mall allows easy access, attracts a larger number of customers, and increase potential sales of a retail outlet. The retail location strategy can be used to establish a competitive advantage. Thus finding the perfect site location will facilitate both footfall and service delivery. The study conducted by Kawai (2009) on marketing strategy of shopping centre for customer retention found that there were a close relationship between the marketing mix strategy and the customer retention. The research emphasized that marketing mix strategy such as location, product variety and leisure attraction can help to increase the malls income through satisfied shoppers revisiting the mall and buying more.

Zhuang, Tsang, Zhou and Nicholls (2006) examined on impact of situational factors on buying decisions in the context of shopping malls; they suggested that situational factors such as geographical and institutional location play a major role in sales

situations, and thus deserve special attention from marketers. The study proposed that all practitioners should pay more attention to shoppers' buying intentions and the time they spend in the mall. Thus, raising shoppers' buying intentions and lengthening shoppers' time in the mall can significantly increase the likelihood of them purchasing.

#### **2.3.4 The Promotion Mix Dimension Relationship on the Retail performance**

Parson and Ballantine (2004) studied on market dominance, promotions, and shopping mall group performance found that wide promotional elements adapted by shopping mall have significant effects on sales and traffic. The two key performance indicators of sales and foot traffic were used to measure effectiveness. The findings suggested that promotional type and level of market dominance have significant effects on sales and traffic.

Parson (2003) explored on assessing the effectiveness of shopping mall promotions: customer analysis, results suggested that there was a clear distinctions between sales drivers and visit drivers. It also shows possible combinations that would be effective in generating optimum customer behavior. Some traditional promotions are shown to be poor performers in generating either response, while a combination of general entertainment and price-based promotions are found to be a strong alternative way to encourage visits and spending.

Martin and Turley (2004) examined on malls and consumption motivation: an exploratory examination of older Generation Y consumers, found that older generation Y place much emphasizes on objective shopping and utilitarian benefits



while visit shopping mall. The study conclude that for mall managers to be successful in drawing these shoppers must use unique sales promotion techniques as they are more interested in saving cost and value for their money. Lehw(2000) investigated on US shopping mall attributes an exploratory investigation of their relationship to retail productivity. The study found that marketing attributes such as promotional campaign and products variety were positively linked to mall productivity however super regional mall located at large densely populated cities with high income were more successful. The results also suggested that attributes of successful malls couldn't be transferred or adapted by lower performing malls.

## **2.4 Summary of the Chapter**

Chapter two examines the various literature that are relevant to the study. It began by taking a cursory examination of a overview of marketing, highlighting marketing functions, business philosophies (orientation) like production, product, sales and marketing mix application in retail business laying emphasis on merchandise, retail pricing strategies, promotional mix and distribution as a marketing mix element.

Further discussion centred on retailing as a marketing function, nature and importance of retailing, marketing mix application in retail business laying emphasis on merchandise, retail pricing strategies, promotional mix and distribution as a marketing mix element. The researcher was guided in this chapter not to express any form of personal opinion. He referred and of course cited authorities and information sourced from internet web to prevent plagiarism.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The research design that will be adopted in this research work will be descriptive in nature. The case study and survey method will be used also. The survey method is a systematic way of gathering data from respondents through the administration of questionnaires. A questionnaire is a list of formal questions to be answered in the survey.

#### **3.2 Population of the Study**

The estimated population of this study is 1,000, which comprise of customers, staff of supermarket and kiosk owners in Auchi. Representing 100% of the population.

#### **3.3 Sample/Sampling Procedure**

Out of the population of 1,000, the researcher will draw a sample of one thousand, (50) representing 5% (five percent) of the population.

The simple random sampling technique shall be used to compose the sample because it gives all the elements that make up the population an equal, non-zero chance of being selected.

#### **3.4 Validation of Instrument**

To ensure accuracy and consistency of the instrument used in the project, the researcher administered questionnaires to the responsive respondents in such a way that they will not be embarrassed or express indifference. Ambiguous and misleading

will also be avoided, which will help the researcher to get unbiased response. Accurate, reliable, relevant and objective responses (information) that will be important (relevant) for the actualization of the research objectives and a comprehensive research is solicited.

### **3.5 Method of Data Collection**

In the course of carrying out the research work, primary source and secondary source were used, in this case let know little about the both sources:

**Primary Source:** This has to do with the organization and involves when obtaining information directly from the field through personal interview and the use of questionnaire.

**Secondary Source:** Involves the gathering of information from already existing data of organization in form of company's records, bulletins, pamphlets and it also involves gathering of information from text books, journals, newspapers, magazine, previous research project, internet etc. to facilitate better comprehensive research study.

### **3.6 Method of Data Analysis**

In analyzing, the data for this study, chi-square and simple percentage method were used. Chi square was used because it enabled the researcher to know the relationship between the variables tested, while simple percentage enabled the researcher to know the relative importance of various items used for analysis.

The data was tabulated and itemize according to responses by this formula below:

Simple percentage formular

Where:  $X$  = Number of responses

$N$  = Total number of respondents

i.e.

$$\frac{\text{Number of responses}}{\text{Total number of respondents}} \times \frac{100}{1}$$

Chi-square formular

$$X^2 = \sum (f_o - f_e)^2$$

$f_e$

Where:  $X^2$  = Chi-square

$\Sigma$  = Summation

$f_e$  = Expected frequency

$f_o$  = Observation frequency

### 3.7 Cut – Off Point / Decision Rule

The total respondents in percentage will be put at 100%. The percentage that will indicate insignificant will take the range between 0 – 49 percent, while significant will range from 50 – 100 percent. Emphasis will be place on the significant responses (50% and Above).

The rule state that, if the calculated value (alternate) of the chi-square ( $X^2$ ) is greater than the book or table value, then Null hypothesis is rejected vise versa.

## CHAPTER FOUR

### 4.0 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1 Data Presentation

In arriving at this data, 100 questionnaires representing 100% were administered. Numbers retrieved is 80 representing 80%, numbers not retrieved is 80 representing 20%. Numbers properly filed is 80 representing 80.2%, numbers not properly filled is 10 representing 4.8% of the number of questionnaire retrieved. The researcher has decided to work with the properly filled retrieved questionnaire because the numbers properly filled was more than the numbers not properly filed.

#### 4.2 Analysis of Data

##### Question 1

What is the nature of your business?

The responses of the respondents to the questionnaire that sought to know the nature of their business are presented in the table below.

**Table 1**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Wholesales	20	20%
Retail	80	80%
Total	100	100%

**Source:** Field Survey, 2022

The table above shows that 80 respondents representing 80% are involved in retail business, while 20 respondent representing 20% are involved in wholesale business.

### Question 2

Do you have any format training in Retailing?

The responses of the respondents to the question that sought to know whether the respondents have any formal training in retailing are presented in the table below.

**Table 2**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	40	40%
No	60	60%
Total	100	100%

**Source:** Field survey, 2022

The table above shows that 40 respondents representing 40% had formal training in retailing, while 60 respondents representing 60% said that they did not have formal training in **retailing**.

### Question 3

Are you familiar with the concept of marketing mix?

The responses of the respondents to the question that sought to know whether they were familiar with the concept of marketing mix are presented in the table below.

**Table 3**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	76	70%
No	24	30%
Total	100	100%

**Source:** Field survey, 2022

The table above shows that 76 respondents representing 70% are familiar with the concept of marketing mix, while 24 respondents representing 30% are not familiar with the concept of marketing mix.

#### QUESTION 4

How do you price your product?

The responses of respondents to the question that sought to know how they price their product are presented in the table below.

**Table 4**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Arbitrary	30	30%
Cost plus basis	40	40%
Others	30	30%
Total	100	100%

**Source:** Field survey. 2022

The table above shows that 30 respondents representing 30% price their product arbitrarily, while 40 respondent representing 40% price their product on the

basis of cost-plus. 30 respondents representing 30% uses other methods of price for this product.

### **Question 5**

Does high price of product results in low sales?

The responses of respondents to the question that sought to know whether high price of product results in low sales are presented below.

**Table 5**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGES</b>
Yes	60	55.7%
No	40	44.3%
Total	100	100%

**Source:** Field survey 2022

The table above shows that 60 respondents representing 55.7% believe that high prices of products results in low sales, while 40 respondents representing 44.3% believe that high prices of products do not result in low sales.

### **QUESTION 6**

How will you access your performance in relation to sales?

The responses of respondents to the question that sought to know how they access their performance in relation to sales are presented in the table below.



**Table 6**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
High	76	70%
Low	24	30%
Total	100	100%

**Source:** Field Survey, 2022

The table above shows that 76 respondents representing 70% said that their performance in relation to sales was high, while 24 respondents representing 30% said that their performance in relation to sales was low.

## QUESTION 7

Do you receive complaints from customers in respect to price of your products?

The responses of respondents to the question that sought to know whether they receive complaints from customers in respect of their products are presented in the table below.

**Table 7**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	28	18%
No	72	82%
Total	100	100%

**Source:** Field Survey, 2022

The table above shows that 28 respondents representing 18% receive complaints from customers, while 72 respondents representing 82% said they do not receive complaints from customers in respect of their products.

**QUESTION 8:** Is lack of promotional activities responsible for low patronage?

The responses of the respondents to the question that sought to know whether lack of promotional activities is responsible for low patronage are presented in the table below.

**Table 8**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	32	42%
No	68	58%
Total	100	100%

**Source:** Field survey, 2022

The table above shows that 32 respondents representing 42% believe that lack of promotional activities is responsible for low patronage, while 68 respondents representing 58% believe that lack of promotional activities is not responsible for low patronage.

**Question 9:** Do you see customer's satisfaction as a priority?

The responses of respondents to the question that sought to know if they see customer's satisfactions as a priority are represented below.

**Table 9**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	56	64%
No	44	36%
Total	100	100%

**Source:** Field Survey, 2022

The table above shows that 56 respondents representing 64% see customer's satisfaction as a priority, while 44 respondents representing 36% do not see customer's satisfaction as a priority.

**QUESTION 10:** Do you grant credit facilities to your customers?

The responses of the respondents to the question that sought to know whether they grant credit facilities to their customers are represented below.

**Table 10**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	85	73%
No	15	27%
Total	100	100%

**Source:** Field Survey, 2022

The table above shows that 85 respondents representing 73% grant credit facilities to the customers, while 15 respondents representing 27% do not grant credit facilities to their customers.

**QUESTION 11:** What level of consideration do you give to customers' complaints?

The responses of the respondents to the question that sought to know the level of consideration they give to customers' complaints are represented in the table below.

**Table 11**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
High	50	51%
Average	30	33%
Low	20	16%
Total	100	100%

**Source:** Field Survey, 2022

The table below shows that 50 respondents representing 51% give high level of consideration to customer complaints, while 30 respondents representing 33% give average level of consideration to customers' complaints. While 20 respondents representing 16% gives low level of consideration to the complaints of customers.

**QUESTION 12:** Do you ask the customers the kind of products they like buying?

The responses of the respondents to the question that sought to know if the ask customers the kind of product they like buying are represented below.

**Table 12**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	72	68%
No	28	32%
Total	100	100%

**Source:** Field Survey, 2022

The table above shows that 72 respondents representing 68% do ask customers the kind of products they like buying, while 28 respondents representing 32% do not ask customers the kind of product they like buying.

**QUESTION 13:** Do you consider quality in respect of your product mix?

The responses of respondents to the question that sought to know whether they consider quality in respect of their product mix are represented below.

**Table13**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	60	60%
No	40	40%
Total	100	100%

**Source:** Field survey, 2022

The table below shows that 60 respondents representing 60% consider quality in respect of their product mix, while 40 respondents representing 40% do not consider quality in respect of their product mix.

**QUESTION 14:** What kind of additional service do you add to sales?

The responses of respondents that sought to know the kind of additional service they add to sales are represented below.

**Table 14**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Pre-sale	30	30%
Post-sales	20	20%
None	50	50%
Total	100	100%

**Source:** Field survey, 2022

The table above shows that 30 respondents representing 30% add pre-sales services to their sales, while 20 respondents representing 20% adds post-sales service to their sales. 50 respondents representing 50% neither add pre-sales nor post-sales services to their sale.

**QUESTION 15:** How many varieties of products do you stock? The responses of respondents that sought to know the number of variety of products they stock are represented below.

**Table 15**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGES</b>
Single product	10	8%
Two varieties	30	24%
Many varieties	60	68%
Total	100	100%

**Source:** Field survey, 2022

The table above shows that 10 respondents representing 8% stock single product, while 30 respondents representing 24% stock two varieties of product. While 50 respondents representing 68% stock many varieties of product.

### **4.3 Hypothesis Testing**

The formulated hypothesis in chapter one will be tested as follows to enable the researcher achieve the objectives of the study.

#### **HYPOTHESIS I**

Ho: High price of product is not responsible for low sales

Ho: High price of product is responsible for low sales

To enable the researcher test the hypothesis, table 5 shall be used.

**Table 5**

OPTIONS	NO OF RESPONDENTS	PERCENTAGES
Yes	23	55.7%
No	77	44.3%
Total	100	100%

**Source:** Field Survey, 2022

OPTIONS	OBSERVED (O)	EXPECTED (E)	O-E	(O-E) <sup>2</sup>	$\frac{(O-E)^2}{E}$
Yes	23	50	23	529	2.65
No	77	50	-23	529	2.65
Total	100	100			5.3

$$\text{Chi-square } (X^2) = \sum \frac{(O-E)^2}{E}$$

$$\text{Calculated } X^2 = 5.3$$

$$\text{Degree of freedom} = (R - 1) (C - 1)$$

$$= (2 - 1) (2 - 1)$$

$$= 1$$

$$\text{Level of significance} = 0.05 (5\%)$$

$$\text{Table value of } X^2 = 3.84$$

### **DECISION RULE**

Since the calculated chi-square ( $X^2$ ) value is greater than the table value of the chi-square, the researcher accepts the alternative hypothesis, while rejects the null



hypothesis. Hence, the conclusion that high price of prices of the products is responsible for low sales.

## **HYPOTHESIS II**

Ho: Lack of promotional activities is not responsible for low patronage.

Hi: Lack of promotional activities is responsible for low patronage.

To enable the researcher test the hypothesis, table 8 shall be used.

**Table 8**

<b>OPTIONS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGES</b>
Yes	32	58%
No	68	42%
Total	100	100%

**Source:** Field survey 2022

<b>OPTIONS</b>	<b>OBSERVED(O)</b>	<b>EXPECTED (E)</b>	<b>O- E</b>	<b>(O-E)<sup>2</sup></b>	<b><u>(O-E)<sup>2</sup></u> E</b>
Yes	32	50	32	1,024	5.12
No	68	50	-32	1,024	5.12
Total	100	100			10.24

$$\text{Chi-square } (X^2) = \sum \frac{(O-E)^2}{E}$$

$$\text{Calculated } (X^2) = 10.24$$

$$\text{Degree of freedom} = (R - 1) (C - 1)$$

$$= (2 - 1) (2 - 1)$$

$$= 1$$

Level of significance = 0.05 (5%)

Table value of  $X^2 = 3.84$

### **DECISION RULE**

Since the calculated  $X^2$  value (10.24) is greater than the table value (3.84), the researcher accepts the alternative hypothesis, while rejecting the null hypothesis. Consequently, the conclusion is that lack of promotional activities is responsible for low patronage.

### **4.4 Discussion of Findings**

From the data analysed and the hypothesis tested, it has been established that high product price result in low sales and lack of promotional activities is responsible for low patronage in retail business.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summary of Findings**

From the analyses of the questionnaires, personal interviews and observations. Some hidden facts came to light.

- i. It was revealed that retailers receive many complaints from customers in respect to price of their product and the level of consideration to the complaints is not commensurate to it.
- ii. The research also revealed that the prices of products in retail stores are high and such prices is not commensurate to the quality of product offered for sales.
- iii. It was also revealed that most retail businesses do not add additional services like per-sales and post-sale services to their offering which would have generated better customer satisfaction.
- iv. It was revealed that retail business experiences low patronage and low sales because of lack of promotional activities on their part.
- v. The alarming mortality rate of retail businesses is traceable to ineffective and inefficient application of the marketing mix elements, in their businesses.

#### **5.2 Conclusion**

Having thoroughly analysed and interpreted data gathered and from the findings; the following inference could therefore be drawn.

- i. Most retail business in Edo state do not consciously and effectively blend the various marketing mix variables to suit the needs of the customers.

- ii. Most of them do not take customers satisfaction as a priority because of their little awareness of marketing and its controllable variables.
- iii. The high rate of retail business mortality is actually caused by their ineffective and inefficient application of the marketing mix elements.

### **5.3 Recommendations**

From the analysis and interpretation of information gathered in the course of this research work, the researcher came up with the following recommendations;

- i. In order to increase sales volume, retailers should reduce the prices of their products.
- ii. They could form retail cooperative societies thereby eliminating the margin of wholesales through buying directly from manufacturers.
- iii. Retailers can satisfy customers better by the addition of pre-sales and post-sales services to their product offering, like creating a friendly relationship (e.g. entertainment) before the sales action and a follow-up calls or installation after the sales of the product.
- iv. Retailers should spice-up their product with some promotional activities like publicity and direct marketing to meet the current trend of innovation and creativity for business growth, survival and profitability.

### **5.4 Suggestion for Future Research**

This work was carried out base on the available data within the researchers reach and any researcher that wishes to conduct a further research base on this topic.

An Appraisal of the marketing mix Application in Retail Business, should consult this work for more information. In addition, it should be noted that the dynamism of the world could have an effect on the result at the time when the would-be researcher is carrying out its research work. That is, the same result should not be expected.

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## **APPENDIX I**

Department of Marketing,  
School of Business Studies,  
Auchi Polytechnic Auchi,  
P.M.B 13.  
Edo State.  
September, 2022

Dear Sir,

I am a final year student that is conducting a research on an Appraisal of Marketing Mix Application in Retail businesses (A Case study of selected retail businesses in Auchi town like supermarkets, kiosks, barbing and hairdressing saloon etc). The research is to satisfy the requirement for the Award of National Diploma (ND) in marketing.

I will be grateful if you can answer the following question as provided in the questionnaire. All your responses shall be treated with stick confidence.

Yours Faithfully,

**AGBEBOAYE ODION ASSURANCE**



## **APPENDIX II**

### **QUESTIONNAIRE**

To the owners of stores (shop). Please tick (x) for any chosen option. Fill the blank spaces where necessary.

1. What is the nature of your business?
  - a. Wholesale ( )
  - b. Retail ( )
2. Do you have any formal training in retailing?
  - a. Yes ( )
  - b. No ( )
3. Are you familiar with the concept of marketing mix?
  - a. Yes ( )
  - b. No ( )
4. How do you price your product?
  - a. Arbitrary ( )
  - b. Cost plus basis ( )
  - c. Others ( )
5. Does high price of product result in low sales?
  - a. Yes ( )
  - b. No ( )
6. How will you access your performance in relation to sales?
  - a. High ( )
  - b. Low ( )
7. Do you receive complaints from customers in respect to the price of your product?
  - a. Yes ( )
  - b. No ( )
8. Is lack of promotional activities responsible for low patronage?
  - a. Yes ( )

- b. No ( )
9. Do you see customers' satisfaction as a priority?
- a. Yes ( )
- b. No ( )
10. Do you grant credit facilities to your customers?
- a. Yes ( )
- b. No ( )
11. What level of consideration do you give to customers complaints?
- a. High ( )
- b. Average ( )
- c. Low ( )
12. Do you ask the customers the kind of products they like buying?
- a. Often ( )
- b. Not often ( )
- c. At all ( )
13. Do you consider quality in respect to your product mix?
- a. Yes ( )
- b. No ( )
14. What kind of additional services do you add to sales?
- a. Pre-sale ( )
- b. Post-sale ( )
- c. None ( )
15. How many varieties of products do you stock?
- a. Single product ( )
- b. Two varieties ( )
- c. Many varieties ( )