Africa Research Corps Journals

Effect of Promotional Mix Elements on Market Shares of Milk Marketers in Abia State, Nigeria

Uwaoma, Ugochukwu G. Abraham[1] and Emeh, Prince Chinenye[2]
[1]Department of Marketing, Michael Okpara University of Agriculture, Umudike | e-mail: ugo_abu86@yahoo.com
[2]Department of Marketing, Abia State Polytechnic, Aba | e-mail: emehprince@gmail.com

Abstract: *The effect of promotional mix elements on the market shares of milk marketers in Abia state, Nigeria was studied. A sample size of 82 was randomly selected from the two major towns in Abia State being Umuahia and Aba. Descriptive statistics and regression analysis were used to determine factors that affect promotional mix on market shares of marketers of milk drink products. Promotional budget provision, product life cycle, competition and government regulations were factors that affect the number of promotional activities embark upon by the marketers of milk drink products while advertising, sales promotion, personal selling, direct marketing were promotional tools that affect market shares of marketers of milk drink products. It was observed that personal selling is the promotional activity mostly practiced among the marketers of milk products. It was recommended that marketers of the products in the study areas see allocation of funds to promotional activities as an investment and not a cost and more so do well to get approval from the right government agency to enable them harness the promotional opportunities.*

Key words: *Promotional mix, Diary products, milk marketers, market shares.*

INTRODUCTION

Our bodies need protein to work properly and to grow or repair tissues within the system. Calcium helps to keep our bones and teeth strong. The calcium in dairy foods is particularly good for us because our bodies absorb it easily (Chinenye, 2009).The total fat content of milk drink products can vary a lot. Fat in milk provides calories for children, but for adults, much fat intake is tantamount to excess energy intake which can cause overweight, cholesterol in the blood, and increased risk of heart attack (Sonny, 2012). Thus, several milk producers and marketers have come up with a variety of milk drink that is befitting for both adult and youth. However, adjustment to suit any class of person(s) that may wish to take the milk product cannot on its own lead to either increased sales or viable market share, but intimating the customers about the change, is the ultimate. Promotion is among the basic variables which the marketing manager uses to reach and influence the decisions of their target audience. Promotion is an exercise in information, persuasion and influence. So, the purpose of promotion is to reach the targeted consumers and persuade them to buy (Anyanwu, 2010). Promotion has its variables which are known as promotional mix. The promotional mix describes a blend of promotional variables chosen by marketers to help a firm reach its goals. Activities identified as elements of the promotional mix vary, but typically include the following: advertising, personal selling, sales promotion, Public or publicity, direct marketing, corporate image, sponsorship, guerilla marketing, product placement etc. These are variables that when used effectively can make a

customer look toward a product (Kotler, 2003). The milk drink producers and marketers have to convey the message about their offerings to the customers by adopting one or more of the promotional mix tools. In selecting appropriate promotional mix, the milk producers and marketers must consider the target audience, the stage of the products' life cycle, characteristics of the products, and decision stages of the products and the channel of distribution (Kotler, 2000). This study therefore seeks to evaluate the effects of promotional mix elements on market shares of milk marketers in Abia State.

Statement of Problem

Most producers use price and product quality as tools for sales, these may apply only if the target population are aware of the existence of these products. The existence, uniqueness and potential benefits of the products must be communicated to customers. This calls for the study of promotional elements that influence and create awareness among the prospective buyers. Several producers of milk drink industries do not assess the stage of the product in the market before selecting the promotional tool. Lack of knowledge on how to encode the massage to enable the decoder assimilate the information is another problem many firm encounter. Knowledge of the nature of the product, nature of the market (customers) will play a part both in choosing the promo mix and massage content but several firms and marketers neglect these variables. The need to harness the promotional mix by the producers and marketers of milk product is part of the worries of this paper as improper use of promotional tool may affect the level of patronage of milk products.

Objectives of the Study

The main objective of the study is to determine the effect of promotional mix tools on market shares of marketers of milk products in Abia State, Nigeria.

The specific objectives are to:

 i identify the type of promotional tools mostly applied by the marketers of milk

  products.

 ii determine factors affecting the number of promotional tools used by marketers of milk drink products in the study area

 iii evaluate the effect of promotional mix elements on market shares of milk products.

LITERATURE REVIEW

Milk Drink Products

Milk product is organic product with varieties of protein and benefits, with a lot of economic importance in Nigeria and Africa at large (Mark, 2011). Milk consumption pertain are changing as income levels, demography, and tastes have driven the market place. Nigerian has increasingly shown interest in milk products in recent years. Different brands of milk products have sprang up competing with the known brands. Milk product before now was assumed to be mostly for children or students but research carried out by Aneke (2011) show that adults consume reasonable quantity of dairy products.

Samuel (2011) in his research on the consumption patterns of Nigerians on the milk product concluded that current development in the milk industry in Nigeria recorded a number of changes in the last decade (1999-2009), which are determined mainly by the milk as the basic raw material of the dairy industry lost its local character and is distributed beyond the region and country borders. Classic selection of dairy products has changed and extended, the dairy products are offered together with so called 'analog products'which are, for example the alternative to cheese, but are not produced on the basis of milk but vegetable oil, wheat starch, natural cheese flavor and color, production of dairy ingredients has branched out, the use of milk is also moved to catering and fast food. Adedeye (2011) said that consumption of food in Nigeria is mainly affected by some emphasis laid by either religious leaders or culture in the country. He concluded that ability of the firm that produces food products to create good massages that will fit in any classes of people, culture and religious sentiment of their product will help to clear the doubt or sentiment created against their product. Milk Product such as yoghurts and yoghurt milk, acidophilus milk, soured milk, etc faced with such challenges in Nigeria Samuel (2011) concluded.

Emeji (2012) said that lack of adequate information about a product will make prospective consumers not to look toward the product, mostly when the product has substitute. Promotion is exercise in information, persuasion and influence. Since the purpose of promotion is to reach the targeted consumers and pervade them to buy, producers of milk drink product should let their customers know more about their product if not everything. Though milk drink is rich, there is other service added values milk products may give and these values need to be communicated.

Elements of Promotional Mix

Every product needs to be drawn to the attention of the target market, and its benefit identified. The principal methods are; Advertising, Personal Selling, Sales promotion ,Publicity ,Public relation etc

The aim of an organization's promotional strategy is to bring existing or potential customers from a state of relative unawareness of the organization's product to a state of actively adopting the firm's products.

Advertising

Anyanwu (2010) defines Advertising as a process of communication, persuasive information about a product to the markets by means of the written and spoken word. There are five principal media of advertising as follows; the press, commercial television, direct mail, commercial radio and outdoor. Objective of Advertising is to introduce a new product or service; here advertisement attempts to present to the prospective buyers a new product or service and this usually near a costly and dramatic launching of a new product or service. To expand the market to new buyers; advertisement is done to introduce a product to new buyers who might find interest or usefulness of it, announce modification; a product that is already in the market might want to be given a new face, and then there is need for advertisement to highlight to the consumers that modifications had been done, announce a price change.

Personal Selling

Armstrong (2000) defines it as the process by which the seller sells to the consumer face to face. The personal selling consists of a selling process which is the most expensive form of promotion. Company that use more of personal selling are said to be adopting push strategy while that of advertising are using pull strategy.

Sales Promotion

Sales promotion activities are a form of indirect advertisement, designed to stimulate sales mainly by the use of incentives; Free sample, Twin-pack bargain, Temporary price reduction, Special discount bonus.

Publicity

Publicity differs from other promotional mix in that it is costless most of the time. Publicity according to Cole (1996) is "news about the organization or its products reported in the press". Publicity is a very necessary tool because it creates the good will of an organization. Use of Publicity when properly managed by the Public Relation Officer of an organization can serve the following purposes: it can be used to attract public attention; it can also be used to maintain public visibility and used for the provision of information to the public. Publicity often takes the form of news released or press conferences.

Public Relation

Public relation is another form of promotion. It is the means by which the organization related or communicates with the environment. Public relation is aimed at better customer relations and immediate feedback.

Promotional Mix Strategy

Marketing managers may choose between two alternative strategies to use when promoting their product, which are; Push strategy and Pull strategy.

Push strategy:

When a market uses the push promotion, it means that the product involves "pushing" through distribution channel till it gets to the final consumers. The strategy involves the producer directing his marketing activities towards channels members to induce them to bring the product or promote the product to the final consumers. One major promotional mix use in this strategy is advertising and sales promotion.

Pull strategy

In this strategy, the producer focuses on the final consumers to induce them to buy the product. If the strategy is effective, the consumers demand the product from channel members (middlemen). This is the mostly used strategy. In this strategy, consumer's demand pulls the product through the channel. The two strategies can be applied simultaneously. However the B2C (business to consumer) use more of pull Strategy while the B2B (business to business) use more of the push strategy.

Factors That Influence Selection of Promotional Mix

A marketing manager from one company might decide to focus on social media, whereas a marketing manager from another company might decide to focus her company's efforts on television commercials. Nnoli (2011) opined that budget available, *Stage in the product life cycle of a product, Type of product and type of purchase decision, Target market characteristics and consumers' readiness to purchase, Consumers' preferences for various media, Regulations, competitors, and environmental factors, Availability of media are factors that affect promotional mix.*

RESEARCH METHOD

This study was carried out in Abia State. Abia is one of the five states that make up the South East geopolitical zone of Nigeria and it is located between longitude 04^0 45^1 and 06^0 17^1 North and latitude 07^1 00^1 and 08^0 10^1 East. The population stood about 2,883,99 persons with a relatively high density of 580 persons per square Kilometer (NPC, 2007).

Abia has seventeen (17) local governments with two notable towns which are Aba and Umuahia and there are few industries and big supermarkets that deal on milk drink products on the above mentioned local governments. Major occupations of the people of Abia State are farming and trading as it is pre-dominated by Igbo speaking tribe. The population for this study consists of milk drink marketers in Abia State. A multi-stage- sampling techniques was used to select marketers of milk drink product. These comprised of those selling loya milk, soya milk, nunu milk, peak milk, cowbell etc in Aba and Umuahia Metropolis. Fifty (50) sellers/marketers of milk drink were randomly selected from each of the town given total number of a hundred (100) respondents.

Both descriptive statistics and econometrics tools were used in the analysis. objective (i) was analyzed using descriptive statistics such as mean, frequency tables and percentage while objective (ii) and (iii) were analyzed using multiple regression model.

Model Specification

The model used in determining factors that affect promotional mix of milk products enterprises is thus given:

$Y = b_0 + bX_1 + bX_2 + bX_3 + bX_4 + bX_5 + Ui$ …………………………….. 3.1

Y = Promotional mix (promotional activities 1, otherwise ,0)

b_0 = the slope of the regression

b_1-b_5 = the coefficient of the X's(independent variables)

X_1 = budget available (Yes =1, No= 0)

X_2 = product life circle (New product=1, otherwise =0)

X_3 = Types of product (Yes=1, No=0)

X_4 = competition (number of rivalry around the marketers)

X_5 = regulations (Yet approved products =1, otherwise 0)

Ui = error term

The model used in determining the effect of promotional mix on market shares of milk drink products is explicitly written:

$MS = f(X_1, X_2, X_3, X_4, X_5, X_6, X_7)$ …………………………………………… 2

MS = Market Shares (Number of customers)

X_1 = advertising ($\mathaccent"0023$)

X_2 = sales promotion($\mathaccent"0023$)

X_3 = personal selling($\mathaccent"0023$)

X_4 = public relation($\mathaccent"0023$)

X_5 = Direct Marketing($\mathaccent"0023$)

X_6 = Experience(number of years in the business)

X_7 = Education

RESULTS AND DISCUSSIONS

The results of the analysis done on data obtained for this study are presented and discussed below.

Objective 1: *Types of Promotional tools mostly applied by the producers and marketers of milk products.*

Table1: types of business and mostly applied Promotional strategy

Items	Frequency	Percentages
Personal Selling	35	43
Advertising	16	19.5
Sales Promotion	9	10.5
Direct Marketing	22	27
Total	**82**	**100**
Types of business		
Distribute milk product	21	26
Own retail store	61	74
Total	**82**	**100**

Source: Survey Data, 2017.

Result shows that Promotional strategy mostly applied by the respondents is personal selling 35(58%) followed by direct marketing 22(27%), advertising 16(19.5%) and sales promotion 9(10.5) respectively. The type of business of the respondents were exclusive distributors of milk products and own retail store of milk products. Exclusive distributors of milk products have respondents of 21(26%) while own retail stores of milk products were 61(74%).

Objective 2: *Factors affecting the number of promotional tools used by producers and marketers of milk drink products in the study area*

Table 2: Analysis of factors that affects the number of promotional mix marketers of milk products use.

	Linear	Exponential	Semi-log	Exponential
Constant	**101.008**	**020.234**	**009.321**	**231.22**
	(4.012)*	**(1.654)***	**(1.543)***	**(2.098)****
Budget available X_1	054.765	81.098	012.013	22.091
	(6.341)***	(1.612)*	(0.908)	1.453)
Product life cycle X_2	067.876	23.004	143.111	11.921
	(1.845)*	(1.22)	(2.130)**	(1.81)*
Types of product X_3	020.876	12.134	671.43	123.21
	(0.941)	(1.211)	(0.091)	(1.012)
Competition X_4	17.981	009.002	123.03	021.213
	(1.723)*	(1.087)	(0.987)	(1.89)*
Regulation X_5	-091.22	22.120	0.654	12.043
	(1.907)*	(4.213)***	(1.456)	(2.341)**
R^2	0.617	0.439	0.301	0.410
F – ratio	13.932***	1.908*	5.823***	1.870*

Source: Survey Data, 2017.

Values in parenthesis are t- values*Statistical significant at 10%,**Statistical significant at 5%

*** Statistical Significant at 1%.

Linear functional form was chosen as the lead equation. This is base on the number of variables that where significant, the correspondence of the a priori expectation in the model, the high level of R^2 and the goodness of fit of the model (f- ratio).

Budget available was positively related to promotional mix and statistical significant at 1% level. This means that an increase in the budget of the marketers concerning promotion will lead to additional promotional mix to be adopted by the marketers. Product life circle was significant at 10% level and positively related. This indicates that a newly introduced product will increase the number of promotional strategies adopted by the marketers of milk products. Competition was positively related and statistical significant at 10% level showing that the number of rivalries in the marketing of milk product will also increase the number of promotional strategies adopted by the marketers. Regulations was statistical significant but negatively related to promotional mix at 5% level, indicating that unapproved milk drink products will be less promoted to avoid the government attraction since such products may not have been approved.

Coefficient of determination (R^2), which determines the variations in the dependent variable accounted for by the independent variables included in the model, was 0.617(61%). The F – ratio (13.932), which indicates the goodness of fit of the model was statistical significant at 1% level

Objective 3: *Determining the effect of promotional mix on market shares of marketers milk products*

Table 3: Analysis of effect of promotional mix on marketers' market shares

	Exponential	Linear	Double- Log	Semi log
Constant	342.092	023.124	12.345	032.109
	(4.341)***	(3.213)***	(2.123)**	(2.098)**
Advertising X_1	231.009	102.132	009.198	62.012
	(3.094)***	(1.978)*	(2.212)**	(0.123)
Sales PromotionX_2	089.231	1.342	098.23	12.311
	(4.28)***	(1.760)*	(1.431)	(2.981)***
Personal selling X_3	14.091	007.20	031.21	132.01
	(2.121)**	(1.909)*	(2.110)**	(1.232)
Public Relation X_4	087,99	120.8765	187.121	853.101
	(1.448)	(1902)*	(1.870)*	2.876)**
Direct Marketing X_5	092.009	987.001	007.32	143.109
	(1.897)*	(0.009)	(1.409)	(1.980)*
Experience X_6	033.090	21.1231	27.021	110.089
	(1.558)*	(1.092)	(1.00)	(0.002)
Education X_7	912.323	092.992	162.32	0.028
	(0.020)	2.123)**	(1.110)	(0.002)
R^2	0.775	0.612	0.413	0.512
F – ratio	39.574	11.102	10.24	5.810

Source: Survey Data, 2017.

Values in parenthesis are t- values

* Statistical significant at 10% , ** Statistical significant at 5%, *** Statistical Significant at 1%

Based on the number of variables that where significant, the correspondence of the a priori expectation in the model, the high level of R^2 and the goodness of fit of the model (f- ratio) Exponential functional form was chosen as the lead equation.

The variables significant in the model were Advertising, sales promotion, personal selling, direct marketing and experience. These variables were positively related to market shares indicating that an increase cost in any of the significant variables will lead to an increase in the market shares of marketers of milk product in the studied area. The variables were statistical significant at 1% (Advertising), 1% (sales promotion), 5% (personal selling), 10% (direct marketing) and 10% (experience).

CONCLUSION AND RECOMMENDATIONS
The impact of promotional mix elements on the market shares of milk drink products in Abia state, Nigeria showed that cost of advertising, cost of sales promotion, cost of personal selling, cost of direct marketing and experience were found to have significant impact on the market shares of the milk product marketers. Factors that affect number of promo tools used by the marketers of milk drink products were budget availability, product life circle, and competition and government regulations. Government regulations was negative related to promotional mix indicating that Government policy and activities affect the choice and number of promotional activities a marketer/producers of milk drink product might embark on. If a marketer made

availability budget for its promotional activities that will increase the choice of more promotional tools as new product will require increased number of promotional activities to facilitate patronage from customers. Personal selling strategy is the most applied by these marketers in there promotional activities. The business remains profitable and competitive as several brands are there in the market.

Based on the outcome of this study, the researchers recommend thus:

    i.   Marketers of milk product should see allocation of funds (budgeting) to promotional activities as an investment and not a cost. Better budgetary provision for promotion will bolster the awareness and acceptance of milk products which can culminate in increased market share.

    ii. Marketers of milk products should come to terms with the fact that every product has a life cycle, and therefore assess the stage at which their products are in the cycle to enable them adopt the appropriate promotional activity for each stage.

    iii. Salesmen should be trained and adequately armed with sufficient knowledge of the products, market conditions, and other information so as to net-in the expected results.

    iv. Marketers of milk product should ensure that their products get the required approval from regulatory agencies to avail themselves of the opportunities of using any suitable promotional tool to reach their potential customers.

REFERENCES

Adedeye, L.H. (2011). Research Needs and Future Directions in Advertising and Promotion Evaluation. *Dairy Product Demand Symposium,* Atlanta GA

Amstrong, .L. (2000). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. New Jersey: Prentice Hall.

Aneke (2011). Effectiveness of Fluid Milk Advertising Since the Dairy and Tobacco Adjustment Act of 1983 *Am. J. Agr. Econ.,* 71(3), 730-739.

Anyanwu, A. (2010). A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research*, Vol.16, 64–73.

Chinenye, L. (2009). Effectiveness of Generic Milk Advertising: A Ten Region Study. *Agribusiness, vol.*2, 77-89.

Cole, M.C. (1996). *Sales promotion concepts, methods and strategy*. Eaglewood cliffs: Prentice Hall.

Emeji, S. (2012). *Marketing: Connecting with Customers*. Chicago: Education Press.

Kotler, P. (2000). *Marketing Management (9th ed.).* USA: Prentice Hall, Inc.

Kotler, P. (2003). Overton Terry S. Estimating nonresponse bias in mail surveys. *J Mark Res* vol.14, 396-402.

Mark (2011). "Milk Demand, Supply, and Price Relationships, 1950-1968."*Am. J. Agr. Econ.,* 55(7), 217-222.

Nnoli, R. (2011). A Theory of Demand with Variable Consumer Preferences."*Econometrical,*24(1),17-58.

National Population Commission (2007). Details of the breakdown of the National and State Provincial Population Totals 2006 Census, *Federal Republic of Nigeria Official Gazette*, 94 (24), 1-26

Samuel, R.B. (2011). Federal Milk Marketing Orders. *Dairy Fact Sheet.* Texas Agricultural Extension Service, Texas

Sonny, H. (2012): Effect of Canadian Advertising on Milk Demand: The Case of the Buffalo, New York Market.*Can. J. Agr. Econ.,* 24, 181-196.