



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

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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 marketer 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 a can 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.*

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 daily 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, 2003). 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:

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.

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° 45' and 06° 17' North and latitude 07' 00' and 08° 10' 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:

$$Y = b_0 + bX_1 + bX_2 + bX_3 + bX_4 + bX_5 + U_i \dots \dots \dots 3.1$$

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)

U_i = error term

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

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

MS = Market Shares (Number of customers)

X_1 = advertising (N)

X_2 = sales promotion(N)

X_3 = personal selling(N)

X_4 = public relation(N)

X_5 = Direct Marketing(N)

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.*

Table 1 : 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

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 (4.012)***	020.234 1.654)*	009.321 (1.543)*	231.22 (2.098)**
Budget available X ₁	054.765 (6.341)***	81.098 (1.612)*	012.013 (0.908)	22.091 1.453)
Product life cycle X ₂	067.876 (1.845)*	23.004 (1.22)	143.111 (2.130)**	11.921 (1.81)*
Types of product X ₃	020.876 (0.941)	12.134 (1.211)	671.43 (0.091)	123.21 (1.012)
Competition X ₄	17.981 (1.723)*	009.002 (1.087)	123.03 (0.987)	021.213 (1.89)*
Regulation X ₅	-091.22 (1.907)*	22.120 (4.213)***	0.654 (1.456)	12.043 (2.341)**
R ²	0617	0.439	0.301	0.410
F-ratio	13.932***	1908*	5.823***	1.870*

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 (4.341)***	023.124 (3.213)***	12.345 (2.123)**	032.109 (2.098)**
advertising X_1	231.009 (3.094)***	102.132 (1.978)*	009.198 (2.212)**	62.012 (0.123)
Sales promotion X_2	0.89.231 (4.28)***	1.342 (1.760)*	098.23 (1.431)	12.311 (2.981)***
Personal selling X_3	14.091 (2.121)	007.20 (1.909)*	031.21 (2.110)**	132.01 (1.232)
Public relation X_4	087.99 (1.448)	120.8765 (1902)*	187.121 (1.870)*	853.101 (2.876)**
Direct marketing X_5	092.009 (1.897)*	987.001 (0.009)	007.32 (1.409)	143.109 (1.980)*
Experience X_6	033.090 (1.558)*	21.1231 (1.092)	27.021 (1.00)	110.089 (0.002)

Education X ₇	912.323 (0.020)	092.992 (2.123)**	162.32 (1.110)	0.028 (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. 2016.

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' 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.

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