

THE APPLICATION OF THE MARKETING
CONCEPT IN AGRICULTURAL DEVELOPMENT:
(A CASE STUDY OF ADAPALM (NIGERIA)
LIMITED, OHAJI)

BY

NKEMAKOLAM, IKENNA JOHN
REG. NO. PG/MBA/87/5824

DEPARTMENT OF MARKETING
UNIVERSITY OF NIGERIA
ENUGU CAMPUS

MARCH, 1989

ABSTRACT

Marketing concept can be regarded as "the alpha and omega" of any organisational success, whether the firm is in consumer, industrial, international or agricultural marketing business.

It has been a general assumption that marketing is only useful and applicable when there is surplus produced by the company particularly agricultural commodities where scarcity leads to immediate purchase and consumption from the company's farmgate.

To this fact the application of the marketing concept is unnecessary in agricultural development since what is produced by the farmer or company is immediately consumed irrespective of its quality, price changes, distribution system or whether the consumers are consulted or not.

This study sought to find out whether these allegations are true particularly in this modern and competitive world where majority of the agricultural organisations are in the marketing oriented stage as against the former production and selling stages.

Companies that want to improve their business operations and make more profits should really orient themselves towards the features of the marketing concept - customer satisfaction, integrated efforts and profit orientation. The anticipation of what the consumers need, their creation, production, pricing, promotion and distribution, should be properly geared towards the satisfaction of the existing and potential customers (consumers). The growth and survival of any organisation wholly depends on these guiding philosophy and principles.

The research is a case study of ADAPALM (Nigeria) Limited, Ohaji with its three branches at Mbawsi, Umuogu Mbaise and Ukwu, all in Imo State. The headquarters is at Ohaji where the oil mill is situated, producing palm oil and palm kernels, with the production of vegetable oil in pipeline. The study concentrated on Ohaji location as the headquarter because it is the data bank for all information and also the centre for the marketing activities of the company.

As a case study, the marketing activities of the organisation were evaluated - starting from the production, pricing, distribution, and promotion to market research - to find out if the organisation has the consumer in mind in whatever business (marketing) decision it is undertaking. Also a brief performance evaluation of other departments of the company were studied to see their relationships with the marketing department and customers of the firm. The marketing problems of the company, where they exist, were identified, and some solutions suggested.

Five categories of questionnaires were distributed. These were those sent to the company executives, palm oil, palm kernel distributors, suppliers of local bred palm fruits to the company, and retailers of palm oil in the local markets nearer to the company. The information got from the questionnaires formed the basis for the data analysis of the project.

The result of the study shows that Adapalm might be considered a marketing oriented firm in terms of information gathering from existing and potential customers to determine their needs and wants and interpreting them to satisfy these customers' needs. At the same time it is trying to employ the philosophy that profitable sales and satisfying return on its investments could be achieved by satisfying these customers needs and wants. This could be done by producing the required product (palm oil and kernel) quality, pricing them reasonably, and making them available to the customers where and when necessary. Its efforts to disseminate the necessary information to the public for awareness of its business operations and other activities add up to its marketing oriented ideology.

The marketing department, to a larger degree, is able to integrate the other functional areas of the firm such as Research and Development, Engineering, Production, Personnel and Finance. All these tasks are not done in neglect of the Corporate goal of the firm as it is able to make huge sums of profits for its shareholders and pay its staff promptly.

However, the proper study of the firm seems to suggest that the firm is not a perfect market oriented firm since some complaints still come from the customers such as delays in approving tenders, frequent cancellations of orders, excessive increase in price of products without prior notice or information to the customers, much concentration of its advertising on newspapers, magazines, and billboards while radios, television, and other media seem to be neglected. Other problem areas are lack of proper co-ordination and integration of all the departments of the organisation.

These problems of the firm-low product quality, irregular supply of products to customers, frequent changes in prices without prior notice, inefficient distribution system, and poor communication - might be attributed to lack of regular market research by the company, high cost of production management inefficiency and the nature of the marketing department.

To be truly recognized as a market oriented firm, Adapalm should improve the quality of its products, increase its advertising media and source other promotional techniques, cut to a minimum level the frequent increase in price of the products unnoticed to the public (customers mainly). It should also speed up the approval of tenders and make it possible for customers to lift the oil when needed. These changes in business behaviour might increase the customers satisfaction that might equally result in higher profits of the firm. The different departments of the organisation should make it a point of duty to hold regular meetings, seminars and workshops to enable them clearly understand their different difficulties find solutions to them.

From the study we might state that a proper customer orientation, integrated effort and profit direction should be the key words Adapalm and similar organisations that need to survive and grow in their business operations. Giving the customers what they need, when, where and how they need it will work more magic for a company's growth than isolated operations.