BEING TEXT OF A LECTURE SERIES ON

BASIC PRODUCT DEVELOPMENT DESIGN, PRODUCTION AND PACKAGING SKILLS FOR SMALL SCALE INDUSRIALISTS IN NIGERIA

BY

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1.0 OPENING REMARKS

I wish to express my profound appreciation for the opportunity given to me to serve as one of the resource persons for this important National summit on sustainable industrial development. The topic for discussion which is “Basic Product Development Design, Production and Packaging Skills for Small scale industrialists” is an important marketing function which will go a long way in achieving the objective of the Summit as it will enhance the capacities of small scale industrialists in the country and in line with the federal government’s reform agenda as enunciated in the NEEDS documents.

1.1. INTRODUCTION

Marketing is perhaps the most complex and challenging function performed by small scale industrialists. Every organization engages in one form of Marketing activity or the other. How well organizations perform this function ultimately determines their success or failure in the competitive marketing environment. As an indication of the growing importance of marketing, many industrialists and business managers alike have continued to be employing several marketing strategies in an effort to remain competitive within the environment, so the importance of a good introduction to the field cannot be over-emphasized.

1.2 DEFINITION OF MARKETING

When asked to define marketing most people would probably say that marketing is merely buying and selling or selling and promoting in order to increase sales. Marketing includes more than buying and selling, it involves whole lots of activities performed by an organization to direct the flow of needs satisfying goods and services from the producer to consumer or user.

However, there have been many universally accepted definitions put by many authors.

Peter Drucker defined Marketing as the whole business seen from the point of view of its final result, customer satisfaction.

P. Kotler defined Marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. This definition contain some vital importance such as needs, want and demands, products, value and satisfaction, exchange markets.

America Marketing Association defined ‘marketing as the performance of business activities that direct the flow of goods and services from the producer to consumer or user’

From the various definitions above, we should understand that marketing is concerned with satisfying the genuine needs and wants of specifically defined target market by creating product or services that satisfy customer requirements. The principle of marketing states that all business decisions should be made with careful and systematic consideration of the Customer.

The distinguishing features of marketing oriented organizations are the way in which organizations aims to provide customers satisfaction in a manner they achieve their business objectives. Marketing is both an important functional area of management and an overall business philosophy which recognized that the identification, satisfaction and retention of consumers are the key to prosperity and this can only be achieved through the combination and application of the right marketing mix elements.

1.3 MARKETING MIX

Marketing mix is considered the most famous phrase used in marketing which has been described as “the element of marketing tactics”. It is the term used to describe the combination of the four inputs that constitute the core of a company’s marketing system. Marketing mix is also defined as a set of controllable tactical marketing tools that the firm blends to produce the response it wants in the target market. It is also described as the combination of product, price, place (distribution channels) and promotion.

They are the parameters that the marketing manager can control. All marketing decisions are generally anchored on or fall into these four controllable categories, the goal is to make decision that center the 4P’s on the customers in the target market in order to create perceived value and generate a positive response. The four places categories which consist of everything the firm can do to influence the demand for its product are discussed below:

1.3.1 PRODUCT

A product is anything offered for attention, acquisition, use or consumption that might satisfy a want or need. Products can be physical objects, service, persons, organizations and ideal.

NWOKOYE (1987) defined a product as a bundle of physical and psychological satisfaction that the buyer receives from a purchase. This includes not only the tangible object, but also such supportive elements as ‘packaging, convenience of purchase, post sale service and others that buyers value.

Stanton(1983) defined product as a set of tangible and intangible attributes including packaging, colour, test, price, manufacturer’s prestige, retailer’s prestige, as well as manufacturers and retailer services which the buyer may accept as offering wants satisfaction.

1.3.2 PRICE

Price can be defined as the monetary value of an item, it is the value expressed in terms of dollars, pounds, Naira or any other monetary medium of exchange. In the narrowest sense, price is the amount of money charged for a product or service. More broadly, price is the sum of all the value that consumers exchange for the benefits of buying, housing or using the product.

Price is the only element in the marketing mix that produces revenue, all other elements represent costs. Price is also one of the most flexible elements of marketing mix. Unlike product feature and channel commitments, price can be changed quickly. At the same time, pricing and price competition is the number one problem facing many marketing executives. Yet, many companies do not handle pricing well. One frequent problem is that companies are too quick to reduce price in order to get a sale rather than convincing buyers that their products are worth a higher price. Other common mistake include pricing that is too cost oriented rather than customer – value oriented price that are not revised.

1.3.3 PLACE

Place is an element in the marketing mix, which deals with how manufacturers distribute products to the consumers. The movement of goods and services from the manufacturer to the consumer is known as distribution.

1.3.4 PROMOTION

Promotion is one of the major forms of marketing communications, which include advertising, personal selling, sales promotion, and public relations. These are therefore referred to as the promotional mix. Most scholars have used different words at different times to connote promotion (Kotler, 1986) use the term "communication mix" rather than promotional mix, in the same context, while (Jefkins, 1990) use the term "communications" to represent company-wide communications rather than just marketing communications.

As it is common with other aspects of human Endeavour, it is necessary that promotional mix should be blended if the desired results are to be achieved. This combination is necessary in order for promotion to be effective and result oriented.

The role of the promotional mix is essentially to make the target audience favorably aware of the availability of products and services in the market place.

Today, with marketing more integrated into organizations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing a sixth p, such as people and process:

People Good information services are likely to be delivered by people who are unskilled or who lacked motivation.

Process The way in which user gets hold of the services is likely to be poor following poor organization and orderliness. Some commentators will increase the mix to seven places to include physical evidence.

However, for the purpose of this lecture emphasis will be on the first element of the marketing mix i.e. a product. As our analysis will provide industrialists here present with a clear understanding of product as a concept, its design and developmental process, product life-cycle strategies, production concept, as well as the packaging skills necessary for the survival of small scale businesses which is very vital in today's competitive environment.

2.0 PRODUCTS OR SERVICES AND IDEAS

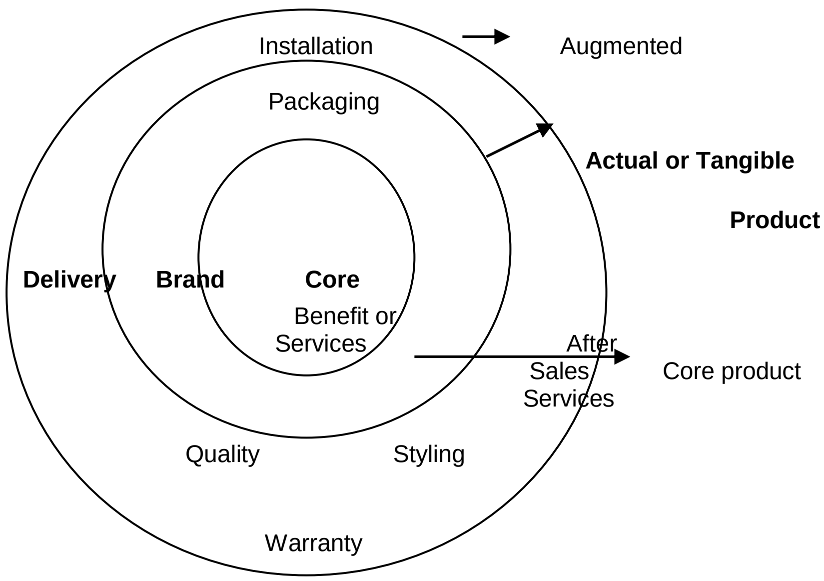
The existence of human needs and wants give rise to the concepts of products. Product offering the heart of an organization's marketing program is usually the starting point in creating the marketing mix. A marketing manager cannot determine price, promotion or distribution strategy until he/she has a product to sell.

A product or offering can consists of as many as three components: Physical goods, Services, and Ideas. Generally it could be an object, service, activity, person, place, organization, or idea. For example a computer manufacturer is supplying goods (computer, monitor, and printer), services delivery, installation, training, maintenance, repairs, and an idea (computation power). The word product often brings to mind a physical object like television set and for this reason we usually use the expression products and services to distinguish between physical and intangible ones.

But in thinking about products the importance lie's not so much in owning them as in using them to obtain services which satisfy human wants. We buy a car because it supplies transportation service. We buy a micro wave oven because it supplies a cooking service. Since physical products are really Vehicles, that deliver services to us we could redefine products as a bundle of physical, service and symbolic attributes designed to produce consumer want and satisfaction". It could also be defined as "every thing both favorable and unfavorable attribute that a person receives in exchange for satisfaction". We will use the term products therefore to cover, physical products, service products, and other means that are capable of delivering a want or need.

In the light of this discourse it could be seen that a product does not consist of only its physical entity, but also services, non tangible attributes like image of product, an idea, therefore the consumer purchases more than a physical product and basically buy want satisfaction. Manufacturers often make the mistake of paying more attention to their physical products than services produced by those products. They see themselves as selling a product rather than providing a solution to a need. Marketers should always have it at the back of their minds that product is at three different levels.

2.1 THREE - LEVELS OF PRODUCT



Source: Kotler (1991)

As can be seen above, in planning its market, the marketer need to think through the following levels of products because each level add more customer's value:

1 **Core product**
The core products refers to the use, benefits or Problem solving service that the consumer is really buying when purchasing the product, i.e. the need ;that is been fulfilled. For instance the purchase of drill is "buying holes: a hotel guest is buying "rest and sleep". Marketers must see themselves as benefit providers.

2 **Actual or tangible products**
The actual products are the tangible products or intangible service that serves as a medium for receiving core product benefits, as follows:

a) Quality refers to product performance.

b) Features include combination of product attribute.
c) Styling refers to design, aesthetic and ergonomic aspects.
d) The brand name helps consumers position and identify the product
e) Packaging protects and promotes.

These must be combined carefully to deliver co-benefit, a convenient high quality way to capture important moment.

3. **Augmented product**

This consists of measures taken to help the consumer put the actual product to sustained use, including installations, delivery, credit warranty, and after sales services. This is to say that a product therefore, is more than simple set of tangible features. Consumers tend to see product as complex bundles of benefits that satisfies their needs. Augmentation soon becomes expected benefit, for example, hotel guest now expect cable TV, Trays of Toiletries and other amenities in the room. This means that competitors must search for still more features and benefits to distinguish their offers.

Today, most competition takes place at the augmentation level. However, some things should be noted about product augmentation strategy:

Each augmentation cost the company money. The marketer has to ask whether consumers would pay enough to cover the extra cost. Augmented benefits soon became expected benefits, this means firms should search for features and benefits to add to their offer.

As company raise the price of their augmented products, some competitors can revert to offering a “stripped down” product at much lower price by offering to customers who simply want the basic product. Successful companies add benefit to their offers that not only satisfy, but also would delight the customer.

For example, Chisco automobile offers personal transportation (core products), has many different features that includes, Air conditioner, Video player, coffee/ tea and bed space (actual product), and may include manufacturer’s warranty or dealers discounted service contract – repairs (augmented product).

2.2 PRODUCTS CLASSIFICATION.

Products can be classified on the basis of varying product characteristics, these are, durability, tangibility and use (consumers or industrial). Each product type has an appropriate marketing strategy.

2.2.1 CONSUMER GOODS

Armstrong defined consumer goods as products bought by the final consumer for personal consumption. Markets usually classify these products based on how consumers go about buying them. It can also be defined as goods which the consumers buy so that his/her family may enjoy the benefits or satisfaction contains in it. It is any goods that is bought for household use e.g. Cars, food, e.t.c. Consumer goods can further be subdivided into the following**:**

Convenience goods: consumers usually have full knowledge of the product they wanted buying. These are product that the consumer usually buys frequently immediately and with a minimum of comparison and buying effort. Consumer purchases this product without inclination to compare price from one shop to another. The purchase is always routine usually inexpensive and marketers place them in many location to make them readily available when customers need them.

P. Kotler went further to divide these convenience goods into the following:

(a) **Staple Goods**: These are goods that consumers purchase on a regular basis e.g. Toothpaste, Soap, milk, sugar, oil e.t.c.

(b) **Impulse Goods**: These are goods purchase on impulse without any planning or search effort. Here consumers have no intention of buying the product but may decide to buy due to the impulse or how the goods are displayed. E.g. Magazines. Marketers of such product should always place them on strategic location and the time of displaying such goods is also important.

(c) **Emergency Goods:** - these type of goods are purchased when a need is urgent and the cost is usually high because of the urgency e.g. Drugs Umbrella during rainfall. Marketers of Emergency goods should always consider time when marketing such product and they should also equally place them in main outlets so as to sell when the customers need them.

2. **Shopping goods:** These are less frequently Purchased consumers compare carefully on suitability, quality, Price and style in buying. In these types of goods, consumers spend much time and effort in gathering information and making comparisons. E.g. Furniture, Clothing etc. These products are more expensive than convenience goods. Marketer usually distributes their product through fewer outlets but provide deeper sale support to help customers. These products are subdivided into.

(a) **Homogeneous Goods:** - this is the types of goods that are similar in quality but different enough in price to justify shopping comparisons. The seller has to talk or bargain price with the buyer.

(b) **Heterogeneous Goods:** - These are shopping goods which product features are often more important to the consumer than the price. The seller of such product must therefore carry a wide assortment to satisfy individual tastes and must have well – trained sales people to provide information and advice the customer.

3. **Specialty goods*:*** - These are consumer goods with unique characteristic and/or brand identification for which a significant group of buyers is habitually willing to make a special purchasing effort. Specialty goods do not involve the buyer in making comparisons; buyers invest time only to reach dealers caring the wanted products. The dealers carrying need convenient locations, however they must let prospective buyers know their location. E.g. Cars, Photographic equipment etc. Quality is important in this type of product and they are usually expensive.

4. **Unsought goods**: - These are consumer products that the consumers do not know about or knows about but does not normally think of buying. Most major unsought goods are not

known until the consumers become aware of them through advertising. Example of unsought goods are; life insurance, encyclopedias etc. By this nature, unsought goods require a lot of advertising, personal selling and other marketing efforts.

2.2.2 INDUSTRIAL PRODUCTS

These are those products that are purchased for further processing or for use in conducting a business. E.g. A car bought for business purpose. Industrial product can be classified in terms of how they enter the production Process and their relative coastlines. These groups of industrial products are; Materials and parts, Capital items, Suppliers and business services.

1. **Materials and parts**: - These are goods that enter the manufacture's product completely and it fall into two classes:

a. Raw Materials

b. Manufactured materials and parts

a. **Raw materials** are goods which have not been processed at all, or which have been processed only to the extent necessary for convenient physical handling, it consists of farm products (wheat, cotton, livestock, fruits, Vegetables) and natural products (fish, crude oil, iron ore). Each of these products is marketed somewhat differently.

Farm products are supplied by many producer; who turn them over to marketing intermediaries who provide assembly, grading, storage, transportation and selling service. Their perish ability and seasonal nature gives rise to special marketing practices. Producers of these types of products often brand their product – for example Chiquita bananas, Sunkist oranges.

Natural products are highly limited in supply. They are usually very expensive and have low unit value and require substantial transportation to move them to where they should be used directly by industrial users because the users depend on this material, and long term supply contracts are common. Price and delivery reliability is the major factor influencing the selection of supplies.

b. **Manufactured materials and parts** this are divided into two categories.

(i) Components materials which includes Iron, Cement, Wires etc they are usually fabricated further. Example cement in building house

(ii) Components parts include small motors, seat belts, bulbs etc. These enter the finished product completely with no further changes in forms, as seat belts are put in Cars, these manufactured materials and parts are sold directly to industrial users with orders often being placed a year or more in advance price and services are the major marketing consideration while branding and advertising tend to be less important

2. ***Capital Items***

Capital items are long lasting goods that facilitate developing and/or managing the finish product. Capital items are of two groups:

(a) **Installation***:* - which consist of Building (factories and offices) and fixed equipments (generators, elevators, large Computer system, drill presses) installations are major purchase. They are usually bought directly from the producers with the typical sales preceded by a long negotiation period. The producers use a strong sales force, which often includes technical personnel. The producer have to be willing to design to specification and to supply post sales services advertising is used but is much less important than personal selling. These are usually expensive and frequently bought and are the main determinants of a firm's production capacity.

(b) **Accessory Equipments:** - They are less expensive and have shorter life's than installation but a longer life than 'operating supplies like installation they do not form part of the finished products, they only help in production process, manufactures these equipments and sell direct, more often they use intermediaries because the market is geographically dispersed, the buyers are numerous and the orders are small, and the sales forces tends to be more important than advertising. This Accessory equipment consists of :

a. portable factory equipments and tools (e.g. hand tools, lift trucks)
b. office equipments (e.g. Calculator, Cluck, personal Computers desks)

3. **Supplies and business services:** - This is short lasting goods and services that facilitate developing and/or managing the finished products.

Supplies are the equivalent of convenience goods in the industrial field; they are usually purchased with a minimum effort on a straight rebuy basis they are normally marketed through intermediaries because of their low unit value and the great number and geographical dispersion of customers. Price and service are important consideration since suppliers are quite standardized and brand preference is not high, supplies consists of:

a. Operation supplies (e.g. Lubricants, coal, writing paper, panels, stationary etc.)
b. Maintenance and repair items (paint nail, brooms).

Business services include maintenance and repair services (window cleaning typewriter repair etc) and business advisory service; services, advertising, market consulting etc). Maintenance and repair services are usually supplied under contract. Maintenance services are often provided by small producers and repair services are often available from the manufacturers of the original equipment. Business advising services are usually purchase in new task – buying situation, and the industrial buyer will choose the supplier on the basis of the supplier's reputation and people.

2.3 PRODUCT STRATEGY

The product life cycle is one of the least understood concepts in marketing. This comment we have in mind is the idea that although the concept, has an inherent appeal and logic there is little evidence that shows that marketing managers use it in an effective manner while developing their strategies. The ideal of the life cycle has undoubtedly influenced the thinking of many marketing strategist albeit at a general rather than a specific level.

The theory of the product life cycle postulates that not only are economics conditions changing and competitors launching new assaults but also the product is passing through new stage over its life time.

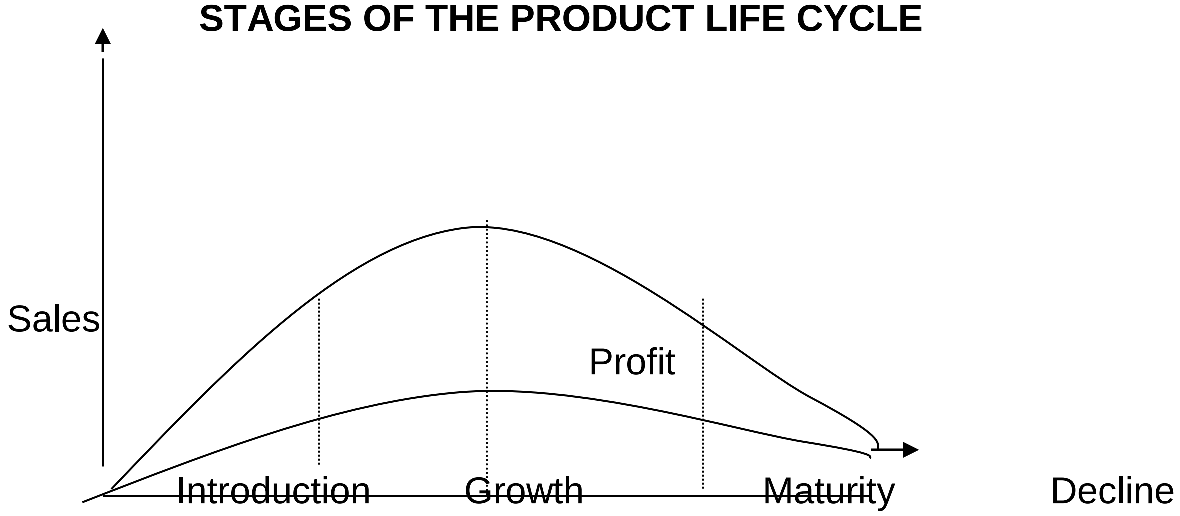
Consequently, the company needs to plan for a succession of strategies appropriate to each stage in the product life cycle, the company must think on how to extend the product life and profitability in the face of knowing that it may not last forever.

In planning strategies of a product in relation to its cycle we have in mind the following:

1. That the product has a definite life
2. During this life the product pass through a series of different stages, each of which present different challenges to the seller
3. Virtually all element of the organization need to change as the product moves from one stage to another
4. The profit potential of the product varies as the product moves from one stage to another

Thus, as a planning tool its value should be seen in terms of the way in which it highlight the need for marketing strategy to change over time and indeed identifies the types of strategy that are best suited to each of the stage. How the product strategy in relation to the product life cycle refer to what should be the strategy to be adopted in the four different level of the product life cycle this can best be explained with the aid of the product life cycle curve below:

STAGES OF THE PRODUCT LIFE CYCLE



Source: Kotler (2003)

The product life cycle above, shows the stages that a typical product will pass through over its lifetime. The exact shape of sales and profit curves differs from one product to another. Similarly, the time period required to complete the cycle vary. A firms marketing system for a product changes for several reasons:

1. Customer's attitudes and needs may change through the course of the product life cycle.
2. Entirely different target market may be appealed to at different stages in the life cycle.
3. The nature of competition moves towards pure competition or oligopoly.

Introduction stage This is the stage where a new product is being introduced into the market for the first time and so many people are not aware of the existence of such product because they do not know about it yet.

Promotion is needed to tell potential customers about the new product. The most important promotion goal is to induce consumer to try the product for the first time. The introductory stage is usually marked by losses, with much money spent on promotion, product and place development. Money is being invested in the hope of future profit. At this stage, basic product should be produced that is the ideal conception in the mind of the producer that will give an adequate satisfaction of the perceived need.

The growth stage This occurs when industry sales start coming into the market, each tries to develop a better product design.

During this stage, the sales of the industry are raising fast more and more customers buy.

This is the time of biggest profits for the industry. It is also the beginning of the decline in profits. The best strategy in the growth stage is to attempt to maintain consumer goodwill and a smoothly running channel of distribution. This strategy helps prolong eventual maturity and decline, and should be aim of the marketer to out distance competitors. The marketer can employ the following strategies:

1. The firm should improve on the product quality and add new product features and improved styling
2. It should add new models and flank product (that is product of different sizes, flavors, colour, e.t.c) that protect the main product.
3. It should enter new market segments
4. It should increase its distribution coverage and enter new distribution channels
5. It should shift from product awareness advertising to product preference advertising
6. It should lower prices to attract price sensitive buyers.
7. The firm should also develop ‘product extension and services level that is in the form of increasing the utility value of the product all in order to maximize profit and increases the life of the product.

As a leader in the industry, firms should be pursuing the above strategies as it will help them to:

a Keep ahead of the field
b Discourage other possible or prospective entrants
c Raise entry barriers
d Develop a strong selling proposition as a challenger in the industry

As a follower (firm) such additional strategies should be adopted as follows:

a. imitate at lower cost if possible
b. maintains vigilance and guard against competitive attacks
c Look for unexpected opportunities and exploit on it.

The maturity stage At this stage, the rate of sales growth will slow down and the product will enter a stage of relative maturity. This stage normally last longer than the previous stages and it possess formidable challenges to the marketing management. Most produce are on a maturity stage of the life-cycle and therefore most of the marketing management deals with mature product. The maturity stage is divided into three (3) sub- stages

The growth maturity stage Here the sales growth start to decline, there are no new distribution channels to fill although some laggard buyers still enter the market.

The stable maturity Here sales flatten on a per-capital basis because of market saturation. Most potential consumers have tried the product and future sales are governed by population growth and replacement.

Decaying – maturity stage This is the third and the last sub-stage under the maturity stage. Here the absolute level of sales start to decline and customer start switching to other products and substitute. The slow –down in rate of sales growth create over – capacity in the industry.

Companies with product in the maturity stage adopt such strategies as: market modification, product modification and market mix modification.

Market modification Here the company might try to expand the market for its mature brands by working with two factors that make up sales volume.

A. The Company can decide to expand the number of brand users in three (3) ways:

(a) **Convert non-users**:- The Company can try to attract non-users to the product. For example the key to the growth of Air-Freight service is the constant search of new users to whom air carriers can demonstrate the benefit of using air freight rather than ground transportation

(b) **Enter-new market segment**: - The Company can decide to enter new market segment geographic, demographic and so on, that use the product not the brand. For example Johnson and Johnson successfully promoted its baby shampoo to adult users.

(c) **Win competitors customers: -** the company can attract competitors' customers to try or adopt the brand. For example, Pepsi cola is constantly tempting coca-cola customer or users to switch to Pepsi-cola, throwing one challenge after another.

B. Sales-volume can also be increased by convincing current brand users to increase their annual usage of the brand. Here are three strategies

(a) **More Frequent Use: -** for example orange juice marketer can try to get people to drink orange juice at occasions other than breakfast time.

(b) **More usage per occasio**n**: -** the company can try to interest users in using more of the product in each occasion. Thus, a shampoo manufacturer might indicate that two effective rising would be more effective than one.

(c) **New and more varied users**: **-** the company can try to discover new product uses and convince people to use the product in more varied uses. Food manufactures for example list external recipes on their packages to broaden the consumer uses of the product.

Product modification Manager also tries to improve sales by increasing the product characteristic through quality improvement, feature improvement and style improvement.

Quality improvement strategy: **-** This strategy strives to improve the functional performance, its durability, reliability, speed, taste e.t.c. A manufacturer can often overtake its competitors by launching a new and improved machine tool automobile detergent groceries e.t.c. this strategy is effective to the extent that the quality is improved, buyers accept the claim of improved quality and sufficient number of buyers will pay for higher quality. But customers are willing to accept an improved product.

The classic tale of new coke illustrate this "Battered by competition from rival competitor Pepsi-cola, Coca-cola introduced into the market a sweetened drink dubbed the “New Coke” Despite various revolts from Pepsi-cola, the New Coke still had its way but after some months, the product declined. The company introduces its century formular as coca-cola classic. Thus giving it a new status in the market place

Feature improvement strategy This aims at adding new features as size, weight, material, additives safety or convenience for example adding electric power to hand lawn mowers increase the speed and ease of cutting grass lawn-mower manufacturers then worked in designing better safety features, some manufacture have added conversion features so that a power lawn – mower doubles as a snow – plough.

A feature improvement strategy has several advantages new feature build company image of innovation and win the loyalty of certain market segment who value these features. They provide an opportunity for free publicity and they generate sales force and distributor enthusiasm.

The chief disadvantage is that feature improvement is easily imitated, unless there is a permanent gain from being the first, the feature improvement might not pay-off in the long-run.

Style – improvement strategy: - This is aimed at improving the product aesthetic appeal. The advantage of style strategy is that it might give the product a unique market identity and win a loyal following. It demerits or problems are; it is difficult to determine

2.4. PRODUCT DIFFERENTIATION

Product differentiation is seen as one of the most important aspect of marketing, especially with regard to product key features and minor details.

Product differentiation is the way multi product firms build their own supplied products range. It is the meditation of a product to make it more attractive to the target market by making it look different from competitor’s product. Differentiation makes a company’s product to be Unique and stands out from the competitions. Consumers who perceive a product to be unique in serving their needs often become brand loyal and are more usually to pay a premium price in order to gain the products benefits.

At market level, product differentiation is the way through which the quality of good is improved over time. Thanks to innovation – launching new products with entirely new performances is a radical change, often leading to changes in market share and industry structures.

In an evolutionary sense differentiation is a strategy to adapt to a moving environment and its social groups.

2.4.1 TYPES OF DIFFERENTIATION

There are two types of differentiation; these are vertical and horizontal differentiation.

Vertical Differentiation This occurs in a market where the several goods that are present can be ordered according to their objective quality from the highest to the lowest. It's possible to say in this case that one good is "better" than another. Vertical Differentiation can be obtained: along one decisive feature along a few features, each of which has a wide possible range of (continuous or discrete) values.

Horizontal differentiation When product is different in terms of features a horizontal differentiation emerges in the market. A typical example is the ice cream offered in different tastes. Horizontal differentiation in colors, (different colour version of the same good), in styles and in tastes. This does not prevent specific consumers to have a stable preference for one or the other version, since you should always distinguish what belongs to the supply structure and what is due to consumers' subjectivity.

2.4.2 TOOLS OF PRODUCT DIFFERENTIATION

Product Quality In production, quality refers to zero defects or conformity to exact manufacturing and production specifications. To the personal use consumer, quality is less tangible and more difficult to define, yet most people are confident they know a quality product when they see it; marketers realize that quality is a good way to promote their products.

Consumers want value in a product, their evaluation of the relationship between the product's relative prize quality, and image. Image is how the brand appears to the customer through such details as colours, use of symbols, packaging, displays, and price and how and where it is sold and advertised.

Product Features A product can be offered with varying features. Features are a competitive tool for differentiating the company's product from competitor's products. Being the first producer to introduce a needed and valued new feature is one of the most effective ways to compete. A Company should periodically survey buyers who have used the product and ask these following questions in order to identify new features and decide which ones to add to its product:

(a) How do you like the product?
(b) Which specific features of the product do you like most?
(c) Which features could we add to improve the product?

The answers provide the company with a rich list of features ideas. The company can then assess each features value to customer verses it cost to the company. Features that customers value little in relation to cost should be dropped, those that customer's value highly should be added. As part of the product features are, branding, packaging, labeling, styles, size, colour and taste, these are discussed below.

Branding The American Marketing Association defines brand as "a name, term, sign, symbol, design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors.

In essence a brand identifies the seller or maker. It can be name, trademark, logo or other symbols. Under trademark law, the seller is granted exclusive rights to the use of the brand name in perpetuity. Thus brand is different from other assets such as patents and copyrights which have expiration dates.

A brand is essentially a seller's promise to consistently deliver a specific set of feature, benefits and services to the buyer's it convey a warranty of quality. Brand can convey up to size levels of meaning thus Attributes, Benefits, Values, Culture, Personality, users.

If a company treats a brand only as a name, it misses the point of branding. The challenge in branding is to develop a deep set of meaning for the brand. When the audience can visualise all size dimensions of a brand, the brand is deep, if otherwise it is shallow.

A company has five choices when it comes to brand strategy thus Line extension, brand extension, Multi- brands, new brands and co brands. Also in developing a brand strategy, an organization can pursue one of the four approaches:

(1) Corporate umbrella branding: this could be used either as a lead name such as Nestle foods or Cadbury's or as supporting brand name such as Allied-Ranch. In the case of Cadbury's the umbrella is used to cover a wide variety of products such as chocolates, sweets, creams eggs, flakes e.t.c.

(2) Family umbrella branding: by contrast are used to cover a range of products in a variety. A case in point is Marks and Spencer with its St, Michael brand which is used for food, clothing and household textile the common link exists in terms of quality style and packaging.

(3) Range branding names: are used for a range of products which have clearly identifiable links in a particular market. An example of this is the lean cuisine ranges of low calories foodstuff.

(4) Individual branding: is typically used to cover one type of product in one type of market, possibly with different combinations of size, flavour and service options or packaging formats. E.g. Lucozade, Maltina and Milo.

To be truly effective, a brand strategy has to develop over time and reflect environmental conditions. However, Dikvision had identifies the following principles for brand development:

(1) Understand your brands
(2) Determine how all your brand names fit
(3) Decide which brand names can be stretched and how far
(4) Know when to develop new brand names

(5) Consider licensing your brand name
(6) Cover your tracks
(7) Have a 5 years brand development plan.

The focus here is not on brand per se, but on successful brands.

Because people are aware of a specific brand does not mean that it is successful. A positive or successful brand can be defined as follows: Is a name, symbol, design or some combination, which identifies the "Product" of a particular organization as having a Sustainable differential advantage. Differential advantage here means that customers have a reason for preferring that brand to competitor's brand. Sustainable means an advantage that is not easily copied by competitors i.e. the business create barrier to entry. E.g. for developing an outstanding reputation or image for quality, services or brands such as IBM, Coca-Cola, Sony e.t.c. are successful because they have such sustainable differential advantage which results in superior profit and market performance.

Brand work by facilitating and making more effective the consumers choice process. Every day an individual makes hundred of division, and the shortcuts to this decision – making is to rely on **Habit** and **Perception** by buying brand that has proven satisfactory in the past.

2.4.4 PACKAGING

This includes the activities of designing and producing the container or wrapper for a product. The container or wrapper is called package. The package might include up to three levels of material thus primary, secondary and shipping package.

According to Schewe (1987) packaging includes all activities that are related to designing and producing the container or wrapper for a product. Packaging is a big business today, with almost as much spent on it as on advertising. Packaging helps identify brands and promotes them as well; look at the promotional value of Bagco Cement package. Package also protects goods as they move through the distribution channels and after they have been placed on the retailer's shelf. At the same time we must not forget that the package contains the product image what it would be like to try to buy a soft drink without packaging.

In recent times, packaging has become a potent marketing tool; well-designed packages can create convenience value for the promotional value for the producer. Various factors have contributed to packaging growing use as a marketing tool:

(a) **Self service**: an increasing number of products are sold on self-service basis in super markets and discount houses. The package must perform many of the sales tasks it must attract attention, describe the product feature, create consumer confidence, and make a favorable overall impression.

(b) **Consumer affluence**: Rising consumer affluence means consumers are willing to pay a little more for the convenience appearance, and make a favourable overall dependability and prestige of better packaging.

(c) **Company and brand image**: companies are recognizing the power of well designed packages to contribute to instant recognition of the company or brand.

(d) **Innovation opportunity**: Innovation packaging can bring large benefits to consumers and profits to producers. Toothpaste pump dispenses have captured 12% of the toothpaste market because for many consumers they are more convenient and less messy.

Developing an effective package for a new product requires several decisions. The first task is to establish the Packaging Concept.

2.4.5 PACKAGING CONCEPT

The packaging concept defines what the package should basically be or do for the particular product. Should the package main function (s) be to offer superior product protection, introduce a novel dispensing method, and suggest certain qualities about the product or the company, or something else?

Once the packaging concept has been determined, decisions must be made on additional packaging elements – size, shape, materials, colour, test and brand mark. Packaging elements must be harmonized with other marketing elements.

2.4.6 SOCIAL AND LEGAL ASPECTS OF PACKAGING

Because of the need to protect the environment, marketers have had to find ways to dispose of packaging. After a packaging has served its marketing purpose, it becomes trash. Many states now have laws that require consumers to pay a deposit for containers of beer, soft drinks, and other beverages. This legislation forces packages and consumers to do a better job of recycling the materials used to make container Biodegradable products and packaging have also been developed as a result of public pressure.

Plastic which is made from petroleum was in less demand during the years immediately following the energy crisis. Metal containers, which do no decompose, have also been subject to criticism. Many aluminum manufactures now encourage consumers to take their used cans to recycling centers. In this fashion, the social values of the day are tied to packaging and used for promotional appeal.

2.4.7 LABELING is a subset of packaging, sellers must label their product this label may be a simple tag attached to the product or an elaborately designed graphic that is part of the package. The label might carry only the brand name or a great deal of information even if the seller prefers a simple label; the law may require additional information.

Schewe (1987) sees a label as an aspect of product that provides satisfaction to buyers. A label supplies information about the product or its seller. It may be printed as part of the packaging, or it may be on a tag attached to the product. There are three (3) basic kinds of labels.

(1) Grade labels: Identify the quality of the product by a latter ("Grade A") number ("No. 1") or word ("Prime") or ("Choice").
(2) Informative labels (such as "keep away from heat or direct Sunlight") Advise consumers about the care, use, or preparation of production of products.
(3) Descriptive labels: explains the important characteristics or benefits of products.

The main purpose of labeling is to provide information. Processed foods, patient drugs, some cosmetics, textile, numerous other products are required by law to carry a fairly complete list of their ingredients. Recently, libeling has also included Unit Pricing**,** Open dating and nutrition labeling.

3.0 PRODUCT DESIGN

As competition intensifies, design offers a potent way to differentiate and position a company's product and services. Design is the factor that will often give a company its competitive edge. Design is the totality of features that affect how a product looks and functions in terms of customer requirements. Design is particularly important in making and marketing retail services, apparel, packaged goods and durable equipment.

The designer has to figure out how much to invest in form, feature development, performance, conformance, durability, reliability, repair ability and style. To the company, a well designed product is one that is easy to manufacture and distribute. To the customer, a well designed product is one that is pleasant to look at and easy to open, install, use, repair and dispose of. The Designer has to take all these factors into account.

3.1 TYPES OF DESIGN

Every activity has different ways by which one can approach it. And these ways are:

1. **Preliminary Design:** It is usually devoted to developing several alternative designs that meet the conceptual features of the selected products.

2. **Final Design: -** During the final design phase, photocopies are developed bugs are worked out of the design so that the product is sound from an engineering stand point. The degree of design specifically varies according to the type of product being considered.

   Typical considerations that must enter the analysis are component compatibility and simplification. Compatibility refers to the putting together and proper articulation of points during operation. Simplification refers to the exclusion of those features that raise production cost.

3. **Computer Aided Design: -** One recent development in product design is the use of man and a computer as a team in generating design concepts. This approach termed computer-aided design (CAD), another design helps engineers to rough out a particular product configuration and receive immediate feed back on its specification. After the design work is completed, the computer designs products which the engineers can choose from.

Product styles A style is a basic and distinctive mode of endeavor for example, styles appears in homes (colonial, reach, cape codes) in clothing (formal / casual / funky) in act (realistic) once a style is invested it last for generations going and out of vogue. Product style described product and feel to the buyer. Buyers are normally willing to pay a premium for products that are attractively styled. For example every year buyers pay a premium for Jaguar automobile because of their extra ordinary looks. Some companies have outstanding reputation for styling such as Olivetti in office machine, Nissan and Mazda in sport Cars and swatch in watches. Styles have the advantage of creating product distinctiveness that is difficult to copy.

Therefore, it is surprising that more companies have not invested in better styling making product rather than eye – catching products for example, most kitchen applicant lack styling distinctive with exception of some coffee makers and other small application made by Italian and German times.

Product size This refers to the physical or outward quality that the product seem to possess the product has to make such decision as to what size would be allotted to the product by which it is to be identified also such decision as to the different sizes to be taken by the producer. No matter the size of the product which the producer want to allot the product, it must be the size that will be accepted by the majority of buyers both in terms of affordability and usage.

Product Colour The marketing manager takes decision in the area of product colour. He decides on what colour to be assigned to the product or in some cases what different shied of colour his products ought to have. In this case the marketing manager considers the product colour decision in the light of the following.

1. Product quality: - That is the product colour to essentially display or portray its quality to users
2 Consumer/buyers Attraction: - some marketing managers assign colour to product in order tract buyers easily.

   Distinctiveness some marketing managers assign colours to products as a mark of distinctiveness. That is to make it quite different from those of rival competitors.

Product Taste The main goal of taste is to determine which flavors and/ or aromas most appeal to consumers. These allow the client to evaluate a strategy and related product formulas in order to make the necessary changes and bring them in line with consumer profile targets. In this taste, an aroma test enables the company to compare his/ her products to those of the competitors or to formulate variation of the same product.

4.0 CONCEPTS OF NEW PRODUCT DEVELOPMENT

Considering the rapid changes in tastes, technology and competition, a company cannot rely only on its existing products. Competition will do its best to provide them. Every company needs a new – product development program.

A company can obtain new products in two ways. One is through acquisition, by buying a whole company, a patent, or license to produce someone else product. The other is through new-product development, by setting up its own research and development department.

We will concentrate on new product development. By New product" we mean original products, product improvements, product modifications, and new brands that the firm develops through its own research and development efforts. We will also be concerned with whether the consumer sees the item as "new"

Boot, Allen and Hamilton identified six categories of new products, this include; New-to-the-world products, New product lines, additions to existing product lines, improvements and revision of existing products, as well as, repositioning and cost reductions from the foregoing, we can conclude that less than ten percent of all new products are truly innovative and new to the world, these products involved the greatest cost and risk, because they are new to both the company and the market place.

4.1 STAGES IN THE NEW PRODUCT DEVELOPMENT PROCESS

The following are the stages involved in the new product-development process:

1. **Idea Generation:** New product development starts with the search for new-product ideas. The search should be systematic rather than haphazard. Otherwise the company will find scores of ideas, most of which will not be appropriate for its type of business.

In one company a new product came all the way up for final approval after a research cost of more than 3 million naira only to be killed by members of top management who decided they did not want to get into that type of business. Top management should avoid this by carefully defining its new-product development strategy.

2. **Idea Screening:** A company should motivate its employees through rewards to submit their new ideas to an idea manager whose name and phone number are widely circulated. Ideas should be written down and reviewed each weak by an idea committee. The company then sorts the proposed ideas into three groups: Promising Ideas, Marginal Ideas and rejects. Each promising idea is researched by a committee member, who reports back to the committee. The surviving ideas then move into a full-scale screening process. In screening ideas, the company must avoid two types of errors:

(a.) **A Drop – Error:** This occurs when the company dismisses an otherwise good idea.

(b.) **A Go – Error:** This occurs when the company permits a poor idea to move into development and commercialization.

The essence of screening is to drop poor ideas as early as possible.

3**.** **Concept Development and Testing:** Suppose an automobile manufacturer discovers how to design an electric car that can go as fast as fifty miles an hour and as far as one hundred miles before needing to be recharged. The manufacturer estimates that the electric cars operating costs will be about half of those of a conventional car. This is a product idea. Customers, however, do not long a product idea; they buy a product concept. The marketer's task is to develop this product idea into some alternative product concepts, evaluate their relative attractiveness to customers, and choose the best one.

Concept Testing: Concept testing involves presenting the product concept to appropriate target consumers and getting their reactions. The concepts can be presented symbolically or physically. The more the tested concepts resemble the final product or experience, the more dependable concept is.

4. **Marketing Strategy Development:** Following a successful concept test, the new product manager will develop a preliminary marketing strategy plan for introducing the new product into the market. The plan consists of three parts. The first part describes the target markets size, structure, and behavior, the planned product positioning and the sales, market share, and profit goals sought in the first few years.

5. **Business Analysis:** After management develops the product concept and marketing strategy, it can evaluate the proposals business attractiveness. Management needs to prepare sales; cost and profit projections to determine whether they satisfy company objectives. If they do, the concept can move to the development stage. As new information comes in, the business analysis will undergo revision and expansion.

6. **Product Development:** At this stage the company will determine whether the product idea can be translated into a technically and commercially feasible product. If it cannot, the accumulated project cost will be lost except for any useful information gained in the process.

The research and development will develop one or more physical versions of the product concept. It hopes to find a prototype that satisfies the following criteria:

(a.) Consumers see it as embodying the key attributes described in the product concept statement.
(b.) The prototype performs safely under normal use and conditions.
(c.) The prototype can be produced for the budgeted manufacturing cost.

7. **Market Testing:** After management is satisfied with functional and psychological performance, the product is ready to be dressed up with a brand name and packaging, and put into a market test. The new product is introduced into an authentic setting to learn how large the market is and how consumers and dealers react to handling, using, and repurchasing the product.

8. **Commercialization:** Market testing presumably gives management enough information to make a final decision about

whether to launch the new product. If the company goes ahead with commercialization, it will face its largest costs to date.

In launching a new product, the company must make four decisions:

(a.) **When (Timing):** The first decision is whether it is the right time to introduce the new product.

(b.) **Where (Geographical Strategy):** The company must decide whether to launch the new product in a single locality, a region, several regions, the national market, or the international market.

(c.) **To whom (Target Market prospects):** Within the rollout markets, the company must target its distribution and promotion to the best prospect groups: Presumably the company has already profiled the prime prospects on the basis of earlier market testing. Prime prospects for a new consumer product would ideally have four characteristics:

* They would be early adopters
* They would be heavy users
  * They would be opinion leaders and talk favorably about the product.
  * They could be reached at a low cost.

(d.) **How (Introductory Marketing Strategy):** The company must develop an action plan for introducing the new product into the rollout markets. It must allocate the marketing budget among the marketing mix elements and sequence of the various activities.

4.2 WHY DO MANY NEW PRODUCTS FAIL?

New products continue to fail at a disturbing rate; recent studies put the failure rate of new consumer products at 95 percent in the United States and 90 percent in Europe. However, there are several reasons on why new products fail, these are:

(1) A high level executive might pushes a favorite idea through in spite of negative market research findings.

(2) The idea is good but the market size is over estimated.

(3) The product is not well designed.

(4) The product is incorrectly positioned in the market, not advertised effectively or over priced.

(5) The product fails to gain sufficient distribution coverage or support.

(6) Development cost is higher than expected.

(7) Competitors fight back harder than expected.

4.3 FACTORS THAT HINDER NEW-PRODUCT DEVELOPMENT

Several factors tend to hinder new product development among which include:

(1) **Shortage of Important Ideas in Certain Areas:** There may be few ways left to improve some basic products such as steel, detergents e.t.c.

(2) **Fragmented Markets:** Companies have to aim their new products at smaller market segments, and this can mean lower sales and profits for each product.

(3) **Social and Governmental Constraints:** New-products have to satisfy consumer safety and environmental concerns.

(4) **Cost of Development:** A company typically has to generate many ideas to find just one worthy of development and subsequent investment.

(5) **Capital Shortages:** Some companies with good ideas cannot raise the funds needed to research and launch them.

(6) **Faster required development Time:** Companies must learn how to compress development time by using new techniques, strategic partners, early concept tests, and advanced marketing planning.

(7) **Shorter Product Life Cycle:** When a new product is successful, rivals are quick to copy it. Sony used to enjoy a three-year lead on its new products. Now matsushita will copy the product within six months, leaving hardly enough time for Sony to recoup its investment.

5.0 PRODUCTION

Production can be defined as the transmission of raw materials into finished goods. This definition is far like a layman’s definition because it does not really point out the meaning of production.

Production can be seen as the creation of goods and services to consumers in the right place, time, quantity and quality and even at a very adequate and realistic price. It is seen as the bedrock of any organization because it produces goods and services that are needed by the public. Thus, it is simply the transformation of raw materials into finished goods or products.

Production applies to services such as transportation, financing, wholesaling and retailing just as much as it refers to manufacturing. Production is not only just transforming raw materials into finished goods but the creation of value.

5.1 CLASSIFICATION OF PRODUCTION

Manufacturing Function: - The transformation of some tangible goods or inputs or raw materials into some tangible output. Other inputs, such as managerial skill, Labour skill and capital, sale revenue etc are used as well. Manufacturing function performs some chemical or physical processes such as weaving, sewing, sawing, welding, grinding, blending, repairing, or assembling to transform their raw materials into tangible commodities and products.

Non-Manufacturing or Service Function: The organization delivers intangible services, such as advice or instruction to customers. It also deals with non- manufacturing organizations such as wholesalers or retailers to obtain goods but these companies do not make the goods. They serve their customers' non-manufacturing functions like transportation, packaging and storing.

5.2 TYPES OF PRODUCTION

In any organization the production departments have different production and activities they carry out and because of these different activities we now have different types of production. Production does not just start or begin and end like that, there are procedures which depends upon some certain factors, and these factors which in other words are types of production are:-

a) Job Production
b) Batch Production
c) Continuous Production
d) Intermittent Production

1. Job Production: - This type of production refers to a unit of production process. It is a production process where manufacturing of a single complete unit is done by an operator or group of operations under the specification of the consumers in need; that is, it occurs only when demanded by a customer in conjunction with how he wants it to be. It is a production process that requires a wide variety of machines, equipment and labour skills to carry out its consumers or customer's needs and also to do all types of work.

This type of production is when a customer requires a single product made to his specification. For this to happen, the presence of massive machines and equipment is needed that will do all the major work and labour must have different skills.

Advantages

It creates room for specification and division of labour
It prevents middlemen (i.e. wholesalers and retailers) exploitation
It meets the actual needs of its customers
It builds a good relationship between the production and the consumers
It makes the producer or production department more effective and efficient.

Disadvantages

It is sometimes very expensive
It requires wide variety of machines, equipment and labour skills
It sometimes leads to monopoly of a product
Its demand is restricted to few people
In terms of no order, it leads to idleness i.e. partial unemployment.

2. Batch Production: - This production process is the most common of all. Under this production process components or products are made in quantity and at the same time on batch, if there is any order of specified production by a consumer or customer, it will be made in quantity rather than restricting the production to the consumers' specification or specified demand.

It can be viewed as the opposite of job production, that is, instead of producing a single unit, production is made in high quantity, which is often stock. In other words, this occurs when the quantity of commodities or products or even components are made at the same time. There is recapitulation, but not continuous production. Production is often for stock but if a batch is required to fulfill a special order, these items are always completed in one round.

Advantages
It creates room for competition.
It signifies a sign of product's general acceptance.
Demand is not restricted to few people since it is not made for a single consumer.
It is less expensive.

Disadvantages
It creates product room for middlemen exploitation.
It will lead to non-uniformity.
It makes open room to fake or unreal production.

3. Continuous Production:- This is characterized by a constant flow of materials in the production process. Continuous production processes are characterized by production of a standardized product to stock before specific customer orders are received. A factory or industry assembling refrigerators is an example of continuous production. As the name implies, it is the continuous or constant flow of materials (product or components). This in summary refers to production which continues for twenty-four hours a day, seven days a week, through out a year. It is also a production process that implies a high volume and very capital intensive situation for example, oil refining, power generating, water supply etc. and it is also characterized by a production of a standardized product to stock before specific customer's orders are recorded. In terms of product and a factory assembling Peugeot is an example of continuous production.

Advantages
It is based on man's special needs or necessity.
It opens door for great employment.
It brings about development.
Its constant supply helps man in his endeavors.
It alights in specialization, since employment is based on merit.

Disadvantages
It is very expensive to run.
Break down or fault in any stage of production will affect the subsequent and previous stages.
Fault in any stage, will lead to hold-up of production.
It bases its work more on capital intensive rather than labor intensive, thereby reduces employment.

Its products being a necessity, or man's special needs make customers to be controlled by the producers, thereby causing or leading to monopoly to some extent.

4. Intermittent Production: - It is a process that has varieties in the flow of materials in production and it is often called job order or job for production. It is characterized by production to specific customer orders after the orders are received. The product is built to customer's specification. Machine shops that produce a wide variety of production to customer specifications are examples of intermittent production. Intermittent production is a process that has varieties in the flow of materials in production and is often called job order or job for production. It is characterized by production to specific customer orders after the orders are received. The product is built to customer specifications.

Advantages
It builds a good relationship between the producer and the customer.
It makes production more effective and efficient.
It meets the actual records of the consumer.
It prevents middlemen (i.e. wholesalers and retailers) exploitation.
It creates room for specialization.
Disadvantages
It requires wide variety of machine, equipment and labour skills.
It is very expensive.
Its demands are restricted to only few people.
It creates room for monopoly of product.

5.3 PRODUCTION MANAGEMENT

Organizations try as much as possible to manage their production department and in doing this, they try as much as possible to see that what the entire department needs is very much available.
Under unit sub-topic there are some certain things and perspectives that make this function to be possible. These things are thus:

1. Plants: These are machines that serve in the production department, they do all the work/jobs that robotics do, they make work to be faster than normal and they also increase the level and ratio of productivity without stressing any human personnel in that organization. Whatever that is there to be attended to, will not take too much time because plants and machines do the work faster and more efficiently.

2. ***Product:*** These represent the commodities and raw materials that are in the store for production, they, represent products either the ones bought so as to be reproduced and distributed to the public. It is the duty of the production management to see that products are available for the production department to use and it must not finish, that is to say, one must continue to increase the productivity of one's organization by trying as much as possible to manage it well.

3. ***Process:*** This is the aspect that increases and promotes the existence of production because it implies the concept that everything the production department does is a process. Like what one is supposed to produce, types of production, layout of plant and equipment, safety of plant and equipment, safety, maintenance requirements, cost to be achieved etc. are all what makes production a process. Because of the different stages, a product will take or pass through before it gets to the stage of being called a commodity or good product.

4. ***Programmes:*** Another conspicuous interface between production and marketing are the usual timetable, setting down the delivery of finished products. This time table does not match set delivery but it also effectively determines cash flow which is the prime controller of organizational viability. Therefore, a good delivery timetable should produce the timetables for the followings: Purchasing, Manufacturing, Transport, storage, Cash, Maintenance etc. This type of programme is just what many people or organizations do in order to make their production from start to end that is from the beginning to the end. Relies on private individuals, corporate bodies and governments etc in other words it relies on the public in carrying out its production. Like all other products or commodities of man, Man himself is a variable in intellect, skill, expectations and output. The production manager should therefore be attached and included in the following activities. Wages, trade Unions, Education and training, Motivational incentives, conditions of work, safety, etc. so as to increase the productivity of an organization, the production manager should try as much as possible to control the programmes in the organization and outside the organization.

The fate of every organization or consumer lies on how well the community appreciates what that organization is producing. If for instance the organization is located where people do not wear clothes, then the organization will not last, so many things happen for a reason that is why some organizations make it clear to the people that what they exist for is actually because of the people.

5.4 STAGES IN PRODUCTION PROCESS

The production tasks highlighted above bring to lime-light the three-sequential stages that the production of a final product undergoes in the production process. These are thus:

Stage One: The collection of production inputs such as raw materials, human resources, capital machinery, equipments and if necessary component parts.

Stage Two: The conversion or transmission and transformation of the collected imports, through any of the manufacturing methods.

Stage Three: The emergence of an output in form of a product is meant for ultimate consumption or further processing into other goods.

To analyze the above stages, the inputs of a peasant yam farmer include yam set, land, hoe, cutlass and fertilization. The conversion or transportation involves land clearing and cultivation planting the yam-sets, weeding, tending and application of fertilization. The tubers of yam harvested constitute the output. Similarly in a service industry like a hospital, the inputs include patients: medical, para-medical and non-medical personnel include the activities of diagnosing patient's diseases through laboratory tests and examination, administration of drugs (surgical operations where necessary) and nursing care. The outputs of a hospital are healthy persons. In order for production to attain its well effect and efficiency it has to pass through all these stages, as the saying goes, "it is stage by stage that one would know if he\she is growing up".

5.5 PRODUCTION CONCEPT

This is one of the oldest concepts used. It postulates that consumers will favour those products that are widely available and at a low cost. It is assumes that consumers are primarily interested in product availability and low prices. Managers of production oriented business concentrate on achieving high production efficiency, low cost and mass distribution.

6.0 CONCLUSION

In conclusion, I want to reiterate that the lecture has achieved its objectives of enhancing the capacities of participants as it has updated the skills of small scale industrialists in the country through clear understanding of the whole concept of marketing and the basic product design/process including production and packaging skills necessary for small scale industrialists to excel in any form of business ownership and management.

7.0 RECOMMENDATIONS

In view of the foregoing, I hereby make the following recommendations which will go a long way in identifying the path to sustainable industrial development that will in the long run contributes to economic development of the country;

1. Summit of this magnitude should be organized periodically by government as it is critical to nation building.

2. Small scale industrialists in the country should be encouraged by government through the creation of conducive environment for small scale businesses to thrive.

3. In a bid to remain competitive within the Nigerian Business environment, Small Scale industrialists should always develop and design the right product with the right quality and packaging appeal that can satisfy customer's requirements profitably.

4. Periodic Analysis of the entire marketing environment be conducted from time to time with a view to identify some opportunities that could ensure expansion and growth of business.

5. Nigerian small Scale industrialists are abreast with the changing technological innovations that can impact on their business activities either positively or negatively.

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