

LAPAI JOURNAL OF MANAGEMENT SCIENCE [L A J O M A S]



Volume 3, Nos. 1 & 2

December 2012

Volume 3, Number 1

Human Capital Policies and Productivity: Evidence from Selected Manufacturing Companies in Kaduna Metropolis Sabo, B. (PhD).....	1
The Effect of Advertising on the Adoption of Family Planning Services: Evidences from Some Selected Rural Areas in Kwara State Gbadeyan, R.A. (PhD).....	11
An Evaluation of the Impact of Value Added Tax on the Nigerian Economy Fashagba, M.O., Akindele, J.A and Solanke, A.A.....	23
Employees Reactions in Redundancy Situation: A Study of Selected Banks in Nigeria Sahnun, L.	33
Effect of Dividend Payment Pattern on Corporate Performance: Evidence from First Bank Nigeria Plc Aun, I.L, Abdul, F.A. and Yusuf, I.	40
Impact of Service Failure on Customer Patronage in Lapai Branch of United Bank of Africa Waziri, B.M. and Ndaliman, M.A.	49
Utilization of Health Care Services in Rural and Urban Areas: A Determinant Factor in Planning and Managing Health Care Delivery Systems Oladipo, J.A.	55
Financial Determinant of Corporate Social Responsibility Uptake in Nigerian Deposit Money Banks: The Zenith Bank Plc Experience Lawal A.T. and Brimah, A.N	68
Impact of Micro Finance on Poverty Reduction in Nigeria Ajagbe, T.S.	76
Impact of Annuities on Financing Retirement in Nigeria: A Study of Selected Federal Parastatals Sambo, H.S.	83

Volume 3, Number 2

Foreign Direct Investment and Economic Growth in Nigeria: A Text of Causality Abdulsalam, D. (PhD) and Adamu, A.	93
Internal Control Process as a Mechanism for Proper Accounting Practice in Business Firms: A Study of Commonwealth Manufacturing Industries Limited, Abuja Suleiman, M.S.	100
Marketing Strategies: A Comparative Analysis of the Performance of Quoted Manufacturing Firms in the Food and Beverage Industry Umar, M.S. (PhD) and Ismaila, M.Y.	112
Relationship between Firm Demographic Factors and Small and Medium Scale Enterprises Performance: A Survey of Table Water Manufacturers in Ilorin Metropolis Brimah, A.N. and Lawal, A.T.	123
Effect of Employee Motivation on Organizational Performance: Evidence from Selected Commercial Banks in Minna Metropolis Waziri, M.B. and Ndaliman, M.A.	131
Employment and Income Generation through Apprenticeship Training: A Case Study of Carpentry Trade in Minna Metropolis Mohammed, M.	140
Corporate Governance and Banks Risk Taking Practices: A Dynamic Panel Analysis of the Nigerian Banking Sector Mubaraq, S. and Garba, A.	146
An Assessment of the Effect of Inflation on Consumption Level of Nigerians Yahaya, A.	157
The Role of Daily Contribution Collectors in The Growth of Micro, Small and Medium Enterprises in Zaria Metropolis Sayedi, S.N.	165
Examination of De-Marketing Practices in Guaranty Trust Bank Gunu, U., Ajayi, O., Tsado, E.	174
Analysis of Value Creation of Electronic Banking in Nigeria Haruna, M.A.	179

LAPAI JOURNAL OF MANAGEMENT SCIENCE

[L A J O M A S]

ISSN: 2315-9243

Volume 3, Nos. 1 & 2

December, 2012

Volume 3, Number 1

Human Capital Policies and Productivity: Evidence from Selected Manufacturing Companies in Kaduna Metropolis

Sabo, B. (PhD) 1

The Effect of Advertising on the Adoption of Family Planning Services: Evidences from Some Selected Rural Areas in Kwara State

Gbadeyan, R.A. (PhD) 11

An Evaluation of the Impact of Value Added Tax on the Nigeria Economy

Fashagba, M.O., Akindele, J.A and Solanke, A.A. 23

Employees Reactions in Redundancy Situation: A Study of Selected Banks in Nigeria

Sahnun, L. 33

Effect of Dividend Payment Pattern on Corporate Performance: Evidence from First Bank Nigeria Plc

Aun, I.I., Abdul, F.A. and Yusuf, I. 40

Impact of Service Failure on Customer Patronage in Lapai Branch of United Bank Of Africa

Waziri, B.M. and Ndaliman, M.A. 49

Utilization of Health Care Services in Rural And Urban Areas: A Determinant Factor in Planning and Managing Health Care Delivery Systems

Oladipo, J.A. 55

Financial Determinants of Corporate Social Responsibility Uptake in Nigerian Deposit Money Banks: The Zenith Bank Plc Experience

Lawal A.T. and Brimah, A.N. 68

Impact of Micro Finance on Poverty Reduction in Nigeria

Ajagbe, T.S. 76

Impact of Annuities on Financing Retirement in Nigeria: A Study of Selected Federal Parastatals

Sambo, H.S. 83

A PUBLICATION OF THE DEPARTEMENT OF BUSINESS ADMINSTRATION, IBRAHIM
BADAMASI BABANGIDA UNIVERSITY, LAPAI, NIGER STATE – NIGERIA

Volume 2, Number 2

Foreign Direct Investment and Economic Growth in Nigeria: A Test of Causality Abdusalam, D. (<i>PhD</i>) and Adamu, A.	93
Internal Control Process as a Mechanism for Proper Accounting Practice in Business Firms: A Study of Commonwealth Manufacturing Industries Limited, Abuja Suleiman, M.S.	100
Marketing Strategies: A Comparative Analysis of the Performance of Quoted Manufacturing Firms in the Food and Beverage Industry Umar, M.S (<i>PhD</i>) and Ismaila, M.Y.	112
Relationship between Firm Demographic Factors And Small and Medium Scale Enterprises Performance: A Survey of Table Water Manufacturers in Ilorin Metropolis Brimah, A.N. and Lawal, A.T.	123
Effect of Employee Motivation on Organizational Performance: Evidence from Selected Commercial Banks in Minna Metropolis Bagudu, M. W. and Abubakar, M.N.	131
Employment and Income Generation through Apprenticeship Training: A Case Study of Carpentry Trade in Minna Metropolis Mohammed, M.	140
Corporate Governance and Banks Risk Taking Practices: A Dynamic Panel Analysis of the Nigerian Banking Sector Mubaraq, S. and Garba, A.	146
An Assessment of the Effect of Inflation on Consumption Level of Nigerians Yahaya, A.	157
The Role of Daily Contribution Collectors in The Growth Of Micro, Small and Medium Enterprises in Zaria Metropolis Sayedi, S.N.	165
Examination of De-Marketing Practices in Guaranty Trust Bank Gunu, U., Ajayi, O., Tsado, E.	174
Analysis of Value Creation of Electronic Banking in Nigeria Haruna, M.A.	179

EDITORIAL BOARD

Dr M.N. Maiturare
Dr J.A. Oladipo
Dr D.S. Abdulkadir
M.A. Mawoli
N.A. Ango

Editor-in-Chief
Associate Editor
Managing Editor
Business Manager
Secretary

EDITORIAL ADVISORY BOARD

Prof. V.A. Kolawole

Department of Public Administration
Ibrahim Badamasi Babangida University, Lapai

Prof. Sheikh Abdallah

Department of Business Administration
Ahmadu Bello University, Zaria

Prof. D.B. Ekpeyong

Department of Business Administration
University of Uyo

Prof. S.A. Abdullahi

Department of Business Administration
Ahmadu Bello University, Zaria

Dr S.I. Adeyemi

Department of Business Administration
Ahmadu Bello University, Zaria

Dr I.M. Fodio

Department of Accounting
University of Abuja

MARKETING STRATEGIES: A COMPARATIVE ANALYSIS OF THE PERFORMANCE OF QUOTED MANUFACTURING FIRMS IN THE FOOD AND BEVERAGE INDUSTRY

*Muhammad Sani Umar PhD

and

**Mustapha Yusuf Ismaila

ismyori@gmail.com

*Department of Business Administration, Usmanu Danfodiyo University, Sokoto, Nigeria

**Department of Management Studies, Kaduna Polytechnic, Kaduna, Nigeria

ABSTRACT

This study is a survey research which explores the marketing strategies adopted by quoted manufacturing firms operating in the food and beverage sector of the Nigerian economy. The paper attempts to determine the differences in the level of sales and profit made by these manufacturing firms through the adoption of multi-product or mono-product marketing strategies. The population of this study consists of all the sixteen (16) quoted manufacturing firms operating in the food and beverage sector whose annual records were published in the Nigerian Stock Exchange's Fact Book, 2010 edition. Twelve of these firms operate multi-product marketing strategy while the remaining four operate mono-product marketing strategy. The study hypothesized that there is no significant difference between the levels of sales and profit made by mono-product and multi-product manufacturing firms. The data for the study were sourced from the Nigerian Stock Exchange Fact book (NSE), textbooks and journals. Regression method was used to analyse the data. The study discovered that there is no significant difference between the levels sales and profit of quoted manufacturing firms using multi-product marketing strategy and mono-product strategy in the food and beverage sector of the Nigerian economy. It recommends that managers in the Nigerian manufacturing firms desiring improved sales and profit performance could adopt either of the strategies investigated.

Keywords: Marketing Strategies, Mono-product marketing strategy, Multi-Product marketing, Sales and Profit.

INTRODUCTION

Marketing activity as a functional area of management evolved from the business philosophy or orientation that firmly believes that customers' satisfaction is important to the success of all organizations. This fact is demonstrated by Drucker (1973), Kotler (2003) and Hassan (2009) when they said that the aim of marketing efforts is to know and understand the customers so well that the product or service fits him/her and sell itself. Ideally, marketing should resort in a customer who is ready to buy. Thus, marketing activities lead to the efficient utilization of resources because it equates supply to demand. In supporting this assertion, Oyelami (1991) points out that marketing has stimulated and facilitated the consumption of goods and services, causing money to be released for further investment.

However, for marketing to play this pivotal role in any organization, marketing managers must have good understanding of their operating environment because businesses today according to Cook (1995) operate in dynamic environment in which the number, extent and pace of changes in the external environment mean that no person or business can afford to be complacent. Therefore, there is need for business firms operating in Nigeria to formulate and adopt enduring marketing programs and strategies in view of the uncertainties prevailing in the business environment today. In order to survive under these environmental complexities and vagueness, managers and stakeholders of the manufacturing sector need sharp marketing policies, programs and strategies to deal with the environmental changes which are likely to affect the performance of their business activities and prevent them from attaining the set goals of their organizations.

Strategic decisions are very important in the running of every organization that Hall (1995) points out that it has been generally accepted or assumed within strategy literature that strategy type impacts on performance. Hence, any organization that desires to survive, grow and expand needs a clear and effective marketing strategy in order to succeed in a competitive environment. In line with this thinking, manufacturing firms in Nigeria that desire to expand their markets, increase their sales, profit and also spread their risks have adopted different types of marketing

strategies. Thus, this study seeks to examine and compare the performance of quoted manufacturing firms in the food and beverage sector of Nigerian economy that have adopted either mono-product or multi-product marketing strategies.

Specifically the study addresses the following questions;

- i. Is there any difference between the level of sales of mono-product and multi-product manufacturing firms?
- ii. Is there any difference between the level of profit of mono-product and multi-product manufacturing firms?

Objectives of the study

In order to answer these questions, the study seeks following objectives;

- i. To determine if there is difference in the level of sales of mono-product and multi-product manufacturing firms
- ii. To investigate if there is difference in the level of profit of mono-product and multi-product manufacturing firms

Hypotheses

The following hypotheses are formulated to guide the study.

- i. There is no significant difference between the level of sales made by mono-product and multi-product manufacturing firms.
- ii. There is no significant difference between the level of profit made by mono-product and multi-product manufacturing firms.

LITERATURE REVIEW

The concept of strategy has been borrowed from the military and adapted for use in business. Strategy within the context of military usage refers to the process of maneuvering troops into position before the enemy is actually engaged. In this sense, strategy refers to the deployment of troops (Abdulsalam, 2006; Mustapha, 2006). On his part, Steiner (1979) notes that strategy entered the management literature as a way of referring to what one did to counter competitor's actual or predicted moves. He also noted that there is very little agreement to the meaning of strategy in business world.

Appleby (1992) and Hassan (2009) opine that strategies are the broad programmes of activity to achieve organisational objectives. They are guides to how resources are to be deployed to achieve objectives. According to Ilesanmi (2000) strategy refers to those actions an organisation takes to pursue its business objectives. He observes that strategy drives performance and an effective strategy results in good performance.

Porter (1996)'s work gave an apt definition of strategy as the creation of a unique and valuable position involving a different set of activities. A company that is strategically positioned "perform different activities from the rivals or perform similar activities in the different ways. Porter (1986) argues that competitive strategy is "about" being "different". He adds, it means deliberately choosing different sets of activities to deliver a unique mix value. He opines that strategy is about competitive position, about differentiating yourself in the eyes of the customers, about adding value through a mix of activities as different from those used by competitors. In a nutshell, Porter (1986) views competitive strategy as a combination of ends (goals) for which the firm is striving and the means (policies) by which it is seeking to get there. In other words, his view seems to embrace strategy as both a plan and a position.

Marketing strategy in the view of Olujide and Aremu (2004) is a set of objectives, policies and rules that guide the organization's marketing effort over time. This involves responses to changing environment and competitive conditions employing all the resources of an organization towards attaining the desired goals in terms of sales, pricing and distribution.

Chillya et al (2009) opine that marketing strategy is a method by which a firm attempts to reach its target markets. Brearden, Ingram and and Laforge (1995) on the other hand saw it as a process of selecting a market to serve and developing a marketing mix to satisfy that market needs. Thus, marketing strategy is seen as the overall plan or sign post of an organization to guide her in achieving stated marketing objectives.

Porter (1986) proposed three generic strategies that provide a good starting point for strategic thinking and bases for competition and two important factors formed the basis for porter's generic strategies and these factors or dimensions are industry structure and strategic competitive advantage. These strategies are:

- a) Overall cost leadership strategy: That is, a firm should work hard to achieve the lowest product and distribution costs so that it can price lower than its competitors and win a large market share.
- b) Differentiation strategy: That is, a firm should concentrates on achieving superior performance in an important customer benefit area valued by a large part of the market.
- c) Focus strategy: That is, a firm should focus on one narrow market segment which it gets to know intimately and pursues the target segment.

Furthermore, Peterson (1982) argues that the formulation of marketing strategy involves consideration of the following important issues:

- a) The Target Consumer: That is, marketing efforts are more likely to be successful if they are aimed at particular customers, rather than at the public at large.
- b) Determining Consumer Desires: That is effective marketing strategy requires a knowledge of consumer desires (i.e. needs), and the benefits that consumers are seeking.
- c) Designing the Marketing Mix: That is coming up with marketing efforts (i.e. marketing programmes) to meet the specific needs of each segment identified.

In a related work, Kotler (2003) and Baker (1982) identify three basic marketing strategies that a firm must consider in selecting the market segment it wishes to serve. These strategies are:

- a) **Undifferentiated strategy:** That is a situation in which one offer and marketing mix is used for the entire market.
- b) **Differentiated strategy:** This is a situation in which a firm goes after several markets with a different marketing mix for each segments.
- c) **Concentrated strategy:** This is a situation in which a firm puts all its marketing efforts into one segment and develop offer and marketing mix.

Manufacturing firms seek different types of objectives such as profit realization, growth or expansion, target market share, and target return on investment. Out of all these objectives, firms' growth seems to be the most popular and mostly sought by most firms. For instance, Kotler (2003) points out that among the various objectives that companies adopt, growth is one of the most common. However, to attain growth, firms need to choose a target growth rate and formulate a strategy for attaining it. Growth is a way of life and almost all organisations plan to expand. This is why expansion strategies are the most popular corporate strategies. Firms' aim for growth can easily be attained in a growing economy and burgeoning markets. This is because, it is in this type of market that customers will be seeking new ways of need satisfaction, and emerging technologies offer ample opportunities for companies to seek expansion.

Kotler (2003), Kazmi (2003), and Hassan (2009) identified the following growth strategies:

- a) **Intensive growth strategy:** This strategy is a simple, first level types of expansion strategy. It involves converging resources in one or more of a firm's businesses in terms of their respective customer need customer functions or alternative technologies either singly or jointly, in such a manner that it results in expansion. This strategy is also known as the stick to the knitting strategy, that is, the act of doing what you are known best of doing (Kazmi, 2003).

For firms to be able to tap their full growth potentialities through intensive growth strategy Ansoff (1957) proposes a useful framework for detecting new intensive growth opportunities known as product and market expansion grid or matrix. The output of this model is series of growth strategies that set direction for the business strategy. These four strategies are market penetration, market development, product development and diversification.

- b) **Integrative growth strategy:** Through this strategy, a firm uses its existing base to expand in the direction of its raw materials or the ultimate consumers, or, alternatively, it acquires complementary or adjacent businesses (Kotler (2003)). The pivot around which integration strategies are designed is the present set of customer functions and customer group. That is, a company attempts to widen the scope of its business definition in such a manner that it results in serving the same set of customers. Expansion through integrative growth make sense if a company's basic industry has a strong growth outlook and or the company can increase its profitability, efficiency, or control by moving backward, forward or horizontally within its industry (Kazmi, 2003 & Kotler, 2003).
- c) **Co-operative growth strategy:** The above three growth strategies were based on the belief that competition is a natural state of existence for firms to operate in it. Several strategy experts have based their work on the assumption that firms compete in the market for a limited market share. One company can benefit at the cost of others (Kazmi, 2003). It is a win lose situation where if one wins then one or more several others have to lose. However, co-operative growth strategy emanated from the views of the strategy thinkers who believed that corporate strategists should take into account the possibility of mutual co-operation with competitors while competing with them at the same time, so that the market potential could expand (Kazmi, 2003 & Kotler, 2003). Co-operative growth strategy central point is that of complementarity among rival firms. The term "co-operation" expresses the idea of simultaneous competition and co-operation among rival firms for mutual benefit. Co-operative growth strategy could be a merger and acquisition, a joint venture, and a strategic alliance.
- d) **Diversification strategy:** These strategies involve all dimensions of strategic alternatives. Diversification may involve internal or external, related or unrelated, horizontal or vertical, and active or passive dimensions - either singly or collectively (Kazmi, 2003). Essentially, diversification involves substantial change in the business definition - singly or jointly in terms of customer function, customer groups or alternative technologies of one or more of a firm's businesses. Tefvik and Oktay (2008) define diversification as a firm's entry into new markets or industries with new products or new lines of activities.

Diversification growth strategies make sense when good opportunities can be found outside the present businesses. A good opportunity is one in which the industry is highly attractive and the company has the mix of business strengths to be successful. Diversification strategies could be:

- i. **Concentric Diversification:** This refers to the process of expanding beyond the current or existing product lines and or market of the current industry (Wheelen and Hunger, 2007; and Tefvik and Oktay, 2008). In addition, concentric diversification according to Kazmi (2003) consists of the company's seeking to add new products that have technological and/or marketing synergies with the existing product line; these products will normally appeal to new classes of customers.
- ii. **Conglomerate Diversification:** Entering unrelated areas of operations or industries is referred to as the conglomerate diversification through which corporations aim to reduce the overall risk exposure and expand growth opportunities (Tefvik and Oktay, 2008). Furthermore, Kazmi (2003) is of the view that conglomerate diversification consists of the company's seeking to add new products that have no relationship to the company's current technology, products, or markets.

Multi-product marketing strategy which is synonymous with diversification is a system of operation in which manufacturing firms produce and market two or more product categories or variants of a particular product category or operate in different industries, while mono-product marketing strategy refers to the process of producing and marketing a particular class of product. Mostly firms started as mono-product firms and migrate to multi-product firms due to changes in their operating environment. These environmental changes include economic, socio-cultural, political-legal, technological, as well as competitive environment changes.

Wheelen and Hunger (2007) and Thomson, Arthur and Strickland (2007) point out that shifts in buyer preferences, diminishing demand for the industry product, firm's product becoming competitively unattractive or unprofitable, increase in substitute products, increase in innovation of alternative technologies, limited opportunities in the existing business are some of the signs for firm to look into alternative growth strategies.

X However, a survey of the extant empirical studies on multi-product or diversification showed that there is lack of consistent and cohesiveness among findings of different researchers in this field and this is the reason why Alhorr

(2005) argues that researches in the field of diversification has not reached its maturity yet due to the lack of consistent and cohesive findings and general consensus. For instance a number of empirical studies from the perspective of a number of disciplines such as industrial economics, strategic management, finance, and marketing tried to hypothesized and tested empirically from different dimensions multi-product or diversification and firm's performance. However, there is no general consensus on the nature of the relationship (Alhor, 2005). Some studies according to Datta et al (1981), Hoskisson and Hitt (1990) and Kerin et al (1990) reached similar conclusions regarding the impact of diversification on firm performance.

Among the studies done on the relationship between diversification and organizational performance, some concluded that there is a negative relationship (Bettis, 1982; Palepu, 1985; Rumelt, 1982; and Lubatkin and Rogers, 1989), while some studies reported positive relationships (Lubatkin, 1987; Michel and Shaked, 1984; and Weston and Mansinglika, 1971). Other studies discovered lack of relationship (Grant et al, 1988; Montgomery, 1985). These findings further support the claim that there is lack of consensus about the relationship between diversification and firm performance as observed by Alhor (2005).

Furthermore, some studies reported that less diversified firms perform better than highly diversified firms (see Pandya and Rao, 1998; Christensen and Montgomery, 1981; Keats, 1990; Michel and Shaked, 1984; and Rumelt, 1986) while agreeing that less diversified firms perform better than highly diversified firms, Prahalad and Bettis (1986) elucidate that it is the insight and vision of the top managers in choosing the right strategy (how much and what kind of relatedness) rather than diversification per se, which is the key to successful diversification.

While the result of these empirical studies are valuable to the understanding of diversification or multi-product operation strategy, they are mainly advanced countries based (such as America, Europe and Asia) and as such their findings may not be adequately suitable to Nigeria's situation owing to peculiarities and the fact that Anderson and Gatignon (1997) had categorized world market environments into low, moderate and high risk market environments. Hence, the findings of these studies are from the perspective of developed countries as such their findings could only be limited to low risk market environment and not a high risk market environment like Nigeria. Due to this, the findings of these studies may not be straight forwardly applicable to Nigeria owing to this peculiarities.

Furthermore, the few Nigerian studies on multi-product marketing strategy and firms' performance such as Mustapha (2006) and Mustapha (2009) are limited in terms of their scope and issues they addressed. For instance, Mustapha (2006) investigated how multi-product strategy impact on sales growth of manufacturing firms While Mustapha (2009) and examined how resources are maximized (optimized) in a multi-product manufacturing. These two studies from the Nigeria perspective on multi-product strategy are limited in their scope as the studies used single manufacturing firm as their case study. This makes their findings not too suitable for generalization among Nigerian manufacturing firms. As a result of this shortcoming, there is dare need for a study which is broad in scope that will compare the performance of quoted manufacturing firms that are using mono and multi-product marketing strategy whose findings will enable us to make generalization among Nigerian manufacturing firms operating in the food and beverage sector of the Nigeria Stock Exchange. Hence, this current study intends to examine the differences in the performance (i.e. sales and profit) of manufacturing firms operating mono-product and multi-product marketing strategy in Nigeria economy

METHODOLOGY

The paper is a survey research which employs panel data from the NSE Fact Book (2010 edition) to compare the sales and profit performance of quoted multi-product and mono-product manufacturing firms in the food and beverage sector of Nigerian economy. The firms' performance was measured using sales and profit as performance indicators. These performance measures had been used in previous studies by Buaer et al (2003) and Lusch and Brown (1996). The usage of more than one measure of performance is in consonance with past research that has advocated the use of multiple rather than single measures of organizational performance (Naman and Slevin, 1993; Oyedijo, 2012; & Signaw, Simpson and Baker, 1998).

The study took mean average of time series data of sales and profit for five years (i.e. 2005 to 2009) and cross sectional data of the manufacturing firms and compare them. The study is census survey of all the sixteen (16) quoted manufacturing firms operating in the food and beverage sector whose records were published in the NSE Fact Book of-2010 edition. The selection of all listed firms in this sector was based on the fact that their records collected, organized, and readily available in NSE fact book and meet the corporate governance standard (Daniel,

2005). Twelve of these firms operate multi-product marketing strategy while the remaining four operate on mono-product marketing strategy.

The usage of quoted firms is not unusual as studies such as that of Tevfik and Oktay (2008), and Musa, (2011) used quoted firms based on the aforementioned considerations. This study essentially made use of secondary sources. The secondary source of data is used to collect data on the number of quoted manufacturing firms operating in the food and beverage sector of Nigerian Stock Exchange, those that are operating mono-product and multi-product marketing strategies as well as to generate data on sales and profits made by the manufacturing firms during the period under review. This source of data collection was also used to review related literature on the subject matter. The secondary sources include text books, journals, and Nigerian Stock Exchange Fact Book of 2010 edition. The study used regression analysis with dummy variable which was conducted with the aid of e-view version 4.0 statistical packages to analyse the data collected.

Model Specification

The study formulate the following models that was to test the study's hypotheses. These models are :

$$1. \text{ Sales} = \alpha_1 + \alpha_2 \text{ Dummy} + \alpha_3 \text{ profit} + \mu.$$

$$2. \text{ Profit} = \beta_1 + \beta_2 \text{ Dummy} + \beta_3 \text{ sales} + V,$$

Where;

α_1 and β_1 are intercept of the regression lines

α_2 and β_2 are coefficients of dummy variables

α_3 and β_3 are coefficients of profit and sales respectively

μ and V are error terms

The method of estimation adopted in this study is ordinary regression analysis using dummy variables. Dummy variable regression estimation technique takes care of certain variable that are qualitative in nature. The data employed is a combination of ratio and nominal scale data. The ratio scale data is used to measure the performance in terms of sales and profit. While nominal scale data is used to measure firm's marketing strategy in terms of mono-product and multi-product marketing strategies. Mono-product is assigned the value of zero and multi-product is assigned the value of one. The assignment of these values is not odd as Aremu (2008) and Oyeniya (1997) assigned these values in their studies.

Presentation of Results and Discussion

The Appendix I shows the results of the estimated models and from the appendix I the following were derived for the first model (sales);

$$\text{Sales} = -7581753 + 29497520 \text{ Dummy} + 6.3003896 \text{ Profit}$$

$$\text{SE} = 15577739 \quad -16585608 \quad 1.503328$$

$$t = -0.486704 \quad 1.778501 \quad 4.193293$$

$$\text{Adjusted R. Square} = 0.5165$$

$$\text{Durbin-Watson stat.} = 2.6148$$

$$F \text{ Stat.} = 9.0115$$

$$\text{Prob (F stat)} = 0.003505$$

Also, from the appendix I we derived the following for the second model (profit)

$$\text{Profit} = 2723009 - 3966059 \text{ Dummy} + 0.091203 \text{ Sales}$$

$$\text{SE} = 1733334 \quad 1933445 \quad 0.021750$$

$$t = -1.570966 \quad -2.051291 \quad 4.193293$$

$$\text{Adjusted R. Square} = 0.545842$$

Durbin-Watson stat. = 2.5412

F Stat. = 10.01406

Prob (F stat) = 0.002333

The study takes marketing strategies of mono-product and multi-product as the independent variables while sales and profit are the dependent variables. The result of the regression equation, it shows that the level of profit is dependent on the level of sales made. It demonstrates that a naira increase in sales increases profit by N0.0912. This means that a naira increase in sales increases profit by over 9 kobo. The first model explained about 58% (i.e. $R^2 = 0.581$) of the variation in sales while the second model explains about 60% (i.e. $R^2 = 0.606$) of the variation in profit. Both models showed that there is no problem of auto-correlation with Durbin Watson statistics of 2.6148 and 2.5412. The models are also statistically significant using F- statistic, given that the probability of F- statistic is 0.0035 for the first model and 0.0023 for the second model.

Test of Hypotheses

The first hypothesis of this study states that *"There is no significant difference between the levels of sales made by mono-product and multi-product manufacturing firms"*.

Dependent Variable: Sales

Variables	Coefficient	Standard Error	t-Statistics	Prob
Constant	-7581753.	15577739	-0.486704	0.6346
Dummy	29497520	16585608	1.778501	0.0987
Profit	6.303896	1.503328	4.193293	0.0011

b. Independent Variables: Mono-product strategy; Multi-product Strategy

Source: Author's Simulation From e-View Package

The results of the regression demonstrated that the marketing strategies of mono-product or multi-product does not lead to significant difference between the level of sales made by manufacturing firms in the food and beverage industry. With the critical t-statistic at 5% level of significance, the degree of freedom (n-1 or 16-3=13) is 2.160. The computed t-statistic for the first hypothesis is 1.7785. Since the computed t statistic falls in the acceptance region, we accept the null hypothesis and conclude that there is no significance difference between the level of sales made by quoted mono-product and multi-product manufacturing firms in the food and beverage industry in Nigeria. This is reinforced by the above stated probability of value (0.099).

The study's second hypothesis states that *"There is no significant difference between the levels of profit made by mono-product and multi-product manufacturing firms"*.

Dependent Variable: Profit

Variables	Coefficient	Standard Error	t-Statistics	Prob
Constant	2723009.	1733334.	1.570966	0.1402
Dummy	-3966059.	1933445.	-2.051291	0.0610
Sales	0.091203	0.021750	4.193293	0.0011

b. Independent Variables: Mono-product strategy; Multi-product Strategy

Source: Author's Simulation From e-View Package

The results of the regression also indicates that the marketing strategies of mono-product or multi-product do not lead to significant difference between the level of profit made by manufacturing firms in the Food and Beverage industry. With the critical t-statistic at 5% level of significance, the degree of freedom (n-1 or 16-3=13) is 2.160. The computed t-statistic for the second hypothesis is -2.0513. Since the computed t statistic less than the critical t-statistics and falls in the acceptance region, we accept the null hypothesis and conclude that there is no significance difference between the level of profit made by quoted mono-product and multi-product manufacturing firms in the food and beverage industry in Nigeria. This result is further confirmed by Prob value 0.06 which is clearly above 5% level of significance.

CONCLUSIONS AND RECOMMENDATIONS

The study reveals that multi-product marketing strategy as opposed to mono-product does not lead to significant difference in the level of sales of quoted manufacturing firms operating in the Food and Beverage industry of Nigeria economy. Secondly, it was found that multi-product marketing strategy as opposed to mono-product does not lead to significant difference in the level of profit of quoted manufacturing firms operating in the Food and Beverage industry of Nigeria economy. Even though the result shows that multi-product marketing strategy leads to increase in profit but the level of the increase is not significant. Lastly, the study reveals that the level of sales has significant impact on the level of profit made by quoted manufacturing firms in the food and beverage sector of Nigeria economy. The result shows that the level of sales made by manufacturing firms increases their profitability.

This paper concludes that as against the general expectations, the level of sales made by multi-product manufacturing firms is not significantly different from the firms that are using mono-product operation. That though, multi-product marketing strategy leads to increase in the level of profit but the level of increase is not significant.

Based on the outcome of this study, it is recommended that:

- i. Managers in the Nigerian manufacturing industry operating in the food and beverages sector seeking increase sales should go for either mono-product or multi-product strategy as sustainable operational strategies for increasing sales performance.
- ii. Managers in the Nigerian manufacturing industry desiring improved profit performance could adopt of either of strategy investigated.

REFERENCES

- Abdulsalam, D.O. (2006). Impact of Information Technology on Corporate Performance: A study of Selected Banks in Nigeria, an unpublished PhD Thesis Submitted to the Post Graduate School, Usmanu Danfodiyo University Sokoto, Nigeria
- Alhor, H. S. (2005). Diversification and Performance: Attempting to Assess Validity, White Paper, Drake University, College of Business Administration, Des Moines, IA.
- Appleby, R.C. (1999). Modern Business Administration (4th ed.), London: English Language Book Society Pitman.
- Anderson, E. and Gatignon, A. (1997). Modes of Foreign Entry: A transactional cost analysis and proposition. *Journal of International Business Studies*, 1-26.
- Ansoff, I. (1957). Strategies for Diversification. *Harvard Business Review*, 114.
- Aremu, M.A. (2008). Globalising the Nigerian Stock Market as a Strategy for Capital Market Development *Advances in Management*, 7(1), 11-23.
- Baker, M.J. (1982). Marketing New Industrial Products and Market Development. Penguin: Harmondsworth Press.
- Bettis, R. A. (1981). Performance differences in related and unrelated diversified firms. *Strategic Management Journal*, 2(4), 379-393.
- Brearden, W.O. et al (1995). Principles and Perspectives of Marketing. Chicago: Richard D. Irwin Inc.
- Bauer, R., Schwingenschlogl, A. and Vetschera, R. (2002). Product Diversification in an Artificial Strategy. A *Working Paper*, 30, August, Vienna University of Economics and Business Administration, Austria.
- Chiliya, N., Herbst, G. and Roberts-Lombard, M. (2009). The Impact of Marketing Strategies on Profitability of Small Grocery Shops in South African Township. *African Journal of Business Management*, 3(3), 70-79.
- Christensen, H.K. and Montgomery, C. A. (1989). Corporate Economic Performance: Diversification Strategy Versus Market Structure, *Strategic Management Journal*, 2(4), 327-343.
- Cooks, S. (1995). Practical Benchmarking, London: Kogan Page Limited.
- Daniel, S. (2005). Efficiency of Banks in Regions at Different Stages of European Integration Process. *Finance 0502020*, ECOWPA.
- Datta, D. K, Rajagopalan, N. and Raheed, M. A. (1981). Diversification and Performance: Critical Review and Future Direction, *Strategic Management Journal*, 2, 327 – 347.
- Drucker, P. (1973). Management, Tasks, Responsibilities, Practices. New York: Harper and Fow.
- Grant, R.M. (1998). Contemporary Strategy Analysis. Blackwell: Oxford Publishing.
- Hall, E. H (1995). Corporate Diversification and Performance: An Investigation of Causality. *Australian Journal of Management*, 20(10), 25- 42.
- Hassan, M. (2009). Business Management. Kaduna: Joyce Publisher.
- Hoskisson, R. E. and Hitt, M. A. (1990). Antecedents and Performance Outcomes of Diversification: A Review and Critique of Theoretical Perspectives. *Journal of Management*, 16(2), 461 – 509.

- Ilesanmi, O. A. (2000). *Entrepreneurial Development* (1st ed). Ilorin: Kola Success Publications.
- Keats, B. W. (1990). Diversification and Business Economic Performance Revisited: Issues of Measurement and Causality. *Journal of Management*, 16(1), 61-72.
- Kerin, A.R. et al (1990). *Contemporary Perspectives on Strategic Planning*. Boston: Allyn and Bacom.
- Kotler, P. (2003). *Marketing Management* (11th ed.). New Delhi: Prentice-Hall.
- Kazmi, I. (2003). *Business Policy and Strategic Management* (2nd ed.). New Delhi: McGraw Hill.
- Lubatkin, M. and Roger, R. C. (1989). Diversification, Systematic Risk and Shareholders Return: A Capital Market Extension of Rumelt's 1974 Study. *Academic of Management Journal*, 32(2), 454 – 465.
- Lubatkin, M. (1987). Merger Strategies, Stockholder Value. *Strategic Management Journal*, 8 (1), 39 – 53.
- Lusch, R.F. and J.R. Brown (1996). Interdependency, Contracting and Relational Behaviour in Marketing Channels. *Journal of Marketing*, 60 (October), pp. 19 – 38.
- Michael, A. and Shaked, D. (1984). Does Business Diversification Affect Performance? *Financial Management*, 13(1), 18 – 25.
- Musa, Y.A. (2011). *An Empirical Study on Determinants of Outsourcing Internal Audit Function in Nigeria*, a PhD Research Proposal Presented at Department of Accounting, Usmanu DanFodiyo University, Sokoto, Nigeria.
- Mustapha, Y.I. (2009). *An Assessment of the Effect of Multi-Product Marketing Strategy on Resources Optimization in Manufacturing Firms in Kwara State*. *Abuja Journal of Administration and Management*, 6(1&2), 109-125.
- Mustapha, Y.I. (2006). *Impact of Multi Product Marketing Strategy on The Sales Growth of Manufacturing Organisations: A case Study of Lubcon Nigeria Limited, Ilorin*, an Unpublished M.Sc. Thesis Submitted to the Department of Business Administration, University of Ilorin, Nigeria.
- Naman, J.L. and Slevin, D.P. (1993). Entrepreneurship and the Concept of Fit: A Model and Empirical Test. *Strategic Management Journal*, 14, pp. 137 – 153.
- Olujide, J. O. and Aremu, M. A. (2004). Strategic Role of Marketing in Nigeria Banking Industry. *Advances in Management*, 4, (1) 141 – 148.
- Oyedijo, A.(2012). Effects of Product-Market Diversification Strategy on Corporate Financial Performance and Growth: An Empirical Study of Some Companies in Nigeria. *American International Journal of Contemporary Research*, 2(3), 199-210
- Oyelami, S. O. (1991). *Principles of Marketing: The Management Approach*. Ibadan: Y. Books and Fawal Publisher.
- Oyeniya, T. (1997). *Fundamental Principles of Economics*, Cedar Series.
- Palepu, K. C. (1985). Diversification, Profit Performance and the Entropy Measure. *Strategic Management Journal*, 6, 239 – 255.
- Pandya, A. and Rao, N. (1998). Diversification and Firm Performance: An Empirical Evaluation. *Journal of Financial and Strategic Decision*, 11(2) 67 – 81.
- Peterson, R. (1982). *Marketing: A Contemporary Introduction*. Florida: Robed E. Krieger Publishing Company.
- Porter, M.E. (1986). *Competitive Strategy Techniques for Analysing Industries and Competitors*. New York: Free Press.
- Porter, M.E. (1996). What is Strategy? *Harvard Business Review*, 61-78.
- Pralahad, C.K. and Bettis, R.A. (1986). The Determinant of Logic: A New Linkage Between Diversity and Performance. *Strategic Management Journal*, 10, 523-552
- Rumelt, R. P. (1982). Diversification Strategy and Profitability. *Strategic Management Journal*, 3(4)359 – 369.
- Rumelt, R. P. (1986). *Strategy, Structure, and Economic Performance* (Rev.ed.), Boston: Harvard Business School Press.
- Signaw, J.A., Simpson, P.M. and Baker, T.L. (1998). Effects of Supplier Market Orientation on Distributor Market Orientation and the Channel Relationship: The Distributor Perspective. *Journal of Marketing*, 62 (July), pp. 99 – 111.
- Steiner, J.C. (1979). Internal Capital Market and the Competition for Corporate Resource. *Journal Finance*. 52, 111-133.
- Tevfik, A. and Oktay, F. (2003). Diversification and Firm Performance in an Emerging Market: the Turkish Case. *Journal of Global Strategic Management*, 3, 131-137.
- Thompson, A. A., Strickland III A. J. and Gamble, J. E. (2007). *Crafting and Executing Strategy: The Quest for Competitive Advantage*. (15th ed.), New York: McGraw-Hill- Irwin.

Weston, J.F. and Mansinghka, S.K. (1971). Test Efficiency Performance of Conglomerate Firms. *Journal of Finances*, 26, (4) 380-397.

Wheelen, T. L. and Hunger, J. D.(2006). Strategic Management and Business Policy: Concepts and Cases. (10th ed.), New Jersey: Pearson-Prentice Hall.

APPENDIX I

Table I

OBS	SALES	PROFIT	DUMMY
1	31177294	1483469.	1.000000
2	1782002.	145765.2	1.000000
3	23698081	-2143423.	1.000000
4	50489545	3011079.	1.000000
5	81871111	18298068	0.000000
6	1.41E+08	7868980.	1.000000
7	21925704	713677.8	1.000000
8	1096758.	442816.0	0.000000
9	6784857.	654735.0	0.000000
10	3165584.	874806.6	1.000000
11	47369161	6904106.	1.000000
12	70784963	2267075.	1.000000
13	228474.8	16910.20	1.000000
14	4115908.	154666.2	1.000000
15	1432540.	38382.60	1.000000
16	434488.0	-278198.2	0.000000

Dependent Variable: PROFIT

Method: Least Squares

Date: 09/22/11 Time: 13:53

Sample: 1 16

Included observations: 16

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2723009.	1733334.	1.570966	0.1402
DUMMY	-3966059.	1933445.	-2.051291	0.0610
SALES	0.091203	0.021750	4.193293	0.0011
R-squared	0.606396	Mean dependent var		2528307.
Adjusted R-squared	0.545842	S.D. dependent var		4933926.
S.E. of regression	3325035.	Akaike info criterion		33.03922
Sum squared resid	1.44E+14	Schwarz criterion		33.18408
Log likelihood	-261.3138	F-statistic		10.01406
Durbin-Watson stat	2.541196	Prob(F-statistic)		0.002333

Dependent Variable: SALES

Method: Least Squares

Date: 09/22/11 Time: 13:56

Sample: 1 16

Included observations: 16

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-7581753.	15577739	-0.486704	0.6346
DUMMY	29497520	16585608	1.778501	0.0987
PROFIT	6.303896	1.503328	4.193293	0.0011
R-squared	0.580955	Mean dependent var		30479572
Adjusted R-squared	0.516486	S.D. dependent var		39754902
S.E. of regression	27643633	Akaike info criterion		37.27505
Sum squared resid	9.93E+15	Schwarz criterion		37.41991
Log likelihood	-295.2004	F-statistic		9.011451
Durbin-Watson stat	2.614753	Prob(F-statistic)		0.003505