

# Effects of promotion on marketing of grains in selected states of Northern Nigeria

Avanenge Faajir

Department of Business Management,  
Faculty of Management Sciences,  
Benue State University, Makurdi – Nigeria

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## Key Words

Promotion, Marketing, Grains, Grains Marketing

## Abstract

*Promotion is an activity that helps organizations to succeed. It is the act of advancement, enlargement growth or moving of organizations forward in order to contribute substantially to economic growth and social development. The study assesses the effect of promotion on marketing of grains in selected states of Northern Nigeria. The study makes use of a methodology employing simple model to aid analysis. Promotion (pmtn) and marketing of grains (MGNs) are used as variables in this model. Results show that promotion has a strong relationship on marketing of grains as shown by the statistical significance of the parameter estimates. It is imperative and therefore advised that to achieve marketing of grains in selected states of Northern Nigeria, priority attention must be given to promotion.*

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## 1. Introduction

Marketing, according to David, Kumar and George (2001), is defined as the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. Promotion in marketing can be viewed as a communication process between organizations and their target market, which is aimed at informing them about their product availability and the benefits derivable in purchasing such products. Furthermore, promotion is the means by which firms attempt to inform, persuade and remind consumers directly or indirectly about the products and brands that they sell. Sales promotion, which is an aspect of marketing communication represents the 'voice' of the brands and is a means by which it can establish a dialogue and build relationships with customers (Kotler, & Keller, 2006).

The concept of integrated marketing suggests that the company must blend the promotion tools carefully into a coordinated promotion mix. Promotion basically is geared towards attracting consumer attention, offer strong incentive to purchase and can be used to dramatize product offers and to boost sagging sales (Kotler & Armstrong, 2008). Marketing promotional initiatives and marketing best practices should be adopted in product awareness creation.

The American Marketing Association sees it as consisting of "those marketing activities, other than personal selling, advertising and publicity that state consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstrations and various non-recurrent selling efforts, not in the ordinary routine"<sup>2</sup>. It has also been defined as "a direct inducement which offers an extra value or incentive for the product sales force, distributors, or the ultimate consumer"<sup>3</sup>. From this latter definition, we get the apt conclusion that sales promotion can, and should, be directed to the sales force, the middlemen and the consumers. For each of these categories of targets of sales promotional activities, there are sales promotion types.

Furthermore, promotion refers to any incentive used by a manufacturer to induce the trade (wholesalers and retailers), and/or consumers to buy a brand and to encourage the sales force to aggressively sell it (Terence, 2000). Promotional sales in various forms as price promotions, coupons and displays are dominant features in the consumer product business marketing mix around the globe (Anderson & Lumar, 2007; Jing & Wen, 2008; Kocas and Bohlmann, 2008). Hence promotion is defined as the persuasive communication activities and efforts used by the seller to induce buyers to buy its products (Russ & Patrick, 1982). Moreso, promotion encompasses all communication efforts earned at generating sales or building a favourable attitude for an organization's products or services. It is that part of an organization's overall marketing strategy designed to communicate to

the market-place usually through a set of activities, the nature of the organization and its market offerings (Okwandu & Ekerete, 2001).

However, promotional strategy in the context of this study has to do with the combination or blending together of the promotional mix elements of advertising, personal selling, sales promotion and public relations in order to inform, educate and persuade a company's target and potential customers to adopt their product with the aim of enhancing product patronage level, increase in company's profit, increase in market share, corporate image and general organizational objectives.

In pricing strategy, price-sensitive customers should be targeted at instead of invading the entire market (VanOest and Franses, 2005). Furthermore, price promotions are characterized through two variables namely depth and frequency of price reductions (Kleibergen and Paap, 2006). In addition, a company may adopt an efficient distribution strategy which could either be in the form of intensive or selective distribution depending on its objective.

However, to ensure that the customers are kept abreast with the technological innovations associated with the company's product and other additional benefits the product can offer to them, the company may constantly employ the promotional tools to inform, educate, and persuade their prospects to patronize them. This if carried out satisfactorily could lead to an increase in company's sales, profit and market share.

## 2. A Brief Survey of literature Review

Agbonifoh, Ogwu, Nnolim Nkamnebe (2007) described promotion as below-the-line promotional expenditure, as opposed to advertising which is considered above the line, is only recently being accorded some importance in the promotional package of the Nigerian marketer. They opined that the broad objective of all sales promotion is to secure improved sales.

Agbonifoh et al (2007) submitted that, the major objectives of sales promotion are to:

Motivate people to buy or try a product they had only occasionally bought, to induce people who are currently using the product to buy and use more of it, to keep existing customers and reinforce and maintain their purchase patterns for the product, to suggest new uses for a product so that existing customers will use more of the product for different purposes and to strengthen the image or the competitive position of a product.

Promotional Mix: Promotion mix or marketing communications mix is defined as the specific blend of promotion tools that the company uses to persuasively communicate customer value and build customer relationship (Kotler & Armstrong, 2010).

Advertising: Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor (Kotler & Armstrong, 2010). However, they noted that advertising possesses some distinctive qualities as a component of the promotion mix. These include public presentations, persuasiveness, amplified expressiveness and impersonation. Furthermore, Terrence (2000), posited that advertising is that which involves either mass communication via newspaper, magazines, radio, television and other mass (billboard, the internet etc), or direct communication that is pinpointed to each business - to-business customers or ultimate consumers. Both forms of advertising are paid for by an identified sponsor (the advertiser), but are considered to be non-personal because the sponsoring firm is simultaneously communicating with multiple receivers perhaps millions rather than with a specific person or small group. However, it is worthy to mention here that advertising has lots of influence on consumer innovative behaviour. Through advertising function of informing, persuading, reminding and adding value to consumers, product knowledge is created which in turn stimulates demand. Effective advertising causes brands to be viewed as more elegant, more stylish, more prestigious and perhaps superior to competitive offerings (Terrence, 2000).

Personal selling is a personal presentation by the firm's sales force for the purpose of making sales and building customer relationships (Kotler & Armstrong, 2010). The objective of personal selling is to make sales, and the sales activity is the culmination of many activities such as marketing research, product design, distribution pricing etc. Short-term incentives to encourage purchase or sales of a product or service whereas advertising offers reasons to buy a product or service, sales promotion offers reasons to buy now (Kotler & Armstrong, 2008). Furthermore, it consists of diverse collection of incentive tools, designed to stimulate quicker and/or greater purchase of

products/services by consumer or the trade. It involves an array of techniques that marketers use to stimulate immediate purchase. These include sampling coupon, refunds and rebates, sweepstakes, contests, premium trading stamps, trade shows, bonus packs and many others.

Kotler (2008) defined public relations as an aspect of promotional mix that involves the building of good relations with the company's various public by obtaining favourable publicity. It is important to note that public relations create the credentials that provide the credibility for advertising (Para & Adiele, 2010). On the other hand, publicity is a non-personal stimulation of demand for a product, service or business firm by planting commercially significant news about it in communication media (Russ & Kirk Patrick, 1982). Most often, organizations employ publicity to make people become aware of their products, brands and activities. Firm's uses publicity to maintain a certain level of positive, public visibility and also to promote a particular image such as innovativeness, progressiveness and to overcome negative images (Allen & Patrick, 2003). Hence, Kotler (1984), in his own view sees publicity as any group that has an actual or potential interest in or impacts on a company's ability to achieve its objective.

The organization is consumer oriented and should try to understand consumers' requirements and satisfy them quickly and efficiently, in ways that are beneficial to both the consumer and the organization. David et al (2001) submitted that organizations should try to obtain information on consumer needs and gather marketing intelligence to help satisfy these needs efficiently. Onwuteaka, (2006) has agreed that no marketing effort takes place in an air tight compartment. It is always concerned with the marketing of organizations' capabilities with the needs of its customers. This is done against the background of dynamics characteristics of its operating environment which includes political and economic uncertainties, legal implications, culture, religious constraints, direct and indirect competition.

Grains on the other hand, according to commercial crop production guide series (undated) are cereals that contain cereal germ, endosperm and so on. They include food such as wheat, rice, oath, corn meal, maize and so on (Wikipedia, 2007). Grains are high in carbohydrates which provide energy to the brain and muscles. Maize, wheat and rice together account for about 87% of all grains production world wide and 43% of all food calories.

Grain marketing problems are educed when producers of grains who reside mostly in rural areas, cannot get their produce to the market at the right time thereby incurring considerable post-harvest losses. These farmers are not given adequate returns for their efforts. The scraping of grains commodity board without an arrangement for grain marketing create a huge gap of over 17 years which further creates problems for grain marketing. Most states of the north where grains are produced do not have any idea about grain promotion to create the desired awareness that if created will stimulate demand for grains. It implies that grain promotion in most states of the north is completely absent. Most farmers are not even aware of promotion. In some few states where it is practiced, it is not properly done to create the desired awareness that can guarantee effective marketing. In some states like Benue, Taraba, Jigawa grains are not often promoted. It is difficult to identify the media used in creating the desired awareness that can lead to expansion of the market.

### **3. Objective of the Study**

1. The main objective of this paper is to assess the effect of promotion on Grains Marketing in Northern Nigeria.

### **4. Research Question**

This research question is formulated for this paper.

1. Is there a significant relationship between promotion and marketing of grain in selected states of Northern Nigeria.

### **5. Research Hypothesis**

This research hypothesis is formulated for this paper.

HoI: There is no significant relationship between promotion and marketing of grains in selected states of Northern Nigeria.

## 6. Significance of the Study

Grain marketing is very important for the sustenance of any agrarian economy. Thus any effort geared towards carrying out a study aimed at improving the marketing of grains especially in the northern states of Nigeria is worthwhile. For the past years, grain farmers in the northern states of Nigeria were apparently discouraged by the trends evident in their marketing of grains. This study will therefore help grain farmers to identify the problems militating against their marketing efforts and recommendations made to help them solve the problems. This will help grain farmers' direct efforts towards satisfaction of both current and potential consumers. The economic development of the states and the nation at large will be enhanced as awareness created through promotion for optimal marketing of grains will be achieved.

The result of this study will be useful to agricultural marketing in particular and marketing of goods and services in general and other researchers. The recommendations in this study if implemented as intended will help to develop grain production; this will guarantee food security and reduce poverty in the northern states of Nigeria and Nigeria at large.

## 7. Research Methodology

The design for this descriptive work is the survey design. A set of questionnaire was designed for grain producers and marketers. The sample size was made up of 1220 grain producers, marketers and consumers. While the statistical package for Social Sciences (SPSS) was used to analyze the data generated. The hypothesis formulated was tested using regression analysis.

## 8. Data Presentation, Analysis and Findings

### Demographic Information about Respondents

The following information is considered vital about the respondents derived from the questionnaire administered on respondents with the aim of knowing their general background with regards to gender, age, educational qualifications.

**Table 1: Sex of Respondents**

Options	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	798	65.4	65.4	65.4
Female	422	34.6	34.6	100.0
<b>Total</b>	<b>1220</b>	<b>100.0</b>	<b>100.0</b>	

Source: Research Survey, 2015

Data in table 1 revealed that 65.2% of the respondents were male, 34.6% were female.

**Table 2: Sex of Respondents**

Options	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 15-25 years	255	20.9	20.9	20.9
26-36 years	440	36.1	36.1	57.0
37-47 years	335	27.5	27.5	84.4
47 and above	190	15.6	15.6	100.0
<b>Total</b>	<b>1220</b>	<b>100.0</b>	<b>100.0</b>	

Source: Research Survey, 2015

Table 2 above is an analysis of age distribution of respondents. The analysis shows that 20.9% of the respondents are between 15-25 years, 36.1% are between the ages of 26-36 years, 27.5% and 15.6% of the respondents are between the ages of 37-47 years and 47 and above respectively. Age of respondents are important because a lot of energy is required in order to either produce grains, market grains and research into improvements in grains production and marketing.

**Table 3: Types of Grains Produced**

Options	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Rice	104	8.5	27.4	27.4
Maize	104	8.5	27.4	54.7
Soyabean	88	7.2	23.2	77.9

Wheat	32	2.6	8.4	86.3
Sorghum	24	2.0	6.3	92.6
Millet	28	2.3	7.4	100.0
Total	380	31.1	100.0	
Missing System	840	68.9		
Total	1220	100.0		

Source: Research Survey, 2015

Table 3 shows that 8.5% of the respondents cultivated rice and maize, 7.2% cultivated soyabeans, 2.6% cultivated wheat, 2.0% and 2.3% cultivated sorghum and millet respectively. From this analysis, it shows clearly that rice and maize are heavily cultivated followed by soyabeans.

**Table 4: Respondents Opinion on Promotion of Grains**

Options	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	45	3.7	11.8	11.8
No	335	27.5	88.2	100.0
Total	380	31.1	100.0	
Missing System	840	68.9		
Total	1220	100.0		

Source: Research Survey, 2015

Data in table 4 reveal that 88.2% of the respondents have not ever promoted their products (grains) before in any of the advertising media. 11.8% opined that, they have actually promoted their grains in the local radio and state television stations.

**Table 5: Respondents Opinion on why they have not Promoted their Grains**

Options	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No need	42	3.4	17.5	17.5
No media	43	3.5	17.9	35.4
Not interested	55	4.5	22.9	58.3
High cost	100	8.2	41.7	100.0
Total	240	19.7	100.0	
Missing System	980	80.3		
<b>Total</b>	<b>1220</b>	<b>100.0</b>		

Source: Research Survey, 2015

Data in table 5 reveal that 17.5% of the respondents saw no need for prompting their products, 17.9% claimed they had no media and so could not promote their grains, 22.9% of the respondents opined that, they were not actually interested in promoting their grains while 41.7% opined that the high cost of promotion was the reason why they could not promote their grains.

**Table 6: Access to Public Information**

Options	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very important	260	21.3	86.7	86.7
Least important	40	3.3	13.3	100.0
Total	300	24.6	100.0	
Missing System	920	75.4		
<b>Total</b>	<b>1220</b>	<b>100.0</b>		

Source: Research Survey, 2015

Data in table 6 above shows that 260 respondents representing 86.7% opined that access to information is very critical in achieving maximum sales as far as grain marketing is concerned. The respondents therefore rated it very important. 13.3% of the respondents rated it least important. The majority of the respondents are saying it is very important. We conclude therefore, that access to information is an important skill set defining a grain marketer;

**Table 7: Access to Private Information**



Options	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very important	270	22.1	90.0	90.0
Least important	30	2.5	10.0	100.0
Total	300	24.6	100.0	
Missing System Total	920	75.4		
	1220	100.0		

Source: Research Survey, 2015

Data in table 7 above shows that 90% of the sampled respondents are of the view that private information is very important and should be a skill set defining a grain marketer. 30 respondents representing 10% opined otherwise.

There is no significant relationship between promotion and marketing grains in the states of the North of Nigeria.

To test this hypothesis, question was used in generating the data used in testing this hypothesis. The regression analysis was used in testing this hypothesis.

**Table 7.2 a, b, c: Regression Statistics for Hypothesis 7.2 a: Variables Entered/Removed<sup>a</sup>**

Model	Variable Entered	Variables Removed	Method
1	Promotion <sup>a</sup>		Enter

- a. All requested variables entered.
- b. Dependent variable: Marketing of grains

**7.2 b: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.294 <sup>a</sup>	.087	.084	2.03941

- a. Predictors: (constant), promotion
- b. Dependent variable: Marketing of grains

**7.2 c: ANOVA<sup>b</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	117.535	1	117.535	28.259	.000 <sup>a</sup>
Residual	1239.435	298	4.159		
Total	1356.970	299			

- a. Predictors: (constant), promotion
- b. Dependent variable: Marketing of grains

**Coefficients**

Model	Unstandardized Coefficients		Mean Square		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	17.753	.621		28.574	.000
Promotion	-1.753	.330	-.294	-5.316	.000

- a. Dependency Variable: Marketing of Grains

Analysis in table 7.2 a, b, c and d shows that regression analysis is significant. At 0.05 level of significance, the F value is 28.259,  $r = 0.294$ , while  $p = 0.000 < \alpha = 0.05$ . This indicates that the relationship is significant. This analysis is contained in table 7.2 b, c and d.

Histogram

### 9. Decision rule at significance level of 0.05 or 95% confidence limit

- (i) Accept the null hypothesis ( $H_0$ ) if the calculated p-value is greater than the adopted level of significance ( $\alpha = 0.05$ ), which indicate that the relationship is insignificant.
- (ii) Reject the null hypothesis ( $H_0$ ) if the calculated p-value is less than the adopted level of significance ( $\alpha = 0.05$ ), which indicate that the relationship is significant.

Based on the above results, the null hypothesis is rejected and the alternative hypothesis accepted.

Table 7.2 c (ANOVA analysis of regression) shows that the dependent variable (grains marketing) has a weak positive correlation on promotion. The effect is estimated at 8.7% at the dependent variable outcome ( $R^2 = 6.087$ ). We see that 8.7% of the variability in grains marketing in Nigeria can be explained by the moderately weak effect of promotion activities.

### 10. Objective and Hypothesis

The objective was to find out whether a significant relationship existed between promotion and marketing of grains. The hypothesis is, there is no significant relationship between promotion and marketing of grains in northern Nigeria.

The regression results in this analysis suggest that a significant relationship existed between promotion and marketing of grains as  $p\text{-value} = 0.000 < \alpha 0.05$ ,  $r = 0.294$ .

Findings in this study support empirical evidence that promotion plays an important role in marketing of grains and other agricultural produce. These findings are also consistent with studies of Onu (1997) on marketing of cotton in Northern Nigeria. Also Jaffee and Morton (1995) investigated marketing of Africa's High-value foods; comparative experience of an emergent private sector. In the two empirical works, the need for effective promotion of agricultural produce was emphasized. This finding is also consistent with studies of Njoku (1998) on marketing strategies for agricultural commodities in Nigeria. Implications for Agricultural Development in Nigeria. Abalu (1986) did a work on marketing of Agricultural produce, which way forward. All these empirical studies issues of paramount importance were that of strategies for marketing agricultural produce profitably which promotion was emphasized.

### 11. Major Findings of this Research

Data in table 5 revealed that grain producers and marketers have not been promoting their grains. This is true as 43 respondents (3.5%) confirmed this statement.

### 12. Conclusion

This study investigated the effects of promotion on marketing of grains in selected states of the northern Nigeria. The grains produced must be distributed efficiently at minimum cost in order to guarantee continuous availability. This of course is the subject of grain marketing. Olayemi (1982) observed that grain marketing is a very important but rather a neglected aspect of agricultural

development as more emphasis is usually placed by government on policies to increase grain production with little or no consideration on how to market grains efficiently and in a manner that will enhance increased productivity.

Grain marketing mostly in the immediate post-harvest period usually involves a lot of cost and in Nigeria these costs are so high that lowering the cost through efficient marketing system may be as important as increasing production. Adequate performance of this function requires availability of information. This indeed is a function of promotion and advertisement.

Effective promotion is critical to efficient marketing. In the study areas, promotion was relegated to the background. There is urgent need to educate farmers on the need to promote their products if the objective of achieving maximum sales is to be achieved.

The hypothesis formulated was in this study tested and the results obtained from the study support the following major conclusions:

1. Almost all grains framers and marketers in the states of the Northern Nigeria failed to promote their products. This conclusion emanates from the findings that most grain farmers and marketers saw no need in promoting their agricultural produce. This conclusion seems to neglect the concept of marketing from the marketing perspectives which emphasize effective promoting and creating awareness as incapsulated in the 4 Ps of marketing;

**Other findings were as follows:**

2. Storage facilities were grossly inadequate in almost all states of the north of Nigeria where grains are produced in large quantity. Evidence from this study revealed that local storage facilities were being used to store grains resulting into huge losses;
3. Improving marketing of grains in Nigeria requires improving or repositioning promotional tools, marketing research, by all and sundry. Marketing structures in the states of the north of Nigeria needs to be repositioned if the desired result is to be achieved.

### 13. Recommendations

On the basis of the findings of this study, the following recommendations are made:

1. There is need to provide farmers with modern harvesting methods to guarantee bumper harvest.
2. Farmers and middlemen should be encouraged to promote their products. This will create the desired awareness and the desired benefits to farmers.
3. There is urgent need to make the bring back the grain marketing boards if effective marketing of grains is to be achieved.
4. There is need to reconstruct and construct new more grains silos in all the major grains producing states in the country.

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