

Marketing research as a proactive strategy for the performance of business: The Nigerian experience

Sunday O. E. Ewah

Department of Business Administration
Cross River University of Technology Ogoja Campus
Cross River State, Nigeria.

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Abstract

The topic of this study is on marketing research as a proactive strategy for the performance of contemporary businesses. The main problem that necessitated the conduct of this study is that most businesses including manufacturing companies in Nigeria pay little attention to marketing research. To solve this research problem, questions were formulated in questionnaires and administered to 967 respondents in the sampled cities in Nigeria. The statistical model for the test of the hypothesis formulated was Analysis of variance (ANOVA). The major findings of the study indicates that it is important and necessary that companies and businesses carryout frequent marketing research. Over the years little attention is given to marketing research, based on most companies not having functional marketing department or unit that perform this task. Moreover, other activities are devoid of marketing research hence it is relegated in most companies' budget. But the study clearly shows that the benefit of this exercise is enormous and the demerits are quite detrimental to any company or business firm. Furthermore, poor statistical data, illiteracy, uncompromising attitude of buyers, few research experts and myopic assumption held by some producers fault the work of marketing researchers. It is concluded and recommended that every company's effort should be geared towards conducting marketing research. Thus, this can be achieved if the necessary funds and enablement is guaranteed by companies for such effort.

1. Introduction

Reliable information searching and data collection form the bedrock of management decisions in contemporary firms. They also form the basis for all the diagnostic and prognostic efforts of managers. From a marketing stand point, problems can only be anticipated, identified, analyzed and resolved or prevented, if accurate and reliable, and relevant information can be obtained promptly from both internal and external sources (Agbonifoh, 1998). To actually arrive at useful information aspect requires marketing research. Davies (1983) Opined that, marketing research is not a substitute for management decisions, rather its simply one of many elements that can be used to make management decision; if not better, then at least risk incurring than the process would be without it. However, when conducted in a systematic, analytical, and objective manner, marketing research can reduce the uncertainty in the decision making and increase the probability and magnitude of success the firm may hope to attain. Thus, the goal of marketing research imperatively is to provide the facts and direction that managers of corporate

organizations need to make more important marketing decisions, that border on a variety of marketing problems. Despite the type of company or line of business, every effort of the manager is geared towards continuity and success of the company and its products or services. Hence managers and marketing managers in particular need information in order to plan, package, advertise, priced, etc, their products and services to create value in the minds of customers. But the perception of value and satisfaction is subjective because what customers or buyers value and tends to be satisfying today may be quite different in future. As such the attributes that create value and satisfaction cannot simply be deduced from common knowledge. Rather data must be collected through marketing research and synthesized or analyzed and possible workable decisions taken, that will sustain the corporate existence of the company and its products or services so as to justify the cost of obtaining, analyzing and using it.

On a general note, the benefits of conducting marketing research can not be over emphasized; these benefits accrue both to the firms and customers. It ranges from contribution to GNP by making sure that companies and businesses are working in full capacity, resources are fully utilize with vital decisions taken, continuous flow of goods and services for buyers to improve their satisfaction, encourages competition among businesses, help businesses make important decisions for planning purposes, identification of problem areas in business and proffer solutions and above all create employment opportunities for both firms and individuals. But in today's business the market and competitive challenges confronting managers around the world are becoming more complex and rapidly changing. Market and industry boundaries are now more difficult to define because of the entry of new and unfamiliar forms of competition. Customers' demands for superior value from the products they purchase are unprecedented, as they become yet more knowledgeable about products (goods and services) and more sophisticated in the judgments they make. Based on this there are typical examples of products and companies that have disappeared from the market in Nigeria unplanned, such as Fanta Chapman, a soft drink produced by Nigeria Bottling Company, Daily Need Tooth Paste, Satzenbrau in the beer industry and others. Also Texas instrument lost \$660million in home computer business, RCA lost \$500million on its ill-fated Video disk players and Ford lost \$250 million on its Edsel (Madell, 1979). This is as a result of these companies not carrying out marketing research that would have made the difference between success and failure. For marketing research would have shown the marketing potentials of these products and the possible problems the companies were facing in selling and managing their products.

There are equally some firms or companies that regard the exercise (marketing research) to be too costly to engage in and such companies suffer more. This is because other competitors in the same industry who have taken the pains and time to indulge in marketing research often capture larger share of the market, thereby making others less competitive. Consequently companies producing products should not just assume that the product or services will sell itself or consumers will definitely buy it. Rather they need to find out consumers responses to the product through a well organized marketing research effort. The era of companies mere producing without finding and researching buyers need is gone. Today's companies need to place great emphasis on marketing research in order to meet customers' requirements and retain same.

Customer's preferences and requirement influences the allocation of resources because producers need to respond to the preferences and purchasing habits of consumers (Kirzner, 1997). This can only be achieved through sourcing for information from these same consumers frequently. Thus it is more appropriate for these firms to possess adequate knowledge of households, suppliers, investors and general business environment, which can only be achieved through an enviable marketing research effort.

According to Oko as quoted by Onuoha (2000), results from recent studies conducted and quoted in the Nigerian stock exchange market shows that only 29% of the corporate bodies have autonomous marketing research units. 34% have marketing department but activities are devoid of research, while 47% have corporate affairs units that conduct little of marketing research and more of public relations activities. This situation is not good for businesses, and corporate organizations in Nigeria. In this age of technological advancement both in doing business and innovative principles, firms and other businesses need to do more of marketing research in order to remain competitive in a global sense and create both present and future marketing opportunities. This is because customers or buyers wants and needs are ever changing and recognizing this fact means, much research should be done for the satisfaction of the consumers and profit will definitely accrue to business firms. But where the consumer is not at the centre of operations and his needs are not put before other matters in the commercial activities of companies or firms not much attention may be given to marketing research. This is currently experienced with the performance of some companies and businesses in Nigeria. Apparently many of the managers make decisions without actually having the information through a thorough marketing research and quite often this affects the performance of most companies and their products in Nigeria. Therefore, the objectives of this study are;

- i. To find out whether most companies have functional marketing research unit/team.
- ii. To find out if companies give priority to marketing research.
- iii. To find out the assumptions held by companies/managers regarding marketing research and the difficulties they encounter when conducting marketing research.
- iv. To encourage companies to carryout frequent marketing research and apportion reasonable budget for the purpose.

2 Theoretical Framework

Marketers have recently begun looking at elements within firms to explain their success and failure, and more specifically, how competitive positions are enhanced through superior marketing research. In the contemporary dynamic economy, the successful execution of marketing warfare is achieved given concise and precise information sourced internally and externally through marketing research (Oko, in Onuoha, 2000). Marketing research according to the American Marketing Association (1960) is the systematic gathering, recording and analyzing of data about problems relating to the marketing of goods and services. In the opinion of Agbonifoh, et al (1998) marketing research is a formalized means of obtaining information used in making marketing decisions. Thus the purpose of this exercise is to improve marketing decisions in order to achieve corporate growth and satisfaction of consumers. It is noteworthy that most of the decisions taken by companies are taken in an environment that is beclouded with uncertainties. Some of these decisions include; the choice of opportunities to serve in the

market, choice of possible target market, products to produce to meet the needs of customers, the types and quality of services to be offered along with the product, strategy to adopt for the survival of the product in the market, the appropriate pricing policy to adopt, how competition is going to be tackled, selection of channel of distribution, evaluation of the effects of the decisions already taken in any of these areas, among others. All these call for information, through marketing research.

If the information obtained during marketing research proper is wrong and misleading, then at the end wrong decisions may be taken with imaginable results. Therefore information obtained for marketing research purposes must be relevant, accurate and timely and have value.

Information for marketing research can be obtained formally or informally. A formal marketing research is an elaborate, painstaking, systematic and objective exercise that seeks accuracy. It follows the scientific method of investigation. Therefore, the more important the marketing decision to be taken, the more formal should be the research process (Olakunori, 2002). On the other hand, an informal marketing research is not scientific. This means that the result may not be accurate. Hence, it should be used only during periods of urgency, when not much is at stake and when one is already familiar with the problem. Giles (1974) gave the scope of marketing research to include information on market, products, pricing, promotion and distribution. But on a general note, it covers all areas that inhibit threat to marketing opportunities.

Marketers and businesses conduct researches prior to decisions so as to have good information that would make them almost 95% sure of the outcome of the decision before hand. This is necessary when the cost of failure and the reward of success are very high. This means that the more the stake, the more the need for marketing researches. Business people all over the world desire perfect information about business trend, but this is not always possible. The quality of information can only be enhanced through marketing research, which strives to collect information systematically and in a verifiable manner so as to ensure its accuracy and fitness for the purpose of taking valid decisions in marketing products or services (Olakunori and Ejionueme, 1997).

Innovative business models that questions the traditional roles of marketing are defining a new agenda for business and marketing research development. Companies in developed countries are adopting market driven researches guided by the logic that all business strategy decisions should start with a clear understanding of markets, customers and competitors (Crevans and Piercy, 2003).

2.1 Proactive Marketing Research Process

Based on previous studies, there are no generally accepted steps or process to be followed in a marketing research. Rather it depends on the peculiarity of the problem and the company or business. Therefore a proactive marketing research process consists of the necessary steps in developing and implementing a marketing research project. The need for marketing managers to have sufficient understanding of the method can not be over emphasized because it

will enable them participate in making important decisions in research design and assess the validity of research results. (Adeleye, 1998). The steps are carefully explained below:

- **Define the Problem:** Before a marketing manager conduct a marketing research, it means there is a lingering problem, hence such problem need to be identified to ease the task. Problem definition involves a clear statement of the issue or topic and management problem to be investigated as well as the objectives to be achieved through the effort. For example, to what extent has the present financial crisis affected the performance of businesses in United State of America?
- **Conduct Situation Analysis:** This involves the study of the company and its business environment using available data (Oko, 2000). According to Agbonifoh, et al (1998) situation analysis can be done through perusing all relevant records, such as sales data, complaints records, cost figures etc. discussing with relevant managers, interviewing sales persons, middlemen, consumers, professionals, and other researchers, and studying industry data relating to sales, prices, economic indicators, etc. This will help the marketing researcher and the company identify the problem easily if it was initially difficult.
- **Determination of Information Needs:** In a marketing research of any type, it is not all the information that marketing researchers come across will be required for the exercise, but the most important ones need to be evaluated and selected. This is because information requirements are a function of the specific research problem being investigated.
- **Determine Information Sources:** There are basically two sources of information search in a marketing research, which includes the primary and secondary sources. Depending on the problem area, any of the methods can be used together or in isolation. Primary data involves the collection or gathering of first hand information from buyers or customers concerning the problem of investigation, while secondary data or sources are information that have already been gathered by other marketing researchers, that will be relevant to the current study or research. Such can be found in business and marketing journals, economic and developmental journal, textbooks, periodicals, seminar papers, etc.

However, data gathering approach can also choose between qualitative and quantitative research. The former implies research using a relatively smaller sample with a view to gaining insight. Essentially, it is exploratory, diagnostic and is used to build up background information such as, to identify opinions, attitude, belief, motivations, to test responses to products or services, ideas, and advertisements among others (Szabo, 1979) and (Adeleye, 1998). The later (quantitative) involves the use of a large sample of customers to obtain valid statistics so that potential sales, market size and share, and target groups, etc, can be quantified.

- **Determination of Sample Size:** The marketing researcher has to select from the total population a manageable number, smaller than the total population but with the same characteristics for the research. There are two major selection criteria, probability and non probability method. In a probability sample, each individual in the population has a known probability of being selected. Probability sampling method includes:

- i. **Simple random:** Here each element of the population has an equal chance of being chosen as part of the sample.
 - ii. **Stratified sampling:** This has to do with the dividing of the population into more homogeneous strata and a random sample of each stratum is selected.
 - iii. **Cluster sampling:** The total population is divided into groups, such as geographical area, town, local government area, etc, so that every element of the population belongs to only one group (Tull and Hawkins, 1980). While in a non-probability sample, the probability of an individual being included in the sample is unknown (Moutinho, 1994). This includes, the judgmental sampling, which uses judgment and experience to select the sample; Convenience sampling, also called accidental sampling involves the collection of data from individuals or customers that are readily available at the time of the research or investigation; and quota sampling is selected in such a way that demographic characteristics of interest are included in the sample in the same proportion as they are in the population (Tull and Hawkins, 1980).
- **Develop the Instrument and Collect the Data:** The marketing researcher can develop a research questionnaire, embracing the problem of the study and administered on the projected sample or customers. For it is only customers that are familiar with the companies present situation that can give required information that would result to possible analysis and decision taking. Apart from the questionnaire method, marketing researchers can get information through experimentation and observations. In developing the instrument for collecting data, it is necessary that such construction must be clear, relevant, unambiguous, and brief and should spur responses from the customers or respondents.
 - **Data Analysis:** If the effort of those (researchers) that went on field-work (for primary data) is successful, then the marketing researchers can now analyze and synthesize the information and come up with result and recommendations. The marketing researcher can use any of the following; simple regression, correlation coefficient, multiple correlation, multivariate analysis, multidimensional scaling, conjoint analysis, linear structural relations (LISREL) etc; to analyze the data (Moutinho, 1994). It is gratifying to note that computer analyst and statisticians are increasingly lending a great helping hand to marketers in this aspect. It is important to note that the major problem faced by marketing researchers, is the unwillingness of some customers to cooperate and give vital information and the dearth of secondary information, that would have assisted the research solve the current problem.
 - **Presentation of Final Research Report:** It is expected that, the final marketing research report must include the following, description of all the activities undertaken in the course of the research, summary of its highlights, the researcher's interpretations of the findings, and the recommendations and likely problems encountered in the course of the research. Such report must be well packaged and presented to the needy company for further managerial action and decision (Keane, 1969). On the other hand, the marketing research manager may be asked to present the final report to the company management board or board of directors. This should be done with utmost confidence as an expert.
 - **Establish Follow-up Procedures:** This step involves the implementation of suggested line of action as stipulated by the researcher. Marketing researchers should specify

follow-up procedures in all that they uncovered or discovered while carrying out the research (Redding, 1982). This will check changing conditions or incorrect conclusion that may have been deduced and the company may need to go back to the drawing board.

2.2 Problems of Marketing Research in Nigeria

Olakunori (2002) enunciated the constraint to successful marketing research to include the following;

- **Lack of Recognition given to Marketing:** Most manufacturers and companies operating in Nigeria are yet to accord marketing and research their right status in the operation of their businesses. They hardly put the interest of the consumer at heart, the more reason little cash is often budgeted for consumer preference researches or brand witching research in most cases.
- **Lack of Functional Marketing Research:** In some cases the companies operating in Nigeria do not have functional marketing department or research unit under marketing. This makes the realization of the need for researches, their conduct and coordination very difficult.
- **Too Much Expectation from Marketing Research:** The few companies and businesses that conduct marketing research expect too much from the exercises. They expect the result to reveal everything about the prevailing problem and proffer remedial strategies to cushion the effect. But little money is budgeted for the conduct of such exercises and the end product of this kind of behaviour is unachievable or unrealistic goals for the researchers. These companies further cut marketing research budgets and reduce the emphasis on the function.
- **Insufficient Facilities:** The facilities available for the conduct of marketing research are not enough to meet the high need. This aspect includes; lack of funds, poor electricity services, poor communication system, bad road network and poor transportation system to mention but a few. In the opinion of Kraemar (1973) statistical documentation is often unsatisfactory in developing countries because of inadequate facilities for collection and retrieval of relevant data.
- **High Incidence of Illiteracy:** The percentage of illiteracy in Nigeria is still very high and marketing is still being practice from the traditional perspective. This makes the work of marketing researchers difficult to perform. Sometimes when they are asked sensitive questions relating to a particular company's product, they find it difficult responding and this makes the research exercise more cumbersome. Sometimes if they respond, their responses are based on what others have said. This brings in a lot of bias and often affects the result of the marketing researchers.
- **Few Marketing Research Experts:** Most of the people charged with the conduct of marketing research are not very knowledgeable in the procedure for conducting formal researches. Some of the people employed to work in some companies are relations to the general manager or the director of the company. In spite of their level of education, and inadequate research training, they are offered the job. What do you expect eventually from such caliber of workers or researchers? Poor results will be the output.

- **Cook-up Data:** Most companies researchers and field assistant, remain in comfortable apartments and hotels only to prepare results of research exercise on their armchair and table without really fishing for the needed information for analysis. This makes their result often vague and unacceptable and discourages further marketing research efforts.

3 Research Methodology

The research study was carried out in few states in Nigeria. The main instrument for data collection was the questionnaire. Questions were formulated in the instrument and administered to 967 respondents who attempted the questions. Although the sample size was relatively small, it met certain general criteria for factor analysis (Hair, et al 1979). They specifically, suggested that as a conservative rule, the number of cases (respondents) in a sample should be at least 50 and at least four times the number of variables to be subjected to factor analysis.

Some limitations associated with the present research should be noted, such as problems of reactivity and obtrusiveness, social desirability biases, problem of administering question, psychometric problems and questionable construct validity (Luthans and Davis, 1982). Therefore the results and conclusion of this work must be tempered with these limitations in mind.

The data collected were analyzed and represented in tables and the core model for the test of the only hypothesis in the study was Analysis of variance (ANOVA). It is clearly stated in table 1 in appendices.

4 Analysis of Data and Discussion of Findings

Before analyzing the data and discussing the findings it is important to state the questions that were asked in the study (for more emphasis refer to the appendices). The questions asked include;

1. Is it necessary for companies and businesses to carry out frequent marketing research?
2. Has your company a functional marketing research unit?
3. Is most companies activities devoid of marketing research?
4. Is marketing research accorded its right status in the operation of today's businesses in Nigeria?
5. Do some firms budget little or nothing for marketing research?
While those asked in table 3, 4, 5, and 6 are respectively stated below;
6. What are the benefits of conducting marketing research?
7. What are the demerits of not conducting marketing research?
8. What are the assumptions held by some companies/managers regarding marketing research effort?
9. What are the difficulties in conducting marketing research in Nigeria?

Responses from question one shows that 400 (41.4%) answered yes to the first research question. 307 (31.7%) of the respondents say no and the remaining 260 (26.9%) were not sure of which decision to choose. Based on the majority response above, it is necessary and essential that companies producing both products and services to conduct frequent marketing research in order to gather information for planning and decision making. This will enable the company or firm to take important decisions that can translate to reasonable market share and profitability.

Research question two shows that 275 (28.4%) of the respondents answered in the affirmative. 444 (45.9%) of the respondents gave negative response. Those respondents that were not certain of the answer were 248 (25.6%). This means that most of the companies producing products or services do not have functional marketing research units or department in Nigeria. They rather concentrate on sensitizing, educating, and persuading customers to buy their products. Instead of finding out customers' desires or needs before walking back to the factory to mass produce.

In question three, 350 (36.2%) of the respondents gave positive response. 337 (34.9%) of the respondents gave negative response and the remaining 280 (28.9%) did not know which option to pick. From this result it can be concluded that most companies' activities is devoid of marketing research. This confirmed earlier studies conducted and quoted in the Nigeria stock exchange market (Oko as quoted by Onuoha, 2000). That much is not being done as far as marketing research is concern and emphasis is more on other aspect of marketing, such as how to sell the product, create unnecessary demand, and induce impulsive purchases on consumers, via other promo-tools.

Indications from question four shows that 305 (31.5%) of those that were interviewed answered yes. 550 (56.9%) that is majority of the respondents answered no. The left over respondents that were not certain in their decision were 112 (11.6%). It invariably means that marketing research is not accorded its right status in the operation of today's businesses in Nigeria. There is so much neglect of this vital aspect of marketing, especially in most developing countries, where they still engage in traditional marketing practices.

Most firms budget little or nothing for marketing research purposes, based on 460 (47.6%) positive response from respondents in question five. 306 (31.6%) believed that the question is not true, while the remaining 201 (20.8%) of the respondents were not certain on which option to take. If firms keep or budget a reasonable share of their operating capital for research purposes, it will help the company to source for important information that will be required for planning and decision making both presently and in the future. Though this decision will add to cost of production in the short run, but if well articulated and managed in the long-run it will increase a firm's marketing potentials and give such a company and its product competitive edge that will generate the much desire level of profit.

Responses from the respondents in question six indicates that 205 (21.2%) of the respondents choose planning and decision taking. 108 (11.2%) of the respondents picked resuscitate dying company or product. 104 (10.8%) of the respondents settled for increased market share and profitability. 220 (22.8%) of the respondents opted for customers satisfaction and the remaining 330 (34%) believed that all that is mentioned above are the salient benefits to be derived from a well managed marketing research effort. Thus it is important for companies as well as marketers to conduct marketing research frequently because the benefits are enormous.

Question seven shows that 130 (13.4%) of the respondents said that not conducting marketing research contribute to the winding up of companies, 200 (20.7%) disappearing products from the market, 113 (11.7%) poor sales growth, 204 (21.1%) competitors that have invested much in marketing research may take the lead, and 320 (33.1%) of the respondents believed that all the factors enunciated are the side effect of not conducting marketing research.

Responses in question eight shows that 170 (17.6%) of the respondents picked too expensive. 50 (5.2%) of the respondents said that marketing research is not worth conducting. 220 (22.8%) of the respondents believed that the product will sell itself. 73 (7.5%) of the respondents assumed it for developed countries. 454 (46.9%), which is the majority response rate agreed that all the earlier deduced factors are some of the assumptions held by some companies (as well as some managers) regarding conducting marketing research for their companies and products. These assumptions are detrimental for the performance of today's business. Hence managers' should refrain from such thought and be more proactive in their business pursuit.

In question nine, it was observed that 204 (21.1%) of the respondents picked poor statistical data. 106 (10.9%) of the respondents choose uncompromising attitude of some consumers/customers. 90 (9.3%) of the respondents indicated illiteracy of the people. 162 (16.8%) of those interviewed believed that, there are few research experts in the field of marketing. The remaining 405 (41.90%), of the respondents, who are in majority said that all the aforementioned are some of the difficulties encountered in Nigeria, when conducting marketing research for a corporate firm. Based on the slow development process of most third world countries (including Nigeria), the issue of poor statistical data to analyze important trends in the business environment has been a major problem of concern. Coupled with the high number of illiterate businessmen and women scattered all over Aba, Onitsha and other commercial cities in Nigeria have not help matters either. Buyers are not left out, because their trial processing of some products give room for much questions on how well informed they are, apart from their unwillingness to cooperate with marketing researchers (Agbonifoh, 1998).

4.1 Test of Hypothesis

Ho: Most companies' activities in Nigeria are not devoid of marketing research.

Hi: Most companies' activities in Nigeria are devoid of marketing research.

Decision Criteria: **Ho:** Should be rejected

Hi: Should be accepted

This is because the calculated value of F is 222.3, while the critical value of F is 3.88 at 5% level of significance and 2 and 12 degree of freedom. It therefore means that calculated value $222.3 > \text{table value } 3.88$

5. Summary of the Study

It is necessary for companies and businesses to carryout frequent marketing research, despite the observation that most companies do not have functional marketing research unit or department. Moreover, most companies' activities is devoid of marketing research, and hence it is not accorded its right status in the operation of today's businesses in Nigeria. This was

confirmed when the test of hypothesis was carried out. The study clearly shows that some firms budget little or nothing meaningful for such research project (marketing research). The benefits of conducting marketing research include; planning and decision taking advantages, resuscitate dying company or product, increase market share and profitability, and above all, maximize customers' satisfaction. While the demerit of not conducting this exercise include; possibility of companies winding up or folding up businesses, disappearing products from the market, poor sales potentials and growth, and possibly competitors taking the lead or capture neglected market segments. Assumptions held by some companies and businesses regarding conducting marketing research are that, the exercise is too expensive, it is not worth doing, product will market itself, and the exercise is mostly required in developed societies. Furthermore, the study shows that poor statistical data, uncompromising attitude of customers/buyers, high rate of illiteracy and few marketing research experts in Nigeria contribute to the myriad of difficulties hindering marketing researchers' effort.

6. Recommendations

The study recommends the following;

- Companies should have an active and functional marketing department or unit that is capable of handling the tasking job of marketing research.
- A reasonable share of the budget should be apportioned for the exercise.
- Companies should have data base where information can be stored and retrieved when the need arises.
- Workshops should be organize for the enlightenment of both business practitioners and consumers regarding appreciating marketing research as a sine qua non for the performance of today's businesses and favourable attitude of consumers towards marketing researchers.

6. Conclusion

The effort of every companies and businesses should be geared towards finding out customers needs and marketing potentials of their products through sourcing for information via a well articulated marketing research programme, that will aid them in planning and taking viable decisions for the satisfaction of customers.

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Appendices

Table 1: Analysis of Variance Chart

Source of Variation	Sum of squares	Degree of freedom	Mean square	F Ratio
Between the means (Explained by factor A)	$\sum (\bar{X}_j - \bar{X})^2$	C-1	$MSA = \frac{SSA}{C-1}$	$F = \frac{MSA}{MSE}$
Within the samples (error or unexplained)	$\sum (X_{ij} - \bar{X}_j)^2$	(r-1)c	$MSE = \frac{SSE}{(r-1)c}$	-
Total	$SST = \sum \sum (X_{ij} - \bar{X})^2$	rc-1	-	-

Where $F = \frac{\text{Variance between the sample means}}{\text{Variance within the sample}} \dots\dots\dots(1)$

$X_j = \text{means of sample } j \text{ composed of 'r' observations} = \frac{\sum (X_{ij})}{r} \dots\dots\dots (2)$

$\bar{X} = \text{Grand mean of all 'c' samples} = \frac{\sum (\sum X_{ij})}{rc} \dots\dots\dots (3)$

$SSA = \text{sum of squares explained by factor A} = r \sum (\bar{X}_j - \bar{X})^2 \dots\dots\dots(4)$

$SSE = \text{Sum of squares of error unexplained by factor A} = \sum \sum (X_{ij} - \bar{X}_j)^2 \dots\dots\dots (5)$

$SST = \text{total sum of squares} = \sum \sum (X_{ij} - \bar{X})^2 \dots\dots\dots (6)$

Degree of freedom (df) numerator = c-1(7)

Where 'c' is the number of observations in each sample.

Degree of freedom (df) denominator = (r- 1) c (8)

Where 'r' is the number of observation in each sample.

Table 2: Responses to Research Question one to five

S/N	Questions	Yes	%	No	%	Not Certain	%	Total	%
1	Is it necessary for companies and businesses to carry out frequent marketing research?	400	41.4	307	31.7	260	26.9	967	100
2	Has your company a functional marketing research unit?	275	28.4	444	45.9	248	25.6	967	100
3	Is most companies devoid of marketing research?	350	36.2	337	34.9	280	28.9	967	100
4	Is marketing research accorded its right status in the operation of today's businesses in Nigeria?	305	31.5	550	56.9	112	11.6	967	100
5	Do some firms budget little or nothing for marketing research?	460	47.6	306	31.6	201	20.8	967	100

Source: Field survey, 2012.

Table 3: Benefits of Conducting Marketing Research (Response to Question 6)

Responses	No. of Respondents	% of Respondents
Planning and decision taking	205	21.2
Resuscitate dying company or product.	108	11.2
Increase market share and profitability	104	10.8
Customer's satisfaction.	220	22.8
All of the above.	330	34.0
Total	967	100.0

Source: Field survey, 2012.

Table 4: Demerits of not Conducting Marketing Research (Response to Question 7)

Responses	No. of Respondents	% of Respondents
Winding up of companies	130	13.4
Disappearing products	200	20.7
Poor sales growth	113	11.7
Competitors take the lead	204	21.1
All of the above	320	33.1
Total	967	100.0

Source: Field survey, 2012.

Table 5: Assumptions held by some Companies/Managers Regarding Marketing Research Effort (Response to Question 8)

Responses	No. of Respondents	% of Respondents
Too expensive exercise	170	17.6
Not worth doing	50	5.2
Product will sell itself	220	22.8
For developed societies	73	7.5
All of the above	454	46.9
Total	967	100.0

Source: Field survey, 2012.

Table 6: Difficulties in Conducting Marketing Research in Nigeria (Response to Question 9)

Responses	No. of Respondents	% of Respondents
Poor statistical data	204	21.1
Uncompromising attitude	106	10.9
Illiteracy of the people	90	9.3
Few research experts	162	16.8
All of the above	405	41.9
Total	967	100.0

Source: Field survey, 2012.

Table 7: Test of Hypothesis Using Responses in Question 3

Characteristics of Respondents	Responses			Total
	Yes	No	Not Certain	
Civil servants	79	70	55	204
Students	64	69	54	187
Buyers/consumers	90	77	60	227
Employees of firms	60	61	55	176
Others	57	60	56	173
Total	350	337	280	96

Source: Field survey, 2012.

$$\bar{X}_1 = \frac{350}{350 + 337 + 280} = 70, \quad \bar{X}_2 = \frac{337}{967} = 67.4, \quad \bar{X}_3 = \frac{280}{967} = 56$$

$$\bar{X} = \frac{350 + 337 + 280}{967} = 64.5 \text{ approx. } 65$$

$$SSA = 5 [(70 - 15)^2 + (67.4 - 15)^2 + (56 - 15)^2]$$

$$= 5 (3025 + 2745.8 + 1681) = 5 (7451.8) = 37259$$

$$SSE = (79 - 70)^2 + (64 - 70)^2 + (90 - 70)^2 + (60 - 70)^2 + (57 - 70)^2$$

$$+ (70 - 67.4)^2 + (69 - 67.4)^2 + (77 - 67.4)^2 + (61 - 67.4)^2 + (60 - 67.4)^2 + (55 - 56)^2 + (54 - 56)^2 + (60 - 56)^2 +$$

$$(55 - 56)^2 + (56 - 56)^2$$

$$= (9)^2 + (-6)^2 + (20)^2 + (-10)^2 + (-13)^2 + (2.6)^2 + (1.6)^2$$

$$+ (9.6)^2 + (-6.4)^2 + (-7.4)^2 + (-1)^2 + (1 - 2)^2 + (4)^2 + (-1)^2 + (0)^2 =$$

$$81 + 36 + 400 + 100 + 169 + 6.8 + 2.6 + 92.2 + 40.9$$

$$+ 54.8 + 1 + 4 + 16 + 1 + 0 = 1005.3$$

$$\begin{aligned} SST &= SSA + SSE \\ &= 37,259 + 1005.3 \\ &= 38,264.3 \end{aligned}$$

Therefore in constructing ANOVA table we have table 8.

Table 8: ANOVA Table for Test of Hypothesis

Source of Variance	Sum of Squares	Degree of Freedom	Mean Square	F Ration
Explained (between the column)	SSA = 37,259	C-1 = 3 - 1 = 2	MSA = $\frac{37259}{2}$ = 18629.5	$\frac{MSA}{MSE}$ = $\frac{18629.5}{83.8}$
Error or unexplained (within columns)	SSE = 1005.3	(r-1)c = 5 - 1 x 3 = 12	MSE = $\frac{1005.3}{12}$ = 83.8	83.8 = 222.3
Total	SST = 38,264.3	rc-1 = 3 x 5 - 1 = 14	-	-

Source: Researcher's computation, 2012.