

# MARKET OPPORTUNITIES IN NIGERIA

Case study: Rideascout's zero emission  
vehicle and Lagos market

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threats while the Empirical part is made up of three subsets also backed by PESTLE analysis.

Porter's Five Forces was employed in the analysis and examination of the competition in the auto industry, as well as draw up possible strategy development and market entry suggestions.

The thesis therefore advocates for Lagos as a possible prospective market as there lies untapped potential and a sea of prospective customers in Nigeria's Center of Excellence should the case company consider entering into the international market.

Key words: air pollution, climate change, PESTEL, environmental policies, metropolis, buoyancy, seamless, unorthodox, qualitative, Porter's Five Forces, deductive, Scouter, emerging market, industry analysis, consumer analysis, innovation.

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## GLOSSARY

PDP: People's Democratic Party

APC: All Progressives Congress

CPP: Consumer Purchasing Power

FDI: Foreign Direct Investment

GDP: Gross Domestic Product

GNP: Gross National Product

VAT: Value Added Tax

LTD: Limited Liability Company

PESTEL: Political, Economic, Social, Technological, Environmental, Legal

CIA: Central Intelligence Agency

FRSC: Federal Road Safety Commission

CO<sub>2</sub>: Carbondioxide

BRICS: Brazil, Russia, India, China, South Africa

MINT: Mexico, Indonesia, Nigeria, Turkey

MNEs: Multinational Enterprises

CNBC: Cable Channel

CAMA: Company and Allied Matters Act

CAC: Corporate Affairs Commission



# 1 INTRODUCTION

This chapter serves to introduce the main ideas and concept of this thesis. It is aimed at giving a concise view of the author on the research background and motivation, methodology, objectives and questions, theoretical framework, scope, structure, and limitations. If at the end of this chapter the readers are able to get the main idea and know what to expect from subsequent chapters, then it would have served its purpose.

## 1.1 Background and Motivation

The author's motivation to work on this case is borne out of sheer enthusiasm for environmental conservation, and this case presented me with the perfect opportunity to channel my innate desire for a more ergonomic city into exploring ways to introduce a zero emission vehicle into one of the most populous and pollution ravaged cities in the world.

Rideascout are the commissioners of this thesis and also the sole beneficiaries of the findings from this work. Rideascout is a Finnish start-up company who operate in the technology industry. They are developing an innovative vehicle that in their own words "will change the future of transportation". (Pitkanen 2015.) The name of this innovative vehicle is Scouter, and its components will include cycling pedals, four wheels, a driver and passenger seat, battery panels, and would run at a speed of about 25km/hr. (Pitkanen 2015.)

In an attempt to explore the possibilities of scouter entering and thriving in the Nigerian market, my research employed two major marketing tools namely PESTLE and Porter's Five Forces as well as interviews conducted by asking prospective consumers from varying backgrounds pertinent questions that could shed more light on the research and the results provide solid blueprints for the marketing strategy and potential.

Lagos which is often referred to as the confluence of Nigeria's financial markets and Africa's most populous city, has been particularly ravaged by air pollution and with her population showing no signs of reducing, it has

been subjected to diverse forecast of the negative impacts of changing climatic conditions mainly caused by pervasive air pollution and immediate solutions are being sort to tackle this menace (World Bank 2015).

This research will show the potential of Lagos as a viable destination for scouter; as well as suggest possible ways those potentials can be tapped.

Nigeria is seen by the author as a viable destination because it is home to about 181.6 million people (CIA US 2015) and Lagos being the commercial nerve center of Nigeria is home to about 13.1 million people (CIA US 2015) which is more than twice the population of Finland. Road transportation is the main source of transport around the Lagos metropolis and according to most recent source found, there are about 7 million registered vehicles plying the Nigerian road daily with over 200,000 registered yearly in Lagos (FRSC 2009) and motorcycles are said to be almost double that figure (unofficial documentation) while bicycles are very unpopular in the Lagos metropolis. This lack of emission free mode of transport has contributed immensely to the air pollution that has ravaged the ever vibrant West African city, thus a colossal need for new means of transport in order to preserve the environment.



FIGURE 1. Pictorial presentation of Lagos traffic (IT News Africa 2015)



FIGURE 2. A Lagos highway during rush hour (IT News Africa 2015)

The two pictures above illustrate the level of congestion on Lagos roads, and the fact that all these cars emit CO<sub>2</sub> which pollutes the environment, gives further credence to the fact that an alternative mode of transport is required in order to meet the need to cleaner air and less congestion.

## 1.2 Thesis objective, questions and limitation

### Objective

The primary objective of this research thesis is to profer a lasting and resource effective alternative to curbing air pollution in Lagos by aiming to introduce a healthier means of transport and discovering a market niche and opportunities for Scouter in Nigeria.

### Questions

In order to achieve the above stated objective, the author aims to explore how Scouter can have a seamless transition into the Nigerian market, thus developing several research questions as follows:

- What is the state of competition in the Nigerian transport sector?

- What are the possible opportunities and threats to Scouter in Nigeria?
- Who are the potential customers / Market niche for Scouter in Nigeria?
- What product modifications are required for Scouter to succeed in Nigeria?

### Limitations

One of the limitations of the thesis is the author not being able to have firsthand ground analysis of the market situation but had to trust solely in the interview results. Furthermore, the author encountered some difficulties in getting up to date sources and literary references for the target market and as a result had to settle for figures from decades ago in some cases.

Also one of the major challenges while computing information, was some last minute alteration to the interviewee list as some people couldnt commit fully to the process so had to be changed.

In addition, most of the qualitative analysis done was country level, but the results were applied to a specific target (Lagos). The fallout from the parallax error in this case should be minimal though, as Lagos is seen as the commercial nerve centre of Nigeria, and the population represents a large segment of the entire country population.

Furthermore, this research has been done to specifically explore the Nigerian market, which means results are not transferreable or applicable to other markets.

### 1.3 Research Method & Methodology

People often assume research methods and research methodology to mean the same thing, so i will at this juncture try to explain the difference between the two phenomenons. **Research methods can be described as all the techniques employed by the researcher during the course**

of studying his research questions, while Research methodology refers to the way to systematically solve the research problem or may be understood as the scientific approach to how research is done (Saunders, Lewis & Thornhill 2012, 128). This chapter sheds more light on the methods and methodology the author employed in the thesis, and the figure below further reiterates that fact.

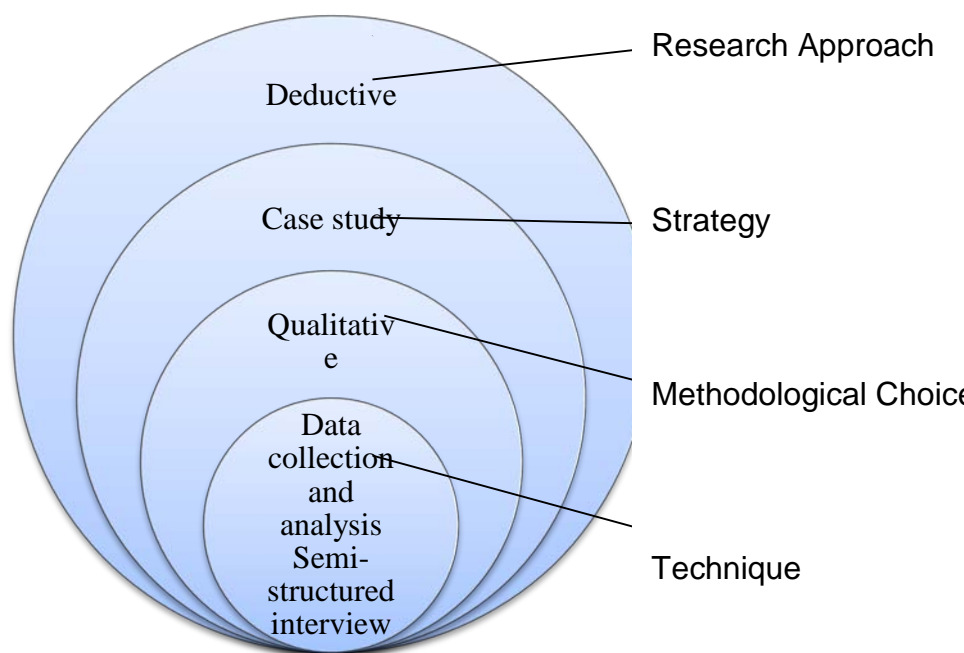


FIGURE 3. Overview of the research process

Research process explained as follows:

#### Research Approach

One of the pertinent steps to the success of any research process is determining what research approach to undertake. According to (Saunders, Lewis & Thornhill 2012), there are three types of research approaches that could be considered while undertaking any research and they include Inductive, Deductive, and Abductive approaches. Both inductive and deductive approaches are inversely proportional to each other, while the abductive approach can be explained as the hybrid of the two earlier stated approaches because it's a combination approach (Saunders, Lewis & Thornhill 2012, 147).

To give a more concise view of the approach the author chose for the sake of this thesis, the two main types of research approaches can be further explained as thus; Deductive reasoning works from the more general to the more specific. This type of approach is oftentimes referred to as the "top-down" approach, while Inductive reasoning can be explained as the inverse of the deductive approach and is oftentimes referred to as the "bottom-up" approach.

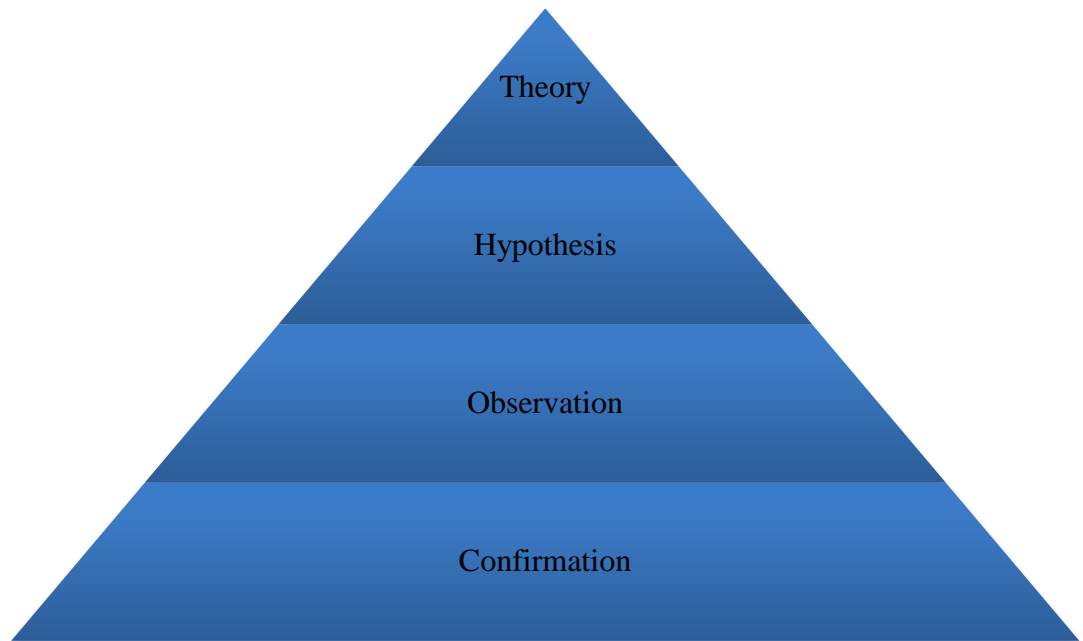


FIGURE 1. Deductive Approach (Sauders, Lewis & Thornhill 2012, 172)

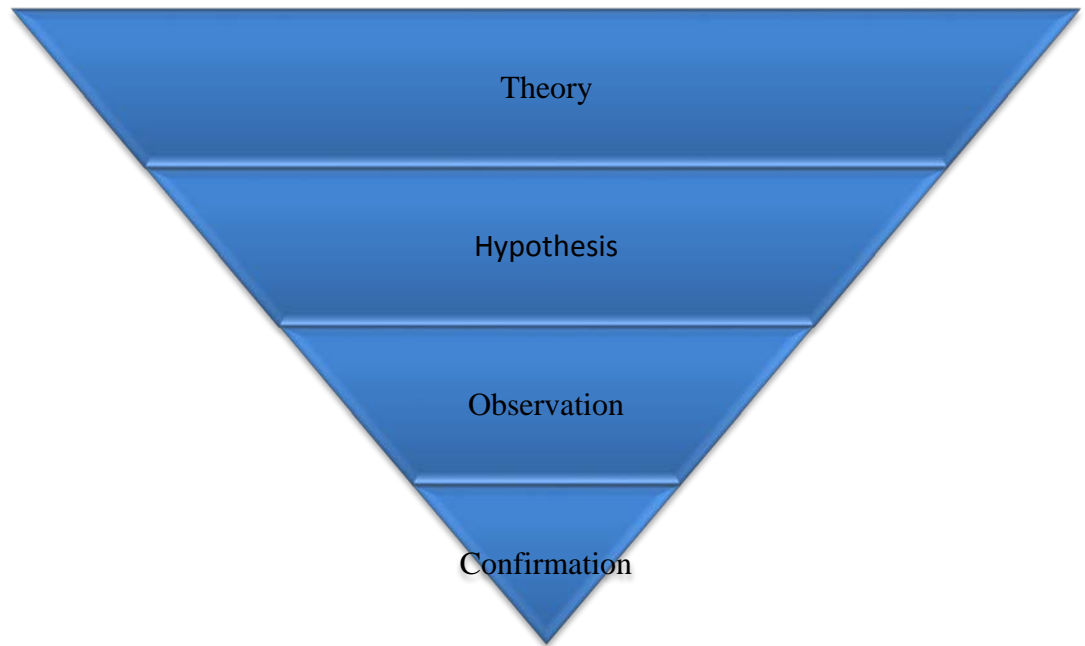


FIGURE 5. Inductive Approach (Sauders, Lewis & Thornhill 2012, 172)

For the sole purpose of this thesis, the author has opted for the deductive approach.

Deductive Approach:

Deductive reasoning can be explained as a logical process that explores the concordance of multiple premises that are predominantly assumed to be true as the bases of its conclusion (Sauders, Lewis & Thornhill 2012, 172.) This type of reasoning is oftentimes referred to as the top-down logic as illustrated in the figure above.

Research Methodology

Having scaled the hurdle of choosing the appropriate research approach for this thesis, it is also imperative that the author picks a research approach that he would use for this particular case. Two major research methods stand out, namely qualitative and quantitative research methods. Quantitative research methods are mainly used for researches that mainly involves the compilation of numerical data and information, while Qualitative research method involves taking a holistic view of the research problem and going about providing solutions by answering questions”



How” and” Why” in a case (Keegan 2009, 67). In lieu of the above explanation of both concepts, the author has opted for the qualitative research method to provide adequate answers to the research questions and give probable solutions to the research problems.

Qualitative research:

Qualitative research is mainly concerned about quantifying or ascertaining the validity of a particular entity, such entities could be why a particular geography is how it is or why a certain group act in a particular manner and it could also aim to profer alternative reasonings. This type of research doesn't necessarily involve a large group of respondents in the research, and they may belong to different sub-groups according to their age, gender, marital status, social status, occupation etc. (Keegan 2009, 67.)

For the purpose of this research, the author employed semi-structured interviews as the primary source of data, results were compiled from interviews conducted among adult Nigerians living in Lagos and they all were within 21-35 age bracket. The author wasn't able to divide these respondents into subgroups because there was disparate interests among the many people polled which made it difficult to segregate them into smaller and similar groups.

Other sources of information for this thesis were literature reviews, books, articles, web portals, newspapers and government records. All these made



up the secondary data sources of the thesis. The figure below illustrates the data collection techniques employed in this thesis.



Figure 11. Research methods

The author would use deductive approach for this thesis, and the research method used is qualitative. Both primary and secondary sources were used to gather research data.

#### Research Strategy

(Saunders, Lewis, & Thornhill 2012, 173 – 196 & Bryman 2008, 35 - 63) state that there are several research strategies that are commonly used by researchers, and they are; archival analysis, case study, experiment, history and survey. Each strategy can be used for explanatory, descriptive, and explanatory research (Yin 2003).

Case study is the research strategy chosen for the purpose of this thesis, and it is known as the most flexible of all research designs, allowing the researcher to retain the holistic characteristics of real-life events while

investigating empirical events. Generally, a case study is an empirical inquiry which:

- Investigates a contemporary phenomenon within its real-life context: when
- The boundaries between phenomenon and context are not clearly evident; and in which
- Multiple sources of evidence are used.

(Yin 1984, 23)

TABLE 1. Relevant situations for different research strategies (Yin 1984)

<b>Strategy</b>	<b>Form Of Research Question</b>	<b>Requires Control Over Behavioural Events</b>	<b>Focuses On Contemporary Events</b>
Experiment	How, Why	Yes	Yes
Survey	Who, What, Where, How many, How much	No	Yes
Archival analysis	Who, What, Where, How many, How much	No	Yes/No
History	How, Why	No	No
Case study	How, Why	No	Yes

Yin (1984) suggested that the three conditions could determine the type of research programme indicated: First, the type of research question; secondly, the degree of investigator control possible; and finally, the degree of focus on contemporary events desired. (vs historical events)

Table 1 provides an outline of the relative performance of each type of research strategy under each condition.

## Research Technique

There are several techniques that could be deployed during any research process, those techniques vary from in-depth interviews, to focus groups, to participant observation, among a few others (Sauders, Lewis, & Thornhill 2012). In most researches, especially qualitative researches in-depth interviews are the most commonly used technique (Silverman 2011, 165). According to Roller & Lavrakas, in-depth interview is imperative in qualitative research because it reflects what people are doing and it answers to questions of why and how (Roller & Lavrakas 2015, 50).

There are three different classifications of in-dept interviews, namely structured, semi-structured, and non-structured. As well as four different modes in which the interviews can be conducted and they include face to face, telephone, emails, and mobile. (Roller & Lavrakas 2015, 50)

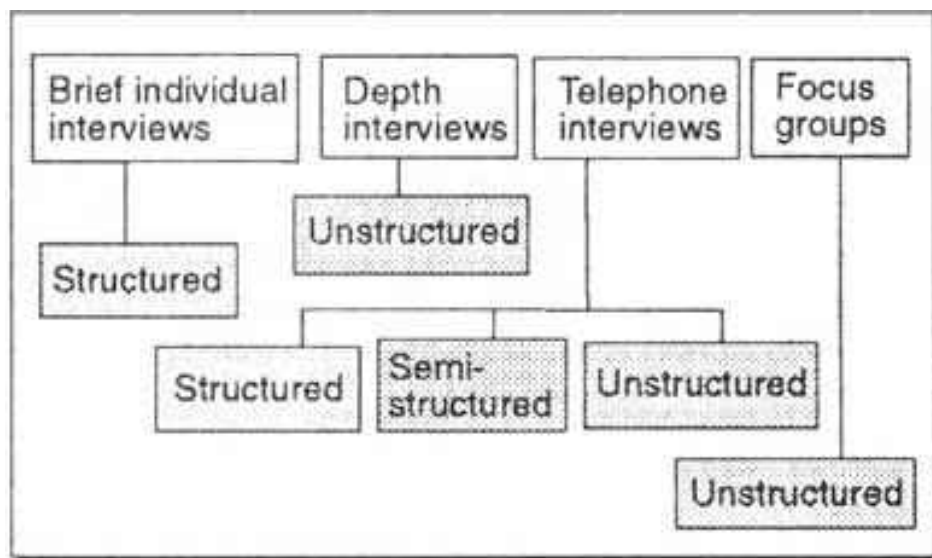


FIGURE 6. Classification of modes of interviews

Main objective of this research is to help scouter transition into the Nigerian market in general, but most specifically finding and capturing a market niche in Lagos. In order to achieve the stated objective, the author will collate ideas from potential customers in Lagos to understand how they believe they can derive maximum utility from scouter. In lieu of this, the author resloved to go for a semi-sturctured

interview format because of its less rigid nature as it allows for flexibility, adaptation, and spontaneity of questions which is ultimately the approach most suited for the research at hand.

Interviews were carried out through various means, ranging from face to face interviews, phone interviews, and voice over internet interviews. Face to face interviews were conducted with company representatives in order to gather as many pieces of information about scouter as possible, while phone and voice over internet interviews were conducted via Rynge, Skype, and Whatsapp mainly because of location proximity between interviewer and interviewees. More information about the selection process of the respondents will be discussed in subsequent chapters.

#### 1.4 Theoretical framework

The theoretical framework can be defined as the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory that explains why the problem under research study exists.

A pertinent framework to the success of this thesis is planning, as without planning a business is most likely to crash even before taking off. Planning is said to be a chain of activities in which actions and strategies are formulated for an upcoming event (Zimmerman & Bluthe 2013, 41). As part of the planning process, the author aims to analyse the potential market environment in order to await opportunities as well as the threats therein.

In this thesis, the author will focus mainly on environmental analyses. In order to draw near perfect inferences, the author has decided to employ both PESTLE analysis, as well as Porter's Five Forces as the ideal theoretical framework to utilize for both country and industry level analysis respectively. Both tools have been proved to have helped managers understand their market environments as well as realize their competitive advantages effectively (Rugman & Collinson 2006, 373).

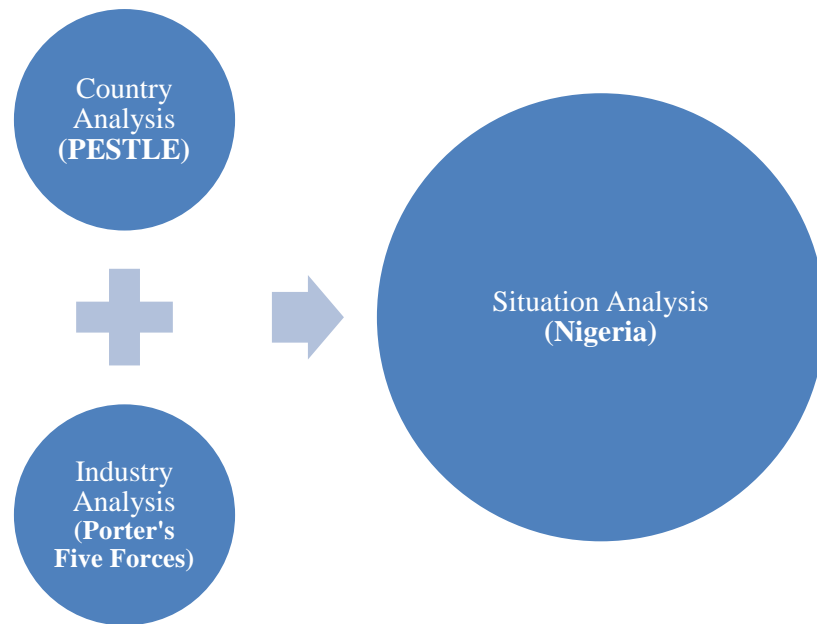


FIGURE 7. Theoretical Framework

The author opted for PESTLE as the framework for country analysis because its most effective in the analysis of competitive environments at both national and regional levels (Rugman & Collinson 2006, 373).

PESTLE is an acronym that stands for Political, Economic, Social, Technological, Legal, and Environmental. The analysis helps highlight the impacts of those factors on a company's performance (West, Ford & Ibrahim 2010, 73).

In the case of industry analysis, Porter's Five Forces is engaged as it is said to be bargaining power of suppliers, bargaining power of buyers, Threat of substitute products or services, Threat of new entrants, and Rivalry among existing competitors (Dobbs 2014).

### 1.5 Thesis structure

In order to effectively solve the riddle inherent in this research, as well as put all the puzzle piece together to make a standard market research thesis, the study is structured as follows:

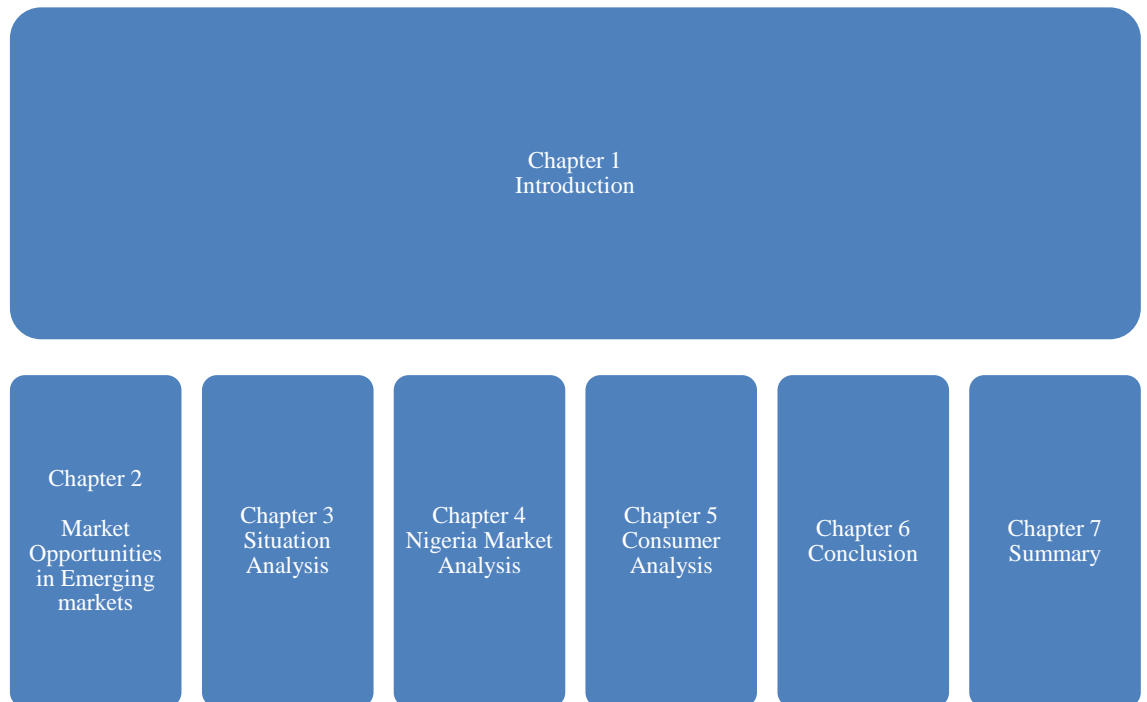


FIGURE 2. Thesis structure

First chapter introduces the thesis topic, as well as gives an overview of the thesis objectives, thesis questions, research methods and methodology, thesis structure, and also the thesis scope and limitations.

The second chapter gives a holistic view of the literature review on emerging markets, as well as the opportunities that lie therein.

The third chapter explores the theoretical tools used in the thesis in a deeper sense. The sub chapters in this chapter were also critically analysed and discussed to give a relatively good understanding of the concepts and definitions used.

The fourth chapter is assigned to discuss the Nigerian market in a very broad sense, a holistic view of the automobile industry was engaged, and a product classification was also undertaken.

The fifth chapter is dedicated to potential customer analysis, and streamlined to cater to Lagos based customers.

The sixth chapter which is also the penultimate chapter of the thesis gives a complete overview of all the previous chapters, as well as includes

author's ideas, suggestions, reliability, and viability of the thesis conclusion and proposition while the seventh and final chapter summarises the thesis.

## 1.6 Scope

The author employs a combination of frameworks and methodology in order to create a viable mix by analysing the situation from both sides of the coin and to present an applicable solution to said challenges. The research does not take into consideration some budgetary factors in terms of marketing and logistics, as there wasn't a financial information of the company to go by.

Owing to inadequate resources on the research subject for the Nigerian market, the author did not discuss Bargaining power of suppliers as one of Porter's Five Forces as the scope of this thesis doesn't cover that.

## 2 MARKET OPPORTUNITIES IN EMERGING MARKETS

According to Jim O'Neill, the economist acclaimed for coining BRIC (which later became BRICS) as an acronym that recognised emerging markets that comprised of Brazil, Russia, India, China, and South Africa, these disparate countries formed a magical acronym that defined almost a generation of global talent (Mobility Magazine 2014).

There are other economies that have been identified as the next emerging global players for at least the next 20 years, and these countries are recognised as the MINT countries and they include Mexico, Indonesia, Nigeria and Turkey. In lieu of this, this chapter would address the opportunities in emerging markets as well as a deep literary review of issues ranging from definitions, general characteristics, emerging markets in context, as well as market opportunities (Forbes, 2014).

### 2.1 Emerging Markets

The world is focused on emerging markets. The liberalization, growth, and globalization of these still-nascent economies have made them sources of interest, opportunity, and anxiety over the past twenty years (Khanna, & Palepu 2010, 1). This section addresses the definitions of emerging markets as stated by several scholars, as well as the characteristics such markets exhibit in order to give readers a crystal image on the subject matter.

#### 2.1.1 Definition

Antoine W. van Agtmael of the International Finance Corporation was the first Economist to use the term “emerging markets” back in the early 1980s (Pacek & Thorniley 2007, 2). Several definitions of emerging markets have emerged since then, and according to Merricks (Merricks 2010) there is no stationary or permanent definition of emerging markets as it constantly evolves due to its dynamic nature.

Since its inception, references to emerging markets have been ubiquitous



in the media, foreign policy and trade debates, investment fun prospectuses, etc but definitions of the term vary widely (Khanna, & Palepu 2010, 3).

The table below shows the frequently used criteria for defining emerging markets.

TABLE 2. Frequently used criteria for defining emerging markets (Khanna & Palepu 2010, 4)

<b>Category</b>	<b>Criteria</b>
Poverty	Low or middle-income country Low or average standard of living Not industrialized
Capital Markets	Low market capitalization relative to GDP Low stock market turnover and few listed stocks Low sovereign debt ratings
Growth Potential	Economic liberalization Open to foreign investment Recent economic growth

An emerging market can be defined as a country that used to be classified as being under developed, is now being accepted as a trade partner, political player, as well as recipient of foreign investments (Pelle 2007, 16). Another definition is that emerging market is a market in transition phase from "developing" to "developed" and also experiencing fast paced growth and industrialization (Cavusgil, Ghauri, & Akcal 2013, 5).

Several indices are used in the classification of emerging markets as provided by the; FTSE (Financial Times Stock Exchange), MSCI (Morgan Stanley Capital International), S&P (Standard and Poor's), Goldman Sachs and Grant Thornton (Cavusgil, Ghauri, & Akcal 2013, 4-5). According to the above mentioned bodies, those emerging markets are

concentrated majorly in Central & Latin America, the Middle East, Central & Eastern Europe, Africa, and South East Asia (Khanna & Palepu 2010, 4; Pelle 2007, 31; Enderwick 2007, 5; & Cavusgil, Ghauri & Akcal 2013, 19).

### 2.1.2 General Characteristics

Despite the disparate views on emerging markets as well as varying definitions of the concept, emerging markets share certain overwhelmingly similar features. Chapter three would be dedicated to highlighting the trends that are peculiar to these regions, as well as characteristics in both country and industry level environments of these markets.

Even though every emerging market is unique, the most common characteristics of these emerging characteristics could be summarized as follows (Miller, 1998):

- Physical characteristics, in terms of an inadequate commercial infrastructure as well as inadequacy of all other aspects of physical infrastructure (communication, transport, & power generation);
- Sociopolitical characteristics which include, political instability, inadequate legal framework, weak social discipline, and reduced technological levels, besides (unique) cultural characteristics;
- Economic characteristics in terms of limited personal income, centrally controlled currencies with an influential role of government in economic life, expressed, beside other, in managing the process of transition to economy.

Some other characteristics of emerging markets include;

- They are usually regional economic powerhouses with large populations, large resource bases, and large markets.
- They are transitional societies that are undertaking domestic, economic, and political reforms.

- They are the world's fastest growing economies, contributing to a great deal of the world's explosive growth of trade

## 2.2 Market Opportunities in Emerging Markets

Emerging markets are gradually becoming vital cogs on the global market scene because they represent an array of untapped investment potential.

According to the November 14, 2013, Financial Times blog

**BEYONDBRICS**, while companies and investors “have been on the lookout for a new passport to riches”, companies are reminded that these new emerging group destinations are, in fact, a disparate group of countries, each with its own agenda represent the next set of haven for investment because despite great variations among these markets there are several substantial opportunities that abound therein.

Lots of market opportunities are in emerging markets, and they have been identified by internationalizing firms as target markets, manufacturing bases, and sourcing destinations (Financial Times 2013).

### **Emerging Markets as Target Markets**

Emerging markets have become pertinent for marketing disparate array of products and services. The exponential growth rate of the local population as well as growing middle class in these countries implies substantial demand for several consumer goods like automobiles, electronics, and services such as health care.

These emerging markets are excellent targets for manufactured products and technology. For example, the textile industry in India is huge, oil and gas exploration plays a vital role in Russia, agriculture is a major sector in China, and Nigeria's potential as Africa's largest economy could create its own geographic locus as a Pan-African commercial center. In addition, governments and state enterprises in emerging markets are major targets for sale of infrastructure-related products and services such as machinery,

power transmission equipment, transportation equipment, high-technology products, and other products that countries in median development stage typically need (Cavusgil, Knight & Riesenberger 2008, 265).

### **Emerging Markets as Manufacturing Bases**

Emerging markets have long served as manufacturing platforms for Multinational Enterprises (MNEs). Firms from advanced and established economies like Japan, the United States, and Europe have all invested gargantuan sums to develop manufacturing facilities in emerging markets for obvious reasons. These reasons include these markets being home to low-wage, high-quality labor for manufacturing and assembly operations which in turn afford these firms the luxury of deriving maximum utility from production operations.

Furthermore, these emerging markets have huge reserves of raw materials and natural resources. For example, China and Mexico are important production platforms for manufacturing cars and consumer electronic. Nigeria is blessed with huge deposits of oil and coal for refineries. Brazil has long been a center for mining bauxite which is a critical component in aluminium (Cavusgil, Knight & Riesenberger 2008, 265).

### **Emerging Markets as Sourcing Destinations**

Businesses and Multinational Enterprises have made outsourcing a core part of their business operation in order to run more cost effective firms. Outsourcing enables foreign firms become more efficient, concentrate on their core competences, and obtain competitive advantages.

This form of business practice can be explained as delegating non-core operations from in-house groups to specialized contractors. It can also be defined as the procurement of selected value-adding activities, including production of intermediate goods or finished products, from independent suppliers.

Emerging markets have served as excellent platforms for sourcing. For example, several Multinational Enterprises (MNEs) have established call

centers in Eastern Europe, India, and the Philippines. While some automobile firms have assemblies in Nigeria, and they outsource knowhow and manpower to put car components together (Cavusgil, Knight & Riesenberger 2008, 266).

TABLE 3. Comparison between Developed and Emerging markets

<b>Dimensions</b>	<b>Developed markets</b>	<b>Emerging markets</b>
Level of economic development	High	Low/ Medium
State of economy (and society)	Developed/ Stable	Transitional/ Unstable (Economic/ Political reforms)
➤ Macroeconomic framework	Developed/ Stable	Underdeveloped (being created)
➤ Market institutions	Developed	Underdeveloped (being built)
➤ Market conditions	Stable	(Un)stable
➤ Market infrastructure	Developed	Underdeveloped (being built)
➤ Governmental involvement	Not so high	Relatively high
➤ Cultural resistance to market economy	Low	Higher
Rate of growth	Low	High
Room for growth	Narrow (matured markets)	Huge (underdeveloped markets)

Comparing these contrasting markets is imperative in order to give an understanding why emerging economies are vital for World economic growth, as well as give readers an insight to why emerging economies are

attractive investment destinations (Cavusgil, Knight & Riesenberger 2008, 254).

### 3 SITUATION ANALYSIS

This chapter is arguably the most important part of the jigsaw as it goes in depth to analyse the market situation, company position, competitors analysis, and also offers an effective plan to combat challenges that may unfold.

Firms need to be kept abreast of the current market situation, latest macro trends, as well as micro factors that may impact their business before making a good marketing decision (Kotler & Keller 2012, 67). Therefore, situation analysis should reflect as much as accurately possible so that the company's true capabilities can be assessed (Blythe & Zimmerman 2013, 41).

This chapter is dedicated to the theoretical tools used for the research process. The author provides a detailed dissection of PESTLE model utilized in the analysis of the country-level situation. Porter's Five Forces model is also examined based on its application to explain the industry-level situation.

#### 3.1 Country analysis

Country-level analysis will be carried out by using the PESTLE analysis tool, which helps to shed light on the political, economic, social, technological, legal, and environmental factors of the intended market.

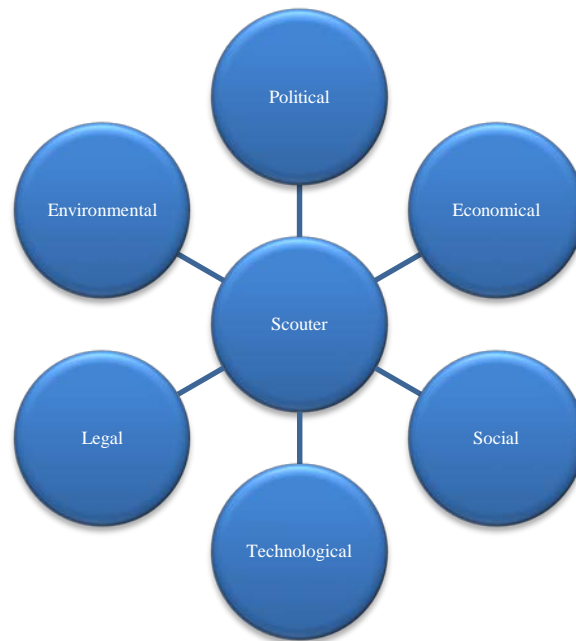


FIGURE 9. PESTEL model

According to Yuksel (2013), when the PESTEL of a particular environment is adequately analysed, it provides concise information about the market in which a company operates or intends to operate thereby enabling it to make forecasts about future changes. The author explains PESTEL in detail with relation to emerging markets.

### 3.1.1 Politics

The political climate of any country has a very important role to play in the success or otherwise of any company domicile or planning to enter any such country. According to Kotler & Armstrong (210, 108), politics is the first element to consider when analysis factors that could affect a company looking to get into a foreign geography because a company's operations are heavily influenced by political environment. Political system is made up of unique official bodies and the links among them (Ghauri & Cateora 2010).

Political fluctuation can create risks can create uncertainties for companies and these risks encompass all activities and factors that could stabilize or destabilize a country. (Bremmer 2005.) Emerging markets



have similar or common political risks that feature in such economies, and they include:

Regime change which can be explained as the incessant power change or unstable continuation of regime. In addition to this factor is economic reforms as they can create unforeseen changes and ambiguity in operating conditions. (Enderwick 2007, 9-10).

Another factor according to Enderwick (2007, 9.) could also be government intervention, as some government pass laws and reforms that protect or give local companies advantages against competition. It is however important to note that government's influence in these countries is germane.

### 3.1.2 Economics

The economics of a country can be explained as the factors that portray the prosperity or otherwise of a country on the macro scale. It is pertinent to put this factor under consideration while making a decision to go into a new market because it plays an important role in the outcomes of individual business (Clark & Marois 1996, 45). In order to get a grasp of a country's macro economics, it is important to analyze Gross Domestic Product (GDP), per capita income growth rates, population composition, as well as a few more others (Khanna, Palepu & Sinha 2005).

According to Clark & Marios (1996, 48), volatility of macroeconomic profits before interests and dividends is a very good tool to access a country's economic risk. Gross Domestic Product is also a very good indicator of a country's economic risk because it reflects the gross data of costs.

There are several other factors to be considered when determining a country's economic risk. According to Kotler & Armstrong (2010, 103.), consumer purchasing power (CPP), and spending patterns are one of such determinant factors.

### 3.1.3 Social

Social factors can be explained as those socio-cultural elements of a population that dictate the ways individuals or groups live within that society (Yuksel 2013). This factor is one of the most important things a company should put into consideration as having an understanding of socio-cultural environment will help businesses determine their product modification and target group (Barney & Hesterly 2008, 33).

Most emerging markets have several social trends in common, and three of the most dominant ones are:

- Young population
- Rising middle class
- Increased urbanization

(Cavusgil, Ghauri & Akcal 2013, 14).

### 3.1.4 Technology

Technological factors are very important factors to consider when targeting a new market, as they are very mobile and they impact the way products are marketed or services are rendered. The past decade as seen exponential growth in technological advancement of most developing countries, with information technology now one of the most sort after sectors in these countries. Technology factors are worth considering because according to (Kotler & Armstrong 2010, 107) they play an important role in making current products become outdated.

Though the technological advancements in these emerging markets may not be as rapid or as sophisticated as those in other advanced economies, they still play a vital role in determining how services are conducted and products marketed or tuned.

### 3.1.5 Environmental

Environmental elements constitute an important component when analyzing the PESTEL of a particular market or country, because the resources both materials are human needed for marketing activities (Kotler & Armstrong 2010, 105). Environmental analysis is important in order to develop a sustainable business model, identifying underlying opportunities, and seeking out collaboration (Yuksel 2013).

Emerging markets face numerous environmental pollution and they range from air pollution to increase industrial waste, air pollution, oil spillage, solid waste, drainage blockage and other forms of hazards. For the purpose of this thesis, the author would focus mainly on air pollution as it is the closest situation that relates to Scouter.

### 3.1.6 Legal

When a company is about venturing into new market spheres, legal factors play a prominent role in determining if it's a worthwhile venture or not. The legal setup which belongs to the judicial arm of government is a system that is in place to interpret and enforce the legislations of the said establishment (Cavusgil, Ghauri & Akcal 2013, 32). The legal system of the judicial arm of any country is responsible for maintaining order, acting as solicitors, solve business conflicts, as well as tax economy outputs (Cavusgil, Knight & Riesenberger 2008, 164). Legislations are usually stable, as unexpected fluctuations and changes could hamper business proceedings (Melling & Mann 2012). It is therefore imperative for a company to consider both large scale and small scale legal factors before making business decisions.

These legal factors could include health & safety, equal opportunities, consumer rights, advertisement standards, product labelling and safety, as well as other related factors. Companies are required to carefully consider and analyse these factors, in order to know what is legal or acceptable in a particular country and what is not in order to trade successfully. These

factors become even more imperative for companies that are considering entering into foreign markets, as it is so in the case of Scouter.

Macro level legal factors could include Trade agreements, which addresses general alternations in policies or laws relating to foreign enterprises. While Micro level legal factors may include Legislations with disadvantageous effects such as export licences, import duties, profit repatriation etc and these factors address issues of subsidies or protection for competitors.

### 3.2 Industry analysis

There are several analytic models that could be employed when trying to understand the level of competitiveness of a particular industry, and for the purpose of this thesis, the tool that would be employed is Porter's five forces. The author would explain what five forces are and their role in the industry and how they affect firms. In the words of Michael E. Porter (2008), there are five major players in determining industry structure and they are

- Rivalry among competitors
- Bargaining power of suppliers
- Bargaining power of buyers
- Threat of new entrants
- Threat of Substitutes (Magretta 2012, 37).

#### 3.2.1 Rivalry among existing competitors

The level of predominant rivalry in any industry is said to be one of the major players and forces that affects companies within the said industry. Rivalry among major players in the industry can affect profits in a number of ways which may include

- Downward pressure on prices
- Increased innovation

- Increased advertising & Advertisement cost
- Increased service/ product quality etc

In economics, it has been proven that when there is monopoly in an industry, the profit generated is always said to be at a maximal level while in industries where there is perfect competition, profit level is usually low in comparison. An increase in the level of competition in a particular industry brings it closer to perfect completion which is the reality in the case of Scouter. There are lots of factors that contribute to increased rivalry in an industry and some of them are:

- Large number of firms within the same industry
- Slow pace of industry growth
- High fixed cost
- High exit barriers

In addition to the above stated points, there is also bound to be price competition when:

- Products or Services are identical
- High fixed cost and/or Low marginal cost
- Capacities must be expanded to help large increments
- Products are perishable (not applicable to Scouter) (David 2009, 120).

### 3.2.2 Bargaining power of suppliers

The presence of powerful suppliers goes in long way in affecting the profit potential in an industry. Suppliers have the autonomy to influence the competitiveness of an industry because they are responsible for providing materials for which companies carry out production. Thus, if there are few suppliers in an industry, there bargaining power is usually immense (David 2009, 121.) Suppliers may increase competition within an industry by threatening to reduce the quality of goods and services, which in turn

directly affects profitability especially in cases where companies cannot recover cost increases in their own prices.

There are certain factors that indicate that a supplier group is powerful, and they may include:

- It is dominated by small number of companies and is more concentrated than to the industry it supplies
- The industry does not hold defining stake in the supplier's main customers
- Substitute products are not present in the industry
- Its products are important components in the company's business
- Its products are differentiated
- It poses a threat of forward integration.

In many cases, in order to tackle the threats of powerful suppliers, big companies tend to acquire suppliers in order to gain ownership of them. (Barney & Hesterly 2008, 47-49.)

### 3.2.3 Bargaining power of buyers

Bargaining power of buyers under porters five forces refer to the amount of influence consumers have on companies in order to get them to provide higher quality products, better service, and competitive prices. (Wilkinson 2013) The industry analysis in this segment is being conducted from the consumer's point of view. According to to Porter's five forces industry analysis framework, consumer power is one of the major forces that dictates the competitive nature of an industry. (David 2009, 121.)

Buyer power in a particular industry can be considered strong if:

- Buyers dominate the market more than sellers
- Buyer switching costs are low
- High threat of backward integration
- Buyer is price sensitive
- Buyer has vast knowledge about the product

- Buyer determines a large portion of seller's turnover
- Buyer purchases in larger quantities
- Products are undifferentiated
- Presence of substitute products

And buyer power could be considered low if:

- Buyers are less concentrated than sellers
- Products are highly differentiated
- Substitutes are unavailable
- Buyer cannot do without product
- Buyer is not price sensitive
- Buyer purchases in bits
- Threat of backward integration is low or negligible
- Buyer is uneducated regarding the product (David 2009, 121.)

#### 3.2.4 Threat of new entrants

When companies make the decision to explore new markets, its because they see a possible demand for their product and opportunity to make profits in such markets. The consequence of this decision is that competition in such markets increases, and some forces already present in the market known as barriers make serve as deterrents. (Barney & Hesterly 2008, 41.)

Threat of new entrants play a vital role in shaping competition within a particular industry. This could be as a function of both barriers to entry, and reaction of existing players within the industry to their latest competitor. There are a few numbers of entry barriers and they include:

- Economies of scale
- Product differentiation
- Cost advantages independent of sale
- Capital requirements
- Switching costs

- Access to distribution channels
- Legal and Governmental barriers

(Magretta 2012, 49; Barney & Hesterly 2008, 44-45; David 2009, 120).

### 3.2.5 Threat of substitutes

Presence of substitutes in market means that all firms in a particular industry compete with other industries that offer substitute goods or services to their product. Practical example of this could be competition between sugar producers and firms introducing sugar free products, aluminium producers and steel manufacturers, fossil fuel car companies and in this case Scouter etc. The competitive force of closely associated substitutes impact sellers in numerous ways:

First, the presence of readily available and competitively priced substitute products is responsible for placing a ceiling on the price that firms can charge customers without giving customers a reason to go for alternatives thereby losing their sales in the process (David 2009, 121).

In addition, another determinant factor to know if a substitute has a weak or strong competitive force is whether it is relatively difficult or costly for customer to switch allegiance to competitors. Switching costs could include cost of purchasing additional equipments, cost of retraining employees etc.

The lower the price of substitutes and the higher the quality and performance of substitutes, the higher the threats posed by substitute products. (Hines 2013.)



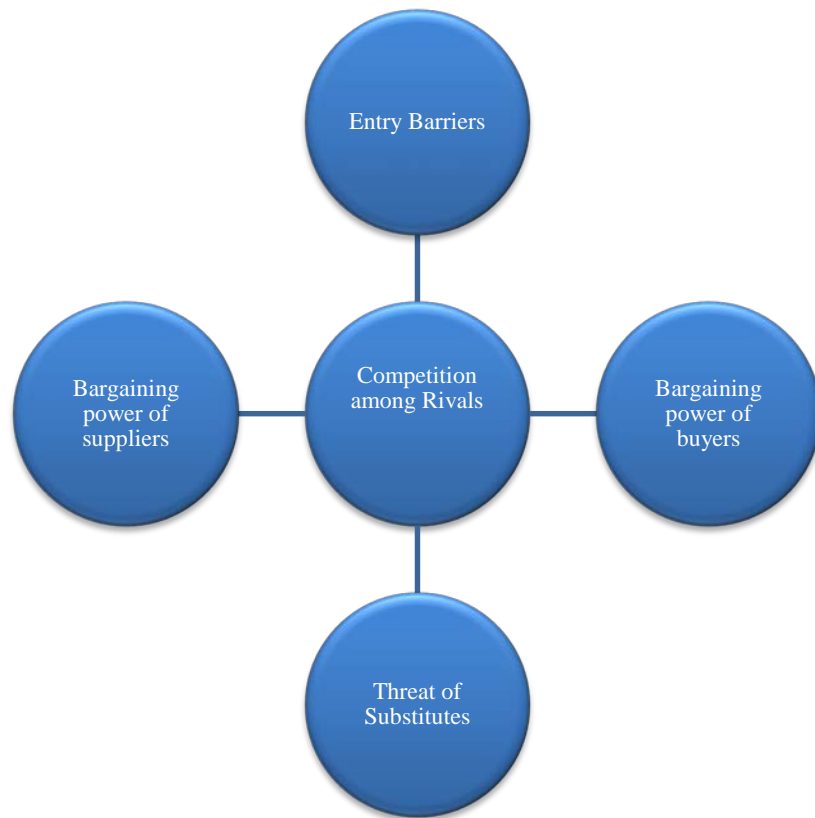


FIGURE 3. Porter's Five Forces

The figure above illustrates the main factors of Porter's Five Forces.

## 4 NIGERIA: COUNTRY & MARKET ANALYSES

This chapter looks to explore empirical data about Nigeria, her automobile industry. The initial part of this chapter would tackle environmental factors that would possibly affect scouter, while the latter part of this chapter would be dedicated to Nigeria's car industry.

### 4.1 PESTEL analysis of Nigeria

In this sub chapter, the author aims to use PESTEL as a tool dissect Nigeria and open up the readers' views on political, economic, social, technological, environmental, as well as legal conditions of Nigeria at present. At the end of this chapter, it is the hope of the author that the reader would have acquired basic and pertinent pieces of information about Nigeria on a macro environmental level.

#### 4.1.1 Political

Since gaining independence in 1960, Nigeria has gone through incessant regime changes, with the country alternating between military and civilian rule. On 29<sup>th</sup> of May 1999, Nigeria swore in its first democratically elected president since the last military rule under the umbrella of the People's Democratic Party (PDP) which is said to be the largest political party in Africa (CIA 2016).

The PDP has been in power at the center in Nigeria until the All Progressives Congress (APC) overthrew them in the just concluded general elections of March 2015. This feat represents the first time the PDP has been out of government since 1999 and also was as a result of a relatively free and fair election (CIA 2016).

Nigeria operates a federalism system of government, and the three major arms of government are the Executive, Judiciary, and Legislature. The legislative arm of government consists of the National Assembly, the Executive arm is made up of the President, executive arm of the National

Assembly, and the highest judicial arm of government is the Supreme Court (CIA 2016).

#### 4.1.2 Economy

Nigeria's economy is said to be on the rise, and according to the World Bank Nigerian GDP at purchasing power parity (PPP) has almost tripled from \$170 billion in 2000 to \$451 billion in 2012 and an annual GDP growth of 6.3% (World Bank 2014). Nigeria has a labour force of about 74 million people (World Bank 2015), with accommodation, food, transport, and real estate comprising of about 12.2% of her population. Inflation rate was at 9% in 2015 (World Bank 2015) and according to a Citigroup report published in February 2011, Nigeria will get the highest average GDP growth in the world between 2010 and 2050.

Real gross domestic product (GDP) is estimated to have experienced a growth of about 6.1%, and this exponential growth is said to have been possible due to the giant strides in the service sectors but also industries and agriculture. Nigeria has pursued several economic reforms in order to stimulate management of public finance and make business regulations more feasible. Nigeria's oil sector still remains the dominant sector of the economy, and the structural changes needed for broad-based development have not been overly attainable. Progress made on privatization has also been minimal.

#### **Snapshot of Nigeria's Economic Freedom**

- Economic freedom status: Mostly unfree
- Global ranking: 116<sup>th</sup>
- Regional Ranking: 20<sup>th</sup> in Sub-Saharan Africa
- 2016 Economic Freedom Score: 57.5 (1.9 points increase)
- Notable Successes: Trade Freedom and Management of Public Finance
- Concerns: Rule of Law, Open Markets, and Regulatory Efficiency
- Overall Score Change since 2012: +1.2 (World Bank 2015).

### 4.1.3 Social

In Nigeria, the cultural and social system is heavily influenced by its politics. Nigeria is currently going through the longest period of civilian rule and democracy in her history. Nigeria is comprised off diverse cultures and this gives people belonging to a distinct subculture a certain sense of collective identity. Futhermore, Nigeria is a class society where titles, age, wealth and gender takes centre stage in how people are treated or addressed (World Bank 2015).

According to World Bank (2015), Nigeria is estimated to have a very active working class as well as a very young population. The total population of Nigeria is about 181.5 million people with an age structure of:

0-14 years: 43.01%

15-24 years: 19.38%

25-54 years: 30.56%

55-64 years: 3.94%

65 years and over: 3.11%

The dependency ratio in Nigeria is:

total dependency ratio: 87.7%

youth dependency ratio: 82.6%

elderly dependency ratio: 5.1%

potential support ratio: 19.5%

Nigeria is also said to have a median or average age of 18.2 years, and these figures gives credence to the huge market potential of scouter in Nigeria (World Bank 2015).

### 4.1.4 Technology

Technology is one of the main drivers of any economy, and Nigeria is no different. Nigeria has one of the fastest growing mobile technology industries in the world, and with her large population, it is set to become the technology hub of Africa. It is often said that the level of technology

determines the level of socio-economic development in any country and it often has a direct influence on the standard of living (CNBC Africa 2015).

Nigeria is said to have an estimated 1400 internet hosts, and over 45 million internet users which makes up for about 30% of the entire population with majority of those in urban centres. Foreign companies, especially American, European and Chinese companies have increasingly targeted Nigeria for global growth because of the increased interest of Nigeria in technology and its enormous growth potential (CNBC Africa 2015).

Nigeria is extremely reliant on foreign countries/companies from the perspective of technology, and its primary technological interest lies in the aspect of telecommunications, infrastructures, health care, and defence. This reliance gives scouter an opportunity to explore Nigeria's enormous technology potential by tapping into the huge market niche (CNBC Africa 2015).

#### 4.1.5 Environmental

This is one of the most important aspects of the Nigerian market to scouter, as Nigeria is a country faced with daunting environmental challenges that contribute to the increasing rate in degradation that torments the environment. Some of the most disturbing issues are:

- Deforestation
- Biodiversity damage
- Air pollution
- Oil spillage
- Noise pollution
- Drainage blockage
- Industrial waste
- Water pollution
- Agricultural waste and
- Excessive mineral exploitation and mining.

For the purpose of this thesis, the author has opted to focus primarily on air pollution as it is germane to the market analysis for Scouter and would also be very important for product specifications and value proposition.

Air pollution in Lagos is one of the major hazards tormenting the buoyant city, as it is one phenomenon that has ravaged Nigeria's most populous and one of Africa's business hub for a very long time (Guadian NG 2015).

#### 4.1.6 Legal

Legal aspects of a market are very pertinent to any prospective company looking to dabble into new or foreign markets as it gives an overview on the various acts or legal implications and requirements of such venture.

The primary law that governs companies or business in Nigeria is the Company and Allied Matters Act (CAMA). This act is responsible for governing or deals specifically with issues that borders on company structure, registration process, eligibility, and rules that govern operation. There is a regulatory body that executes or implements the provisions of the CAMA, and it is referred to as the Corporate Affairs Commission (CAC).

There are several business structures allowed in Nigeria, and they are:

- Registered business by name
- Company limited by shares
- Company limited by guarantee
- Unlimited liability companies (Private or Public) and
- Incorporated trustees (Ibidapo-Obe 2013).

For the purpose of this thesis, the author would examine only a private company limited by shares as it's most applicable to the subject matter Scouter.

#### **Requirements**

- Company must be comprised of a minimum of 2 and maximum of 50 members
- Founding members must be above 18, of sound mind, not bankrupt, and certified by CAMA to be eligible for being a Director
- The current minimum share capital of a company to be registered in Nigeria is 50 euros (may fluctuate due to exchange rates) (Ibidapo-Obe 2013).

### **Documents**

- Memorandum and Articles of Association
- Notice of registered address of the business
- List of particulars and consent of the first Directors of the company
- Statement of compliance by a lawyer (Ibidapo-Obe 2013).

When all these conditions are met, and the company is successfully registered, it is presented with a Certificate of incorporation.

### **Tax**

Nigeria as stated before is a federation, and as such all the different tiers of government (Federal, State, and Local) have autonomy of taxing companies. For the purpose of this thesis, the author would focus solely on federal taxes as they are applicable in all states of the federation and also meets the express need of Scouter.

- Companies Income Tax
- Capital Gains Tax
- Tertiary Education Tax
- Withholding Tax
- Value Added Tax
- Petroleum Profits Tax
- Stamp Duties
- Information Technology Tax (Ibidapo-Obe 2013).

## 4.2 Industry analysis

This segment looks to analyse the state of the automobile industry in Nigeria. According to Nigeria's legislations, any moving object powered by motors and runs on four wheels is classified as a car. Scouter could be considered a hybrid version of a car and bike because it comprises of four wheels, a pedal, lithium-ion battery for power generation, and with a speed of 25km/hr. Therefore, in Nigeria Scouter would be considered a car (FRSC 2016), in lieu of this the author would focus on analysis of the automobile industry taking the car industry as reference point.

### 4.2.1 Substitute products

This segment focuses mainly on analyzing substitute products for Scouter in the Nigerian Market space, and it takes into consideration the magnitude of threat they pose to the product.

There are two main categories of substitutes, and they are the direct and indirect substitutes.

#### **Indirect Substitutes**

As stated earlier, Scouter is considered to be a car according to Nigeria's legislation so its indirect substitutes are obviously cars, an in particular electric powered ones. According to Carmudi, Nigeria secured the highest year over year growth percentage among all developing countries when it came to the issue of automobile related online search inquiries in 2015, with 89% growth. With an estimated value of about 6 billion dollars, Nigeria's automobile industry remains one of the strongest in the developing world. Although critical policy changes like the National Automotive Industry Development Plan, are said to have the potential to affect the destiny of the entire industry.



The most searched car models in Nigeria are Toyota Camry, Toyota Corolla, Toyota Highlander, and Toyota Rav4 (Carmudi 2015). This data has been further corroborated by Oxford Business Group, and they confirmed that the largest supplier of new cars in Nigeria is Toyota, accounting for 70% of imports. Brand loyalty has been attributed to the main reason responsible for the dominating presence of Toyota in the Nigerian market, as 67% of Nigerians who own a Toyota instigated that they would only consider buying another Toyota in future (Carmudi 2015).

### **Direct Substitutes**

A direct substitute for Scouter in the Nigerian market would be a product with a similar specification to scouter and one that can also perform similar functions. Analysing the Nigerian environment, none of such products exist, so it can be inferred that scouter has no direct substitutions in Nigeria hence no comparison is possible or required.

#### 4.2.2 Threat of new entrants

The threat of new entrants is essentially referred to as the threat new competitors pose to existing competitors in a particular industry. A viable industry is understood to attract more competitors looking to obtain maximum profit utility. In the Nigerian automobile industry, Scouter poses a weak entry threat to its indirect competitors such as Toyota because the external forces in the automotive industry that contribute to the weak threat of entry are:

- High capital cost
- High cost of branding
- High supply chain cost
- Customer loyalty.

Furthermore, as Scouter doesn't have a direct competitor in Nigeria, it poses no entry threat to any existing companies in its niche therefore entry may be more seamless.

#### 4.2.3 Bargaining power of buyers

#### 4.2.4 Bargaining power of buyers

When analyzing this aspect of the five forces, the bargaining power of buyers for Scooter would be very high in Nigeria for the following reasons:

- Buyers dominate the market more than sellers
- Buyer switching costs are low
- High threat of backward integration
- Buyer is price sensitive
- Buyer has no loyalty to product
- Buyer determines a large portion of seller's turnover
- Products are undifferentiated
- Presence of substitute products.

In order to alleviate this particular conundrum, Scouter needs to aggressively market its products at competitive prices, as well as ensure that products match the preferences and expectations of its target customers.

## 5 CONSUMER ANALYSIS

In this chapter, the author aims to explore the characteristics of Nigeria's buyers, buying behavior, and what informs their buying decisions. Lagos consumers are the particular target group, as they are the components of the market niche Scouter aims to capture. In order to get a glimpse of how Scouter would do in the Nigerian market, a series of interview was conducted and the empirical data are presented to reflect the consumer's position on Scouter.

### 5.1 Consumer characteristics

Cultural norms and traditional values continue to have a major influence on consumer preferences in Nigeria, inspite of the relative admission of western values and lifestyle among Nigerians especially those situated in urban centres. An overwhelming majority of Nigerians live in poverty and economic challenges abound for them. Yet, exponential growth in urbanization lends credence to the promising opportunities in the country. Futhermore, Nigeria's middle class is currently enjoying rising levels of disposable income, thereby increasing their demand for more goods and services (Euromonitors International 2014).

### 5.2 Methodology and Sampling

Before the research study to determine what the consumers would expect from Scouter was carried out, the author engaged a pilot study to ascertain the viscibilityand relevance of the said study. This study is based explicitly on the view points, and behavior of the consumers for Scouter. Sources of the primary and secondary data are also discussed. The author used interviews as the main tool for collating primary data, and this interview was conducted through cyber space. It took about two months for the author to get all the interview samples together, and the respondents used were comprised mainly of working class youths and students.

The interview was conducted among young working class Lagos residents as well as students. A total of 40 interview schedules were prepared and only 23 out of this interview schedules were conducted and collated. Scrutinizing these replies led to the author rejecting 6 of them on account of incomplete or inapplicable responses. Thus only 17 completed interview questions were used for this thesis.

### 5.2.1 Interview questions

As earlier stated, data were collated through interview schedule regarding consumer's perception on Eco friendly vehicles, product specification, and buying power. The questions sample can be obtained from the Appendix.

### 5.2.2 Respondent selection

The criteria for selecting the respondents for this survey was based largely on their supposed buying power, and this is why the author opted for the young working class population as well as students. There was no particular segmentation or segregation of the respondents who agreed to be involved in this survey.

### 5.2.3 Inference

The interview questions revolved around buying power, product specification, and perception of Scouter. In lieu of the questions asked, the author was able to infer from the answers given that all the respondents were willing to buy but are skeptical about the price as many intimated that they wouldn't be willing to go above the 500-euro mark and concerns were also raised about the viability of Scouter in Nigeria mainly because there are no provisions for such vehicle on Nigerian roads as Lagos is a congested city.

## 6 CONCLUSION

In this chapter, the author aims to give answers to all research questions and possible sub-questions, as well as take into consideration the reliability and validity of the research and finally some recommendations or topics for further research.

### 6.1 Findings

The main aim of this thesis is to profer a lasting solution to the pollution menace that has raveaged Lagos by introducing a healthier means of transport through finding a market nich for the case company in Nigeria.

This thesis has been able to answer the question of How **Scouter can achieve a seamless transition into the Nigerian Market**

In order to give a clear opinion on how the above question has been answered, the sub-questions below would be examined and answered through the survey and plethora of articles and books the author engaged in completing this task.

- What is the state of competition in the Nigerian transport sector?

This thesis has answered this question by highlighting the fact that Nigeria's transport sector remains a very buoyant one and one of the largest employer of labour in the country. Due to this fact, several alternate means of transport are being considered in order to alleviate the stress of commuting from one place to another. This gives credence to the fact that there is a viable marke tin Nigeria for Scouter to explore.

- What are the possible opportunities and threats to Scouter in Nigeria?

TABLE 4. Opportunities and Threats for Scouter

<b>Opportunities</b>	<b>Threats</b>
Young Population	High level of corruption
Growing buying power of middle class	Inefficient rule of law
Increasing spending power	No road network provision for Scouter
Air pollution	New product
Increase in technology	High consumer

- Who are the potential customers / Market niche for Scouter in Nigeria?

The potential customers for Scouter in Nigeria are the students and young working class population.

- What product modifications are required for Scouter to succeed in Nigeria?

The respondents couldn't make concise product specification suggestions because they still don't fully grasp what scouter really is, as most as torn between it being a car or a hybrid motorbike. In addition, some would want it to have a stronger battery life after one complete charge because the power situation in Nigeria is still very unstable.

## 6.2 Suggestions for further research

Based on the author's inference from the thesis findings and conducted surveys, the author would suggest that the company have a clearer product specification or definition, as well as adapt the product prices to what would be more affordable for the Nigerian consumers. If these two

main suggestions are looked into, it would answer the problem of product definition and price as intimated through the research answers.

The author would like to suggest that the company engage in further research about *Streamlining the target group for Scouter*, because from the author's research findings Scouter may be more suitable for commercial purposes instead of private. In addition, further research could also be conducted to know the *current legislation on importation in Nigeria* because the new government are contemplating passing new laws that govern import.

### 6.3 Reliability and Validity

This thesis can be said to be reliable as the author took time to analyse each survey answers carefully, as well as engage a plethora of scholarly articles before making inferences. In addition, the primary data collected were from interviews conducted exclusively by the author and each answers were judiciously considered to make sure that they are relevant to this particular research. All the data collated are also relevant in terms of market entry decisions into emerging markets, and is not limited to Nigeria alone but may be applicable to some other developing countries.

Secondary sources of information are all trustworthy and reliable, and each respondent is well abreast of technological advancements. Main language of interview was English, so there is no risk of information being lost to translation errors.

## 7 SUMMARY

This thesis was embarked upon because of the author's concern about the menacing effects of pollution in Nigeria, and Air pollution was of particular interest. The main causes of air pollution and their effects were particular highlighted, and a possible solution was proffered which is the introduction of an alternative means of transport that doesn't emit CO<sub>2</sub> in order to combat environmental degradation in Nigeria.

The author started out as a project member in a team of students working to market Scouter for a Finnish startup company. It was during this project that the author saw the opportunity to incorporate the work into his thesis as well as an opportunity to introduce an alternative solution to combating air pollution to his country.

The empirical part of this thesis included the country analyses which was done with the use of PESTLE, and the industry analyses which was backed by using Porter's Five Forces. The author also carried out a semi structured interview which helped to give suggestions on what the consumers expected as well as give an insight into the buying behavior and characteristics of consumers.

At the end of the thesis, the author proposes further research suggestions, and also certifies the thesis to be reliable and valid. The author recommends this thesis to be used by the company in order to serve as a reference for further research or product modification as regards the Nigerian market.



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## APPENDICES

### Interview Questions

- What's your profession?
- What's your major means of transportation?
- Are you planning to buy or change your vehicle?
- Do you think environmental friendly products are important?
- Are you interested in a new product?
- How much are you willing to spend on a new car?
- What do you think about Scouter?
- Would you be willing to buy?
- How much would you be able and willing to pay for Scouter?
- Would you change anything about Scouter?
- What do you think Scouter would best be used for?