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**UNDERSTANDING THE MILK CON-
SUMPTION PATTERNS OF THE
NIGERIANS**

A MARKET POTENTIAL FOR FINNISH DAIRY PRODUCT

Business Economics and Tourism

2015

ACKNOWLEDGEMENT

I give God all the glory and honour for the strength to finally complete my studies. I dedicate it to the memory of my late grandmothers Chief Mrs Oluremi Gbadebo and Mrs Iyaolo Adeyinka who have been my cheers from ages. Thanks you and rest in peace.

My thanks also goes to my supervisor Rosemeriany Nahan-Suomela for guiding me through the thesis write-up and all my friends and families who inspired me God bless you all.

VAASAN AMMATTIKORKEAKOULU

Koulutusohjelman nimi

TIIVISTELMÄ

Tekijä	Gbadebo Oluwasesan Isaac
Opinnäytetyön nimi	Nigeriaisten maidonkulutuksen tottumusten ymmärtäminen, markkinapotentiaali suomalaiselle meijerituotteelle (maito)
Vuosi	2015
Kieli	Englanti
Sivumäärä	73 + 4 liitettä
Ohjaaja	Rosemeriany Nahan-Suomela

Tämän hetkiset haasteet Euroopan markkinoilla edellyttävät, että tuottajat hakevat mahdollisuuksia uusilta markkinoilta. Tämä edellyttää arvioimaan kuluttajien käyttäytymistottumuksia ja analyysin tekemistä potentiaalisista markkinoista, jossa voidaan myydä ylijäämätuotantoa. Tämä on tapaus eräästä suomalaisten maanviljelijöiden osuuskunnasta, joka tunnisti Nigeriassa olevan markkinapotentiaalin omille tuotteilleen (jauhemaito).

Tämän tutkimuksen tavoite on arvioida kuluttajien tottumuksia maidon kuluttajina Nigeriassa sekä arvioida Nigerian markkinoita, jotta pystymme määrittämään markkinoiden elinkelpoisuutta maanviljelijöiden osuuskunnan ylijäämätuotannon myymiseksi.

Useita tutkimusmateriaaleja tutkittiin tavoitteen saavuttamiseksi. Materiaaleja olivat: Raportit ja artikkelit, jotka koskivat Nigerian markkinoita, raportteja aikaisemmista kuluttajia koskevista tutkimuksista, kirjoja markkinatutkimuksen teorioista ja kirjoituksia asiakkaiden käyttäytymisestä sekä tietoa suoraa maidon kuluttajilta Nigeriassa.

Maidon kuluttajilta kerätty tieto sekä potentiaalisen levittäjän haastattelu, analysoitiin ja kerättiin laadullisilla ja määrällisillä tutkimusmetodeilla. Kirjoituspöytätyö tutkimus tuotettiin myös markkinoiden arvioinnilla.

Tutkimus osoitti, että Nigeriassa kuluttajiin vaikuttavat sekä inhimilliset että materiaaliset tekijät, kuten perheen jäsenet, hinta, laatu jne. Nämä tekijät määrittävät kulutusmieltymyksiä. Analyysi osoitti myös, että Nigerian markkinoilla tapahtuu kasvua ja maassa on vajausta maidon tuotannossa.

Päätelmänä voi todeta, että on erittäin todennäköistä, että kuluttajat Nigeriassa tulevat kuluttamaan uutta tuotetta, joka on astumassa Nigerian markkinoille. Suosituksena on kuitenkin, että säädöksiä noudatetaan ja tehdään mahdollisesti yhteistyötä agentin kanssa.

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ABSTRACT

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Title	Understanding the Milk Consumption Pattern of Nigerians, a Market Potential for Finnish Dairy (Milk) Product
Year	2015
Language	English
Pages	73 + 4 Appendices
Name of Supervisor	Rosemeriany Nahan-Suomela

The current challenges in the European market calls for producers to look at the possibility of entering a new market, this demands assessment of the consumers' behavior and market analysis of any potential market in order to sell the excess production. This is the case of Finnish Farmers Cooperative that identified the Nigerian market as a potential market for their product (powdered milk).

The aim of this research was to assess the consumer behavior of milk consumers in Nigeria and also make a review of the Nigeria market in order to determine the viability of the market for the Finnish Farmers Cooperative in order to sell their excess production.

In order to achieve the aim of the research materials like reports and articles relating to the Nigerian market, reports on past related researches on consumers, books on theories of market research and write ups on customer behavior and data collected directly from milk consumers in Nigeria for the purpose of the research were examined.

Quantitative and qualitative research methods were used to collect and analyze the data collected from milk consumers and potential distributor interview respectively. Also a desk research was carried for the market assessment.

The results showed that consumers in Nigeria are influenced by both human and none human factors such as family members, price, quality etc which determine the consumption preferences. Also, analysis showed that there is growth in the Nigerian market and there exist shortage in supply of milk product in the country.

It was concluded that consumers in Nigeria would at high probability consume the new product entering the Nigerian market, while recommendation was to follow the regulations as required and make and possibly partner with an agent.

Keywords

consumer behavior, market potential, milk, Nigeria

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1 INTRODUCTION

The official description of consumer behavior defined it as the study of individuals, organizations or groups and the modalities they utilize in selecting, securing, using and disposing of products, services, experience or idea to satisfy needs, including the study of the impacts that the modalities have on the consumers and the society (Lars, Consumer Behavior, Psychology of Marketing). It can be determined from the description that studying consumers can help organizations develop or improve their market strategy, how a consumer feels about the environment, what influences the consumer in buying a particular product or what might influence him or her in buying a new product.

Also, looking at the importance of customer behavior research from the perspective of application, the micro perspective involves understanding consumers with the aim of rendering help to an organization to accomplish objectives (CiteManagment Article Repository, Why study Consumer Behaviors). In addition, studying potential consumer behaviors and conducting a market analysis (the process of determining conditions, characteristics and factors of a market as described in Dictionary Reference) of a potential market remain an important and necessary task for an organization planning to enter a new market.

As a result of the current political situation and restrictions affecting business in Europe, especially the trade restrictions by Russia on European countries, Finnish products producers can no longer have guarantees of selling their products to Russia which use to be biggest receiver of their production. As a result of this, Finnish farmers have to look for new markets and new customers.

Nigeria was chosen as a potential market for the Finnish milk powder as a result of the Nigerian growing population and shortage of supply of milk products. The situation for dairy business is promising since the Finnish representative (Ambassador to Nigeria) and Nigerian Government are both working on different project to strengthen bilateral relationship the two countries of both countries.

1.2 Research Problems and Objective

The objective of this research is to find out milk consumers' behaviour in the Nigerian market and examine the purchase preferences and also to assess the Nigerian market which is a potential market for Finnish milk products, especially powdered milk in order to determine the viability of the market for the Finnish milk producers (Finnish farmers Cooperative). Focusing on examination of consumers' behaviour creates opportunity for the researcher to facilitate a manager with entirely new functions of a product and new ways of service delivery by a seller. Consumer behaviour research is designed in a way to provide information on consumers' actual behaviour (PMR Research, Consumer Behaviour Research). This also provides information on the factors that determine type of product consumers buy and related information.

Prior to assessing consumers' behaviour and buying preferences, the sub objective of assessing the market to determine viability is required, thus after defining the market (i.e. the history of Nigerian dairy market) vividly, carrying out market analysis is highly important in order to develop a deeper knowledge and understanding of the market size, trends, growth rate, opportunities, profitability and distribution channels

The need for analysis of consumer behaviour and market assessment creates an additional objective, which is to analyse the forces in the market assessment (analysis) which are environmental analysis, competitors' analysis and assessment of potential agent and making of suggestion to the case company based on research outcome.

Problem Formulation

The research is conducted to find out solutions to the problems below:

- 1.) What human and non human factors determine what type of milk consumers buys in Nigerian market?
- 2.) Does potential exist for a Finnish product (powdered milk) to enter and make sales in Nigeria?

1.3 Limitation of the Study

Usually, to carry out a study that would measure the activities of a Nigeria market, there exist no doubt that the research should utilize larger samples that would be selected across the 36 states or some of the states since Nigeria has large population, varying culture etc. However, as a result of limitations of time, long distance from the market, non availability of sufficient funds, low willingness of Nigerians to give responses on the phone etc, the empirical study was concentrated and carried out in Lagos State (one of the commercial cities).

All the two hundred responses to questionnaires received out of the expected three hundred and fifty were completed by people residing in Lagos state. Thus, the output of the analysis could not fully represent the entire country, though some of the states shares the same characteristics as Lagos state.

Secondly, effort made to interview additional promoters, distributors or agent yield no success as they call for a physical interview and demand presentation of a sample product.

1.4 Structure of the Study

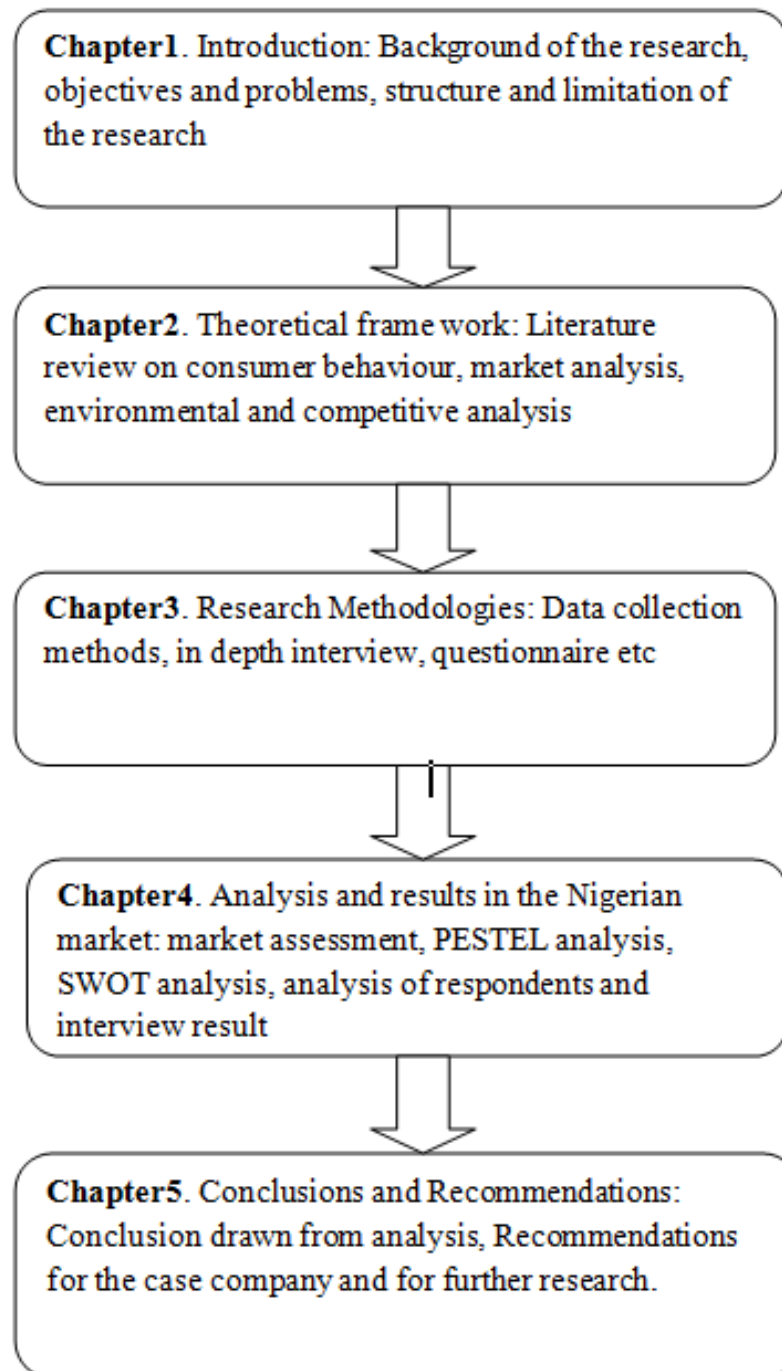
The research report comprises of five chapters covering the idea of the thesis, work done and conclusion. The first chapter gave an introduction of the research, objective and problems, structure and limitation of the research.

Second chapter contains issues relating to theoretical frame work and literature review on consumer behavior, market analysis, the size of the market, trends, growth, opportunity and profitability etc. Also, environmental and competitive analyses are both reviewed here. Chapter 2 serves as the basis and a bench mark for the empirical study.

In chapter three, research methodologies used in collecting the presented data and how information are assessed, choice of method and how the application is made are also presented. This includes. Data collection methods, in depth interview, questionnaire etc.

Chapter four contain an analysis and the results of the research which comprises of a review on the Nigerian market, Nigeria-Finland bilateral relationship, environmental analysis and SWOT analysis of competitors, an analysis of respondents result, consumer behaviour, potential distributors interview outcome, reliability and validity assessment of the research and result.

The last (fifth) chapter presents the conclusion and recommendation for the company and suggests the usefulness of the report for further related research work. In this sense, it thus, gives a brief summary of the previous chapters. (*see flow chart for the research below*)



2 THEORETICAL FRAME WORK

Market research is described as systematic collection and interpretation of information about an individual or entities using a statistical, analytical methods alongside applied sciences techniques in order to have insight or facilitate making of a decision (Naresh 2012, 7). Marketing research involves systematic, objective identification, collection, analysing, dissemination and use of result(information) to undertake and improve decision making regarding identification and solving of problem known as opportunity (Malhotra, 2006, 5). In reality market research deals with both problems with needs solving and non problem need solving. An example of problem related is when a certain product is in poor demand, while that of the latter situation is a study to identify the need for a new product or when a new product is intended to be introduce to a new market. This new product and new market entry concept demands a market research which should be firstly carried out to determine whether or not the product needs to be adapted to the needs of potential consumers (Ignor Ansoff's products and Markets mix). These situations are explicitly explained and shown in figure 1 below based on Ansoff and Market research

New Products	Market research can show the likelihood of adoption of new products	Market research can show unmet needs and provide an understanding of unfamiliar markets
Existing Products	Market research can measure customer satisfaction to find out how to maintain a competitive edge	Market research can find new territories for products or services
	Existing Markets	New Markets

Figure 1. Ansoff and Market rsearch (Hague 2004,4)

The matrix above (figure 1) established the four situations in which market research would be helpfull and be used, in related capacity the matrix below (figure 2) shield light on how market research can help on the four Ps (Product, Price, Place and Promotion) determination and accessment in order to make the

decision how a product should be designed, what price to set/sell, where to sell and how and what promotion should be done.

<p style="text-align: center;">Product</p> <p>Market research can test attitudes to products by describing them or showing them in focus groups and hall tests, or placing them in the home and workplace</p>	<p style="text-align: center;">Price</p> <p>Market research can show how much people value products and indicate an optimum price</p>
<p style="text-align: center;">Place</p> <p>This is the distribution part of the marketing equation, and market research can help plan the most effective route to market</p>	<p style="text-align: center;">Promotion</p> <p>Market research can help in all aspects of promotion from developing ideas for the adverts through to testing which advert is most effective</p>

Figure 2. Marketing Research in the 4ps (Haque 2004,5)

Exploring the ways in which market research could help on 4ps mentioned above, market research helps to design and improve a product or services based on finding about customers needs or wants by focusing on factors such as appearance, function, warranties and customer service. While help is given on price in order to carry out price setting using the following acceptable bases profit margins, price of the competitors or the price a customer is intending to pay (Guide to market research and analysis, Canada Business Network Centres)

Also, market research helps on placement (place) in the sense that the decision of where to setup and ways to distribute a product are facilitated by comparison of varieties of locations and value of sales point like retail, wholesale, online etc. In the same vein market research identifies the best way to reach particular segments of the market such as teens, students, professionals etc in areas like publicity, design, branding, advertisement, social media and others.

Moreover, market research describes in scientific ways of discovery applied to decision making in marketing which comprises market research; (1) specific market identification, measurement of the market size, trend and related features. (2) Product research; wants or need and the features of the service or goods that

would provide satisfaction for the need. (3) Consumer research which identifies targeted consumers preferences, buying or consumption patten, motivations and purchasing behaviour of related consumers. Required information for a research could be gained though observation,surveys, face-to-tcce interview or published sources. However, the main objective of any market research centred on sourcing a real need and making moves to fulfill it on time and cost effective ways.

Considering the relation of the third type of market research mentioned above to this research, few theories of consumer behaviour would be identified. in order to have an idea of the important of research on customer behaviour. The most related one of the theories on consumer behaviour would be reviewed; economic theories, psychological thories and socio cultural theories. All the groups of theories are based on consumption rules which implies that increase in aggregate income results in a small (some what smaller) amount while spending culture remain constant, econmy is free and perfect and political situation stays normal.

Economic Theories

The theory concentrates on the way consumers allocates income and the effect of the allocoation on determination of the demand of different goods and services.The theory establishes that consumers must have knowledge of what and the price of what they intend to purchase and also ability to make utility comparism of baskets of goods that their income can buy(Alfred Marshall 1842-1924). For brother explanation the economic theories of consumer behaviour comprises of Marginal utility theory; that states that consumers would not stop buying a particular products that gives him maximum satisfaction at relative price. Psychological law of Consumption theory which states that increase in income has tendency to result to increase in consumption at a lower rate to the increase in the income. The ideas of the few additional sub theories mentioned above establishes the importance of carrying out research on consumers before lunched a product. Although there exist more theories on consumers behaviour which are not assessed or reviewed here. For a better decision making assessment or research on consumer (potential consumers) of a product would be deem

necessary, but not only the customers behaviour, the market assessment which could be done with the aid of market analysis will be necessary and helpful too. In respect of the need for market analysis a theoretical review of the market analysis concept would be done in the next section below.

2.1 Market Analysis

Market analysis described as a research or course of action used in identification of conditions, features and factors of a market in order to predict the market's future (Dictionary.com, investorwords). Also, market analysis relates to analysis of customers and competitors in order to make strategic decisions regarding a market and dynamics of the market. These allow the assessment of the participants' prospects and the way the market operates. For this to be achieved, requirements are the identification of the following factors; emerging key success factors, trends, threats and opportunities (Proctor 2000, 82). Regarding the related trends the following are key trends that need to be assessed; Market size, Market Growth, Market Profitability, Distribution Channels, cost structure, Development and key success factors. Though the trends above might vary according to the context of the analysis. Few related trends in this research context would be explained below.

Market Size (Potential and Actual)

Estimation of market size could be sourced or relied on information from government sources or findings by related association like trade association. In addition sales record of competitors generated from publications, customers survey and projection of usage of product in relation to whole market could be helpful in assessing and estimation of a market size. (proctor 200,84)

Market Trend (Development)

Analyses of changes in the market are essential because new opportunities and threats emanates from them. Relevant trends are dependents on industry. Trends

that could change are Price, variety of demand, emphasis level on services or support. Etc.

Market Growth (Market Growth Rate)

After the estimation of market size focus goes to market tend (development). Assessment of the rate at which the market grows could be done by simple means of forecasting involving extrapolation of historical data to the outlook. But a better way involves the studying of growth drivers like demographic information and the growth of sales in complementary goods. Assessing market growth would assist in forecasting future demand or purchases

Market Profitability (Opportunity)

Reality exist for different firms to have different profitability in the market, however the level of difficulties of making profit could be gained by using the average profit potential of the market as a parameter. Also, long term return on investment of the average firm could be utilized in measurement of the market good looks and thus depends on five factors that influences how profitable the market (porter 1985,Proctor 2000,95). The five factors are Buyers power, suppliers' power, entry barrier, substitute products threat and rivalry among firms operating in the industry; these factors are referred to porter's five forces.

Distribution Channels

Distribution channels, the intermediaries via which products or services moves through until delivery is made to final consumers, might include wholesalers, retailers, distributors etc (Investopedia) .Analysis requires that alternative channels, the inclination occurring in channels of distribution alongside the likely new emerging channels in the future. Also, cognisance must be taken of the powerful operators in the channel and the potential of changes in the outlook. Assessment of effectual and well-organized channels of distribution often results to important success factors (Proctor 2000, 96). The channels through which goods pass from producer to consumers do affect transportation. Thus, the nature of the goods and

distance determines the channels to be used (Blythe 2005, 192). Table 1 below shows possible distribution channels.

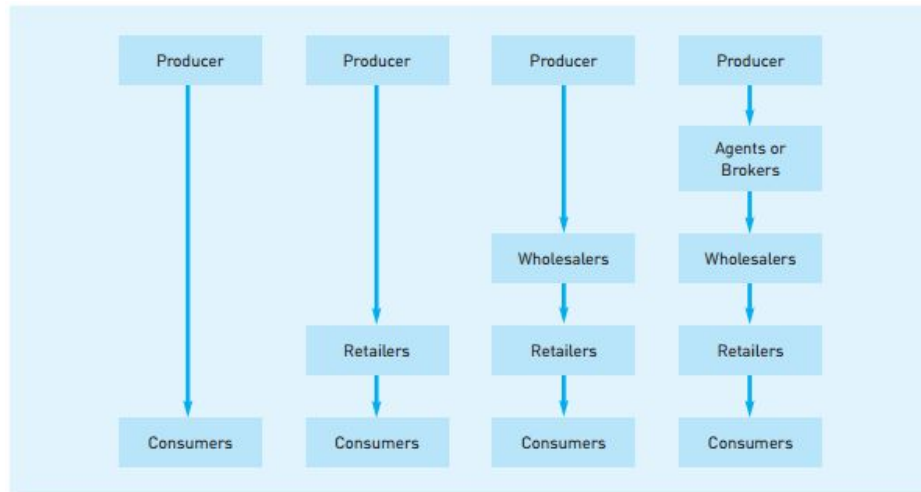


Table 1. Channels of Distribution (Bythe 2005, 192)

As illustrated above, delivering a consumable product directly to final consumer could be less realistic and less efficient, but most efficient way and realistic way of distribution would be by using services of middle men depending on the distance of the consumer to the manufacturer or the nature of goods in order to break the delivery down for easy delivery. However to reduce cost and ensure efficiency, the numbers or levels of middle men should be reduced as much as possible.

2.2 Environmental Analysis

Aside the market analysis explained above, one of the other analysis required would be analysis of the environment (marketing environment). Marketing environment comprises of two important environments which are external environment that comprises of things occurring outside the organisation and internal environment that deals with those marketing factors within the organisation. Both environments are of great importance requiring consideration and analysis by an organisation (Blythe 2012, 23). The external environment could be further divided into micro and micro environment as shown in figure 3 below.

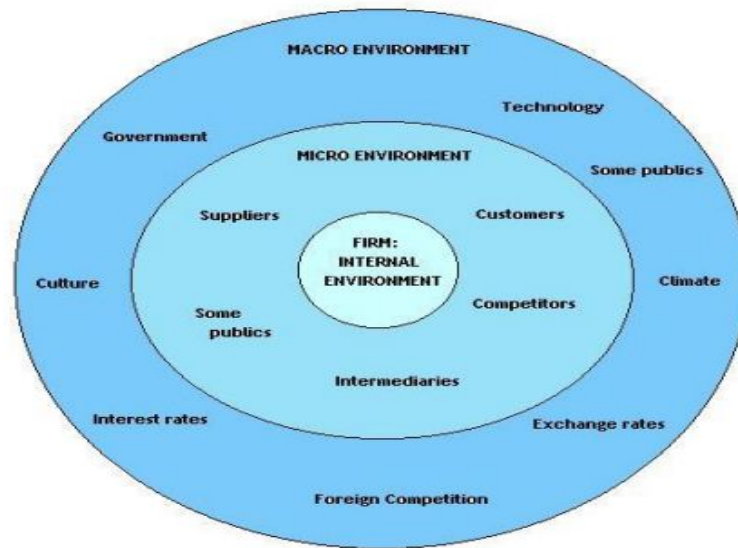


Figure 3. Forces of Micro and macro-environment (Blythe 2012,27)

While a company could manage and control the internal and the micro environment easily, there exists great need to manage macro environmental factors. The way this could be done would be by analysis of the environment. This can be done with the use of model. PEST (Political, Economic, socio and Technological environment) model or PESTLE model (comprises analysis of the environment in PEST with additional analysis of the legal environment and ecological factors). PESTEL model the updated model, is explained according to the hints given in table 2 below

Factor	Could include:
Political	e.g. EU enlargement, the euro, international trade, taxation policy
Economic	e.g. interest rates, exchange rates, national income, inflation, unemployment, Stock Market
Social	e.g. ageing population, attitudes to work, income distribution
Technological	e.g. innovation, new product development, rate of technological obsolescence
Environmental	e.g. global warming, environmental issues
Legal	e.g. competition law, health and safety, employment law

Table 2. PESTEL factors to consider (Foundation of Economics-Additionl Chapter on Business Strategy, 2011)

The PESTEL factors operate in the macro environment which affect the business decisions and could be categorized using the PESTEL model to show differences between the factors and their effects (Foundation of Economics-Additionl Chapter on Business Strategy, 2011), thus they are analysed below according to the chapter mentioned above.

A political factor refers to degree of government involvement in the economy through policy. Political factors deal with the type of product or services that government intend to provide, to what degree the government believe in subsidising organisations.

Economic factors directly influences the financial health of firms. Economic factors as in the table includes taxation, interest rate etc economic change or change in the factor can result to major change in firms behaviour, e.g a strong currency may make exporting difficult as it would raise terms of price in the foreign currency, while cost would be raised and higher wages demanded as a result of inflation.

Socio cultural factors refer to social trend changes such as ageing of population, attitudes to work, customs, religion, income distribution, population mobility etc. The changes might have effect on the demand for a firm's product, availability and willingness of people to work. These in turn creates difference in demand and consumer behaviour.

Technological factors refer to continuous advancement in technology that greatly influences business decisions and business success. Carrying out assessment on technological factors would keep a business up to date on the changes and keep a business informed of how customers react to many different changes. Using factors such as new discovery and technological advancement rate would be beneficial to a business success.

Environmental (ecological) factors reveals that the location and the climate affect business performance. Such factors like climatic conditions, waste disposal regulations, energy consumption laws and people's attitude regarding the environment need to be analysed.

Legal factors show that laws or legislation changes occur often and thus affect business environment. Businesses are required to analyze development in the legal environment, such as regulation on areas like production, employment, competitive, patent infringements, health and safety.

The fact remains that businesses performance is impacted by these factors and organisations need to determine the role played by certain factors on their business. By doing environmental analysis on the macro environment the success of such business could be projected effectively. Firms should also ensure their position within the environment and within itself (internal environment) are assessed or analysed. Such analysis would be by SWOT analysis to identify what strengths, weaknesses, opportunities and threats exist. In respect of this the SWOT model isw be explained in the section below.

2.4 SWOT ANALYSIS

In order for success of a business to be determined, ascertaining the current position by examining the business's internal state of health along side the external environment in which the business operates. A business's internal position could be ascertained by carrying out SWOT analysis which access the factors specific to the firm (Stengths and weaknesses) and imediate external environment/non

specific (opportunities and threats) (Blythe 2005, 24). The model for SWOT analysis can easily be viewed in Table 3 below.

	<i>Internal factors</i>	<i>External factors</i>
Positive factors	<p><i>Strengths</i></p> <ul style="list-style-type: none"> What are we best at? What intellectual property do we own? What specific skills does the workforce have? What financial resources do we have? What connections and alliances do we have? What is our bargaining power with both suppliers and intermediaries? 	<p><i>Opportunities</i></p> <ul style="list-style-type: none"> What changes in the external environment can we exploit? What weaknesses in our competitors can we attack? What new technology might become available to us? What new markets might be opening up to us?
Negative factors	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> What are we worst at doing? Is our intellectual property outdated? What training does our workforce lack? What is our financial position? What connections and alliances should we have, but don't? 	<p><i>Threats</i></p> <ul style="list-style-type: none"> What might our competitors be able to do to hurt us? What new legislation might damage our interests? What social changes might threaten us? How will the economic (boom-and-bust) cycle affect us?

Table 3. SWOT Analysis (Blythe 2005,24)

Strengths analyse the business's strengths and identify the unique selling price (USP) that the product or service has or might possibly gain, the strength of an organisation makes the organisation stand out if compared to competitors.

Weaknesses connote current weaknesses of the organisation, i.e. what the organisation could not do at the required capacity or what requirement the product did not meet. The weaknesses should be worked upon to delete them from the internal environment.

Opportunities are what changes in the environment the organisation could exploit and the competitors weaknesses that could be taken advantage of in order to have a gain in the market or derive benefit.

Threats denote challenges or indication of probable trouble posed by potential competitors and their products/services and these could serve as a barrier to market entry. Thus analysing the threats can show how competitors can be effectively handled.

To sum up, both measures (PESTEL and SWOT) provide a deeper view of the environment in which a business (company) operates or is about to enter.

3. RESEARCH METHODOLOGIES

Research methods used in market research (market research information) could be classified into two types, i.e quantitative and qualitative, regardless of the market type. The former research method deals with measurement of a market or opinions and involves calculation of the size of market segment, frequencies of purchases, measurement of awareness of product, level of distribution and so on, while the latter deals with empathizing with the consumer and establishing the meanings attached to brands, products and related objects. Both methods are complementary and might both be used in a research work. (Hague 2008, 9)

Quantitative research method measures a broad range of information regarding markets, ranging from total sales, growth, market share, customers' demographic data, attitudes of the customers (customers' percentage satisfied with a good), frequency of patronage (wenzel 2002, 33) . This method is beneficial in the sense that the method permits the study of more variables and allow data collection about real environment, filling of a questionnaire allows exact questions to be answered facilitating the analysis of exact needs.

On the negative sides the quantitative method seems very inadequate for gaining insight pertaining to the causes involved in the measured phenomena., large sources of bias like the possibility of self selecting nature of respondents. Quantitative research might not yield precise responses even if the questionnaire is precise since people change and social situations are highly complex for numerical description. Included in the odds of this method is determination of reliability of information gained from small number of people surveyed compared to the large population leading to multiplication of error (J. Blythe 2005, 114). The survey method form the commonest method of data collection when dealing with quantitative analysis as it provides explicit information about respondents' possessions and behaviours. The survey method can also find opinions relating to ideas or issues and often elicit interpretations of the surveyees' actions or opinions .(Blythe 2015, 104)

A typical survey or questionnaire collects data relating to respondents' behaviour and attitudes about themselves in the right way for classification and clarification purposes.

Qualitative research deals with respondents' feelings regarding a product, company, advertisement or the subject; and it is more probing and time consuming, thus, it uses more smaller numbers of sample size. Since it verifies "why" instead of what (quantitative) thus, difficulty in quantifying the information. This method is less used as a result of high cost and high time consumption associated with it (J. Blythe 2005, 104). Three common types of qualitative data collection methods are: (i) observational and quasi-observational techniques; (ii) projective techniques and in-depth interviews; and (iii) creative group sessions. (Craig and Douglas 1999, 170)

3.1 Data Collection

Collection of data plays an unavoidable role in both quantitative and qualitative research and it determines the validity and reliability of the information (results). Data collection processes associated with qualitative research methods are experimental, observation, interview, questionnaire and physiological methods. While methods associated with qualitative process are observation, document review and in-depth interview (University of Wisconsin 2015). However, based on classification, data collection methods are classified into two basic types based on the sources of collection. These are primary and secondary processes that are explained below.

Primary Sources

These are original research or data collected through questionnaires, experiments, interviews or product testing with customers (Blythe 2012, 102). The researcher or the collector of primary data has the possibility to control when and how he collects the data which increases the reliability and validity. Moreover, data collected are for specific purpose/study, thus, the questions asked by the researchers are tailored to elicit data that would help with the main research,

though the cons might be time and cost consumption in terms of collection and processing.

Secondary Sources

These are data collected from already published information in newspapers, commercially published market researches, journals, statistics by the government or agencies, yearbooks, data bases, internet and related publications. These forms of data collections or processes are referred to desk research. Parts of the merits of this processes are low cost, quickness, readiness of required information sometime published. Often when information is incomplete, the little gap would be easily filled by the researcher. However, secondary data might not provide the researchers everything needed. (blythe 2012, 102-103)

Cognisance should be taken that both data collected from primary and secondary sources could be analysed in quantitative or qualitative methods of analysis. Figure 4 shows how both analysis methods and data collection processes could be classified and how and where they could be applied.

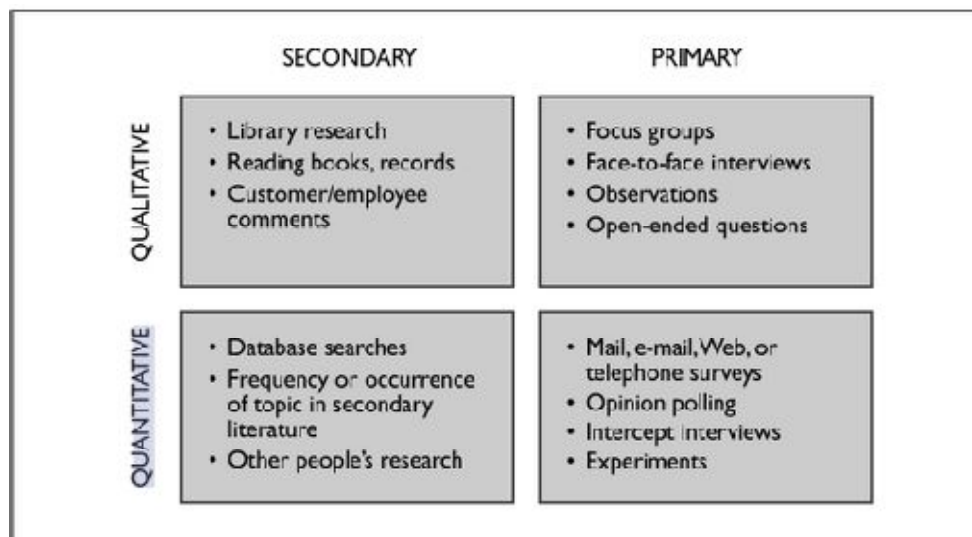


Figure 4. Research Classification (Corder 2006,21)

This shows that qualitative secondary data obtained via library research, journals etc and qualitative data collected from primary sources like focus groups,

observations and so on could be analysed qualitatively using a qualitative analysis or research method.

While, on the other hand, secondary data gotten from database, other researchers reports and data sourced through survey, opinion polls and experiment could be quantitatively analysed. This forms the basis of data collection method and analysis methods explained below that are used in this research work.

3.2 Survey/Questionnaire Method

Survey elicit facts regarding respondents' behaviour and possessions, finds opinions regarding ideas, issues and could also give interpretations of respondents' opinion or actions. In a survey or questionnaire the right questions should be asked in the right way. Also, important for classification reasons questionnaires should ask respondents about their attitudes, behaviour and themselves as deems relevant (Blythe 2012, 104). A questionnaire might comprises of checklist questions, 2-way questions, ranking/scale questions, multiple choices and open-ended questions. Care should be taken while constructing the questions in order to do away with misinterpretations or misunderstandings (confusion). Also, confidentiality of replies or respondents details should be maintained.

3.3 In depth Interview:

In depth interview is a qualitative research technique that entails carrying out intensive individual interviews using small numbers of respondents to explore their views regarding particular program, idea or situation. It is a commonly used method of primary data collection in a qualitative research or for qualitative analysis when there is needs to get detailed information about respondents' thoughts, behaviour or need to explore new issues in depth. It, thus, provides in-depth information than what other methods provide or more information than the researcher expect (Pathfinder International Tool Series, Monitoring and Evaluation-2, 2006)

3.4 Documents Analysis (Desk Research)

Document analysis deals with analysis of publications, journals or collections of data from secondary sources for the purpose of describing, explaining, generate suggestion regarding an idea or a situation.

The explained techniques lead to what will be analysed in chapter 4 and how techniques are applied in this research Analysis of the questionnaires completed by randomly selected Nigerian residences and response from discussions (indepth interview) carried out with selected potential distributor. Also, desk analysis of the Nigeria market from document, journal and reports was analysed.

3.5 Reliability and Validity

An important stage in research is the judgement of the value of an executed research using conventional criteria like reliability and validity, which assess the research to determine that the actual need for the resarch was achieved and the data is robust enough to facilitate or make the decision that is needed (Desai, 2002, 124)

Also, the concept of reliability establishes that how likely will the evidence collected be right or hold good over a period of time, while validity reveals how true the evidence is, i.e it is free from a systematic bias. Evidence that could not be hold good over a reasonable period would not be reliable, while untrue evidences (collections) would not be valid. In this sence marketers or researchers should attempt to work systematically using the principles that would provide robust and objective evidence (Hamersveld,2008, 16).

Based on the usage and advantages stated above the choice of research and data collection methods explained above will be applied in collecting and analysing the data in this research i.e both qualitative and quantitative, because the qualitative best fit the collection of descriptive and statistical data. Also, it is the best when the number of responses expected are high like the 250 respondents expected to provide the required statistical data.

Also, the qualitative method of study was selected because the potential distributors to be interviewed are few and information expected is less statistical and open or less structured data is expected.

4. ANALYSIS AND RESULTS IN NIGERIA MARKET

This chapter presents the review of the Nigerian market (Market Analysis), Environmental Analysis using PESTEL Model, SWOT analysis on competitors and the empirical findings.

The empirical findings for both the completed questionnaires from the respondents and interview of selected (potential) distributor are analysed qualitatively and quantitatively respectively in order to reach a conclusion and make recommendations regarding the research issues. The survey generated a total of 200 valid questionnaire out of 250 questionnaires distributed in various forms which gave an insight of Nigerian milk consumers through analysis succeeding the collation of the data provided. A copy of the survanaire is attached as Appendix ii along other related appendixes.

4.1 Nigeria Dairy Market Assessment (Analysis)

History of Dairy Industry in Nigeria

The history of the dairy industry in Nigeria dates back to the pre-independence era when its production, distribution and consumption activities were majorly primitive based on the home front and supported by importation from other parts of the world. The Netherlands being the major country for importation of dairy products.

The various activities of the Nigerian dairy industry (viz: milk production, importation, processing, marketing and consumption) have been going on in the country for over 60 years. These activities were, however, unorganised due to the level of technological advancement and less awareness in the country except for few processing firms that produce and sell reconstituted milk products from imported powdered milk. In spite of the less organised nature of the dairy industry, the dairy industry represents an important segment of the agricultural area of the economy with great economic, social and nutritional significance (FAO 1991).

The industry creates a means of live securing the necessities of life for a population of rural provincial (pastoral) families in the sub-clammy and semi-dry ecological parts of Nigeria. An estimate revealed that not less than 183,000 county families earned some income from the industry in 1986 (FAO 1986). The industry, as a result of commercial processing of dairy goods at plants and marketing sectors creates employment and value in the value chain. Currently, only few of the 63 known processing plants are still in operation. Also, the operational plants operate not up to 20% of capacity demanded. This has facilitated the market take over by shark outfits that process as well market different brands of ice cream and yoghurt in cities by using milk in their daily productions.

The need and focus to improve the standard of living of Nigerians allowed the dairy industry to be given commensurable attention by different national development programs, being the main source through which better nutrition could be provided for the populace. The establishment of local and imported breeds of cattle was made in some areas along side milk collection points including mobile collection centres for easier access.

Over the years, the industry has educed and transfigured through various developmental process and stages. Despite this, the country has limited existence of well established brands in the diary industry, such as West Africa Milk Company (WAMCO), Promasidor (Cowbell Milk), Fan Milk, Nestle Nigeria Plc among others. However, the existence of these brands and many more does not adequately provide or cover the demand for dairy goods or milk in Nigeria.

Market Size

The dairy segment is the second largest sector of the food and beverages sector with estimated generated revenue of NGN347 billion in the year 2013 with related estimated compounded annual growth rate (CAGR) of 8% over the past three years (Eromosele,2014).

The report showed that the milk segment stands as the largest in the industry with estimated generated turnover of 61 % of the industry's turnover. The industry

comprises of six important market subdivisions: Yoghurt, Cheese, milk, Ice Cream, Butter and tot Formula (Agusto, 2014)

The industry has consistently been characterised as oligopolistic with fewer dominant firms like WAMCO Plc-friesland campina that stood as the market leader and accounted for an estimated 30 % share of the total revenue generated by the industry followed by Promassidor Nigeria Ltd, Nestle Nigeria Plc and Nutricima (PZ). All the mentioned operators and others have strong and organised channels of distribution, standard overseas partnerships, and benefits of high product demand.

The industry seems predisposed to unstable price of milk powder (raw milk powder), poor infrastructure, unstable government policies and unfavourable trend of exchange rate.

Moreover, the existence of a wide gap between locally supplied milk in Nigeria and the demand resulted in high importation of milk from overseas. Figure 5 shows the level of imports made in the years 1999-2004 to support the local supplies in order to satisfy the demand gap.

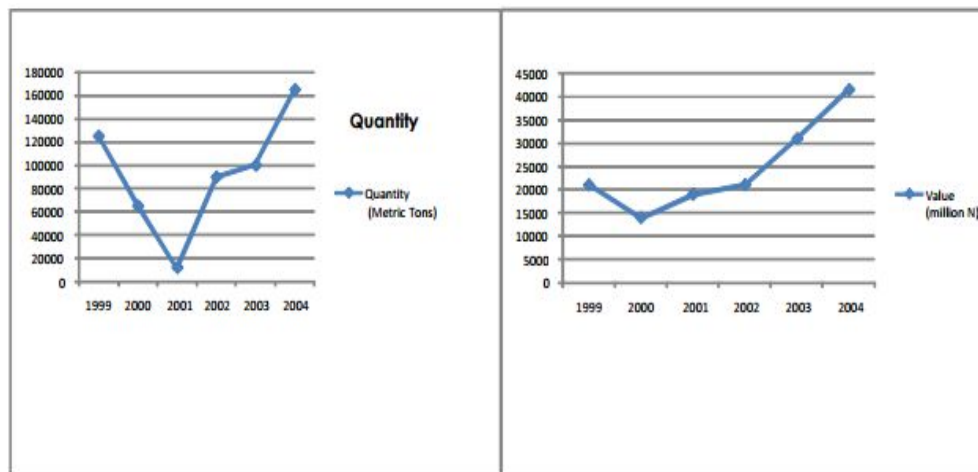


Figure 5. Quantity and value of imported Dairy Products to Nigeria (Journal of Economics and rural Development vol 16, No.1)

The demand for milk in 2013 was estimated to be 1.7 million tonnes resulting in not less than 1.2 million tonnes (75 percent of total input of the industry) above the harvested supply of 591,470 tonnes. The short length of time a milk product can be kept before consumption coupled with inadequate infrastructure to make a cold supply chain facilitated the challenges in distribution of fresh milk products in commercial capacity and the development of local dairy farming was limited as a result of this.

However, dairy processors in Nigeria either repackage imported milk powders for sales or reconstitute imported powdered milk into liquid form. The industry is expected to maintain dependency on imported milk powder in both medium and long term since domestic outputs (production capacity) remain lower than the need.

In the year 2013 the high price of organic milk powder really affected the cost of operations and profit in the industry. Also, the increased demand for dairy products and increased capital expenditure resulted in growth in volume of production and turnover. The industry made a low decline of 1.3% and 1.7% in gross profit and operating profit respectively. The industry has generated highly significant

positive profit (operating cash flow) over the last three years, with expectation that this would continue for short to medium term (Agusto, 2014)

Unbroken growth regarding demand for dairy goods should increase the ability of the operators to pass part of the rising costs to the consumers. Generally, the financial situation in the industry is expected to maintain positive status, coupled with low leverage, good operating cash flow and profitability. In respect of this, the Nigerian dairy industry is assumed to be positive.

Market Trends

Condensed milk serves as milk complement for various types of foods and beverages like flavoured powder drinks, tea, cereals and milk due to the absence of liquid milk culture as a result of poor electricity and shortage of standard infrastructures required. The dairy industry stands as an important category where rich gains could be generated by key operators, predominantly as growth in population guarantees a steady increase in demand. The Year 2014 and the year before witnessed extreme competition mainly amid minor players striving to take part in the market share from dominant operators like FrieslandCampina (WAMCO Nigeria Plc).

The years preceding 2014 saw innovation such as packaging in sachets while minor players struggle to increase their popularity and distribution, for example carrying out nonstop advertising. 12% growth in current value terms was estimated for 2014 due to growth in population and income, as well as activities relating to marketing by diverse players (Euromonitor International, Country Report, Dairy in Nigeria, 2014)

Estimation and forecast on competitive landscape exhibits that the dominant company (WAMCO) was expected to maintain a 78% dominance of the evaporated (condensed) milk market in Nigeria as a result of a strong brand (Peak milk) long presence, an effective and strong distribution network and strong consumer base spread across all income grouping.

There exist expectations and prospects of increase in value of other dairy goods with compound annual growth rate (CAGR) of 1% at constant price in the year 2014. As consumers' preferences for evaporated milk remain high, expectations remain that response by manufacturers or importers via seeking innovative packaging ways, awareness campaigns and advertisements would promote sales in the forecast period and the years after. The pack sizes innovation and types over the last half of the decade gave a new let out of life to the category, and there should continue to be demand for a form of milk (liquid or powder) that can be used as a match to coffee and tea.

Market Growth Rate

Nigeria's dairy industry is growing reasonably, with an estimation of 8 percent CAGR over the last three years while revenue was estimated to be NGN347 billion in 2013. The increase in demography acts as driver for the industry, as well as the high youth and middle class population. Also, of the same effect is the growth in income and nonstop westernisation. In addition the development of new age distribution channels, introduction of goods in mini packs, and the creation of towns in small area both act as drivers for the industry (Agusto, 2014).

Continuity of westernisation, intensification in income and development of new age retail channels proves that the industry performance would look improved. Especially, fast development in modern vend cuffs would be the main factor spurring growth (Euromonitor International, Report on Cheese, 2013). Also, the adaptation to smaller packages by mostly all producers increased sales among poor and consumers that are sensitive to price who initially considered milk consumption as opulence (Euromonitor International, Country Report of dairy in Nigeria, 2014).

The nonstop increase in disposable earnings and the demand for varieties of flavoured products increase would allow manufacturers to gain consumers from the less organised or unpackaged market while the provision of better and quality package products are maintained.

The milk sector in Nigeria dairy industry remains the apex sized in the industry as it accounted for an estimated 61 percent of the industry's return in the year 2013 (Agusto, 2014).

The estimation of Nigeria population was put at 173.6 million by The World Bank and United States Census Bureau with population of young people estimated at 70%. The middle-income group population is expected to increase to 23 million. Estimates put the population per household at 5.7 (6) in Nigeria and the middle class moved six folds between the years 2000 to 2014.

The return of democratic system and rise in private sector's venture provided firm podium for expansion of dairy industry. Largely, the industry's fiscal situation is likely to stay encouraging, supported by good profitability, low leverage and good operational cash flow (Agusto, 2014)

Market Opportunity

The industry could make available millions of jobs and generate revenue estimated at NGN300 billion on monthly bases into the national economy if provided the required technology to make the industry operate at high capacity (National office for Technology Acquisition and Promotion). Speaking further, Eng. Umar expressed that milk consumption stands as an index of life. Considering Nigerian high population of approximately 200 million, there exist endless opportunity for employment and creation of wealth, meanwhile Nigerians have not taken total advantage of the existing opportunities.

Market Profitability

The dairy product is disclosed to be the second largest segments in Nigeria food industry accounting for estimated income of NGN347 billion (2013) and estimated annual growth rate (CAGR) of 8% in the last three years. (Nigerian Economy in Perspective, 2014)

The dairy product segment exhibits cartel controlled, industry which is dominated by few firms with FrieslandCampina as the market leader controlling 30% shares

of the segment. Promasidor Nigeria Limited, Nestle Nigeria PLC and PZ Nutricima belong to the cartel. These companies and other operators in the cartel have wide-ranging distribution channels, firm overseas partnerships and they enjoy high demand for products.

In 2013, demand for dairy product (milk) was estimated at 1.7 million tonnes. This showed to be 1.2 million above domestic supply which was estimated at 591,470 tonnes. Imported milk powder accounted for 75 percent of the industry's supply. Moreover, it was the short-shelf life span of dairy product and the non sufficient infrastructure to operate cold supply chain which resulted in distribution difficulties to distribute fresh dairy products in commercial quantities which again resulted in less development of local dairy firms or farming.

Contrary to global practices the dairy product processors either import and re-package milk powder for sale or reconstitute imported milk powders into liquids or other forms of dairy products e.g. ice cream and yoghurt.

Distribution Channels

Nigerian market has a fragmented distribution base while modern trade remains in the premature stage of development which makes goods delivery to consumers costly and difficult. Distribution channels range from “table tops to go slow” (informal trade channels), shopping malls, modern trade, open air markets, feeder markets, distribution models etc (Nigerian Route-to-Market -Retail Channels and Distribution, 2013). These channels are briefly explained as below.

Table Tops to Go Slow: these channels represent two examples of informal channels of distribution. Table tops are sales point organised by petty traders or dealers for individuals to sell limited units of stocks in order to expand distribution footprint by bringing products closer to consumers' reach, while “Go slow” medium serves as a hawking channels to sell varieties of merchandise which are normally not hard to carry. The two channels have been successfully utilized by snacks companies, beverages companies, mobile phone operators etc.

Shopping Malls: Well organised malls at locations with high traffic. Shopping malls provide quality shopping experience and serve as an avenue for companies to build brand and product awareness. Examples of where such malls could be found are Ikeja and Lekki in Lagos state.

Modern Trade: These are organised supermarkets or supermarket chains where goods can be purchased. Stores like Shoprite and Games (a South African company), Spar (the Netherlands) and others operate as international chains in Nigeria alongside the local chains. These supermarkets purchase from product producers or importers.

Open Air Market: Goods received from agents are often delivered to wholesalers who sell directly at open market or sell to retailers in bulk at discount prices, who also sell at open market. Open market serves as primary purchase channel for various goods categories, especially consumable goods. Close to 70 percent of wholesalers operate in the open market. Almost all importers operate outlets or have representatives operating in an open market.

However, the nature of the distribution channels in Nigeria is different from the classification according to theory. The distribution channels of the dairy industry in Nigeria follow exactly distribution channels of a typical market in the country. It originates from the manufacturing firms to the wholesalers from which the products are distributed to various retail outlets which then sell them to the final consumers.

The distribution channels are very seamless as it does not require any form of technicalities. It is very simple to operate with the only cost of distribution to major distributors (wholesalers) as the main distribution cost. This involves delivering the products to the stores of the major distributors nationwide by the dairy firms mainly by road transportation. The firms mostly operate haulage contracts with various haulage firms and trucks assigned to them to lift and distribute their products nationwide.

Typical distribution channels of dairy industry in Nigeria can be represented as shown in the figure 6 below:

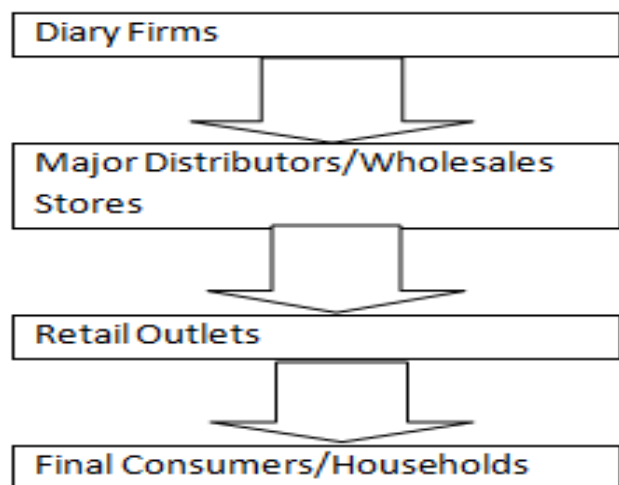


Figure 6. Distribution Channel of Milk product in Nigeria

4.2 Nigeria-Finland Bilateral Relationship

A report given by Antti Vuojolainen informs that; in 1999 when Nigeria moved to a democratic system of government, The European Union (including Finland) lifted the sanctions initially imposed on Nigeria in 1995, since then the mutual bond between Finland and Nigeria has been revitalized, which facilitated the endorsement of the investment protection agreement between the two countries on 21st of June, 2005 (Finland Embassy in Nigeria).

Moreover, Ms Pirjo Suomela-Chowdbury (The Ambassador of Finland to Nigeria) called for a well-built trade bond between Nigeria and her nation. She registered Finland interest to collaborate with Nigeria through the Nigeria Chambers of Commerce in order to work on synergy to improve bilateral trade relationship between both countries. Also, she requested for modalities to improve the activities of Finnish companies in Nigeria. This resulted to an agreement between the two parties to work on synergy that would improve the relationship.

However, the existing business relationship between Nigeria and Finland shows that both countries transact and relate from both direction of trade i.e. Nigeria exports and imports from Finland and vice versa. However, records establish that the

trade balance over years (2009-sep, 2015) was positive for Finnish exports to Nigeria. As at end of the year 2009 Finnish exports to Nigeria were estimated to be 61.5 million euro while trade received from Nigeria was 0.1 million euro. The following years are of indifferent trend. Table 4 below exhibits the records for the stated period.

Million EUR	2009	2010	2011	2012	1-9 2013
Finnish exports	61.5	47.8	23.4	56.3	20.8
Finnish imports	0.1	0.1	1.8	0.8	0.5
Trade balance	61	48	22	56	20

Table 4. Trade Between Nigeria and Finland in 2009-2013 (Finpro,2013)

In addition the viability of Nigerian market for the Finnish investors or products could be assessed and proved by the performance of the Finnish's companies in Nigeria, e.g. Wartsila. Also, the estimated record of top ten Finnish exports to Nigeria between January-September 2013 reveals that the total value of exports to Nigeria stood at 20.2 million euro. (See break down of products value in table 5 below).

Product	Value of exports (million EUR)
Paper, paperboard and articles thereof	11.0
Plastics in primary forms	1.8
Instruments and apparatus n.e.s.	1.7
Machinery for specialized industries	1.5
Electric machinery, n.e.s. and parts	1.2
Road vehicles	1.2
Power generating machinery and equipment	0.7
Pulp and waste paper	0.5
Organic chemicals	0.4
Medicinal and pharmaceutical products	0.2
Total of top ten exports to country	20.2

Table 5. Top Ten Finnish Product Exported to Nigeria in Jan-sep,2013 (Finnish Custom, Finpro)

However, the official Finnish custom report does not show the list of companies that carried out the exports, but other sources established that companies such as wartsila, Siemens-network, Nokia (Microsoft) do have exports or operations in Nigeria.

4.3 Business Operation Environment in Nigeria – PESTEL Analysis

In reference to the previous chapter on a need for environmental analysis, the Nigeria business climate will be analysed according to the four factors included in the PESTEL model, i.e. Political, Economic, Socio-cultural, Economic and the Legal environment.

4.3.1 Political Environment

Commencing with the political structure, the country official name is Federal Republic of Nigeria with 36 states with one federal capital territory (Abuja) and it operates a federalism system of government comprising three levels of authorities; federal, state and local government. The President, Vice President and other members administrate at the federal level, the governor, deputy governor and other members controls the states, while the chairman and other members administers the local government (Country Report Nigeria, Dec 2014)

To complement and check the activities of the apex seats mentioned above, the legislature headed by senate president are responsible for law making, enforcement handled by the executive, while interpretation of the law remains the duty of the judiciary.

However the current situation reveals that the country remains politically unstable. The country is an oil-rich nation, but the struggle for power on control of oil revenue gave rise to corruption, not less than 80 percent of gain from oil revenue is accrued by less than 1 percent of the population who are people in government posts, politicians, forces, national and state assemblies etc. But the present administration has taken up measures by creating agencies to fight against oil related corruption and others crisis like the boko haram terrorist issues.

However, the political environment as it is related to dairy industry in Nigeria is very stable, the reason being that, there is no government interference or participation in the industry as all the firms in the industry are privately owned thereby making it independent of political intimidation by government or its agencies. As

a result, new firm are being encouraged to participate in the industry in as much as they can meet up with the basic entry requirements.

4.3.2 Economic Environment

The rebase exercise at the end of first quarter of 2004 put Nigerian economy as the largest economy in Africa with the GDP (Gross Domestic Product) estimated at USD 479 billion. Oil remains the main source of revenue for the country while the nation's economic trend consistently moves upward at a rate of 6% to 8% on annual basis been driven by growth in telecommunication, agriculture and services. Also, the fiscal policy of countercyclical nature practised by the fiscal authorities in 2011-2013 highly brought down the deficit in the nation's budget. In addition the banking sector experienced recapitalization in 2009 as a result of financial crisis in the year 2008-2009 (Central Intelligence Agency (CIA), Country Economy Overview).

Although the nation has challenges of inadequate power supply, delay in enacting of legislations, less adequate infrastructure, less efficient registration of property system, insecurity, pervasive corruption, high poverty rate (more than 62 percent of 170 million) but the government kept working on increasing transparency, production diversification and improved fiscal management alongside stronger public, private and bilateral partnership on various sectors of the economy.

Nigeria GDP, Inflation, Exchange Rate Assessment

The country's GDP in terms of the purchasing power parity as at year end 2014 was estimated at USD1.053 trillion which was an upshot from the preceding years (2012 and 2013) estimate of USD 990.4 billion and USD 938.8 billion respectively which indicates a growth rate of 4.3%, 5.4% and 6.3% for the three years (2012-14) while the official GDP exchange rate representing the value of all goods sold in the country at USD value or price estimate was USD574 billion. The change in consumer price (inflation rate) for 2014 compared to the immediate preceding year (2013) was estimated at 8.1%, while 2013 compared to 2012 was 8.5% (CIA)

Despite the level of unemployment estimated at 23.9% the country medium term outlook is good and the growth in the national revenue and government pursuit in eradicating all challenges in the economy proves a viability of the economy for investment.

4.3.3 Social-cultural Environment:

Reference to theoretical aspect analysis requires that the socio-cultural elements such as customs, lifestyle, features of the society, language, religion, attitude to work etc be assessed before entering an international or new market. In lieu of this need some of the factors as related to Nigeria are assessed below.

Nigeria and Population (Religion, Language, Age Distribution)

Nigeria, the most populated nation in Africa, has 250 ethnic groups with the Hausa (Hausa and Fulani), Yoruba and Igbo as the most politically influential groups. The official language is English and local languages are Hausa, Yoruba, Igbo (Ibo), Fulani and more than 500 additional languages. 50 percent of the population put at approximately 182 million (estimation July 2015) are Muslim, 40% are Christian while 10 percents practice indigenous religion. 47.8 percent of the population resides in the urban area while others are in the rural areas with rate of urbanisation for 2010-15 estimate stood at 4.7 percent (CIA Word Fact Book, 2015)

The teen group of 0-14 years dominate the population with 43%, followed by young adults (25-54) with 30.6% of the population, 15-24 with 19.4% and the ageing population group of 65 years and above stood as the lowest which was lower than 55-64 years old group of 3.9%. This put the country median age at 18.2 years with population growth rate at 2.5% (2015 estimation), while the death rate was estimated at 1.3 deaths per 100, which is lower than estimated birth rate of 3.8/100. (CIA Word Fact Book, 2015)

Nigeria Culture and Work Culture

Every society practice different forms of culture. In Nigeria greetings are carried out by shaking hands using the right hand. The elder initiate the greeting by stretching the right hand to the younger one who respond by holding the elder's hand and give a bow. However, in some parts of the country other gestures may apply but the younger ones must show respect to the elder or older ones.

The general culture also applies to business culture that shows hierarchically nature as respect should be given by subordinates to seniors at work while colleagues too are expected to be given mutual respect. Business decisions or decision in business meeting are made by senior managers (senior colleagues)

Work Culture

Nigerians attitude to work time seems relaxed. Business meetings are scheduled in advance with confirmation days prior to the meeting date. The best thing regarding business meeting is to arrive on time. Working days in the country are Monday to Friday, though Friday might be a work free day or half workday in the northern part for religion and prayer observations, while work hours are 8am to 5pm.

Negotiations and Meetings

As said earlier the common form of greeting are handshakes, however, a woman should be allowed to initiate handshake rather than a male. Personal rapport should be created with a local counterpart prior to commencement of business deals in order to establish trust, thus inquiring the general well being of the counterpart and addressing with all titles (honorific, academic or professional title) could be good practice.

Hand-outs (Gifts)

One of the quick and simple ways to build and widen business rapport would be by bringing wrapped gift to the host or the children. They should be wrapped. So,

if a meeting is arranged in a Nigerian home, going with a gift would be a welcome idea. Source: Finpro (Nigeria Country Profile, Business Culture)

4.3.4 Technological Environment

Technological factors classed as part of factors that may make or ruin the success of a firm in a market, need to be considered in order to determine the development and how to adapt or survive in the environment. In respect of this, the information technology level, power supply (electricity) etc, need to be reviewed.

Information Communication Technology

The number of people that use the internet has been on the increase on yearly basis. Nigeria was described as an highly competitive market for fixed mobile lines and the biggest mobile market with over 110 million users, also the internet broadband rate had moved upward from what it was in the years past (Budde-Comm, 2013).

As reported by Word Bank publication in 2012, the fixed broadband (digital line subscribers, high speed technologies, cable modems) was estimated at more than 99,000 and people with access to the internet was estimated to have increased to 28.5 for the year 2010. (See Figure 7 below)

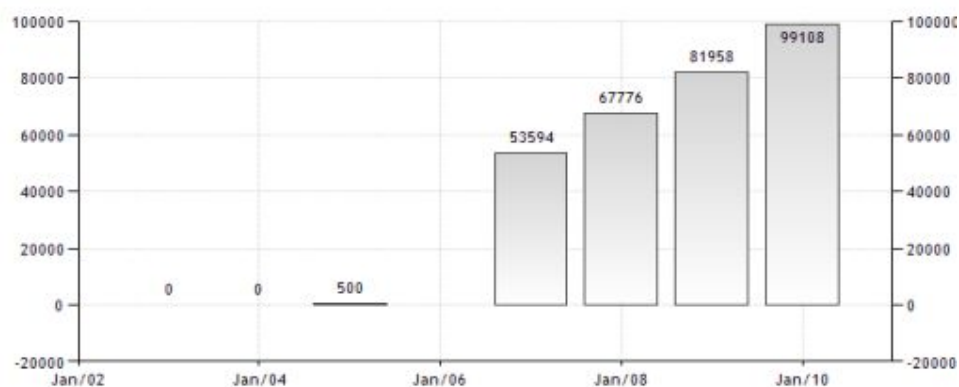


Figure 7. Internet Broad Band Users in Nigeria

Also reviewing the number of internet users in the country showed an upward movement per 100. The rate at which the number of users in Nigeria move was

higher than the global average as of 2013. (World Bank report, 2014) see figure 8 below. Also the country was ranked first of ten highest internet countries in Africa as at second quarter of the year 2012 (see figure 9 below)

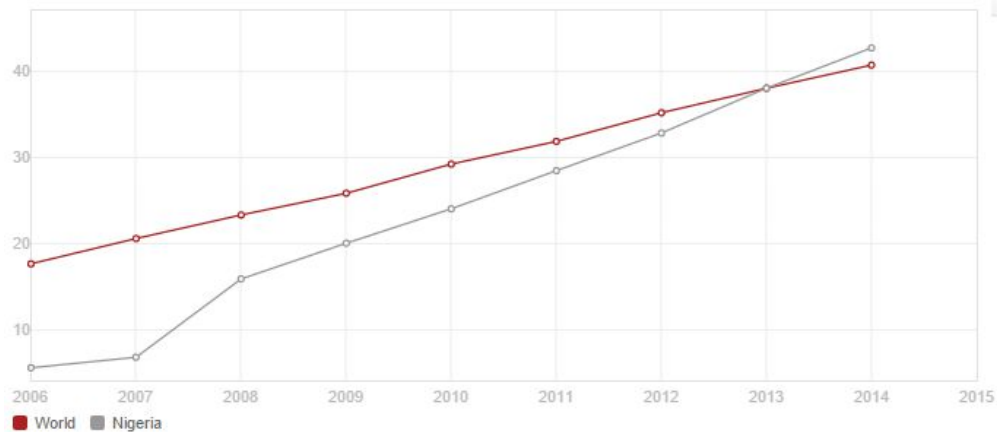


Figure 8. Internet Users per 100 people

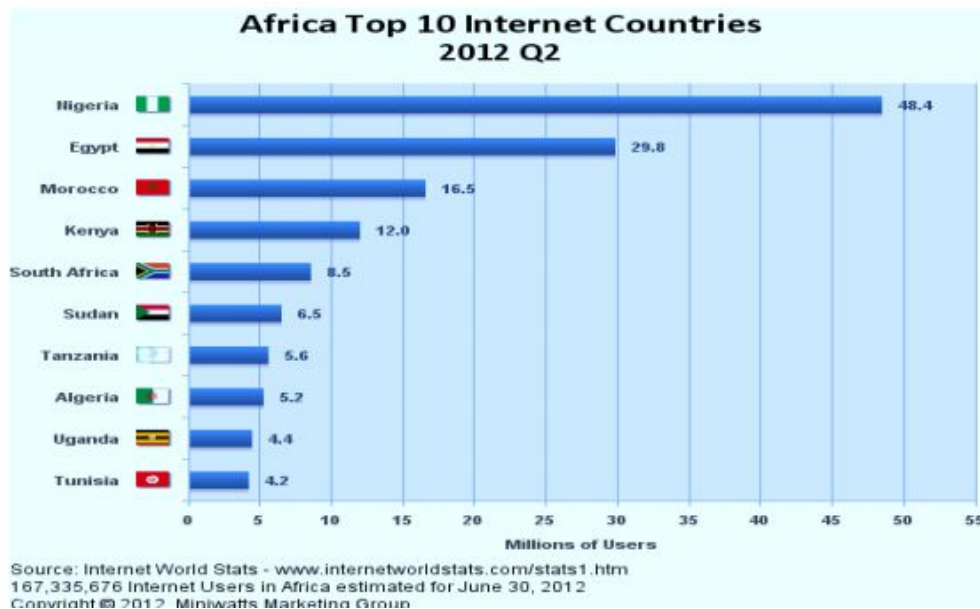


Figure 9. Top Ten Internet Nations in Africa (Internet World States)

Telecommunication (Mobile)

Nigeria, classed as one of biggest and fastest growing mobile telecommunication market attracts a high number of investors from overseas, though the market

operates at lower market penetration level of 75%. (it Nigeria, Top 4 Nigerian Mobile Network Operators)

Mobile service was launched in Nigeria in 2001 by MTN Nigeria (Global System for Mobile communication). Presently, four companies are leading the Network market in Nigeria, namely MTN with market share of 45% (57,183,745 users), Bairtel; 21%(26,194,336 users) Globacom; 20% (24,490,650 users) and Etisalat; 14% (18,119,397 users). Figure 10 exhibits the market shares based on users disrtibution.

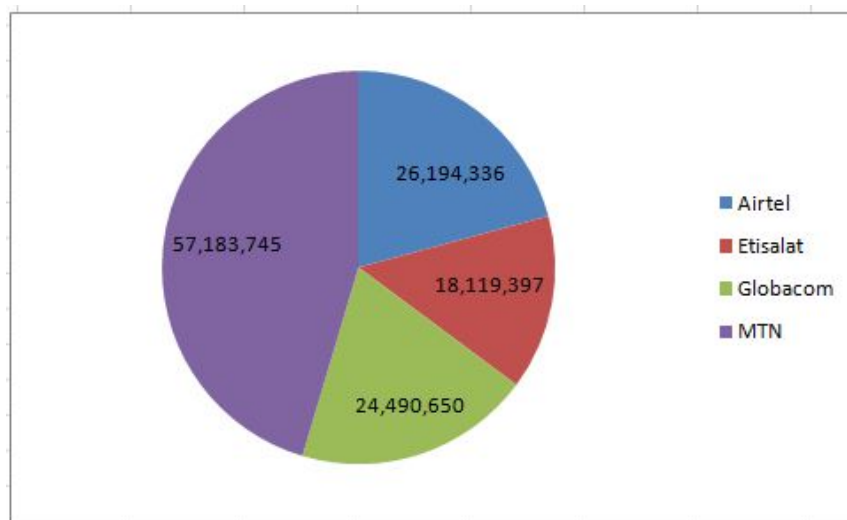


Figure 10. Top four Nigerian Mobile User Operators Subscribers (2014)

Electronic Commerce

There has been steady growth in in commerce in Nigeria as a result of the speedy movement in the telecommunication industry services. The effect and benefit could be felt on the banking services with the provision of general banking services online. Banks have set up and publish corporate information online on created website which paved way for customers to carry out transactions online and receive services online. (International Journal of Modern Engineering Research, 2012)

The adoption of e-commerce by banks in Nigeria took place at early 2000 in order to bring down the corruption level, reduce physical cash mobility by introducing electronic payment forms, using magnetic ink character Recognition (MICR).

At present banks in Nigeria and customers transact and carry out most transactions via the use of online banking like mobile banking, Electronic transfers, Automated Teller machines etc which lead to efficient and effective transaction, safety of transaction and life, less physical mobility of person and cash.

4.3.5 Ecological Environment (Environmental Factors)

Consideration should also be given to environmental factors to determine the possible effects on business despite that they might be uncontrollable factors. Factors like waste disposal, monitoring of pollution, energy consumption etc are important environmental factors, which are assessed as below.

The 1999 constitution represent the foundation for policy on environmental issues in Nigeria. The constitution empowered individual state to safeguard and improve the environment by protecting the components (air, water and land). Although several laws previously existed on environmental protection, but the recent and active one was established by FEPA (Federal Ministry of Environments) under EPA (Environmental Protection Agency).

To complement the work of the FEPA, each state has states law and agencies for environmental controls. For example, Lagos State Environmental Protection Agency (LASEPA) monitors and controls and waste disposal in Lagos state and advise the government on management policies regarding the environment.

Waste Disposal

Disposal of Waste in the country comprises of liquid wastes, industrial wastes, solid wastes and gases that have hydrogen-sulphide, carbon-monoxide or any toxic contents. Wastes are dumped at areas (lands) designated for such purpose,

though some illegal dumping in burrow pits or open drainages is often experienced.

Lagos state, the state with the highest inhabitant population (17.5million based on parallel count conducted by the state during the national census in 2006) has five sites approved for refuse disposal. The activities on the sites and the agency in care had been highly effective. The activities of disposal for July-Dec, 2011 and 1st half of 2012 was averagely 239,000 and 330,000 tonnes respectively. (*See Table 6 below*).

2011 half year report (Amount in Tonnes)	
July	263, 429.58
August	278, 770
September	274, 547
October	261, 694.40
November	267, 657
December	239, 282
2012 half (Amount Cubic metres)	
January	171, 092.65
February	355, 701.98
March	339, 020.58
April	350, 218.41
May	287, 193.77
June	314, 824

Table 6. Lagos State Waste Disposal for 2011-2012 (Lagos State Waste Management Board,Iriruaga Edith Toere, 2013)

However, the country has no specific plan on waste management, though of recent draft on Municipal and Agriculture wastes was reviewed in August, 2012, but expectation is that the policy would facilitate development of legislation on waste disposal and address the problem of waste management in the country.

Electricity (Consumption of Energy and Power)

Nigeria economy is faced by poor development on electricity and power supply due to inadequate management and regulation of supply of the electricity generated in the country. Electric corporation of Nigeria established in 1951 to manage

the electric sector was merged with Niger Dam Authority (NDA set up 1971) in 1972 to form Nigeria Electric power Authority (NEPA) to manage the generation, transmission, distribution and trading of electricity.

The country has three electricity divisions which comprise Federal Government of Nigeria sector (FGN), National Integrated Power Projects and Independent Power Projects (IPPs; controlled by private sectors). Regulation of the nation's electricity remains the responsibility of Nigeria Electricity Regulatory Commission (NERC) which sets the price for electricity at fair prices for the users and makes adequate return to the generating bodies. Afam VI owned by shell Company is the biggest IPP power plant in the country has a capacity of 650 megawatt. The net generation of electricity for Nigeria was estimated at 18.8 billion kilowatt per hour (KWh) with net consumption of 17.7 billion KWh with the balance of 1.7 KWh exported to Niger as result of agreement made in West Africa Power Pool (WAPP).

Although, the current supply of electricity remains inadequate in Nigeria as estimation showed that not more than 10 percent of households in rural area and close to 40 percent of the entire population have access to adequate power supply, due to poor maintenance of facilities.

A recent report on power supply in Nigeria revealed that Nigeria needs to build more power plants and increase capacity supply to 135 gigawatts to meet the nation's vision for in 2020. (NOI Polls 2013)

However, despite the challenges in power supply, the ecological terrain of the country is friendly to industries. This includes friendly weather across the country, especially in the western, southern and eastern parts of the country. No firm in the industry has suffered any loss or damage in the country as a result of any known ecological factor.

4.3.6 Legal Environment

The legal environment of a country also needs to be assessed to determine the level and effects of related macro environmental factors that have the possibility

of affecting business success. Related legislations such as health and safety, employment law and special review of Nigeria Food and Agricultural Import Regulations (Standards Country Report 2006) will be reviewed.

Legal Requirement on Employment

Legal working work days in Nigeria are 5-6 working days per week and might be up to 35 hours or more per week depending on the nature of work or employer. Employees are permitted to have a day work free per week, while over time could be up to maximum of fifty hours in a week not exceeding two months in a year (NACUBO International Resource Centre).

After the completion of three months probation, the employer is legally required to give the worker a contract with specifications of the employment terms, remuneration and other conditions of the engagement, and method of disengagement (termination).

In respect of termination, a day's notice is required to be given to a worker or employee on three (3) months probation period, while employees above three (3) months but less than two (2) years are entitled to a week's notice, while above two (2) years but less than five (5) are entitled to two (2) weeks' notice and more than five (5) years must be given a month's notice. In the case of a layoff, the employer has to notify the trade union or workers representatives about the reason for such a layoff and the LIFO (last in first out) system of disengagement of workers should be applied. Employees are entitled to receive some benefit for sick leave, maternity leave and annual leave (*see figure7 below*)

Annual Vacation Leave	6 days (after 1 year of full-time service)
Sick Leave	12 days (maximum, medical confirmation required)
Maternity Leave	12 weeks (6 weeks prior and 6 weeks following the birth)

Table 7. Legally Mandated Benefit and Leave in Nigeria (NACUBO)

Occupation Safety (Health and safety)

Bills are in place and operative to protect employees from dangerous or risks associated with their jobs, in addition the National Council for Occupational Safety and Health protects and enforces employees' safety. The present bill comprises 111 clauses while clause 83 states penalties and offences. Penalties involve jail terms or fines of NGN50,000 (Fifty thousand Naira) to half a million naira (NGN500,000) depending on the level and type of non-compliance offence committed.

Regulation on Food and Agriculture Import

The Nigeria Food and Agricultural Import regulations and standards analyse the legislation as related to importing products to Nigeria by dealing extensively with Labelling (including general requirements), regulations on packaging and containers, other requirements and regulation, and a brief of Import /export procedure (Inspection and Documentation) etc. (Global Agricultural Gain report NI6017,2006). The listed regulations and requirements are analysed below.

Regulatory Agencies

Fairs Country Report for Nigeria (2013) reported by GAIN report in Country report 2006, established that National Agency for Food and Drug Administration (NAFDAC) as the authorised regulatory body for food safety regulations in Nigeria's food production, distribution, consumption and importation chain. The following government agencies (GON) regulate and monitor standards and practices regarding food safety in Nigeria:

Ministries: Federal Ministry of Agriculture & Water Resources, Federal Ministry of Health and Federal Ministry of Commerce

Departments: Federal Fisheries Department and Department of Livestock
Agencies: The agency with the leading role; National Agency for Food and Drug Administration and Control (NAFDAC), The Standards Organization of Nigeria

(SON), and The Nigeria Agricultural Plant Quarantine Services (NAQS) and Consumer Protection Council.

NAFDAC with the lead role in enforcing regulation and control of processed food imports, production, distribution, advertisement and consumption in Nigeria performs the following control activities (GAIN Report, 2006):

1. Licensing of food manufacturing premises; 2. Registration of food products and issuance of marketing authorization; 3. Importation & exportation of food; 4. Labeling of food products; 5. Advertisement of food products; 6. Inspection for GMP and GHP of food producing premises of foreign establishments whose products are to be imported into Nigeria; 7. Health control of Quick-service Restaurants; 8. Marketing of breast milk substitutes. (Visit: www.nafdac.gov.ng for details)

Requirements and regulation on Import Products According to sections in

The related sections of the controlling body (NAFDAC) regulations establishes the following requirements:

Section II (Labelling and General Requirements)

Labelling requirements establishes minimum requirements as per labelling to be informative and non misleading nor fraudulent, while General Requirements requires that product's brand name should be written in bold letters. Full name and location (country of origin) address of producer must be stated on a good's label, life span date must be stated (manufactured date and best before/expiry date in the required format DD/MM/YYYY). Cognisance should be taken that NAFDAC requires that the expiry date should be at least half shelf life as at the time of inspection (after clearing by customs).

Flavour and colour must be stated, ingredients must be listed by common names according to prominence weight and NAFDAC registration number should be stated on product label. Information should be in English or a translation in English if information is in another language. Overseas labels must be adhered to

prior to importation into Nigeria as NAFDAC does not allow any exception to labelling requirements.

Section III Regulations on Packaging and Container

There are no specific regulation on packaging nor law on disposal of wastes or product package recycling, thus no specific restrictions are impacted on imported food product packaging materials, but NAFDAC is in the process of developing regulations on packaging and requires that plastics must be of food grade not leaching into the product.

Section VI Other Requirements and Regulation)

The general aspect of the NAFDAC regulation, section (VI) requires that a manufacturer outside Nigeria, should have a representative in Nigeria which should be a duly registered Nigerian company possessing facilities to implement a recall of a product when there is demand for such an action and also be responsible to the health competent authority in Nigeria when it comes to informing the authority of any serious or new hazard associated with the product.

The representative of an exporter (importer) of any food products has to submit an application to the Trade marks (Patents and Designs) registry to register the product's trademark. The registration of a trademark application should be made to NAFDAC following prescribed form to the Directorate of Registration and Regulatory Affairs on a form labeled "FORM D-REG/001" available in electronic format on NAFDAC website for download.

Import/Export Procedure

After consideration of regulation on packaging and general requirement as analysed above, there is need to make an assessment of issues in relation to import /export procedure. The GAIN Report also included the related factors; inspection, documentation, duty and method of payment in **Section IX**, which are analysed in this section of this report. These, are assessed from the view of importation into

Nigeria as established by Government of Nigeria (GON) effective January 1, 2006 regarding Inspection, Documentation, Duty and Payment method.

Inspection

The GON implemented Destination Inspection (DI) in place of pre-shipment inspection (PSI). Under the new rule goods destined for Nigeria are inspected by the Nigeria Custom Service (NCS) at the entry point or at the point of shipment. The GAIN Report n17005 explain this with full details.

Documentation

All importers to Nigeria are mandated to complete or process form "M" through an approved dealer bank regardless of the value and whether payment is involved or not. The form is required to indicate proper description of the goods concerned for price verification; Product Type, Brand, Quality, Quantity and Packaging, Country of Origin, Expiry Date or Shelf Life and Specification of Active Ingridients.

Flowchart: Import Documentation Procedures

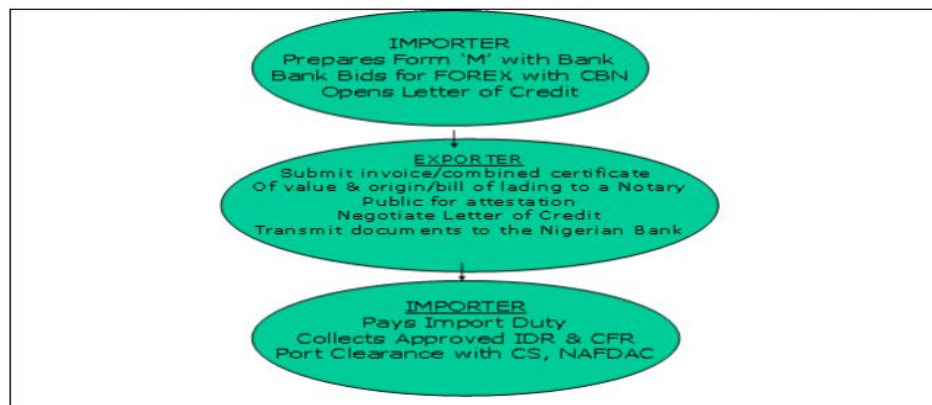


Figure 11. Import Documentation procedure (GAIN Report, 2006)

Duty

The importer's bank is requested by the importer to issue a certified cheque in favour of the Federal Government's Import Duty account for import tariff

payment. This should be completed before the original IDR and related shipping documents are provided by the NCS for initiation of the clearing process of the good by the importer. A possibility exist, for this to be carried out during the transport period.

Effective January, 2006 GON commenced the partial implementation of ECOWAS Common External Tariff (CET) which reduces tariff bands down to five bands from twenty bands (Gain Report NI6017, Country report 2006). The five tariff bands are a 0% duty on machineries, medicines and capital goods, 5% duty unprocessed materials; 10% duty on semi processed goods; 20% duty on finished goods; and 50% duty on industrial goods that the GON wants to protect. From entering the country.

Payment methods

Overseas trade presents associated risks, which causes uncertainty regarding the terms and timing of payment between the two parties. Exporters would like to receive payments as fast as possible, also importers would like to delay payments or have orders received before payments are made.

There exist series or different forms of payment, such as: Cash in Advance, Letter of Credit, Documentary Collections, Open Account and others. But the highly recommended form of payment is the issue of irrevocable letter of credit (ILC) opened by commercial bank in Nigeria with a corresponding bank in Finland/Europe.

Among other regulatory agencies that regulate the entrance into the industry, operations in the industry and the market as a whole, National Agency for Food and Drug Administration and Control (NAFDAC), Standard Organisation of Nigeria (SON), Manufacturers Association of Nigeria (MAN), Corporate Affairs Commission (CAC) and Consumers Protection Commission (CPC) regulate the industry for smooth running of the value chain.

4.4 Competitive Analysis (Using Swot) 2 Competitors

All the companies in the industry are known for developing strategies that will help them outsmart others and subsequently become the market leader. However, only a few of them, such as West Africa Milk Company (WAMCO) Plc, Nestle Nigeria Plc, Cowbell etc have always been at the forefront and each of them may be referred to as the market leader at one time or the other while others, such as Dano Milk, Fan Milk Viju Industries, Shagalinku Yoghurt, Givanas Nigeria Limited etc, are considered market followers.

In this regard, WAMCO Nigeria Plc and Cowbell are known to always develop counter strategies all aimed at capturing a larger percentage of the market share. Therefore, the competition between these two companies has been so intense that the teeming consumer populace changes their loyalty from time to time.

The level of competition between these two firms is analysed using SWOT analysis as presented in Table 8 below.

Company	WAMCO Nigeria Plc	Promasidor Nigeria Plc (cowbell)
Strengths	<ul style="list-style-type: none"> • Strong position in the Nigerian dairy market. • Strong brand names in the evaporated • Good operating cash flow • Extensive channel of distribution • Effective management • Large economic of scale. • Strong position in powdered milk market 	<ul style="list-style-type: none"> • Strong brand name in the milk powder market • Extensive channels of distribution • Strong brand name among little children
weaknesses	<ul style="list-style-type: none"> • Strongly depend on single imported material 	<ul style="list-style-type: none"> • Production of just few numbers of products.

	<ul style="list-style-type: none"> • Inability to pass total raw material increase to consumers. 	<ul style="list-style-type: none"> • Shares other weaknesses as WAMCO
Opportunities	<ul style="list-style-type: none"> • Low consumption of milk in Nigeria suggests room for growth • Increase in per capital income coupled with aggressive marketing to enhance consumers' spending limit • Increase urbanization • Possibility to increase production capacity given increasing demand 	<ul style="list-style-type: none"> • Room for growth in the industry. • likely increase demand by consumers
Threats	<ul style="list-style-type: none"> • Competition may be stiffer in future as more foreign dairy companies search for growth in emerging markets • The security threat in Northern Nigeria may persist. 	<ul style="list-style-type: none"> • Same as related to WAMCO coupled with few lines of production that poses high threat.

Table 8. SWOT Analysis table of Key Competitors.

4.5 Analysis of Respondents' Results

4.5.1 Demographic Data

The important consumers' features i.e demographic data collected by the survey include genders, age (range), status of employment, and average monthly income range. The number of responses received from female respondents was 106 while 94 came from male respondents representing 53% and 47% for female and male respondents respectively. Regarding the age distribution data none of the respondents fall below 20 years old, but the respondents were distributed between 20-30, 31-40, 41-50 and 51-and above with the following frequencies 56, 18, 38, 88 respectively, which represented 28%, 9%, 19% and 44% respectively while below 20 years of age accounted for 0%. Table 9 provides a clear analysis regarding the gender and age distribution of the respondents while the chart reveals at an easy glance of the general age distribution of the respondents in percentage.

Note that only the gender and age distribution data are presented here, while other data (behaviour of the consumers and purchasing intention) and analysis are presented in Appendix 3.

		Gender			Age Distr.%
		Male	Female	Total	
Age	Below 20	0	0	0	0%
	20-30	38	18	56	28%
	31-40	0	18	18	9%
	41-50	20	18	38	19%
	51-and Above	36	52	88	44%
Total		94	106	200	100%
Gender %		47%	53%	100%	

Table 9. Age -Group Cross Tabulation Table

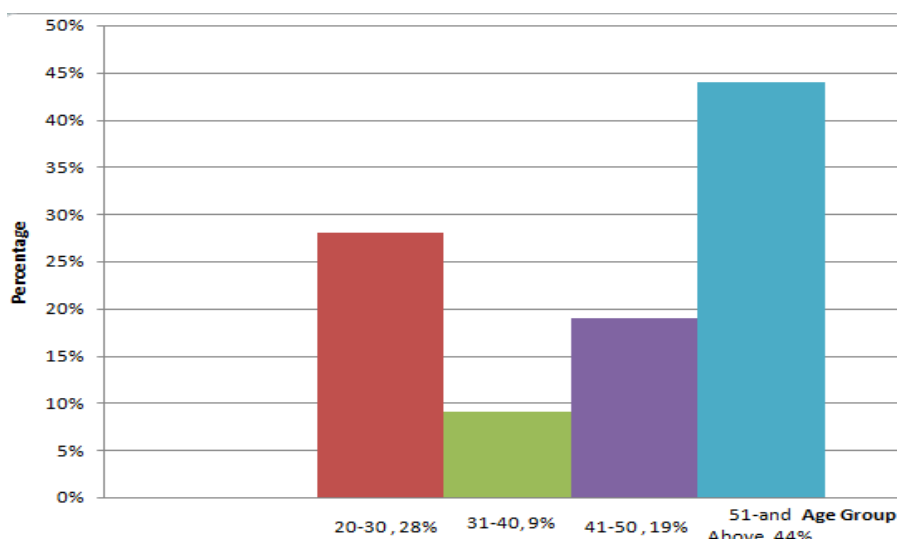


Figure 12. Age Group Distribution Percentage Chart

4.5.2 Behaviours of the consumers and Purchasing Intention

The behaviours of the customers regarding primary shoppers in homes, frequency of milk consumption, frequencies of purchasing milk along side the possibility of purchasing or consuming a particular type of milk product are analysed here.

The results are fully analysed and provided in Appendix 3.

4.5.3 Potential Distributors Interview Outcome

Efforts were made to conduct interview for some identified potential distributors in order to collect information on modalities of operation that could be applied to importation of the subject product (milk) to Nigeria, which would be of more practical from their experience rather than what theories or books showed. The interview was also expected to find out if they would be interested in acting as an agent or a partner for the Finnish Milk Product- Other related information such as packaging for importation, packaging for retail sales, consumer price range and many more.

However, contacts made to some of the selected interviewees were either none fully completed or there are requests by the organisations representatives for a face to face discussion rather than phone interview. Only one of the contacted in-

interviewees (A Director of a general Distribution and Marketing Firm in Egbeda area of Lagos State) was able to give adequate attention, responses and interest.

The interview was carried out on the phone following the agreement reached via response to email initially sent to the company representative. The director in response to the proposal letter scheduled a time for the interview to be carried out on the phone. The interview took place on the 10th of July, 2015.

The interviewee was asked some prepared and related question relating to the milk market in Nigeria, the existing brands, places where milk is often purchased from etc. Also, the company's interest in acting as an agent or a partner of the Finnish company in executing the importation of the Finnish milk powder was inquired. (*See Appendix 2 for interview questions*).

Response from Interviewee

The interviewee explained that milk products in Nigeria are of different brands ranging from imported and domestic brands which varies in quality, quantity and price. Few of the top most popular brands in consumers' perception of high quality was mentioned. Also general package size practiced by producers in Nigeria were named.

Peak milk powder, variety of product by Frieslandcanpina WAMCO Nigeria PLC, Cowbell milk (cowbell our milk) products of Promasidor, Blue Boat milk powder of Ranona Ltd were mentioned as few of the top brands commonly sold in shops, supermarkets and kiosks with consumable unit sizes in sachets ranging from smallest of 6grams to biggest of 400grams. Also, powdered milks are available in medium or big sizes in cardboard boxes and tins of 400grams and 500grams as displayed with a sample product (packages) of Ranona (Blue boat milk) and Promasidor (cowbell) products as shown in figures 13 and 14 below respectively.



Figure 13. Product (sachet) Sizes Sample (Goodle Image 2015)



Figure 14. Product Size Sample 2 (Google Image 2015)

The interviewee shield light on the price range of the products prices by giving estimated prices and advised verification from standard stores that also operate online , such as Jumia (Jumia.com) and konga (konga.com) as indicated in table 4 below:

6grams*10 sachets	20/25grams*10 sachets	400grams
NGN100-120	NGN650-700	NGN748-1000

Table 10. Verified Price Range estimations of Powdered milk in Grams

Responding to question on general advise or idea, the interviewee advised that for a food product to be imported to Nigeria, there is need to register the product with

NAFDAC and Nigerian Industrial Standards (NIS) for standardisation prior to bringing the goods to Nigeria. These requirements have been highlighted in the Regulatory, Restrictions and Requirements section above.

Further advice was given that packaging of powdered product like milks are required to be in not more than 25 kilograms per bag for an import to the country been required by regulation. Also, the need to consider procuring a sacheting machine and setting up of packaging store was given as a recommendation because sachets packages (smaller packages) sell more in Nigeria than bigger packages or other packages.

The distributor (interviewee) also expressed interest to work as an agent of the Finnish company if the product would be introduced to Nigeria. Also, the sending of sample product was requested by the interviewee.

4.5.3 Reliability and Validity of Analysis and Research

Judging the value of this research using conventional criteria i.e reliability and validity, the research could be classed as valid and reliable due to the following reasons below.

Reliability

For the reliability of the research work to be strengthened a large number of questionnaire were sent out both online form (email) and discussion on phone while questionnaires were completed on behalf of some respondents who already have been given awareness that a research questionnaires was been completed on their behalf based on responses given to questions asked. Also, a hard copy of questionnaire was handed over to some respondents.

Validity

Identification of the research problem and objective coupled with the use of reliable references and sources like published journals, books, internet, Government agencies websites and publications, initial studies; relating to market

research, theories etc to support and carry out the research establishes the validity of the research work and evidences.

Furthermore, the questionnaire used was pretested and relevant views of the sample group were included in final questionnaire. The sample size (group) utilized was relevant as they would probably have interaction with the subject product. Thus, if another researcher of the same product or type uses the same group or sample size, there is high probability that the same conclusion would be made, this establishes the reliability and validity of the research.

Confidence Interval/Level

Moreover the research work can be seen as reliable based on the number of responses received i.e 200 responses can be a true representative of the state's (Lagos State) total population of 9,11,3605 (National Population Commission, Nigeria, States Population, 2013) However, a 10% confidence interval which is the positive and negative deviation allowed between the opinions of the respondents and the whole population can be applied to the results from consumers. For example Inquiry 11 which inquired the type of milk consumers often buy and would likely buy generated 46% and 54% for Locally produced milk and imported milk respectively. A 10% confidence level establishes that 44-64% of the entire population would likely buy imported milk. Also, for the opinions to represent the whole milk consumers' opinion in Nigeria, a higher confidence level greater than 10% can be applied to the nationwide population for a better decision making.

In whole, the research was able to provide the actual need which is to determine consumer behaviour and purchase preferences which was carried out with the use of a questionnaire. Also, the need to determine the possibility of entering the market was also achieved as a result of market analysis and the interviewing of a potential distributor.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

This research examine the behaviour of milk consumers, the past and current situation of the Nigerian market, precicely the dairy market (industry) in realtion to the milk sector and also analysed the future of the market in order to determine the possibility of market entry of Finnish milk powder. Few suggestions were made regarding Finnish milk producer (product) on whether to and how to enter the Nigerian market as well as suggestios for future research as a result of the findings from the analysis.

The analysis exhibits that the dairy sector in Nigeria remain the second largest and positively performing sector in the beverages and food industry and the milk segment as the leading segment in the dairy sector. The growth in population, increase in income and the development of new age innovation in the industry like sachet milk facilitated increase in demand for milk product. There exist expectation that growth will be maintained and a non stop increase in demand for milk. Also, note should be taken that at the moment the locally produced milk could not meet the demand in the market.

Moreover, the opportunities gotten from the SWOT analysis reveal that there is room and possibilities for growth in the industry, i.e growth in demand definately resulting to more new product entry. The technological analysis from the PESTEL analysis reveals that the country (industry) lack adequate technological advancement required to locally make output to meet the demand for the industrys' products which make the country rely on importation of subject goods (dairy product) to fill the gap between demand and supply.

The analysis of consumers (customer analysis) reveals a clearer view of their behaviour and preferences when it comes to purchases. The customers have preferences for quantity, quality, price, sugar content, brand, packaging regarding purchasing and consumption of dairy products like milk. All these are clearly analysed in Appendix 3.

A conclusion could be made by considering the output of all the analysis made so far. Nigeria dairy industry (precisely the milk market) exhibits great market entry possibility, and high dependence and consumption of imported milk could be clearly seen to exist. However, challenges might occur in entering the market because of the customer base already controlled by the existing brands but this does not stop entering the market and taking grasp of some of the consumers and their loyalty.

5.2 Recommendation for the company

Based on the findings from the analysis made relating to the trends and growth in the industry, population growth, increase in income, the distinct feature of the subject product (lactose free milk powder) and the preferences consumers have for the feature and other preferences relating to other eight factors in inquiry ten of the questionnaire (see Appendix 2 and 3), should be considered in order to determine the strategy and what package should be taken to the market. This implies that the market is viable for the Finnish Farmer Cooperative (Finnish milk powder). Also considering the high value of importation of milk and cream powder (**HS100402211000**) estimated at NGN11,042,456419 of 2015 second quarter import ranking (Nigeria year book , 2nd Qtr 2015) there exists great prospects in the market.

Still, the issues relating to restrictions and regulation should be considered and information on the update of the regulation should be checked before any attempt to enter the market.

Moreover, the information and tips given by the potential agent (interviewed distributor) should be considered and verified before any transaction or export could be made. By working in line with all these, there exists assurance that entering the market would be easy, grasping customers would be possible, making sales, generating revenue and profit at the long run is highly possible. See **Appendix 3** for further recommendation.

5.3 Recommendation for further research

The research work may be of use or a basis for further findings or research on the successful entry of the market, i.e how to enter the Nigerian market or other related markets. This could be done by analysis and learning from entry and success made by moderately known products and brands like Coast milk (been reintroduced to the market in 2006), Nunu milk (introduced in 2005 as flagship product of Nutricima Dairy Company) etc. The research can also serve as basis for research on determining product positioning and product differentiation

Moreover, since customer behaviour that was analysed covered only Lagos State, the research could serve as base for research in to the behaviour of dairy product consumers in other parts of the country (for example, the northern part and eastern part of the country).

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Appendix 2. Interview Questions asked from Potential Distributor

1. What can you say about brands of milk product in Nigeria market?
2. Can you give a list or an idea of the leading brand or product in the market?
3. Where milk products are popularly purchased from fro consumable units?
4. What types of packages or sizes are available and which ones are mostly purchased?
5. Can you give idea of the products prices or price range?
6. I would like to seek you idea and general comment on importing new milk product to Nigeria from Europe (Finland)? in terms of packaging for importation, regulations,
7. What would be your interest if the overseas company decide to engage you as partner (agent) in executing the import (export) business?

APPENDIX 2. CONSUMERS' QUESTIONNAIRE

Research on Purchasing Intention for Imported Dairy (Milk) Product

Thank you for your acceptance to take in this important survey regarding assessment of dairy (Milk) consumption in Nigeria. Your opinion is to facilitate my academic requirement (BSc) in Vaasa UAS. The survey would take less than 5 minutes to complete. You are assured of the confidentiality of answered provided by you.

1. Gender: A. Male B. Female
2. Age:
 - A. Below 20 years old B. 20-30 years old
 - D. 31-40 years old E. 41-50 years old
 - E. 51-and Above
3. Work status:
 - A. Student B. Working C. Unemployed
 - D. Pensioned off/Retired E. Others
4. What is your average monthly income category?
 - A. Below 10000 NGN B. 10000-50000 NGN
 - C. 51000-100000 NGN D. 101000-150000 NGN
 - D. 151000-200000 NGN E. Above N200000
5. Who is the primary grocery shopper in your household? (Please check one box)
 - A. Yourself B. Spouse/Significant Other Parent
 - E. Other (please specify) _____
6. How often do you consume milk (diary product) in a week?

- A. 0 B. 1 C. 2 - 3 D. 4 - 5
 E. More than 5

7. How often do you purchase Dairy Products in a week? (Please check one box)

- 0 1 2 - 3 4 - 5 More than 5

8. Where do you often purchase dairy (milk) products? (Please check one)

- (1) Open Air Market
 (2) Shopping mall
 (3) Modern Trader
 (4) Other (Like Table Tops) _____

9. Which of the following groups of people influence your dairy products purchasing decisions? (Check all that apply)

- A. Spouse B. Children C, Other family members
 D. Friends E. Others (please specify) _____

10. As a dairy product buyer, please rate how important the following issues are on a scale of 1-5. Tick (x)

	1-Very unimportant	2-unimportant	3- Neutral	4- important	5-Very important
1. Price					
2. Product Availability					
3. Package Size					
4. Environmental Friendliness of Product/Company					
5. Brand					

6. Origin or source					
7. Quality					
8. Taste					
9. Lactose free (No sugar)					

11. Which type of dairy product would you likely to buy?

A. Imported B. Locally Produced

12. What size of powdered/sachet milk do you often or likely buy?

A. 6-12grams B.25-180grams 400-500grams

13. What would be the reason for purchasing imported milk (if your answer in 11 is "A")?

A. Better taste B. Quality and safety C. Higher nutrition D. Package

E. Well-known brand f. Advertisement G. Other reason:[

14. If our new (**Dairy/Lactose free powdered milk**) products from Finland were available today, how likely would you be to use it instead of competing products currently available from other companies?

A. Extremely Likely B. Very Likely C. Slightly Likely

D. Not Likely

15. Any additional comment on milk brands and imported milk consumption



Thank you.

APPENDIX 3

Empirical Analysis of consumers' Behavior, Conclusion and Recommendation

Appendix 3 remained confidential based on company request.

APPENDIX 4
Sample List of Companies Names of Milk Suppliers and Importers in Nigeria

Copany Name	Supplier Type	Product Type	Address
BELDIQUE NIGERIA ENTERPRISES	Importer, Exporter, Distributor, Manufacturer, Developer, Trader	Buttermilk, Flavored Milk, Milk, Pudding, Yogurt, Mens Jeans, Fruits	4, Ajayi Aina Street, Ifako-Gbagada, Lagos 23401 Lagos, Nigeria
Best quality in- vestment limited	Importer, Exporter, Distributor, Manufacturer, Developer, Trader, shop	Condensed Milk, Cheeses, Whey Powders, Ice Cream, Anhydrous Milk Fats, Butter Oils, Buttermilk, Flavored Milk, Milk, Pudding, Yogurt	Gbagada
Dicotis International Co. Ltd	Importer, Manufacturer	Milk Powder, Milk, Whey Powders	65 Teniola Street, Off Airways Road Surulere Lagos 2341 Lagos, Nigeria
De Maggio Limited	Importer, Manufacturer	Baby Milk Powders, Dairy Products, Sterilized Creams, Whipping Creams, Clotted Creams, Cream Substitutes, Milk Powder	Sky Memorial Complex; Block A, Flat 2, Plot 518, Michael Okpara Street Wuse Zone 5, Abuja F.C.T. Nigeria.

