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ABSTRACT
Marketing of stocks extend beyond buying and selling of stock in the floor of the Stock Exchange Market. It starts with and ends with investors but facilitated by stock brokers. It involves the adoption of marketing strategies which comprise a planned and systematic activity aimed at identifying, anticipating and satisfying investor’s stock needs and wants profitably. However, this study focuses on the marketing of stocks in the Nigerian Stock Exchange Market vis-à-vis the experience of the stock brokers in Enugu and Onitsha. The problems tacked revolved around marketing effort of the stock brokers especially as it concerns application of marketing strategies in stock marketing.

Some of the objectives of the study include:

i) To identify and examine various types of stocks traded in the stock exchange.

ii) To ascertain whether stockbrokers employ personal selling as a marketing of stock.

iii) To determine whether stock brokers use marketing communication strategies such as financial public relations in their efforts to market stocks in the Exchange.

iv) To identify and examine the extent stock brokers use relationship marketing in marketing stocks to clients/ investors.

Literature relevant to the topic where extensively reviewed and this formed the bulk of chapter two of the study. Both primary and secondary data sources were gainfully employed. Primary data course used are questionnaire and interviews. Both were used to elicit response form the respondents. Descriptive statistics were employed in the data presentation and analysis, while chi-square was used in testing the hypotheses. At the end. Some findings were made. First, stock brokers use different marketing strategies in their effort to market stocks in the stock exchange market. They also use financial public relations to investors. Conclusions were reached and recommendations made based on the findings.
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CHAPTER ONE

Introduction

1.1 Background of the Study

The term “the Stock Market: is a concept for the mechanism that enables the trading of company stocks (collective shares), other securities and derivatives. Hence, the purpose of Stock Exchange (also called the Exchange) is to facilitate the exchange of securities between buyers and sellers, thus providing a market place (virtual or real). The real market place is the physical locations share transactions are carried out on a trading floor, by a method known as open outcry. The virtual kind of market is composed of a network of computers where trades are made electronically via traders at computer terminals. (Okafor 1983; 89, Okafor 1996:90, Kee 2000: 2).

Facilitating the exchange process of stocks at both the real and virtual stocks markets are the participants – namely brokers and jobbers. Both types of participants are involved in the marketing of stocks. The brokers which this study is mainly interested in are the most numerous group of participants in a stock exchange. (Ayna, 2006:3).

Brokers are agents, that is, men on commission who execute orders on the floor of the Exchange on behalf of clients. The commission received is usually a fixed percentage of the total consideration for order executed. (Tajudeen, 1992:41). The brokerage function according to James and Henry (1990:48); Okafor (1993:88) is highly specialized in developed stock exchanges where the volume, value, and frequency of transactions impose a strict division of labour.

In the Nigerian Stock Exchange though, an emerging one, the strict division of labour is not practically observed mainly due to what experts term as “double capacity system”. The double capacity system permits a combination of both broker and jobber functions. This observed by Okafor (1996:91) ‘is the dominant
system in developing countries where market volume may not justify functional specialization”.

In the strict marketing sense, brokers (agents) do not take title (ownership) to goods and services being traded on behalf of their clients. But for them to really make enough commission for orders executed on either the floor of the exchange or electronically on behalf of clients, they are involved in the marketing of various stocks, Ayna (2006:3). Apart from the facilitating function of brokers in the exchange process of stock between sellers and buyers, brokers’ role in the marketing of stock is both advisory and communicative. Irrespective of the structural and operational mode of a broker (whether he/she operates as an individual entity or under a brokerage firm), he/she is under obligation to provide and disseminate stock market information to the clients. The stock market information include trading statistics, all share index, company investment ratios and company news (financial Statements and Corporate Actions) Onah, 2002:18). The basis of this marketing communication function of the broker in his/lier effort to market Stocks is to furnish investors with adequate and accurate information that will help them make better investment decisions (Kee 2000).

Biased information or inaccurate stock market information may well surely have adverse effect on investors as observed by Warren Buffet (2005:3) thus:

With each passing year, the noise level in the Stock Market rises. Television commentators, financial writers, analysis and marketing strategists are overtaking each other to get investors attention. At the same time, individual investors, immersed in chat rooms and message boards, are exchanging questionable and often misleading tips. Yet despite all these available information, investors find ii increasingly difficult to make profit. Stock prices skyrocket with little reason, then plummet just us quickly, and people who have turned to investing for their children ‘s education and their own retirement become frightened. Sometimes there appears to be no rhythm or reason to the market, only folly.
Based on the above scenario one question many people keep asking is, “How does one make money investing?”

There are many different approaches on how accurate information can be provided to investors. Two basic methods often used are classified either as fundamental analysis or technical analysis. Fundamental analysis refers to analyzing companies by their financial statements found in SEC filings, business trends, general economic conditions, and so on. Technical analysis studies price action in markets through the use of charts and quantitative techniques to attempt to forecast price trends regardless of the company’s financial prospects (Ayna, 2006:30).

However, it is the duty of the stockbroker as a major industry player, to provide both the technical and fundamental analysis of stocks of various companies to his clients. Hence, from what we have offered on the preceding paragraphs one can contextually say that marketing of stocks has to do with planned and systematic identification, anticipation, satisfaction of investors, wants, and needs profitably.

For the fact that, the stockbroker is in business, the concept of profit in the above description of marketing of stock also describes the concept of return on investment (ROI) and achievement of whatever goal or objectives for which the brokerage firm or the investor/client has set up.

Marketing of stock in the stock exchange goes beyond what has been described above. It also encompasses the adoption of different marketing strategies in selling a stock to both actual and potential investors.

Among the strategies are direct marketing or personal selling, advertising, financial public relations and relationship marketing. However the strategies could be applied before and during the actual bids and offers at the floor of exchange or through electronically mediated platform. It is all these issues and many others earlier identified that are the core focus of this study vis-a-vis the stockbrokers experiences.
1.2 Statement of Problem
Marketing of stocks involves adoption of marketing strategies which comprise a planned and systematic activity aimed at identifying, anticipating and satisfying investors’ stock needs and wants profitably. Oftentimes, investors are agitated by the services rendered by brokers in their facilitating exchange process in the Exchange. There is undue delay in the share registration and delivery system. The securities pricing system is not sufficiently sensitive to changes in the economic circumstances of individual securities. While the exchange may be largely blamed for this, the inexperience or lack of adequate training for some of the stockbrokers may as well be responsible. The investors also complain that stock brokers furnish them with poor or complete absence of information services resulting at times in their purchase of poorly rated or devalued stocks.
Marketing strategies employed by many a broker, especially in persuading their clients to buy or sell certain stocks may be responsible for the above situations, or may be the marketing effort of stock-brokers has nothing to do with the ratings of value and pricing of stocks. May be the application of inappropriate marketing strategies such as financial public relations, word of mouth (WOM) in interpreting and analyzing stock trends to investors is a problem faced by stock-brokers in their effort to market stocks. All these are the issues that will be tackled in the course of this study.

1.3 Objectives of the Study
The objectives of the study include the following:
(i) To identify and examine various types of stocks traded in the stock exchange.
(ii) To ascertain whether stockbrokers employ personal selling as a marketing strategy in the marketing of stocks.
(iii) To determine whether stock brokers use marketing communication strategies such as financial public relations in their efforts to market stocks in the exchange.
(iv) To identify and examine the extent stockbrokers use relationship marketing in marketing stocks to clients/investors.
(v) To also ascertain if the marketing efforts of the stockbroker influence stock ratings, values and stock pricing.
(vi) To find out whether stockbrokers employ the marketing concept in their bid to market stocks.

1.4 Research Questions
In order to work within the confines of the objectives above, the research shall be guided by the following research questions:
(a) What are the types of securities or stocks traded in the stock market
(b) To what extent do stockbrokers employ personal selling approaches in marketing stocks?
(c) Do stockbrokers employ communication strategies like financial public relations in marketing stocks?
(d) To what extent do they employ relationship marketing in their effort to market stocks?
(e) Do stockbrokers employ marketing concept in their bid to market stocks?
(f) Does the marketing effort of the stockbrokers influence stock ratings, values, and pricing of stock in the exchange?

1.5 Hypotheses
The following hypotheses stated both in null and alternative formats shall be tested:
(1) \( H_0: \) The marketing strategies and efforts of the stockbrokers do not offer the right utility or investment information to the investors/clients.
\( H_1: \) The marketing strategies and efforts of the stockbrokers offer the right utility or investment information to the investors/clients.
(1) \( H_0: \) Effective application of financial public relations communication strategies does not offer the right utility or investment information to investors/clients.
H₁: Effective application of financial public relations communication strategies offers the right utility or investment information to investors/clients.

(2) H₀: Stockbrokers do not use much more of personal selling approaches than other marketing strategies in their effort to market stocks.

H₁: Stockbrokers use much more of personal selling approaches than other marketing strategies in their effort to market stocks.

(3) H₀: Adoption of Relationship marketing by stockbrokers does not help investors to make appropriate investment decision in relation to stock ratings, values and pricing.

H₁: Adoption of Relationship marketing by stockbrokers helps investors to make appropriate investment decision in relation to stock ratings, values and pricings.

1.6 **Scope of the Study**

The scope of the study covers basically related issues in the operations of the stock exchange and brokerage firms, and marketing of stocks in the Nigeria Stock Exchange.

1.7 **Limitations of the Study**

This study has some limiting factors like:

**Time:** This has always been a limiting factor for a research of this kind because the student always strives to complete his/her works within the time frame of his programme.

**Finance:** Research has always been cost intensive, as the researcher has to make various journeys to places in search of data, post questionnaire, photocopy lots of materials and do a lot of work.
**Data Collection**: The problem of data collection was a recurring decimal as some respondents felt reluctant to return their responses.

**1.8 Significance of the Study**

The research will serve as a turning point in the application of marketing strategies and concept in selling or marketing stocks and other capital market instrument in the stock market. To a large extent, the ability and capacity of a stock brokerage firm or stock broker to apply marketing concept and strategies depend on his or her understanding of marketing itself.

However, this study is significant in many ways. First through the findings of the study, major participants and sub-sector players in the stock exchange will better appreciate why marketing principles, philosophies and concepts should be constantly adopted in the stock exchange business.

The brokerage firms, through the findings of the study, shall be in a better position to reshape their marketing strategies for improved buying/selling of stocks and also improve upon their customer relationship. Investors or clients may be able to understand better the workings of stock exchange and demand better service from their agents (stockbrokers).

**1.9 Definition of Terms**

There are terms which have been used or shall he use in the course of the study that need to be defined to enhance understanding.

**Stock Market**: This is a physical location or virtual kind of market where stocks transactions are carried out on a trading floor by a method known as open outcry or through a network of computers where trades are made electronically via traders at computer terminals (James Harry, 1990:21).

**Participants**: Participants in the stock market range from small individual stock investors to large hedge fund traders, who can be based anywhere. Their orders usually end up with a professional at stock exchange, who executes the orders (Okafor, 1983:86).
Brokerage Firm: This is a registered firm or company housing stock analysts, financial analysts, stockbrokers, and other specialists in stock exchange business. The brokerage firm offers professional advice on stock issues and matters to clients or investors. It also sells or buys stock for both corporate and individual investors and clients (Okafor, 1996:94).

**Stock Market Index:** The movements of the prices in a market or section of a market are captured in price indices called stock market indices, of which there are many, eg the S & P, the FTSE: and Ewonext indices. Such indices are usually market capitalization (the total market value of floating of the company weighted with the weights reflecting the contribution of the stock to the index. The constituents of the index are reviewed frequently to include/exclude stocks in order to reflect the changing business environment. (Onoh, 2002:42).

Short Selling: Stock that a trader does not actually own may be traded using short selling or a leverage strategy; In this strategy, the trader borrows stock (usually from his brokerage firm which holds its clients shares or potential its own shares on account to lend to short sellers) then sells it on the market, hoping for the price to fall (Okafor: 1996:92).

**Merging Buying:** In this strategy, the trader borrows money at (interest) to buy a stock and hopes for it to rise (James and Harry 1990).

**Marketing Strategy:** A grand design or, a plan of action to identify current and prospective customers, promote or communicate with them about our products and services and implement planned activities that will help to ensure that they buy these products at mutually acceptable prices and through mutually acceptable distribution channels. (Nwosu, 2001: 10).
REFERENCES


CHAPTER TWO
Review of Related Literature

2.1 The Scope of Marketing
It is pertinent to start off the review of related literature by taking a guided intellectual excursion into the domain of the scope of marketing. Such intellectual excursion will surely arm us with ample information that guides the marketing of stocks in the Nigerian Stock Exchange.

2.1.1 What is Marketing
Marketing deals with identifying and meeting human and social needs profitably. The American Marketing Association offers the following formal definition: Marketing is a organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stake holders. (Kotler and Keller, 2006:6). A social definition of marketing is: Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with other. (Kotler and Keller, 2006:6). For a managerial definition, marketing has often been described as” the art of selling products; but people are surprised when they hear that the most important part of marketing is not

selling: selling is only the tip of the marketing ice berg. Peter Druker, a leading management theorist, puts it this way:

There will always, one can assume be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available. (Kotler and Keller, 2006: 6).
Exchange, which is the core concept of marketing, is the process of obtaining a desired product from someone by offering something in return. For exchange potential to exist, five conditions must be satisfied.

- There are at least two parties
- Each party has something that might be of value to the other party
- Each party is capable of communication and delivery.
- Each party is free to accept or reject the exchange offer,
- Each party believes it is appropriate or desirable to deal with the other party.

Exchange is a value-creating process because it normally leaves both parties better off.

2.1.2 What is Marketed

Marketing people are involved in marketing ten types of entities: goods, services, experiences, events, persons, places, properties, organizations, information and ideas.

**Goods**: Examples are physical goods like frozen food products, machines, cars, etc.

**Services**: These include the work of airlines, hotels, beauticians, maintenance and repair people etc.

**Events**: Marketers promote time based events such as trade shows, artistic performances, World Cups and so on.

**Experiences**: A firm can create, stage and market experiences such as customers visit a fairy kingdom or a haunted house, spending a week at a football camp, playing with some retired footballers.

**Persons**: Celebrity marketing is a major business.

**Places**: Cities, states, regions and whole nations compete actively to attract tourists, factories company headquarters and new residents.

**Properties**: Properties are intangible rights of ownership of either real property (real estate) or financial property (stocks and bonds). Properties are bought and sold, and this requires marketing. Investment companies, banks and stock —
brokers are involved in marketing securities to both institutional and individual investors.

**Organizations:** They actively work to build a strong, favourable, and unique image in the minds of their target publics.

**Information:** Information can be produced and marketed as a product. This is essentially what schools and universities produce and distribute at a price to parents, students and communities.

**Ideas:** Every market offering includes a basic idea. Products and services are platforms for delivering some idea or benefits social marketers are busy promoting such ideas as “Friends Don’t let Friends Drive Drunk” and “A Mind is Terrible Thing to Waste” (Kotler and Keller, 2006:8).

While marketers are generally involved in the marketing of the ten types of entities listed above, this project is interested in the marketing of only one of them the marketing of financial property (stocks) in the Nigeria Stock Exchange market by stockbrokers.

**2.1.3 The Marketing Concept**

The marketing concept is a philosophy of business management which states that all activities of a company are directed towards the satisfaction of the consumer at a profit. This view, states that marketing begins and ends with the consumer. Marketing involves everything that a company does. It is not just for the marketing department of a company. It involves production, marketing, accounting and finance, personnel and general administration. The “Marketing Concept” sometimes referred to as the “Total Marketing Approach” or the “Marketing View” or “Marketing Management Philosophy” is a way of running a business with the consumer as the focus of attention (Onah and Thomas, 2004:32).

**2.1.4 Relationship Marketing**

Relationship Marketing has the aim of building mutually satisfying long term relationships with key parties customers, suppliers, distributors and other
marketing partners - in order to earn and retain their business. Relationship marketing involves cultivating the right kind of relationships with the right constituent groups. Four key constituents for marketing are; customers, employees, marketing partners (channels, suppliers distributors, agencies) and members of the financial community (shareholders, investors, analysts) (Kotler and Keller, 2006:18).

2.1.5 The Marketing Mix

Marketing activities come in many forms. One traditional depiction of marketing activities in terms of the marketing mix, which has been defined as the set of marketing tools a firm uses to pursue its marketing objectives. McCarthy classified these tools into four broad groups, which he called the four Ps of marketing: Product, price, place and promotion. (McCarthy, 1968:3 1). The four Ps focus on customers.

Product: Under product, the stockbroker specifically selects a product or product lines; also adds or drops items in a product line. In short, the product is concerned with developing the right “Product” for the client.

Place: A product or service is not good to a customer, that is, client, if it is not available when and where he wants it. Place provides time, place and possession utility. There are four kinds of utility form, time, place and possession. A customer can use a product only if it is in his possession at the right time and to possess a product, it must be in a place convenient to him.

Price: Price is concerned with determining the “right” price that will move the right product to the right place with the right promotion for the target market (the potential investor).

Promotion: This is concerned with any method that the stockbroker uses to communicate to the potential client (potential investor) about the product. Promotion encompasses sales promotion, advertising and personal selling. Personal selling involves direct face to thee relationship between the stockbroker and potential customers (investors in company shares).
In summary, all the four Ps are arranged around the customer in a circle to indicate they are coequal. In discussion, the stockbroker develops a product (shares) that will satisfy the potential investor in shares, then he finds a way (place) to reach the potential investor. With promotion, he tells his target customers about the availability of the type of shares that fits his needs. Then price is set in the light of expected customer reaction to the total offering.

In conclusion, the job of the stockbroker is continuous. He must select target customers and design a marketing mix or mixes to sell his products (shares) to potential customers.

For practical purposes, there is no best marketing mix because market conditions are in continual flux.

Although the four Ps may give the stockbroker a framework within which he can operate logically, his eventual success will be determined by the wisdom of his choices, his ability to modify his mix in the face of uncertainty and change and his follow through.

2.1.6 Public Relations

The Institute of Public Relations defines Public Relations as “the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics”. (Doole, Lowe and Phillips, 1998:340).

Public relations are concerned with external communications and internal communications. It also handles a wide range of financial information such as half—year results, dividend forecasts, mergers and acquisition information.

2.2 The Nigerian Capital Market: A Focus on the Secondary Market

The capital market, as the long term end of the financial system performs for the whole economy financial intermediation on long term basis. In other words, the capital market performs for the economy, at the long-term end, the functions which the money market performs at the short term end of the spectrum (Falagan 1987).
Hence, those who are short of funds and needed borrowing for long term purposes go to the capital market while those who have funds, surplus to their immediate requirement and wish to lend or invest those funds fix short term periods do so in the money market. Those who have such funds but wish to lend them for long periods lend those funds to the capital market (James and Harry. 1990).

In a broad context, the view of Okafor (1996:69), Falagan (1987:148), Bruce (1996:88) describes the capital market as incorporating the functions and activities of the entire financial system, which include the commercial banks, development banks, merchant banks, insurance and other non bank financial institutions providing short, medium and long-term loans to finance both consumption and investments. The capital market may include only those institutions which are concerned primarily with the provision of long term credit involving the problems and prospects of equity and other long-term investments. This entails the issue and market of shares and stocks, bonds and debentures using the services of brokers, dealers and underwriters (Anyafio, 1994:20).

Asuzu (1996:22) captures capital market as “the market from which large companies and public enterprises attract long-term investment funds through a network of financial institutions and stock holders licensed to perform capital market functions. From the explanations offered above, we now operationally defined capital markets as the complex instructions and mechanism through, which intermediate term funds (loan of up to ten years maturity for example) and long term funds (long maturity loans and corporate stocks) are pooled and made available to business, government and individual while instruments already outstanding are transferred. We can also further understand capital market as “the mechanism through which savings are made available to those who seek long term financing”. The size, effectiveness and operation of such a market depend on the supply of capital (savings), the extent to which the economy is monetized, the number of potential industries and the degree of sophistication of the investing
public. According to Tajudeen (1992:44) certain conditions are necessary for an operational capital market to emerge in a developing country like Nigeria. These conditions may include:

(i) The need for investment psychology among a wide section of the public, that is, the attitude of individuals and institutions towards investing in non physical variable process assets such as stocks and shares.

(ii) A relatively large supply of securities and new issues available on a regular basis.

(iii) A large pool of buyers and holders of securities who are willing to deal in them periodically and

(iv) The existence or development of a net work of monetary and financial institutions.

The capital market is made up of the primary and secondary market. ‘The primary or new issues market involves offering new securities to the public and by this a company, which is not previously quoted in the stock exchange is said to be going public. The new issues market facilities the raising of new funds/capitals for the issues and provides a broad choice for investors to place their funds. The activity of primary market is regulated by the Nigeria Security and Exchange Commission (NSEC). We are only interested in the secondary market in this project research.

The market for the trading of existing or already quoted securities is known as the secondary market. It is the market for the purchase and sale of existing shares and stocks. The Nigeria stock exchange through its various branches in Lagos, Abuja, Kaduna, Port Harcourt Onitsha, Oyo etc. operates as the trading floors. The control and responsibility for quotation and the enforcement of regulations in the market are vested in the National Council of the exchange. (Alite, 1984).

The term “the stock market” is a concept for the mechanism that enables the trading of company stocks, other securities, and derivatives. Bonds are still traditionally traded in an informed, over-the-counter market known as the bond market. The stocks are listed and traded on stock exchanges which are entities (a
corporation or mutual organization) specialized in the business of bringing buyers and sellers of stocks and securities together (James and Henry 1990; 14). Some exchanges are physical locations where transactions are carried out and trading floor, by a method known as open outcry. This type of auction is used in stock exchanges and community exchanges where traders may enter “verbal” bids and offers simultaneously. The other type of exchange is the virtual kind, composed of a network of computers where trades are made electronically via traders at computer terminals (Hagstrom, 2001:3).

Actual trades are based on an auction market paradigm where a potential “buyer bids a specific price for a stock and a potential seller asks a specific price for the stock. (Buying or selling at market means you will accept any bid price or ask price for the stock). When the bid and ask prices match, a sale takes place on a first come first served basis, if there are multiple bidders or askers at a given price (Cutler and Summers, 1991:8).

Now that computers have eliminated the need for trading floors like CSCS, the Big Board’s, the balance of power in equity markets is shifting. By bringing more orders in-house, where clients can move big blocks of stock anonymously, brokers pay the exchange less in fees and capture a bigger share of billions of naira a year that institutional investors pay n trading commissions (Tversky, 1984).

The Nigeria stock market is one of the most important sources for companies to raise money. This allows businesses to go public or raise additional capital for expansion. The liquidity that an exchange provides affords investors the ability to quickly and easily sell securities. This is an attractive feature of investing in stocks, compared to other less liquid investments such as real estate. “History according to stock experts, has shown that the price of shares and other assets is an important part of the dynamics of economic activity, and can influence or be an indicator of social mood. Rising share prices, for instance, tend to be associated with increased business investment and vice versa, share prices also affect the wealth of households and their consumption (www.weatopedia.com. newsletter).
For this reason, experts advise that, central banks tend to keep an eye on the control and behaviour of the stock market and, in general, on the smooth operations of financial system functions. Exchanges also act as the clearinghouse for each transaction, meaning that they collect and deliver the shares, and guarantee payment to the seller of a security. This eliminates the risk to an individual buyer or seller that the counter party could default on the transaction.

2.3 Historical Background of Nigeria Stock Exchange

The Nigeria Stock Exchange (NSE) was formed in 1960 with the name Lagos Stock Exchange, in December 1977, it came to be called the Nigeria Stock Exchange, with the formation of several branches in some of the most important commercial cities of the country. Currently, the Nigerian Stock Exchange (NSE) consists of seven branches. The Lagos branch was launched in 1961, Kaduna 1978, Port. Harcourt 1980, Kano 1989 Onitsha, February 1990, Ibadan August 1980, Abuja October, 1999, and Yola April, 2002. That of Oyo was recently launched in 2005 (www.nigeriabusiness.com/nse).

The Head office of the Nigeria Stock Exchange is Lagos. At present, an office was launched in Abuja. In 1961, the NSE commenced operations with 19 securities enrolled for trading but at present, the number of enrolled securities is 282. In 1988, the NSE management protested to the government about a report on the reform of Nigeria’s capital market.

Trading

The call over system was replaced in April, 1999 with the Automated Trading System (ATS), with bids and offers now matched by stock brokers on the trading floors of the exchange through a network of computers. This occurs every business day from 1.00 am till bids and offer shares have been executed (usually around 1.50 pm).
Pricing

Prices of new issues are determined by issuing houses/stockbrokers, while on the secondary market, prices are made by stockbrokers only. The market quote prices along with all share index are published daily in the Nose’s Daily Official List, the NSE CAP NET (an internet facility) Newspapers, and on the stock market page of the Reuters Electronic contributor system. The NSF’ online code in the Relaters Network is NSXA.-B. Pricing and other direct controls gave way to indirect measures by the regulatory authority, the Securities and Exchange Commission and NSE, following the deregulation of the market in 1993. Deregulation has improved the competitive edge of the market and has also made it more investor friendly.

Market Indices

All listings are incorporated in the only index, the Nigeria Stock Exchange, all share indexes was invented on 3rd January, 1984.

Clearing, Delivery and Settlement

Clearing, settlement and delivery of transactions on the NSE are done electronically by Central Securities Clearing System (CSCS), a subsidiary of the Stock Exchange. The CSCS Limited also referred to as the “clearing house” was incorporated in 1992 as part of the effort to make the Nigerian stock market more efficient, and investor friendly. Apart from clearing, settlement and delivery the CSCS offers custodian services.

Market Capitalization

On August 18, 2006, the Nigerian Stock Exchange (NSE) has about 282 enrolled companies with a total market capitalization of approximately N4 trillion ($51.4 billion).

Major Companies listed in Nigerian Stock Exchange

• A. A. Stockbrokers Limited
Internationalization of the Nigeria Stock Market

Following the deregulation of the capital’ market in 1993 the Federal Government in 1995 internationalized the capital market with the abolition of laws that constrained foreign participation in the Nigerian capital market. Due to the abrogation of the Exchange Control Act 1962 and the Nigerian Enterprise Promotion Act, in 1989, foreigners can now participate in the Nigerian market both as operators and investors. Also there are no limits anymore to the percentage of foreign holdings in any company registered in Nigeria.
Ahead of this development, the NSE had since June 2, 1987, linked up with the Reuters Electronic Contributor System for online global dissemination of stock market information like trading statistics, all-share index, company investment ratios, and company news (Financial statements and corporate actions). In November 1996, the exchange launched its internet system CAP NET as one of the infrastructural support for meeting the challenges of internationalization and achieving an enhanced service delivery.

The internet system facilitates communication among local and international participants in the market, as subscribers to the system include stock brokers, quoted companies, issuing houses, etc, who now use the facility to receive and send e-mail, globally and locally. More importantly, they can access key market information—current and past trading statistics, corporate trading results, etc (www.Nigeriabusiness.comlnse.htm).

2.4 The Nigeria Stock Exchange in this Millennium

In this millennium, the Nigerian Stock Exchange has a mission to promote increased capital formation in the country by providing issuers and investors with a responsive, fair and efficient stock market.

Stock Market Legislations

Transactions in the stock market are guided by the following legislations, among others.


**Regulation**

Transactions on the NSE are regulated by the Exchange itself, as a self regulatory organization and the Securities and Exchange Commission (SEC), which administers the Investment Securities Decree, 1999.

**Membership**

The Nigerian Stock Exchange (NSE) has three categories of members; council members, ordinary members and dealing members, (Okafor, 1983:93) Ordinary membership, which is preconditioned to other classes of membership, is open to individuals and firms whose applications are acceptable to the council. Application for membership must be sponsored by at least two members of the Exchange. Members are required, to take up at least five shares from seven in 1961 to 82 in mid 1980.

Dealing members are authorized to transact business on the floor of the exchange. Since the NSE operates the double-capacity system, dealing members combine jobbing and brokerage functions. By mid 1990s and early 2000, there were more than 24 dealing members.

Apart from being a member of the exchange, a dealing member according to Okafor (1983) and Invesstopeadia (2007) must:

i. Satisfy a number of financial obligations, including the positioning of acceptable security with the exchange and the payment of dealership fees.

ii. Accept to abide by rules of conduct stipulated by the council as regards record-keeping practices, the form and degree of solicitation for business and the sharing of commissions with agents.

iii. Maintain an effective presence in at least two branches of the NSE.

There is a virtual absence of specialization. Each dealer handles all sizes of orders in all quoted securities. However, the dealers serve in rotation (for a period of one year at a time) as brokers for securities issued by the Federal Government of Nigeria. Other functionaries whose activities are closely tied up with the exchange
are the registrars who are responsible for the registration of shares, transfer of shares, payment of dividends etc. The number of registrars has increased to 12 over the years.

**Operations of the Exchange**

The exchange operates a call-over system, “call-over” starts at stipulated periods on call-over days and continue until the call-over clerk has gone through all the listed securities, (Alile, 1984). The highest offer made for a security constitutes its offer price until changed. Bid prices are determined in the same manner. The price at which the last deal was made (business done) remains posted on the price-board of the exchange until it changes. Only price changes resulting from round-lot transactions are, however, so recorded. Transactions are reported in the daily official list and in some national dailies like the Daily Independent and the Sun Newspapers.

Different rates of commission are fixed for securities listed on the exchange. Commissions vary from 1/32 to 5/8 percent of the total consideration for government securities and 1¼ percent of the total consideration or market capitalization (which is higher) for industrial securities. Minimum commission for any transaction is determined by the council. Dealers, are prohibited from accepting less than the prescribed commissions. Contravention attracts a fine, suspension or expulsion, as may be determined by the council of the exchange.

**2.5 Types of Securities Traded in Nse**

In the preceding section attempt has been made to describe in detail the workings and procedures of the NSE. However, in this section, attempt will be made to describe types of securities/instruments traded in the NSE. But before we do that, it will be necessary to restate the meaning of stock market so that readers would have- the full meaning of the concept as regards transactions in the exchange. The term “the stock market” is a concept for the mechanism that enables the trading of

In their own descriptions, Okafor (1985:15) and Anyafo (1994:18-2O) identify securities traded based on the nature of rights and control exercised by US, security-holder. Hence, this ultimately depends on the type of security held. In that regard, Okafor (1996) identifies classification of securities that determine the right of a holder. These three classifications are: fixed income securities, variable income securities and hybrid securities.

(1) **Fixed Income Securities**

Fixed income securities are debt instruments (bonds) which provide for specific rates of money income to holders. Bonds are still some times traditionally traded in an informal, over the counter market known as the bond market (Wikipedia, 2007). The size of the world wide bond market is estimated at $45 trillion. The size of the stock market is estimated at about $51 trillion. According to Invespedia (2007). The world derivatives market has been estimated at “about $480 trillion, face or nominal value, 50 times the size of the U.S economy.... and 12 times the size of the entire world economy”.

Bonds are issued by various types of business organizations (corporate bonds), by federal’ and state government or municipal authorities (municipal bonds) (Okafor, 1983, Onoh, 2002). In general, bond holders have two types of claims on the issuers. The first is a right to full repayment of the nominal value of the bond at maturity. The other is a right to periodic interest at a specified rate of the principal
amount payable in accordance with the stipulation in the bond indenture. Both claims are unconditional. Investments in fixed income securities are presumed to have very limited degree risk. Consequently they attract low rates of return.

Unfortunately, the purported safety investment in bonds is at times, illusory. The sophisticated investor is more interested in the real values of expected income than in the’ money values of such income. Fixed income securities could, infact, expose holders to variable real incomes particularly during inflationary periods. In addition, both interest payment and the repayment of principal are in some cases compromised where the bond issuer is faced with long periods of irrecoverable losses, “the purposed safety of fixed income securities therefore depends both on the ability of issuers to generate adequate income to cover the claims and on the ability of the macro economy to operate at stable levels” (Okafor, 1983).

(2) Variable Income Securities
Variable income securities are equity stock (shares) issued by various types of business organizations. Returns on such securities, for a given period, depend on the profit performance of the issuer for he period. They are therefore subject to a great deal of variability. I30th Ihe primary attraction and the greatest danger of investment in equity stock arises from this feature of variability in income. In periods of economic boom, equity stock holders reap windfall returns. Conversely, they receive the greatest losses during periods of depressed economy conditions (Okafr, 1983).

Other attractions of investment in equity stock as explained by Okafor (1983) and Falagan (1979) arise from rights of corporate ownership inherent in such investment. Equity stock holders have rights designed to attract and retain their interest in the corporation. Other rights can be noted. Apart from the right to share in residual corporate income, other examples of attractive rights enjoyed by equity
holders include the right to a pro-rata share of corporate assets in liquidation, and voting rights. The other group of right is the protective rights which protect the interest of equity stock holders. They include the right to transfer ownership interest, the right of prior consideration in subscribing to additional issues of equity stock, and the right to inspect corporate books.

(3) Hybrid Securities

Hybrid securities make up the last group of securities. They are hybrid because such securities have some features of fixed income securities and some characteristics of variable income securities. While the expected income of a hybrid security is basically a fixed percentage of the value of the security, the payment of such income is contingent on the profit performance of the issuer. A typical example of a hybrid security is the preferred stock (preference shares). Preferred stocks are unpopular media for financial asset investment, particularly in developing economies. The reason is that they neither offer the chance of large profits like equity stock nor the guarantee of steady money income which could compensate for that shortcoming (Armed, 1992: 6).

Having given the three general classifications of securities, we now specifically explain their individual components: ordinary shares (equity shares), preferences shares and debentures.

**Ordinary Shares:** A share is the interest of a shareholder in the company measured by the sum of money in return for the risk involved. It is entitled to any surplus income or capital after the prior rights of other classes have been satisfied. Since the equity holders are the ultimate bearers of risk, they usually have rights to vote on matter of policy and in choosing the Board of-Directors of the company. Indeed, any shareholder or group of shareholders who have controlling vote in a
company can indirectly influence the utilization of the resources of the company including its assets through the choice of the members of the Board.

**Preference Shares**: The preference shareholders are entitled to a fixed rate of dividend. Preference shares could be cumulative, non-cumulative, or convertible. In case of cumulative preference shares, dividends not paid in a particular year are carried forward to such a time that the company will be in a position to pay. On the other hand, if the shares are non-cumulative and the company fails to declare dividend otherwise due, there is no provision for accumulation. Convertible preference share are those that can be converted into equities of ordinary shares at a predetermined date. The resolution authorizing the insurance of this type of security usually spells out the term of issue in detail.

**Debentures**: A debenture is a document given under the seal by a company in acknowledgement of a debt, and undertaking to repay the stated sum on or before a certain date and to pay interest at a fixed or floating rate, usually in half-yearly intervals. Debentures may be generally classified as follows: secured debentures, unsecured debentures and convertible debentures.

**2.6 The Major Participants in the NSE**
Participants in the stock market range from small individual stock investors to large hedge fund traders, who can be based anywhere. Their orders usually and up with a professional at a stock exchange, who executes the order. Many years ago, worldwide, buyers and sellers were individuals investors, such as wealthy businessmen, with long family histories and emotional ties to particular corporations. Over time, markets have become more “institutionalized”, - buyers and sellers are largely institutions (e.g. pension funds, insurance companies, mutual funds, hedge funds, investor groups, and banks). According to investopedia, the
rise of the institutional investor has brought with it some improvements in market operations.

Thus, the government was responsible for “fixed” (and-exorbitant) fees being markedly reduced for the “small” investor, but only after the large institutions had managed to break the brokers’ solid front on fees (they then went to •negotiated fees “but only for large institutions). What is discussed above is the general market participants. But only accredited members with trading rights can operate on the floor of a stock exchange. Dealing members are authorized to transact business on the floor of the exchange since the NSE operates the double-capacity system, dealing members combine jobbing and brokerage functions (Okafor, 1985 Investopedia Newsletter 2007:14).

A right to trade carries financial obligations and demands strict adherence to rules of conducts stipulated by the exchange.

Basically, there are two groups of participants in a Stock Exchange-brokers and jobbers.

2.7 The Stock Brokers who are they and What Do They Do?

In the sections that preceded this, two basic participants in the floor of Stock Exchange were identified as brokers and jobbers. We now explain who the brokers and jobbers are.

Stockbrokers are the most numerous group of participants in a Stock Exchange. They are agents, i.e. men on commission who execute orders on the floor of the exchange on behalf of clients. The clients include individual stock holder potential buyers and institutional investors or buyers. The commission received is usually a fixed percentage of the total consideration for order executed (James and Harry, 1990); (www.aboutstock-brokers.com). Most of the brokers are members of brokerage firm. Some operated individually and licensed by the NSE council. The
brokerage function is highly specialized in developed Stock Exchanges where the volume, value and frequency of transactions impose a strict division of labour. Nigerian Stock Exchange is gradually developing and is yet to impose strict division of labour (www.nigeriabusiness.nse.htm).

In the New York Stock Exchange, for instance, round-lot brokers are clearly distinguished from odd-lot brokers. A round-lot transaction consists of multiples of the standard unit in which a security is traded (mainly units less than the normal). Round-lot brokers tend to concentrate on institutional orders from pension funds, investment trusts, etc. Odd-letters serve the small investors. Brokers also specialize in industrial lines and in different types of securities. Thus there are industrial bond brokers, government bond brokers and equity stockbrokers. Investopedia Newsletter. 2007).

What the stockbroker does in the market is that he/she facilitates the exchange of securities between buyers and sellers, thus providing a market place (virtual or real). The broker sometimes provides real time trading information on the listed securities, facilitating price discovery.

Prior to the internationalization of the NSE: transactions were carried out on the trading floor, by a method known as open outcry. This type of auction is used in Stock Exchanges and commodity exchanges where traders may enter “verbal bids and offers simultaneously. The other type of exchange is a virtual kind, composed of a network of computers, where trades are made electronically via traders at computer terminals.

Actual trading/trades by stock brokers are based on auction market paradigm where a potential buyer bids specific price for a stock and a potential seller asks a specific price for the stock. (Buying or selling at market means you will accept any bid price or ask price for the stock). When the bid and ask prices match, a sale
takes place on a first come first served basis if there are multiple bidders or askers at a given price (www.aboutstockbrokers.com/order.html).

The Nigeria stock exchange operates both a physical exchange and virtual exchange. In the physical exchange only stocks listed with the exchange may be traded. Orders enter by way of brokerage firms that are members of NSE and flow down to floor brokers who go to a specific spot on the floor where the stock are traded. At this location, known as the trading post, there is a specific person known as the specialist whose job is to match buy orders and sell orders (Investopedia 2007). Prices are determined using an auction method known as open outcry. The current bid price is the highest amount any buyer is willing to pay and the current ask price is the lowest price at which someone is willing to sell. If there is a spread, no trade take place for a trade to take place, there must be a matching of bid and ask price. (If a spread exists, the specialist is supposed to use his own resources of money or stock to close the difference, after sometime), Once a trade has been made, the details are reported on the “tape” and sent back to the brokerage firm, who then notified the investor who placed the order.

Although there is a significant amount of direct human contact in this process, computers do play a huge role in the process, especially for so-called “program training (www.aboutstockbrokers.com/order.html).

The Lagos stock exchange branch of NSE, is a virtual (listed) exchange, where all of the trading is done over a, computer network. The process is similar to the above, in that the sellers provide a bid and ask price at which they will always purchase or sell their stock.

Now that computers have eliminated the need for trading floors like in the past the balance of power in equity markets is shifting. By bringing more orders in house, where clients can move big bocks of stock anonymously, brokers pay the
exchange less in fees and capture a bigger share of the $11 billion a year that institutional investors pay in trading commissions.

**Choosing the Brokers**

As already explained in the preceding sections, the ordinary investor does not deal directly on the stock exchange. He operates through his broker. Brokers are duty bound to act in the best interest of their clients (Okafor, 1983). In doing so, however, they must act in accordance with instructions given by such clients. The overall success of the investor therefore depends on two things: the quality of his broker, and the quality of his instructions. The Investopedia Newsletter advise that an investor should consider a number of factors in choosing among brokers. These include, but are not limited to, the range of services provided by the broker, the broker’s ability and integrity, his financial position and his charges relative to other brokers.

**a** Ability

A broker’s ability is measured by his overall expertise and experience in the business. A good broker gives prompt and efficient service. Some top-level brokers work independently (as sole proprietors). More often than not, however, they serve in renowned brokerage firms. An investor therefore has a good chance of being served by a good broker once he engages the services of a good brokerage firm.

**b** Service Range

The services of reputable brokerage firms go beyond the execution of orders. They provide information on individual securities for the guidance of clients. To do so effectively, a good brokerage firm maintains an efficient research organization. An ideal broker must be capable of maintaining an effective presence in most of the national and regional stock exchanges. This would enable him to keep abreast of
prior movements in all the exchanges and to transact business in different exchanges (Okafor, 1985).

(c) Integrity
The issue of integrity is of paramount importance in the choice of a broker. A broker has an agency relationship with his client. This demands transparent integrity in all his dealings on behalf of the clients. Most exchange provides stiff penalties for cases of fraudulent behaviour by brokers. Brokers are, for example, not allowed, to cross orders or take such orders out of the exchange.

(d) Financial Position
A broker with a solid financial position is preferable for two reasons: First, adequate funding helps the broker to attract top-quality personnel and to provide an adequate research and marketing organization. Secondly, a financially strong broker would be able to provide some financial assistance for clients.

(e) Costs
The factor of costs is of paramount importance in the choice of brokers. In practice, however, cost considerations may not often be relevant, because brokers tend to charge identical fees for similar services. Where cost differentials exist, an investor would select the broker who is prepared to render equal service at a lower cost.

Unlike brokers, jobbers trade on their own account and assume full risks of price fluctuations, the jobber receivers no commission. His “turn” (profit) depends on the spread (gain on securities sold) and on the turnover. Jobbers adopt various strategies to maximize the net spread. They endeavour to increase their overall turnover by promoting continuity in market activities. To achieve continuity, jobbers hold ‘sizeable inventories of securities, which enable them to intervene effectively to moderate erratic shifts in market activity. Ultimately, the tempo and continuity of market activity depends on the willingness of jobbers to make up
shortfalls in the demand or supply of securities without causing price changes. On account of this, jobbers are dubbed the, market makers (Okafor, 1993).

2.8 Application of The Marketing Concept in the Marketing of Stock

Marketing occurs when people decide to satisfy needs and wants through, exchange (Kotler et al, 1999:12). Exchange is the act of obtaining a desired object from someone by offering something in return. Exchange is only one of many ways people can obtain a desired object. As a means of satisfying needs exchange has much in its favour. Exchange is the core concept of marketing. For an exchange to take place, several conditions must be satisfied. At least two parties must participate and each must have some thing of value to offer the other. Each party must also want to deal with the other party and each must be free to accept or reject the other’s offer. Finally each party must “be able free to communicate and deliver.

The conditions simply make exchange possible. Whether exchange actually takes place depends on the parties coming to an agreement. The above scenario also happens in the stock market. The purpose of a stock exchange is to facilitate the exchange of securities between buyers and sellers, thus providing a market place, virtual or real (Investopedia 2007).

As major participant in a stock exchange, the broker, who acts as an agent executes orders on the floor of the exchange on behalf of client. Buyers and sellers of stock/securities are brought together by identified needs and wants or something f value. However, marketing of stocks occurs who people decide to satisfy their investment needs and wants through the exchange.
To be able to market the stock, the broker should be able to furnish the clients with the right information so that they (clients/investors) can make the right investment decision. The buying and selling of stocks should be guided by the marketing concept. The marketing concept holds that achieving organizational goal depends on determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors do (Kotler 1984: Kee 2000:3).

The marketing concept starts with well defined market (segment of stock buyers or sellers), focuses on customer needs (clients needs), co-ordinates all the marketing activities affecting customers and makes profits by creating long-term customer relationships based on customer value and satisfaction. Under the marketing concept, brokers anticipate and identify what clients (investors, buyers and sellers of stock) want, in terms of value of securities, prices and long term benefits thereby satisfying clients and making profit.

The application of the marketing concept is exemplified when a brokerage firm with a large client understands what each client needs or wants concerning the securities. The stock brokerage firm should be able to advise the client on the rise and fall in value of stocks, the bull stocks, bear stocks and other relevant information concerning stock trading.

To achieve successful implementation of the marketing concept, the brokerage firm or individual broker should focus on how best to tap and channel the knowledge and understanding, the motivating, the inspiration and the inauguration of staff or itself to deliver (buy or sell) stocks that meet exactly what the client requires from the firm or the broker.
Years of hard, work are needed to turn a sale-oriented brokerage firm into a marketing-oriented firm. The goal is to build customer satisfaction into the very fabric of the firm. Customer satisfaction is no longer a fad. As one marketing analyst notes: it’s becoming always of life..., as embedded into corporate cultures as information technology and strategic planning (Bernard and Kohli 1993:53).

However, the marketing concept does not mean that a company should try to give all consumers everything they want. Stockbrokers as marketers of stock must balance creating more value for clients against making profit for the firm or themselves. An one marketing expert notes, “the purpose of marketing is not to maximize customer satisfaction. The shortest definition of marketing is to generate customer value (at a profit). The truth is that the relationship with a customer will break up if value evaporates. You’ve got to continue to generate more value for the customer but not give away the house. It is a very delicate balance” (Thomas, 1992:21-22).

2.9 Marketing Strategies Employed by Stockbrokers in Marketing Stocks in The Exchange Market:
Marketing is the human activity directed at satisfying needs and wants through the exchange process (Kotler, 1980). A strategy is a plan that is intended to achieve a particular purpose. It may also be defined as the process of planning something or carrying out a plan in a skilful way. Stockbrokers need to understand the elements that make up the marketing mix before they can develop appropriate marketing strategies for the sale/purchase of stocks for their clients. The se elements are the four Ps (product, price, promotion and place).

Marketing strategy is a grand design or plan of action to identify current and prospective customers, promote or communicative with them about the products and services, implement planned activities that will help to ensure that they buy
these products at mutually acceptable price and through mutually acceptable
distribution channels.

Prior to the selling and buying of stocks on the floor of the exchange or through
virtual or electronic means, the individual stockbroker or the brokerage firm
employs or commissions, sales agents who go about canvassing for market for
securities. In this way, potential investors (customers) are persuaded to invest in
stocks and other financial instruments traded in the stock market. Here, personal
selling approach is used as a strategy to market stocks and other financial
products. It is essentially a persuasive communication strategy because the aim is
to persuade a prospective buyer to purchase a product, services or idea (Nwosu,
2001:82).

Personal selling of stock is handled by members of the sales force or team in
brokerage firms. They act as middlemen and provide direct contact between a
brokerage firm and its clients. In Nigeria today, there are aggressive stock
salesmen and women.

According to Scheme (1987: 490), personal selling is especially, appropriate when
the unit of sale is large enough to support the cost of the contacts, when the
product is rather complex so that detailed explanation or demonstration is needed
and when the product benefits have to be carefully matched to the customer’s
desire. Personal selling of stock is associated with personal confrontation
relationships, cultivation and response elicitation. It must be these characteristics
that made Kotler (1993:548) to conclude that “personal selling is the most
effective tool at. certain stages of the buying process, particularly in building up
buying preference, conviction and action”.

Another marketing strategy employed by stockbrokers in the marketing of stocks
is advising clients or prospective investors in stock on the type of shares to buy or
not a buy. The stockbroker does this by analyzing various marketing indices through investment analysis models. As one who is familiar with day-to-day information on traded stocks, top stocks and losers, the broker furnishes the clients with the necessary information that guides them in buying or selling off accumulated stock in the exchange.

Basically, in the floor of the exchange stockbrokers can through their “ask” or “buy orders” or prices, market or demarket a particular stock. When a stock through the outcry approach or auction method approach matches both asks orders and buys orders for a particular stock, that stock becomes hot cake. Note however, that stockbrokers can deliberately demarket a particular stock by not giving a price that can match an order. Stocks have been marketed by stockbrokers in the floor of the exchange through word-of-mouth (WOM) or what is technically referred to as auction market paradigm or open outcry. The open out cry happens where exchanges are physically located and transactions are carried out on a trading floor. This type of auction is used in stock exchanges and commodity exchanges where traders may enter “verbal” bids anti offers simultaneously (Investopedia, 2007).

Another marketing strategy used by stock breakers is the use of a network of computers. Trades are made electronically via traders at computer terminals. A potential buyer electronically bids a specific price for a stock, and a potential seller asks a specific price for the stock. When the bid and ask process match, a sale takes place on a first come first served basis, if there are multiple bidders and askers at a given price (www.aboutstockbrokers.com/order.html).

Summarizing, the application of marketing strategies depends largely on the integrity of the broker or brokerage firm, the size of the clients and on other environmental factors. By and large, a good stock broker must use good public relations strategies in winning and retaining clients.
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www.investopedia.comnewsletter

CHAPTER THREE
Research Methodology

3.1 Introduction
This chapter is directed at the exploration of the activities involved in the collection of the relevant data and information required to satisfy the research. The data for the study are to be sourced from both primary and secondary sources. Primary data were generated from interviews, personal observation and questionnaires. Secondary data on the other hand were obtained from publications: books, journals, seminar papers, websites. These were relied upon for the review of related literature, while the primary data shall be used to find out and analyze what the stockbrokers and investors think about the marketing of share in the Nigerian Stock Exchange (NSE).

3.2 Research Design
A research design is simply a plan drawn with which to find the solution to a research problem. The research design to be adopted in this study is the popular survey research method common to social science and behavioural studies. This entails the application of oral interviews and the use of questionnaires.

3.3 Population of the Study
The population of this study includes the investing public (investors in securities) residing in Enugu metropolis and Onitsha and selected registered brokers who work in stock brokerage firms in Enugu and Onitsha. The Association of Registered Stock Brokers of Nigeria (ARSBN) puts the number of registered brokers who work at brokerage firms in Enugu and Onitsha at over 300, and from records of the brokers, there are over 5550 investors who either buy or sell stock through brokerage firms in Enugu and Onitsha.

3.4 Sampling Procedure.
Owing to the heterogeneous and dispersed nature of the population, the researcher decided to adopt, the probability sampling method, which allows every member of
the population equal opportunity to be chosen or represented in the study. This means that for the group (stockbrokers), each stockbroker will have the opportunity to be selected for the study. The same opportunity also applies to the investors group.

### 3.5 Sample Size Determination

Since it is almost impracticable to study the entire population, researchers have come up with a formula for determining the sample size. For each category of the population (respondents). This formula is:

\[
N
n = \frac{1}{1+N(e)^2}
\]

Where:

- \(n\) = sample size
- \(N\) = population
- \(e\) = margin of error (0.05)^2

Thus, sample size for stock brokers will be

\[
300
n = \frac{1}{1+300(0.05)^2}
\]

\[
300
= \frac{1}{1+300(0.05)^2}
\]

\[
171.43
1.75
\]

This would be rounded up to 171

The sample size for investors will be

\[
5550
n = \frac{1}{1+5550(0.05)^2}
\]
5550
= 372.98
14.88
This would be rounded up to 373
In sum, the overall sample Size is 171 + 373 = 544

3.6 Data Collection Instruments/Procedures
Data for this study. were gathered through questionnaire administration, face - to - face interview and personal observation.

(i) Questionnaire was adopted because it is generally acclaimed to be appropriate for opinion survey research of this nature. Furthermore, the choice of questionnaire was based on the fact that it permits wide coverage for a minimum expense both monetary wide and effort wise. Further still, a more candid and objective data were obtained because of the impersonal nature of the questionnaire. Therefore, the questionnaires for this study were structured in two sections - section A bore the biographic data while section B bore the psychographic variables designed to elicit information regarding respondents perception on leadership style of leaders or organizations.

In the questionnaires, both open ended and close ended questions were asked. More of closed ended questions were asked because of their advantage over open-ended questions in uniform analysis and computation.
However, the few open - ended questions were included for the purpose of eliciting the respondents unguarded and unabridged views and opinions.

(ii) Interview (face - to --pace) and personal observation, were employed by this researcher to test certain areas of the investigation. Those interviewed
include the seasoned CEO of stock brokerage firms, their responses were quite helpful and were used to restructure or reframe the questionnaire.

The researcher also observed the method used by stock brokers who canvas for patronage of investors in the buying and selling of securities.

3.7 Method of Data Analysis

Descriptive statistical tools (tables, figures and percentages) were used in presenting and analyzing the data. Data collection were coded, grouped into frequencies, computed and arranged into table for easy references and analysis. Presentation methods used were simple percentages, tables etc. The main method, of analyzing data collected in the study was simple percentage for testing the research questions and chi square for testing the hypotheses.
References


CHAPTER FOUR
Data Presentation and Analysis

4.1 Introduction

The data collected through questionnaire and other sources were presented and analysed in this chapter. In presenting the data, the response rate to the questionnaires and other background information about the respondents were presented first. This was followed by the presentation of other descriptive data, and the test of hypotheses. Finally other data used for factor analysis which helped to answer some of the research questions were analysed.

4.2 Analysis of Questionnaire Distribution

A total of five hundred and forty-four (544) questionnaires were administered to stockbrokers and investors who are randomly selected. The distribution method was based on assigning quota to each of the two categories of respondents as reflected in the sample size. In other words, each category was allocated different number of questionnaires. The collated as follows:

Table 4.2.1 Questionnaires distribution response rate and usage

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Number</th>
<th>Number Returned</th>
<th>Number Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockbrokers</td>
<td>171(31.4%)</td>
<td>56 (13%)</td>
<td>34(8.5%)</td>
</tr>
<tr>
<td>Investors</td>
<td>373 (68.6%)</td>
<td>370(87%)</td>
<td>366 (91.5%)</td>
</tr>
<tr>
<td>Total</td>
<td>544 (100%)</td>
<td>426(100%)</td>
<td>400 (100%)</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2008

Table 4.2.1 above shows that a total of five hundred and forty four questionnaires were distributed to the respondents. Of this figure, the stockbrokers got 171(31 %), investor got 373 (69%) of the questionnaires respectively. However, of the 171 copies administered to the stockbrokers, only 56 were returned, of which 22
were mutilated. leaving us with 34 (8.5%) that were completed correctly. Out of the 373 (69%) copies administered to the investors 370 (87%) were returned. Out of this figure, 4 copies were poorly filled, thus only 366 (91.5%) were correctly filled. In sum, we have a total of 400 copies that were correctly filled. This figure represents our new sample size and was used in further analysis.

### 4.2.2. Distribution of Respondents by Gender.

The questionnaires were administered to both female and male respondents. The distribution of the respondents according to sex is presented in table 4.2.2.

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>280</td>
<td>70</td>
</tr>
<tr>
<td>Female</td>
<td>120</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field survey, 2008**

Table 4.2.2 above indicates that 280 respondents accounting for 70 percent of the respondents were male while 120 respondents or 30 percent were female. The difference between the male and female was not intentional but goes a long way to
explain the level of investment of women in the trading or buying and selling of stock in the stock exchange.

4.2.3 Distribution of Respondents by Academic Qualification

In the distribution of the questionnaire efforts were made to ensure that the major academic qualifications of the respondents were determined. The distribution is presented in table 4.2.3. below. Based on the figure in the table below, 260 respondents accounting for 65 percent of the total respondents possess masters degree, 90 (22.5%) hold a post-graduate diploma while 30 respondents accounting for 7.5 percent hold either HND or first degree. Only 20 respondents accounting for 5 percent hold a doctorate degree (Ph.D).

<table>
<thead>
<tr>
<th>Qualifications</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HND/B/Sc</td>
<td>30</td>
<td>7.5</td>
</tr>
<tr>
<td>PGD</td>
<td>90</td>
<td>22.5</td>
</tr>
<tr>
<td>MSC/MBA/MA</td>
<td>260</td>
<td>65</td>
</tr>
<tr>
<td>Ph.D</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Raw data obtained from survey, 2008

Table 4.2.4: Distribution of respondents by age

<table>
<thead>
<tr>
<th>Age-brackets</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 – 25 years</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>26 – 35 years</td>
<td>160</td>
<td>40</td>
</tr>
<tr>
<td>36 – 45 years</td>
<td>120</td>
<td>30</td>
</tr>
<tr>
<td>46 years and above</td>
<td>100</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Raw data obtained from survey, 2008
Table 4.2.4 above shows the age distribution of the respondents. Those within the age brackets of 18-25 years were 20 in number or 5% of the total respondents, respondents within the ages of 26-35 years were 160 (40%) while respondents who fall within the age 36-45 years were 120 accounting for 30 percent of the total respondents. Those within the age bracket of 46 years and above were 100 representing 25 percent of the total respondents.

<table>
<thead>
<tr>
<th>Years of experience</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months 1 ½ yrs</td>
<td>2</td>
<td>5.8</td>
</tr>
<tr>
<td>1½ yrs- 3 ½ yrs</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>3½ yrs — 5yrs</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>5½ yrs and above yrs</td>
<td>20</td>
<td>58.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Raw data obtained from survey, 2008
Table 4.2.5 reveals years of experience stock brokers have gained in the course of their trading on stocks in the Stock Exchange. Of the 34 stockbrokers sampled, 20 (58.8%) have put in five and half years in the stockbrokerage business 6(17.6%) respondents have gained between one and half years and three and half years. Another 6(17.6%) have spend 3/2 years to 5V2 years in the trading of stock in the stock market. Only 2 (5.8%) respondents have put in 6 months to 1/2 years in the stockbrokerage business.

4.3 Analysis of Relevant Questions in Stockbrokers Questionnaire
This section deals only with the relevant issues of inquiry as it concerns the stockbrokers.

<table>
<thead>
<tr>
<th>Operation</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing determine what products to be manufactured</td>
<td>20</td>
<td>58.8</td>
</tr>
<tr>
<td>Production determines what product to be manufactured</td>
<td>5</td>
<td>14.7</td>
</tr>
<tr>
<td>Marketing determines what prices to be charged</td>
<td>4</td>
<td>11.7</td>
</tr>
<tr>
<td>Production determines what price to be charged</td>
<td>5</td>
<td>14.7</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2008
Table 4.3.1 sought to know how conversant the stock brokers are in the function of marketing. Four options were used to assess their understanding of the functions. 20(58.8%) of the respondents were of the view that marketing determines what products are to be manufactured, hence revalidating the premises that, marketing is the forerunner of production. 5(14.7%) said that production determines what products to be manufactured while another 5 (14.7%) said production also determines that price to be charged. By the above responses, it means that 10 stockbrokers are not well conversant with the real function of production in the company. Only 4 respondents accounting for 11.7% said that marketing determines what prices to be charged. This statement is true because pricing is one of the components of the marketing mix or the 4ps.

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make sure that they know what and where their markets are</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide effective customer and product service</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>See that their customers have the right product, at the right place and at the right price</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>Provide adequate advertising and sales promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Raw data obtained from survey, 2008
Table 4.3.2 sought to determine if and how the stockholders adopt the different approaches of marketing concept in their stockbrokerage business. All the 34(100%) respondents agree that they use marketing concept to provide effective customer and product services.

They also said that they make sure that their customers have the right product, at the right place and at the right price. They provided insight on how they adopt these aspects of the marketing concept. First they explain to their clients various aspects of stock trading and other essential information that could enable them make informed buying or selling stock decision.

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very often</td>
<td>24</td>
<td>70.5</td>
</tr>
<tr>
<td>Often</td>
<td>6</td>
<td>17.6</td>
</tr>
<tr>
<td>Intermittently</td>
<td>4</td>
<td>11.7</td>
</tr>
<tr>
<td>Not at all</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Raw data obtained from survey, 2008*

Table 4.3.3. tells us that out of 34 (stockbrokers) respondents, 24(70.5%) agree that they use the strategy of relationship marketing very often. 6 or 17.6 percent respondents say they use it often while 4(11.7%) use it intermittently.

Table 4.3.4: Relationship marketing and the making of appropriate investment decisions in relation to stock ratings, values and price

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>22</td>
<td>64.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>5.8</td>
</tr>
<tr>
<td>No opinion</td>
<td>10</td>
<td>29.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field survey, 2008*
From table 4.3.4 above, we can deduce that 22(64.7%) respondents agree that relationship marketing has helped investors make appropriate investment decisions in relation to stock ratings, values and pricing strategy. Only 2(5.8%) respondents out of 34 disagreed while 10 respondents accounting for 29.4% were neither here nor there, that is, had no opinion.

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>10</td>
<td>29.4</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
<td>11.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>20</td>
<td>58.8</td>
</tr>
<tr>
<td>No opinion</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2008

Table 4.3.5 sought to verify whether stock brokers as alleged by investors influence stock ratings, values and pricing. From the table, 10(29.4%). Stockbrokers strongly agree that they influence the stock ratings, values and pricing, 4(11.7%) agree also to that premise but not strongly. Majority of the stockbrokers (respondents) i.e. 20 (58.8%) disagree that they influence stock rating, while none of the respondent had “no opinion” for his or her response.

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>16</td>
<td>47</td>
</tr>
<tr>
<td>Disagree</td>
<td>18</td>
<td>53</td>
</tr>
<tr>
<td>No opinion</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2008
Table 4.3.6 reveals that 16(47%) of the stockbrokers agreed that there is a relationship between the marketing efforts of stockbrokers and stock ratings, 18 respondents representing 53% disagree while none had “no opinion”.

Table 4.3.7: Are inadequate training and motivation of employees responsible for potential investors lack of interest in the purchase of stock?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2008

Table 4.3.7 shows that all the 34(100%) stockbrokers answered in the negative that paucity of training and staff motivation in the brokerage firms are not responsible for potential investors lack of interest in purchasing of stock. Non answer in the affirmative.

Table 4.3.8: Classes of stock analysis provided to investors/Clients

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundamental analysis</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>Technical analysis</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>None of the above</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2008
From table 34.3.8 above, stockbrokers offer their clients both fundamental and technical analysis.

Table 4.3.9: Marketing strategies stockbrokers use to attract potential investors

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal selling</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>Publicity</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>Provision of information on stock prices and stock trend/movement in NSE</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>Interactive forum (seminars and workshop)</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>All of the above</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td>None of the above</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2008

Table 43.9 above shows that the stock brokers use all the marketing strategies in the table in attracting both potential and actual investors in stocks. That is, 34 (100%) respondents agree that they utilize all the marketing strategies above in their effort to attract customers/investors.

Table 4.3.10: Marketing strategy used much more to appeal to investors

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal selling</td>
<td>15</td>
<td>44.1</td>
</tr>
<tr>
<td>Relationship marketing</td>
<td>15</td>
<td>44.1</td>
</tr>
<tr>
<td>Advertising</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>4</td>
<td>11.7</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2008

Table 4.3.10 above indicates that 15(44.1%) of the stockbrokers said they use personal selling and relationship marketing respectively in appealing to investors while 4 respondents accounting for 11.7% said they cause much more of other
marketing strategies other than personal selling and relationship marketing in wooing the investors.

**Table 4.3.11: Description of stockbrokers’ Experience in Stock Marketing**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tasking but satisfactory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not easy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All of the above</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2008**

Table 4.3.11 shows that the stockbrokers experience in stock marketing though tasking was very satisfactory.

**Table 4.3.12: Whether financial PR communication strategies offer the right utility or investment information to investors/clients**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>18</td>
<td>53</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
<td>11.7</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>10</td>
<td>29.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>5.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2008**

Table 4.3.12 reveals that 18(53%) of the stockbrokers strongly agreed that financial PR communication strategies offer right utility or investment information to investor/clients. 4 (11.7%) respondents agreed, while 10(20.46%). Respondent strongly disagreed and 2 respondents representing 5.8 percent disagreed, that
financial PR communication strategies offer the right utility or investment information to investors.

4.4 Analysis of Relevant issues in Clients Questionnaires
This section deals on key response of clients/investor on the subject of the investigation. At the end of this presentation, the responses together with that of the stock brokers will help us test the hypothesis.

Table 4.4.1: Whether respondents know the functions of stock exchange market or NSE

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>264</td>
<td>72.1</td>
</tr>
<tr>
<td>No</td>
<td>102</td>
<td>27.8</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2008

Table 4.4.1 above tells us that of 366 respondent representing investors, 264 (72.1%) answered in the affirmative that they are conversant with the functions of Nigeria Stock exchange (NSE). The remaining 102 respondents, which account for 27.8% answered in the negative. With this answer, it is assume that this categories of respondents will respond to questions.

Table 4.4.2: Names of securities Traded in the Exchange

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares/Stock</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>Preference share</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>Bonds</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>Debenture</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2008
Respondents were asked to name the securities traded in the Exchange. They named all the securities listed in the table 4.4.2. Based on this pattern of response, it is assumed that the investors know that kinds of instruments traded in stock exchange and have also invested in them.

**Table 4.4.3: Whether investors invest through a stockbroker and also seek advice before investing**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>360</td>
<td>98.3</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>1.6</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2008*

Table 4.4.3 sought to verify if investors/respondents invest in stock through stockbrokers. From the presentation, majority of the respondents, that is 360 or 98.3 percent answered in the affirmative while an insignificant figure of 6 or 1.6% respondents answered in the negative. The same figure also agree that the seek advice before investing in stocks.

**Table 4.4.4: Kind of advice normally received by investors**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice on the stock</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>Advice on how and when to buy or sell stock</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>Benefits of investing in stocks</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>Information on stock prices/movement trend</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>All of the above</td>
<td>366</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Raw data obtained from Survey, 2008*
Table 4.4.4, listed the kinds of advice investors claim they get or seek from stockbrokers before making investment on stocks. And from the data on the table above, all the 366 (100%) respondents agreed that they virtually get or seek difference advice as listed in the table. The advice range from advice on top stocks, how and when to buy or sell, benefits that accrue from stocks and other information on stock prices/movement or trend.

Table 4.4.5: Strategies used in Persuading Investors

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth (WOM)</td>
<td>150</td>
<td>41</td>
</tr>
<tr>
<td>Advertising/publicity</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Seminar and workshop</td>
<td>16</td>
<td>4.3</td>
</tr>
<tr>
<td>One-on-one persuasion</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>All of the above</td>
<td>200</td>
<td>54.6</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2008

From table 4.4.5, of the 366 respondents, 200 (54.6%) agree that the stockbrokers have been using all the strategies listed in the fable to persuade them to invest in stocks, 150 (41%) respondents say they are being persuaded through word of mouth. The remaining respondents 16 or 4.3 percent say they were persuaded through seminar and workshop.

Table 4.4.3: Whether investors invest through a stockbroker and also seek advice before investing

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>360</td>
<td>98.3</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>1.6</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field survey, 2008
Table 4.4.3 sought to verify if investors/respondents invest in stock through stockbrokers. From the presentation, majority of the respondents, that is 360 or 98.3 percent answered in the affirmative while an insignificant figure of 6 or 1.6% respondents answered in the negative. The same figure also agree that they seek advice before investing in stocks.

**Table 4.4.4: Kind of advice normally received by investors**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice on to stock</td>
<td>360</td>
<td>100</td>
</tr>
<tr>
<td>Advice on how and when to buy or sell stock</td>
<td>360</td>
<td>100</td>
</tr>
<tr>
<td>Benefits of investing in stocks</td>
<td>360</td>
<td>100</td>
</tr>
<tr>
<td>Information on stock prices/movement trend</td>
<td>360</td>
<td>100</td>
</tr>
<tr>
<td>All of the above</td>
<td>360</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Raw data obtained from survey, 2008**

**Table 4.4.6: Whether financial PR communication strategies offer the right utility or investment information to investors/clients**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>250</td>
<td>68.31</td>
</tr>
<tr>
<td>Agree</td>
<td>6</td>
<td>1.64</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>100</td>
<td>27.32</td>
</tr>
<tr>
<td>Disagree</td>
<td>10</td>
<td>2.73</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field survey, 2008**
Table 4.4.6, reveals that 250(68.31%) of the investors/clients strongly agreed that financial public relations communications strategies offer them the right utility or investment information, 6(1.64%) respondents agree; 100(27.32%) strongly disagree while 10(2.73%) respondents disagree.

Table 4.4.7: Strategy used much more by stockbrokers in appealing to investors

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal selling</td>
<td>204</td>
<td>55.7</td>
</tr>
<tr>
<td>Relationship marketing</td>
<td>106</td>
<td>28.9</td>
</tr>
<tr>
<td>Advertising</td>
<td>10</td>
<td>2.7</td>
</tr>
<tr>
<td>Others</td>
<td>46</td>
<td>12.5</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data obtained from survey, 2008

Table 4.4.7, requires respondents to choose the strategy that is used much more by stockbrokers in appealing to them. And as indicated in the table. 204 (55.75) respondents say that personal selling is used much more, 106(28.9%) respondents say it is relationship marketing, 10(2.7%) say it is advertising while 46 representing 12.5 percent say it is other strategies other than those listed in the table.
Table 4.4.8: Whether these Strategies Offer Respondents the Right Utility of Investment Information

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>260</td>
<td>71</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>1.6</td>
</tr>
<tr>
<td>I can’t say</td>
<td>100</td>
<td>27.3</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey 2008

Table 4.4.8 shows that 260 (71%) respondents out of 366 answered in the affirmative that the marketing strategies offer them the right utility of investment information that enable them to invest wisely. 6(1.6%) answered in the negative while 100(27.3%) respondents were neither here nor there.

Table 4.4.9 Relationship between the Marketing Efforts of Stockbrokers and Stock ratings, Values and Pricing in the Stock Market

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>210</td>
<td>57.3</td>
</tr>
<tr>
<td>No</td>
<td>56</td>
<td>15.3</td>
</tr>
<tr>
<td>I can’t say</td>
<td>100</td>
<td>27.3</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey 2008

Table 4.4.9 indicates that of 366 respondents, 210 representing 57.3% answered in the affirmative that there is a strong relationship between the marketing efforts of the stockbrokers and stock ratings, value and pricing in the stock market. 56(15.3%) answered in the negative while 100 (27.3%) respondents were neither here none there.
Table 4.4.10: Whether respondents know what Fundamental and Technical Analysis Means

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>62</td>
<td>16.9</td>
</tr>
<tr>
<td>No</td>
<td>304</td>
<td>83.3</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey 2008

From table 4.4.10m majority of the respondents 304 (83.3%) say they do not understand what both fundamental and technical analysis means; 62 (16.9%) say they do understand what they mean.

Table 4.4.11: Whether respondents are satisfied by the quality of service rendered by stockbrokers

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>62</td>
<td>16.9</td>
</tr>
<tr>
<td>No</td>
<td>304</td>
<td>83.3</td>
</tr>
<tr>
<td>Total</td>
<td>366</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4.4.11 sought to know if respondents were satisfied by the quality of services rendered by stockbrokers.

From the table (50.8%) out 366 respondents answered in the negative that they were not stratified with the quality of services rendered by the stockbrokers while 180(49.1%) answered in the positive. The little difference between those respondents that answered in the negative and those that answered in the affirmative is not much.

This indicates that stockbrokers have to be ethical and socially responsive in the discharge of their duties.
4.5 TESTING OF HYPOTHESIS

Four hypotheses were formulated for this study. For the tests, we adopted Chi-square statistical tool represented in the formula below:

\[ x^2 = \frac{(O-E)^2}{E} \]

Where;
\[ x^2 = \text{Chi-square} \]
\[ O = \text{Observed frequency} \]
\[ E = \text{Expected frequency} \]
\[ \sum = \text{Summation sign} \]
\[ Df = (1)(R-1) \]

Where;
\[ DF = \text{Degree of freedom} \]
\[ C = \text{Column} \]
\[ R = \text{Row} \]
\[ I = \text{Constant factor} \]

Significance level 0.05

Test of Hypothesis One

\[ H_0: \] The marketing strategies and efforts of the stock brokers do not offer the right utility or investment information to the investors/clients.

\[ H_1: \] The marketing strategies and efforts of the stock brokers offer the right untidily or investment information to the investors/clients.

Table 4.5.1: Contingency table for hypothesis one

<table>
<thead>
<tr>
<th></th>
<th>E</th>
<th>O-E</th>
<th>((O - E)^2)</th>
<th>(\frac{(O - E)^2}{E})</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>23.46</td>
<td>-7.46</td>
<td>55.65</td>
<td>2.37</td>
</tr>
<tr>
<td>18</td>
<td>2.04</td>
<td>15.96</td>
<td>254.7</td>
<td>124.86</td>
</tr>
</tbody>
</table>
X² = 148.27

To calculate expected frequencies, we apply the formula

\[ \frac{RT \times CT}{n} \]

Where:
- \( RT \) = Row total
- \( CT \) = Column total
- \( n \) = Grand total

Calculated \( X^2 \) = 148.27
Critical \( X^2 \) = 5.991
DF = (3-1)(2-1)
   = 2 x 1 = 2

**Decision Rule**

Since the calculated \( X^2 \) (148.27) is greater than tabulated or critical values (5.991), under df = 2, at 0.05 significance level, we reject the null hypothesis and accept the alternative and conclude that, the marketing strategies and efforts of the stock brokers offer the right utility or investment information to the investors/clients.

**Test of Hypothesis Two**

\( H_0: \) Effective application of financial public relations communication strategies does not offer the right utility or investment information to investors/clients.
H1: Effective application of financial public relations communication strategies offer the right or investment information to investors/clients.

Table 4.5.2 Test table for hypothesis two

<table>
<thead>
<tr>
<th>Options</th>
<th>Stockbrokers</th>
<th>Clients</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agreed</td>
<td>18</td>
<td>250</td>
<td>268</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Disagreed</td>
<td>2</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>366</td>
<td>400</td>
</tr>
</tbody>
</table>

Source: Adapted from tables 4.3:12 and 4.6

To calculate expected frequencies we apply the formula

\[
\frac{RT \times CT}{n} = \frac{(O - E)^2}{E}
\]

Where RT = Row total
CT = Column Total
n = grand total
DF = (4-1)(2-1)
3 x 1 = 3
Calculated $x^2 = 14.94$

Critical $x^2$ value $= 7.8 \; 13$

Level of significance 0.05

**Decision Rule**

Since the calculated $x^2$ (14.94) is greater than critical $x^2$ value of 7.813, we therefore reject null hypothesis and accept the alternative and thus conclude that, “effective application of financial public relations communication strategies offer the right or investment information to investors/clients”.

**Test of Hypothesis Three**

H$_0$: Stockbrokers do not use much more of personal selling approaches than other marketing strategies in their effort to market stocks.

H$_1$: Stockbrokers use much more of personal selling approaches than other marketing strategies in their effort to market stocks.

**Table 4.5.4 Contingency Table for Hypothesis Three**

<table>
<thead>
<tr>
<th></th>
<th>E</th>
<th>O-E</th>
<th>$(0 - E)^2$</th>
<th>$(0 - E)^2$ or $x^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>18.6</td>
<td>-3.6</td>
<td>12.96</td>
<td>0.69</td>
</tr>
<tr>
<td>15</td>
<td>10.2</td>
<td>4.8</td>
<td>23.04</td>
<td>2.25</td>
</tr>
<tr>
<td>0</td>
<td>0.85</td>
<td>-0.85</td>
<td>0.72</td>
<td>0.85</td>
</tr>
<tr>
<td>4</td>
<td>4.25</td>
<td>-0.25</td>
<td>0.06</td>
<td>0.01</td>
</tr>
<tr>
<td>204</td>
<td>200.3</td>
<td>3.7</td>
<td>13.69</td>
<td>0.06</td>
</tr>
<tr>
<td>160</td>
<td>110.7</td>
<td>-4.7</td>
<td>22.09</td>
<td>0.19</td>
</tr>
<tr>
<td>10</td>
<td>9.15</td>
<td>0.85</td>
<td>0.72</td>
<td>0.07</td>
</tr>
<tr>
<td>46</td>
<td>45.7</td>
<td>0.3</td>
<td>0.09</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.121</td>
</tr>
</tbody>
</table>

*Source: Observed Frequencies Accepted from Table 4.3:10 and 4.4:7*

To calculate expected frequencies we apply the formula
Where \( RT \) = Row total
\( CT \) = Column Total
\( n \) = grand total
\( DF \) = \((C-1) (R-1)\)
\( (4-l) (2-1) \)
\( = 3 \times 1 = 3 \)
\( DF = 3 \)

Level of significance 0.05
Calculated \( x^2 \) = 4.121
Critical value = 7.815

Decision Rule
Since the calculated \( x^2 \) (4.121) is less than the tabulated or critical \( x^2 \) value (7.815) under DF 3 at 0.05 significance level, we therefore accept the null hypothesis and reject the alternative and conclude that stockbrokers do not use much more of personal selling approaches than other marketing strategies in their effort to market stock.

Test of Hypothesis Four
\( H_0: \) Adoption of Relationship marketing by stockbrokers does not help investors to make appropriate investment decision in relation to stock ratings, values and pricing.

\( H_1: \) Adoption of Relationship marketing by stockbrokers helps investors to make appropriate investment decision in relation to stock ratings, values and pricing.
Table 4.5: Test table for Hypothesis four

<table>
<thead>
<tr>
<th>Options</th>
<th>Stockbrokers</th>
<th>Clients</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreed</td>
<td>22</td>
<td>210</td>
<td>232</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>56</td>
<td>58</td>
</tr>
<tr>
<td>No opinion</td>
<td>10</td>
<td>100</td>
<td>110</td>
</tr>
<tr>
<td>Total</td>
<td>34</td>
<td>366</td>
<td>400</td>
</tr>
</tbody>
</table>

Source: Adapted from table 4.3:4 and 4.4.9

To compute expected frequencies we apply this formula:

\[ \frac{RT \times CT}{n} \]

Table 4.5.6 Contingency Table for Hypothesis Four

<table>
<thead>
<tr>
<th></th>
<th>E</th>
<th>O-E</th>
<th>(0 – E)^2</th>
<th>(0 – E)^2 / E</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>19.72</td>
<td>2.28</td>
<td>5.19</td>
<td>0.26</td>
</tr>
<tr>
<td>2</td>
<td>4.93</td>
<td>-2.93</td>
<td>8.38</td>
<td>1.74</td>
</tr>
<tr>
<td>10</td>
<td>9.35</td>
<td>0.65</td>
<td>0.42</td>
<td>0.04</td>
</tr>
<tr>
<td>210</td>
<td>212.28</td>
<td>-2.28</td>
<td>5.19</td>
<td>0.02</td>
</tr>
<tr>
<td>56</td>
<td>53.07</td>
<td>2.93</td>
<td>8.58</td>
<td>0.16</td>
</tr>
<tr>
<td>100</td>
<td>100.65</td>
<td>-0.65</td>
<td>0.42</td>
<td>0.004</td>
</tr>
</tbody>
</table>

Source: Observed Frequencies Accepted from Table 4.3:10 and 4.5:5 above

Calculated \( x^2 = 2.224 \)

Tabulated or critical value = 5.991

\[ DF = (3 -1) (2+1) = 2 \times 1 = 2 \]

Significance level 0.05

Decision Rule
Since calculated $x^2$ value (2.224) is less than tabulated $x^2$ or critical value (5.991), we therefore accept the null hypothesis and reject the alternative and conclude that “adoption of relationship marketing by stockbrokers does not help investors to make appropriate investment decision in relation to stock ratings, values and pricing.
CHAPTER FIVE
Summary of major findings, conclusion and Recommendations

5.1 Summary of Major Findings

Based on the analysis in the preceding chapter, some findings have been made in this study and are summarized as follows:

1. Stockbrokers in their bid to market stocks in the Nigerian Stock Exchange (NSE) adopt different marketing cum financial public relations strategies. These strategies were aimed at wooing both actual and potential investors to invest in stock.

2. Some of the marketing strategies adopted include personal selling, relationship marketing, advertising and marketing concept.

3. It was also discovered that the marketing strategies and efforts of the stockbrokers offer the right utility or investment information to investors/clients.

4. Interestingly, it was also found out that when stockbrokers effectively use financial public relations communication strategies, investors get the right investment information.

5. However, stockbrokers do not use much more of personal selling approaches than other marketing strategies in their effort to market stocks. It must be noted that, individual brokerage firms adopt mix strategies in order to effectively market stocks.

6. Given the adoption of multi strategies, adoption of relationship marketing by stockbrokers does not really make investors to take appropriate investment decisions in relation to stock ratings, values and pricing. Though in the analysis the result was in the affirmative but when subjected to statistical test it proves otherwise (see tables 4.3.4 and 4.4.8 respectively).
7. Given their individual encounters, stockbrokers experiences in the marketing of stocks can be described as tasking, tasking and satisfying and difficult.

5.2 Conclusion

Stock marketing extend beyond the actual buying and selling but is always preceded by determining what investors want or need as regards stock values, ratings and bid prices. As we have discovered, in the findings, stockbrokers use different marketing strategies in making sure that investors patronize them. Armed with the marketing’ concept, stockbrokers identify what investors want, the type of securities they intend to invest in either by buying or selling existing stocks. Outside the trading floor of the stock exchange, different marketing public relations strategies are used to influence selling and buying of shares.

Investors seek for advice that enables them make wise investment decisions. It is the duty of a stockbroker to provide his/her client those basic information that arm the investor with how, where, what and when to invest in a particular share of a company. For this reason, marketing of stock starts before the actual buying or selling of securities in the trading floor of the stock market. Hence no particular marketing strategy is best rather a blend of strategies gives better results.

5.3 Recommendations

Based on the findings and conclusions, the researcher recommends the following.

(1) Stockbrokers, especially those who do not have deep knowledge of the marketing concept should always go for refresher courses annually organized by the National Institute of Marketers of Nigeria (NIMN), or other similar bodies such as NIPR. The refresher courses which always come in, the form of seminars and workshops will equip and expose stockbrokers with requisite marketing skills.

(2) Stockbrokers should also note that if they fail to be honest in their dealings, they are already demarketing their worth and image. Investors, especially
potential ones rely much on the stockbrokers for expert advice on investment matters. Therefore their being honest and trustworthy are important, because they need to build confidence on the psyche of investors.

(3) Stockbrokers should also organize interactive forums where they explain to the potential investors what type of stock to invest in, and the right time to buy or sell without incurring losses.

(4) They should build strong relationship with their clients through effective application of relationship marketing approaches and financial public relations.

(5) The regulatory bodies such as Nigerian Stock Exchange, Securities and Exchange Commission, Association of shareholders of Nigeria and in-state of Chartered-Stockbrokers of Nigeria should keep their eyes on the activities of stockbrokerage firms. These bodies are to take necessary sanctions against erring stockbrokerage firms or brokers. This will help to build confidence on the actual and potential investors on securities.

(6) Marketing entails identifying and anticipating the needs and wants of customers and satisfying them profitably. It does not entail lording over the customer rather customer is always the kind and right if he must be served better now and in the future. Therefore, “the seller beware”.
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APPENDIX
Marketing Department
Faculty of Business
Administration
University of Nigeria
Enugu Campus
13th June, 2008.

Dear Respondent,

REQUEST FOR RESPONSE TO PROJECT REPORT QUESTIONNAIRE

I am a post graduate student of the above Department with the registration number PG/MBA/06180. I am carrying out a research, on the topic MARKETING OF STOCKS IN THE NIGERIAN STOCK EXCHANGE MARKET THE EXPERIENCE IN ENUGU AND ONITSHA.

This research is undertaken as part of the requirement for the award of Master of Business Administration Degree in Marketing. Therefore, you are most humbly implored to respond appropriately to the questionnaire overleaf.

Your response will be treated with utmost confidence and used only for academic purposes.

Thanks for your anticipated co-operation.

MRS. CHIKELEZE PATRICIA
APPENDIX II

The Research Questionnaire (For Stock Brokers) Introduction/Instructions

These consist of a set of structured questions bordering on respondents demographic characteristics and the research topic in question. Do please tick [1 in the appropriate box against your response.

SECTION A Demographic Characteristics of the Respondents

1. Sex: Male [ ] Female [ ]
2. Age: 18-25 years [ ] 26 - 35 years [ ] 36 - 45 years [ ] 46 above years [ ]
3. Academic Qualification HND/B.Sc [ ] PGD [ ] MSC/MBA/MBA [ ] PhD [ ]
4. Where do you work..............................................................
5. What is your official designation ........................................
6. Years of experience in stock brokerage 6 months 3\1/2 — 5\1/2 years [ ]
   years - above [ ]

SECTION B

1. Consider the following statements
   (a) Marketing determines what products are to be manufactured
   (b) Production determines what products are to be manufactured.
   (c) Production determines what prices are to be charged.
   (d) Marketing determines what prices are to be charged.
   Which of the above statements do you agree with and why?
   --------------------------------------------------------------------------------------------------------------------------------
   --------------------------------------------------------------------------------------------------------------------------------
   --------------------------------------------------------------------------------------------------------------------------------

2. Those who accept the marketing concept practice the following:
   (a) Make sure that they know what and where their markets are
   (b) Provide effective customer and product service.
(c) See that their customers have the right product, at the right place and at the right price.

(d) Provide adequate advertising and sales promotion.

Which of the above marketing concepts have you used and how?

3. Holistic Marketing has four major components:

(a) **Relationship Marketing**: The aim is to build mutually satisfying long term relationship with customers.

(b) **Integrated Marketing**: An example is the marketing mix/which is called the 4 Ps of marketing -product, price, place and promotion.

(c) **Internal Marketing**: This is the task of hiring training and motivating able employees who want to serve customers well.

(d) **Social Responsibility Marketing**: The stockbroker (that is, the individual stockbroker) must think of how his activity the society as a whole.

3(i) How often do you practice relationship marketing (i) Very often [ ] (ii) Often [ ] (iii) Intermittently [ ] (iv) Not at all [ ]

(v) Relationship marketing helps investors to make appropriate investment decisions in relation to stock ratings, values and pricing, strangles

(i) agree [ ] (ii) agree [ ] (iii) Disagree [ ] (iv) No opinion [ ]

4 Investors say that stock ratings, values and pricing are influenced by brokers. Do you agree to that? (i) Strongly agree [ ] (ii) agree [ ](iii) Disagree [ ] (iv) No opinion [ ]

5. Do you agree that there is no relationship between the marketing efforts by stockbrokers and stock ratings, values and pricing (i) agree [ ] (ii) Disagree [ ] (iii) No opinion [ ]

A lot of potential investors do not seem’ to respond aggressively to buying stock. What is the cause?

Do you think that inadequate training and inadequate motivation of employees who want to serve customers well may be responsible for potential investors lack of interest in the purchase’ of stocks. Yes[ ] (ii) No[ ]
What are the types of stock analysis you provide to clients/investors? (a) Fundamental analysis [ ] (b) Technical analysis [ ] (c) Fundamental Technical Analysis [ ] (d) None of the above [ ]

With reference to the 4 Ps of marketing mentioned above, briefly explain how you use them to attract potential investors. Below are some of the marketing strategies that may be employed by stockbrokers to attract potential investors.

(a) Canvassing for patronage through personal selling
(b) Publicity on the benefit of buying stocks and other securities [ ] (c) Provision of information on stock prices and stock trend/movement in the USE [ ] (d) Organizing and participating in interactive forum such as seminars, and workshops on stock market activities [ ]
(e) All of the above [ ]
(f) Some of the above [ ]; name them
(g) None of the above [ ]

Tick the strategies (a) to (g) that apply to your brokerage firm, which of them does your brokerage firm use very often?

How would you describe your experience in marketing of stocks?
(a) Tasking [ ]
(b) Tasking but satisfactory [ ]
(c) Not easy [ ]
(d) None of the “above. Then briefly describe the experience

What is your advice on how to improve the marketing of stocks on the N.S.E.