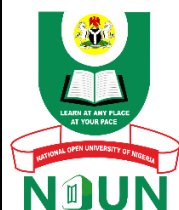


COURSE GUIDE

MAC 428 INTEGRATED MARKETING COMMUNICATION

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Printed 2014, 2017, 2021

ISBN: 978-058-390-4

Printed by: NOUN Press

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INTRODUCTION

MAC 428 - Integrated Marketing Communication is a two-credit unit course offered in the second semester of year four by students of the Mass Communication degree programme. This course has been developed with appropriate and practical examples suitable not only for Nigerian students but also other students across the globe. Specifically, this course Guide is designed for learners enrolled in the B.Sc Mass Communication programme of the National Open University of Nigeria. This guide is one of the several resource tools available to you to help you successfully complete this course and ultimately your programme.

In this guide you will find very useful information about this course: aims, objectives, what it is about, what course material you will be using, available services to support your learning, information on assignments and examination. It also offers you guidelines on how to plan your time for study, the amount of time you are likely to spend on each study unit, and your tutor marked assignments. (TMAs)

COURSE AIMS

Fundamentally, communication is prerequisite tool used in any discipline, skill and area of study such as education, economy, security and defence, science and technology, health, social and religion and many others. Communication is so important that no field can do without it. This course therefore equips you with the knowledge required to understand the importance of communication in marketing.

COURSE OBJECTIVES

There are objectives to be achieved in each unit of the course. You should read them before studying each unit. Few of them are itemised below as samples.

On completion of this course you should be able to:

- trace the Origin of marketing
- define various definition of marketing
- discuss the explanations of difference authors and professionals of marketing
- differentiate marketing from advertising as well as other marketing communication means
- explain the relationship between marketing and advertising as well as other marketing communication means
- describe the application of marketing communication for effective marketing effort

- analyse each of the elements in the marketing mix
- explain how each of the marketing mix influences total marketing plan.

WORKING THROUGH THE COURSE

This course is written for students who need to learn basic principles and skills required for effective marketing communication. It is aimed at equipping you with the rudiments and various considerations in integrated marketing communication.

COURSE MATERIALS

The major components of this course are:

- Course Guide
- Study Units
- Textbooks
- Assignment File
- Presentation Schedule

STUDY UNITS

These are 14 units of four modules in the course. They are as follows:

Module 1 Marketing as an Institution

- Unit 1 History and Definitions of Marketing
- Unit 2 Marketing and Other Management Functions
- Unit 3 The Marketing Mix and Marketing Plan
- Unit 4 Elements of Marketing Mix

Module 2 Understanding Integrated Marketing Communication

- Unit 1 Origin of Integrated Marketing Communication (IMC)
- Unit 2 Definition and Explanation of IMC
- Unit 3 The Need for IMC

Module 3 Market & Marketing Research

- Unit 1 Marketing Research
- Unit 2 Types of Marketing Research
- Unit 3 Steps & Processes of Conducting Marketing Research
- Unit 4 Merits and Demerits of Marketing Research

Module 4 Integrated Marketing Communication Plan

Unit 1	Integrated Marketing Communication Strategies
Unit 2	Integrated Marketing Communication Media
Unit 3	Objectives and Budgeting For Promotional Programme

COURSE MARKING SCHEME

The following table lays out how the actual course marking is broken down.

Assessment	Marks
Assignments 1 – 4	Best three marks of the four count as 30% of course mark
Final Examination	70% of overall marks
Total	100% of course marks

COURSE OVERVIEW

This table brings together the units, the number of weeks you should take them, and the accompanying assignments.

Unit	Title of study unit	Semester week	Assignment
	Course Guide	1	Course Guide Form

Module 1 Marketing as an Institution

Unit	Title of study unit	Semester week	Assignment
Unit 1	History and Definitions of Marketing	2	Self Assessment Exercise
Unit 2	Marketing and Other Management Functions	3	Self Assessment Exercise
Unit 3	The Marketing Mix and Marketing Plan	4	Self Assessment Exercise
Unit 4	Elements of Marketing Mix	5	Self-Assessment Exercise

Module2 Understanding Integrated Marketing Communication

Unit 1	Origin of Integrated Marketing Communication (IMC)	6	Self-Assessment Exercise
Unit 2	Definition and Explanation of IMC	7	Self-Assessment Exercise
Unit 3	The Need for IMC	8	Assignment

Module 3 Market and Marketing Research

Unit 1	Marketing Research	9	TMA 3 to be submitted
Unit 2	Types of Marketing Research	10	TMA 3 to be submitted
Unit 3	Steps & Processes of Conducting Marketing Research	11	TMA 3 to be submitted
Unit 4	Merits and Demerits of Marketing Research	12	TMA 4 to be submitted

Module 4 Integrated Marketing Communication Plan

Unit 1	Marketing Strategies	13	TMA 3 to be submitted
Unit 2	Integrated Marketing Communication Media	14	TMA 3 to be submitted
Unit 3	Communication Budgeting and Market Evaluation	15	TMA 3 to be submitted
Unit 4	Merits and Demerits of IMC Plan	16	TMA 4 to be submitted
	Revision	17	
	Examination	18	
	Total	18	

TEXTBOOKS AND REFERENCES

Your course material is the main text for this course. However, you are encouraged to consult other sources as provided for you in list of references in the various units.

ASSIGNMENT FILE

An assignment file and a marking scheme will be made available to you. In this file, you will find all the details of the work you must submit to your tutor for marking. The marks you obtain from these assignments will count towards the marks you obtain for this course. Further information on assignments will be found in the assignment file itself and later in this Course Guide in the section on assessment.

TUTOR-MARKED ASSIGNMENT

There are four tutor-marked Assignments (TMAs) for this course. The Assignments are designed to cover all areas treated in the course. You will be given your assignments and the dates for submission at your study centre. You are required to attempt all four TMAs. You will be assessed on all four, but the best three will be used for your continuous assessment.

Each assignment carries 10% and together will count for 30% of your total score for the course. The assignments must be submitted to your tutorial facilitator for formal assessment on or before the stipulated dates

for submission. The work that you submit to your tutorial facilitator for assessment will count for 30% of your total course score.

PRESENTATION SCHEDULE

The dates for submission of all assignments will be communicated to you. You will also be told the date for completing the study units and dates for examinations.

ASSESSMENT

There are two aspects to the assessment of the course. First are the tutor-marked assignments; second, there is a written examination. In tackling the assignments, you are expected to apply information and knowledge acquired during this course.

The assignments must be submitted to your tutor for formal assessment in accordance with the deadlines stated in the Assignment File. The work you submit to your tutor for assessment will count for 30% of your total course mark.

At the end of the course, you will need to sit for a final three-hour examination. This will also count for 70% of your total course mark.

FINAL EXAMINATION AND GRADING

The final examination for MAC 428 will be of two hours duration, and will carry 70% of the total course grade. The examination will consist of questions which reflect the kinds of self-Assessment Exercises and questions in the Tutor – marked Assignment which you have previously encountered. All areas of the course will be assessed. You should use the time between finishing the last unit and taking the examination to revise the Self-Assessment Exercises and TMA before the examination.

HOW TO GET THE MOST FROM THIS COURSE

In distance learning, the study units replace the University lecturer/lecture. The advantage is that you can read and work through the course material at your pace and at a time and place that suits you best. Think of it as reading the lecture instead of listening to a lecturer. Just as a lecturer might give you in class exercise, your study units provide exercises for you to do at appropriate times.

Each of the study units has common features which are designed to aid your learning. The first feature is an introduction to the subject matter of the unit and how a particular unit is integrated with other units and the course as a whole. Next is a set of learning objectives. These objectives

let you know what you should be able to do by the time you have completed the unit. You should use these objectives to guide your study. When you have finished the unit, you should go back and check whether you have achieved the objectives. Self-Assessment Exercises are designed to help you recall what you have studied and to evaluate your learning by yourself. You should do each Self-Assessment Exercise as you come to it in the study unit. The summary at the end of each unit also helps you to recall all the main topics discussed in the main content of each unit. These are also TMA questions at the end of each unit. Working on these questions will help you to achieve the objectives of the unit and prepare you for the assignment which you will submit and the final examination.

FACILITATORS/TUTORS AND TUTORIALS

The total number of tutorial hours for this course is eight hours. Tutorial sessions form a part of your learning process as you have an opportunity to have face to face contact with your tutorial facilitator and to receive answers to questions or clarifications which you may love. Also you may contact your tutorial facilitator by phone or mail.

On your part, you will be expected to prepare ahead of time by studying the relevant study units. Write your questions so as to gain maximum benefit from tutorial sessions. Information about the location and time schedule for facilitation will be available at your study centre.

Tutorial sessions are a flexible arrangement between you and your tutorial facilitator. You will need to contact your study centre to arrange the time schedule for the sessions. You will also need to obtain your tutorial facilitator's phone number and email address. Tutorials are optional. However, the benefits of participating in them provide you a forum for interaction and peer group discussions which will minimise the isolation you may experience as a distance learner.

Contact your tutor if:

- you do not understand any part of the study units.
- you have difficulty with the self-tests or exercises.
- you have a question or a problem with an assignment, your tutor's comments on an assignment, or with the grading of an assignment.

Counselling form a part of your learning because it is provided to make your learning experience easier. Counselling is available to you at two levels: academic and personal counselling. Student counsellors are available at the study centre to provide guidance for personal issues that

may affect your studies. Your study centre manager and tutorial facilitators can assist you with questions on academic matters such as course materials, facilitation, grades and so on. Make sure that you have the phone numbers and email addresses of your study centre and the various individuals.

MAIN COURSE

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MODULE 1 MARKETING AS AN INSTITUTION

Unit 1	History and Definitions of Marketing
Unit 2	Marketing and Other Management Functions
Unit 3	Marketing Mix and Marketing Plan
Unit 4	Elements of Marketing Mix

**UNIT 1 HISTORY AND DEFINITIONS OF
MARKETING****CONTENTS**

1.0	Introduction
2.0	Objectives
3.0	Main Content
3.1	Origin of Marketing
3.2	Definition and Explanation of Marketing
4.0	Conclusion
5.0	Summary
6.0	Tutor-Marked Assignment
7.0	References/Further Reading

1.0 INTRODUCTION

Marketing is one of the key economic activities. Though, it is a professional field on its own, its fundamental objectives and theoretical applications take source from economy. It is a management profession, which involves coordination of so many activities in the exchange of goods and services in order to help consumers satisfying their needs and wants and at the same time ensuring maximisation of profit.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- trace the Origin of marketing
- explain various definition of marketing
- discuss the explanations of different authors and professionals of marketing.

3.0 MAIN CONTENT

3.1 Origin and Development of Marketing

Like many economic activities, marketing is as old as man. It is unconvincing to assume an exact date as the beginning of marketing. Marketing evolved through ages and each of the stages in the evolution contributes to the development of marketing as it appears today.

In order to give a comprehensive account of the evolution of marketing, Osuagwu and Gbadamosi (1998) categorise the evolution into five phases:

1. Barter Era
2. Production Orientation
3. Selling Orientation
4. Marketing Concept Orientation
5. Strategic Marketing Orientation

Barter Era: Every economic activity is traced to this era. In fact, this era is a landmark in the history of man. During this era, the ineptitude of man to possess all his needs at a particular point in time was realised. Since there was no money to serve as medium of exchange, exchange of 'goods for goods', goods for services' and 'services for services' was developed to facilitate satisfactions of needs and wants. Osuagwu and Gbadamosi cite countertrade business between Nigeria and Brazil as example. You will agree here that searching for those who need offered goods and who have and ready to give in exchange what the benefactor needs is the main marketing activity in this era.

Production Orientation: As a result of technological development and industrial revolution, this era witnessed firms preoccupied with production of goods. Availability of raw materials as well as machines contributes immensely to the production success during this era. Osuagwu terms this period as manufacturing era and he emphasises that efforts were not made by the firms towards marketing the goods that were produced.

Selling Orientation: This era was necessitated by the production excesses in the previous era. Goods were available in large quantity but the demands for them were limited. Firms started making selling efforts to ensure that their production efforts were not wasted. Consumers were then considered as an important player in business decisions.

Marketing Concept Orientation: Production which was considered the first stage in a business decisions in the production era and selling era was revised in this era. Consumers' needs and wants were given priority before production and selling. Firms realised that no-matter how valuable a selling effort, it will never convince the consumers to buy what they do not need or want. Osuagwu itemises three characteristics of this era:

- (a) Customer Orientation (Consumer Interest)
- (b) Coordination of Functional Business Activities
- (c) Benefit Index (e.g. Profitability)

Marketing Strategy Orientation: Effort here is shifted to how to beat competitors. The presence of the competitors is considered a factor that affects consumers' buying decisions. The activities of the competitors and the firm's resources are therefore considered in the management decisions.

SELF-ASSESSMENT EXERCISE

- i. In which of the categories of the evolution of marketing do we have full marketing activities and why?
- ii. Discuss the peculiar characteristics of Marketing Concept Era.

3.2 Definition and Explanation of Marketing

Marketing is given various definitions by authors and professionals according to their understanding of the concepts and fundamentals of the profession. None of the definitions is considered worldly acceptable. Adeleye (1998) also agrees that there is single, universally accepted definition of marketing but a whole spectrum which shows the diversity of perspectives adopted by different writers.

He writes further that:

Different academic backgrounds or areas of employment of the authors giving the definitions might have accounted for such divergent view points on marketing.

He quotes not less than ten different definitions to justify the claim as highlighted below:

- Marketing is – the process whereby society supply its consumption needs, evolves distributive systems composed of participants, who, interacting under constraints – technical (economic) and ethical (social) – create the transactions or flows

which resolve market separations and result in exchange and consumption (Bartels, 1968)

- Marketing includes all business activities that make possible, the determination of what should be produced and control that which is produced from its creation to ultimate consumption. (Risley, 1972)
- In a societal sense, marketing is any exchange activity intended to satisfy human wants. In a business sense, marketing is a system of business action designed to plan, price, promote and distribute want-satisfying goods and services to markets (Stanton, 1981).
- Marketing is the delivery of a standard of living to society (Mazur, 1947)
- Marketing is a set of activities necessary and incidental to bringing about exchange relationships in our economic system (Holloway and Hancock, 1973)
- Marketing encompasses exchange activities conducted by individuals and organisations for the purpose of satisfying human wants (Enis, 1977).
- Marketing is managing human and organisational exchange activities directed at satisfying human wants and needs (Schewe and Smith, 1983).
- Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user (American Marketing Association, 1960).
- Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler, 1988).
- Marketing is the vehicle through which a company can achieve its short-term goals and strategic aims in term of long-term survival in the face of change, particularly competitive change.

He also makes reference to Crosier (1975), who reviews over fifty definitions of marketing and categorises them into three major groups as thus:

- (a) Definitions which conceive of marketing as a process
- (b) Definitions which portray marketing as a concept or philosophy of business
- (c) Definitions which emphasise marketing as an orientation.

Each of the definitions quoted above fall into one or two of the categories according to Crosier. What is noted is that none of the definitions meet the focus of all the categories. Our effort here is not to attest a particular definition and present it as widely acceptable but to ascertain which one is all encompassing. If we look critically at the review of 1960 American Marketing Association's definition of marketing, by American Marketing Association Board of Directors in 2007, "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (Approved October 2007), we will notice that, it is more detail.

Marketing is the process of teaching consumers why they should choose your product or service over your competitors; if you are not doing that you are not marketing. It's really that simple! The key is finding the right method and defining the right message to use to educate and influence your consumers.

Companies make the mistake of thinking that marketing is just "one" thing, but marketing is everything that the consumer encounters when it comes to your business, from advertising, to what they hear, to the customer service that they receive, to the follow-up care that you provide. It's all marketing and creating the decision within the consumer whether or not to choose you initially or for repeat business.

There are many definitions of marketing but one of the simplest suggests that:

"Marketing is getting the right product or service in the right quantity, to the right place, at the right time and making a profit in the process".

Marketing is about identifying and understanding your customer and giving them what they want. It's not just about advertising and promoting your business.

Effective marketing is a result of examining every aspect of your business and how it affects the consumer's end experience. It covers everything you'll need to do in order to deliver your products and services to the consumer including research, planning, pricing, packaging, promotion, selling and distribution.

4.0 CONCLUSION

Emphasis must be made that marketing does not just emerges, it revolves through ages. It is not a new concept, it transform as it pass through eras to conform to the trends and development.

5.0 SUMMARY

It is obvious from the discussion in this unit that marketing in the beginning is not the way we have defined it today. The first set of activities that could be regarded as marketing effort could be dated back to *barter* era, long before monetary values were placed on goods and services and the use of money as a medium of exchange was discovered. We also discussed in this unit that there is no universally acceptable definition of marketing. Many of the definition quoted are the view of scholars and professional who are trying to capture the essential of marketing. We also discuss the review done to a definition of marketing by American Marketing Association Board of Directors in 2007 to give marketing an all-encompassing definition.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss your own understanding of marketing?

7.0 REFERENCES/FURTHER READING

Fadipe, S. (2002). *Advertising Practice with Nigerian Orientation*. Lagos: Christ Publishers.

Jefkins, F. (1987). *Introduction to Marketing, Advertising and Public Relations*. London and Basingstoke: MacMillan Publishers Ltd.

UNIT 2 MARKETING AND OTHER MANAGEMENT FUNCTIONS

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- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Marketing Versus Public Relations
 - 3.2 Marketing Versus Advertising
 - 3.3 Marketing Versus Sales Promotion & Personal Selling
 - 3.4 Marketing Versus Direct Selling
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Future Reading

1.0 INTRODUCTION

Our focus in this unit is to establish the relationships between marketing and other management functions. Marketing is not independent of other management functions.

They work hand in hand to assure that the goals of the business are achieved.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- differentiate marketing from advertising as well as other marketing communication means
- describe the relationship between marketing and advertising as well as other marketing communication means
- analyse the application of marketing communication for effective marketing effort.

3.0 MAIN CONTENT

3.1 Marketing Versus Public Relations

Marketing and Public Relations are two key managerial units in any business organisation particularly manufacturing sectors. As discussed in many of the definitions given so far, marketing lays more emphasis on identifying, anticipating, and satisfying customers and making profits. This means that the focus of marketing is on the customers.

Public Relations goes beyond this – its focus transcends customers affairs. Public Relations sees to the affairs of the entire public, who are directly or indirectly affected or influenced by the activities and decisions of the company. We discuss two of the popular definitions of Public Relations so as to affirm this.

According to the Mexican Statement proffered by the World Assembly of Public Relations Association in Mexico City USA in 1978:
Public Relations practice is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its public.

Mike Okereke, quoted in Cajetan (1996) also describes public relations as thus:

Public relations is a top management functionsfor corporate planning ...for positioning of organisations ...monitoring environmental trends and predicting their consequences. It is a tool for internal and external communication, for crisis management ...for marketing communication ...for the management of good media relations; shareholders and community relations...and for good

1 2 3 4 5

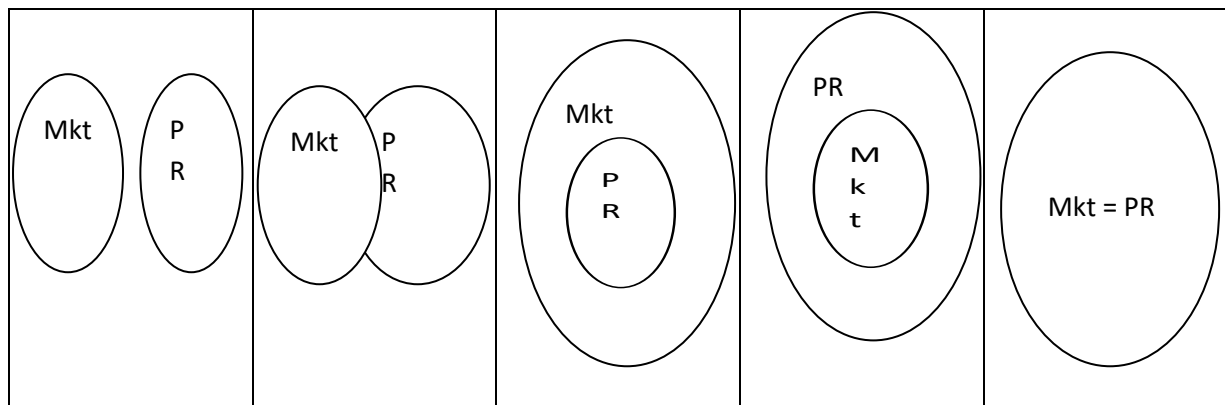
Fig.1: Relationship between Marketing and Public Relations

Source: Kotler and Mindak. In *Journal of Marketing*, Oct. 1978 (P. 14)

Public Relations make not much difference from marketing according to this definition except in the area of beneficiaries. Both marketing and public relations are centred on mutual benefits, that is but differ in the area of those entitle to the benefits.

Publics as the beneficiary in public relations consist of the customers, the media, the staff of the company, governments, financial institutions and other individuals and institutions who are affected by the activities of the company. Cajetan also agrees that marketing is a subset of public relations.

1. **Separate but equal functions:** In the first column, marketing and public relations are independent units having independent and defined roles. None is considered superior to the other.



2. **Equal but overlapping functions:** In the second column, each is considered an independent unit with defined roles. In many cases, there are overlapping function between PR and marketing. For example, one of the subset of PR is consumers' relations; this role is also one of the key functions in marketing, 'satisfying consumers' desires.'
3. **Marketing as the dominant function:** In this column, PR is a subset of marketing. This means that marketing is a big managerial unit under which PR is one of the sub-department. Marketing manager oversees all activities including public relations functions.
4. **Public relations as the dominant functions:** In column four, marketing is considered as one of the subsets of public relations. PR is seen as a broad unit overseeing activities that have to do with various publics of the firm either internal such as the staff and the external publics such as the consumers, customers, suppliers, banks, media etc.
5. **Marketing and Public relations as the same functions:** In column five, the roles of marketing and public relations are fused under one management. Marketing and public relations are seen as the same management function. This is common in small companies or organisations that are short of wherewithal. If you are having your private business (One-man business), it is possible that you are the General Manager, Marketing Manager as well as Public Relations Manager of the same business.

SELF-ASSESSMENT EXERCISE

Use a big firm in Nigeria as the basis for discussing the relationships between public relations and marketing.

3.2 Marketing versus Advertising

To go by the definitions, there are many technical and complicated definitions of both advertising and marketing and the differences between them. But it can be stated rather simply:

- Advertising tells a story about something to attract attention. Advertising is a step in the marketing process.
- In business, “marketing” is the planning of, and steps taken, to bring merchants and consumers together.

Most often in many big firms, unlike the relationship between public relations and marketing, advertising is just a unit in the marketing department. This is so because advertising is one of the key elements through which marketing objectives are achieved. Cajetan (1996 pg.16) while establishing the relationship between public relations and advertising, agreed that advertising is a part of promotion which is one factor in a Company’s marketing mix – product, place, price and promotion.

You will notice that many people are confused to differentiate marketing functions from advertising functions or vice versa. While both components are important, they are very different. If you must establish the major differences between marketing and advertising, it will require that you review the definition of both.

Let's first start by reviewing the formal definitions of each and then we will go into the explanation of how marketing and advertising differ from one another:

Advertising: The paid, public, non-personal announcement of information or persuasive selling messages on products services or ideologies by an identified sponsor, to the right target audiences.

Marketing: The systematic planning, implementation and control of a mix of business activities intended to bring together buyers and sellers for the mutually advantageous exchange or transfer of products.

After reading both definitions, it is easy to understand why people are confused to the point that they think of them as one-in-the same. Let us present the analyses to mark the differences.

Advertising is a single component of the marketing process. It's the part that involves getting the word out concerning your business, product, or the services you are offering. It involves the process of developing strategies such as advertisement placement, frequency, etc. Advertising includes the placement of an advertisement in such mediums as newspapers, direct mail, billboards, television, radio, and of course the Internet. Advertising is the largest expense of most marketing plans, with public relations following in a close second and market research not falling far behind.

The best way to distinguish between advertising and marketing is to think of marketing as a pie, inside that pie you have slices of advertising, market research, media planning, public relations, product pricing, distribution, customer support, sales strategy, and community involvement. Advertising only equals one piece of the pie in the strategy. All of these elements must not only work independently but they also must work together towards the bigger goal. Marketing is a process that takes time and can involve hours of research for a marketing plan to be effective. Think of marketing as everything that an organisation does to facilitate an exchange between company and consumer.

SELF-ASSESSMENT EXERCISE

Use a big firm in Nigeria as the basis for discussing the relationships between public relations and marketing.

3.3 Marketing, Sales Promotion and Personal Selling

Marketing is based on thinking about the business in terms of customer needs and their satisfaction. Marketing differs from selling because (in the words of Harvard Business School's retired professor of marketing Theodore C. Levitt):

Selling concerns itself with the tricks and techniques of getting people to exchange their cash for your product. It is not concerned with the values that the exchange is all about. And it does not, as marketing invariably does, view the entire business process as consisting of a tightly integrated effort to discover, create, arouse and satisfy customer needs.

In other words, marketing has less to do with getting customers to pay for your product as it does developing a demand for that product and fulfilling the customer's needs.

American Marketing Association sees sales promotion as those marketing activities, other than personal selling, advertising, and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, shows and expositions, demonstrations, and various non-current selling efforts not in the ordinary routine.

What you should know about selling is that it is possible to deceive (persuade to buy) the consumers to buy your product but you cannot deceive them to re-purchase. It is only when the consumers get satisfy in the first purchase that they are likely to re-purchase. The role of getting the consumers satisfied is what marketing entails.

In the same vein, sales promotion can induce the consumers to buy at the period of promotion. Since promotion is for a specific period, it is marketing that sustains and ensures that the consumers' buying behaviour is favourable towards the product or services that engage in sales promotion.

Marketing is everything that you do to reach and persuade prospects. The sales process is everything that you do to close the sale and get a signed agreement or contract. Both are necessities to the success of a business. You cannot do without either process. By strategically combining both efforts you will experience a successful amount of business growth.

Your marketing will consist of the measures you use to reach and persuade your prospects that you are the company for them. It's the message that prepares the prospect for the sales. It consists of advertising, public relations, brand marketing, viral marketing, and direct mail.

The sales process consists of interpersonal interaction. It is often done by a one-on-one meeting, cold calls, and networking. It's anything that engages you with the prospect or customer on a personal level rather than at a distance.

Your marketing efforts begin the process of the eight contacts that studies show it takes to move a prospect or potential client to the close of the sale. If marketing is done effectively you can begin to move that prospect from a cold to a warm lead. When the prospect hits the "warm" level it's much easier for the sales professional to close the sale.

As you see in my explanation above it takes multiple contacts using both sales and marketing to move the prospect from one level to the next. That is why it is important that you develop a process that combines both sales and marketing. This will enable you to reach prospects at all three levels; cold, warm, and hot. It's all about balance.

SELF-ASSESSMENT EXERCISE

Does sales promotion relate with personal selling? Comment.

3.4 Common Differences between the Marketing Functions

Basis of Comparison	Marketing	Public Relations	Advertising
Regulating Body	Regulated by the Nigerian Institute of Marketing	Regulated by Nigerian Institute of Public Relations (NIPR)	Regulated by the Advertising Practitioners' Council of Nigeria (APCON)
Planning Duration	It requires relatively medium term planning process depending on the size of the business and the objective of the marketing activities.	It requires long term planning. The goals are not always immediate.	It requires relatively short term planning depending on the size of the business as well as the objectives of advertising.
Budget Size	In the business environment where marketing is housed, public relations and advertising, the size of the budget is	In a business, where public relations are placed above marketing and advertising, the budget for public relations is higher. This is very common in the	Advertising is given preference more in the producing companies thereby making the size of advertising budget fatter.

	relatively huge. You should also know that the size of the budget is relative to the total spending as well as business plan.	services rendering companies. In many of producing companies or small firms, advertising and marketing are most often placed above public relations and this may cause the size of the budget for public relations to be lower.	Most often in big firms, the budget for advertising is subsumed in the total budget for marketing.
Evaluation	The marketing activity of an organisation is evaluated base on the consumers' satisfaction and the rate of repurchasing /patronage. The evaluation of marketing is relatively delayed	The evaluation of public relations effort is base on the image of the organisation or firm. You should know that the image also affect the rate of patronage but the effect is delayed.	Advertising is evaluated base on the volume of sale or rate of patronage. The evaluation is immediate as the effect of advertisement make changes in the sales volume.
Activities	Marketing involves all activities towards meeting consumers' satisfaction. Such activities includes all	Public relations involves all activities towards boosting and managing the image of the organisation or firm.	Advertising involves information about the product or services that convince the buyer or end-user to give preference to

	the marketing mix's which shall be discuss fully in the subsequent chapter.		the product or services over the competing others.
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SELF-ASSESSMENT EXERCISES

Establish the major differences between the various marketing functions.

4.0 CONCLUSION

The relationship between marketing and other management functions is crucial to the survival of a business. Out of the management functions, marketing, public relations and advertising are regarded as the main unit. Others are attached any of the three for effective utilisation as management tools. Therefore the emphasis on the differences between the management functions was established among the major three units as you have read in the table above.

5.0 SUMMARY

It is obvious from the discussion in this unit that marketing and other management functions though differs, work hand-in-hand to ensure that the business achieves its objectives. It can also be deduced that the superiority of one over the others or preference given to one over the others depends on:

- size of the business;
- the plan, goals and objective of the firm;
- the organisation structure;
- availability of the human and material resources;
- the business environment.

6.0 TUTOR-MARKED ASSIGNMENT

Put the size of a firm into consideration, justify the need for separate unit or department for each of the following management functions:

1. Marketing
2. Public relations
3. Advertising

7.0 REFERENCES/FURTHER READING

Adeleye, A. S. (1998). *Marketing Principles and Practice*. Lagos: Malthouse Press Limited.

Cajetan, O. (1996). *Modern Public Relations: Theories Principles and Practice*. Ibadan: S & T Books Ltd.

Osuagwu, L. & Gbadamosi, G. (1998). *Fundamentals of Marketing*. Lagos: Malthouse Press Limited.

UNIT 3 THE MARKETING MIX

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Understanding Marketing Mix
 - 3.2 Marketing Plan
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Future Reading

1.0 INTRODUCTION

The value of a product lies in its utilisation. Products that are not used cannot be evaluated and appreciated. You should therefore understand that production is yet to complete not only till the product produced get to the consumers but also till the consumers used the product and react either through repurchasing or settle for other competing brands. Marketing mix which is the focus in this unit therefore explains all the processes involved from pre-production, production, until the product is utilised and the feedback is recorded.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- define marketing mix
- identify each of the elements in the marketing mix
- explain how each of the marketing mix influences total marketing plan.

3.0 MAIN CONTENT

3.1 Understanding Marketing Mix

Marketing mix involves all the levels and interplay of the elements of a product's or service's marketing efforts, including product features, pricing, packaging, advertising, merchandising, distribution, and marketing budget; especially as these elements affect sales results.

Adeleye (1998) sees marketing mix as a programme of marketing elements designed for a specific product or services in response to the marketing forces that affect it.

If you critically examine this definition, you will understand that it involves putting together various strategies designed to ensure that the objectives behind the production of a particular product are achieved. It is also interesting for you to know that when all the strategies and plans are put together, it helps the product concerned to withstand various marketing forces, which ordinarily abound to have certain influences on the product survival.

You will find the explanation above deeper in the definition given by Borden (1975), quoted in Adeleye (1998) though contrary to the opinions of some other authors:

.....marketing mix refers to the apportionment of effort, the combination, the designing, and the integration of the elements of marketing into programme or “mix” which, on the basis of an appraisal of the market forces, will best achieve the objectives of an enterprise at a given time.

Marketing mix can also be understood as the combination of marketing tools that are used to satisfy customers and company objectives. By combining the tools, it means that marketing mix is a continuous process, which considers every element in the process important and necessary to complete the chain.

You should also agree that marketing mix effort may be frustrated if each of the elements in the chain fails to reinforce one another. Take this for a practical example: Assuming you did a good market survey in Lagos state, and you discovered that adult people are now appreciating African tradition and culture. They are gradually going back to the age of our fathers; trying to substitute modern games such as Chess, Snooker, and many others with traditional African games such as *Ayo Olopon*, one of the most common Yoruba traditional games. Your production decision is to produce the major tools for the game, such as the board (*Opon*) and beads (*Omo Ayo*). Your target consumers are the male adults and your distribution channels must conform to the target market. You must also design marketing message that suit the product and the message be placed in that reach the target audience to avoid waste exposure. If any of this does not conform and reinforce the others, as they all constitute the marketing mix for the product, the objective(s) behind the production is abound to fail.

There is a dare need to experiment and conduct market research in order to have a successful marketing mix that will increase results. The key is to not always depend on "one" mix always explore other avenues. The combination and coordination of these elements will be more effective than depending on one.

You must coordinate all elements so that the prospective consumer is not being sent mixed messages that can cause confusion. Do all of your elements contain the same message?

If you critically examine the scenario presented in the production of *Ayo Olopon*, it is very obvious that by looking at your marketing mix, any discrepancy is a flaw. Always make sure that your marketing mix has a message that speaks in unison.

For instance make sure that if you have a practice that caters to a niche market that your product is geared towards the need of that market, your price is within the budget of that market, you are distributing your product or service where it will be seen by that market, and gear your promotion to solve the problems that they are encountering.

SELF-ASSESSMENT EXERCISE

Discuss your understanding of marketing mix.

3.2 Marketing Plan

Some business owners do not consider marketing plan as an important step toward effective business. Many of them think that by simply placing an advertisement in a local media like, (newspaper, radio or television station, or a combination of two or more) customers will automatically flock to purchase their product or service. This is true to a certain extent. Some people are likely to learn about your invention and try it, just out of curiosity. But hundreds, even thousands, of other potential customers may never learn of your business. To avoid the lapses, you as a business owner first need to develop an adequate marketing program.

What you, as a potential business owner must do is to maintain a thorough understanding of your marketing program, and use it to extract advantages from the market place. Go over different strategies and techniques until you understand how to apply them to get the results you desire. Remember, your aim is not only to attract and keep a steady group of loyal customers, but also to expand your customer base by identifying and attracting new customers and to reduce risks by

anticipating market shifts that can affect your bottom line. This is easily achieved if all the key elements in your marketing plan reinforce one another.

4.0 CONCLUSION

Using the combination of various marketing communication helps to reinforce marketing communication efforts. It is far better than limiting the marketing communication effort to a single marketing communication plan no matter how effective is such marketing communication method.

5.0 SUMMARY

This unit relates marketing mix with a game, which without having the tools for the game completely, the game cannot be played. Marketing communication plan was also discussed and explanation was made on how relevant it is to marketing mix.

6.0 TUTOR-MARKED ASSIGNMENT

1. Explain with relevant example what you understand by marketing mix.
2. How do you relate marketing communication plan with marketing mix?

7.0 REFERENCES/FURTHER READING

- Adeleye, A. S. (1998). *Marketing Principles and Practice*. Lagos: Malthouse Press Limited.
- Cajetan, O. (1996). *Modern Public Relations: Theories Principles and Practice*. Ibadan: S & T Books Ltd.
- Osuagwu, L. & Gbadamosi, G. (1998). *Fundamentals of Marketing*. Lagos: Malthouse Press Limited.

UNIT 4 ELEMENTS OF MARKETING MIX

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 The P's of Marketing Mix
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Future Reading

1.0 INTRODUCTION

The focus in this unit is to appreciate each element in the communication mix and how each of the elements affect marketing communication plan. None of the elements is considered independent and none is also considered irrelevant as well. They are like salt, pepper, cube, oil etc., which are ingredients put together to make delicious stew.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- explain the first four P's of marketing
- identify other P's of marketing
- analyse how each of the P's influence various stages of marketing communication effort
- highlight the characteristics of the each of the elements.

3.0 MAIN CONTENT

3.1 The *Ps* of Marketing

The Four *Ps* of Marketing

Now that you have understood marketing mix and why it is necessary that they work hand-in-hand as a means of marketing effort to achieve marketing goals, it is of a great importance to discuss each of the elements and how each influence the marketing effort. Marketing plan involves all marketing elements and activities used to achieve the marketing objectives. To help you accomplish this aim, your marketing plan should include strategies typical of any marketing plan. The plan

should especially include what marketers now dub as the *Ps* of Marketing. There have been series of arguments on the *P*'s of marketing. The *P*'s of marketing are:

- Product
- Price
- Place
- Promotion
- People
- Process
- Physical evidence
- Packaging
- Payment

Initially, only the first four on the list above were regarded as the *Ps* of marketing, tagged **The Four Ps of Marketing**; others were later added as scholars acknowledged that the four *P*'s does not encompass all the elements of marketing.

A marketing plan needs to be examined to ensure that it contains the strategies listed above as **the Nine Ps of marketing** and then determine how these strategies will be applied by the business owner. The combining and coordination of these elements will be more effective than depending on one.

You must coordinate all elements so that the prospective consumer is not being sent mixed messages that can cause confusion.

Application of the Nine *Ps* of marketing *Ps* helps in effective business plan. Let's examine each of the elements in the *P*'s to see how each integrates business plan and implementation.

1. Product

Product is the key element of the marketing mix. It is at the centre while other elements revolve round it. It covers the combination of goods and services that your business offers. Product in this content does not only refer to tangible consumers' products but also intangible products such as services offer and other related business-like activities in which efforts are made to satisfy consumers, customers or clients as the case may be. Simply, it covers the combination of goods and services that your business offers.

Now that you have understood what product in this study means, next is to understand the characteristics that distinguish a product from others or from competing brands. The emphasis on a

product benefits should be from customer's perspective. Producers need to distinguish his or her product with added values or advantages over others. You as a prospective producer should emphasise the special features of your product - i.e., the selling points. You should know or at least have an idea of what your customers want or expect from your product. This type of anticipation can be helpful in building customer satisfaction and loyalty.

Characteristics of a product

- a. **Quality:** This has to do with the value of the product. Part of what is used to measure the quality of a product is the taste and the nutritional value of the product.
- b. **Variety:** A producer cannot satisfy his consumers by offering them the same product year-in-year-out. The controversy is not that the quality of the product is diminishing but diminishing return may set in the consumers' tastes. The expectation of the consumers may outgrow the quality of the product. When such a situation arises, the producer needs to introduce varieties, such that consumers get satisfied at every point in time. A typical example of this is the introduction of BIGGY BEEF ROLL as an alternative to GALA SNACK.
- c. **Design:** The first thing that attracts consumers in a brand is the product design. How a product is designed distinguishes such product from thousands of competing brand.
- d. **Features:** Every product has features. The feature of a product has to do with the product content; what a product is made of. A producer should not be deceived that many consumers don't care of what a product is made of. As much as consumers check the manufacture and expiring date of products nowadays so much they check the ingredients that were used to manufacture the product.
- e. **Services:** Services is of three kinds.
 - i. Services before selling
 - ii. Services at the point of sale
 - iii. After sale services

Services are the extra effort made by the producer to help or ease any form stress or treat that the consumers are likely to experience before, during after transaction. An example is product delivery.

- f. **Warranty:** Consumers are convinced about the quality of a product when such a product is sold with warranty. What consumers are after is getting value for every kobo spent on a particular product. Many consumers don't like taking the risk of buying a product without being protected.
- g. **Sizes:** Products come in various sizes. The size may come in volume such as litters, centilitres etc.; weight such as kilogram, gram, tons, bags/sacks etc.; or in length/area such as centimetres, acres, hectares etc. some brands use quantity as an advantage over competing brands.
- h. **Packaging:** Packaging is the first point of attraction for a product. No matter how good a product, it may irritate the buyer if not well packaged. Packaging includes colour, cover, seal and other methods used to decorate the product.
- i. **Brand name:** Products should be given beautiful and attractive name. Some good products fail to penetrate market because the brand names do not speak well of the products.
- j. **Shapes:** Every product has its specific shape that distinguishes such product from its like. A bottle Coke shape is different from Pepsi brand, so also Multina bottle shape differs from Hi-malt.
- k. **Colour:** Whenever people see a yellow colour, what comes to their mind is MTN telecom line, Lipton tea or any other yellow attributed product. The indication of this is that colour plays vital role in product identification and attribution.
- l. **Quality/Value** this characteristic is only known after the first taste of the product or the first time patronage. Additional values or gains can differentiate a particular product of service from others. Using telecom industry as an example, some network line do give free weekend calls, free night calls, reduced weekend tariffs, double recharge offer etc. These additional value can place a product ahead others.

2. **Price**

Price is the value placed on every product. Price is such an important element of marketing mix that its determination most often determines the success or failure of a product in the market. Given price to your product is determined by your target profit. You must agree on what approach will you take to pricing your product: will you offer discounts or extended payment periods? What credit terms will you set?

Although your pricing strategy may be based on the strategy devised by others, you should study this plan and the strategies used by competitors. That way you will acquire a thorough understanding of how to price your product, and you can determine if your prices are in line with competitors, if they are in line with industry averages and what adjustments you can make to bring them in line.

The key to success is to have a well-planned strategy, to establish your policies and to constantly monitor prices and operating costs to ensure profits. Keep abreast of changes in the marketplace because these changes can affect your bottom line.

Factors that are considered before setting price for a product

- i. Overall cost of production
- ii. Price of the competing brands
- iii. Objectives of the producer
- iv. Market demand for the product
- v. Product differentiation ability
- vi. The target market/market size
- vii. Influence of middle men
- viii. Government policies
- ix. Unit cost of advertisement
- x. Tax rate
- xi. Market system

Pricing Strategies/Techniques

- i. Retail costing and pricing
- ii. Competitive position
- iii. Setting price below those of competitors
- iv. Setting price above those of competitors
- v. Price lining
- vi. Multiple pricing
- vii. Material costs
- viii. Labour costs
- ix. Overhead costs
- x. Discounts offer
- xi. Instalment (payment) arrangement
- xii. Credit terms

Although your pricing strategy may be based on the strategy devised by others, you should study this plan and the strategies used by competitors. That way you will acquire a thorough understanding of

how to price your product, and you can determine if your prices are in line with competitors, if they are in line with industry averages and what adjustments you can make to bring them in line.

The key to success is to have a well-planned strategy, to establish your policies and to constantly monitor prices and operating costs to ensure profits. Keep abreast of changes in the marketplace because these changes can affect your bottom line.

3. Place (Distribution)

Production is yet to complete until the product get to the final consumers. Place refers to distribution of products to point of purchase by the final consumers. No matter how good a product, its success lies in its availability in the markets. Buyers or patronisers settle for competing brands when a product is scarce or is difficult to come-by in the market. Distribution network places high value on products.

Place can also refer to location of business. One needs to describe the location of once business from the customer's perspective. Describe its assets - i.e., the convenience, whether or not public transportation is accessible, and the safety aspects - street lighting, well lit parking lot or facility, decor, etc. Your location should be built around your customers; it should be accessible and should provide a sense of security. Now, let's look at some of the factor that affects product distribution/location.

Factors that affect product distribution/location

- i. Availability of middle men
- ii. Nearness to the market
- iii. Transportation system
- iv. After-sale service
- v. distribution channels
- vi. Coverage
- vii. Inventory
- viii. Logistics and
- ix. Retail outlet location

4. Promotion

Promotion refers to how you communicate with your customers. Most businesses use a mix of advertising, personal selling, referrals, sales promotion and public relations. You will learn more about promotion in the subsequent unit, titled promotional strategy. Some of the ways through which a product is promoted are through:

- i. promotional shows (street dance, product test, offers etc.)
- ii. print media (newspaper, magazine, classified ads, Yellow Pages advertising, brochure)
- iii. radio
- iv. television
- v. networking
- vi. business cards
- vii. tee shirts, hats, buttons, pens

Develop a promotional strategy that uses various media for promoting your business. Monitor the different media identifying those that most effectively promote your business. Concentrate on developing material for these formats that clearly identifies your services, its location and price.

Since financial institutions weigh the soundness of your marketing plan when deciding whether your business is a good risk for their money, it is important that you prepare and present credible market data that shows there is a need in the community for your business and that demonstrates your ability to compete.

5. People

The people here referred to anybody that influences or being influenced by your business or its activities. Staff of an organisation is an ambassador for that organisation's business. Think the following in relation to your staff:

- i. Knowledge
- ii. Experience
- iii. Skills
- iv. Communication
- v. Teamwork and
- vi. Attitude.

Your consumer keeps your business alive. Your supplier also makes your business glow. It is therefore necessary to consider some of the people in any decision you are taking in your business.

Some of the groups that belong to the categories of the people are:

- a. consumers/customers
- b. staff
- c. suppliers
- d. people within the immediate environment (the public)

The most vital among the categories mentioned above are the consumers, which form the target market for your business.

Describe your target market

- By age
- By sex
- By profession or career
- By income level
- By educational level
- By residence

Identify and describe your customers (target market) by their age, sex, income/educational levels, profession/career and residence. Know your customers better than you know anyone - their likes, dislikes and expectations. Since you will have limited resources target only those customers who are more likely to purchase your product. As your business grows and your customer base expands, then, you may need to consider modifying this section of the marketing plan to include other customers.

6. Process

The processes that you use in the day to day operation of your business have a flow-on effect on the customer's experience, even if it's simply ensuring that orders are effectively managed. Think about the following aspects of business operation:

- i. Systems
- ii. Quality control
- iii. Planning
- iv. Review
- v. Continuous improvement
- vi. Documentation
- vii. Feedback channels

Identify your competition

- By market research data
- By demand for product
- By your nearest direct and indirect competitors
- By the strengths and weaknesses of competitors
- By an assessment of how competitors businesses are doing
- By a description of the unique features of your product

- By the similarities and dissimilarities between your product and competitor's
- By a pricing strategy for and comparison of yours and the competition's

Identify the five nearest direct competitors and the indirect competitors. Start a file on each identifying their weaknesses and strengths. Keep files on their advertising and promotional materials and their pricing strategies. Review these files periodically determining when and how often they advertise, sponsor promotions and offer sales.

How does the consumer access your product or service? Things to think about in this area include: distribution channels, coverage, inventory, transportation, logistics and retail outlet location.

7. Physical Evidence

One of the major factors that promote the trust which a business built in the consumers or customers is the physical evidences that substantiate that the business truly exists or that a product is true of what is proclaimed in the advertisement. Customers would be afraid to transact or patronise a firm that only exist in the air. Some the physical evidences that affirm the existence of a business are:

- i. Factory building/administrative building
- ii. Warehouse
- iii. Branch offices
- iv. Physical product

8. Packaging

One of the marketing mix that cannot be overemphasised is giving a product a befitting look. Imaging yourself in a big store during shopping, it is very likely for you to get attracted with some products and get irritated with some others. When making your buying decisions either between products of close substitute or otherwise, it is very likely that you give preference to those that first catch your attention. Some buyer measure the quality of a product by the physical appearance of such product. Packaging add more value to the quality of products and as well as the trust that the customers have to give such a product a try purchase.

9. Payment

Some people mix up pricing with payment. Pricing is the monetary values place on products or services. It may be fixed or varied depending on the pricing strategy put in place. Payment on the other hand is the ability of a customer to back his or her demand by exchanging money for goods or services.

- For your advertising and promotional plan
- For costs allocated for advertising and promotions
- For advertising and promotional materials
- For a list of advertising media to be used

Operating an effective marketing plan requires money, so you will have to allocate funds from your operating budget to cover advertising, promotional and all other costs associated with marketing. Develop a marketing budget based on the cost for the media you will use, and the cost for collecting research data and monitoring shifts in the marketplace.

SELF-ASSESSMENT EXERCISE

Table your own understanding of marketing mix.

4.0 CONCLUSION

It is pertinent as discussed in this unit that marketing effort is a function of the marketing elements. Each of the elements is a key factor considered when carrying out marketing plan and its implementation.

5.0 SUMMARY

It is obvious from the discussion in this unit that elements of marketing communication otherwise known as the P's of marketing are key elements considered to have effective marketing mix. It was also discuss in this unit that element of marketing mix work hand-in-hand to ensure effective marketing plan.

6.0 TUTOR-MARKED ASSIGNMENT

1. With relevant examples, discuss the element of marketing mix.
2. How do you think the elements in the marketing reinforce marketing effort?

7.0 REFERENCES/FURTHER READING

- Adeleye, A. S. (1998). *Marketing Principles and Practice*. Lagos: Malthouse Press Limited.
- Cajetan, O. (1996). *Modern Public Relations: Theories Principles and Practice*. Ibadan: S & T Books Ltd.
- Osuagwu, L. & Gbadamosi, G. (1998). *Fundamentals of Marketing*. Lagos: Malthouse Press Limited.

MODULE 2 UNDERSTANDING INTEGRATED MARKETING COMMUNICATION (IMC)

Unit 1	Evolution of Integrated Marketing Communication
Unit 2	Elements of Integrated Marketing Communication
Unit 3	Merits and Demerits of IMC

UNIT 1 EVOLUTION OF INTEGRATED MARKETING COMMUNICATION

CONTENTS

1.0	Introduction
2.0	Objectives
3.0	Main Content
3.1	Evolution of IMC
3.2	Definitions & Explanation of IMC
3.3	Reasons for The Growing Importance of IMC
4.0	Conclusion
5.0	Summary
6.0	Tutor-Marked Assignment
7.0	References/Further Reading

1.0 INTRODUCTION

Today's open economy is characterised by domestic and global increase in competition, technological advances and fast-informed consumers. This situation has spurred all types of organisations (profit and non-profit oriented) to employ various marketing efforts aimed at making powerful impacts on target audiences and markets. One determinant of business success in the present reality is adequate coordination of all marketing communication tools aimed at communicating effectively and efficiently with the elusive consumer. This integrated approach to achieving efficiency forms the bedrock of the new marketing concept called integrated marketing communication (IMC).

This unit discusses the emergence of integrated marketing communications (IMC) in global and local (Nigerian) context. It equally offers concise explanation of IMC and its various definitions given by foreign and Nigerian experts in the fields of marketing and marketing communication.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- explain how IMC evolved and what led to its development
- explain the response of marketers and advertising agencies to IMC
- identify scholastic definitions of IMC and be able to explain the concept
- analyse IMC in terms of its influence on the present marketing practice.

3.0 MAIN CONTENT

3.1 Evolution of Integrated Marketing Communication

The concept known today as integrated marketing communication (IMC) came as a child of circumstance. It was an upshot of a set of developments which influenced activities of certain stakeholders in the global open economy. Odiboh (2002) specifically expressed that “it (IMC) has been created by the forces that influenced advertising practitioners, and marketing professionals – people of diversified groups, both seeking different objectives but must work together for common advantages and progress.”

While the actual year of IMC’s emergence remains unclear, we can gather from some scholastic works that the concept might be traced to between 1970s and 1980s.

Before 1970s, (advertising) agency activities borders on creating advertisement materials and placing them strategically in various media. If client required other special means of communicating with special segments of their target audience, agencies were either found wanting or were not consulted at all. (Odiboh, 2002)

Corroborating Odiboh’s statement, George and Michael Belch, co-authors of *Advertising and Promotion – an Integrated Marketing Communications Perspective* explain: “For decades the advertising business was dominated by large, full-service Madison Avenue-type agencies. The advertising strategy for a national brand involved creating one or two commercials that could be run on network television, a few print ads that would run in general interest magazines, and some sales promotion support such as coupons or premium offers.”

Companies mainly relied on advertising and promotion to help them market products and services. Advertising and other forms of promotion

were the most prominent sources of information for consumers to make purchase decisions. During that period in Europe, America and some advanced parts of the world, organisations traditionally built strong barriers around the various marketing and promotional functions. Those functions were planned and managed as separate practices, with different budgets, different views of the market, and different goals and objectives.

However as certain factors (which we shall discuss later in this unit) set in – factors such as increasing global competition, technological advances, and segmentation of fast informed customers - marketers began to look beyond the traditional media to find new and better ways to communicate with their customers. They no longer accept on faith the value of conventional advertising placed in traditional media.

During the 1980s, many companies came to see the need for more of a strategic integration of their promotional tools. These firms began moving toward the process of integrated marketing communications (IMC), which involves coordinating the various promotional elements and other marketing activities that communicate with a firm's customers. (Belch, 2003)

For these companies, the IMC approach represented an improvement over the traditional method of treating the various marketing and communications elements as virtually separate activities. Hence, marketing communication elements like public relations, sales promotion, publicity, etc began to prove as virile as advertising for effective corporate communication. Consequently, marketers' new mode of communicating with consumers redefined the role and nature of their advertising agencies!

As marketers embraced the concept of integrated marketing communications, they began asking their ad agencies to coordinate the use of a variety of promotional tools rather than relying primarily on media advertising. A number of companies also began to look beyond traditional advertising agencies and use other types of promotional specialists to develop and implement various components of their promotional plans. (Belch, 2003)

As the reality of IMC unfolded, many agencies (starting from America & Europe) realised that they must change their *modus operandi*. They must urgently answer the call for synergy among the promotional tools if they hoped to remain in business. Accordingly, some agencies invested in direct-marketing, public relations, event marketing, etc. to offer one-stop shopping for virtually all their clients' promotional needs.

Alternatively, some agencies chose to partner with independent companies that offered other marketing services like PR, sales promotion, etc. to execute IMC campaigns.

In Nigeria, quite a number of advertising agencies have braced up to meet IMC requirements in part or full in the best interest of their clients. The increasing demand for IMC by Nigerian advertisers has spurred the agencies to follow the way of their foreign counterparts. While some merged with existing marketing-support companies, others created subsidiaries or new departments that specialise in areas like PR, sales promotion, event marketing, etc. The list of these agencies includes Insight Communications, SO & U, LTC, Rosabel, Bate Cosset, Promoserve (defunct), Mart Link, to mention but few.

SELF-ASSESSMENT EXERCISE

- i. Describe the deal between marketers and agencies before IMC.
- ii. Discuss the role of advertising in pre-IMC era.
- iii. Find out, at least, five Nigerian ad agencies that offer IMC services.

3.2 Definitions & Explanation of Integrated Marketing Communication

Various scholars across the fields of marketing and marketing communications have made painstaking attempts to define IMC. We shall, however cite a few of them.

A task force from the American Association of Advertising Agencies (the “4As”) developed one of the first definitions of integrated marketing communications thus:

“A concept of marketing communications planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines — for example, general advertising, direct response, sales promotion, and public relations—and combines these disciplines to provide clarity, consistency, and maximum communications impact”. (Belch and Belch, 2003:9)

According to David Jobber, Professor of Marketing and Head of the Marketing Group, University of Bradford Management Centre, IMC is “the concept that companies coordinate their marketing communications tools to deliver a clear, consistent, credible and competitive message about the organisation and its products”.

In the words of Brannan (1998:1) “We can claim that our communications are fully integrated when we have identified a single, core message which leads to one great creative idea which is implemented across everything we do”.

Similarly, Chris Doghudge, Chief Executive, Zus Bureau (an advertising consultancy outfit) defines IMC as “A management concept that recognises that communication in order to sell can be done in various ways and requires that a combination of these ways be employed to achieve desired results. It demands that the various ways or tools must use a unified strategy or theme”.

Kelvin Amaechi - Managing Director, Lintas – views IMC as “the combination of the salient disciplines and qualities of advertising, PR, etc., in the communication of a product’s quality, benefits and personality to its target audience”.

However in Ogechukwu’s (2002:6) view, “IMC is the process of developing and implementing various forms of persuasive communication programs with customers and prospects over time”.

Popular and widespread use of IMC as a term is comparatively recent on a global scale. This fact probably suggests why there is not yet a generally accepted definition of the concept. Meanwhile, we can precisely decipher certain salient points from the above cited definitions among others. In other word, we say IMC entails the following:

- Comprehensive planning to evolve communication strategy
- Development of single core message that leads to one great creative idea
- Evaluation of the strategic roles of assorted marketing communication tools
- Integration of the appropriate marketing communication tools
- Delivery of a clear, consistent, credible and competitive message about an organisation and its product to target audience
- Affect the behavior of target audience in favour of an organisation and its product

In essence, IMC is about coordinating all marketing tools, approaches and resources within an organisation. The coordination seeks to maximise a favorable impact on consumer mind, which results into maximum profit at minimum cost. Consumers’ perceptions of a company and its products are based on messages they receive via channels such as advertisements, package design, direct-marketing efforts, publicity, sales promotions, websites, and point-of-purchase

displays. Even the type of store where a product or service is sold is a factor!

SELF-ASSESSMENT EXERCISE

- i. Quote with reference and analyse three more definitions of IMC
- ii. Give your own definition of IMC with detailed explanation

3.3 Reasons for the Growing Importance of IMC

The global shift from traditional marketing communication to a total-communication solution approach was influenced by a set of factors as we mentioned earlier. Belch and Belch (2003:11) describe the shift as “one of the most significant marketing developments that occurred during the 1990s”. In actual fact, there are a number of reasons why marketers adopt and are adopting the IMC approach. Here we discuss six significant of them.

1. Media Fragmentation

Technological innovation has continued to accelerate unprecedented communication growth through interactive media, particularly the Internet, by which marketers can reach out to consumers. The advance has culminated in proliferation of media and fragmentation of the traditional media - Television, radio, magazines and newspapers. Consequently, fragmented multiple media make marketing communication reachable only to smaller and more selective audiences. Hence, the need to take synergy advantage that is inherent in efficient coordination of the disjointed media.

2. Sophisticated Customer

Product consumer increasingly becomes elusive to marketer due to further fragmentation of already diverse society by technological advance, modern lifestyle, multimedia situation, etc. For instance, cable TV and more recently digital satellite systems have vastly expanded the number of channels all of which compete for consumer's attention. By necessity, marketer must reach out with cost effective selling message to influence the hard-to-hit target audience to make a purchasing decision that favours the marketer.

3. Need to Reach and Win the Elusive Consumer

Sequel to numbers 1 and 2 points above, there is dire need for marketer to embark on 'Operation Ambush and Capture' basically to get the sophisticated consumer exposed to his selling message by all means cost-effectively! Here, according to Odiboh (2002:7) "marketing experts stress the need for consumers to see the behavior, attitude, attributes (the total personality) of their products through branding". In fact, branding (as we shall discuss later in this course) is meant to make consumers identify with the product and see it as more of a brand beyond a mere product. This is only achievable with a combination of various disciplines of communication.

4. Inadequacy of Advertising for all Commercial Communication Tasks

The fact that consumer today is elusive makes the traditional media (core advertising tools) inadequate to reach him with the same intensity and involvement as was the case in the past. In other words, marketers' realise that many consumers are turned off by advertising and tired of being bombarded with sales messages. This situation renders the sole use of advertising insufficient for advertisers to drive their messages. Next option for marketers is to look for alternative ways to communicate efficiently and effectively with their target audiences, as this is vital to their business success.

5. High Cost of Advertising

Many marketers feel that traditional media advertising has become too expensive and is not cost-effective. Thus, many companies shift their attention to lower-cost, more targeted communication tools such as event marketing and sponsorships, sales promotion, and the Internet as they develop their marketing communications strategies. In the words of Doghudje (Advertising Annual, 2000:102), "We know that advertising communication to be effective requires millions of naira. But thousands (of naira) will be enough for PR or events marketing. Additionally, you can even generate free publicity".

6. Consumer's Distrust of Advertising

Advertising used to be the consumer's sole source of reliable information to make guided purchase decisions. But now, advertising, for instance, radio jingle or TV commercial is taken with a pinch of salt by consumer. Why? Consumer is better informed as he lives in an information age moulded, particularly, by technological advance.

Unrealistic portrayal of life by advertising no longer catch the consumer's fancy. In this situation, is it wise to employ advertising in a matter of building credible image for a brand or company? Any serious marketer would definitely engage a trusted discipline like PR to do that job preferably in combination with some other aspects of marketing communications.

SELF-ASSESSMENT EXERCISE

1. Find out more factors responsible for the growth of IMC
2. Justify why advertising is inadequate for all marketing communication tasks.

4.0 CONCLUSION

By and large, the IMC approach seeks to have an organisation's entire marketing and promotional activities project a consistent, unified image to the marketplace. The concept calls for a centralised messaging function so that everything a company says and does communicates a common theme and positioning to its customers and prospects.

5.0 SUMMARY

In this unit, we have seen how integrated marketing communications (IMC) emerged to influence the thinking and actions of both marketers and advertising agencies in the business world. Also, our discussion covers scholastic definitions of IMC with explanation aimed at facilitating student's understanding of the concept. We as well consider why IMC has been growing in significance and strength in today's marketing practice.

6.0 TUTOR-MARKED ASSIGNMENT

- i. IMC has been created by the forces that influenced advertising practitioners and marketing professionals. Discuss.
- ii. Write in two pages your understanding of IMC.

7.0 REFERENCES/FURTHER READING

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UNIT 2 ELEMENTS OF INTEGRATED MARKETING COMMUNICATIONS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 IMC Mix
 - 3.2 The Strength of Individual Elements of IMC
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

IMC, as we discussed in the previous unit, is basically a blend of different promotional elements employed to communicate efficiently and effectively with the target audiences called consumer. The essence of such communication is mostly to promote products and services which is a key marketing activity. Our present discussion focuses the make-up elements of integrated marketing communications. They are popularly called marketing communication mix otherwise known as promotional mix.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- identify and understand various elements of IMC
- distinguish the elements from each other by their individual unique features
- explain the roles of the individual element in integrated marketing communication.

3.0 MAIN CONTENT

3.1 Integrated Marketing Communication Mix

IMC, as we discussed in the previous unit, is basically a blend of different promotional elements employed to communicate efficiently and effectively with the target audiences. The essence of such communication is mostly to promote products and services which is a key marketing activity. Our present discussion focuses the make-up

elements of integrated marketing communications. They are popularly called marketing communication mix otherwise known as promotional mix.

The long list includes: advertising, direct marketing, personal selling, public relations, publicity, sales promotion, sponsorship, exhibition, word-of-mouth, events marketing, etc. However, we shall discuss five key elements comprising the followings:

1. Advertising
2. Public Relations
3. Publicity
4. Direct Marketing
5. Sales Promotion

Advertising

Advertising is the best-known and most widely discussed form of promotion, probably because of its pervasiveness. It is also a very important promotional tool, particularly for companies whose products and services are targeted at mass consumer markets. Advertising has been defined in many ways by both experts. In fact, the list is endless, but, a few examples will suffice.

According to American Marketing Association (AMA), advertising remains “any paid non-personal presentation or promotion of goods, services or ideas by an identified sponsor.” From the standpoint of the Institute of Practitioners in Advertising of Great Britain, “Advertising presents the most persuasive selling message to the right prospects for a product or service at the least possible cost.” Also, Jobber (2001:352) says it is any form of non-personal communication of ideas or products in prime media, i.e. television, the press, posters, cinema and radio.

Kenneth Longman views advertising as “paid persuasive communication of information through the mass media, towards a large group of widely dispersed individuals” (1971:1-20). Meanwhile, a simple definition is attempted by the “human encyclopedia of advertising,” Frank Jefkins: “advertising aims to persuade people to buy.” (1985:111)

Whichever way you look at advertising, it is characterised by the following four key points:

a. Advertising is a persuasive form of communication

This implies that advertising serves most importantly, to influence consumers’ (targets’) disposition towards a product,

service, or idea. The message is creatively crafted using the language of the target audience to provoke a desired response that fulfills the advertising objective. Advertising objective(s) may be to disseminate information or educate the populace about policies (as in government) or to create awareness about products (as applied to private sectors).

b. The Sponsor of Advertising must be Identified

Usually, every advertising material (e.g. press ad, radio jingle or poster) spells out identification of its sponsor, such as company name, its address, corporate colour(s), logo, telephone numbers, website, e-mail address, etc. This usually facilitates corporate integrity and makes the consumer identifies with the sponsor of the advertising. Hence, the sponsor is made responsible for any claim made in the advertising message!

c. Advertising is Non-Personal

The non-personal component advertising means that advertising involves mass media (e.g. TV, radio, magazines, and newspapers) that can transmit a message to large groups of individuals, often at the same time. The non-personal nature of advertising means that there is generally no opportunity for immediate feedback from the message recipient (except in direct-response advertising). Therefore, before the message is sent, the advertiser must consider how the audience will interpret and respond to it. (Belch and Belch, 2003:16). Without the media, whatever creative materials produced for advertising will be totally useless!

d. Advertising Production and Execution are Capital Intensive

As a matter of fact, huge amount of money is required for effective advertising by any company, whether big or small, and this oftentimes makes advertising scary. Nevertheless, advertising remains a powerful long-term investment in a product or service, its consumers and the future of the business.

Public Relations

When an organisation systematically plans and distributes information in an attempt to control and manage its image and the nature of the publicity it receives, it is really engaging in a function known as public relations. (Belch and Belch, 2003:23). Public relations is defined as a management function which identifies, establishes and maintains mutually beneficial relationships between an organisation and the public's upon which its success or failure depends. One of the most often cited definitions is that of the Institute of Public Relations (IPR),

in the United Kingdom which says a public relations is “the deliberate and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics”.

Public relations Victoria Ajala (2001) identified key components of public relations as present in virtually all contemporary PR definitions to include such terms as management, organisation, publics, counseling, planned programmes, action and communications, research, environments, challenges, opportunities, reputation, and continued growth. Hence, she defines public relations as the totality of an organisation or individual’s performance aimed at earning public favourability which results in continued growth mutually beneficial to the organisation (or individual) and the society within which it operates. The role of public relations practitioners is to fervently protect such earned favourability.

Whereas advertising is a one-way communication from sender (the marketer) to receiver (the consumer or the retail trade), public relations considers multiple audiences (consumers, employees, suppliers, vendors, etc), and uses two-way communication to monitor feedback and adjust both its message and the organisation’s actions for maximum benefits.

Public relations uses publicity and a variety of other tools including special publications, participation in community activities, fund-raising, sponsorship of special events, and various public affairs activities to enhance an organisations image. Organisations also use advertising as a public relations tool.

Publicity

Another important element of IMC is publicity. As cited by Odiboh (2002:44), publicity is defined as “the non-personal stimulation of demand for a product/ service by placing news about it in various media or press, radio and television that is not paid for by an identifiable sponsor”. A shorter definition of publicity is “any unpaid-for mention of a brand or product by the media (Buell, 1984:24).

Publicity usually comes in the form of a news story, editorial, or announcement about an organisation’s product or service, not organisation itself. In his emphasis on the difference between PR and publicity, Odiboh stated that “under publicity, the products are in the fore while the organisation is also out of view”.

Like advertising, publicity involves non-personal communication to a mass audience, but unlike advertising, publicity is not directly paid for by the company. The company or organisation attempts to get the media to cover or run a favourable story on a product, service, cause, or event to affect awareness, knowledge, opinions, and/or behaviour. Common techniques that are used to gain publicity for a product or business include news releases, press conferences, feature articles, photographs, films, and videotapes.

Direct Marketing

Traditionally, direct marketing has not been considered an element of the promotional mix. However, because it has become such an integral part of the IMC program of many organisations and often involves separate objectives, budgets, and strategies, we view direct marketing as a component of the promotional mix. (Belch and Belch, 2003:18-19)

Direct marketing (referred to as the oldest form of marketing) is defined as the process of communicating directly with target customers to encourage response by telephone, electronic means, or personal visit. Users of direct marketing include retailers, wholesalers, manufacturers and service providers, and they engage in a variety of activities including database management, direct selling, telemarketing, and direct-response ads through direct mail, the Internet, and various broadcast and print media.

Direct marketing is probably the only IMC element that sells integrity alongside the product, as company representatives oftentimes directly take the (company's) product to the consumers. The interaction between the company representative and the consumer offers a good ground for immediate feedback.

Sales Promotion

The last component we are discussing is sales promotion, which remains a strong element of integrated marketing communication probably by virtue of its irresistible power to generate immediate, measurable and quantifiable response of target consumers – especially when sales are likely to fall.

Sales promotion (or sales promo) is generally defined as those marketing activities that provide extra value or incentives to the sales force, the distributors, or the ultimate consumer and can stimulate immediate sales. Quoting Ike Emeagwali, the marketing director of Nigeria Tobacco Company, Odiboh (2002:46) defines sales promo as

“those activities other than personal selling, advertising and publicity that stimulates consumer purchasing and dealer effectiveness, such as displays, shows, exhibitions, demonstrations and various non-recurrent selling efforts not in the ordinary routine”.

Sales promotion is generally broken into two major categories, namely:

- a. Consumer-oriented
- b. Trade-oriented

Consumer-Oriented Sales Promotion is targeted at the ultimate user of a product or service and includes couponing, sampling, premiums, rebates, contests, sweepstakes, and various point-of-purchase materials. These promotional tools encourage consumers to make an immediate purchase and thus can stimulate short-term sales.

Trade-Oriented Sales Promotion is, however, targeted towards marketing intermediaries such as wholesalers, distributors, and retailers. Promotional tools used to encourage the trade to stock and promote a company's products include promotional and merchandising allowances, price deals, sales contests, and trade shows.

3.2 The Strength of Individual Elements of IMC

As you can see from our early discussion, every one of the five elements of IMC we examined has its peculiarity which defines the element and its function. On this premise, we shall look at both strength and limitation of the five elements, i.e. advertising, PR, publicity, direct marketing and sales promotion, and how individual element can reinforce one another in the mix to effectively achieve set objectives of an organisation's marketing communications campaign.

1. Advertising

Advertising often makes (and even tops) the list of many marketers' promotional mixes, and reasons for this include the following:

- (a) **Cost-Effectiveness** Advertising can be a very cost-effective method for communicating with large audiences. In other words; advertising, through the media, Frank Jefkins explains, “Carries the sale message to a very large number of people the advertiser does not know or cannot meet, and who may be scattered throughout the town, region, country or maybe the world”. (1985:112). Imagine millions of viewers (world-wide) a 30-

second commercial of Zenith Bank on CNN will reach simultaneously!

- (b) **Creation of Brand Equity** Advertising plays a great role in creating and maintaining brand equity. Brand equity is an intangible asset that results from a favourable image, impressions of differentiation, or consumer attachment to the company, brand or trademark. Brand equity is created and sustained through advertising that focuses on image, product attributes, service or other qualities of the company and its products or services
- (c) **Diverse Nature and Purpose of Advertising.** Advertising can play different roles and functions in line with the marketing program of an organisation. For instance, one advertiser may seek to generate immediate response or action from the customer, while all another advertiser wants is to develop awareness or create a positive image for its product or service over a long period.
- (d) Another advantage of advertising is its ability to strike a responsive chord with consumers when differentiation across other elements of the marketing mix is difficult to achieve. Popular advertising campaigns attract consumers' attention and can help generate sales. These popular campaigns can also sometimes be leveraged into successful integrated marketing communications programs. (Belch and Belch, 2003:18)

As powerful as advertising proves to be, several factors often make it scary or less-attractive to marketers. Factors such as

- (a) High cost of producing and executing an advertising campaign
- (b) Diminishing credibility and increasing clutter of advertising messages
- (c) Impersonal nature of advertising makes it inflexible to obtain immediate feedback from target audience
- (d) It has limited capability to close the sale
- (e) Advertising cannot effectively manage image crisis of a marketer, product or service.

2. Public Relations

Growing prominence of public relations as a powerful tool to accomplish many marketing communication objectives has made it a key component of IMC mix. As cost of advertising exceedingly increases, marketers begin to resort to news coverage, events and

community programmes to help disseminate their product and company messages. As a matter of fact, public relations activities include publicity, corporate advertising, publications, seminars, lobbying and charitable donations, among others, and it (PR) has proved to be highly effective at achieving the following marketing/communications objectives:

- (a) **Promotion of Products/Services:** The prominent good things that people read in the press hear on radio or see on TV about a product or service can help spur their desire to buy such product or service. For instance, how environment-friendly is the product or service?
- (b) **Sustaining consumer awareness about new product.** Public relations can use media relations, exhibitions and sponsorships to sustain customer awareness of a new product, and explain its use.
- (c) **Sustaining Reputation and Prestige** PR can foster reputation and prestige which can facilitate business success, attract and keep good employees, and promote favourable community and government relations.
- (d) **Corporate Crisis Management.** No element of promotional mix matches public relations in dealing with negative publicity about an organisation, product or service; for instance, a killer instant-noodles saga, an air crash and a sex scandal. The two-way communication nature of PR gives it an edge to monitor feedback and adjust both its message and the organisation's actions for maximum advantages.
- (e) **Promoting Goodwill of Business' Stakeholders** Activities like publication of internal newsletters, recreation activities, awards for service and achievements, etc. can help promote sense of identification with a company by its stakeholders – employees, directors, shareholders, vendors, etc.

As potent as public relations proves to be in the midst of promotional mix, several limitations have been identified with it. Since a PR tool like press release or promotional article is not paid for, its content may be twisted by a media channel editor to suit a news story at the expense of the marketer's objective. Also, the marketer is uncertain whether his well-planned and crafted news event will be featured in the media as a more serious news item like assassination of a popular politician or an air crash may knock it off!

3. Publicity

Credibility is an advantage of publicity over other elements of IMC. Generally, consumers tend to be less-skeptical towards favorable information about a product or service when it comes from a source (third party) they perceive as impartial.

Publicity is strictly about products and therefore non-personal. If controlled, it can be used to say positive things about the product as well as explain a product's negative points for the purpose of enjoying consumer confidence, building brand integrity and lasting relationship with its targets (Odiboh, 2002:44).

Another edge of publicity is its low cost, as the organisation does not pay for time or space in the media - TV, radio, or newspapers. Although the company may incur some costs in developing publicity items or maintaining a staff to do so, these expenses will be far less than those for the other promotional programs.

Also, publicity materials enjoy higher readership (than advertisements) in trade and technical publications.

However, it is crucial to note that publicity is not always under the control of an organisation, and this is sometimes unfavourable. Thus, negative stories about an organisation or its products can be very damaging and expensive to manage. This is a major limitation of publicity caused by its pay-free nature, which (as we mention under public relations above) sometimes leads to loss of its original intent or outright failure to feature in the media.

4. Direct Marketing

- (a) **Brand integrity:** Direct marketing is probably the only IMC element that sells integrity alongside the product. Unlike advertising and publicity that mainly paint the product bright without providing interaction between the product and the consumer, direct marketing allows the consumer to see, feel, and touch the product for absolute conviction. Thus, direct marketing helps build and enhance integrity of the product.
- (b) **Flexibility:** Direct marketing is one of the most flexible tools in an IMC programme due to its adaptability to any level of societal sophistication. For instance, direct marketing performs optimally with perfect communication tools (direct mail, Internet, telephone, facsimile, etc.) which best allows prompt feedback

from the targets whether in highly literate and technologically advanced societies or in societies with low literacy level and poor technology. In all societies, the main objectives of direct marketing are to achieve in-house penetration and increase the brand's market shares, achieve continuous sales and practically influence consumer switch.

- (c) **Target audience precision:** strength of direct marketing is that it allows a marketer to target more precisely a segment of customers and prospects with a sales message tailored to their specific needs and characteristics. In this wise, sales team or representatives often times directly take the (company's) product to the consumers. Marketers also send out direct mail pieces ranging from simple letters and flyers to detailed brochures, catalogs, and videotapes to give potential customers information about their products or services.
- (d) **Stable sales returns:** Direct marketing can also facilitate stable sales returns over a long time, most especially when sales teams have daily, monthly, quarterly and annual targets to meet. Trying to meet targets, members of the teams are bound to create a rapport with customers not only the intention to sell but also to ensure that the product is beneficial as promised on the long term. At the corporate level, the company gets immediate feedback because sales are indication that the product is acceptable by its consumers.

Direct marketing has its downsides too like any other promotional components. Just as consumers build resistance to the persuasive nature of advertising so they do to direct marketing team. In other words, poorly targeted direct marketing activities often cause consumers annoyance. Thus, direct marketers tend to respond to this situation by being less sales-oriented and more relationship-oriented. Also, direct marketing requires building a database to succeed and this could be cumbersome. More so, database management often proves expensive for marketers.

5. Sales Promotion

Strong points of sales promotion include the following:

- (a) **Immediate impact on consumers.** Sales promotional tools such as sampling, premiums, rebates, contests, and various point-of-purchase materials encourage consumers to make an immediate purchase and thus can stimulate short-term sales. For example,

the MTN's 'Ultimate Wonder' promo which offered a prize of an aeroplane to a lucky winner attracted so much sales to the telecoms giant within the promo period. Thus, many marketers prefer sales promo to, for example, advertising due the immediacy of its impact on consumers.

- (b) **Promoting brand loyalty.** An average Nigerian consumer, for example, will definitely grow affection for a household brand that constantly gives out extra benefits. I have often heard from subscribers who claimed to prefer Etisalat (one of Nigeria's telecoms brands) due to its constant free credit calls rewards to subscribers.

On the contrary, the cost of running sales promotion can sometimes be very expensive, even uneconomical and cumbersome if run intermittently. As Odiboh (2001) observes, "running sales promotion more than once a year, also leads to boredom". In addition, too much reliance on sales promotions often culminates in 'prone-deal' consumers with little brand loyalty and too-much price sensitivity. In other words, excessive use of some incentives (e.g. money off) may worsen brand image.

Sales promotions can also force competitors to offer similar inducements, with sales and profits suffering for everyone. For instance, telecoms operators in Nigeria recently (2013) suffered a major setback as their promos were banned nationwide by the Nigerian Communication Commission (NCC) for rendering poor network services at the expense of subscribers' huge patronage.

SELF-ASSESSMENT EXERCISE

- i. Find out the strong points and limitations of other promotional elements
- ii. Which of the major elements of IMC do you consider most vital?

4.0 CONCLUSION

As every human part is efficient in one area and deficient in another, so is individual component of promotional mix. Advertising stands out as most powerful persuasive message which needs the support of direct marketing and sales promotions to create sales and sustain lasting customer relations with public relations. As a matter of fact, an IMC programme must be built on the knowledge of strong points of promotional parts and how one part can strengthen the limitation of the

other to attain an effective integrated marketing communication campaign.

5.0 SUMMARY

In this unit, we examine the strength and limitations of the individual major 'build blocks', i.e. elements of integrated marketing communication. Also, we sometimes compare one element to another in terms of their ability and passiveness to clarify some arguments.

6.0 TUTOR-MARKED ASSIGNMENT

1. Public relations manages corporate image crisis better than advertising. Discuss.
2. In one page, justify cost effectiveness of advertising in an IMC campaign
3. To what extent can direct marketing go in enhancing sales returns?
4. Incessant sales promotions can pose a threat to brand loyalty. Discuss citing examples from Nigerian market context.

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UNIT 3 MERITS AND DEMERITS OF IMC

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Determinants of IMC Mix
 - 3.2 Merits and Drawbacks of IMC
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
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1.0 INTRODUCTION

Many organisations in both the private and public sectors have realised the power of coordinating the major components of promotional mix to successfully achieve a set of marketing objectives. Sometimes, certain circumstances influence the choice of elements that organisations bring together to drive their marketing communication campaign. Such circumstances could be the nature of marketing problem at hand or the size of resources (mostly budget) to drive the communication campaign.

In this unit, we shall look at the factors that often determine the components of an IMC programme of an organisation. Having earlier observed the strengths and weaknesses of the major elements of IMC, we shall, in this unit, consider the pros and cons of the almighty integrated marketing communication.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- mention and explain the factors that affect the choice of the promotional mix
- explain why some promotional mix miss out in an IMC campaign
- suggest an appropriate IMC mix for a given marketing situation
- give reasons for marketers' preference for IMC to achieve marketing objectives
- state the downsides of integrated marketing communication.

3.0 MAIN CONTENT

3.1 Determinants of IMC Mix

The choice of the promotional blend needed to communicate effectively to target audience is a key marketing decision. Companies need to understand the need and motivation of their target audience before they can talk to them in a meaningful way. To make an informed decision, marketers should critically weigh the strengths and limitations of the individual major elements of IMC (as we discussed in the previous unit) against promotional objectives to decide how much resources to accord each elements.

Five factors that usually have a major impact on the choice of the promotional mix:

1. Resource Availability and the Cost of Promotional Tools

There is no gainsaying that a marketer may need to spend several millions of naira to conduct a pan-Nigeria advertising campaign. But if the resources are insufficient, cheaper tools such as sales promotions or publicity may come to play.

2. Market Size and Concentration

For a small and concentrated market, personal selling may be highly feasible. Whereas, for mass and geographically dispersed markets, advertising and direct marketing may be the correct choice for the marketers, as attempt to sell directly to the ultimate customers would not be cost effective.

3. Customer Information Needs

In a situation where the marketer needs to communicate a complex technical message about a product to the target audience, personal selling would be preferable. However, advertising would do a nice job if the marketer intends to create awareness about a given brand; it is simply beneficial and functional. Meanwhile, public relations or publicity would make much sense if all that is required is mainly to build and sustain an appropriate brand image.

4. Product Characteristics

Industrial goods (e.g. chemical, printing machine, etc) companies tend to allocate more budgets to personal selling than advertising by virtue of

technical information about their products. Whereas, consumer goods (e.g. mobile phone and mattress) companies tend to do the reverse. For instance, an explanation on installation and usage of a tractor or mechanical parts requires time and interaction between the marketer and the customer; unlike educating an ultimate consumer on how to cook a brand of instant noodles.

5. Push vs Pull Strategies

A push strategy involves a manufacturer's attempt to sell into channel intermediaries (e.g. retailers), who in turn get the products across to the end-users. This trend is usually dependent on personal selling and trade promotions. In other words, personal selling or trade promotion is used to move the product from the factory to distributors while distributors push the product to retailers, who eventually push the product to consumers.

Advertising and consumer promotions are usually the preferred tools for implementing a pull strategy. A pull strategy uses the consumer as its arrowhead. By this, company bypasses intermediaries to communicate directly to consumers with the aim of spurring the consumers to demand for the company's product. The resultant customers' demand persuades the intermediaries to stock the product.

SELF-ASSESSMENT EXERCISE

- i. Give 10 examples each of consumer goods and industrial goods.
- ii. Give 10 brands each that are promoted by push strategy and pull strategy in Nigerian market?
- iii. Think of a small-scale business in your area and suggest an IMC mix to promote its product.

3.2 Merits and Drawbacks of IMC

Based on its unique nature of accommodating different elements which hitherto seemed impossible to blend, integrated marketing communication (also referred to as 'new advertising') has been linked to a number of merits which includes the following among others:

(a) Creative Integrity

Creative Integrity is principally about managing your customers' perceptions of your products and services. IMC ensures that positive perception about your product is reinforced in every communication that reaches your customer and prospect by offering strategic and creative

veracity across various media. In practical terms, creative integrity means the theme and style of advertising is followed constantly through all media – ATL (TV, radio, press) and BTL poster, brochure, banner, etc. While it is not crucial for the copy and visual treatment to be exactly the same on each element of the campaign, they must be telling the same story. Thus, the impact of every element of the campaign reinforces each through a consistent build-up to move the consumer towards a favourable decision.

(b) Consistency of Messages

Like creative integrity, consistency is a key merit of integrated marketing communication. For an IMC programme, copy is written or edited centrally for advertisements, direct mail, product literature, etc., all presenting the same positioning message which emphasises the product/service benefits. Consistent messages enable you to keep repeating the positioning messages that are vital to long-term perception management and to incorporate the specific targeted messages that are needed for individual members of the purchasing team. In other words, a consumer or prospect gets a consistent message about a product when he views its TV commercial, reads its press ad, receives its direct mail shot, visits a retail outlet where there is a point-of-sale material for the product, and picks up the product brochure at an exhibition stand. Imagine a situation where consumers receive different unrelated messages on the same product via all the above media. Confusion?.

Visual standards must be entrenched to reinforce message consistency. By this, corporate design standards are imposed on all promotional materials which project key visual elements that help reinforce corporate identity. A corporate identity is a major investment for any organisation but it pays for itself in increased recognition and stronger perception.

(c) Unbiased Recommendations:

As IMC advocates central coordination of promotional elements, i.e. making an agency to handle all aspects of marketing communication and operate through-the-line (ATL+BTL), there is high level of confidence that every element in the mix will be justifiably treated towards achieving a successful campaign. Of course, an integrated agency does not have to worry about earning commission, but proves its mettle in recommending the most appropriate strategy which may include advertising, direct marketing, incentives or sales support for distributors and agents as the marketing objectives demands. Each of these components is treated as an important IMC tool and receives the same standard of professional treatment.

If not IMC-oriented agencies, where else do you turn to for impartial advice on the best mix of promotional components to achieve communications and business objectives since a traditional advertising agency or a PR firm is predictable to recommend exclusively advertising or public relations respectively as the ultimate solution? In an IMC strategy, every element of promotional mix is made to work hard and contribute to the overall success of the campaign. High level of unbiased recommendation by the agency is crucial to the client who has a limited budget or faces complex marketing tasks which require sterling performance across media.

(d) Optimal Media Uses:

IMC ensures that companies get the best from each element. As such, it blends different techniques and media to support each other to enhance entire communication effectiveness. For instance:

- Direct marketing and telemarketing are used to support direct response advertising campaigns
- Selected customer incentives are used to increase response to advertising or direct marketing campaigns
- Relationship marketing programmes are used to increase customer retention
- Sales training, targeted incentive programmes and direct marketing are used to improve direct sales performance.

Thus, integration of all these activities among others can prove highly effective in increasing response rates and improving the overall effectiveness of marketing and communications.

(e) Operational Efficiency:

Operational efficiency is another advantage of IMC and this implies having fewer people to manage an integrated marketing programme. Often, there is a single interface with one agency (appointed to handle and coordinate all IMC activities) which ties up less management and administrative time. While an agency may not handle every type of work with its own resources, it has the authority to also provide a management service which involves dealing with specialist suppliers, selecting them, briefing them, evaluating their works and handling all administration in respect of the IMC programme on behalf the client.

By channeling all agency-client communications through a single point of contact, there is considerable management time saving and prevention of efforts and expenditures duplication.

(f) Cost-Savings

As was established under operational efficiency that fewer human resources are required from the client's side in an IMC deal, this can lead to reduction in administrative cost. In a major organisation, the headcount saving counts a lot and this means optimal use of the company's resources, as people who are used to handling routine management and administration of the traditional client-agency relationship can be redeployed to execute more productive tasks.

While savings on administration and management are indirect, there are direct savings on production/media costs! Integrated marketing communication ensures that all media are bought centrally so that the client not only gets the benefit of efficient media buying but also the benefit of volume buying of print, artwork and other specialised marketing services.

(g) Cost Effectiveness

Apart from saving cost in great ways, IMC strives to also reduce a great deal of duplication in the creative and production processes. For example, photography can be planned in advance to ensure maximum utilisation of locations and materials for an IMC campaign that is packaged for new model of a car. As a matter of fact, photography (motion and still pictures) would be required for press ad, TV commercials, product literature (e.g. brochure and flyer), direct mail, point-of-sale (roll-up banner), training materials and distributor support programmes. Imagine a scenario where each of those specialised activities is handled by an independent agency which needs to organise its own photography; high rate of wastage is definite, not to mention creative disparity. Remarkably, IMC ensures that creative resources like the above are utilised in the most cost-effective way.

(h) Agency Accountability

In IMC, every element of promotional mix is under the control of an agency; so, the agency is held accountable for the success or otherwise of the entire marketing communication efforts. A traditional ad agency has a hiding space in case of a flop, to argue that it is only responsible for part of the marketing programme, and that other elements of the mix are outside its control. For the sake of accountability and for the fact that its performance is measurable, an IMC agency recommends the most effective solution to give the client value of its money.

(i) High Profile Service

In IMC, every element of promotional mix receives a consistent professional touch since a single agency controls the overall marketing communication programme. The same creative teams under the agency work on all communications programme, and any specialist services that are brought in by the agency are subjected to quality control to provide consistent standards. Interestingly, IMC ensures that above-the-line (ATL) and below-the-line (BTL) activities are both treated with the same professionalism.

Traditionally, BTL services such as publication of newsletters and production of brochures are mostly decided on the basis of price guides rather than quality of recommendations. Whereas, it does not avail the BTL suppliers any chance to develop a better understanding of the client's business. But under IMC, BTL activities are integrated into the overall strategy and they are created by the same team which produces the ATL materials. This is where the consistency becomes more apparent.

(j) Intense Marketing Precision

Traditionally, media advertising has always had the highest profile amidst all marketing communication activities. However in integrated marketing communication, direct mail and other precision marketing tools are used extensively to achieve specific communication objectives. For instance, a programme that requires consistent nationwide retail performance must include local marketing activities such as product training for distributors, retail-support programmes, local advertising and staff incentives to ensure commitment.

In IMC, direct marketing can be used in assorted ways to play supported roles in adding greater precision to other elements. Direct mail (a direct marketing tool) is used to generate leads, follow up advertisement enquiries, build relationships with customers, and supplement promotional programmes.

Drawbacks of IMC

Suffice to say that integrated marketing communication remains a powerful solution to myriad of marketing and communication challenges. But despite its stretch of benefits, IMC, like any other concepts is characterised by certain drawbacks.

Without doubt, IMC is a recent development with fast growth in the so-called advanced parts of the world, but still evolving in many other parts. By this, some practitioners are of the view that the 'new advertising' is yet to take a full-shape at the global level as sizeable number of agencies, for example in Nigeria, are still 'learning' the expertise of this multi-functional concept.

Where an IMC theme would require a team of several specialist agencies to achieve communication consistency, Jobber (2001:354) says 'Achieving this consistency can be difficult because of office politics. Some advertising creatives are unwilling to be shackled by an overall branding theme which is inconsistent with their latest 'big idea' for a television commercial.' He added that others may feel threatened when an integrated marketing communication campaign calls for a shift in expenditure advertising to direct or Internet marketing.

Another perceived setback lies in the manner by which IMC is being managed in the client-agency relationship. Some clients, by virtue of being the financiers, tend to take over the coordination of IMC projects from the agency, as coordination oftentimes takes place at the client's office.

Integrated marketing communication makes extensive use of database marketing techniques. It may prove tough sometimes to secure a correct database on segmentation in some parts of the world which possesses a threat to effective practice of IMC in such areas.

4.0 CONCLUSION

In essence, running an IMC campaign may not always involve all elements. Solution lies in the right combination of components that best achieves the set communication objectives. More so, the numerous strengths of IMC against its few limitations give it a strong edge to provide a powerful range of business solutions.

5.0 SUMMARY

This unit views the major factors that often shape the choice of IMC elements required for a given task. Also, there are discussions on various advantages of integrated marketing communication without leaving out its few demerits all of which students should be conversant with when they begin to practice.

6.0 TUTOR-MARKED ASSIGNMENT

1. Recommend an IMC campaign stating clearly your mix of elements for a new private secondary school in your locality.
2. IMC facilitates easy working relationship between client and agency. Discuss.

7.0 REFERENCES/FURTHER READING

Jobber, D. (2001). *Principles & Practice of Marketing*. (3rd ed.). Berkshire: McGraw-Hill.

Linton, I. & Morley, K. (1995). *Why Integrate?* Oxford: Butterworth-Heinemann Ltd.

MODULE 3 INTEGRATED MARKETING COMMUNICATION RESEARCH

Unit 1	Discussion on Market & Marketing Research
Unit 2	Classification of Marketing Research
Unit 3	Steps & Processes of Conducting Marketing Research
Unit 4	Merits and Demerits of Marketing Research

UNIT 1 DISCUSSION ON MARKET AND MARKETING RESEARCH

CONTENTS

1.0	Introduction
2.0	Objectives
3.0	Main Content
3.1	Understanding Marketing Research
3.2	Why Conducting Market Research
4.0	Conclusion
5.0	Summary
6.0	Tutor-marked Assignments
7.0	References/Further Reading

1.0 INTRODUCTION

If any sensible person must embark on any activity, work, profession or skill and aims to achieve some goals or satisfy certain objectives, there must be a proper plan or an outline, which serves as a guide for effective implementation of such act. As a builder would have survey plan, as well as architecture design to work with when trying to build an edifice, so also a marketer requires marketing plan to achieve marketing objectives. The outcome of marketing research serves as a guide to carry out marketing activities and to achieve marketing objectives. In this unit, what requires of marketing research and other related issues are discussed.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- explain marketing research
- analyse why it is necessary to conduct marketing research.

3.0 MAIN CONTENT

3.1 Understanding Market and Marketing Research

Marketing research is the function that links the consumer, and public to the marketer through information - information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyses the results, and communicates the findings and their implications.

Market research is a key part of developing your marketing strategy. It's about collecting information to give you an insight into your customers' mind so that you understand what they want, how they gather information and where they come from. You can also do market research to get a better idea of market trends and what is happening in your industry sector. The information you gather and analyse builds the foundation of good business decisions whether it's deciding what product or service you'll offer, where your business should be located, how to distribute your products or how you communicate with consumers.

Marketing research is a broad term that encompasses the process of gathering and understanding data about your customers, demographics and business climate. It can also involve the development and testing of new products or services. Information is the basis of marketing research. Businesses gather this information through seeking out demographic studies, test marketing products, conducting surveys and informally requesting feedback from existing customers. Local businesses can research statistics about their local community, including income levels and other demographic information. An online search is a good place to start.

Just the phrase marketing research can make people feel overwhelmed, by understanding what it is and why it's importance can relieve people of the tensions. There is a difference in market research and marketing research, let me explain. Market research is when you have narrowed down a specific "target" and you are delving into the behaviour of that target. In other words, it's research into a very narrow group of consumers.

Marketing research is different. It is different because it's dealing with a broader range of consumers. Marketing research includes "market" research, but it also delves into new product research and distribution methods. The best way to differentiate the two is to understand that marketing research is really about researching the marketing process of a company, not just who they are targeting.

3.2 Relationships between Conventional Research and Marketing Research

A market research project attempts to fill some gap in the knowledge about a phenomenon. In conventional research, this task is facilitated by a formal literature review. In market research, research questions tend to come from internal clients about how to achieve a certain marketing objective or another.

An important difference between conventional research and market research is that the later is decision driven. Backward-mapping from the business decisions are likely to assist the business manager and the market researcher to be on the same page with regard to priorities and aims of the research. That said, it is not unusual for a market research project to be exploratory, descriptive, or causal than decision-mapped research. Exploratory market research seeks to provide insights about the nature of a marketing problem, come up with new ideas, or suggest a range of possible solutions to be considered. These, then, might drive the identification of the business decisions. Descriptive market research might attempt to determine the magnitude of a marketing variable. Some market research is experimental in form and aims to test a cause-and-effect relationship.

3.3 Why Conducting Marketing Research

Marketing research is the function that links the consumers, and public to the marketer through information. Marketing research is purposely embarked upon to achieve the following:

1. Identifying and defining marketing opportunities and problems
2. Generate, refine, and evaluate marketing actions
3. Monitoring marketing performance
4. Improve understanding of marketing as a process
5. To have a better understanding of consumers and consumers' behaviours

From our discussion so far, we can state the following about research:

- Every research activity is planned and well thought out. It is not a spontaneous activity or thing of the moment. It requires some investment of time and brainstorming to plan and design.
- A research activity is purposeful and is aimed at achieving well defined and specific objectives.
- A research activity is ordered, systematic and follows well known and clearly laid down procedure. Adhering to a systematic procedure ensures that the research activity can be rejected or verified.

SELF-ASSESSMENT EXERCISE

Discuss your own understanding of marketing research using your business as the basis.

4.0 CONCLUSION

Marketing research is an aspect of marketing plan which should be given much attention because of the vital roles it plays during decision taking. Why every marketing research is as important as the research. It is much more important than the conventional research because it is decision-driven exercise.

5.0 SUMMARY

In this unit, we examine various definitions and understanding of marketing research. We have also made distinction between market research and marketing research in order to clear the misconception. The unit also discusses why it is important for every business unit to conduct marketing research before taking business decisions. Finally, distinctions are made between conventional and marketing research.

6.0 TUTOR-MARKED ASSIGNMENT

1. Give reasons why it is necessary for you to conduct marketing research before you take decisions on your business.
2. Make a clear distinction between marketing and conventional research.

7.0 REFERENCES/FURTHER READING

Doghudje, C. A. (2006). *Issues in Integrated Marketing Communications*. Guide Notes for APCON Course. Lagos.

Jobber, D. (2001). *Principles and Practice of Marketing*. (3rd ed.). Berkshire: McGraw-Hill.

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UNIT 2 TYPES OF MARKETING RESEARCH

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Types of Marketing Research
 - 3.1.1 Quantitative Research Method
 - 3.1.2 Qualitative Research Method
 - 3.2 Relationship between Quantitative and Qualitative Research
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

There are various ways or methods through which marketing researches are conducted. Each method depends on the research focus, essence and the target objectives. Using an appropriate marketing research method will definitely yield the expected outcome (all other things being equal). The reverse is the case if the marketing research used is not appropriate. In this unit, the common marketing research methods are discussed.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- define various marketing research methods
- differentiate between quantitative and qualitative marketing research
- conduct marketing research using either quantitative or qualitative method.

3.0 MAIN CONTENT

3.1 Types of Marketing Research

- (a) Quantitative research includes:
 - i. Experimental research
 - ii. Survey research
 - iii. Content analysis
- (b) Qualitative research includes:
 - i. Observational research
 - ii. Focus Groups Discussion (FGD)
 - iii. In-depth interview
 - iv. Case studies
 - v. Ethnography

3.1.1 Quantitative Marketing Research

Quantitative research is deductive and hinges on the presence of a research hypothesis or alternatively, research questions, which are identified before the research begins. Quantitative research looks at the general case and moves toward the specific. This deductive approach to research considers a potential cause of something and hopes to verify its effects. The phrase **cause and effect** is an important term and highly notable in quantitative study. In research, cause and effect is all about the strength of the relationship. If a very strong relationship exists between two variables, the cause and effect relationship may be said to be highly probable or highly likely. There is still room to say that the effect does not occur as a result of the cause, but this is considered not very probable.

The following is an example of a deductive market research approach that seeks to measure differences in student's enrolment in National Open University of Nigeria (NOUN) as NOUN programmes are accredited and number of students graduated increases:

General Cause NOUN programmes were accredited by Nigeria University Commission (NUC). The University also graduated more students in its Second Convocation.

Specific Effect The student enrolment in various programmes of NOUN increased by session.

Research Finding Increase in the number of students that enrol for different programmes in NOUN is as a result of the accreditation given to the programmes by NUC. The increase in the enrolment is also linked to the effort made by the university to graduate students

Hypothesis and Its Usage in Quantitative Marketing Research

Hypothesis is a tentative assumption in the form of a statement or a question that a research effort is designed to answer. In quantitative research, there are two hypothesis statements:

- a. **Null hypothesis** It is denoted by *Ho*. A researcher does not expect the null hypothesis to be true. At the conclusion of the research process, the researcher will analyse the data collected, and then will either accept or reject the null hypothesis. The process of confirming a hypothesis is referred to as **Hypothesis Testing**.
- b. **Alternative Hypothesis:** It is denoted by *Ha*. The researcher assumes the alternative hypothesis is true. Rejecting the null hypothesis suggests that the alternative hypothesis may be *true* - that is, the chance that there is an error in the data that would make the alternative hypothesis not true is acceptably small, by scientific standards. Hypothesis testing in quantitative research is never absolute.

For a study about the student enrolment in NOUN, one example of a null hypothesis could be:

Ho = Accreditation of NOUN programmes does not increase the students enrolment in NOUN

An example of a corresponding alternative hypothesis could be:

Ha = Accreditation of NOUN programmes has increased the students enrolment in NOUN

3.1.2 Qualitative Marketing Research

Qualitative Research is the opposite of Quantitative Research. While Quantitative takes numerical values, Qualitative does not. Rather, it gives a more detailed and in-depth analysis of the subject as a result of the closer interaction with the subject of investigation.

Wilson et al (2008) observe that Qualitative Research involves the collection of extensive narrative data in order to gain insights into the phenomena of interest. According to them, data analysis in Qualitative

Research “involves the coding of data and production of a verbal synthesis or inductive process. In other words, it does not depend on the measurement of variables or research elements.” Qualitative research methods include Focus Group Discussion (FGD), in-depth interview, Field Observation, Case Study approach, Historical Analysis and Ethnography.

Qualitative research begins with the specific and moves toward the general. The data collection process in qualitative research is personal, field-based, and iterative or circular. As data are collected and organised during analysis, patterns emerge. These data patterns can lead a researcher to pursue different questions or concepts, in a manner similar to rolling a snowball downhill.

Throughout the data collection process, researchers typically record their thoughts and impressions about the emerging data patterns. Qualitative researchers gather data about their research in several ways or from different sources. This expanded view of relevant data is called *triangulation* and is a very important way of ensuring that data can be verified. When the data set is considered large enough or *deep* enough, the researcher will interpret the data.

The example below suggests several ways that a qualitative researcher might triangulate data and move the research project from specific data to general themes, and ultimately to a research conclusion or finding.

Specific Students Interviews Students convey the reasons why they enrol in NOUN programmes.

Specific Website User Observations Researchers observe increased number of students during registration as well as during matriculation.

General Researcher Field Notes Researchers record ideas that emerge during the data collection process.

Research Conclusion More students enrol in NOUN because NOUN programmes are accredited and NOUN held convocation for quality graduates.

3.2 Relationship between Quantitative and Qualitative Research

A choice between research methods rests fundamentally on a set of decisions about the questions a researcher wants to answer and the

practicality of gathering the kind of data that will answer those questions.

Although there are a number of *soft* differences between the two types of methods, what matter most is to answer the following questions?

- How does a market researcher know when to use a qualitative approach and when to use a quantitative approach to a study?
- Is one approach really better than the other?

Quantitative research is deductive while qualitative research is inductive and does not require a hypothesis in order to start the research process. The key terms that differentiate quantitative and qualitative marketing researches are:

- Deductive research
- Hypothesis/Research questions
- Inductive research

SELF-ASSESSMENT EXERCISE

Highlight and discuss various steps involved in conducting marketing research

4.0 CONCLUSION

The methods for conducting marketing research are crucial for effective marketing research because it has great impact on the research outcomes. The method engaged in carrying out a specific marketing must conform to the research idea and its guiding principles and it must as well be able to generate the required research outcomes.

5.0 SUMMARY

In this unit, we examine the various methods through which marketing research is conducted. The focus is more on quantitative and qualitative marketing research, the method that house other marketing research types.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the relevance of the processes discussed above to the effective marketing research.

7.0 REFERENCES/FURTHER READING

Doghudje, C. A. (2006). *Issues in Integrated Marketing Communications*. Guide Notes for APCON Course. Lagos.

Jobber, D. (2001). *Principles and Practice of Marketing*. (3rd ed.). Berkshire: McGraw-Hill.

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UNIT 3 STEPS AND PROCESSES OF CONDUCTING MARKETING RESEARCH

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Steps and Processes in Conducting Marketing Research
 - 3.2 Relationship between Quantitative and Qualitative Research
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignments
- 7.0 References/Further Reading

1.0 INTRODUCTION

For any person to embark on any activity, work, profession or skill and aims to achieve some goals or satisfy certain objectives, there must be a proper plan or an outline, which serves as a guide for effective implementation of such act. As a builder would have survey plan as well as architecture design to work with when trying to construct an edifice, so also a marketer requires marketing plan to achieve marketing objectives. The outcome of marketing research serves as a guide to carry out marketing activities and to achieve marketing objectives. In this unit, what requires of marketing research and other related issues are discussed.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- explain the steps involved in conducting marketing research
- identify the elements in each step
- analyse the process involved in conducting marketing research.

3.0 MAIN CONTENT

3.1 Steps and Processes in Conducting Marketing Research

Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyses the results, and communicates the findings and their implications.

Your marketing research will include the following steps and each step has listed common questions that are typically asked:

1. **Problem Definition** The problem is the focus of your research. Example: Why are sales soaring in the mid-west, but dismal in other parts of the country?
2. **Data Collection Method and Needs** How will you collect the data that you will need to solve the problem? Will you use surveys, telephone calls or focus groups on the internet?
3. **Determine Sample Method** What sampling method will you use? Sampling represents those you will collect information from. Will it be a random sampling, a sampling that contains a similar element or a natural sampling?
4. **Data Analysis** How will you analyse the data? Will you use software or do it by hand? How accurate do the results need to be?
5. **Determine Budget and Timeframe** How much are you willing to spend on the research and how soon must the research be completed?
6. **Data Collection** Proceed in data collection based on answers in Steps 1- 5.
7. **Analysis of the Data** Conduct the analysis of the data that has been collected in previous Step.
8. **Error Check:** Check for errors in data. It is not uncommon for errors to be found in data collected. Errors can be in the sampling method, data collections as well as just analytical mistakes.
9. **Create Your Report** The final step of marketing research is to draft a report on your findings. Your report should contain tables, charts, and or diagrams. It is important that your report clearly communicate the results that you found in your research. Your findings should lead to a solution to the problem you identified in Step 1.

The market research process consists of six discrete stages or steps.

They are as follows:

- **Step 1** - Articulate the research problem and objectives
- **Step 2** - Develop the overall research plan
- **Step 3** – Collect the data or information
- **Step 4** – Analyse the data or information
- **Step 5** – Present or disseminate the findings
- **Step 6** – Use the findings to make the decision

The task of the first stage of market research is to articulate the problem that the research will address. This includes defining the decision alternatives, and the research objectives. At first blush, this seems like an easy step. Aren't marketing problems easy to spot and easy to articulate? Beginning a research project falls into the category described as *it looks easier than it is*.

It is important not to define the market research problem too narrowly or too broadly. In the first instance, a market researcher may find that the actual problem has been missed because the focus was too narrow. Or even if the right research question has been addressed, other important variables may not have been considered, such as barriers to prevent copying by other competitors. In the second instance, too much information is likely to be collected - at considerable cost - and most of that data will never be used. The information is simply not sufficiently germane to the problem.

It is important to realise that it is not always possible to know the *sweet spot* in terms of scope until the data collection has begun or has been underway for a time. A change in the problem statement in qualitative research does not necessarily reflect poor planning. In fact, it may indicate new learning and the iterative nature of qualitative research.

Writing a problem statement to guide the research is both practical and important. A problem statement clearly tells what is intended to be accomplished by the research, and so it is a very practical step with regard to obtaining resources to be used to conduct the research. Writing a problem statement is important because it points to how open or closed the research can be in its approach. Open research is associated with qualitative research approaches and closed research is associated with quantitative research approaches. Quantitative research seeks to identify the relation among a set of variables. Qualitative research aims to gain some understanding of a phenomenon.

3.2 Steps Involved in Conducting Marketing Research

Step 1 Identify the Need for Marketing Research

This step houses the key point of conducting marketing research. Marketing research is not done without a purpose, which is the push into research. Marketing research is only conducted when there is a dire need for market information in order to have a proper marketing planning.

Step 2 Set Your Research Objectives

The scope of your research is determined by what you want to achieve (your objectives) and the types of decisions it needs to help you make. Before you get started it is essential to define your objectives. This is the most important part of the process and will avoid wasting time and effort in later stages. Ask yourself these three questions:

- a. What is the purpose of the research?
- b. What information is being sought?
- c. How will the information be used?

Four Stages of Research Study

Conducting a successful research study involves four separate stages:

- a. checking if the same or similar research has been carried out in the past;
- b. reviewing any existing relevant data;
- c. determining when the information is needed and how much you can spend to obtain it; and
- d. deciding how the data will be used, and by whom.

If your research will help you to make a significant decision (for example, introducing a new product or starting a business), then it's a good idea to think about employing a professional market research organisation or consultant. A research expert will have the knowledge and experience to get information which is reliable. If the cost is prohibitive you should buy at least a few hours of professional research time to get advice in conducting your own market research. This could help you avoid obtaining flawed data which will produce misleading and potentially costly conclusions

Step 3 Find out What Information Already Exists

There are two types of data; primary and secondary. Existing information (for example census statistics) is known as secondary data and primary is the collection of new data.

a. Secondary Data Research

You can save time and money by using secondary data. Much of the information you need can be found in internal company records or official sources. Information collected on a day-to-day basis can help you identify trends such as popular products or the seasonality of

product/service demand. Other secondary information falls into two areas:

i. Official

This includes information gathered and published by federal, state and local government agencies. The largest source of official research in Australia is the Australian Bureau of Statistics (ABS). The ABS collects a wide range of data at a national and local level. This includes census data, trade and industry data, demographic statistics down to a suburb level and changes in social trends.

ii. Non Official

This covers data which can be obtained from sources such as the internet, newspapers, magazines, reference books, trade directories, trade associations, banks, universities, technical colleges, research institutions and publications from market research organisations.

b. Primary Data Research

Primary data is the information you gather through specialised surveys or group discussions. Generating primary data can be costly and potentially more risky than the collection and collation of secondary data. To make sure your research is effective take time to define your objectives and understand the problem you are researching.

For example, you may want to find out why sales are down five per cent, and proceed to conduct interviews to determine the fault in your own performance, unaware that the real problem is a shrinking market, which in many cases, may provide an opportunity to maintain or improve your market share.

To overcome this problem, you could examine the secondary data to discover that your falling sales are a reflection of a declining market share. You could then research to find out if it is a general decline throughout the industry or an isolated decline in relation to a certain product or service. This information can be obtained by conducting a survey designed by an unbiased professional.

Step 4 Do Your Own Research through Surveys

Surveys can be categorised as either observation or interview surveys.

Observation

These surveys could include a visit to your competitors to see how they perform, the products they stock, the number of delivery vehicles they use, the prices they charge or image they convey. Observational surveys include listening to what people say about your competitors. The internet may also provide an excellent platform for observational surveys by studying the websites of your competitors.

Personal Interview

An interviewer contacts a number of potential customers to obtain qualitative and quantitative information.

Qualitative information: looks at consumer's attitudes towards products, services, companies and issues. The aim may be to reveal why people buy your products, how they respond to your advertising or their perception of your premises. You would use this information in planning promotional activities, techniques and sales presentations.

Quantitative information: is obtained by interviewing numbers of people to determine for example how many will probably purchase a product. This information is useful in predicting market penetration, future earnings and profits.

Surveys involving personal interviews include:

- i. face-to-face surveys
- ii. group interviews (focus groups)
- iii. post or mail surveys
- iv. online surveys
- v. survey samples.

After you've decided which survey method to use you need to consider the sample of respondents. Your sample can be a selection of people grouped by a characteristic such as industry, area, age, sex or income groups; or they could be chosen at random to typify the "unidentified population".

The next step requires choosing the number of survey respondents that you need. As a rule of thumb 100-200 respondents should suffice for a small area, 400-500 for the metropolitan area and 600-1000 for Western Australia. Samples of this size should produce a reliable result. The smaller the sample the greater the possibility of error and misinterpretation.

Step 5 Analyse and Act on the Results

Once you've finished your survey it's time to analyse the responses and get the answers to the questions you asked at the beginning. Keep an open mind and be objective. Try to avoid conducting research to prove your preconceived ideas.

Remember these golden rules when interpreting the findings of your market research:

- i. flawed questions produce flawed results
- ii. be aware of your own biases
- iii. be honest with yourself
- iv. the better the research, the more informed the decisions.

If your research shows that a proposed business venture has a high probability of failure it would be unwise for you to precede, unless you're able to obtain additional information which will change this assessment. Where possible, keep a record of the people surveyed. If they are supportive you can contact them as prospective customers should you proceed with your plans.

If you are in business already, use the information you have obtained to develop your strengths, eliminate your weaknesses and create new opportunities.

Above all, remember that market research, like any tool, must be used correctly to achieve a satisfactory result.

SELF-ASSESSMENT EXERCISE

Highlight and discuss various steps involved in conducting marketing research

4.0 CONCLUSION

The guidelines for conducting marketing research are crucial for effective marketing research. Whichever marketing research employed what matter most is to ensure that the processes involved are carried out to the latter.

5.0 SUMMARY

In this unit, we examine the steps involved in carrying out effective marketing research. The processes are the guidelines, which helps in marketing research plans.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the relevance of the processes discussed above to the effective marketing research.

7.0 REFERENCES/FURTHER READING

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UNIT 4 MERITS AND DEMERITS OF MARKET RESEARCH AND ANALYSIS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Merits of Marketing Research and Analysis
 - 3.2 Demerits of Marketing Research and Analysis
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

A well-written, comprehensive marketing plan is the focal point of all business ventures because it describes how you plan to attract and retain customers, the most crucial aspect of a business. The marketing research is essential to any successful business. It is the heart of the business, the basis from which all other operational and management plans are derived. Marketing research offers a wealth of relevant information that if applied correctly virtually can ensure the success of the business. Therefore, it is important that a research is conducted on various aspect of the business before taking any decision. It is as well beneficial that the outcome of the research be used as the basis for a business decisions.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- state the various benefits in marketing research
- outline the disadvantages in marketing research.

3.0 MAIN CONTENT

3.1 Merits of Marketing Research

There are numerous advantages you can extract from the marketplace if you know how. And the marketing research is an excellent tool for identifying and developing strategies for extracting these advantages.

Highlight of the Merits of Marketing Research

- a. It is used to identify the needs and wants of consumers
- b. It is used to identify the Unique Selling Proposition (USP) of a product or service
- c. It is used to determine the demand for products or services
- d. It aids in designing the kind of products or services that fulfil consumers needs
- e. It is used to outline measures for generating the cash for daily operation, to repay debts and to turn a profit
- f. It is used to identify the competitors and analyses your product's or firm's competitive advantage
- g. It is used to identify new product areas
- h. It is used to identify new and/or potential customers
- i. It allows for test to see if strategies are giving the desired results
- j. It is used to find out reactions of customers to products of the company
- k. It is used to evaluate company's sales promotion measures for suitable adjustment and improvements.
- l. It is used to study current marketing problems and opportunities for suitable follow up
- m. It is used to find methods for making the product popular and raising its goodwill and marketing reputation.
- n. It is also used to study marketing competition, channel of distribution and pricing for suitable changes if necessary

Market research is important for every business, and should not be just a one-off activity. Successful businesses conduct research on a continual basis to keep up with market trends and to maintain a competitive edge. Regardless of whether a business is just starting or expanding, market research is vital to understand the target market as well as to increase sales. Some of the marketing research merits highlighted above are discussed below:

- a. **Identify Potential Customers**
Who is going to use your product/service? How old are they? Are they male or female? Are they married, single or divorced? Do they have children? Where do they live? What is their level of education? And so on.
- b. **Understanding your Existing Customers**
Why do customers choose your product over competitors? What do they value? Is it service, product quality or the prestige associated with consuming your product/service? Who influences

their buying decision? What magazines do they read? What websites do they visit? What do they enjoy doing?

c. Set Realistic Targets

From the information you collect you'll be able to set realistic targets for areas such as growth, sales and the introduction of new products/services.

d. Develop Effective Strategies

From your research you'll be able to make marketing decisions about how to price your product/service, how to distribute your product/service, which media channels to use (eg: newspaper, radio or direct marketing) or whether to develop a new product/service. It will also help you make an informed decision about starting, building, consolidating, diversifying or reducing business activity.

e. Examine and Solve Business Problems

If you've identified a business problem, research will help you work out what is happening. For example, if your sales have fallen you might discover that brand awareness has also fallen, or that a new competitor has entered the market or a substitute product has become available.

f. Prepare for Business Expansion

Research will help you identify areas for expansion and test the market's readiness for a new product/service. For example you could be looking to open a new retail store and you need to find the right location or you could plan to make changes to your distribution channels (eg: from home parties to retail) and need to determine how that will affect your customer base.

g. Identify Business Opportunities

Your research could identify new business opportunities. You may find an un-serviced or under-serviced market. You could identify changing market trends such as population shifts, increasing levels of education or leisure time which bring new opportunities.

3.2 Demerits of Marketing Research

- a. It identifies weaknesses in your business skills
- b. If data is not properly analysed, it can lead to faulty marketing decisions

- c. It creates unrealistic financial projections if information is interpreted incorrectly
- d. It identifies weaknesses in your overall business plan
- e. The budget for conducting marketing research is most often huge and it is added to overall cost

4.0 CONCLUSION

An effective marketing research will certainly boost your sales and increase profit margins. You must be able to convince customers that you have the best product or service for them at the best possible price. If you cannot convince potential customers of this, then you are wasting your time and money. This is where the marketing research comes into play, and this is why it is so important.

5.0 SUMMARY

In this unit, we discussed what marketing research does to marketing plan and the overall objectives of marketing efforts. The fact that more benefits of research are presented than the demerits shows that marketing research cannot be done without an effective marketing plan as well as decision making in marketing.

6.0 TUTOR-MARKED ASSIGNMENT

1. In what ways do you think marketing research aids marketing plan and supports in achieving marketing objectives?

7.0 REFERENCES/FURTHER READING

Doghudje, C. A. (2006). *Issues in Integrated Marketing Communications*. Guide Notes for APCON Course. Lagos.

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MODULE 4 INTEGRATED MARKETING COMMUNICATION PLAN

Unit 1	Integrated Marketing Communication Strategies
Unit 2	Integrated Marketing Communication Media
Unit 3	Objectives and Budgeting For Promotional Programme

UNIT 1 INTEGRATED MARKETING COMMUNICATION STRATEGIES

CONTENTS

1.0	Introduction
2.0	Objectives
3.0	Main Content
	3.1 Participants in the IMC Process
	3.3 The IMC Planning Process
	3.3 Developing Promotional Strategies
4.0	Conclusion
5.0	Summary
6.0	Tutor-Marked Assignment
7.0	References/Further Reading

1.0 INTRODUCTION

It is vital to note that promotion is the old term for integrated marketing communication, as they both contain virtually the same elements. So they are often used interchangeably. As with any business function, planning plays a prime role in the development and implementation of an effective integrated marketing communication programme. Thus, in developing an integrated marketing communications strategies, an organisation combines the elements of promotional mix, having balanced the strengths and weaknesses of each, to produce an effective promotional campaign.

This unit focuses integrated marketing communication strategies while discussing promotional planning process and identifying the main participants in an IMC process. It also explains effective promotional management for ample understanding of students.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

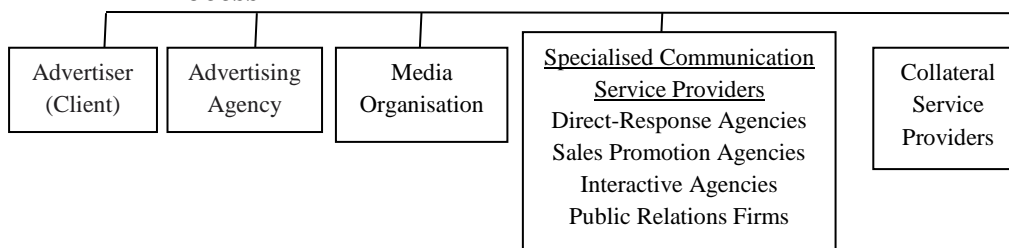
- identify the key participants in an integrated marketing communication process
- state the notable and widely applied IMC strategies
- explain the steps in developing a marketing communication plan
- describe an effective promotional management.

3.0 MAIN CONTENT

3.1 Participants in the Integrated Marketing Communication Process

A group of different but related players are mainly involved in the integrated marketing communication process, each playing specific roles of importance to success of the entire promotional programme. These players or participants can be divided into five major categories as shown in the diagram below:

Table 4.1: Participants in the Integrated Marketing Communication Process



- (1) Advertiser (Client)
- (2) Advertising Agency
- (3) Media Organisations
- (4) Specialised Communication Service Providers
- (5) Collateral Service Providers

1. Advertiser

The advertiser or client is a chief participant in the process of advertisement. Clients possess the products, services, or causes to be marketed, and they provide the funds required for the entire promotional efforts. The advertisers also shoulder major responsibility for developing the marketing programme and making the final decisions in respect of the promotional programme to be employed. Sometimes, several individuals throughout the organisation may be involved in the

promotions decision-making process. However, marketing personnel have the most direct relationship with the advertising agency and are often involved in many aspects of the decision process, such as providing input to the campaign plan, agency selection, and evaluation of proposed programmes.

Top management is usually keen in knowing how the IMC programme represents the organisation, and this may also mean being involved in promotional decisions even when the decisions are not part of its (i.e. top management's) day-to-day responsibilities. While many people both inside and outside the organisation have some input into the promotion process, direct responsibility for administering the program must be assumed by someone, especially an experienced marketing executive within the company. (Belch and Belch, 2003:69)

2. Advertising Agency

Advertising agency is usually contracted by the advertiser to carry out the creation, production, and/or placement of the communications message and to also provide other services to facilitate the marketing and promotion process. Ad agency acts as a partner with the advertiser, and as well assumes more responsibilities in developing the marketing and promotional programmes.

While the traditional and agencies are limited in scope, i.e. chiefly advertising, many companies employ what is known as a 'full-service agency', which offers its clients a full range of marketing, communications and promotions services, including planning, creating, and producing the advertising; performing research; and selecting media. A full-service agency may also offer non-advertising services such as strategic market planning; sales promotions, direct marketing and interactive capabilities; package design; and public relations and publicity. The full-service agency comprises departments, which engage in the activities required to perform the various promotional functions and serve the client. The agency usually boasts of employed specialists such as creative directors, research and strategy manager, account managers, media planning and buying manager, among others.

3. Media Organisations

Media organisations are another key participant in the promotion process. The primary function of most media is to provide information or entertainment to their subscribers, viewers or readers. However from the perspective of the promotional planner, the purpose of the media is to provide an environment for the client's marketing communication

message. The media, for instance a newspaper or magazine must publish contents that interest consumers while a TV channel must air programmes that attract consumers so that advertisers and their agencies would be moved to buy space or time with such newspaper or TV channel.

While the media perform many other functions that help advertisers understand their markets and their customers, a medium's principal objective is to sell itself as a way for advertisers to reach their target markets with their messages effectively. In Nigeria, The Guardian newspaper editions of Tuesday and Thursday usually enjoy huge patronage from advertisers who place vacancy advertisements, and these editions are weekly suspense for job seekers in the country! Also, Super Story, a TV drama series is a good vehicle for targeting the young female. Media comprise radio, billboard, Internet, etc.

4. Specialised Communication Service Providers

The next group of participants in IMC process is organisations that provide specialised marketing communications services. They include direct-marketing agencies, sales promotion agencies, interactive agencies, and public relations firms. These organisations offer services in their areas of expertise. For instance, a direct-response agency develops and implements direct-marketing programmes, while sales promotion agencies develop promotional programs such as contests and sweepstakes, premium offers or sampling programmes.

Websites for the Internet are developed for marketers by the interactive agencies as businesses delve deep into the realm of interactive media. Public relations firms focus on company's relationships and communications with its relevant publics, and also generate and manage publicity for marketers and their products and services.

5. Collateral Service Providers

The last participants in the promotions process are those that provide collateral services. They include marketing research companies, package design firms, consultants, photographers, printers, video production houses, and event marketing services organisations. Marketing research companies offer specialised services and can gather objective information that is valuable to the advertiser's promotional programmes.

They conduct qualitative research such as in-depth interviews and focus groups, as well as quantitative studies such as market surveys. Large organisations especially, often engage marketing research to help them

understand their target audiences and to gather information that will be of value in designing and evaluating their promotions programmes.

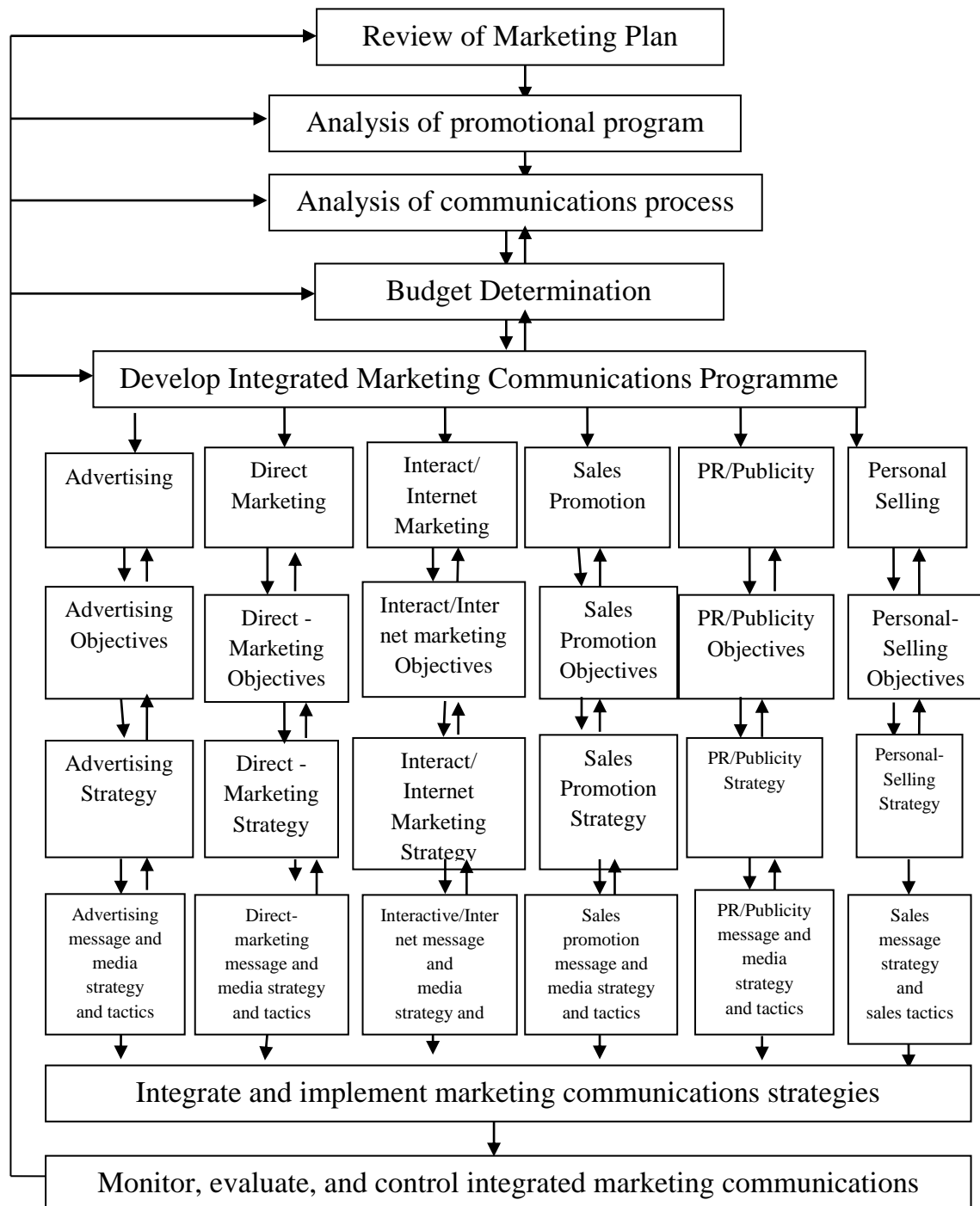
SELF-ASSESSMENT EXERCISE

In one page, explain the interrelatedness of the participants of IMC process.

3.2 The IMC Planning Process

Promotion is but one part of, and must be integrated into, the overall marketing plan and programmes. Thus, promotional planners must decide on the role and function of the specific elements of the promotional mix, develop strategies for each element, and implement the plan. The various steps involved in the IMC planning process are presented in a model by Belch and Belch (2003:26) as shown below:

Table 4.2: An Integrated Marketing Communications Planning Model(Belch and Belch, 2003:26)



(A) Review of Marketing Plan

Reviewing the marketing plan and objectives precedes other steps in the IMC planning process. Thus, before developing a promotional plan, marketers must understand where the company (or the brand) has been, its current position in the market, where it intends to go, and how it plans to get there. Most of this information should reflect in the marketing plan. Note that a marketing plan is a written document that describes the overall marketing strategy and programmes developed for an organisation, a particular product line, or a brand. As a matter of fact, marketing plans can take several forms but generally include five basic elements:

- A detailed situation analysis comprising an internal marketing audit and review and an external analysis of the market competition and environmental factors.
- Specific marketing objectives that provide direction, a time frame for marketing activities, and a mechanism for measuring performance.
- A marketing strategy and programme that include selection of target market(s) and decisions and plans for the four elements of the marketing mix.
- A programme for implementing the marketing strategy, including determining specific tasks to be performed and responsibilities.
- A process for monitoring and evaluating performance and providing feedback so that proper control can be maintained and any necessary changes can be made in the overall marketing strategy or tactics.

For most organisations, the promotional plan is an integral part of the marketing strategy.

Thus, it is imperative for planners to know the roles each element of promotional mix will play in the overall marketing programme. Usually, the promotional plan is developed similarly to the marketing plan and often uses its detailed information. However in the review, promotional planners focus on information in the marketing plan that is relevant to the promotional strategy.

(B) Analysis of Promotional Program Situation

After reviewing the overall marketing plan, the next step is to conduct the situation analysis. In the IMC programme, the situation analysis focuses on the factors that influence or are relevant to the development of a promotional strategy. Like the overall marketing situation analysis,

the promotional programme situation analysis includes both an internal and an external analysis.

i. Internal Analysis:

- The internal analysis evaluates relevant areas involving the product/service offering and the company itself. The capabilities of the company and its ability to develop and implement a successful promotional programme, the organisation of the promotional department, and the successes and failures of past programmes should be reviewed. For example, the internal analysis may indicate that the company lacks the capacity to plan, implement and manage certain areas of the promotional programme, and therefore needs assistance from an advertising agency or some other promotional facilitators.
- Internal analysis also assesses the strengths and weaknesses of the company or the brand from an image perspective. For instance, a company or brand that is new to the market or one confronted with a negative image may have to concentrate on its image, not just its benefits or attributes.
- Another aspect of internal analysis is assessment of relative strengths and weaknesses of the product or service; its advantages and disadvantages; any unique selling points or benefits it may have; its packaging, price, and design; and so on. This information is particularly important to the creative personnel who must develop the promotional message for the brand.

ii. External Analysis

- A prime part of the external analysis is detailed consideration of customers' characteristics and buying patterns, their decision processes, and factors influencing their purchase decisions. Attention must also be given to consumers' perceptions and attitudes, lifestyles, and criteria for making purchase decisions. Often, marketing research studies are needed to answer some of these questions.
- Another key element of the external analysis is an assessment of the market. The attractiveness of various

market segments must be evaluated and the segments that the company needs to target must be identified. Once the target markets are chosen, the emphasis will be on determining how the product should be positioned. What image or place should it have in the minds of consumers?

- An in-depth examination of both direct and indirect competitors is another focus of external analysis. Focus is on the company's primary competitors: their specific strengths and weaknesses; their segmentation, targeting, and positioning strategies; and the promotional strategies they employ. The size and allocation of their promotional budgets, their media strategies, and the messages they are sending to the marketplace should all be considered.
- The external analysis also includes what is known as environmental analysis. This entails an assessment of the marketing environment and current trends or developments that might affect the promotional programme.

(c) Analysis of the Communications Process

At this stage of the promotional planning process, the company examines how it can effectively communicate with consumers in its target markets. The planners are expected to think about the process consumers will go through in responding to marketing communications. For instance, the response process for products or services to which consumer is highly loyal is often different from the response process for products or services that are new to the consumer. These differences will influence the promotional strategy. Communication decisions on the use of various source, message, and channel factors must also be considered. The promotional planners should understand the different effects various types of promotional messages might have on consumers and whether they are appropriate for the product or brand. Preliminary discussion of media-mix options - print, TV, radio, newspaper, direct marketing, etc. - and their cost implications might also occur at this stage.

Very crucial at this stage of the promotional planning process is the establishment of communication goals and objectives. It is important to distinguish between communication and marketing objectives. Marketing objectives refer to what are to be accomplished by the overall marketing programme, and they are often stated in terms of sales, market share, or profitability. However, communication objectives refer

to what the company seeks to accomplish with its promotional programme. They are often stated in terms of the nature of the message to be communicated or what specific communication effects are to be achieved. Communication objectives may include creating awareness or knowledge about a product and its attributes or benefits; creating an image; or developing favourable attitudes, preferences, or purchase intentions. Communication objectives should be the guiding force for development of the overall marketing communications strategy and of objectives for each promotional-mix area.

(D) Budget Determination

Promotional budget comes after the communication objectives have been determined. At this point, two basic questions are asked: (1) What will be the cost of the promotional programme? (2) How will the money be allocated? Ideally, the amount a company needs to spend on promotion should be determined by what must be done to accomplish its communication objectives. In reality, promotional budgets are often determined using a more simplistic approach, such as how much money is available or a percentage of a company's or brand's sales revenue. At this stage however, the budget may not be concluded until specific promotional-mix strategies are developed.

(E) Developing the Integrated Marketing Communication Programme

Developing the integrated marketing communication programme is generally the most involved and detailed step of the promotional planning process. As we discussed earlier, each element of the promotional mix has certain strongpoint and limitations. At this stage of the planning process, decisions have to be made concerning the role and importance of each element and their coordination with one another. As you can see in the IMC planning model diagram above, each components of promotional mix has its own set of objectives and a budget and strategy for meeting them. Decisions must be made and activities performed to implement the promotional programmes. Procedures must be developed for evaluating performance and making any necessary changes.

For example, the advertising programme will have its own set of objectives, usually involving the communication of some message or appeal to a target audience. A budget will be determined, providing the advertising manager and the agency with some ideas of how much money is available for developing the ad campaign and purchasing media to disseminate the ad message. Two important aspects of the

advertising programme are development of the message and the media strategy. Message development, often referred to as creative strategy, involves determining the basic appeal and message the advertiser wishes to pass to the target audience. This process, along with the ads that evolve, is to many students the most fascinating aspect of promotion.

Media strategy entails determining which communication channels will be used to deliver the advertising message to the target audience. Decisions must be made regarding which types of media will be used (e.g., newspapers, magazines, radio, TV, billboards) as well as specific media selections (e.g. The Punch, Daily Trust or Super Story, Ultimate Morning Show, etc). This task requires careful evaluation of the media options' advantages and limitations, costs, and ability to deliver the message effectively to the target market.

(F) Integrate and Implement Marketing Communications Strategies

Once the message and media strategies have been determined, steps must be taken to implement them. Most large companies usually contract advertising agencies to plan and produce their messages and to evaluate and purchase the media that will carry their ads. However, most agencies work very closely with their clients as they develop the ads and select media. This is due to the fact the advertiser ultimately approves and pays for the creative work and media plan. A similar process ensues for the other elements of the IMC programme as objectives are set, an overall strategy is developed, message and media strategies are determined, and steps are taken to implement them.

While the hired advertising agencies may be used to perform some of the other IMC functions, they may also hire other communication specialists such as direct-marketing and interactive and/or sales promotion agencies, as well as public relations firms. The bottom line is to effectively integrate and implement the various determined strategies for a successful overall IMC programme.

(G) Monitor, Evaluate and Control

The final stage of the promotional planning process is monitoring, evaluating and controlling the promotional programme. It is essential to establish how well the promotional programme is meeting communications objectives and helping the advertiser accomplish its overall marketing goals and objectives. The promotional planners want to know not only how well the promotional programme is doing but also why. For example, problems with the advertising programme may lie in

the nature of the message or in a media plan that does not reach the target market effectively. The managers must know the reasons for the results in order to take the right steps to correct the programme.

This last stage of the process is designed to provide managers with continual feedback concerning the effectiveness of the promotional programme, which in turn can be used as input into the planning process. It is worth noting that the results achieved by the promotional programme can be useful in subsequent promotional planning and strategy development.

SELF-ASSESSMENT EXERCISE

- i. What is your understanding of the promotional planning process?
- ii. Give five examples each for marketing objectives and advertising objectives

3.3 Developing Promotional Strategies

Actually, there are various promotional strategies, but two are notable and widely applied. They are:

- (a) The Push Strategy
- (b) The Pull Strategy

The Push Strategy

As the name sounds, the push strategy entails ‘pushing’ a product from the manufacturer’s end to the consumer’s end. In other words, the programme is designed to persuade the trade to stock, merchandise, and promote a manufacturer’s products; these are part of a promotional push strategy. The goal of this strategy is to push the product through the channels of distribution by aggressively selling and promoting the item to the resellers or trade.

Promotion to the trade includes all the elements of the promotional mix. With direct marketing the company’s sales representatives’ call on resellers to explain the product, discuss the company’s plans for building demand among ultimate consumers, and describe special programs being offered to the trade, such as introductory discounts, promotional allowances, and cooperative ad programmes. The company may use trade advertising to interest wholesalers and retailers and motivate them to purchase its products for resale to their customers. Trade advertising usually appears in publications that serve the particular industry.

The company can use sales promotion to reward consumers of its products while encouraging them to buy again and again. Publicity will then be employed to play the role of media announcements on all positive events surrounding the products, thereby keeping the products within the subconscious of the consumers and at the same time building reference profile for the products. Knowing that the image of the company may rub-off on the products, a simple public relations effort will help build public confidence in the consumers' action. Thus, these elements of promotional mix are made to support one another to convince, motivate and assure resellers that they can make profits on the manufacturer's products by making orders for the merchandise and pushing it through to their customers.

The Pull Strategy

Manufacturers sometimes face resistance from channel members who do not want to take on an additional product line or brand. In this case, companies may turn to a promotional pull strategy by spending money on advertising and sales promotion efforts directed toward the ultimate consumers. Unlike the promotional push strategy, a pull strategy uses the consumers as its arrowhead. The goal of a pull strategy is to create demand among consumers and encourage them to request the product from the retailer. Seeing the consumer demand, retailers will order the product from wholesalers, which in turn will request it from the manufacturer. Thus, provoking demand at the end-user level pulls the product through the channels of distribution.

Whether to emphasise a push or a pull strategy depends on a number of factors, including the company's relations with the trade, its promotional budget, and demand for the company's products. For instance, companies with favorable channel relationships may prefer to use a push strategy and work closely with channel members to encourage them to stock and promote their products. A marketer with a limited promotional budget may not have the funds for advertising and sales promotion that a pull strategy requires and may find it more cost-effective to build distribution and demand by working closely with resellers. When the demand outlook for a product is favourable because it has unique benefits, or being superior to competing brands, or very popular among consumers, a pull strategy may be suitable. However, companies often use a combination of push and pull strategies, with the emphasis changing as the product moves through its life cycle.

SELF-ASSESSMENT EXERCISE

- i. Cite three products you know that are promoted with push strategy
- ii. Find out more factors that can necessitate the choice of a push or pull strategy.

4.0 CONCLUSION

Planning facilitates success in every human endeavor inclusive of integrated marketing communication. Similarly, strategy is vital in planning, as it identifies the steps to take, the way to handle each step, who to do what, and all it requires to achieve set objectives be it marketing or promotional objectives.

5.0 SUMMARY

In this unit, we discussed the integrated marketing communication planning process and the major participants in the process. We also, identified the two popular promotional strategies, i.e. push and pull strategies stating the factors that often influence the choice of either of the strategies.

6.0 TUTOR-MARKED ASSIGNMENT

A consumer goods company has employed you as an advertising agency to develop for his business a promotional plan. Prepare a well-defined IMC plan stating the various steps required.

7.0 REFERENCES/FURTHER READING

- Belch, G. E. & Belch, M. A. (2003). *Advertising and Promotion: An IMC Perspective*. (6th ed.). Boston: McGraw-Hill.
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UNIT 2 INTEGRATED MARKETING COMMUNICATION MEDIA

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 The IMC Media
 - 3.2 Media Mix versus Media Concentration
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Reading

1.0 INTRODUCTION

Integrated marketing heavily rests on the various media of communication. As discussed in the previous module, IMC means using different medium to reach both actual and prospective customers/consumers. The combinations of the media use depend on the size of the target market, the psychographic and demographic nature of the customers/consumers. In this unit, the media and their characteristics as well their reach and effectiveness in IMC will be discussed.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- analyse the basic Media of IMC
- differentiate between various IMC media
- state the characteristics of various media.

3.0 MAIN CONTENT

3.1 Understanding IMC Media

In a mere understanding of the media, it is avenue through which information or messages find its way to its destination from its origin. Joseph Dominick (2009:36), sees a medium as the channel through which a message travels from the source to the receiver. The medium use to communicate or relay information varies proportional to the size of the audience in focus as well as the form of communication that such medium is used for. There are two major types of media used in integrated marketing communication:

A. Interpersonal Media

This media of IMC is used when the size of the audience involved is small. It is also employed when the instruments of required of mass communication are not available.

Characteristics of Interpersonal Media

- i. It is person-to-person
- ii. It does not require sophisticated communication gadgets
- iii. It has limited coverage
- iv. It is labour intensive
- v. Highly effective in small market
- vi. It reinforces mass media

Forms of Interpersonal Media

a. Oral Media

- i. Face-to-face
- ii. Telephone

b. Written

- i. Postal Mail
- ii. Handbill
- iii. Electronic Mail

c. Iconographic Media

- i. Corporate Colour
- ii. Logo
- iii. Flag
- iv. Branded T-Shirts, caps, bags etc.

d. Body language and signs

- i. Nodding or shaking of Head
- ii. Waving hands
- iii. Winkling of eyes etc.

e. Promotional Media

- i. Street dancing
- ii. Acrobatic Display
- iii. Trade fair
- iv. Event Sponsorship e.g. MTN Street Soccer
- v. Funfair e.g. Bournvita Magic Flight by Cadbury Plc.

B. Mass Media

This form of IMC media is employed when audience is large, diverse and heterogeneous. Mass media are avenues or channels of distributing mass information to mass audience. Because of the roles play by the mass media, so much importance has been attached to messages from it that masses depend on it for decision making.

Components of Mass Media

For a medium of information dissemination to be regarded as “mass”, it must satisfy the following:

- (a) It covers wider area
- (b) It processes the information gathered for distribution
- (c) It disseminates information to heterogeneous audiences simultaneously
- (d) It is capital intensive in nature
- (e) It shares the same message to different audiences
- (f) It focuses on mass audience.

Forms of Mass Media

There are three main categories under which various mass media could be classified. They are:

- (a) Print media
- (b) Electronic media
- (c) Outdoor media

Print Media

Print media comprises all form of publications meant for the mass distribution of information to the members of the public. This can also be categorised into:

- (a) Periodic – Those that are published at a specific interval. It may be daily, weekly, fortnightly, monthly, biannually, annually etc. Examples of this are:
 - i. Newspapers
 - ii. Magazines
 - iii. Journals
 - iv. Buying Billboards (Not electronic)

- (b) Non-periodic – those that their publications are not regular. They are published for specific goals base on the requirement or at the time they are needed. They include:
 - i. Books
 - ii. Posters
 - iii. Handbills

Electronic Media

Electronic media is also known as broadcast media. It comprises all forms of media that transmit information on air with the aid of transmitter and other electronic devices to the mass audiences. It can be categorised into:

- (a) Conventional

These are mainstream broadcast media that relay information through a particular channel or frequency. The regular broadcast media are just two:

- i. Television
- ii. Radio

- (b) Unconventional

These forms of broadcast media do not operate on channel or frequency base. Unlike conventional media, messages from this form of media are neither vetted nor verifiable. These media comprise:

- i. Films/Movies
- ii. Internet
- iii. Computers
- iv. Facebook
- v. YouTube
- vi. 2go
- vii. Twitter etc.

Outdoor Media

This is the oldest marketing media. The crude form of Outdoor media we used long before the modern media. Signs were made depicting the product or services being marketed. Outdoor media includes:

- a. Billboards: it can be grouped into two
 - i. Electronic Billboard such as Ultra vision
 - ii. Stationary (Non-electronic) such as Unipole, Rooftop,
- b. Posters
- c. Litters bin
- d. Traffic Carriage
- e. Banners
- f. Airships
- g. Blimps
- h. Ambient etc.

3.2 Media Mix versus Media Concentration

Media mix is an act of using combination of marketing media at the same time to convey marketing message to various audiences of the product or service. It simply means mixture of combination of marketing media to reach both actual and potential customers/clients. Media concentration on the other hand is to single out a medium through which the marketing message is convey to the audience.

4.0 CONCLUSION

Media of integrated marketing communication are numerous and are most often used together not only to capture the target market but also to achieve the market objectives. Sometimes, the same message could be aired, published or promoted in various IMC media for reinforcement. Some other time, different messages may be required in different IMC media to achieve similar goals.

5.0 SUMMARY

In this unit, we classified IMC media into categories base on their reach, function, nature, and the gadgets used in each. Though, the most commonly use of the IMC media especially when the size of the audience concerned is large are periodic print media as well conventional broadcast media.

6.0 TUTOR-MARKED ASSIGNMENT

1. Which of the print media is mostly used for marketing communication in your area? Explain why.
2. Make a clear distinction between conventional and unconventional broadcast media?

7.0 REFERENCES/FURTHER READING

Blythe, J. (2006). *Essentials of Marketing Communications*. (3rd ed.). UK. Pearson Education Limited.

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UNIT 3 OBJECTIVES AND BUDGETING FOR PROMOTIONAL PROGRAMME

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Values of Promotional Objectives
 - 3.2 Setting Objectives for IMC Programme
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- 4.0 Conclusion
- 5.0 Summary
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1.0 INTRODUCTION

Setting realistic objectives that will guide the development of an IMC programme has been identified as the most critical step in the promotional planning process. It is even more critical in complex marketing situations. While the IMC objectives setting can be complex and difficult, it must be done properly, as specific goals and objectives are the foundation on which all other promotional decisions are made. Budgeting for all the required promotional elements among other activities evolves from these objectives.

This unit examines the values of promotional objectives and how the set objectives of the integrated marketing communication programme follow the company's overall marketing strategy and how these goals determine and are determined by the promotional budget.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- state why specific objectives are important to integrated marketing communication programme
- analyse some of the challenges marketers often face in setting objectives for their IMC programme
- describe the process of budgeting for IMC
- list various methods of budget setting.

3.0 MAIN CONTENT

3.1 Values of Promotional Objectives

In the words of Belch and Belch (2003:195), “Perhaps one reason many companies fail to set specific objectives for their integrated marketing communications programmes is that they don’t recognise the value of doing so. Another may be disagreement as to what the specific objectives should be.” As a matter of reality, marketers need promotional objectives for the functions they serve in communications, planning and decision making, measurement and evaluation among other usefulness.

Communications: Having specific objectives for the IMC programme facilitates smooth coordination of the various groups working on the promotional campaign. Most times, many people from the sides of the client and various promotional agencies are involved in the planning and development of an integrated marketing communications programme. The entire promotional programme must be coordinated within the company, inside the ad agency, and between the two. Also, any other parties involved in the promotional campaign, such as public relations, sales promotion agencies, research specialists, or media independent organisations, must also know what the company hopes to accomplish through its marketing communications programme. This is usually sort out in the set objectives.

Planning and Decision Making: Meaningful objectives can be a useful guide for decision making. Often, promotional planners are faced with a number of strategic and tactical options in terms of choosing creative options, selecting media, and allocating the budget among various elements of the promotional mix. Importantly, choices should be made based on how well a particular strategy matches the organisation’s promotional objectives. Thus, all phases of the company’s promotional strategy should be based on the established objectives, including budgeting, creative, and media decisions as well as supportive programme like direct marketing, public relations/publicity, sales promotion, and reseller support.

Measurement and Evaluation of Results: Another vital reason for setting specific objectives is their capability of providing a standard against which the success or failure of the promotional campaign can be measured. Definitely without specific objectives, it will really be difficult to establish what the company’s promotional efforts have accomplished. One characteristic of good objectives is that they are measurable, as they specify a method and criteria for determining how

well the promotional programme is working. Therefore by setting specific and meaningful objectives, the promotional planners provide a measure(s) that can be used to assess the effectiveness of the marketing communications programme. Most organisations are concerned about the return on their promotional investment, and the best way to determine if the return justifies the expense is by juxtaposing actual performance with measurable objectives.

SELF-ASSESSMENT EXERCISE

Give, at least, two values of specific objectives of a promotional programme.

3.2 Setting Objectives for IMC Programme

For years, advertising objectives enjoy so much attention from many companies, because advertising has traditionally been the major way of communicating with target audiences. Other elements of promotional mix - sales promotion, direct marketing and publicity - are only used intermittently to support and complement the advertising programme. One powerful approach to setting objectives for the traditional advertising and assessing the effectiveness of advertising campaigns is DAGMAR, i.e. *Defining Advertising Goals for Measured Advertising Results*. DAGMAR and other age-long traditional advertising-based views of marketing communications planning are based on a hierarchical response model which teaches how marketers can develop and disseminate advertising messages to move consumers along an effects path.

Professor Don Schultz, as Belch and Belch (2003:210) quoted, describes the traditional approach as **“inside-out planning”**. He says, “It focuses on what the marketer wants to say, when the marketer wants to say it, about things the marketer believes are important about his or her brand, and in the media forms the marketer wants to use.”

Schultz, however, advocates an **“outside-in planning process”** for IMC. This approach starts with the customer and builds backward to the brand. This means that promotional planners study the various media that customers and prospects use, when the marketer’s messages might be most relevant to customers, and when they are likely to be most receptive to the message.

A similar approach is suggested by Professor Tom Duncan, who argues that IMC should use **zero-based communication planning**, which involves determining what tasks need to be done and which marketing

communication functions should be used. This approach focuses on the task to be done and searches for the best ideas and media to accomplish it. Duncan notes that as with a traditional advertising campaign, the basis of an IMC campaign is a big idea. However, in IMC the big idea can be public relations, direct response, packaging, or sales promotion. Duncan suggests that an effective IMC programme should lead with the marketing communications function that most effectively addresses the company's main problem or opportunity and should use a promotional mix that draws on the strengths of whichever communications functions relate best to the particular situation. (Belch and Belch, 2003:210)

In essence, promotional planners should determine what role the promotional elements like sales promotion, publicity, public relations, direct marketing and personal selling - will play in the whole marketing programme and how they will interact advertising and one another.

SELF-ASSESSMENT EXERCISE

- i. Explain the concept of DOGMAR
- ii. List and explain two other traditional advertising-based views of marketing communications planning

3.3 Establishing and Allocating Promotional Budget

No organisations – big or small - have an unlimited budget; hence, pragmatic objectives must be set with the budget in mind! Actually, budgeting decisions have a significant impact not only on the advertisers but also on numerous others that are involved in the promotional efforts either directly or indirectly. How much to spend on promotional efforts is one of the most critical decisions facing marketing managers. It is a pity that less market-oriented managers often treat the communications budget as an expense rather than an investment. They tend to consider the promotional budget expenses as cutting into profits instead of seeing those expenses as contributing to additional sales and market share. Thus, when tough times turn in, the promotional budget is the first to suffer the slash even though the opposite should occur!

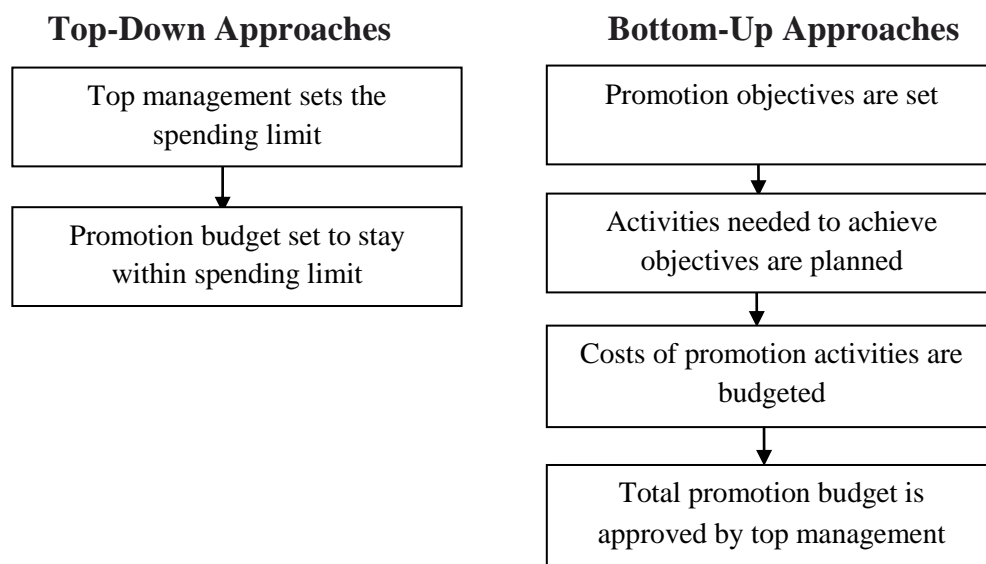
While theoretical approaches to establishing promotional budgets are rarely implemented, many methods, which evolved through practice and experience are often applied by organisations. It is worth noting that budgeting approaches vary according to the size and sophistication of the company, and that many organisations use more than one method in setting promotional budgets.

Budgeting Methods

All the methods we shall consider in our present discussion will fall under two major categories, namely:

- (a) Top-Down Approaches
- (b) Bottom-Up Approaches

Figure 4.3: Top-Down vs Bottom-Up Approaches to Budget Setting (Belch and Belch, 2003:217)



(a) **Top-Down Approaches** are so-called because a budgetary amount is established (usually at an executive level) and then the monies are passed down to the various departments (as shown in the diagram above). These budgets are essentially predetermined and have no true theoretical basis. They include the affordable method, arbitrary allocation, percentage of sales, competitive parity, and return on investment (ROI).

The Affordable Method

In this method (often referred to as the all-you-can-afford method), the company determines the amount to be spent in various areas such as production and operations. Then it apportions what is left to general promotion, considering this to be the amount it can afford. The task to be performed by the promotions function is not considered, and the possibility of under-spending or overspending is high, as no guidelines are established for measuring the effects of various budgets. This approach is widespread among small firms, although several large organisations, especially those that are not marketing-oriented and do

not understand the value of promotion. Promotions often suffer budget cuts from this approach when sales or profits decline. Whereas companies that maintain or increase their promotional expenditures during recessions achieve increased visibility and higher growth in both sales and market share compared to those which do otherwise!

Arbitrary Allocation

Weaker than the affordable method for establishing a budget is arbitrary allocation, in which virtually no theoretical basis is considered. Also, the budget is determined by management exclusively on the basis of what is felt to be necessary. Pathetically, the arbitrary allocation approach has no obvious advantages. No systematic thinking has occurred, no objectives have been budgeted for, and the concept and purpose of promotion have been largely ignored. Other than the fact that the manager believes some monies must be spent on advertising and promotion and then picks a number, there is no rational explanation for continual implementation of this approach. However, this method is not fit for recommendation in the marketing practice.

Percentage of Sales

Perhaps the most commonly used method for budget setting, particularly in large companies, is the percentage-of-sales approach. This method establishes budget for IMC based on sales of the product. Management determines the budget by either (1.) taking a percentage of the sales proceeds or (2.) assigning a fixed amount of the unit product cost to promotion and multiplying this amount by the number of units sold. A variation on the percentage-of-sales method uses a percentage of projected future sales as a base. This method also uses either a straight percentage of projected sales or a unit cost projection. In the straight percentage method, sales are projected for the coming year based on the marketing manager's estimates.

One advantage of using future sales as a base is that the budget is not based on last year's sales. As the market changes, management must factor the effect of these changes on sales into next year's forecast rather than relying on past data. Percentage-of-sales method is financially safe and keeps promotional spending within reasonable limits, as it builds spending on the past year's sales or what the company expects to sell in the upcoming year. Another merit of this method is its simple, straightforwardness and easy implementation. Irrespective of which basis (past or future sales) is employed, the calculations used to arrive at a budget are not difficult. This budgeting approach is also generally stable. While the budget may change with increases and decreases in

sales, as long as these changes are not intense, the manager will have a reasonable idea of the parameters of the budget. On other hand, the percentage-on-sales method has some defects one of which is that it is difficult to implement for new product introductions. If sales histories are unavailable, there is no basis for establishing the budget. Also, projections of future sales may be difficult, particularly if the product is highly innovative and/or has fluctuating sales patterns.

Competitive Parity

In this approach, managers establish budget amounts by matching the competition's percentage-of-sales expenditures. The argument is that setting budgets in this fashion takes advantage of the collective wisdom of the industry. It also takes the competition into consideration, which leads to stability in the marketplace by minimising marketing warfare. If companies are aware that competitors are unlikely to match their increases in promotional spending, they are less likely to take an aggressive posture to attempt to gain market share. This reduces unusual or unrealistic promotional expenditures.

However, the competitive parity method has some disadvantages. It ignores the fact that advertising and other promotional-mix elements are designed to accomplish specific objectives by addressing certain problems and opportunities. Second, it assumes that companies with similar expenditures will enjoy equal programme effectiveness. Also, this method may not avoid promotional wars. For instance, Coke versus Pepsi, MTN versus Etisalat/the other telecoms firms have been notorious for their spending wars, each responding to the others increased outlays. As a matter of fact, few firms adopt the competitive parity method as a sole means of establishing the promotional budget. This method is typically used together with the percentage-of-sales or other methods. Meanwhile, it is reckless to ignore the competition and managers must always be aware of what competitors are doing. However, competitors should not be sheepishly emulated in setting goals and developing strategies.

Return on Investment (ROI)

In the ROI budgeting approach, promotional activities are considered investments, like plant and equipment. Thus, the budgetary appropriation (investment) leads to certain returns. Like other aspects of the company's activities, IMC efforts are expected to earn a certain return. While the ROI method looks good on paper, the reality is that it is rarely possible to assess the returns provided by the promotional efforts at least as long as sales continue to be the basis for evaluation. In

reality, ROI remains a difficult method to employ in establishing promotional budget!

(b) Bottom-Up Approaches otherwise called build-up approaches advocate that a more effective budgeting strategy would be to consider the company's communication objectives and budget what is deemed necessary to attain them. Bottom-up approaches include objective and task method, payout planning and quantitative models.

Objective and Task Method

This method of budget setting uses a buildup approach comprising three steps:

- (1) Defining the communications objectives to be accomplished,
- (2) Determining the specific strategies and tasks needed to attain them, and
- (3) Estimating the costs associated with performance of these strategies and tasks.

The total budget is based on the accumulation of these costs. Implementing the objective and task method is somewhat more involved, as the manager must monitor this process throughout and change strategies depending on how well objectives are attained. The major strength of the method is that the budget is driven by the objectives to be attained. The managers closest to the marketing effort will have specific strategies and input into the budget-setting process. However, its major setback is the difficulty of determining which tasks will be required and the costs associated with each. It is especially difficult for new product introductions. As a result, budget setting using this method is not as easy to perform or as stable as some of the methods discussed earlier. Given this disadvantage, many marketing managers have stayed with those top-down approaches for setting the total expenditure amount.

Payout Planning Method

The first month of a new product introduction typically requires heavier-than-normal advertising and promotion appropriations to stimulate higher levels of awareness and subsequent trial. To determine how much to spend, marketers often develop a payout plan that determines the investment value of the promotional appropriation. The basic idea is to project the revenues the product will generate, as well as the costs it will incur, over two to three years. Based on an expected rate of return, the

payout plan will assist in determining how much promotional expenditure will be necessary when the return might be expected.

While the payout plan is not always perfect, it does guide the manager in establishing the budget. However when used together with the objective and task method, it provides a much more logical approach to budget setting than the top-down approaches. In reality, payout planning does not seem to be a widely employed method.

Quantitative Models

Attempts to apply quantitative models to budget setting have yielded limited success. For the most part, these methods employ what is called 'computer simulation models' involving statistical techniques such as multiple regression analysis to determine the relative contribution of the promotional budget to sales. Because of problems associated with these methods, their acceptance has been limited. Quantitative models have yet to reach their potential. As computers continue to find their way into the promotional domain, better models may be forthcoming. Specific discussion of these models is beyond the scope of our present discussion. These methods actually have merit but may need more refinement before achieving widespread success.

Once the budget has been appropriated, the next step is to allocate it. The allocation decision involves determining which markets, products, and/or promotional elements will receive which amounts of the funds appropriated. Certain factors are said to influence budget allocation and they include among others

- Allocating to IMC Elements
- Client/Agency Policies
- Market Size
- Market Potentials
- Market Goal Shares
- Economies of Scale in Promotions
- Organisational Characteristics

4.0 CONCLUSION

It is imperative for promotional planners to set specific objectives that for all aspects of promotional efforts as therein lay the eventual successful IMC campaign. Effective establishment and appropriation of budget for promotions and other marketing activities are strongly connected to specific objectives. The pre-requisite is to know the values of setting meaningful objectives.

5.0 SUMMARY

In this unit, we examined the significance and role of setting meaningful objectives in the planning of the IMC programme. We also discussed approaches companies employ to establish and allocate budget in an attempt to achieve the set objectives.

6.0 TUTOR-MARKED ASSIGNMENT

1. Explain in detail the factors that influence budget allocation of companies as listed above.
2. Competitive parity as a budget setting method promotes promotional wars. Discuss with ample examples.

7.0 REFERENCES/FURTHER READING

- Belch, G. E. & Belch, M.A. (2003). *Advertising and Promotion: An IMC Perspective*. (6th ed.). Boston: McGraw-Hill.
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