

Effect of Marketing Communication in Promoting Organisational Sales. A Case Study of Sunshine Company

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Abstract

The effectiveness of communication cannot be overemphasized when considering factors that project cordial relationship between organizations and their potential customers. For an organization to succeed in this competitive environment, there is the need to manage the marketing communication system for efficient performance as well as for the promotion of sales. The researchers adopted secondary data for this write up. Correlation coefficient was used to analyze the data while normal distribution was used to test the hypothesis. The conclusion shows that the implementation of promotion as a mix has not only helped sunshine company to create awareness but also helped in increasing the sales of the company, thus, it is a worthwhile activity and should be made a core aspect of the company's marketing programme. The researchers hereby recommended that sunshine company should evaluate the various promotional mix elements and select those that can effectively create product awareness and also increase sales in order to achieve organizational objectives.

Keywords: effect, marketing communication, promoting, organization, sales

INTRODUCTION

Communication is a vital tool in any business organization as well as other types of organizations. It is a factor that can sustain the existence of any organization. Communication also helps in understanding the concepts and variables that come across the thinking of informed person or group. Communication can be viewed as the process by which information is exchanged and understood mutually by two or more people usually with the intent to motivate or influence behaviour. Communication can also be seen as the flow of information from the sender to the receiver, taking a mutual understanding into consideration. Communication according to Sannie (2006), is 'the imparting, sharing or exchange of ideas, knowledge, skills etc whether by speech, writing or signs. He also defined communication as the process of passing and receiving messages, instructions and or directives. Sannie (2006) also viewed communication as 'the process of transmitting and exchanging ideas, feelings and information through realization, symbol, writing and silence, to create mutual understanding between the communicator and the receiver.

Communication can be seen as a process by which one person or a group shares and imparts information to another so that both people clearly understand each other. It can also be defined as an exchange of facts, ideas, opinions, feelings or emotions by two or more animated objects. Communication can also be defined as any means by which a thought is

transferred or transmitted from one person to the other.

The purpose of this study is to show the relationship between marketing communication and organizational sales

MARKETING COMMUNICATION

Having understood the fact that communication is the blood of any organization, and also an integrate part of marketing management, it is necessary for such tool (marketing communication) to be effectively guided in order to achieve the marketing objectives.

Marketing communication can be defined as the promotional tools that favourably communicate information about the organization and its products to target market. Marketing communication can also be defined as those promotional tools used in communicating favourably with the targeted market. Having known and understood the target market in the environment, it is therefore necessary to effectively select appropriate marketing tools that can be used in communicating with the target market in order to achieve the marketing objectives of the organization. Integrated marketing communication can be defined as the totality of the various communicational tools used in communicating an organization's image and products with the target market. It is the combination of all promotional tools used in communicating effectively with the target audience.

According to Belch and Belch (2004), integrated marketing communication involves coordinating the various promotional elements and other marketing activities that relying on media advertising. It therefore provides added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines.

Marketing communication as an integral part of marketing management can also be seen as another name for promotional elements. Marketing communication as a vital marketing tools, consist of four promotional variables which can be used in persuasively communicating favourable information about organizational products to its target audience. These tools are

1. Advertising
2. Personal Selling
3. Public Relation
4. Sales Promotion

1. Advertising

This can be defined as any form of paid non personal communication about any organizational product to the target audience through some mass media such as radio, television, magazines, newspapers, bill boards, mail, internet etc. Being highly flexible tool, advertising can be used to communicate with large number of potential buyers. It can also be used to communicate with people at the extreme (interior) parts of the environment. It is the most common used promotional element. The cost of reaching large number of people through advertising is very reasonable compared with other promotional elements. Aside from these, advertising can be used to communicate a particular targeted audience. Advertising gives room for favourable relationship between the organization and its potential customers. That is, it must create good organizational image and promote repeat purchase.

2. Personal Selling

This is a paid personal communication between the seller and the buyers which seeks to inform potential buyers and persuade them to purchase the products. Personal selling as a promotional variable gives room for personal interaction between the seller and the buyer in order to specifically make sure that the buyer finally buys the product at the end of the day. Personal selling as a vital tool provides for immediate feedback from potential buyers, allowing organizations to adjust their controllable variables in order to improve communication and finally achieve their objectives.

Personally selling as a tool also provides a venue for organization to respond to buyers needs at the appropriate time, having interacted effectively in order to solve customers needs and achieve organizational objectives.

The roles of sales force in the marketing of goods and services cannot be over emphasized when discussing personal selling as a vital promotional tool. In personal selling, there is direct interaction between the sales forces (member of the marketing department representing the company, and selling the organization's products) and the targeted market. The essence of personal selling as a direct contact between the sales force and the potential buyer is to provide specific interaction which other variables cannot provide.

Selling which is one of the components of promotional elements involves locating prospective customers and converting them into buyers, following up the transaction to ensure that complete satisfaction has been made.

3. Public Relation

This is another marketing communication mix. Public relation relates to the image being created in the public. That is, the image of the organization and its products in the public. Public relation can be seen as non paid form of communication used by organization to promote and improve its image with the public. Thus, viewing public relation as a tool that creates favourable organizational image within the public. Public relation serves as a fundamental tool upon which other promotional variables stand. If an organization does not create favourable image in the public, it will be difficult for other promotional variables to succeed effectively. Public relation can be promoted through the use of tools which include annual reports, event sponsorship, social responsibilities, brochures, sponsorship of socially responsible programmes within the environment. It is necessary for organizations to effectively have public relation officers that will oversee the activities that will create favourable relationship with the environment. It is the responsibility of the public relation officer to socially plan those activities that can foster successful societal relationship.

4. Sales Promotion

Sales promotion can be seen as activity that serves as direct inducement and incentives to marketing intermediaries, and final consumers. These are tools used by marketers to stimulate demand (purchase). Examples of sales promotions are sampling, coupons, contest etc.

Sales promotion is targeted at three groups. These groups are the sales force, intermediaries, and the consumers (Bamiduro 2000)

1. The Sales Force

Sales promotion aimed at the sales force aid in pushing the product through the distribution channel and ensuring that it is available when consumers seek it out.

2. Sales promotion by manufacturers to intermediaries are called trade promotions. This form of sales promotion consists of trade discounts and cooperative advertising allowances. Trade promotions attempts to get new distributors to carry a manufacturer's brand and to get existing ones to reorder.
3. Consumer promotions are offered by manufacturers to ultimate consumers. A wide range of incentives are used to stimulate sales to both new and existing customers. Consumer promotions aid all the members of the distribution system since sale to final users clear the inventory at various points in the distribution pipeline, thereby making room for new products.

Marketing Communication, Tools for Promoting Organizational Sales.

Having viewed the term marketing communication, one cannot but agreed that it is a vital tool for promoting organizational sales because of the following.

1. **Create Awareness**
A considerable amount of promotion is directed at creating awareness. Introducing a new product, new brand or brand extension, making customer aware is crucial to imitating the product adoption process. Creating awareness is also important for existing products. Promotional efforts may be aimed at increasing brand awareness, product features awareness, image awareness etc.
2. **Stimulate Demand**
One of the objectives of promotion is to stimulate and increase the demand for a product. Promotion also stimulate primary demand – demand for a product category rather than for a specific brand of product through pioneer promotion. Pioneer promotion is the promotion that informs consumers about a new product.
3. **Encourage Product Trial**
Promotion encourages product trial from potential customers. Regardless of whether a marketer's product is the first of a new product category or a new brand in an existing category, trial inducing promotional efforts aim at making product trial convenient and low risk for potential customers.

4. **Identify Prospects**
Certain types of promotional efforts are directed at identifying customers who are interested in the firm's product and are most likely to buy the products. A marketer may utilize a magazine advertisement with a direct response information form, requesting the reader to complete and mail the form to receive additional information. In some cases, advertisements have toll-free numbers to facilitate direct customer response. The organization can respond with phone calls, follow-up letters and in some instances, personal contact by sales people.
5. **Retain Loyal Customer**
Obviously, maintaining long term customer relationship is a major goal of most marketers. Promotional efforts directed at customer retention can help an organization control its costs because the costs of retaining customers are usually considerably lower than those of acquiring new ones.
6. **Combat Competitive Promotional Efforts**
At times a marketer's objective in using promotion is to offset or lessen the effect of a competitor's promotional program. This type of promotional activity does not necessarily increase the organization's sales or market share, but it may prevent a sales or market share loss.
7. **Reduce Sales Fluctuation**
Demand for product varies from time to time because of factors such as climate, holidays and seasons. A business however, cannot operate at peak efficiency when sales fluctuate rapidly. Promotional techniques are often designed to stimulate sales during sales slumps. For example advertising during slumps in order to promote sales.

RESEARCH METHODOLOGY

Data specification: This involves data used in carrying out this research. This involves data from the result of the company's records, company's publication and company's sales records.

Hypothesis

In order to achieve the purpose for this study, hypothesis will be tested and analyzed.

There is a significant relationship between promotional expenses and the sales of sunshine company.

Ho: There is no significant relationship between promotional expenses and the sales of sunshine company.

Hi: There is a significant relationship between promotional expenses and the sales of sunshine company.

METHODS FOR ANALYZING DATA

For the purpose of this research work, statistical methods of data analysis was employed. The statistical method of analysis involves the use of correlation coefficient which explains the relationship between the promotional expenses and the sales of sunshine company. Correlation coefficient is one of the statistical tools used in analyzing data. It is used in measuring the strength of the relationship between two variables. It is appropriate in this research work because we have the dependent variable which is sales and the independent variable which is promotional expenses.

DATA PRESENTATION AND ANALYSIS

TABLE1: Promotional expenses and sales records from 2003 to 2007

Year	'000,000 Promotional expenses (x)	'000,000 Sales (Y)
2003	529	25299
2004	499	28353
2005	577	42284
2006	633	45717
2007	686	49088

Year	X	Y	X ²	Y ²	XY
2003	529	25299	279841	640039401	13383171
2004	499	28353	249001	803892609	14148147
2005	577	42284	332929	1787936656	24397868
2006	633	45717	400689	2090044089	28938861
2007	686	49088	470596	2409631744	33674368
	2924Σx	190741	1733056	7731544499	114542415
		Σx	Σx ² =	Σy ²	Σxy

Correlation coefficient = r

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

$$r = \frac{5(114542415) - 2924(190741)}{\sqrt{5(1733056) - (2924)^2} \sqrt{5(7731544499) - [190741]^2}}$$

$$r = \frac{572712075 - 557726684}{\sqrt{8665280 - 8549776} \sqrt{38657722500 - 36382129080}}$$

$$r = \frac{14985391}{\sqrt{(115504)(2275593420)}}$$

r = 0.92

From the above calculation, the relationship between promotional expenses and sales of sunshine company is not only positive but also has a correlation coefficient of 0.92.

Considering the table above where the value of correlation coefficient is 0.92, the test for significance of this coefficient is as follows

Hypothesis

Ho: r = 0

Hi: r ≠ 0

NOTE: This is a two tail test

Test of Hypothesis

$$r \sqrt{\frac{n-2}{1-r^2}}$$

Where r = 0.92

$$0.92 \sqrt{\frac{5-2}{1-(0.92)^2}}$$

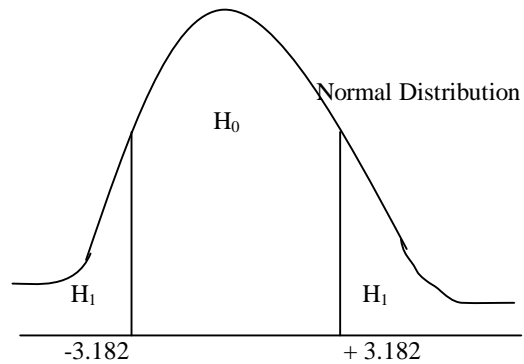
$$0.92 \sqrt{\frac{3}{0.1536}}$$

(0.92) (4.419) = 4.07

Using two tail test of 0.05

Degree of freedom = n-2 = 5-2 = 3

3 under 0.05 = 3.182



From the above, we shall reject the null hypothesis (Ho) and accept the alternative hypothesis (Hi) which shows that there is a significant relationship between the promotional expenses and the sales of Sunshine Company's products.

SUMMARY OF FINDINGS

Based on the results obtained from the correlation coefficient performed on the sales figure and promotional expenditure obtained from Sunshine Company, it can be inferred that promotional expenditures and sales are positively correlated. This means an increase in promotional expenditure will result to an increase in sales.

CONCLUSION

For an organization to effectively operate successfully in this competitive environment there is the need for such organization to effectively apply marketing communication as a tool for promoting the sales of the organization products. The implementation of promotion as a mix has not only helped sunshine company to create awareness but also helped in increasing the sales of the company, thus, it is a worthwhile activity and should be made a core aspect of the company's marketing programme.

One can undoubtedly agree that there is a positive correlation between promotional expenses and sales of Sunshine Company which implies that an increase in the advertisement of the products leads to an increase in sales.

RECOMMENDATION

Having completed the study on the effect of marketing communication on sales of consumer goods, the researchers hereby recommend the following.

Marketing Communication should be a regular programme because of its continuous impact on consumers especially in the area of awareness creation. In addition, for Sunshine Company to maintain its present market share or possible further increase, it shouldn't relent in its marketing communication activities.

The company should take a positive step in making its marketing communication efforts more interactive. This would allow for more dialogue between the company and its customers during the selling.

Finding, it is recommended that further research work on marketing communication effectiveness especially in relation to sales should encompass other elements of the promotional mix such as sales promotion, personal selling, public relations etc. This is because all these elements also have a reasonable degree of influence on the sales level attained by the company at the end of the day.

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