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*TUTORIAL KIT*  
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PROGRAMME: COMPUTER  
SCIENCE & MIS

COURSE: MKT 221

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## MKT 221: PRINCIPLES OF MARKETING II

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1. Examine the three major routes through which a company can enter an international market.
2. a) Define Global Marketing  
b) How is global Marketing different from International Marketing?
3. Highlight the importance of international marketing in the face of modern market dynamics as well as the few challenges facing its operations.
4. Covenant University Strategic business Unit (SBU) sells Hebron Water while Covenant University Finance Bank sells Financial Services. Discuss the unique aspects of the two products in terms of their differences.
5. Service firms face three major tasks in formulating their marketing strategies. Identify these tasks and explain their unique features.
6. a) Distinguish between public relations and publicity  
b) Define personal selling and identify the different types of sales persons you know.
7. You have been nominated to speak to a group of University admission seekers on the need to choose Covenant University as their first choice of University. Make your presentation using the personal selling process.
8. Explain the term publics of an organization and explain their demands on public relations practice.
9. Highlight the personal qualities of a good salesman.
10. Articulate the reasons for the slow growth of Consumerism in Nigeria.

11. Explain the term 'consumerism' and highlight what you understand by sellers' rights as well as buyers' rights.
12. Attempts to protect the consumers in Nigeria have come from five major sources. Identify these sources and explain what they have done in this respect.
13. Explain the term marketing research and articulate the steps in the marketing research process.
14. Consumerism is the shame of marketing concept. Discuss the statement with reference to the factors that promote consumerism.
15. Explain the price-determination procedure available to firms and write short but meaningful notes on Skim-the-cream pricing and Penetration pricing policy.
16. Discuss the various pricing policies that can be used in achieving Marketing Objectives.
17. a) Differentiate between Innovation, Adoption and Diffusion.  
b) Discuss the stages in decision making process  
c) Identify characteristics of innovation factors affecting rate of adoption
18. Consumer buying behaviour is based on the degree of buyers' involvement and differences among brands. Explain.
19. a) Define the term "Consumer Behaviour"  
b) Identify factors that influence buying decision process  
c) Discuss the buying roles highlighting functions of each participant
20. Graphically explain the categories of innovation adopters. Highlighting the features of each and stating their marketing implication.

## MARKING GUIDE MKT221

[Q1] [a]Exporting: This can be divided into (i) Direct exporting and (ii) Indirect exporting

- (i) Direct Exporting: This involves entering a foreign market by sending products through the company's run Export department, a branch office or sales representative. Here the company establishes office in the foreign country.
- (ii) Indirect Exporting: this involves entering a foreign market by sending products and selling them through international marketing intermediaries such as Export merchants and agents.
- [b] Joint Venturing: This involves when a firm decides to join hands with foreign companies to produce or market products or services. There are 5 types of joint venturing. These are:
  - (i) Licensing: This is a method of entering foreign market in which a company or firm enters into agreement with a licensee (the foreign partner) in the foreign market, offering the right to use a manufacturing process, trademark, patent, trade secret, or other item of value for a fee or royalty
  - (ii) Contract Manufacturing:
  - (iii) Management Contracting:
  - (iv) Joint Ownership:
  - (v) Franchising: This is the higher form or complete form of licensing. (Please see above definition of licensing). An example is coca-cola international;
- [c]. Direct Investment: This involves entering a foreign market by developing foreign-based assembly or manufacturing facilities. Here, because the foreign market is vary large, the company can decide to have direct building assembly plants, factories etc. Example is PAN in Kaduna, Nigeria

[Q3] The students are expected to define international marketing and then state and explain the importance and challenges of international marketing.

#### THE IMPORTANCE OF INTERNATIONAL MARKETING

- It helps in expansion of the market of a nation thereby facilitating the production sections of a nation's economy
- It creates more jobs for the exporting nations as well as the importing nations
- There is provision of more goods and services world over
- Standard of living of the people are enhanced since people have access to quality goods from many nations of the world
- It increases sales of goods. Hence more profits to these producing companies.

#### CHALLENGES IN INTERNATIONAL MARKETING

Many factors pose great challenge to international marketing. These factors pose serious drawbacks to international marketing procedures. These factors include:

1. Huge foreign indebtedness:.
2. Unstable Government: Until recently, many countries in Africa used to experience constant change in government due to military incursions in government.
3. Tariffs and Other Trade barriers: Government often imposes tariffs to protect "infant industries". Many import laws (import duties) are enacted which normally discourage foreign investment and global marketing.
4. Foreign Government Entry Requirements and Bureaucracy: Government often place many regulations on foreign firms.
5. Corruption: Government officials often award contracts to the highest bidder.

6. Now, most countries want bribery to become illegal issue or criminal offence.
7. Technological Pirating:
8. High Cost of Product and Communication adaptation:

**[Q5]** A service is any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything. Activities such as renting a hotel room, depositing money in a bank, traveling on an aeroplane, visiting a doctor, getting a haircut, having a car repaired, watching a professional sport, seeing a movie, having clothes cleaned at a dry cleaner and getting advice from a solicitor all involve buying a service.

- [A] **Managing Differentiation:** In these days of intense price competition, service marketers often complain about the difficulty of differentiating their services from those of competitors. The solution to price competition is to develop a differentiated offer, delivery and image.
- [B] **Managing Service Quality:** One of the principal ways in which a service firm can differentiate itself is by delivering higher quality than its competitors like manufacturers before them, many service industries have now joined the total quality management revolution.

An important study highlights ten key determinants of perceived service quality as follows:

1. Access (is the service easy to get access to and delivered on time?)
2. Credibility (is the company credible and trust worthy?)
3. Knowledge (does the service provider really understand customers' needs?)
4. Reliability (how dependable and consistent is the service?)
5. Security (is the service low-risk and free from danger?)
6. Competence (are staff knowledgeable and in possession of the skills required to deliver good service?)
7. Communication (how well has the company explained its service?)
8. Courtesy (are staff polite, considerate and sensitive to customers?)
9. Responsiveness (are staff willing and quick to deliver the service?) and

- [C] **Managing Productivity:** Rising cost put service firms under great pressure to increase service productivity. The problem is particularly acute where the service is labour intensive.

Productivity can be improved in several ways:

1. The service providers can train current employee better, or they can have new ones who will work harder and more skillfully for the same pay
2. The service providers can increase the quality of their service by giving up some quality. For instance, doctors having to handle more patients by giving less time to each
3. the provider can "industrialize the service" by adding equipment and standardizing production, as in Mr. Biggs production line approach to fast food retailing.
4. Service providers can also increase productivity by designing more effective services
5. Providers can also give customers incentives to substitute company labour with their own labour.
6. Service providers that have to deal with fluctuating demand can increase productivity by increasing flexibility and reshaping demand.

**[Q7]** Personal Selling Process

Students are to discuss this question in relation to the personal selling process.

. Stages in the personal selling process include

1. Preparation: This is the starting point in the selling process. It requires getting the salesman ready for the task of identifying and locating his prospects and knowing what to do to get them to become buyers
2. Prospecting: Prospecting is a selling activity that identifies and locates potential buyers of a product.
  - i. The salesperson can examine records of past and present customers in an effort to determine the characteristics of such prospects. From this profile the seller may develop a list of people or companies who are logically potential buyers of the product.  
There are other ways in which sales people can acquire a list of prospects:
  - ii. Present customers may suggest new leads
  - iii. Their sales manager may prepare a list for them
  - iv. Present users may want later or different models of the product
  - v. And a little thought will often suggest logical prospects.
  - vi. Sellers of many products find leads among birth or engagement announcements in newspaper.
3. Pre-approach: salespeople should learn all they can about the persons or companies to whom they hope to sell. They might want to know what products or brands the prospects are now using and the prospects' reactions to these products.  
Salespeople should also try to find out the personal habits and preferences of the prospect
4. Approach: The planning aspect of it extends to deciding on what to wear (which will depend on time of the day, the season or general weather condition and the place of the interview) and booking appointment.
5. Presentation: . It is at this stage that the salesman takes the prospect through all the mental processes leading to the acceptance of the message he has and realization of the call objective. Presentation normally comprises three important statements. These are opening statement, comparison statement and closing statement.
6. Trial Closing: The closing statement with its strong emphasis on benefits amounts to the salesman's ending of the presentation and a call on the prospect to respond or place an order. The closing statement does not necessarily mean that the salesperson has said all he knows or should say about the product.  
Trial closing is like serving a notice on the prospect. This gives him an opportunity to either decide immediately or seek more information or clarification
7. Handling Objections:  
ISSn reality the prospects often raises objection. The prospects may want more time to think, may question product/service value, dislike the terms of sale, or indicate a lack of confidence in the salesperson. Arguing with prospects is a sure way of losing possible sales. No salesperson has won an argument with the prospect or customer. The ability to face objections is an acquired with time and experience.
8. Closing: In closing the sale, the salesperson may wish to capture in a nutshell the key selling points in his product, making sure that the prospect understands clearly the terms of sale.

## [Q9] PERSONAL QUALITIES OF A SALESMAN

- Empathy – ability to imaging and share another person's feeling, put yourself in another person shoes.

- A bounding self confidence
- A well-established habit of industry
- A high degree of ambition and motivation
- Good dressing
- Preference for commission instead of salary
- A high level of interest in people
- Love for social events
- A high degree of enthusiasm, flexibility and integrity
- A high sense of loyalty and self control
- Good communication skill
- A high degree of creativity, originality
- Good health and physical appearance
- High mental abilities
- A natural tendency to be friendly

**[Q11]** Consumerism is an action taken by organized movement of concerned citizens and government agencies to improve the rights and power s of buyers in relation to sellers. What then are sellers and consumers rights?

[A] Traditional Seller’s right include the following

- The right to introduce any product in any size and style provided it is not hazardous to personal health or safety, or if it is, then it must include proper warnings and control
- The right to change any price for the product provided no discrimination exist among similar kinds of buyer
- The right to use any product message provided it is not misleading or dishonest in content and execution
- The right to spend any amount to promote the product provided it is not defined as unfair competition
- The right to use any buying incentive schemes provided they are not unfair or misleading

B. Traditional Buyers right include:

- The right not to buy a product that is offered for sale
- The right to expect the product to be safe
- The right to expect the product to perform as claimed
- The right to be well informed about important aspects of the products.
- The right to be protected against questionable products and marketing practices.
- The right to influence products and marketing practices in ways that will improve the “quality of life

[C] Consumers who believe that they got a bad deal have several remedies available, which include

- Writing to the company heads or to the media
- Contacting government or private consumer interest protection initiatives agencies and
- Going to courts of law to enforce their rights.

**REASONS FOR THE SLOW GROWTH OF CONSUMERISM INNIGERIA:**

- Consumerism is slow in Nigeria because poverty level is still very high among the citizenry. It is like saying a beggar has no choice



- Lack of keen competition among manufacturers has made the growth of consumerism to be very slow. .
- High level of illiteracy among the citizenry is also a factor. Many Nigerians do not even know what their rights are
- Our legal system has also made the development of consumerism to be very slow.
- We need prompt and convincing legal or judicial pronouncements
- The connivance between government officials and some foreign and local manufacturers has also helped to exploit the poor masses.

[Q13]Definition and Importance of Marketing Research

Marketing research has been variously defined. According to Bush and Houston (1985) ‘it is the systematic and objective search for and analysis of information relevant to the identification and solution of marketing problems’. The British Institute of Management has defined it as ‘the objective gathering, recording and analyzing of all facts about problems relating to the transfer and sale of goods and services from producer to consumer or user.

## THE MARKETING RESEARCH PROCESS

### 1. Problem Definition

A marketing problem arises generally when an organization fails to meet one or some of its marketing Objectives. Let us consider a firm suddenly experiencing falling demands (sales) for its popular brand of product. We assume that the sales objective for the brand is one million naira/units per annum. At present sales level, the manager believes that he cannot meet the target for the year.

### 2 Statement of Research Objective

. The objective for any research should link recommended solutions to identified situational problems and pre-determined sales/marketing objective. The objective can specifically be stated as finding solution that when applied to the problem at hand will enable the organization achieve its pre-objectives at the lowest cost.

### 2. Formulation of Research Design

A research design faces a choice of a way to collect the data that will satisfy its information needs. In the information of an appropriate research design, **the researcher must make three critical decisions. The decisions are in the areas of data collection method, research instrument and sampling plan.**

#### Data Collection Method And Research Instrument

There are three basic data collection methods. These are the observation method, the experimental method and the survey method. These methods of data collection are only used when a researcher is interested in collection of primary data.

The observation data collection method involves the researcher observing his respondents and recording their behaviour and demographic profile.

In experimental method, the researcher observes and interacts with the respondents with a view to obtaining all relevant data he wants from him in this method experiment are set up. This method is specially useful when the effect of new price, packing, campaign and sales promotion need to be measured.

The survey method is most commonly used in marketing research. It can be applied to many research situations and to produce a wide range of information – information on attitudes, opinions motives, demographic and psychographics' ey will make up the sample size for the survey.

**4. Data Collection**

Using appropriate research instrument, the researcher collects needed data from respondents. This phase of the study requires field work. The researcher and/ or those working for him will go to the field and collect data from respondents.

**5. Tabulation and Analysis of Data**

The data collected from respondents will first be in raw form. It is only after the data has been treated that useful information can be obtained.

**6. Interpretation of Result**

Analysis of data will lead to the establishment of relationship between variable of interest (Implied is the specification of nature and dimension of relations between dependent and independent variables). Statistical test of hypothesis will also lead to their acceptance and rejection..

**7. Preparations and Presentation of Report**

Management often is not interest in the minor and specific details of a research. Management's interest is more on what should be done to solve the identical problem and meet set objectives. Management is also interested in knowing why certain recommendations are made.

**8. Follow-up**

A good researcher whose findings are poorly interpreted and implemented will not be very useful. There is need for follow-up on the implementation of research findings after the report has been submitted. By way of follow-up, the result of action initiated on basis of research findings will intermittently be evaluated and corrective measures where necessary taken

**[Q15] PROCEDURE FOR PRICE DETERMINATION**

Ordinarily, the original price setter is a producer. However, a large middleman sets or strongly influences the original price.

It is important to note that the same general steps are followed in pricing a product, whether it is a new product or established one. Also note that some Stages in the pricing procedure are particularly crucial and difficult for a new product.

The price-determination procedure used here can be divided into six steps as follows:

- i. Estimate the demand for the product
- ii. Anticipate the competitive reaction
- iii. Establish the expected share of the market
- iv. Select the price strategy to be used to reach the market target.
- v. Consider company policies regarding products, channels and promotion
- vi. Select the specific price

Skim-the-cream pricing: The cream-skimming strategy involves setting a price, which is high in the range of expected prices.

Penetration pricing: in this strategy, a low initial price is set in order to reach the mass market immediately.

Ordinarily, the pricing strategy that will be ideal for a product meant for the Nigerian lawmakers should be Skim-the-cream pricing

- The cream-skimming strategy involves setting a price, which is high in the range of expected prices.
- The producer is able to make enough profit
- The producer is able to serve a unique distinct market segment.
- The producer is able to proudly say that he serves the upper class of the society.
- other suitable reasons.

[Q17] (a) An *innovation* is any good, service, or idea that is perceived by someone as new.

*Adoption* is an individual's decision to become a regular user of a product.

*Diffusion of Innovation* means the spread of information from the point of creation to the point of consumption.

(b) Stages in decision making process

- i. Awareness: The Consumer is exposed to the Innovation but Knows Very little about it.
- ii. Interest: The Consumer is Stimulated to Seek Information about the Innovation.
- iii. Evaluation: The Consumer Considers Whether to Try the Innovation.
- iv. Trial: The Consumer Tries the Innovation to Improve His or Her Estimate of its Value.
- v. Adoption: The Consumer Decides to Make Full and Regular Use of the Innovation.
- vi. Post Adoption Confirmation: In this case, he continues to seek assurance that he made the right decision.

(c) Characteristics of innovation affecting rate of adoption

1. Relative advantage
2. Compatibility
3. Complexity
4. Divisibility
5. communicability

[Q19] (a) Consumer Behaviour is “the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society”.

(b) The following factors influence the consumer buying decision:

1. Political factors
2. Cultural factors
3. Social factors
4. Technological factors
5. Economic factors

(c) Five roles in the buying decision

1. Initiator
2. Influencer
3. Decider
4. Buyer
5. User