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# MKT 422: MARKETING

## CASE STUDY,

Promotional Efforts of LAMCO Nigeria Limited, Emene, Enugu State. Nigeria

ADVERTISING, an Element of Integrated Marketing Communications: A Short Case

Effective advertising requires matching a noticeable message with appropriate media. Every aspect of a company's activities including company business cards, stationery, brochures, advertisements, and commercials should spell out the organization's identity and image. The goal of an IMC program is to make sure all of these elements speak with the same voice. Customers must clearly understand the nature of the company, its goods and services, and its methods of doing business. This short case reviews the advertising management process of the above business organization. Effective advertising is more likely to occur when the firm has a well-defined mission statement and targets its energies in the direction of creating goods or services to meet the needs of a target market. Then an integrated marketing communications program can build on the central theme pursued by those in the firm. Advertising management begins with deciding whether an in-house department or group should develop advertisements or whether an external advertising agency should be retained. When choosing an external agency, the company's leaders establish clear steps to lead to the best chance that the optimal agency will be selected. The steps include: (1) spelling out and prioritizing organizational goals, (2) carefully establishing quality selection criteria, (3) screening firms based on those criteria, (4) requesting references from firms that are finalists, (5) performing background checks, (6) requesting creative pitches, (7) making an on-site visit to get to know those in the agency, and (8) offering and finalizing a contract. Common selection criteria used in selecting agencies include: (1) the size of the agency matching the size of the company, (2) relevant experience, (3) no conflicts of interest, (4) production capabilities, (5) quality creative capabilities, (6) suitable media purchasing skills, (7) other services that can be rendered as needed, (8) client retention rates, and (9) a good chemistry between those in the company and those in the agency. Carefully utilizing these criteria increases the odds of a match between the company and the agency, which heightens levels of success. Within the advertising agency, the account manager performs the functions of soliciting accounts, finalizing contracts, and selecting creatives to prepare advertising campaigns. Account executives are those who mediate between the agency and the client company. Account executives also help client organizations refine their IMC messages and programs. Creatives prepare advertisements and are guided by the creative brief. This document spells out: (1) the objective of the promotional campaign, (2) the target audience, (3) the message theme, (4) the support, and (5) the constraints. The message theme is an outline of the key idea(s) that the program is supposed to convey. The constraints include logos, warranties, disclaimers, or legal statements that are part of various advertisements. The creative, account executive, and company should agree about which media to use in a campaign. Media are selected based on costs, types of messages, target market characteristics, and other criteria that are peculiar to the advertising company. The creatives then complete the final elements of the adverts, and the campaign is prepared. Advertising management is an important ingredient in the success of an integrated marketing communications program. A quality advertisement that garners the attention of people in the target audience, makes a key memorable point, and moves buyers to action is difficult to prepare. At the same time, company officials and market account executives know that designing effective advertisement with tangible results is a challenging but necessary activity. It is important to go through every step of the process carefully to help the company achieve its marketing goals in both the short and long term.

From the Case above, answer all questions.

- 1a. Define advertising management. b. What are the four main steps involved in advertising management?
  - c. What is a message theme? d. What role does a message theme play in an Advertising campaign?
- 2a. **What** is the relationship between advertising and the overall IMC process?
  - b. What three main company activities are involved in the advertising management process?
  - c. What role does the company's mission play in this process?
- 3a. What criteria can be used to help a company decide between an in-house advertising group and hiring an external advertising agency?
  - b. Besides advertising agencies, what other types of organizations play roles in the communication process?
- 4a. What steps should be taken in selecting an advertising agency?
  - b. What evaluation criteria should be used in selecting an advertising agency?
  - c. How important is interpersonal chemistry in selecting an advertising agency?
- 5a. From your study of advertising, itemize different regulatory bodies that are available in advertising industry in Nigeria.
  - b. Describe any four of the regulatory bodies; showing their distinct functions and operations.
- 6a. Draw a simple Organogram of a typical advertising agency showing the relationship between the stakeholders in the industry.
  - b. What reasons can you provide for the inability of an advertiser directly approaching media-houses in the process of placing an advertising message to the public?

Section B:

7. Sales Promotions:

- a). One of the strategic utilization of sales promotion is the concept of below-the-line, how does below-the-line sales promotion assist a company to achieve its marketing goals?
- b). Describe the objectives of sales promotion in relation to the consumers, retailers and the sales force.

8. Merchandise and Display:

- a) What is merchandizing and display?
- b) Types of Merchandizing and Display utilized by a company have yielded desired results, how?.
- c) Itemise and briefly discuss the outcome of a good display on an unpopular product.

9. Personal selling:

- a. Despite other elements of Integrated Marketing Communications, business organizations find personal selling useful in the day to day running of their selling operations. Within a paragraph, discuss this assertion.
- b. Briefly explain the six main activities of a sales force. (6 marks)
- c. What are advantages of using personal selling in a marketing organization? (6 marks)

10. Public Relations/Publicity:

- A. How is public relations different from publicity? (5 marks)
- B. Briefly describe the methods, tools and tactics being used in public relations. (10 marks)
- C. Public relations require effective planning and implementation. Enumerate and explain key steps in establishing a public relations plan. (5 marks)

Marking Guide

## Advertising:

1a. Advertising Management, in simple terms, is a process of employing various media to sell a product or service.

b. The main steps involved in advertising management are (i) deciding the appropriate message for a product, (ii) matching a noticeable message with appropriate media, (iii) cost effectiveness and (iv) Monitoring messages to achieve optimal results (6 marks).

c. The message theme is an outline of the key idea(s) of what the advertiser means. (2 marks)

d. The message theme ensures that the program convey the message clearly to the target public

2a. The relationship between advertising and the overall IMC is that while advertising requires matching a noticeable message with appropriate media, the goal of an IMC program is to make sure all of these elements speak with the same voice.

b. The three main company's activities involved in the advertising management process are:

- Customers must clearly understand the nature of the company,
- its goods and services,
- and its methods of doing business.
- c. In this dimension, a well-defined mission statement (i) ensures that effective advertising is displayed or occurs all the time and (ii) the company's management targets its energies in the direction of creating goods or services to meet the needs of a target market.

3a. Common selection criteria used in selecting agencies include: (1) the size of the agency matching the size of the company, (2) relevant experience, (3) no conflicts of interest, (4) production capabilities, (5) quality creative capabilities, (6) suitable media purchasing skills, (7) other services that can be rendered as needed, (8) client retention rates, and (9) a good chemistry between those in the company and those in the agency.

b. Other types of organizations that play roles in the communication process are (i) the Media houses and (ii) the Advertisers or Communicators and (iii) the Audience

4a. The steps in selecting advertising agency include: (1) spelling out and prioritizing organizational goals, (2) carefully establishing quality selection criteria, (3) screening firms based on those criteria, (4) requesting references from firms that are finalists, (5) performing background checks, (6) requesting creative pitches, (7) making an on-site visit to get to know those in the agency, and (8) offering and finalizing a contract.

b. The evaluation criteria used in selecting advertising agency are (i) management decides whether an in-house department, (ii) or group should develop advertisements, (iii) or whether an external advertising agency should be retained.

c. Interpersonal chemistry is important in selecting an advertising agency in order to foster a good relationship and to ensure that the works of their clients are successful.

5a. Regulatory bodies that are available in advertizing industry in Nigeria are

- i. The Association of Advertising Practioners of Nigeria (AAPN)
- ii. The Advertising Practioners Council of Nigeria (APCON)
- iii. The Outdoor Advertising Association of Nigeria (OAAN)
- iv. Advertisers' Association of Nigeria (ADVAN)
- v. Broadcasting Organization of Nigeria (BON)
- vi. Newspaper Proprietor Association of Nigeria (NPAN)

6a. Typical Organogram of an Advertising Agency in the Industry



- b. i. An advertiser, in most cases, is a novice of the events in advertising industry.
- ii. Advertising agencies develop acceptable concepts on messages to be aired.
- iii. Advertising agencies stand in the gap between the advertiser and the media houses.
- iv. Advertising agencies know the best of the media houses to employ.
- v. The advertiser is better protected under a reliable an advertising agency.

Section B:

No. 7. Sales Promotions:

- a. The following are the few ways by which sales promotion is strategically utilized to achieve its marketing goals:
  - i. By trade sales promotion strategy
  - ii. By consumer sales promotion strategy
  - iii. By offering three distinct benefits via communication, incentives and invitation.
  - iv. It is better used at maturity, saturation and at times, at decline stages of PLC.
  - v. Could be used strategically to attract various social classes of consumers into patronizing the company's products or services.
  - vi. Use of exhibitions and fairs is strategic to win consumers and customers. In most cases, gifts are distributed to induce and woo prospects.

**b. Objectives of Sales Promotions are:**

(1) To Consumers, Objectives include:

- Encouraging purchase of large size units.
- Generating trials among non-users.
- Attracting switchers away from competitor's brand

(2) To Retailers, Objectives include:

- Persuading them to carry new items and higher levels of inventory.
- Encouraging off-season buying.
- Off-selling competitive promotions,
- Building brand loyalty.
- Gaining entry into new retail outlets.

(3) To Sales force, Objectives include:

- Encouraging support for a new product.
- Encouraging more prospecting.
- Stimulating off-season sales.
- Developing new sales lead.

(4) For General Objectives

- Formalizing a database (information)

#### **No. 8: Merchandizing and Display:**

a. Merchandise display is the arrangement and organization of display materials and merchandise to produce a stimulus that leads to the sale of merchandise and services. It attracts the viewer's attention and induces action; it is visual selling and act as a silent salesperson for the organization.

b). Types of Merchandizing and Display known are:

- Shelf display
- Floor display
- Interior window display
- Basket/Popbin display
- Gondola display
- Cut-case display
- Check-out display

c). The outcome of a good display can be discussed as underneath:

1. It sells products and services
2. Publicizes the business.
3. Lays a foundation for the future sales
4. Builds prestige
5. Educates the public
6. Builds up the goodwill of the public
7. Offers the public useful, practical demonstrations.
8. Familiarizes the public with the operations of the business.

9. Harmonizes business interests with esthetics.

\*Windows must not only draw people into the store but also support advertising and even attract publicity. The emphasis is on a store's image and not just a look.

Personal Selling:

(9a) Personal selling is a promotional method in which one party (e.g., salesperson) uses skills and techniques for building personal relationships with another party (e.g., those involved in a purchase decision) that results in both parties obtaining value. In most cases the "value" for the salesperson is realized through the financial rewards of the sale while the customer's "value" is realized from the benefits obtained by consuming the product. However, getting a customer to purchase a product is not always the objective of personal selling. For instance, selling may be used for the purpose of simply delivering information.

Because selling involves personal contact, this promotional method often occurs through face-to-face meetings or via a telephone conversation, though newer technologies allow contact to take place over the Internet including using video conferencing or text messaging (e.g., online chat).

b) Six main activities of a sales force are:

(i) Prospecting - trying to find new customers

(ii) Communicating - with existing and potential customers about the product range

(iii) Selling - contact with the customer, answering questions and trying to close the sale Personal selling is one of the oldest forms of promotion. It involves the use of a sales force to support a push strategy (encouraging intermediaries to buy the product) or a pull strategy (where the role of the sales force may be limited to supporting retailers and providing after-sales service).

(iv) Servicing - providing support and service to the customer in the period up to delivery and also post-sale

(v) Information gathering - obtaining information about the market to feedback into the marketing planning process

(vi) Allocating - in times of product shortage, the sales force may have the power to decide how available stocks are allocated

c. Advantages of Using Personal Selling are:

i. Personal selling is a face-to-face activity; customers therefore obtain a relatively high degree of personal attention

ii. The sales message can be customized to meet the needs of the customer

iii. The two-way nature of the sales process allows the sales team to respond directly and promptly to customer questions and concerns



iv. Personal selling is a good way of getting across large amounts of technical or other complex product information

v. The face-to-face sales meeting gives the sales force chance to demonstrate the product

vi. Frequent meetings between sales force and customer provide an opportunity to build good long-term relationships

Public Relations/ Publicity:

10a. Public relations, (PR) is the practice of managing the flow of information between an organization and its publics. Public relations gives an organization or individual exposure to their audiences using topics of public interest and news items that do not require direct payment.

ai. Publicity is defined as any message concerning an organization appearing in the mass media as a news item for which the organization does not pay or is not generally considered to be sourced. Each definition earns

b. Methods, tools and tactics being used in public relations are:

i. Publics targeting

A fundamental technique used in public relations is to identify the target audience, and to tailor every message to appeal to that audience. It can be a general, nationwide or worldwide audience, but it is more often a segment of a population.

ii. Lobby groups

Lobby groups are established to influence government policy, corporate policy, or public opinion. Such groups claim to represent a particular interest and in fact are dedicated to doing so.

iii. Spin

In public relations, "spin" is sometimes a pejorative term signifying a heavily biased portrayal in one's own favour of an event or situation. While traditional public relations may also rely on creative presentation of the facts, "spin" often, though not always, implies disingenuous, deceptive and/or highly manipulative tactics.

iv. Spin doctor

Skilled practitioners of spin are sometimes called "spin doctors," though probably not to their faces unless it is said facetiously. It is the PR equivalent of calling a writer a "hack." State-run media in many countries also engage in spin by selectively allowing news stories that are favorable to the government while censoring anything that could be considered critical. They may also use propaganda to indoctrinate or actively influence citizens' opinions. Privately run media also uses the same techniques of 'issue' versus 'non-issue' to spin its particular political viewpoints.

v. Meet and Greet

Many businesses and organizations will use a Meet and Greet as a method of introducing two or more parties to each other in a comfortable setting. These will generally involve some sort of incentive, usually food catered from restaurants, to encourage employees or members to participate.

#### Other Methods

- vii. Publicity events, pseudo-events, photo ops or publicity stunts
- viii. The talk show circuit. A PR spokesperson (or his/her client) "does the circuit" by being interviewed on television and radio talk shows with audiences that the client wishes to reach.
- ix. Books and other writings
- x. Blogs
- xi. After a PR practitioner has been working in the field for a while, he or she accumulates a list of contacts in the media and elsewhere in the public affairs sphere. This "Rolodex," example is 'Bisi Olatilo' becomes a prized asset, and job announcements sometimes even ask for candidates with an existing Rolodex, especially those in the media relations area of PR.
- xii. Direct communication (carrying messages directly to constituents, rather than through the mass media) with, e.g., newsletters – in print and e-letters.
- xiii. Collateral literature, traditionally in print and now predominantly as web sites.
- xiv. Speeches to constituent groups and professional organizations; receptions; seminars, and other events; personal appearances.
- xv. The slang term for a PR practitioner or publicist is a "flack" (sometimes spelled "flak").
- xvi. A DESK VISIT is where the PR person literally takes their product to the desk of the journalist in order to show them what they are promoting.
- xvii. Online Social Media

C. Key steps in establishing a public relations plan are:

- i. Situation Analysis

Before you proceed in any direction, it's important to know where you're at. What are the strengths and weaknesses of your organization? What does your organization offer new members or the community at large? What is the club's purpose? What do people currently think of your organization?

You could be making many assumptions about the status of your organization. Recent reports in trade journals indicate the graphic arts industry has some major image problems. Perhaps your local

community includes prospective graphic arts students, have some misconceptions about the industry and your organization.

## ii. Establish Objectives

Once you know where you're at, you can then determine where you want to go and how to get there. You may want your objectives to include broader, industry-wide goals such as, "Creating a positive image of the graphic arts industry to attract a greater number (you should establish a specific number) of top students (define what a "top student" is) to graphic arts careers."

When establishing objectives, remember they should be:

- Improvement oriented
- Clearly defined
- Measurable
- Attainable
- Tied to specific expectations

## iii. Identify Your Audience

First consider a broad audience to include those who affect your organization and those who are affected by your organization. You may cite groups like printing and publishing professionals, educators, students, government agencies, suppliers, clients and others. The next step is to divide these larger groups into smaller, reachable target audiences and prioritize them so your communications effort is directed toward the most important among them. In this way you can direct your primary effort toward those groups on which you wish to have the greatest impact.

## iv. Shape Your Message

Once you've learned what your audiences think of your organization, you can then begin to mold your desired image. You can use communications opportunities to shape your image. If you want the public to see your organization as progressive, professional or community-minded, look for opportunities to display those qualities. Then be sure your target audiences are made aware of what you've accomplished. Of course, it's important that you paint a true picture of your organization -- not a

fabricated image. But unless the public is made aware of your progressiveness, professionalism and community-mindedness through your communications effort -- you may never achieve your desired image. Keep in mind that all club events or activities may not receive news media coverage, but this does not mean that those events cannot be important public relations opportunities.

#### v. Tools for Reaching Your Audience

Local and trade news media can be important vehicles for reaching your target audiences. All of them must be used appropriately.

#### CASE 2

##### COSMOS NIGERIA LIMITED

Cosmos Nigerian Limited is a manufacturing and marketing company based in Lagos with operations only within Lagos State. It deals in pencils, chalks, biros and fountain pens. The state is divided into 3 sales zones; each with a field force of 20 people. On the company list are 125 dealers and 3,000 retailers. A salesman can make an average of 15 calls per day and works for 25 days in a month. A dealer is supposed to be called on once a week and retailer once a fortnight. Of the company's products, only fountain pen is currently in free supply. In fact, sales of the brand has been on the decline in the last 6 months and the company is considering whether to run a promotion to boost sales out and off - take. . Without promotion, expected sales for the next three month, May, June and July are 4,000,3000 and 2,500 packets respectively. If a consumer promotion of 50k off every fountain pen is run in May, sales will likely be 7,000 packets but may fall again by 1,000 in June and 2,000 packets in July, 2012. Each packet contains 10 pens and has a list of price of N50,00. The cost of developing the proposed promotion is N 10,000.

The company makes a gross profit margin of N10 per packet of fountain pen.

Other company's products like pencil, chalks and biros are in short supply. Customers have to lobby salesmen to buy these. While total sales volume has been falling, cost of sales has been on the increase. This is partly attributable to the fact that two or three salesmen call on the same customer within the week. The monthly cost of maintaining a salesman six months ago which was N1,000 has now risen to N2000. Because cost is increasing while revenue is falling, the company has been advised to do away with its entire sales force on the ground that it serves no purpose during a period of shortages.

A sales meeting of Cosmos Nigeria Limited comes up on Thursday, May 31,2012 to discuss a review of the company's sales policy. As an experienced Marketing Executive, you have been invited to make a presentation with special inference to:

- (I) The proposed consumer promotion on fountain pens - should it be implemented or not
- (II) The need or otherwise of salesmen during periods of stocks shortages.
- (III) The appropriate number of salesmen for Cosmos Nigeria Limited if you think they should maintain some, and
- (iv) Ways by which selling cost could be reduced.