

The Dynamics
of
Communicating new Products

Services in the Petroleum Industry

A Case Study of Mobil Oil'
new Lubricant, "Mobil I."

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MBA 1997/98 Session
Registration No. G97BAF7067

A Project submitted to the Department of
Business Administration, Ahmadu Bello University, Zaria
In partial Fulfillment of the Award of the Masters of Business Administration
(MBA) degree.

November, 1998

APPROVAL / CERTIFICATION

This project entitled "The Dynamics of Communicating new products and services in the oil industry" - a Case study of Mobil Oil's new Lubricant, "Mobil 1", written by Oladeji O. Oladapo, is designed to meet the requirements and regulations governing the award of the degree of Masters of Business Administration (MBA) of the Ahmadu Bello University, Zaria, and is hereby approved based on its Literary presentation and contribution to knowledge.

Name and Signature

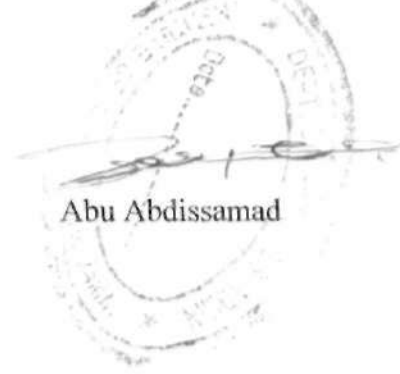
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DECLARATION

I, Oladeji Olukorede Oladapo, hereby declare that this project is originally written by me and part of it is copied from previous research works. Any errors or omissions are my responsibility.

DEDICATION

This work is dedicated to my wife Yemidale Oladeji, and my son Oluwatobiloba Oladeji

CHADAPO. O. O

O. Olanbiyi

ACKNOWLEDGEMENT

This research exercise can not be said to have been completed if I do not show my appreciation to all those who assisted me in one way or the other during the period.

First and foremost, I wish to express my profound gratitude to my supervisor Mr. A. J. C. Onu whose wealth of experience and academic disposition contributed immensely to the standard attained by this study.

My special thanks goes to the following people : Mr. And Mrs. S. O. Odusanya, Mr. and Mrs. Abdulmojeed Mohammed, Mr. S. A. Ademola , Mr. Joseph Patrick, Dr. Adepoju, Dr. Raji., Mr. and Mrs. J. M. Mivanyi, Mr. and Mrs. O. O. Laleye, Mr. Kunle Jaiyeola who assisted me in various ways.

Equally grateful to my colleagues, Miss Lamin Talmon, Mr. U. K. Okoro, Mr. Chinedu, George Kaalu and other members of my family for helping during the hectic period of this project and course.

Finally my sincere appreciation goes to God Almighty who made it possible for me to withstand all vicissitudes of life, to live till this day and gave me the ability and knowledge to put forth this research work.

ABSTRACT

This research work is intended to establish the fact that effective marketing communication forms the basis of product success in the market. Products have a life cycle, undergo so metamorphosis such that at each stage, an appropriate method and strategy of communication needs to be adopted in order to create customer awareness and influence their buying decision process. All marketing policies and programs are successfully accomplished when there is a successful communication backing.

This then requires skillful sales management. The process of acquiring developing and training, utilizing and motivating the sales personnel must be effectively managed to yield desired results. The task of sales making is quite challenging and gives employment to thousands of people in this country. It calls for special skills and proficiency to be able to create awareness of products or services in the minds of customers and convince them for eventual adaptation. Sales revenues are one of the primary sources of a firms income and all promotional activities ultimately result in to sales revenues for the organization.

Critical policy issues in marketing communication such as the type and method of promotion to adopt, budgeting for promotion, and sales force management are usually the focus of the management of most organization.

Mobil is one such marketing company with a owners' wealth and profit maximization motive. In the light of a very competitive environment, a successful product campaign program will ensure the eventual attainment of this objective. The importance of marketing communication to this organization is of primary concern to the management who have always devoted a good percentage of their resources to promotion activities.

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CHAPTER ONE

1.0 INTRODUCTION

The importance of human transactions and their activities within an environment cannot be overemphasized. Communication is the basis of these transactions as it facilitates both the transmission and translation of ideas (messages) and earns the appropriate results. Whatever the objectives and means of the communication, it must be effective as measured by the degree the recipient's response to the source.

1.1 BRIEF HISTORY OF MOBIL I

Mobil I synthetic Lubricants had their earliest roots in the 1970's, though significant breakthroughs in formulation and additives were made by Mobil oil research team into the 1990's to outclass all mineral oils and exceed all specifications world-wide. Mobil I is the highest rated lubricant in terms of efficient performance with high service rating because its blending oils are all chemically constructed and it is 100% synthetic oil which provides the ultimate engine protection much more than the conventional detergent oils. The success of Mobil I synthetic Lubricants is the result of the coordinated efforts of research and development, marketing and manufacturing - an honour in which all Mobil people share. Mobil I synthetic Lubricants teams, an award winning team and product, are regarded as prime examples of the vital impact of industry innovations in our world today, and as heroes of chemistry by the American Chemical Society (ACS).

1.2 BACKGROUND OF THE STUDY

The process of transmitting messages between parties and obtaining desired end result or appropriate feedback is what is referred to as communication (A.R. Morden 1971, P.410). Communication in marketing involves making individuals or groups aware of the existence

of a product or service in such a manner that ultimately their behavior could be influenced toward buying the product or service to satisfy their needs.

Those marketing communications which are able to attain the objective of customer awareness creation and subsequent buying behavior influence are said to be effective communications. This goal of customer awareness is a critical issue in every marketing communication program, capturing the focus of every sales management because the success of every marketing communications program lies in the extent to which customers are made aware of the existence of such a product or service, its nature and a knowledge of where and how to obtain it.

Every communication policy and any marketing program seeks to attain these objectives. The design of every communication program encompasses the determination of the target communications market, what level and how much communication is required, the means of communication to adopt, and the cost-benefit posture of the communication package. For any effective desired end result, consistency must be built among the target, the messages, the means, and the economic benefits of the program.

Communications in marketing are generally termed promotions. Promotional activities all aim at creating awareness in individuals, groups, or organisations to directly or indirectly influence behaviour and for facilitate exchanges (Pride and Ferrell, 1985). Promotion is built on certain elements called the promotion mix. These are essentially methods and strategies of attaining promotional objectives (A.R. MORDEN, 1991). Spelt out in the communications design of the organization. Thus a communication policy and the marketing policy as well as the overall corporate objective of the organization must properly align.

The Promotion mix elements include:

1.2.1 ADVERTISING. This is a non-personal communication using the mass media, TV, Radio, Newspapers, Bill Boards, etc.

1.2.2 SALES PROMOTION This form of promotion is rather an activity designed with prospects inducement motive. It includes all in-store displays, exhibitions (trade fairs) sponsorships, money-off coupons, on-park offers, etc. (Luick and Ziegler, 1968, P4).

1.2.3 PERSONAL SELLING This is a promotional activity which brings into direct contact with the seller and the buyer.

1.2.4 PUBLICITY This is a non-personal communication activity using a mass media, and unlike advertising, it attracts an indirect payment such as a public relations (PR).

The choice of any of these tools is determined by the type of product or service, type of market which the product or service is meant for, the product's life cycle, the complexities and uncertainties surrounding the product or service. For example, promoting a product in a consumers goods market requires up to 80% of advertising while promoting a good in an industrial goods market requires about 80% personal selling; also, for consumer goods the buying decision may be centered on one individual whereas buying industrial goods usually requires the formation of a decision making unit (DMU). One other factor which plays a key role in the success of any promotional activity is the amount of resources devoted to a particular activity. Sales management must also devote attention to the activities must be set and achieved. This calls for effective management of sales personnel through the acquisition, training and development, effective utilization and proper motivation of sales personnel to enhance the attainment of promotional objectives.

The choice of any promotion method must be strategically made to guarantee effectiveness and competitive advantages. The degree of effectiveness of every promotional

activity is measured by the changes in consumer buying behaviour of a particular product or service.

1.3 STATEMENT OF THE PROBLEM

Promotional activities play a key role in the success of any product or service. The aim of promoting products and services in target market segments is to create awareness of their existence as well as influence buying decision behaviors.

The problem identified in the course of this study is that most products are inadequately promoted; sometimes inappropriate promotional activity is adopted; and the funding of promotional efforts is inadequate. These factors in the long run result in either outright product failure or low performance in the market.

1.4 HYPOTHESIS

This research is set to establish that:

- a) Inadequate and inappropriate promotion of products and services results in either slow moving or outright failure in the market;
- b) Appropriate promotion budgeting is a key determinant of communication success;
- c) Sales activities are very crucial to the existence of a firm because they give rise to one of the firm's most important inputs-sales revenue.

1.1 PURPOSE OF THE STUDY

Since promotional activities play a cardinal role in the success and profitability of a firm, this study is set to show the effects and effectiveness of any promotional activity as measured by changes in sale volume and market share or any other sales objective. It will therefore examine critical policy issues of brand market share and market trends; marginal sales contribution to profit and sales increase; and any attitudinal changes brought about by

the promotional activity. These policy issues all together form the bedrock of communication success.

1.6 SIGNIFICANCE OF THE STUDY

Effective communication is very crucial to any successful marketing program because communication efforts result in sales revenue of organizations. Promotional efforts create consumer awareness of a product, consequently influencing the buying decisions and earning sales revenues for the firm.

The significance of this study lies in its step by step examination of the awareness creation and behaviour influencing process of the marketing communication process which eventually earns sales revenues for the firm. It is important to realize that for marketing communication to yield desired results, it must be very effective. This study points to the fact that effectiveness is a measure of the degree of awareness created in consumers. Communication must be both effective and efficient.

Efficiency in marketing communication, also by this study, is a measure of the degree of response to the awareness. It is significant for any effort to be effective.

1.7 SCOPE OF THE STUDY

Promotion of products and services is carried out in either the consumer goods market or in the industrial goods market. The scope of this study is to examine promotional activities in the two markets with special emphasis on the methods and strategies used to promote new products in both markets.

1.8 LIMITATIONS OF THE STUDY

A research by whatever design involves sourcing and collecting data from various sources, placing much strain on the researcher's resources. This research is limited to only

data which is available to the researcher, given the time, labour, and financial resources constrain.

DEFINITION OF TERMS

1.8.1 **COMMUNICATION:-** A process of transmitting messages between parties and yielding desirable feedback.

1.8.2 **PROMOTION:-** A process of communication between organisations and individuals, groups, or with other organisations within an environment with exchange facilitation intent.

1.8.3 **PRODUCT LIFE CYCLE:-** The stages of life existence of a product from conception, to birth, growth, maturity, decline, and death.

DEMARKET:- To control or regulate a market or customership.

FOOTNOTES CHAPTER ONE

1. A.R. Morden, "Elements of Marketing," Second Edition, ELBS, 1991, Pp. 410 - 425.
W. M. Pride and O.C. Ferrell, "Marketing - Basic Concepts and Decisions," 4th Edition, Houghton Mifflin Company, Boston 1985, Pp. 334 - 335.
3. J.F. LUICK and W.L. ZIEGLER, "Sales Promotion and Modern Merchandizing," Mc Graw-Hill, New York, 1968, P. 4

CHAPTER TWO

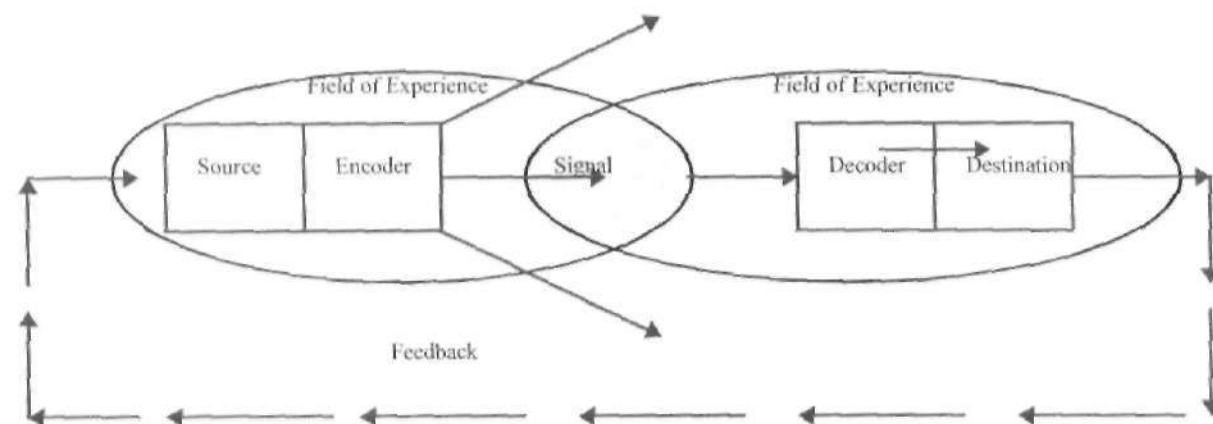
2.0 LITERATURE REVIEW

2.1 CONCEPTUAL FRAMEWORK OF MARKETING COMMUNICATION

Communication is the process of transmitting messages between two parties, One Party at the sending end and the other at the receiving end. At the end of every transmission is a feedback to the sender or source. This feedback must effect the message transmitted otherwise a condition of 'noise' is said to have resulted. Communication is very vital in our daily lives as a means of interaction among people. (A.R. Morden, 1991 P. 410)

Marketing communication messages are transmitted with primary objective to create awareness and understanding in the recipient and/or to influence his or her behaviour. Though, few of such messages could be effective, those marketing communications which really make intended impressions at destination such that the recipient's behaviours might be influenced in a predetermined way are considered as the effective ones.

The nature of communication process suggests that the extent to which a particular marketing communication may have its desired effect on us depends on the attitude that we may have toward the source of the message, the way in which it is encoded or translated for us, the probability that we will encounter the message, the strength of the signal with which we receive it, and the way in which we decode or interpret it. Thus a message will influence our behaviour only to the extent that it is relevant to our needs or interest.



Above: The nature of the communication process
Source: Adapted from Wilbur Schramm, edition (1954, P. 6)

The sources of messages influence our interpretation of a message and our subsequent actions. This is often referred to as the source effect in communications.

A variety of sources are associated with the marketing communication reaching us. A source may be direct from manufacturer through the media or salesman and friends. Encoding means translating the messages in the overlapping experience between the encoder and the decoder as well as the degree to which a particular marketing communication or campaign is able to compete with all others for our attention. An effective marketing communication is two ways in nature requiring feedback for more effective subsequent communications. (Heskett, 1976 Pp. 181 - 183)

Communications policy is a critical ingredient in virtually all marketing programs. Even a well-designed product or service, intended to satisfy a pressing consumer need, will have scant opportunity to do so unless target customers are ware of its existence, they understand what it is supposed to do for them, and they have at least some idea of where or how to obtain it. While communications policies frequently have objectives which are considerably more elaborate and complex than the objectives outlined above, it is difficult to imagine any marketing program which would not accomplish even these minimum objectives.

In developing a communications program, the marketer must determine who are to be the target of its communication program, what is to be communicated, how much communication will be necessary, which means of communication are to be used, and whether the expected results of the proposed communication program will produce a positive profit impact after taking communications costs into account. It pays more to consider all these steps simultaneously for consistency sake, while as well adjusting the various elements in the communication policy as the program is developed. Consistency being the primary requisite of an effective communication, will by this means, be maintained among the target, messages, intensity, means, and the economic benefits of the communication program.

2.2 **PROMOTION**

Promotion is a process whereby an organisation communicates with individuals, groups, or other organisations within an environment so as to directly or indirectly facilitate exchanges (Pride and Ferrell, 1985, P. 332). Organizations promote goods or services to the market, and to the users of the products or services through a variety of promotional methods. When properly decoded, this communication has a long run effect of causing awareness, influencing and encouraging potential customers to adapt or accept the product or service. A feedback from the audience or recipient to the source is very important in determining the effectiveness of such communication. All promotional activities are forms of marketing communication. (Pride and Ferrell, 1985, P. 335)

Promotion Mix

A promotion mix is the combination of marketing and promotional communication strategies (or methods) used to achieve the promotional objective of the marketing the promotional objectives of the marketing mix (A.R. Moden, 1991). A company's promotion mix for a product is determined by its promotional resources, objectives, policies, characteristics of the target market, characteristics of the product, cost and availability of promotional methods.

2.2.1 Promotion Mix Methods

The methods of formulating a promotion strategy for any promotion mix are either "non-controllable" or "controllable". The non-controllable methods include independent word of mouth information dissemination, independent and objective publicity, and individual personal recommendation. These forms of communication are not usually controllable by the enterprise. The values of such communication to the enterprise lie in their independence and objectivity.

The methods are however valuable and effective precisely because they will not be perceived as containing much commercial vested interest. They are particularly important where market trends are determined by the views of influential opinion leaders or reference groups.

Independent word-of-mouth information dissemination, and individual personal recommendation is known to be highly influential in determining customer choice of tour operator and holiday destination (for example tourist attractions to Yankari game reserve, Kenya wildlife parks). One of the benefits of non-controllable communication to the enterprise is earning the trust and respect of the general public (through its good-will) by years of consistent, market sensitive performance (for example, Sheraton Hotels Worldwide).

Independent word-of-mouth or editorial condemnation can have an equally potent but opposite effect on organisations, such as the effect of football hooliganism and loutish behaviour on the attendance's at football matches in Great Britain. Bad publicity drives away paying customers.

Controllable Methods

There are four main types of promotion under this heading. They include advertising, sales promotion, personal selling, and publicity.

Advertising is a purchased non-personal communication which uses the mass media such as television, radio, Newspaper, bill boards, etc. Price and Ferrell, 1985, P. 332).

Sales promotion is an activity and/or material that acts as a catalyst or a direct inducement to potential consumers. (Luick and Ziegler, 1968, P4) it includes purchased activities like in-store displays, exhibitions, sponsorships, money-off coupons, on-pack offers, etc. These activities usually offer added value or incentives for the product or service to resellers, sales persons, or customers.

Personal selling is where customers are informed and persuaded to purchase a product and persuaded to purchase a product through personal communication in an exchange situation. It is based on a direct face-to-face communication and persuasion. (Pride & Ferrell, 1985, P.333).

Publicity is a non personal communication using mass media. Unlike advertising it is not paid for on a direct basis. One of its key components is "Public relations" (PR). (Pride and Ferrell, P. 334)

It is worthy to mention here that of increasing usage and importance as a promotional tool is packaging). When used for promotion a package can be so designed just to attract attention and to inform customers about a product or service (Pride Ferrell P.334).

Controllable promotion methods may be classified as "above-the-line" or "below-the-line". Above-the-line methods comprises of mass media advertising (e.g. T.V, Newspapers) from which the advertising agency receives a commission (sometimes 15% of the value of the media time or space purchased). Below-the-line methods comprise of all media and promotional types from whose usage neither the company nor its agency receives a commission (A.R. Morden, 1991, Pp. 410-425).

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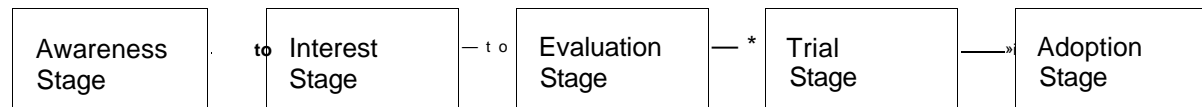
2.2.2 **The Persuasion - Adoption Process**

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The persuasion process involves the steps from the time of customers awareness to the time of there purchase decision (it can be positive or negative). For example the stages in AIDA are Attention to interest to Desire, and finally to Action; while the stages of DAGMAR involve (Defining, to Advertising). Goals for Measured Advertising Results) or start from the unawareness stage, to awareness, to comprehension, to conviction, and finally to action stage.

The product adoption process follows a similar pattern starting from the awareness stage, to interest stage, to evaluation stage, to trial stage and finally to the adoption stage. Rejection of a product or service may occur at any stage.

Product / Service Adoption Process:

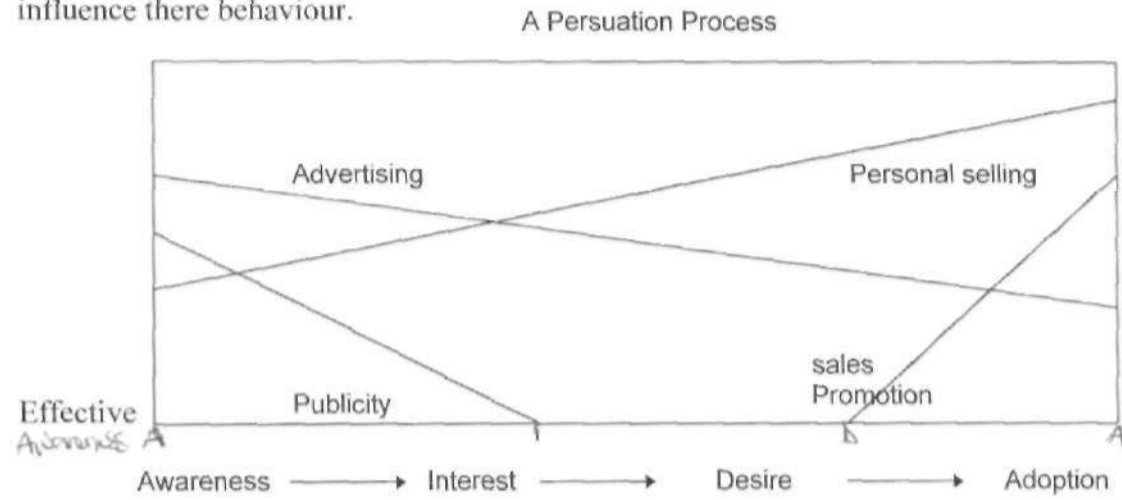


It is important to stress that promotional requirements vary with market size and segment. Indeed, the more clearly defined the segment, the more accurate may be the targeting of promotional mix, which in turn minimizes the necessary expenditure. The less clearly defined is the market, the more disparate and widespread must be the promotion and

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the greater its cost. The persuasion process is a very critical stage in marketing because awareness of products or services existence must be created in the customers to be able to influence their behaviour.



Effective marketing communication should cause awareness by gaining attention, hold interest, arouse, desire, and then receive action after trial.

Why trial and free samples? A product is only adopted after a successful trial and trial calls for free samples of a new product. One factor that facilitates adoption is the product's divisibility into smaller bits in such a manner that consumers could buy the smallest bit for trial before adoption. Other factors which also facilitate adoption include the products communicability and compatibility with older models to avoid the need for orientation and induction.

2.3 Promotion in Consumer Versus Industrial Markets

Promoting Consumer goods markets, especially that marketing fast-moving consumer goods involves committing up to 80% of promotional resources to media advertising and sales promotion-techniques. This strategy is described as based on demand pull the advertising and sale promotion's effects results in customer demand which "pulls" the product through the channels of distribution. Distributors, therefore, stock the product, realizing that advertising will maintain a level of customers demand.

Other objectives of this strategy include maintenance and reinforcement of product differentiation in the perception of the target market segment, maintaining consumer

awareness and loyalty towards the product or brand, thereby encouraging and reinforcing brand loyalty purchase behaviour, ensuring that distribution channels stock the product since promotional activity will encourage demand for the product. Indeed some retail chains only stock product lines considered adequately backed by promotional activities.

Promoting industrial goods markets relies more primarily on personal selling and to a lesser extent on some forms of publicity. Up to 80% of promotional resources in this market may be allocated to personal selling and publicity. Personal selling is more appropriate to specialist or concentrated industrial markets. Promotion industrial markets is identified with a strategy of demand push because personal selling is the mainstay of promotion and persuasion process. Sales efforts pushes the product through the distribution channels, and the emphasis here is on the salesman 'marketing the sales'.

Thus industrial goods companies have available to them personal selling, publicity, public relations, branding , packaging, and exhibitions as their total influence tactics in a market.

A knowledge of the uncertainties buyers face in terms of need, market, and transactions is helpful in determining the type of promotion to use. Personal selling and publicity which are the ultimate promotion mix in industrial marketing are a conception which poses considerable problems for sales management. A conceptual framework is therefore required to facilitate analysis of the behaviour. This framework is provided by the COMPACT MODEL. (Mctarish and Maitland, 1980 P. 186) The industrial advertiser also finds it difficult to gauge the impact of his programs and most emphasis has been laid upon trying to assess non-sales results. This creates problems for budgeting and the task method of promotion budgetary allocation is widely used. Advice on improving industrial advertising effectiveness is available in published case studies, but it cannot be assumed that this will have universal application.

Different forms of sales promotion offers such as buy back terms and trial installations are available. It is useful to know the circumstances under which each might be appropriate in the industrial market, perhaps as an alternative to 'panic' price-cutting to

obtain an order. Much can be learned from experience in the consumer goods market. The various components of overall sales promotion perform complimentary roles. There is therefore a case for thinking in terms of a total promotional budget and allocating expenditures on a task basis.

COMPACT MODEL. This model is designed to measure a salesman's performance. It is a scale against which performance gradings are rated at various levels. This yields a framework or a matrix called a COMPACT (Competence -Activity) model. The word model is simply a methodical approach or system of action, taking into account the kinds of activities salesmen perform, and the relative dexterity and level of competence with which they carryout their tasks. It is therefore useful as a tool for identifying, diagnosing and correcting problems arising from the conduct of selling tasks, and communications between seller and buyer. A review of selling activities in this way may reveal salesmen's willingness to submit to customer objections, preoccupation with solving customer problems, unclear objectives when calling.

Using the Compact model, one sees that such activities may be 'Low-Level' in competence, (in terms of attaining communication goals). Thus the model helps to 'categorize' weakness but also points towards and describes relevant higher competence. It also helps to pick out aspects of selling performance where remedial action is required or necessary. (R. McTavish and A.Maitland, 1980).

2.4 Situational influence on Consumer buying Decision

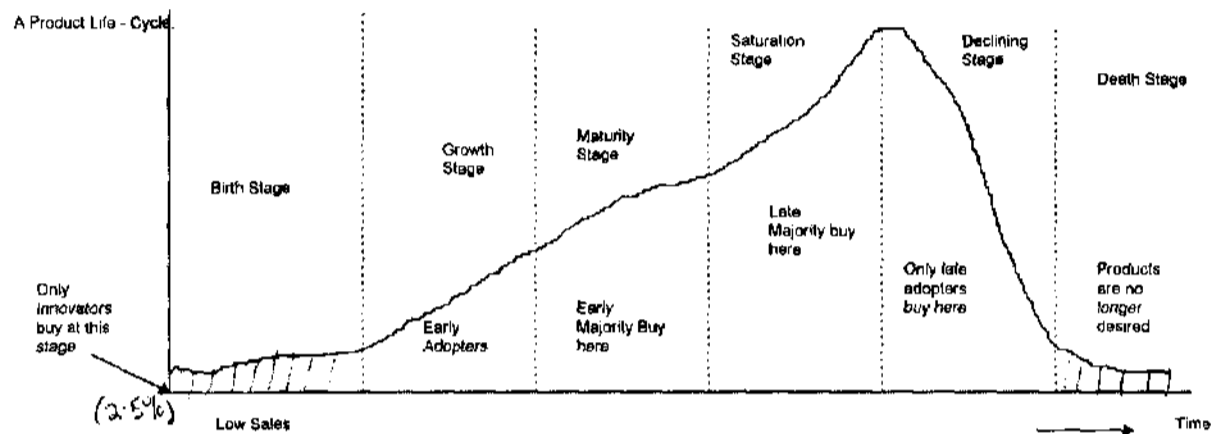
The Consumers purchasing decision is influence by certain factors. Such decision call for effective promotion to create awareness and ginger up the purchase decision.

At each stage of the buyer's decision making process the most appropriate promotional backup is required. At need recognition stage (awareness) advertising and personal selling is most appropriate. At search stage, advertising is required to tell the customer where the product could be bought. At alternatives evaluation stage, advertising is necessary to tell buyers the special feature makes his choice and purchase decision. In

retrospect, sometimes promotions may result in negative effects on products or services, but where a product or service is in its dying stage, promotion cannot revive it.

Another Situational influence on buying decision and promotion is the type of product. The strategy for promoting industrial products is primarily personal selling and sales promotion because of the products' technical complexities requiring experts, and their characteristic direct supply pattern from manufacturer to user. Consumer products are usually promoted massively using advertisement.

Thirdly the stage of the life cycle of the product the nature and balance of the promotional mix must correlate with the stage on the products life cycle. Different promotional efforts are suitable for the various life cycle stages of a product or service. For instance at birth and growth stages advertising is most prevalently recommended and used.



Creating customer awareness for instance during the early stages (introduction and growth) of a products existence is likely to mean a proportionately high proportion of expenditures on advertising (for consumer goods markets) or new literature, catalogues. Exhibitions, technical data sheets, written specifications and new product demonstrations (for industrial goods markets). Similarly, the marketer's concern is to maintain customer loyalty to the product or brand during the maturity stage. In consumer goods market this is achievable through advertising and sales promotional activities. In industrial goods markets this need will keep the sales force busy, and call for ranges of customers or dealer incentives to maintain their loyalty and support.

Another factor of influence is the complexity of the product. This factor is very important in determining promotional mix in industrial goods market. Where detailed technical evaluation by prospective buyers in industrial goods markets provides an important pre-purchase assessment, the supplier's promotional mix needs to be designed to furnish the necessary information about the product or service under consideration. Such information will include Technical Data Sheets and Catalogues. Additional support to the evaluation process may come from demonstration, testimonies from other satisfied customers and visits to their premises, the secondment of sales engineers, the use of "demonstration" products on trial basis, etc.

In some markets, especially within the service sector, sensitivity to standards of personal service and visible operational efficiency are very vital, and the appropriate promotional mix must reflect this customer concern.

Every business whether in a consumer or industrial goods market, must use a promotional mix that compares favourably with that employed by its competitors indeed matching competitors promotional activity is frequently the basis for market competition. This is particularly true during the maturity phases of the product life cycle where competition tends to centre around the market share. And where a market segment has become dominated by promotional activities, the company will have little or no choice but to follow suit. Nowadays competition among manufacturers for space on retail shelves ensures that matching promotional mixes and expenditure levels has become a norm.

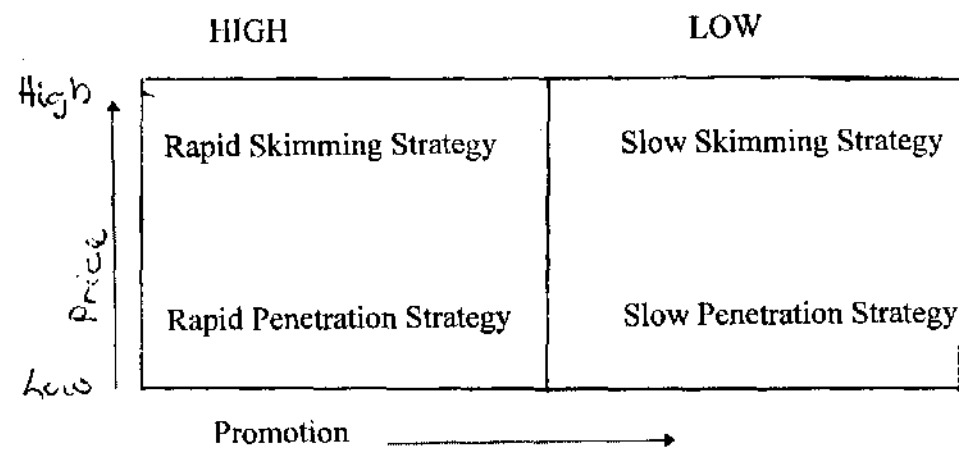
2.4.1 Products or Services Conceptualization

Every product or service is developed from conception (idea generation) and screening stage (screening the concept to an idea) to concept testing, sometimes to business analysis stage, to producing and testing prototypes, and finally to a timely test marketing in a properly selected test area of a target market. The idea behind a timely testing is to safeguard against besetting competition.

Consumers buy features/benefits, not products or services. Features are characteristics of a product or service which offer a perceived advantage through use of ownership resulting in a benefit. A consumer's set of choice criteria depends upon the relative importance of the features/benefits.

2.4.2 LAUNCHING STRATEGIES

One of the most popular strategies for Launching new products/services is the (A) Skimming strategy.



Therefore, working with price and promotion management may chose four strategies (as shown above) to Launch a product or service. The strategies include.

- **Rapid skimming strategy.** This strategy is designed to make little profits before competition sets in and forces down the price. It is characterized by high price and promotion effort, the assumption being that a large part of the market (a market here refers to either products of close technological substitutes, or only similar customer needs, or only customers with similar functions) is unaware of the price, and even those aware in the segment are not price sensitive.
- **Slow skimming strategy.** This is characterized by high price and low promotion efforts. It is designed to keep prices down since no competition exists yet. The market at this stage is limited in size and is generally aware of the product.
- **Rapid penetration strategy.** This promotion strategy is characterized by low price and high promotion efforts. The strategy promises the fastest market penetration in view of the largeness in market size. The market is at this stage almost unaware of the product, most buyers are price sensitive, and competition is very strong.

- **Slow penetration strategy.** This strategy is characterized by low price and low promotion (typical of every new product). The market here is large and very much unaware of the product. The market is price sensitive and competition is very high.

Differentiation strategy is also used by manufacturers to differentiate its new product from that of its competitors before launching it in the market. Product differentiation is done by improving the quality (features, benefits, prestige, performance) of the product or service. According to Michael Porter (Competitive Analysis, 1985), this strategy when adopted yields a sustainable Competitive advantage (S.C.A) to the manufacturer. He however warns that “differentiation strategy must not always be associated with high prices on price increases, but that differentiation strategy makes prices less critical to customers” Thus differentiation positions a product or service very well against competitors through quality, features, benefits, prestige, performance, durability, reliability, and price. Even if a product or service is positioned against a particular market target or segment, one obvious advantage is that the product or service, by way of differentiation, becomes image-enhancing, and is very crucial to customers perception and choice decisions.

2.5 Personal Selling

Personal selling is a process of informing customers and persuading them to pursue products through personal communication in an exchange situation. This is the most experience promotion method, earning million of people their living and providing marketers with great opportunities to adjust messages to suit or satisfy customers information needs. One of its advantages is its precision, which enables marketers to ‘zero in’ on the work promising prospects (other promotion mix ingredients aim at groups) some of whom may not be prospective customers. A major disadvantage of personal selling is its usually expensive characteristic.

Purpose of Personal Selling

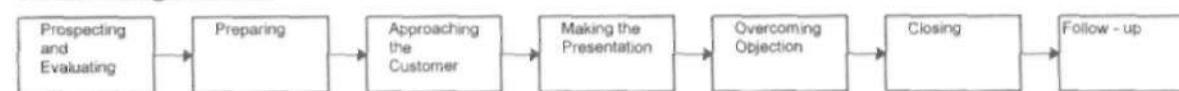
The specific goals of personal selling efforts vary from firm to firm but they can be generally grouped into three viz.

- Seeking prospects. Here, salesman with through understanding of both the product they are selling and people's needs try to locate and identify prospective buyers who may be either individuals or organisations.

- Convincing prospects to buy. Personal selling efforts are directed towards transforming the prospects into buyers by simple conviction. Sales Personal must be armed with convincing informational packages that will aid and enhance the prospect's purchase decision. To achieve this objective, sales personal must be well trained regarding their products and the selling process in general.

- Keeping customers satisfied. Making repeated sales is very necessary for long-run survival and growth of a business. To command repeated sales a company must satisfy its customers personal selling efforts must accomplish this goal of customer satisfaction. Salesman being closer to the customers than other members of the company carry this burden of customer satisfaction on behalf of their companies. Personal selling efforts must provide buyers with information and service even after the sale. Such activities allow salespeople not duly to generate additional or repeated sales but also to evaluate the strengths and weaknesses of the company's product and other marketing mix ingredients. These observations could be used to develop and maintain marketing mixes that are more satisfying both to customers and the firm .

The Selling Process



The activities of personal selling process vary among salespeople as well as for different selling situations. No two salespeople use exactly the same selling methods. However these variation can be grouped into seven general groups as shown above.

2.5.1 TYPES OF SALES PEOPLE

Salespersons that will most effectively sell a firm's products must be chosen by a marketing manager when developing a sales force. Sales personnel vary from one generation to another, but based on their functions they may be classified into three thus:

1. Order-Getters. These salesmen are out to increase a company's sales by selling to new customers and improving sales portion with current customers. This task is often called "creative selling" because the sales people must recognize a potential buyer's needs and then provide them with the necessary information. Order-getting may be classified into two:

(a) Current customer sales. These salespeople seek repeated sales from current customers. It requires intensive follow-up on customers.

(b) New business sales. These sales people try to locate prospecting for convert than to customers. Soliciting for new customers is common in real estate, insurance, furniture, appliances, heavy industrial machinery and automobiles.

2. Order-Takers: These are sales people who seek repeated sales by performing routine tasks which are aimed at long-lasting, satisfying customer relationship. Their main objective is to provide for the customer adequate quantities of products where and when they are needed. There are two types of order takers.

(a) Inside order-taker. These do not go out of the office to the field in order to meet customers. They sell from within the firm's sales office and receive orders usually by mail or telephone.

(b) Field order-takers. These salespeople usually travel out to the field to meet their clients or prospects. Their business involves interpersonal contact.

Order takers are not passive functionaries. They are quite active and generate the bulk of many organisation's total sales.

3. Support Personnel. These people only facilitate the selling function, they are not usually involved with sales making. Their activities include locating prospects,

educating customers, building goodwill, and providing services after the sale. The three common support personnel types include.

- a) Missionary sales persons. They are usually employed by manufacturers, assist the producer's customers by selling to the.
- b) Trade sales persons - sometimes perform order taking functions, but mostly help customers promote the products especially in a retail shop.
- c) Technical sales person. These sales support persons provide technical assistance to mostly current customers in dimensions such as appliance of the product, systems design, product characteristics, and installation procedures.

The choice of sales personnel is influenced by several factors. A product's uses, characteristic, complexity, price, and the number of customers and their characteristics. All these factors influence the choice of sales personnel. Also, the kinds of marketing channels, the intensity and type of advertising is of much influence on the choice and selection of sales personnel.

2.5.2 SALES PROMOTION

Sales promotion is a promotional activity and/or material that acts as a direct inducement, offering added value or incentive for the product or service to resellers, salespersons, or customers. Marketers use sales promotion to identify and attract new customers, to introduce a new product, and to increase resellers inventories. Sales promotion techniques can be divided into two general categories: Consumer sales promotion techniques and Trade sales promotion techniques.

Consumer sales promotion methods encourages consumers to trade at specific stores or to try and/or buy a specific product. Trade sales promotion techniques stimulate resellers to handle a manufacturer's products and to market these products aggressively.

The choice of any technique depends on the objectives of the sales promotion, nevertheless, choice of technique is principally influenced by the product's size, weight, cost,

durability, uses, special features and possible side effects; characteristics of the target market i.e factors such as age, sex, income, location, density, usage rate and shopping patterns; manner of distribution and the number and types of resellers; and the business environment.

Whatever the objective of sales promotion, they must align with the marketing, promotion, and overall corporate objectives. Marketers use sales promotion as both a defensive and an offensive promotion strategy.

2.5.3 New Products Sales Promotion Techniques

There are various techniques of promoting new products but the three most common types include

1. **Free samples.** Free samples are given on order to stimulate the trial of a new product, or to increase sales in its early life cycle stages, or to obtain desirable distribution outlets. Before designing free samples, consideration must be given to seasonality of the product, the market characteristic, and prior advertising. Free samples are not appropriate for mature products, personal-care items, or slow-turnover products.
2. **Coupons.** These are used to stimulate trial of a new or improved product, to increase sales volume quickly, to attract repeat purchases, or to introduce new package sizes or features. The nature of the product (seasonality, maturity frequency of purchase) is the prime consideration in setting up a coupon promotion. The two disadvantages of coupon usage are the possibility of fraud or misredemption of any discount allowed, and the redemption period itself could be quite lengthy.
3. **Money Refund.** Customers are refunded a specific amount following proof of purchase, usually when multiple purchases of a new product for trial are made. The method is primarily used to promote trial of a new product and its relatively lower cost. It's main disadvantage is that since it does not generate high redemption rates, its impact on sales is limited.

2.6 SALESFORCE MANAGEMENT

Effective sales force management is important because it ensures the efficient utilization of manpower employed in sales and the firm's success towards attainment of the promotional objective viz. a is the marketing and corporate objectives. Sales department is responsible for generating one of the most important inputs of a firm's requirements for existence - sales. Sales management in a way to achieve this feat, companies of nine functional areas, each consisting of numerous dimensions and activities. These includes establishing sales force objectives, determining the sales force size, recruiting and selecting salespeople, training sales personnel, compensating salespeople, motivating salespeople, creating sales territories, routing and scheduling salespeople, and controlling and evaluating the sales force. These are the critical (major decision) areas which usually capture the focus of every sales management.

Sales force objectives must be stated in precise, measurable terms and should be specific regarding the time period and the geographic areas involved. The size of the sales force must be adjusted from time to time because of variations in the firm's marketing plans and because of changes in markets and forces in the marketing environment. Two techniques that sometimes are used do determine the size of the sales force are equalized workload method and incremental productivity method.

Recruiting and selecting salespeople involves attracting and choosing the right type of sales persons to maintain an effective sales force . When developing a training program, one must consider a variety of dimensions, such as who should be trained, where and when the training should occur, what should be taught, how the information should be presented. Compensation of salespeople involves formulation and administration of a compensation plan that attracts, motivates, and holds the right types of salespeople for the firm. Motivation of salespeople should allow the firm to attain high productivity, creating sales territories, another aspect of sales force management, focuses on such factors as the size, shape, routing, and scheduling of salespeople. To control ,and evaluate sales force performance, the sales manager must use information obtained through salespeople' reports, customer feedback, and invoices.

2.6.1 Control and Evaluation of Sales Personnel

A. Control:

To control sales force activities properly, the sales manager gets information about his staff's activities from customers feedback, invoices, and the sales people's call reports which identifies the customers called upon and the detailed information about interactions with those clients. The sales managers must have a working schedule of his sales personnel indicating where they plan to be during specific future time period. An automated firm may strive to streamline its sales reporting system for the sales force which generally gives more and faster information to sales management thereby enhancing their control. The system gives sales management all information about who services a specific retail account, how often, how much is sold on the account, what amount of shelf space is allocated to the firm's product, and the store's inventory level of the firm's products. While calling on the account, each salesperson completes a reprinted form and then remits or mails it to the firm's head office at the end of each period. At month end, a computerised summary of all these activities or calls is printed and given the sales personnel.

B. Evaluation of Sales Personnel

Evaluation of a salesman's performance is based on the sales objectives which the sales manager sets for the company. If the objective is based on the volume of sales then the salesman's evaluation will be based on the sales volume he has generated for the period under review. Although a salesman may be assigned specific task, he is expected to handle several other related problems in the field, and on this basis, he could be evaluated. Performance indicators often used by sales managers include average number of calls per day, average sales potential, number of new customer order, average cost per call, and average gross profit per customer. A sales manager may compare one or more of these dimensions with a predetermined performance standard while evaluating a salesperson.

However, the common practice is to compare one salesperson's performance with other salespeople operating in similar selling conditions in other firms or one salesperson's

current performances. Sales management sometimes evaluates salespeople on the basis of less direct influence on sales performance, such as personal appearance, verbal skills, aggressiveness, comparative, and knowledge of the product, company, market, and competitors.

After evaluation has been done, corrective action must be instituted by the sales manager. To improve performances, the sales manager may have to adjust performance standards, provide additional sales training, or adjust motivational methods. Corrective action may require comprehensive changes in sales force. When sales activities are effectively managed, the firm's long-run success and survival is enhanced because this enables the firm to generate sufficient revenues through sales to acquire its needed resources.

2.7 Promotion Budgetary Allocation

All promotional efforts must be budgeted for. Top management decides on the level of the overall promotional efforts to embark upon and the allocation to each effort among the various promotion instruments. The budget enables the marketing manager to co-ordinate personal selling and advertising and assign specific tasks and budgets to organisational units. The marketing manager can also view the various budget requests as part of the firm's capital budgeting problem.

Philip Kotler says that "the total promotional budget should be established at a level where the cost - benefit analysis is favourable to the organisation. Further, the total promotional budget itself should be divided among advertising, personal selling, sales promotion, and publicity in a way that gives the same marginal profit on the marginal expenditure on each of these activities." (Philip Kotler, 1997, Pp. 260-263) This is a rather theoretical approach where - allocation is based on the fundamental marginal analysis. Kotler concludes that the problem is largely the lack of data on the probable marginal effects of investment in promotion versus other activities, or expanding the alternative instruments of promotion.

Traditional approaches to promotional budgeting have all ignored this theoretical foundation. The traditional approach include:

2.7.1 PERCENTAGE OF SALES METHOD.

This approach determines promotional budgeting by budgeting a percentage of sales. Though its main deficiency is the assumption that expected sales cause promotional expenditures, its primary advantage is its simplicity and comparability of a company's yearly budget or a company with another company's budget. This technique is useful for planning and control.

2.7.2 ARBITRARY ALLOCATION.

This approach determines an arbitrary amount which may or may not relate to the funds needed to accomplish the promotional objective.

2.7.3 COMPETITIVE PARTY.

This approach establishes a company's promotional budget in direct relation to competitive activity.

2.7.4 ALL YOU CAN AFFORD.

This is the approach often used when products are being introduced where aggressive promotion is required. The method is rather philosophical.

2.7.5. OBJECTIVE AND TASK.

This method is more scientific and appropriate for promotion strategy planning process. It has clearly defined promotion objectives, followed by tasks necessary to accomplish the objectives. Estimates of the costs these efforts are then made. These total cost estimates then become a promotional budget.

The choice of any of these methods is decided upon by the promotional objectives and the company's willingness and/or ability to absorb promotional costs.

2.8 Evaluation of Promotional Activities

Generally promotional activities are difficult to evaluate, nevertheless an attempt will be made so as to enhance the possibility of making rational decision that deal with the efficient allocation of resources in the promotional mix. These responsible for promotional activities seldom measure the effectiveness of their efforts because of the difficulty associated with isolating the effect of the promotional variables

- a given sales volume can not easily be attributable to any of the elements of the promotion mix because of their intertwined nature, often times, more than one or even all of them simultaneously working together. Successful sales itself is influenced by many factors other than sales promotion. Performance evaluation (or post promotion evaluation) is difficult because sales analysis may be run, factory shipments may be noted, market share may be computed, but attributing changes in these measures in sales promotion may be unjustifiable.

The same difficulties encountered in an attempt to obtain accurate measurement of advertising is also encountered by evaluators of sales promotion and to some extent personal selling activities. However, if the effectiveness of sales promotion is to be increased, ways of evaluating this effectiveness must be sought too.

One good approach to evaluating any promotion element, like any other performance evaluation, is to

1. Determine clearly the objectives of the promotion;
2. Compare promotion performance with expected performance as specified in the objectives;
3. Evaluate and improve the overall effectiveness of utilizing promotion research and managerial judgement.

In evaluating sales promotion, performance standard must have been set and quantified, highlighting sales and the market share. Thereafter, actual and standard performances could be compared and variances corrected by the sales management. Marketers often ask question as

- (a) Did the sales promotion reach its desired goal at the cost that generated the profit ?
- (b) How many consumers did it switch from competing brand ?
- (c) Are promotional variables able to influence attitudes and consumer behaviour ?

Defining promotional objectives creates a yardstick for measuring promotional performance. A deviation from the set objectives creates problem of having numerous other variables that may feature and require cognizance in an attempt to measure the precise impact of any of the promotional mix variables. Therefore to make for easy evaluation, it is necessary to stick to the objectives which also should be made specific in sales promotional terms, e.g. coupon redemption rate, degree of acceptance of a brand offer, contest entrants entrance barriers, new buyers and prospects attracted by a sampling campaign, effectiveness of countering a competitive move, etc.

Another criteria of evaluation is based on the type of market the promotion is designed for. Promotional activities vary with the type of market and the products in the market. We may have consumer market and products, and industrial markets and products. We further have various participation in these markets and all these variables influence the promotional activities and marketing strategies that will be put forward by sales management, and consequently the evaluation procedure that will be adopted. For example, manufacturers often measure the effectiveness of retail trade promotion by

- i. Checking the retail stores delivery volume;
- ii. Checking the stores shelf-space allocated to them; and
- iii. Checking the level of co-operative advertising placed by the retailers.

However, for consumer promotion, effectiveness could be measured by method of

- i. Assessing sales performance movement;
- ii. Analysing the consumer - panel data;
- iii. Conducting consumer surveys;
- iv. Performing experimental studies.

Apart from the common practice of consumer promotion evaluation by comparing sales or market share before, during and often a sales promotion, where increased sales are attributed to the impact of the sales promotion, another way of measuring sales promotion effect is by interviewing a sample of consumers in a target market in an attempt to ascertain how many consumers are aware of the promotion, their perception of it, how many took

advantage of it, and how it affected and influenced their subsequent brand choice behaviour. This method brings out of highlights the effect of that type of sales promotion on consumers.

Real effects could also be measured by experiments where varying deal attributes offered to matched groups of matched geographic areas are assessed. The level or responses determine what inferences can be drawn on sales impact. It is imperative to effect a follow-up program of such a consumer study in order to gain an in-depth comprehension of the reasons for the varying levels of responses produced by the deal attributes.

A consumer-panel data is used to evaluate consumer response to sales promotion by studying specific issues such as brand switching, number and size of units bought, etc.

Sales promotion effectiveness may be measured by changes in sales volume and market share.

First, the differences between sales during the promotion period and sales where there was no promotion (i.e. period before and after promotion) will give the portion of sales directly attributable to the promotion.

Secondly, using the market share, a comparison of the firm's market share before and after the promotion gives also any variance that could be attributed to the promotion. Thirdly, comparing total cost of promotion with sales during the period of promotion or the number of entries.

In conclusion, it is necessary to monitor both the effects and the effectiveness of any promotional activities regularly so as to provide feedback to sales management about the

- i. Brand's market share and market trends;
- ii. Marginal sales contribution to profit and sales increase;
- iii. Competitive actions and reactions;
- iv. Any attitudinal changes brought about by the promotional activities or relevant dimensions e.g. brand personality (Vedan Lady), perceived utility of brand, specific product attributes, etc.

Sales management needs this information to evaluate its total promotional efforts. It is noteworthy to mention that when investigating a promotion effort which is below the line of promotion contributions, the conclusions will inevitably be based more on intuition than on science. This is because the marketers for example cannot conduct research in the test-tube like the physical science, and so any promotional effort which they cannot measure decisively is finalised by intuition. It is however necessary for the above analysis to be done and the results acted upon if promotional effectiveness and the utility of efforts is to be attained and maximised.

FOOTNOTES TO CHAPTER TWO

1. A.R. Morden, "Elements of Marketing," 2ND Edition, ELBS, 1991, Pp. 410 - 425
2. James L. Heskett, "Marketing" Collier Macmillan International Edition, 1998
3. William M. Pride and O.C. Ferrell. "Marketing Basic Concepts and Decisions," 4TH Edition, Houghton Mifflin Company Boston, 1985
4. John F. Luick and William L. Ziegler, "Promotion and Modern Merchandizing," McGraw - Hill Book Company, New York, 1968 P.4
5. Ronald McTavish and Angus Maitland, "Industrial Marketing," Macmillan Press Ltd, Hongkong, 1980.

3.0 RESEARCH METHODOLOGY

This section considers the method adopted for this research. Research Methodology varies with the type of research being undertaken. Principally, a research methodology is influenced by the nature of the research problem; the time, Labour and financial resources at the disposal of the researcher; and the data availability. Any method chosen or adopted must be uniquely suited for the research being undertaken.

3.1 THE RESEARCH DESIGN

This research is a descriptive research by design. Being descriptive, it attempts to measure the phenomena of interest as they exist naturally. A descriptive study involves only measurement of phenomena, unlike the experimental research which would involve three elements of control, Manipulation, and measurement. Though causal relationships cannot be established here, the legitimacy of both the data and technique used is not affected. Both the dependent variable (sales volume) and the independent variable (communication effectiveness) are examined and established here, despite the absence of experimental control.

Being Descriptive in nature the research adopts a case study technique. This is uniquely suited to the research problem - communication as it affects a Company's sales. Effective communication is quite unique in the sense that it facilitates a Company's desired sales revenue. This research seeks to prove this axiom by using Mobil I for a case study. This case study is quite suitable a method for understanding a small group or a single Company such as Mobil oil whereby the researcher easily verifies what and how the solution is arrived at. Quite historical in orientation, the method enhances the study and digestion of communication effectiveness in relation to sales volume without making generalisations.

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This it does by reflecting the views of consumers whose behaviour had been influenced by the awareness- creation efforts of communication.

This case study is useful both for exploring the market and testing the hypothesis. The steps involved here include determination of the present situation, giving a historical background of the Company's promotional efforts and sales, using this data to test the existing hypothesis, and , instituting corrective action. The method provides sufficient data and increase the validity of findings for the research.

3.2 SOURCES OF DATA

The main sources of information or data for this research include

- i) Primary source through observation, and
- ii) Secondary source through documentary evidences.

Data obtained from both sources are quite legitimate and valid, forming or giving a strong support to the theoretical framework of communication.

3.3 POPULATION

Population consists of the totality of the observations with which the researcher is concerned. A total of 100 consumers constitutes the population size of this research, cutting across the sexes, ages, occupation, and usage of the product.

3.4 SAMPLE SELECTION

Based on the observed phenomena a random sample was selected to form the population size of 100 customers. They are all drawn from the various strata of the population. From the sex stratum there were 90 males and 10 females; from the age stratum there were 35 adults and 65 youths; from the occupation and usage stratum, there were 87 technicians, 3 traders, and 10 machine (engine) operators.

3.5 METHOD OF DATA COLLECTION

Data was collected for this research by means of direct observation using a structural interview questionnaire. This approach is directed towards testing the validity of the research hypothesis. The method has proved quite effective and offers the Labour, time, and cost efficiency.

Data was also sourced indirectly from the Company's previous sales and promotion reports, annual reports, Company's profile report, product line report, and other relevant sales publications.

A single uniform questionnaire was administered to all consumers whose responses were checked against the selected alternative answers provided. Supplementary oral interviews were also conducted to sample the opinions of consumers who are either not knowledgeable enough to comprehend the requirement of the questionnaire, or prefer anonymity.

To ensure maximum efficiency and cost effectiveness, these questionnaires and interviews were solely administered on the respondents by the researcher. The co-operation of the consumers was very much sought, resulting in 80 per cent (%) successful completion responses.

3.6 Data Analysis Techniques

Information obtained are analysed by simple categorisation that is, identifying the categories to which each questions of the questionnaire belongs in the original research hypotheses.

In addition, statistical test of each questions responses are carried out by employing the use of frequency distribution table and simple percentage.

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

4.1 INTRODUCTION TO DATA

Data refers to recorded observation of events occurring in the real world.

Observation is the method or techniques of gathering data or information. It may be a direct method or observation where the researcher is a direct witness or observer of the event, or it may be indirect observation where the researcher relies upon others who themselves observed directly the phenomenon. While direct observation is known as the primary source of data, the indirect observation is the secondary source of data. Direct observation is suitably limited to a small sample study, and often supplemented by indirect observation.

Indirect observation is more popular and more extensively used by researchers because of the non availability of primary data. Hence researcher rely on secondary data from literature, journals, previous research work, and other relevant publications.

4.2 Presentation of Data

100 questionnaires were administered on a cross section of consumers (at random) of Mobil I. 80 were correctly completed and returned. This represents an 80% questionnaire administration success, and an inaccuracy rate of 20%

The following is analysis of data based on the questionnaire administered.

Qn 1 Customer Awareness created through:

Response	Frequency	Percentage
A	32	40%
B	41	51.25%
C	5	6.25%
D	2	2.5%
Total	80	100%

advertisement and personal selling promotion efforts. This is quite characteristic of industrial products, especially in their infancy stages. They are usually strategically promoted using personal selling supported by advertisement.

Qn2 Choice of Mobil I product based on:

Response	Frequency	Percentage
A	2	2.5%
B	72	90%
C	2	2.5%
D	4	5%
Total	80	100%

its quality as defined by its features and attribute. This is actually what customers look for in a product - they buy features and attributes of product. They are made aware that the chemical additives in Mobil I is capable of giving their engines better lubrication and Longer Life Sans.

Qn 3 Main suppliers of Mobil I are:

Response	Frequency	Percentage
A	-	-
B	-	-
C	80	100%
D	-	-

Total	80	100%
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Solely Mobil oil through its network of distribution outlets. This new product needs protection from competitors who will try to copy the product.

Qn 4 Reasons for Brand Choice

Response	Frequency	Percentage
A	-	-
B	-	-
C	80	100%
D	-	
Total	80	100%

Customers choice is based on the product's quality, price being less critical to them.

Qn 5 Frequency of oil Usage

Response	Frequency	Percentage
A	75	93.75%
B	-	-
C	-	-
D	5	6.25%
Total	80	100%

Consumption of lubricants is very high among its users. Oils have a large market which is likely to be very competitive.

Qn 6 Price Consideration of Mobil I

Response	Frequency	Percentage
A		-
B	78	97.5%
C	-	-
D	2	2.5%
Total	80	100%

Consumers within the market segment are not sensitive to high price, so long as the product is of high quality.

Qn 7. First impression about the Product

Response	Frequency	Percentage
A	68	85%
B	3	3.75%
C	1	1.25%
D	8	10%
Total	80	100%

This shows the success of the product's trial and test marketing.

Qn 8 Customers Testimonies about the Product

Response	Frequency	Percentage
A	32	40%
B	41	51.25%
C	5	6.25%
D	2	2.5%
Total	80	100%

All consumers attested of the superiority and supremacy of Mobil I over other "acquired" oil brands.

Qn 9 *Consumer Sources of Information about Mobil I*

Response	Frequency	Percentage
A	-	-
B	-	-
C	-	-
D	80	100%
Total	80	100%

Consumers unanimously agree that they were made aware of this product through a combination of all appropriate promotion activities. Appropriate promotional efforts ensure the absolute success of a product in the market.

Qn 10 *Frequency of Mobil I Usage*

Response	Frequency	Percentage
A	-	-
B	-	-
C	-	-
D	80	100%
Total	80	100%

Mobil I has captured a major share of the lubricating oil market as more consumers now have switched over to it.

Qn 11. *Assessment of Engine Performance after Mobil I Usage*

Response	Frequency	Percentage
A	80	100%
B	-	-
C	-	-
D	-	-
Total	80	100%

Consumers attest to the high performance of the oil in lubricating their machines, resulting in high performances of such machines.

Qn 12 *Mobil I Why Special ?*

Response	Frequency	Percentage
A	80	100%
B	-	-
C	-	-
D	-	-
Total	80	100%

Consumers seem to have found a solution to the problem of fast depreciating engines in Mobil I.

Qn 13 *Brand Switch over problems, if any?*

Response	Frequency	Percentage
A	-	-
B	-	-
C	80	100%
D	-	-
Total	80	100%

Consumers incurred no problem from the usage of Mobil I. The product has been put to perfection before coming to the market.

Qn 14. *Supply Channels*

Response	Frequency	Percentage
A	80	100%
B	-	-
C	-	-
D	-	-
Total	80	100%

Supply of this product at this stage is restricted to only accredited Mobil oil dealers. This is a strategy designed to protect the product from competitors and counterfeiting.

Qn 15. Consumer Occupation

Response	Frequency	Percentage
A	32	40%
B	41	51.25%
C	5	6.25%
D	2	2.5%
Total	80	100%

Above analysis shows that oil is mainly consumed by technicians during operations.

Qn 16 Comparison of Mobil I with other Lubricants

Response	Frequency	Percentage
A	80	100%
B	-	-
C	-	-
D	-	-
Total	80	100%

Mobil I certainly outclasses other lubricants in the market now

Qn 17 Opinion about Mobil Oil Company Generally

Response	Frequency	Percentage
A	-	-
B	-	-
C	-	-
D	80	100%
Total	80	100%

Consumers hold Mobil oil company in very high esteem in every facet of their existence

Qn 18. Evaluation of Mobil Sales Personnel

Response	Frequency	Percentage
A	3	3.75%
B	1	1.25%
C	37	46.25%
D	39	48.75%
Total	80	100%

Mobil sales personnel are very effective on their job.

Qn 19. Shortcomings of the product if any?

Response	Frequency	Percentage
A	5	6.25%
B	75	93.75%
C	-	-
D	-	-
Total	80	100%

Mobil I has neither operational hazards nor side effects. The Product is safe.

Out of the 80 successfully completed questionnaires, 57 were males and mechanics/technicians, while the remaining 23 were composed of 13 male drivers, and operators, and 10 female automotive owners. The total of male respondents are therefore 70 while female respondents are only 10. The proportion of male respondents is 87.5%, while that of female respondents is 12.5%. The proportion of total positive response to total questionnaire administered is 80% that of inaccurately completed questionnaires is 7%, while those not completed and returned is 13%. Because of the technical complexity of this product consumers decision to buy it is influenced by the expertise of the sales men. Consumers perception of quality is quite high given its purported features/attributes. Consequently 66 respondents or 82.5% have a favourable disposition toward its adoption.

Practically, differentiation strategy has proved effective here by making the price of Mobil I less critical in the sampled target of the segment. Only 2.5% (2 people) could not match the quality of this product with its price in the target segment.

The quantification of promotional efforts shows that personal selling efforts accounted for 51.25%, advertisement followed closely with 40%, and the remaining to other efforts.

4.3 Analysing of Data and of Findings

The preceding analysis postulates the importance of communication's role in marketing, especially new, products and services. The study revealed the importance of using the most appropriate strategy for any successful promotion exercise. This is seen in question one. It is revealed here too that products in different markets and at different stages may require either a 'push' or a pull through the channels of distribution. Even though the market for lubricants is quite large and competitive, the new product has been well positioned in the market through product differentiation strategy which now makes price less critical in the perception of consumers. They are quality conscious and price insensitive in the target segment. First impressions are always long lasting impressions. The initial impressions customers had of the product since the trial and adoption stages has lingered on to command repeated purchases. The only way to evaluate successful promotional effort is through increased market share and sales volume. This too has recorded increases for Mobil I by this analysis.

This product has passed the litmus test of industrial products which are usually of high quality, high performance, and Low (or no) side effects.

The high rate of brand switch over and increased demand for this product is an indication of a successful communication program that has so much created enough awareness of the existence of Mobil I in the market and influenced consumers of Lubricants

to even switch over from other brands in the market to this product, inspite of its price differential. This product has further enhanced the image of Mobil Oil Company in the eyes of consumers and customers.

4.4 Hypothesis Testing

In view of the foregoing analysis of data, and discussion of findings it is imperative at this stage to stamp the validity of the hypothesis of this research.

4.4.1 *Hypothesis 1 State that* "inadequate and inappropriate promotion of products and services results in either slow movement or outright failure in the market". This assumption has been proved right as held in the analysis to questions 1 - 9. Adequate and appropriate levels of communication are very essential for product success in the market.

4.4.2 *Hypothesis 2 state that* "appropriate budgeting is a key determinant of promotional success". This too is established by implication given the high percentage ranking of the level of promotional activities in the analysis to questions 1 and 9. Promotional activities will only attain peak level given an adequate allocation of resources.

4.4.3 *Hypothesis 3 state that* "sales activities are very crucial to the existence of a firm because they give rise to the firm's sales revenue" Analysis of questions 8,10,11,12 and 16 all point to the affirmation of this claim given the high rate of preference and switch over to the new product.

Thus far, all the assumptions of this research have been proved to hold true.

CHAPTER FIVE

5.0 SUMMARY CONCLUSION AND RECOMMENDATION

5.1 SUMMARY

This project has involved the case study of how to promote a newly innovated industrial product manufactured by Mobil Oil.

Ideally, the study does not only cover how new products are promoted, but examines critically key success strategies of promoting products and services at any state in their life cycle in both the consumers goods market and industrial goods market.

Communication is defined as "the process of sending a feedback by recipient to the sender" (Heskett, 1976 P. 181). Communication is the way whereby organisations communicates with individuals, groups, and other organisations within an environment with the intention to directly or indirectly facilitate exchanges (pride and Ferell, 1977). Promotional activities are collectively known as the promotion mix and this includes, advertising, sales promotion, Personal selling, Publicity, (and sometimes Packaging is used for attraction purposes).

In chapter one, the statement of the problem which necessitated the research, the aim and objective of the research, the scope and limitations of the various tools used for the observation of data are highlighted.

Chapter two is devoted to a comprehensive review of relevant available literature on the subject matter. Much attention is devoted here to the general background of the communication process, and the theoretical and analytical base is established. Various authors in the field of marketing, and especially communications, have had their noble scholastic contributions reviewed to form this solid foundation. This is in essence to provide an invaluable guide and comprehension to the much cherished audience.

Chapter Three elucidates vividly but briefly the researched methodology and the research design. Furthermore, it explains the methods adopted to collect data and the mode of sample selection for this study.

Chapter Four is devoted to the study of how data for this research can be presented and analysed. It introduces the subject of data, how data is presented and how it is analysed in this study.

5.2 CONCLUSION

Various inferences can be drawn from the findings on effective communication of products by companies, especially in the oil industry.

Whatever approach may be used, the ultimate goal of communication is to create sufficient awareness in consumers, and influence their buying behaviours such that sales will be made. For industrial products, the most effective communication technique is personal selling - a process which requires interpersonal contact between the consumer and seller.

Personal selling entails high professional competence to be able to scale through a market characterized by high competition and product variety. Effective communication is very important to marketing companies who earn their revenues from sales - the aftermath of communication. Marketing and communication policies of such Companies must be meticulous about key strategies which will ensure success. Such policies must ensure that products and services are adequately promoted, and that the most appropriate strategy(ies) is adopted. Adopting a wrong strategy will not only work but may end up demarketing such a product or service. Company with very lean promotional resource allocations may inadequately be promoting their products because the funds allocation may not cover extensive promotional efforts. This will surely give an advantage to competitors whose

promotional budgets can command extensive promotional efforts. It is important for a Company to make every appreciable efforts toward the success of their products, especially during the infancy stages of their Life Cycles, to be able to retain a share of the market and generate continuous revenues from sales. Sales management must prove their effectiveness and efficiency in the utilization of all resources available to them.

Quality means various things to different people, depending on their perception of the product or services. Quality is a very important element in the petroleum industry where the good produced form raw materials for consumption by other industries in their production operations. All machines require one form of lubrication or the other for continuous operation. Most Companies have policies which prefer maintenance of old machines than replacement; they therefore acquire Lubricants of high fidelity and quality to support these policies. Lubricants play a vital role in the lives of every automotive engine. They must therefore be certified technically fit and suitable for engines before being sold in the market. This is why Mobil Oil has undergone years of painstaking research to develop this new fibre quality Lubricant "Mobil I" a product whose conception embraces the philosophy of total quality management (TQM), which gives it a good quality that ensures its market acceptability and repeated sales.

5.3 RECOMMENDATIONS

Considering the data analysis and findings from the research, it is imperative to state that Mobil Oil and their marketing team has performed creditably because within this short

time space it Launched this new product, it's share has been remarkable as shown by the high switch over from other brands of Lubricants to Mobil I, not even minding its price.

On the basis of the conclusion and findings above, it is hereby recommended that:

1. Since promotional activities have proved to be so effective, the current strategies being adopted for Mobil I should be sustained;
2. Campaign by the Company for this same product be also Launched in other parts of the Country so that this new product will be equally adopted nationwide.
3. Sales management should step up the evaluation of their sales personnel especially, the various distributors of this and all other of their products to ensure that peak promotional activities go on throughout the distribution outlets.
4. Training Programmes are much advocated for at regular intervals to acquaint sales personnel of any new innovations in the Company's product line so that they may be able to sell effectively, using the new product's attributes and features.
5. To ensure repeated sales, salesmen should actually portray the goodwill and image of their Company by doing some extra after sales services even if it means only advising the customers on how best to utilize the product.

Finally, this product should also be packaged in smaller packages of one litre units for the benefit of very small consumers who may not wish to buy in the 4 litre gallon.

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16. RESEARCH QUESTIONNAIRE

Sir/Madam,

Your cooperation will be highly appreciated to enhance my research work. This questionnaire is purely for the research and please be assured that your views will be treated purely for this purpose and with utmost confidentiality. Please respond as accurately as you can by ticking the answer that most suits you among the alternatives provided.

1. How were you made aware of this product?

- a) Through advertisement on TV and Radio
- b) Through the distributors at the petrol station
- c) Through a friend's recommendation
- d) Through the attraction of the gallon.

2. What informed your choice of Mobil 1?

- a) It's color and texture
- b) It's quality of engine protection
- c) The desire to use anything new
- d) Brand loyalty

3. Who are your main suppliers of Lubricating oil?

- a) Total and Elf
- b) Agip and AP
- c) Mobil oil solely
- d) Shell and Unipetrol

4. Why have you made above choice?

- a) The price is affordable?
- b) The quality is good enough for their price
- c) Their quality and price are high
- d) Any oil solves my problem.

5. How often do you use oil?

- a) Regularly for service/maintenance
- b) Only when the engine's supply is in shortage
- c) When a technician instructs me
- d) Always in my possession.

6. What is your feeling about this products' price.

- a) Unaffordable
- b) Appropriate for the product's quality
- c) Could be improved upon
- d) The price and product are for the opulent.

7. *How did you feel when promoters urged you to try this product?*

- a) Willingly accepted with excitement
- b) Grudgingly responded
- c) Totally refused
- d) Preferred others to testify first.

8. *What now is your testimony about this product?*

- a) The ultimate in oils
- b) Just like any other oil
- c) Cannot tell yet
- d) Not good enough

9. *What are your sources of information about Mobil I?*

- a) Friends only
- b) TV advert only
- c) Distributors and Sales promotions only
- d) Combination of a, b, and c.

10. *How often do you use Mobil I?*

- a) Daily for maintenance
- b) Whenever I visit the petrol station for service
- c) Regularly as necessary
- d) and c Combined.

11. *How do you assess your engine since you last used Mobil I*

- a) Sounds quite better and performs more efficiently
- b) No difference
- c) Doesn't require too often maintenance again
- d) A gallon contains just enough for one full service.

12. *Why do you think Mobil I is special to you?*

- a) It contains special engine lasting chemicals
- b) It's gallon is especially beautiful
- c) It carries an attractive TV advertisement
- d) The colour is beautiful

13. *Since switching over to Mobil I, you have encountered problem of:*

- a) Constant maintenance
- b) Constant engine oil consumption
- c) No problems at all
- d) Unavailability of the product

14. *How do you get your supply of Mobil I?*

- a) All Mobil filling station and dealers
- b) Road side dealers
- c) Market traders
- d) all other filling stations.

15. *What is your occupation?*

- a) Mechanic technician
- b) Car/engine owner and operator
- c) Lubricant dealer
- d) Transport/purchasing officer.

16. *What is your comparison of Mobil I with other products?*

- a) Mobil I outclasses them all
- b) Texaco has a better product
- c) All other products are detergent oils
- d) Mobil I is not suitable for Nigerian climate.

17. *What is your opinion about Mobil oil Company generally?*

- a) They are a great Company
- b) They are socially responsible
- c) Their products (e.g. Insecticides, oil) are always high quality, and best
- d) and c combined.

18. *What is your assessment of Mobil salesmen?*

- a) Very courteous
- b) Render extra free services (tyre pressures, wipe windscreens) at filling station.
- c) Attend promptly to customers
- d) Offer useful advice and guide to customers.

19. *What had so far been your greatest regret since you switched over to Mobil I?*

- a) It costs so much to use Mobil I
- b) The cost - benefit analysis is unfavourable
- c) Cost - benefit is favourable
- d) My machine's performance has been low.