

CONCEPTUALIZATION OF CONSUMARKETING: AN ANALYTICAL DISCOURSE

AKINBODE SANGODAPO

Department of Business Education, Faculty of Vocational and Technical Education, Osun State Polytechnic, Iree, Osun State, Nigeria.

Abstract: Consumarketing is a combination of two different but related concepts, ‘Consumer and marketing’ combining to form or introduce a new concept in marketing management. Consumarketing is seen simply as the act of identifying loyal and serious consumers and using them indirectly as promotional agents for the product of the organization. Some companies’ practice relate to consumarketing in some ways, these have failed to yield all encompassing results because the idea they practice is not conceptualized and also directed towards wrong set of people i.e customers instead of consumers. It is on this premise that this concept of consumarketing is conceived, this discussions review submissions of authorities (secondary data) on explanation of Consumer and marketing. This paper also provides hypothetical analysis of how this concept can be practiced economically and how this can increase the market or potential market of companies. On the basis of this discourse, it becomes clearer how Consumarketing can be used to achieve marketing objectives of a business organization.

Keywords: Consumer, Marketing, Consumarketing, Customer.

1. INTRODUCTION

The term Consumarketing is formed from the combination of two different but related concepts, these are ‘consumer’ and ‘marketing’. Therefore, to have a clearer understanding of this concept of consumarketing, there is need to explain these different but related concepts that form the concept.

Consumer can be seen as one or set of people who buy and directly use or consume the outputs, services or products of a company. According to (Dictionary, 2016) “Consumer is someone who buys and uses goods and services”. A consumer is a person or organization that uses economic services or commodities (Wikipedia, 2016). Consumers buy the products or services of the organization in exchange for money which serves as revenue for business organization.

Consumer is the one who pays to consume goods and services produced. As such, consumers play a vital role in the economic system of a nation, without consumer demand, producers would lack one of the key motivation to produce (Cross, 1997).

On the other hand, Marketing is defined as “ the process of planning and executing the conception, pricing, promotion and distribution of ideas, goals and services to create exchange that satisfy individual, organizations and Society” (Telsang, 2001). Through Marketing, identified customer’s needs are satisfied and in turn organizational objective in term of revenue are as well satisfied.

Although, producers sees consumer as the source of product conception and revenue only, it is on this premise that I conceive another usefulness of consumer as marketer (product promoter) this new conception on the usefulness of consumer gave birth to the concept of Consumarketing.

Consumarketing, the way it was conceived is the process of identifying loyal consumers of the organizational products and using them indirectly as product promotional agents profitably. Although, some marketing Institutions practice this

unknowingly with their customers, focusing their business outlets, but this has not been conceptualized and it is better practiced with consumers rather than customers.

2. OBJECTIVES OF THE PAPER

The objectives of this paper are as follows:

1. To conceptualize consumarketing;
2. To discuss link between consumers and marketing activities;
3. To examine and explain how the concept of consumarketing can be well practiced.

3. CONCEPTUAL FRAMEWORK

Consumer:

Consumer is referred to as “an individual who buys products or services for personal use and not for manufacture or resale” (Investorwords, 2016). It is explained further that a consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements.” From the submission above, consumer is seen as somebody that has right to :

1. Be influenced legally;
2. Take decision on what to buy; and
3. Someone who consumes or uses organizational product or service.

Consumer in the context of this write-up is seen from the above submission, that is a human being not artificial being that is legally permitted to use a product who is willing and have financial capacity to purchase goods or pay for the service rendered to him or her.

Consumer Behaviour as Buyer:

Consumer behaviour is a response from consumers to change (increase or decrease) in the price and other variables affecting the product. (David & Geoffrey, 2009) opine that “consumers are individuals who buy products and services for personal consumption and sometimes it is difficult to classify a product as either a consumer or an organizational good.”

The roles that people can play in consumer buying process as described by (Blackwell, Miniard, & Engel, 2003) are “Initiator, Influencer, Decider, Buyer and User” It is when the product is bought by consumer that we think our products are sold but not like that, there are pre-purchases activities that convince or enhance the willingness of consumers to buy. Referring to the submission of (Blackwell, Miniard, & Engel, 2003) which subscribe to consumers being an initiator and influencer, if this submission is true, then consumers have another potentials or roles to play in marketing activities, especially in the area of marketing communication (i.e. Marketing Agents of Communication).

The importance of consumers to marketing activities can not be over-emphasized. According to (Consumerclassroom, 2016) “ a consumer is a person engaged in evaluating, acquiring and using goods and services to satisfy his needs and wants. A consumer is a key figure in the market and all marketing activities are carried on around him/her (consumer).

Consumer and Customer:

Consumer and Customer may be used by layman as the same in a situation where the buyer is the direct user of the product purchased. But in the real sense of it, consumer is different from customer. Consumer is the end user of the product and service while customer only buy the product for resale, storage or for other purposes. If a product is bought for the purpose beside consumption at individual or organizational level, the buyer is referred to as customer, if otherwise the buyer is referred to as consumer.

“The terms consumer and customer are often used interchangeably, but consumer and customer are not always the same entity” (Chris, 2016). He explains further that “consumers use product while customers buy them. A consumer may also be a customer and a customer can be a consumer.” He suggests that “in general, marketing effort should be geared towards the consumer rather than customer.” The above I think is premised on the fact that customer will buy the product only if consumers demand for the product. Therefore, all consumers are customers but not all customers are consumers.

Marketing:

Marketing is “the activities, set of Institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large” (AMA, 2013). This definition reflects all encompassing definition of marketing. Marketing is seen as Institution and at the same time as process identifying and passing adequate messages to the target market. It looks at distribution system and value exchange.

Marketing stands to manipulate the resources of an organization to cater for the dynamic needs of consumers serving as the platform of organizational success. (Association of Business Executives, 2008) in quoting the Chartered Institute of Marketing submits that marketing is “the management process which identifies, anticipates and supplies consumer requirements efficiently and profitably.”

As practice, marketing consists of coordination of the following activities:

- i. Identification, selection and development of a product;
- ii. Determination of its price;
- iii. Selection of a distribution channel to reach the consumer’s place;
- iv. Development of a promotional strategy.

The activities above are major functions of marketing. Out of these activities, this discourse will focus on the fourth one, the development of promotional strategy as part of activities that consist of marketing.

Organizations should be able to identify the needs and wants of the consumers through effective use of marketing research and work towards benefit delivery and exchange that will support and enhance consumers’ life style and on the long-run, the satisfaction of consumers’ need should produce a targeted turnover for the company.

Concept of Consumarketing:

As explained at the introductory section of this paper that Consumarketing is newly introduced concept formed with the combination of two different but related concepts within the scope of marketing management. These two concepts forming Consumarketing are Consumer and Marketing.

The meaning of the two concept of consumer and marketing have been explained, the different but related ideas in the two were combined to generate another concept “Consumarketing” giving it new meaning. In my opinion, consumarketing is seen as act of identifying some out of loyal and satisfied consumers of organizational product and using them indirectly as organizational product promotional agents profitably. This concept of Consumarketing is a newly conceived idea of the writer and the underlying ideas in it are expected to be useful for businesses or marketing organizations.

Consumarketing as viewed is perfectly fitted into Integrated Marketing Communication (IMC). This according to (Burnett, 2008) was described as “a general framework, which can be employed by marketers in other to design a comprehensive and effective programme of communication. It acknowledges the inherent differences between marketers and build upon the reality that every aspect of the company is cast in the role of communicator.” Going by the submission of (Burnett, 2008), every aspects of an organization must communicate to both reached and unreached population thereby increasing the market potentials of the company. Consumers are part of the company within intermediate environment, consumer is one of the link between the company and the entire world.

How Consumarketing Works:

Any company that want to practice consumarketing needs to ensure the following:

1. Goods or product of higher quality in required quantity must be produced in a cost effective way;
2. Agree to employ massive promotional tools;
3. The company must be a producer of Fast Moving Consumer Goods (FMCG);
4. Accurate decision on logistics that are closer to the final consumers so as to allow easy access to the product;
5. Empower marketing department to coordinate consumarketing activities;
6. Cost of engaging consumarketing must be well intergrated in the annual budget of the company to give room for provision of necessary ingredients as physical evidence on selected consumers;

7. Database of key consumers of company's product must be well managed so that the marketing department will have easy access to information about the key consumers;
8. Adequate records of sales of key consumers (in terms of frequency and recency) are well kept;

Satisfying the above, the marketing department will design programme for any or combination of the undelisted as a means of promoting their products through consumers:

1. Provision of customized item(s) that will communicate the objectives, vision, potentials and advantages that the company has over its competitors e.g. cloth tag, T-shirt;
2. Branding of consumers properties i.e cars, bikes, houses, shops e.t.c. to convey company's messages about the products of the organization;
3. Giving non-edible products of the company e.g. wrist watches, mobile phone, shoes, that carries company's information to consumers;
4. Paying for touring trips for selected qualified consumers;
5. And any other means that marketing department can think of.

Prerequisites for Consumers Qualification as Promotional Agent (Consumarketer):

The marketing department, in conjunction with other concerned departments, sections and units set prerequisites or conditions for qualification of consumers using any or combination of the following:

1. Frequency of consumption of the product over a period of time;
2. Recency of consumption of the product over a period of time;
3. Value of quantity consumed over a period of time;
4. Quantity in units of good bought/consumed over a period of time;
5. Years or period of unbroken consumption/usage;
6. Number of other consumers introduced or brought to the company, who later patronize or buy company's product.

On these parameters, a reasonable period of time must be set for their measurement.

After all these might have been established, the marketing manager, or his designated representative goes into the company's consumers database to extract the particulars (names, address, mobile number, email address, and other bio-data information) of consumers that qualify to be used or participate in consumarketing programme based on the criteria set above. At this stage, there are two ways to go about the programme:

1. To issue out company's Consumarketing items to selected consumers as gift(s) for their patronage;
2. To invite those that qualified for the programme for briefing and seeking their involvement in the programme, this is necessary if the company embark on branding consumer's properties.

4. ANALYSIS OF ASSUMPTION

Let us assume that a Fast Moving Consumer Good(FMCG) company has 1,000,000 consumers or users, if the company picks 10% of most qualified consumers for the programme, this gives 100,000 consumers. Company is expected to expend at most 10% of net profit generated on those selected consumers on the production of branded items as discussed above, these items are given to them as compensation for their patronage and at the same time as communication tools to other potential consumers of the company's product. Each of 100,000 selected consumers is expected to attract average of additional 5 serious users/consumers to the company, multiplying 100,000 by 5 gives additional 500,000 consumers, thereby increasing the company's market by 50%. This increases the number of total market of the company to be 1,500,000 within a short period of time.

It is logical to see that the net profit that will be generated by this additional 500,000 consumers will be far above 10% of net profit of selected 100,000 consumers expended on the production of items for consumarketing programme.

Further to the above, repetition or continuity of this programme on monthly, quarterly or yearly basis, if done properly and economically is assumed and capable of increasing to a large extent the company's market or potential market.

Tabulation of Analysis of Assumption: 3 Years Projection

Year	Total No of Consumer	No of consumers selected for the Programme	% of Net profit of Selected Consumer Spent on the Programme	Expected Av. Addition by Each of the Selected Consumer	AV. No. of Additional consumer	% of increment on the Base Period	Total no. of Consumers for the Period
1	1,000,000	100,000	10%	5	500,000	50%	1,500,000
2	1,500,000	150,000	10%	5	750,000	75%	2,250,000
3	2,250,000	225,000	10%	5	1,125,000	112.5%	3,375,000

The above table is based on the usage of 10% of net profit of selected consumers on provision of items for them and on assumption that a selected consumer will attract average of additional 5 consumers within the specified period.

It is clear that the percentage of increment on the base (1,000,000 consumers) is encouraging, the total number of consumers at the end of third year or period is 3,375,000 making 337.5% of the base. The table above shows the positive relationship between no of consumers selected for consumarketing and average number of additional consumers added to the market of the company.

5. CONCLUSION

Consumarketing as a new concept serves as a means of using existing loyal consumers to attract new consumers or users of the product, although, many companies practice it unknowingly as promotional means without focusing on the company’s loyal consumers, this is likely to gulp higher percentage of company’s profit compare to spending only 10% of net profit contributed by the selected consumers for the programme. Nevertheless, while awaiting resources or sponsors to support me with fund to conduct a thorough empirical research on application of this concept and its effect on other variables of business objectives, the analysis presented still provide focus or openings on this new concept of consumarketing.

6. RECOMMENDATIONS

The followings are recommended:

- Engaging in consumarketing programme, companies should not expend beyond 10% of net profit contributed by qualified and selected consumers.
- The practice of this programme is recommended for companies producing Fast Moving Consumer Goods (FMCG).
- It is also recommended that further studies be conducted on this concept in relation to other business variables so as to fully explore the potentials of consumarketing.
- Practice of consumarketing is restricted to only selected serious and loyal consumers that the company has benefited from, this will help the company to retain them and at the same time assisting the company as its promotional agents.
- This concept is not design for industrial goods, it is strictly recommended for consumer goods or products.

REFERENCES

[1] AMA. (2013). American Marketing Association. Retrieved from www.ama.org/AboutAMA/pages/Definition=of-marketing.aspx.

[2] Association of Business Executives. (2008). Business Study Manual: Introduction to Business. United Kingdom: ABE.

[3] Blackwell, R., Miniard, P., & Engel, J. (2003). Consumer behaviour. Orlando: Dryden.

[4] Burnett, J. (2008). Core concept of marketing. Switzerland: GLocal Text Project.

[5] Chris, J. (2016). Small World. Retrieved from www.smallworld.chron.com/customer-consumer-definition-5048.

- [6] Consumerclassroom. (2016). Consumer Classroom. Retrieved from www.consumerclassroom.edu/who-and-what-consumer.
- [7] Cross, R. G. (1997). Revenue management:hardcore tactics for market domination. Broadway Books.
- [8] David, J., & Geoffrey, L. (2009). Selling and sales management (8 ed.). England: Pearson Educationa.
- [9] Dictionary, M. (2016). Macmillan online Dictionary. Retrieved from www.macmillandictionary.com/consumer.
- [10] Investorwords. (2016). Investor Words. Retrieved from www.investorwords.com/1055/consumer.html.
- [11] Telsang, M. (2001). Industrial and business management. New Delhi: S chand & Company Ltd.
- [12] Wikipedia. (2016, July). Wikipedia Dictionary. Retrieved from www.en.m.wikipedia.otg/wiki/consumer.