

# Effect of Integrated Marketing Communication (IMC) On Firms' Sales Volume: A Study of Nigeria's Food and Beverage Industry

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**Abstract:** This study examined the effect of integrated marketing communications on sales volume of firms in Nigeria's Food and Beverage industry. Competition in the Food and Beverage industry have given firms an uphill task of using all the marketing arsenals to reach and retain their customers bearing in mind that it is more costly to get a new customer than to maintain existing ones. Recently, marketers' concern about the marketing communications expenses and resultant sales have greatly increased, hence an enduring search for variables that when integrated will increase sales volume becomes evident. Opinions of 200 employees of the industry were sought on the subject matter through questionnaire instrument. It was observed that there is a positive and significant relationship between IMC variables and sales volume with the exception of public relations which showed positive but insignificant effect on sales volume. The researchers recommended that more emphasis be placed on direct marketing and sales promotion even as more resources should be allocated to advertising as it paves way for other promo-tools to yield desired results.

**Keywords:** Integrated Marketing Communications (IMC), Sales volume, Competition, Nigeria.

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## 1. INTRODUCTION

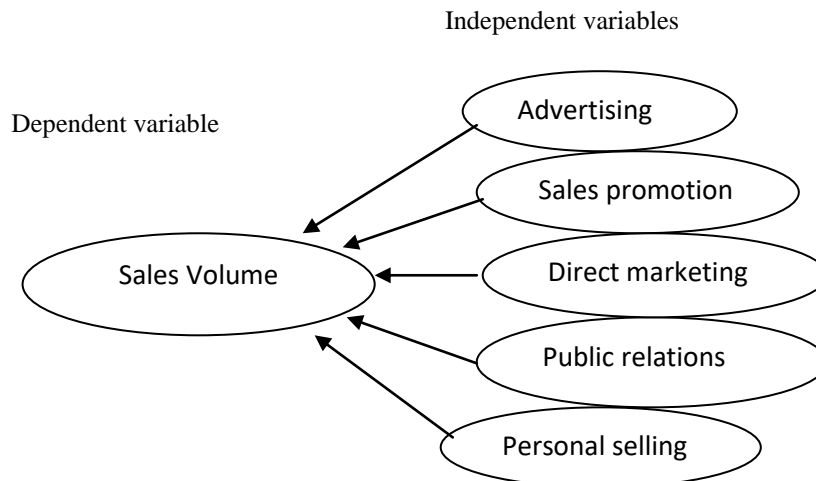
Food and Beverage industry in Nigeria is large, highly competitive, but indisputably contributes significantly to the Gross Domestic Product (GDP) of the nation annually. The demand for packaged and processed food items by Nigerians is on the increase. Consumers' needs and motives of purchase of products vary as much as their faces and appearances do. Factors that influence purchase decision of the consumer is an amalgam of personal, environmental, product cue, and other external variables. Thus, firms in Nigeria's Food and Beverage industry struggle to meet the unpredictable and divergent needs and preferences of the consumers through a blend of the marketing program. Marketing communication is a vital tool which organizations use to inform, remind, and convince the current and potential customers about the firm's offerings and possibly persuade them to patronize and prefer the firm's offerings to competing brands. As marketers make efforts to find the right way to send the right message to the right person at the right time, they are looking beyond advertising and the traditional mass media-focused approach to integrated marketing communication (Kubanial & Kagiri, 2016). Integrated marketing communication (IMC) is a departure from the traditional communication strategies, based largely on mass communications, delivering generalized messages, to one based more on personalized, customer-oriented and technology driven approach (Agodi, & Anigua, 2016). The need for an organization to properly coordinate its marketing communications strategies in order to deliver a clear, consistent, credible and competitive message about itself and its product has become a challenge today for result oriented firms. The Integrated Marketing Communication (IMC) approach believes that a company must leave no chance for error, no patience for miscommunication, and no time for confusion. (Picton and Broderick, 2005). A simple argument for IMC is that there are financial, competitive and effective benefits to be achieved through the synergy afforded by the process of integration (Kehinde, 2009). This paper therefore examines the effect of IMC on sales volume in Nigeria's Food and Beverage industry.

**Research Objective:**

The basic and sole objective of this paper is to evaluate the effect of integrated marketing communication on sales volume

**2. REVIEW OF LITERATURE**

The idea of integrated marketing communications was first instigated in 1993 by Don E. Schultz, a professor most notable for his study and contributions toward IMC (Gambetti & Schultz, 2015). The concept of Integrated communications (IMC) was first defined by the American Association of Advertising Agencies (4A's) in the early 1990s as "a comprehensive plan to further evaluate the strategic roles of a range of different communications disciplines" (en.wikipedia.org). Schultz (1993) defined IMC as a concept of marketing communication planning that combines and evaluate strategic role of different communication discipline to achieve the clarity, consistency and greater impact. The American Marketing Association (AMA) defined integrated marketing communications (IMC) as "planning process designed to assure that all brand contacts received by a customer or prospect for a product, service, or organization are relevant to that person and consistent over time"( imc.wvu.edu). IMC attempts to unify all elements of marketing communications, including, advertising, public relations, direct marketing, personal selling and sales promotion. IMC suggest that marketers should focus on the customer first to understudy and understand his or her preferences, buying patterns, media exposure, and other factors – and then expose the customer to the products that fit his needs through the communication mix approach which the customer finds more attractive and credible. It is designed to create marketing message that is consistent across all channels to the target audience. Organizations consider IMC to be a key competitive advantage associated with marketing (Weilbacher, 2001). In real terms, IMC attempts to combine, integrate and synergize elements of the communication mix as the strengths of one are used to offset the weaknesses of others (kehinde, 2009).



**Figure 1: Conceptual framework (developed by the researchers, 2017)**

**Advertising:**

This is any paid form of non-personal presentation and promotion of ideas, goods, and services by an identified sponsor. Consumer and industrial product manufacturers, service providers and non-profit organizations employ advertising to stimulate sales of their products (goods, services, ideas, experiences, processes, etc). In small and medium sized firms, advertising is handled by the marketing or sales department, whereas large firms contract it to advertising specialists or agencies. Advertising is done through media such as electronic (television, radio internet and social media) and print (newspapers, magazines, posters, billboards, handbills, etc) to appeal to target audience or relevant publics.

**Sales promotion:**

Sales promotion is a short- term incentives offered to stimulate consumer purchases and dealers’ effectiveness. It is a collection of incentive tools designed to stimulate quicker or greater purchase of products and services by consumers or dealers in the short-run. As much as advertising offers a reason to buy a product, sales promotion offers an incentive for the purchase of the product. Many firms especially those in the food and beverage industry are resorting to the use of sales promotion to encourage dealers (wholesalers and retailers) to stock their products, motivate the sales force for optimum performance, and persuade consumers into instant purchase.

**Direct marketing:**

This is an interactive system of marketing that brings the market into the home or office of an individual customer and/or bring the customer closer to the market. It uses one or more advertising media to elicit measurable responses at any location. Direct marketing comprises direct mail, telemarketing, door-to-door selling, etc.

**Public relations:**

Public relations is a deliberate and sustained effort by an organization to manage its relationship with its numerous publics. It is a conscious effort by an organization to create goodwill, and mutual understanding between itself and its numerous publics. Public relations is not a chance thing, rather it is a planned and deliberate attempt by an organization to get positive messages into the media through in-house newsletters, editorials and press releases aimed at educating and presenting a good company image to specific public(s).

**Personal selling:**

This is the oral presentation of the products to the buyer by the seller for the purpose of making sales. It involves personal interaction or one-on-one dyad between the salesman and the customer. It is the only personal element in an organization's promotional tools. There is hardly a product (goods and services) that has not, at some stage in its lifecycle been a subject of one-on-one discussion or negotiation between the seller and the buyer. Personal selling, through its person-to-person communication of information persuade customers to buy products and this is a key role in a firm's marketing effort geared towards achieving the organization's overall marketing objective.

**Pillars of Integrated Marketing Communications:**

An effective Integrated Marketing Communications (IMC) programme rests on three solid pillars. These distinctive attributes, components or pillars of integrated marketing communications programme include:

- a) Target audience: This refers to the group of people who the marketing message is meant for. It is a combination of internal audience (employees and share-holders) and external audience (customers, suppliers, government, etc). The relevant public (target audience) should be placed at the core process of developing the integrated marketing programme in order to effectively capture and meet their needs.
- b) Communication medium: All the routes or channels of communication should be properly managed and synergistically coordinated in a manner that will yield optimal results. It requires an integrated approach in planning and managing the coordinated use of appropriate and multiple channels, disciplines or tools of communication (e. g. advertising, public relations, direct marketing, sales promotion, internet, and so forth) as well as all other sources of information and brand contact points, in order to reach and connect with target audiences. This should be done without bias or prejudice to any of the elements in marketing communication mix designed to be used.
- c) Results: The integrated marketing communications programme should be result driven. The programme should be measurable especially in financial terms and traceable to dictate derailment so as to make adjustments for effectiveness.

**3. METHODOLOGY**

This study is a quantitative research and survey design was adopted. The opinion of 200 employees of firms in the Food and Beverage industry were purposively sampled on the effect of integrated marketing communications on sales volume through a structured questionnaire. The data obtained were analyzed using linear regression model with the aid of statistical package for social sciences (SPSS) version 20. The model is specified implicitly as:

$$SV = f(AD, PS, DM, SP, PR)$$

The regression line is  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \mu$

Where:

- |                           |                           |                         |
|---------------------------|---------------------------|-------------------------|
| Y = sales volume,         | $\beta_0$ = intercept,    | $X_1$ = Advertising,    |
| $X_2$ = Personal selling, | $X_3$ = Direct marketing, | $X_4$ = Sales promotion |
| $X_5$ = Public relations  |                           |                         |

#### 4. RESULTS AND DISCUSSION

The results of the study is as presented in the following table

**Multiple Regression table showing the effect of integrated marketing communications on firms' sales volume**

Variables	Coefficient	Std. Error	t-value	Sig
Constant	1.497	0.395	3.789	0.000
Advertising	0.171	0.025	6.841***	0.000
Personal selling	0.042	0.022	1.909*	0.063
Direct marketing	0.478	0.038	12.579***	0.000
Sales promotion	0.376	0.035	10.743***	0.000
Public relation	0.006	0.018	0.333	0.758
R <sup>2</sup>	0.817			
Adjusted R <sup>2</sup>	0.812			
F-statistic	173.011			
Prob > F	0.000			
<b>N</b>	<b>200</b>			

Source: Survey Data, 2017

\*\*\*Significant at 1%, \*\* Significant at 5%, \* Significant 10%

Evidence from the table indicates that all the independent variables are positive and significant except public relations which is positive but insignificant. They clearly explain the variations in the dependent variable. The F- value of 173.011 (Prob > F= 0.000) designates that the independent variables (advertising, personal selling, direct marketing, sales promotion and public relations) are jointly significant in explaining the variations in the dependent variable (sales volume) and shows that the model is reasonably well fitted and absolutely correct. With a positive coefficient of 0.17, it implies that a unit change in advertising budget results in about 0.17 change in sales volume. Similarly, a unit change in personal selling brings about 0.04 increase in sales volume in the Food and Beverage industry. Obviously, a positive relationship subsists between direct marketing and sales volume and a unit increase in direct marketing budget gives rise to 0.47 increase in volume of sales. It was also found that a unit change in the resources allocated for sales promotion results in 0.37 swell in sales volume. It was obvious also that any upward review of public relations budget results only in 0.006 change in sales.

The R-squared value of 0.817 points out that about 81% of the variations in the total sales of the company is explained by the changes in the independent variables of integrated marketing communications. Thus, if all the independent variables are held constant at zero, sales volume will be 1.497. The findings of this study is consistent with Heerde, Leeflong, & Wittink, (2004) conclusion in a study titled 'Decomposing the sales promotion bump with store data' where it was inferred that promotions resulted in increased sales of a firm's brands. It is also in tandem with the findings of Muhangi, & Ngari (2015) who observed that there was a positive relationship between integrated marketing communication and sales performance in their study of the Influence of Integrated Marketing Communication and Sales Performance of Commercial Banks in Kenya.

#### 5. CONCLUSION AND RECOMMENDATIONS

Every minute of the day, consumers are bombarded with information (solicited and unsolicited) from all walks of life. Organizations make concerted efforts to ensure that they tell good stories about themselves and their offerings. The IMC strategy begins not with the organizations offerings but with consumer needs or demands and works in reverse to the product, brand, or organization. The marketing communication mix variables when wielded singularly impacts on the way the consumer responds to the firm's message, but when integrated or blended elicits better response and often gives the organization leverage over competition. Thus, we recommend as follows:

1. That firms in the Food and Beverage industry should put more emphasis on direct marketing and sales promotion as it was observed from the results of the study that both had greater effects on sales volume with coefficient values of 0.478 and 0.376 respectively.
2. That a sizeable portion of their promotion budget should be allocated to advertising as it waters the soil for better performance of all other promo-tools. Advertisements should be placed on all the channels or media (social, televisions, radio, and print) because the consumers of Food and Beverage products are everywhere and most are largely surfing the internet and making purchases online.
3. The sales teams who have direct contact with the consumers should be better motivated to make profitable presentations to the target audience since most consumers see them as the company itself. The welfare of the employees including the marketing intermediaries should be greatly enhanced.
4. The corporate image of the firm should be properly laundered so as to have a good and beneficial standing with its relevant publics.
5. Competition in the industry should be sustained as it keeps the firms on their toes to provide consumers with the best offerings that their resources permit.

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