

**THE IMPACT OF MARKETING COMMUNICATION ON SALES PERFORMANCE  
A CASE STUDY OF DESTINY ELECTRONICS (PRIVATE) LIMITED (2011-2013)**

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**DECLARATION**

I, Dennies Munhuashati Sunguro do hereby declare that this dissertation is a result of my own investigation and research, except to the extent indicated in the Acknowledgements, References and comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university.

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Student Signature

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Date

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Supervisor Signature

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Date

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## **ABSTRACT**

The purpose of the study was to draw conclusions on the impact of marketing communication on sales performance. It can be concluded from literature on the relationship between marketing communications and sales performance that indeed there is a positive relationship between the two. Organisations that invest and engage in marketing communication activities realise growth in sales, gain market share, brand equity, customer loyalty and trust. However, the literature has been confined to other parts of the world; hence the aim of this research was to attempt to fill the research gap by investigating the impact of marketing communication on sales performance of a local organisation and in particular the fixed telecommunication sector.

The research information and its application were aimed at benefiting the organisation, industry and academics. This research was based on a single case study design of Destiny Electronics (Private) Limited. Empirical data was obtained through internal and external face-to-face interviews with management at tactical and strategic levels. Unstructured questions were used for gathering in-depth information from the respondents. A qualitative research philosophy was used. Data gathered was analysed using data displays in the form of content analytic summary tables.

The study found that marketing communications did not impact on sales performance at Destiny Electronics. The organization did not fully implement marketing communications due to financial, structural and competency obstacles. In view of these findings the study recommends that the organization restructure and employ experts to manage marketing and communication functions. The study also recommends that the organization raise additional capital and invest in modern communication technologies and increase communication frequency.

**Keywords:** Marketing Communications, Advertising, Personal Selling, Direct Marketing, Public Relations, Promotion, Sponsorship, Social Media, Internet,

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## **LIST OF ABBREVIATIONS**

**MC**            Marketing Communication

**ED**            Executive Director

**UNAIDS**      United Nations Aids

**PR**            Public Relations

**B2B**           Business to Business

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## **CHAPTER 1**

### **1. 0 INTRODUCTION**

The competitive and complex economic environment surrounding businesses today has led to increased investments in marketing communications by organizations. Businesses that allocate a sizeable portion of their budgets to marketing communication activities are reaping financial benefits and realizing asset value of their investments from future sales that follow (Graham and Frankenberger, 2000). Marketing communication (MC) builds brand equity through embedding brand image into customer minds. It creates awareness, stimulates interest and desire for trial and eventually purchase of the product or service (Kotler, 2006).

Varey (1998) points out that the role of marketing communication is two-fold, it converts prospects into customers and retain existing ones. Marketing communication has the objective of articulating the benefits derived from an offering by disseminating information about an enterprise and its brand thereby increasing its strength and building its image (Kotler and Keller, 2006). They further referred to marketing communications as the voice of a brand which links businesses to customers and it can be viewed in two perspectives, strategic and operative.

Existing literature in marketing communications dwells on experiences and industries in other countries. There is limited literature that relates to marketing communications in Zimbabwe and in particular the business telecommunications industry. It is against this background that the researcher identified a research gap and sought to carry out a case study on the Impact of Marketing Communication on B2B Sales performance at Destiny Electronics in Zimbabwe focusing on its business telecommunications business unit.

### **1.1 BACKGROUND**

#### **1.1.1 Macro-Environmental Analysis (PESTL) of Zimbabwe**

An organizations macro-environment consists of non-specific aspects in its surroundings. The variables are less direct to the organization thus it has limited

control over or cannot directly influence them whilst the variables have the potential to affect the organizations strategies (Russell, 1992). An organization should respond to them and not control them so that it is kept aligned with the environment. According to Mullins (1993), organizations must adapt or else they will perish. The macro-environmental variables include political, economic, socio-cultural, technological and legal factors.

### **Political/Legal Environment**

Political and legal influences impact on the level of opportunities in an environment. Legislation affects business through promulgation of laws and regulations that seek either to limit or influence business practices in a certain way either for the good of society or to protect existing industries. The political environment during the period of the study was characterized by uncertainty as the life of the government of national unity (GNU) was nearing an end and the build-up to an election in 2013 saw businesses and investors watching and acting cautiously in their strategic decision-making. During the period under study, Destiny Electronics had already complied with shareholding structure as required by regulations contained in the Indigenization Act of 2006, which require foreign owned companies to cede 51% shareholding to indigenous shareholders.

### **Economic Environment**

According to Hill and Jones (2002), the most important economic influences to business are the growth rate of an economy, rate of inflation, exchange rates and interest rates. Economic growth leads to an expansion in consumer spending thus leading to growth in business operations. The Zimbabwean economy was characterized by liquidity challenges during the period under study. Economic growth was below expectations; most businesses were operating well below capacity.

The country was a net importer of goods due to several economic deficiencies that prevailed. Inflation ranged between four and five percent. Interest rates were very high at between eighteen and thirty percent due to the liquidity crunch that prevailed. Most financial institutions had to contend with non-performing loans. The central bank was unable to play the lender of last resort function and the inter-bank

borrowing and lending system had collapsed. The multi-currency system was in place and the major currencies in use were the Rand and the US dollar. Destiny Electronics was affected by the high interest rates as it borrowed funds for working capital purposes.

### **Societal Environment**

The socio-cultural dimensions of an environment are a critical element in strategic judgments by managers of organizations. These form the epi-centre of any environmental analysis as they are cross influenced by the other variables. Business managers are faced with the dilemma of having to make decisions as consumers themselves and on the other hand as employees (Cronje, 1996). According to Parnell (2003), socio-cultural factors include anything within the context of society that has the potential to impact on an organization such as population demographics, education levels, norms, values and attitude towards social responsibility.

The prevalence of the HIV/AIDS pandemic was a major threat to the productive population and the fiscus. With one in ten people living with HIV, the country experienced one of the worst AIDS pandemic in Sub-Saharan Africa (UNAIDS, 2010). Destiny Electronics was not spared from the devastating effects of the HIV/AIDS pandemic as it lost some of its key personnel. However the directors intervened and introduced an HIV/AIDS policy which promoted non-discrimination against those affected and encouraged staff to seek access to anti-retroviral drugs.

### **Technological Environment**

The technological environment is one of the dynamic forces shaping business existence (Kotler, 2006). Scientific improvements and innovation creates opportunities and threats for businesses, which can be both creative and destructive (Hill and Jones, 2002). Investment in technology is capital intensive and Zimbabwe relies much on imported technological knowhow and infrastructure hence the pace of implementation in many industries was behind and slow.

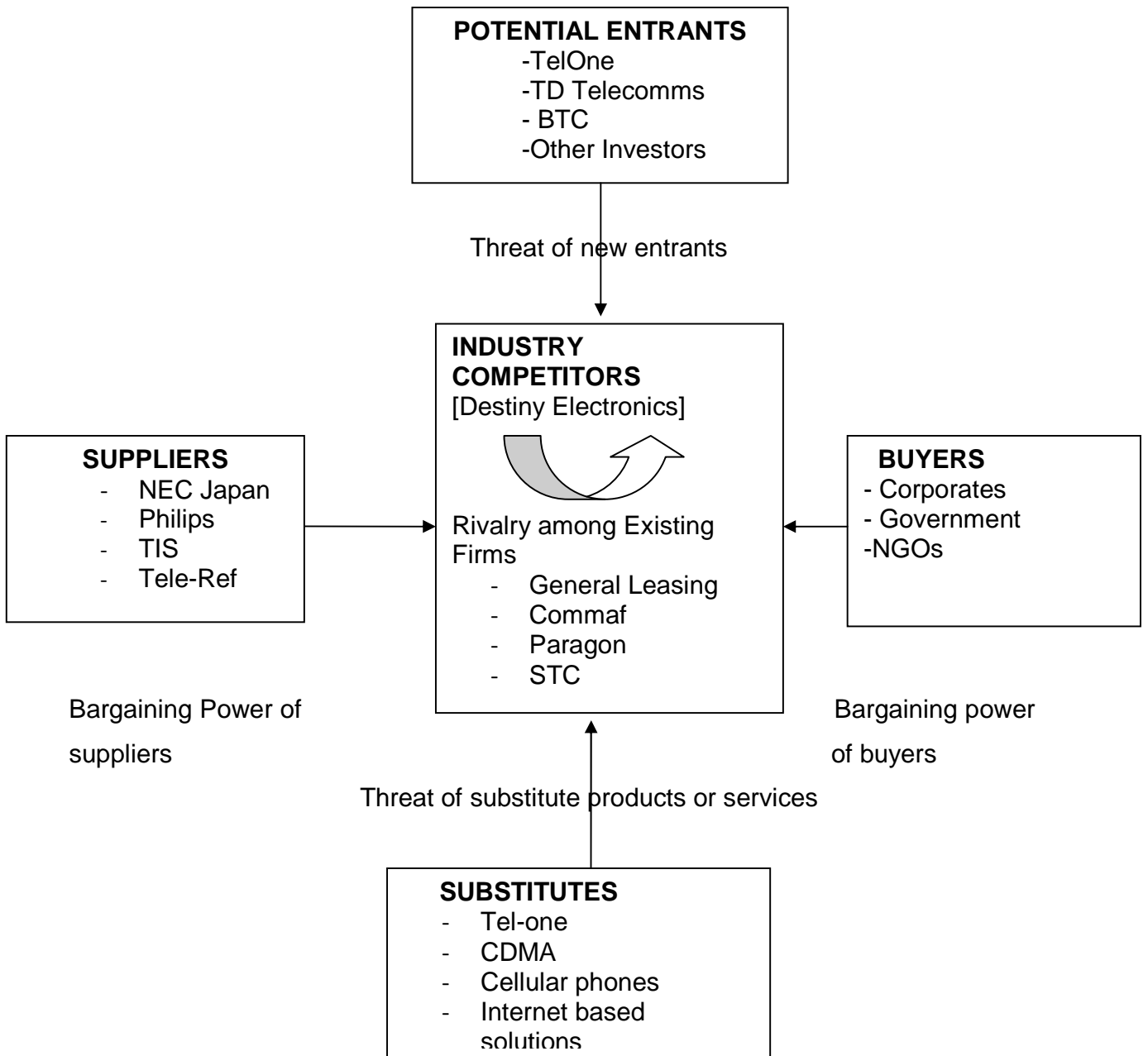
During the period under study, most businesses had to contend with their old and dilapidated equipment. The liquidity crisis and the unavailability of external lines of credit hindered on investments in technological infrastructure. Destiny Electronics is



a distributor for Philips Netherlands and NEC of Japan hence it had access to new technologies in fixed communications which are provided on a ninety day (90) period account.

### **1.1.2 Fixed telecommunication sector analysis in Zimbabwe**

In addition to the environmental factors already analyzed above, the researcher sought to carry out an industry analysis of the fixed telecommunications sector in Zimbabwe in-order to gain an understanding of the competitive situation prevailing using Porters five forces approach to estimating profitability in an industry. The fixed telecommunication sector in Zimbabwe is comprised of several players but the five major players and the brands they distribute are Destiny Electronics, (Nec/Philips), Standard Telephone Communications (Samsung), Paragon (Siemens), Commaf (Alcatel) and General Leasing (Panasonic). Porter (1980) identified five competitive forces inherent in a market which determines the markets fundamental attractiveness and the intensity of competition in that market.



**Figure: 1.1 Forces Driving Industry Competition**

**Source: Porter (1980)**

### **Threat of New Entrants**

New entrants are presumed to enter a market with increased capacity thereby intensifying competition. This will result in price reductions due to increased supply and reduced market share of existing firms. Existing firms will also incur increased costs in marketing communications in an effort to protect their market share. Competition for supplies will also intensify (Stoner and Freeman, 1989). However the level or intensity of the threat of new entrants will to a large extent depend on the response of existing firms and barriers to entry. The existing firms were under threat from new entrants during the period under review. Many skilled people who had left employment were setting up their own businesses selling and installing equipment in competition with their former employers.

### **Bargaining Power of Buyers**

According to Porter (1980), the bargaining power of buyers is dependent on the attributes of its market situation and the relative importance of its purchases from the industry in comparison to its business. He highlighted situations in which buyers are most powerful; when;

- Purchases are undifferentiated
- Buyers have a small profit
- Buyers can do backward integration
- Buyers are well informed
- Purchases are more in comparison to sales
- Purchases are a large portion of buyers costs
- Buyers product is not affected by the quality of suppliers product

When these situations are prevailing, buyers exert their market power by playing competitors against each other forcing prices downwards and eventually profitability. Buyers of products and services in the fixed telecommunications sector in Zimbabwe are corporates, small businesses, NGOs and government departments.

The undifferentiated products and services offered by the sector players resulted in buyers playing the firms against each other which resulted in increased efficiencies in the quality of services and products provided.

### **Bargaining Power of Suppliers**

The bargaining power of suppliers makes it difficult for buyers to manipulate costs of production by reducing input costs of their products and services. Suppliers bargaining power in an industry can be through continuous threats to increase their prices or compromising on the quality of their products or services. The effect is a reduction in profitability on the buyers side since they will be unable to recover cost increases by raising prices. Suppliers bargaining power is most evident in situations where;

- The industry is dominated by a few suppliers
- Substitutes are few
- The product or service is a crucial component of the buyers operations
- Suppliers product is differentiated
- The buyer is not an important customer
- There is room for forward integration

The fixed telecommunications sector world- wide has been challenged by the advent of mobile phones and other internet based telecommunication solutions. There is now an array of substitute products and services at the disposal of buyers hence the bargaining power of manufacturers/suppliers of products over buyers is limited. The major suppliers in the fixed telecommunications sector in Zimbabwe are foreign companies although they go through local distributors. These are Siemens, Panasonic, Samsung Alcatel, Erickson, Philips and NEC. The suppliers had limited bargaining power due to reasons stated above although their products and services are critical in the sector operations.

### **Threats of Substitute Products**

Substitutes have a negative effect on potential returns. Low prices by substitutes result in customers switching to other suppliers or products especially where switching costs are low and the product is a commodity. Threat of substitute

products can be in the form of direct substitution by alternative products or services especially where there is very little to distinguish one brand from another. It can also be in the form of in-direct substitution were consumers switch to a product in a different market with similar attributes. For example customers in the fixed telecoms industry may switch to mobile cellular phones or internet based services like Skype and VoIP. During the period under study, the organisation and the sector experienced threats of substitution from the mobile phone sector which offered fixed cellular terminals (fct) as an alternative. Other substitute threats were from the internet based solutions and CDMA phone technology provided by Telone.

### **Rivalry among existing firms**

Porter (1980) postulates that the strength of rivalry within an industry is influenced by;

- The balance between or among competitors
- A sluggish rate of industry growth
- Homogeneity of products and services
- High exit barriers
- High fixed costs in the industry

There was intense competition among the five major players in the fixed telecoms industry during the period of study. The homogeneity of products and services offered by the players resulted in more emphasis put on brands and promotional incentives in-order to lure customers. . The lack of differentiation of products and services offered by the industry players, high fixed costs and lack of balance in market share were the major cause of rivalry among the players.

#### **1.1.3 Background to case study organisation: Destiny Electronics**

Destiny Electronics (Private) Limited has its origins in Philips Electrical Zimbabwe which was a subsidiary of the global electronics giant, Royal Philips Electronics of Holland. Destiny Electronics came into being when Royal Philips Electronics took a strategic decision to operate through distributorship agreements in Africa so that they would focus on large markets in Europe, Asia Pacific and America.

It was through this initiative that local management negotiated the take-over of the company through a management buy-out in 2004. Acquisition of the entire share capital of Philips Electrical Zimbabwe by management was through a company they named Destiny Electronics. Later on Scotia Holdings acquired majority shareholding in Destiny Electronics and it subsequently meant it automatically became its subsidiary. Its range of products is in five categories which are;

Philips Lighting

Philips Consumer Electronics

Philips Domestic Appliances

Philips Business Communication Systems

Philips Medical Systems

This research study will focus only on Philips Business Communication Systems category. It also happens to be the cash cow of the organization. The strategic intent of Destiny Electronics is contained and guided by its vision, mission and value statements which are as follows;

### **Company Vision**

To be the preferred regional supplier of exceptional quality electronic products. The motivation behind the vision is:

To ensure Royal Philips will always prefer to be represented by Destiny Electronics based on meeting or exceeding criteria in terms of business performance. To ensure that local and regional customers prefer to buy electronic products from the company rather than from its competitors on the basis of quality of products, price competitiveness, delivery and after sales service.

### **Company Mission**

To provide innovative electronic based solutions for home, health and business applications that creates value for all our stakeholders. We seek to enrich peoples lives, bring convenience and relief to them through application of Philips electronic

products where ever they are located be it at home, in business, travelling or in hospitals. We apply innovative ways to provide these solutions and facilities.

### Company Values

Excellency – we do the right things, the right way and on time

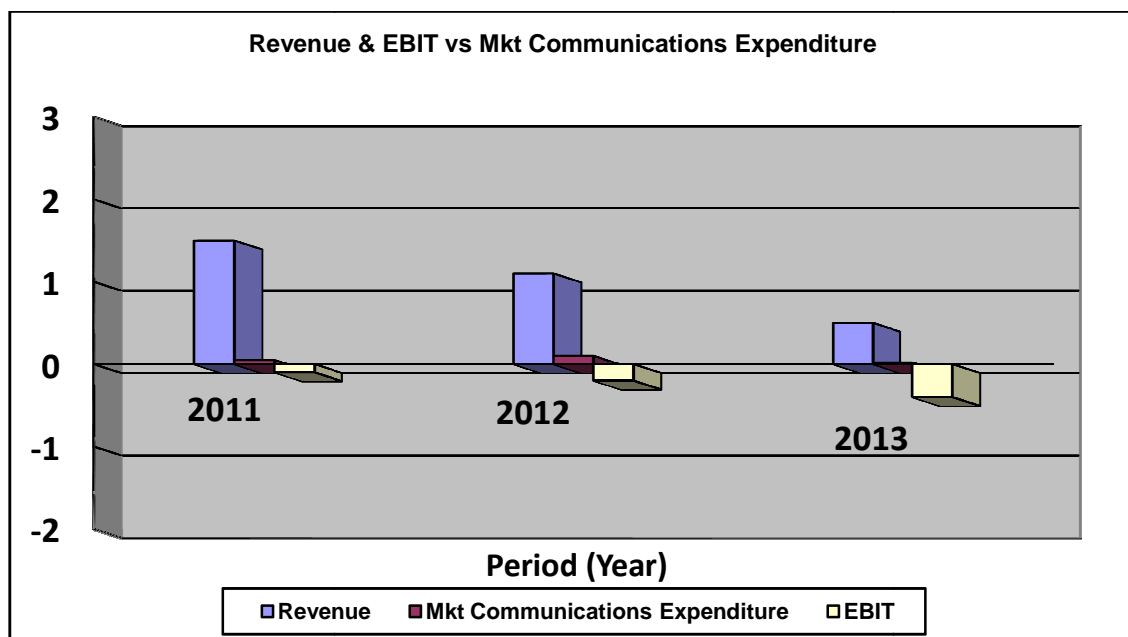
Teamwork – we maximise productivity through co-operative involvement

Positive attitude – where there is a will there is always a way

Customer focus – we always seek to know and meet the needs of customers

Integrity – we are honest, transparent and keep our promises

Respect and caring – we treat all people with high regard and empathy



**Figure 1.2: Revenue and EBIT contributions versus Marketing Communications Expenditure.**

**Source:** Destiny Electronics Annual Reports (2011- 2013)

## **1.2 SWOT ANALYSIS**

The organization has exclusive distributorship rights for all Philips products in Zimbabwe and Sub-Sahara Africa excluding South Africa. The organization enjoys use of a world renowned Philips brand logo. A brand logo portrays presence and visibility in the market. It communicates value, quality and credibility. The organization has access to sales, technical training support and latest product technologies provided by Royal Philips Electronics. The company inherited a highly skilled and trained workforce and a wide distribution network throughout the country which are both competitive factors in the industry.

However the company is facing serious financial challenges which emanated from debt funds used to finance the management buyout. The debt accumulated due to exorbitant interest charges as the organization struggled to service the debt. The situation was compounded by the hyper-inflationary economic environment that characterized the country up until 2008. Conditions of service deteriorated and the majority of its skilled workforce left either for greener pastures in the region or to start their own businesses.

The organization is also facing viability challenges. It is under threat from competition posed by other players in the industry and substitute products brought about by technological changes. There is also a lot of parallel/grey imports of Philips branded products coming from China and Dubai which have taken quite a big chunk of the market share. The subdued economy has also seen many of its B2B customers closing shop and those that remain are operating below capacity. The organization is also under challenge from the name effect. The move from Philips to Destiny created negative perceptions among target customers.

## **1.3 PROBLEM STATEMENT**

As cited in Section 1.1 above literature indicates that successful implementation of marketing communication activities in an organization will result in value addition, customer loyalty, brand equity, sustainable competitive advantage, increased sales performance, enhanced market share and ultimately growth and profitability.



The background to the case study Figure 1 above shows that Destiny Electronics engaged in marketing communication activities to achieve their corporate and marketing objectives. However, contrary to literature, the impact of marketing communications on b2b sales performance appears to be limited. The consequence of the present trend continuing is that Destiny may end up losing market share as customers get attracted by those companies implementing their marketing communications more effectively. The research problem is therefore to ascertain how Destiny Electronics can benefit from implementation of marketing communications in line with literature.

## **1.4 RESEARCH OBJECTIVES**

### **1.4.1 Primary Objective**

The primary objective of this research is to ascertain the impact of marketing communications in Destiny Electronics (Private) Ltd.

### **1.4.2 Secondary Objectives**

- 1) To establish marketing communication strategies employed by Destiny Electronics.
- 2) To establish constraints to a successful implementation of marketing communications at Destiny Electronics.
- 3) To ascertain customers perception of Destiny Electronics and its marketing communications.
- 4) To evaluate the level of marketing communication understanding in the organization.

## **1.5 RESEARCH QUESTIONS**

- 1) What were the marketing communication strategies used by Destiny Electronics?
- 2) What benefits would accrue from implementing marketing communications?
- 2) What constraints/inhibitors are being encountered?

- 3) What are the perceptions of customers about the organisation and its marketing communications?

## **1.6 JUSTIFICATION OF RESEARCH**

The research is expected to enhance appreciation and general understanding of the subject area by relating literature to the practical world. It is intended to be of great value and use by the following;

### **Destiny Electronics**

The company will benefit from the findings and recommendations to improve and enhance its performance in the industry it operates in.

### **Academics**

The research will be an addition to the already existing body of knowledge on the impact of marketing communication on sales performance.

### **The Researcher**

Whilst the research is in partial fulfillment of the requirements of a Masters in Business Administration Degree, the researcher will acquire in-depth skills in research and an understanding of marketing communication from literature available.

### **Media Industry**

The media industry owns the channels of communication hence the research would help them to align their investments in media technologies with the expectations of marketers and potential customers.

## **1.7 ASSUMPTIONS OF THE STUDY**

The study was based on the following assumptions;-

- i) That respondents would objectively participate and are aware of the importance of carrying out a research.
- ii) That authority to undertake the study and access to information required will be granted.
- iii) That information provided is correct for the period under study.

### **1.8 SCOPE OF THE STUDY**

The study will be limited to Destiny Electronics and will cover the period January 2011 to December 2013. The study population will comprise of Destiny Electronics employees.

### **1.9 LIMITATIONS**

Findings are limited to the case study organization hence generalization of findings and recommendations of the case study is not advisable. Financial resources and time to carry out the research are limiting factors.

### **1.10 STRUCTURE OF THE RESEARCH**

The research study is made up of five chapters. Chapter one introduced the topic, highlighted the background to the case study organization, analysis of environment and industry, the problem statement, assumptions of study and scope of the study. Chapter two focuses on review of related literature to the study. Chapter three will cover the methodology used in analyzing the impact of marketing communication on sales performance. Chapter four covers presentation and interpretation of research data while Chapter five concludes the research and gives recommendations of the research findings.

## **CHAPTER 2**

### **2.0 LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

The purpose of literature review is to avoid rework on what has been published already and is known and therefore would not add value to the body of knowledge (White, 2000). As Neumann (2006) puts it, it places a research in a context that demonstrates its relevance to the body of knowledge. He adds that literature review articulates the relationship between existing literature and the field of study through clarifying and conceptualizing of the research problem in precise and well-defined ways. This chapter reviews literature related and pertinent to the study on the impact of marketing communications on sales performance in B2B markets

The chapter is divided into nine segments organized under the following headings;

- Definitions
- marketing communication paradigms
- the communication process
- marketing communication planning and implementation
- marketing communication tools
- relationship between marketing communication and sales performance
- marketing communication constraints
- conceptual framework

The chapter will wind up by giving a conclusion of issues that have been discussed and a brief outline of the next chapter.

## **2.2 DEFINITIONS**

### **Marketing**

Marketing is a total system of business activities designed to plan, price, promote and distribute want-satisfying products to target markets in-order to achieve organizational objectives (Etzel et . al , 2001). It is concerned with creating and sustaining mutually satisfying exchanges of value between producers and customers. It plays both a managerial and social function (Varey 2002).

According to De Pelsmacker et.al, (2001), marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create and exchange value, and satisfy individual and organizational objectives. Marketing impacts on the level, timing and composition of demand in ways that will help organizations achieve their objectives (Kotler, 2006).

### **Marketing Communication**

According to Fill (2002), marketing communication is a management process through which an organisation engages with its various audiences. Kliatchko (2005) used an integrative approach to define marketing communication as a concept and process of strategically managing audience focused, channel centered, and result driven brand communication programmes over-time. Marketing communications is now an integral part of a business overall communications and relationship management strategy consisting of a one-way two-way interaction approach (Gronroos, 2004). It can be observed from the above descriptions that there is a similarity in that they all have a promotional outlook and that the target is audience.

### **B2B Marketing**

B2B Marketing is a branch of marketing that focus on marketing of goods and services to organizations by creating profitable and value oriented relationships between the organizations and the individuals working for these organizations. The B2B market environment is characterised by few customers, large sales processes which are complex and have a technical orientation. Buyers in B2B markets are

more specific due to their technical know-how and understanding of products they need (Lee et.al 1999). Webster and Wind (1972) states that B2B is the process, by which formal organizations establish the need for purchased products and services and identify, evaluate and choose among alternative brands and suppliers. Unlike buyers in B2C markets who tend to be impulsive in making purchases, B2B buyers are interactive, active and engage in networking and building relationships (Blomback, 2005).

### **2.3 MARKETING COMMUNICATIONS PARADIGMS**

Marketing Communications have undergone dramatic changes over the last few decades. They have evolved through a number of paradigms since their origin. At first, marketing communication had an information and promotional orientation. The main purpose of communication then was to persuade people to purchase products using mass media communications. Communication was one way and had a short-term perspective (Gronroos, 2004). According to Maloney (2000), mass media contributed to attitude changes through persuasive statements leading to trial of advertised products.

As the range of tools and media increased a new paradigm emerged which had a process and imagery orientation. The scope and tasks of communication expanded to include developing understanding and presence, reminding and re-assuring customers, the term marketing communications emerged to express the new wider range of tools and media (Balmer and Gray, 2003). Consumers were no-longer homogeneous and mass market media was no longer reliable to reach consumers (Richman, 1991). According to Palmer (1981), the proliferation of identical products brought about by growing standardisation forced marketers to adopt other powerful, effective and persuasive marketing communication tools.

The mid 1990s saw a paradigm transition to an integrative perspective with a strong strategic and long-term orientation. It advocated for an effective use of communication resources to give customers a clear view of the brand proposition. Its focus was on strategy, media neutrality and a balance between rational and emotional communication (Gronroos, 2004). Many businesses embraced integrated

marketing communication as a response to changes in the market place. However, researchers and authors have different views on the definition, composition and purpose of integrated marketing communication. The question is whether it should encompass corporate communication and if the range of stakeholders should go beyond customers (Hackley and Kitchen, 1998).

The 21<sup>st</sup> century saw the emergence of newer paradigm of relationship marketing with a focus on establishment of mutual and rewarding relationships between an organisation and its various audiences. Mutual value, meaning and recognition of the different communication needs and processing styles of different stakeholder groups are the key elements of this new paradigm (Gronroos, 2004).

#### **2.4 THE COMMUNICATION PROCESS**

A communication model should answer; who says what, in what channel and to whom and what the effect is (Kotler, 1991)? Communication is an essential ingredient of marketing hence organisations need to engage in proactive communication with their stakeholders. It is therefore imperative for B2B managers to comprehend how communication functions. According to Smith et.al (1997), communication is the act of sending information from the mind of one person to the mind of another person. Communication is considered successful when people use the words and symbols being communicated to build up an idea that reasonably resembles the idea of the communicator. The language adopted in a communication must expressly convey the intended meaning or ideas of the transmitter (Grunig and Hunt, 1984).

Kotler (1998) put forward an economic view of communication. He asserts that organisations need to view communication as a competitive factor in order to succeed and outdo their competitors hence they have compelling economic reasons to invest in communication. Competitiveness and communication are positively co-related. If there is no competition, one can afford not to communicate and if a company produces and does not communicate, it does not sale (Cherubini, 2000). In business, investment in communication boosts market share, image, credibility, stakeholder trust and loyalty (Keller and Lehmann, 2006).

Duplin (1997) states that there are six components that constitutes a communication process; a communication source or sender, a message, a channel, a receiver, feedback and the environment. Communication starts with the sender who originates a message or idea to be sent. The message can be spoken, written or sign language. The message is then transmitted through a preferred channel. It is important for the sender to have an appreciation of factors that influence how a message is received before sending a message. Factors such as clarity, length and complexity of a message, receiver alertness influence how a message is received.

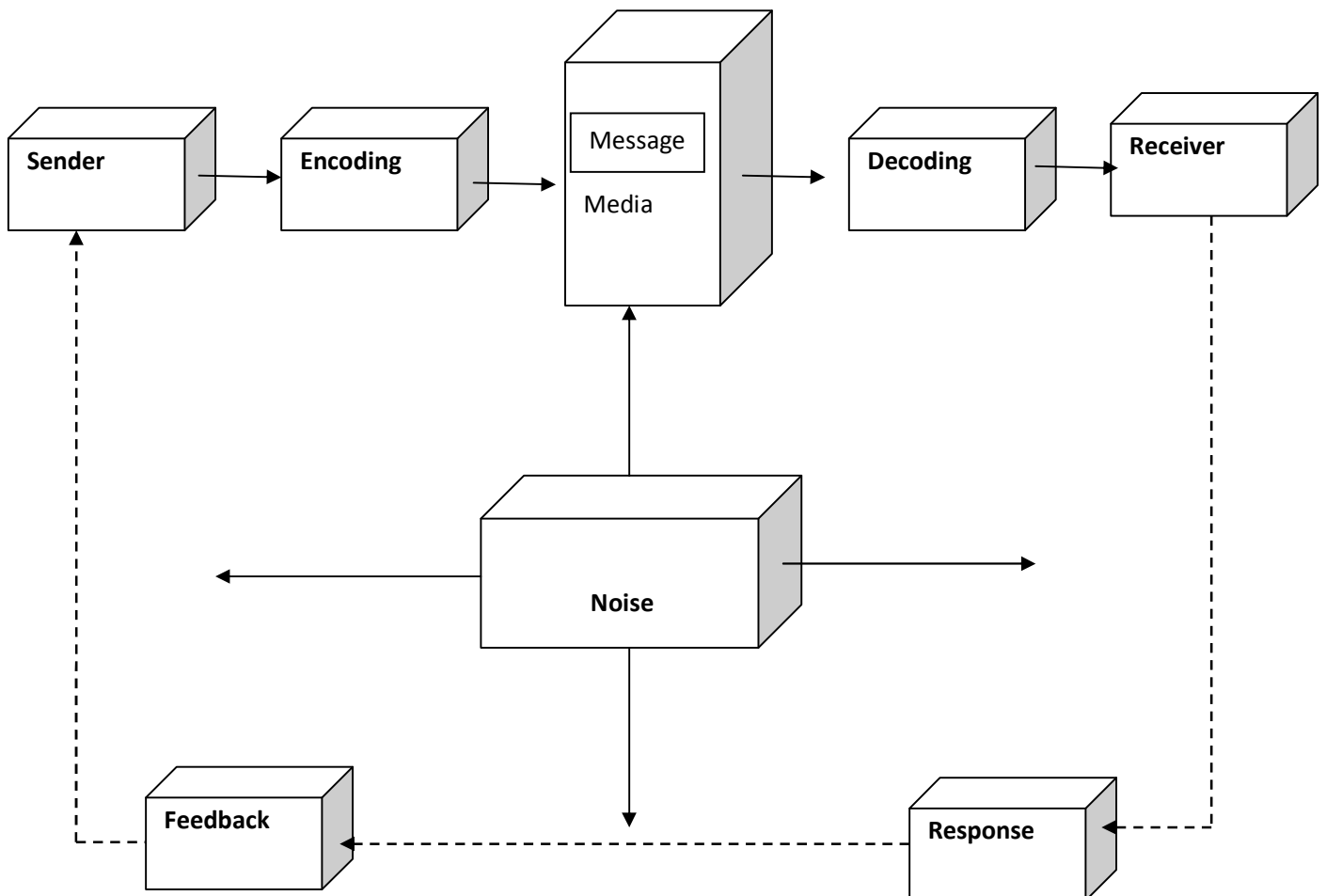
Smith et.al (1997) posits that credibility of the sender or the perception that the receiver has about the sender has an influence on how a message is received. The fourth component is the receiver and if a message is received and understood exactly in the same manner intended by the originator, then communication is deemed to be complete. As indication that the message has been received and understood, the receiver responds with feedback to sender. Feedback can also be in the form of taking action intended by the sender.

The sixth and last component is the environment within which communication takes place. Organisational culture is an environmental issue that influences how communication is sent and received. Noise is another environmental factor which may disrupt the smooth flow of communication. Examples are work stress, fear, attitude and emotions.

Similarly Kotler (2006) presented a communication model identical to Duplin (1997) model but was however quick to point out that the model does not encompass the key factors of effective communication. He asserts that it is critical for a sender to know target audiences decodes messages and that senders must develop feedback channels for the receiver so as to monitor responses. A message must overcome all barriers in its surroundings. Communicators must align their communication with the attitudes, expectations and beliefs of their target audiences so as to minimise the effect of selective attention, selective distortion and selective recall.



Kotler (2006) further asserts the importance of identifying audience traits that are positively correlated with 'persuasibility' in developing messages and media for communication. There are certain conditions that must prevail in-order to moderate the impact of communication. There is a greater impact in favour of a communication source over the recipient if the source has monopoly over the recipient. Its even greater where the messages co-relates to the opinion, belief and dispositions of the receiver. Communication effectiveness is high when it does not interfere with the recipients value system. Possession of expertise, high status and power by a source enhances the effectiveness of communication. Other sources of influence emanates from reference groups and social context.



**Figure: 2.1 Communication Process Model**

**Source: Kotler (2006)**

## **2.5 MARKETING COMMUNICATIONS PLANNING AND IMPLEMENTATION**

A marketing communication plan is a critical element of an organisations communication strategy. It gives business managers an opportunity to evaluate risks and benefits of a course of action before embarking on it. Faulty communication strategies can be identified at an early stage thereby minimising losses on time and financial resources. According to Smith et.al (1997), most marketing communication models follow a planning framework of situation analysis, objective setting, strategy development, budgeting, implementation and control.

However different models have their advantages and disadvantages. For example Coppers (1997) model focuses on advertising leaving the integration and coordination of other communication tools. Fill (2007) model categorised promotional strategies into pull (aimed at end customers), push (aimed at intermediaries) and profile (reaching a range of target groups). The model incorporates marketing research and agencies into the situation analysis stage and also considers corporate and marketing objectives. The key components of the model are;

- context analysis
- marketing objectives and positioning
- marketing communication strategy
- promotional mix development
- implementation
- evaluation and control

Kitchen (1999) criticises the structured and sequential approach to marketing communications planning. He posits that such an approach can lead to 'me too' strategies and that it views customers as targets rather than partners. Kitchen concurred with Copper (1997) on the need and importance of creativity and intuition in the communication planning process. Mastermann (2004) in his model for event planning advocated for a non-sequential but structured process that incorporates consistency, integration and complementarity. The model should be flexible enough to allow for creativity and innovation.

Smith and Taylor (2004) highlight the benefits of using the SOSTAC framework for planning and implementation of marketing communications. They argue that the framework has a simple structure, which can be easily adopted at different levels and situations.

S = situation analysis (where are we now)

O = objectives (where do want to go)

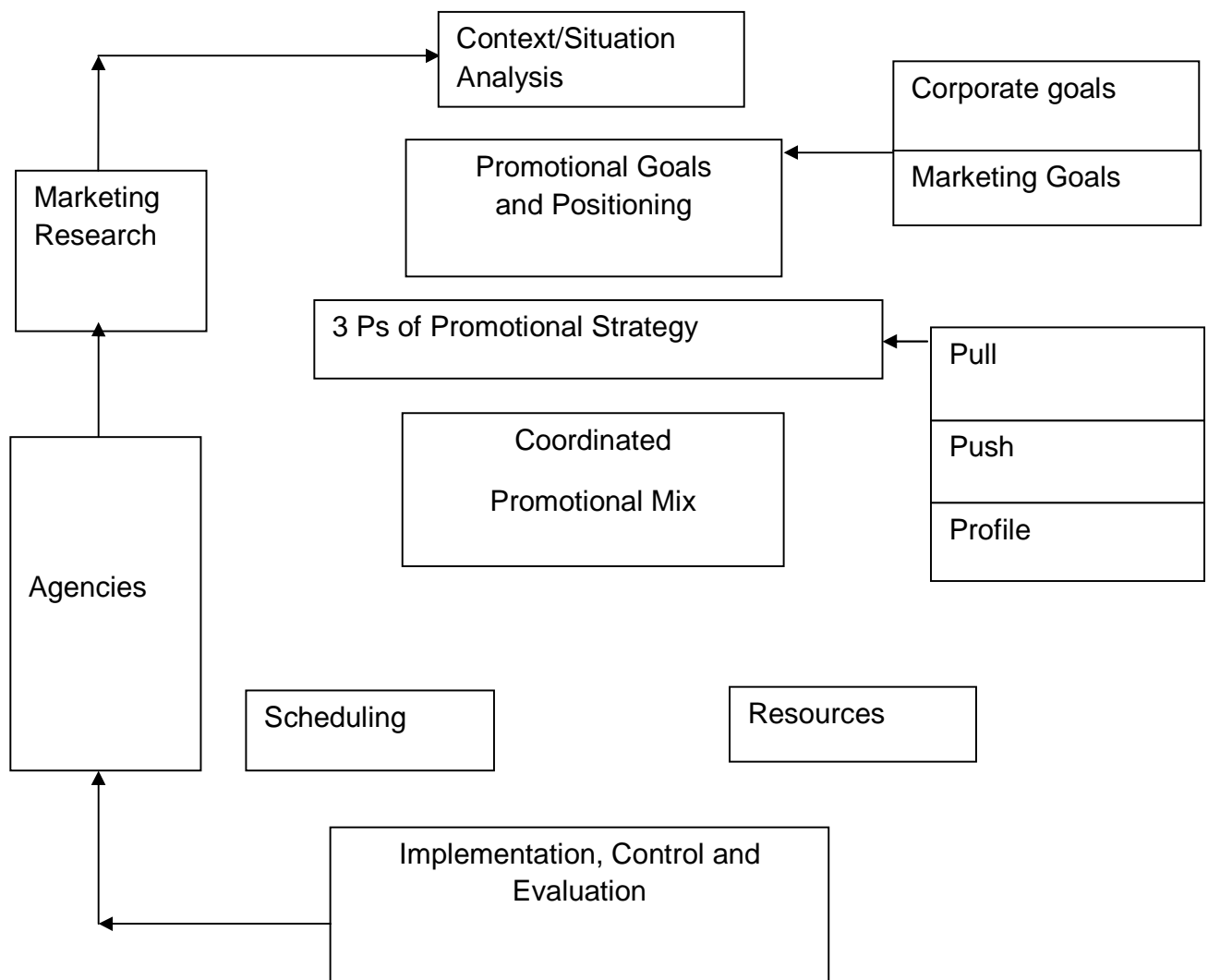
S = strategy (how do we get there)

T = tactics (the details of strategy)

A = action (putting plans to work)

C = control (measurement, monitoring, reviewing and modifying)

Baines et.al (2008) suggests a marketing communication planning framework which they coined MCPF. It is similar to other frameworks but theirs is more elaborate in terms of the activities that need to be considered in the planning and implementation process.



**Figure: 2.2 Marketing Communication Planning Framework (MCPF).**

**Source: Baines et.al (2008)**

### **2.5.1 Situation Analysis**

Situation analysis involves an in-depth appreciation of market research data obtained from the organizations stakeholders with whom it engages. Its an understanding of each stakeholders needs, attitudes, beliefs and opinions about the organisation and its brand (Fill, 1999). It is important for an organizations to establish and maintain relations with target audiences as they help shape their thinking and attitude towards it and its products (Cutlip et al, 2000).

A context or situation analysis is an assessment of an organisations current position in the market place. It involves an evaluation of previous marketing communication efforts and outcomes in-order to determine target audiences. Its purpose is to establish and appreciate communication drivers, which impact on the organisation and its brands (Pickton and Broderick, 2005). It is also an opportunity to define problems and further cement opportunities (Vuokko, 2003).

Information about purchase behaviour of customers, competing products and competitor activity, and stakeholder media preferences should be analysed. Legal and political changes relating to marketing communications, technological innovations and social trends are part of a wider and dynamic external environment, which should be analysed as well. Kotler (1991) outlines how target audience knowledge can be measured using the familiarity scale and the favourability scale in-order to determine the extent of communication challenges in an organisation.

Never heard of	Heard of only	Know a little bit	Know a fair amount	Know very well
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**Familiarity Scale**

Very unfavourable	Somewhat unfavourable	Indifferent	Somewhat favourable	Very favourable
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**Favourability Scale**

**Figure 2.3 Familiarity and favourability scales**

**Source: Kotler (1991)**

If respondents choose the first two options on each scale, it indicates a greater need to build awareness by the organisation so as to over-come negative image.

Information gathering by organisations should be on going and should be part of the overall marketing information system of an organisation.

### **2.5.2 Objectives**

Objectives should consist of goals that are specific to the direct effects of marketing communication. For example these may be to boost brand awareness, response rate, attitude change, offer take-up and personal recommendations. Sub-objectives that are peculiar to each stakeholder may also be included. Fill (1999) posits that marketing communication objectives should be output oriented meaning they should be derived from a brands current position on the market and then meshed with the overall marketing plan of the organisation. According to Kotler (1991), the objective formulation stage should come up with the desired audience responses, which are ultimate purchase and satisfaction.

Strong (2000) suggests the use of one of four response models to measure buyer readiness states when formulating objectives. These are: AIDA Model, Hierarchy of Effects Model, Innovation-Adoption Model and the Communications Model.

Stages	“A.I.D.A” Model a	“Hierarchy of Effects” Model b	“Innovation –Adoption” Model c	“Communication” Model d
<b>Cognitive Stage</b>	Attention  ↓	Awareness ↓  Knowledge  ↓	Awareness ↓	Exposure ↓ Reception ↓ Cognitive Response ↓
<b>Affective Stage</b>	Interest ↓ Desire ↓	Liking ↓ Preference ↓ Conviction ↓	Interest ↓  Evaluation ↓	Attitude ↓  Intention ↓
<b>Behaviour Stage</b>	Action ↓	Purchase ↓	Trial ↓ Adoption	Behaviour

Figure: 2.4 Response Hierarchy Models.

Source Kotler (1991)

The four models reflect six buyer readiness states; awareness, knowledge, liking, preference, conviction and purchase and make assumptions that buyers pass through a cognitive, affective and behavioural stages when faced with a purchasing decision. However it is important for marketers to have an understanding of the sequence appropriate to a particular situation as these differ situation by situation.

### **2.5.3 Strategies**

This stage involves the formulation of messages and selection of communication tools and tactics that best suit the needs of the target audience obtained at the situation analysis stage. The message should clearly stress the unique selling proposition of a brand. It should attract attention, stimulate interest, arouse desire, and prompt action (Kotler and Armstrong, 2000). The message should target to address four concerns; what to say (message content), how to say it logically (message structure), how to say it symbolically (message format), and who should say it (message source).

Fill (1999) postulates that methods of communication can either involve pull or push strategies or even a combination of both depending on the target audience. Push strategies are more suitable and effective when dealing with intermediaries while pull strategies are ideal when dealing with end customers. Baines et.al (2008) suggests the use of another strategy dimension called profile, which they said, is applicable in situations where the objective is to develop a brand and to build reputation. According to Pickton and Broderick (2001), the advent of integrated marketing communication approach and the Internet has diminished the usefulness of traditional communication tools hence marketers need to be creative and intuitive in combining communication tools and media in-order to have a successful campaign.

### **2.5.4 Budgeting**

A budget sets the boundaries for the whole marketing communication plan. Constraints that are often encountered when setting up a budget include among others management attitude towards risk, measuring return on investment and how to determine application of funds.



There are four methods, which can be used to decide and set a marketing communication budget. These are: affordable method, percentage of sales method, competitive-parity method and the objective-task method (Kotler and Armstrong, 2006). Under the affordable method, a budget is decided based on what is perceived as affordable to the organisation. It is mainly used by organisations that do not view communication expenditure as an investment but rather as recurrent expenditure.

The percentage of sales method expresses a budget as a percentage of current or anticipated sales thus at any given time communication expenditure is positively correlated with volume of sales. The method portrays sales as the causal factor in determining communication expenditure rather than sales being a result of communication expenditure. In this regard it is viewed as not being flexible and thus stifles long-range planning. It also does not provide a logical approach to choosing the appropriate percentage to apply (Kotler, 2002).

The competitive parity method is based on the view that equating or aligning communication expenditure to that of competitors helps to maintain market share and achieve share of voice parity. This method does not take cognizance of the fact that reputation, resources, opportunities and objectives differ industry by industry or even for firms in the same industry. Under the objective and task method, firms establish budgets based on estimated costs of achieving set objectives and tasks to be performed.

Vuokko (2003) states that the impact of marketing communication expenditure is not noticeable in the short run but in the long run hence the expenditure must be classified as an investment and not as recurrent expenditure. Return on investment from communication expenditure is the positive value that it creates for a brand (Young et.al (2007). According to Fill (1999), the major problem stems from the fact that the budget cannot be related to standard accounting practices.

### **2.5.5 Implementation**

A good plan will fail if wrongly implemented. An integrated approach and cross-functional team effort that will be complemented by agencies and external

intermediaries is key to successful implementation of a marketing communication plan. Smith et.al (1997) identify three key aspects of implementation as men, money and minutes. The men aspects represent the human resources that will be allocated roles and responsibilities for each activity of the plan. Money is for the costs that will be incurred in the whole plan from start to finish. The minute aspect represents the timing and flow of tasks.

### **2.5.6 Evaluation and Control**

Evaluation is done in-order to measure how efficient and effective a plan is in terms of delivering value for money and achieving objectives set. Evaluation results would then give indications on what control measures are needed and also serve as a basis for future plans development (Pickton and Broderick, 2001). Control ensures that a plan is being implemented according to strategies employed. Instruments that may be used to carry out evaluation are consumer surveys, sales force feedback and statistical data analysis (Kotler, 2002). However according to Kotler et.al (2006) evaluation may suggest changes to the communication plan. Rossiter and Percy (1997) opine that evaluation is an unnecessary workload as evaluation research is expensive thus most organisations often ignore it.

## **2.6 MARKETING COMMUNICATION TOOLS**

In-order to promote their offerings, organisations use various tools to communicate with their target audiences. The purpose is to inform, persuade and remind customers and prospects about the organisation and its brand (Bowersox and Monash, 1989). There are six commonly used communication tools namely advertising, sales promotion, public relations, personal selling, direct marketing and sponsorship. However other marketing communication tools have emerged with the advent of the internet such as the social media.

These tools can be used independently or in any combination depending on the objective/s to be accomplished, target audience and market type. Also buyers have different information processing capabilities depending on their level of expertise (Alba and Hutchison, 1987). Other attributes like product styling, price, packaging, shape, colour and the sales persons dressing and manner have a communication

effect (Kotler and Keller, 2009). While promoting their products, marketers need to be aware that their target audiences have distinct preferences for the channels in which they want to receive their messages (Westmyer et.al, 1998). Venkatesan and Kumar (2004) postulate that matching communication channels with customer preferences has an effect on profits.

### **2.6.1 Advertising**

Kotler and Keller (2009) describe advertising as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor through various mass media such as television, radio, newspaper, magazines and billboards. It identifies the advertiser and her relationship to the selling effort (Wannof, 1997). Its aim is to compel action in accordance with the intent of the advertiser (Frank, 2005). Its ability to reach out to many people in different geographical locations and at times simultaneously depending on the media used makes the unit cost per exposure relatively cheaper (Kotler et.al, 2002).

Advertising has the effect of changing values, beliefs, behaviour and buying patterns of consumers. It gives consumers the opportunity to align their needs and wants with the product offering (Norris, 1984). Marketers advertise for different purposes and to achieve different objectives. The industry sector, intensity of competition, affordability, target audience and the type of product are some of the factors that influence business managers when making decisions to advertise.

### **2.6.2 Personal Selling**

Lloyd (1997) defines personal selling as an inter-personal marketing communication tool used by organisations through salespersons to market and sell products or services. Similarly Kotler (2006) defines personal selling as a face-to-face interaction between organisations salespersons and prospective buyers to present offerings, respond to questions and to solicit for orders. It is mainly applicable in business-to-business markets where there are a few but large sellers. According to De Pelsmacker et al (2007), personal selling is the most important tool in b2b relationships. It is the most widely used strategy in b2b markets (Karjaluo, 2010).

Its strengths are in building customer preferences, convictions and action hence it is viewed as an effective tool for building long-term relationships with customers (Kotler, 2006). In comparison to advertising, its impact on building long-term customer relationships emanates from three distinctive attributes that it possesses. One personal interaction between buyer and seller allows for a quicker observation of each party's needs and characteristics thus giving room for immediate adjustments. Secondly personal selling usually leads to cultivation of deep personal friendships between individuals, which will be of benefit to both organisations. The third is personal selling generates quick responses (Kotler and Armstrong, 2006).

Berkowitz et.al, (1993) states that the personal selling process has six stages prospecting, pre-approach, approach, presentation, close and follow-up. Prospecting is the search and targeting of quality prospects followed by pre-approach where information about the prospect is gathered. Approach is the effort or tactic applied by the salesperson in-order to gain the attention of the prospect. Presentation involves applying tactics that will turn prospect into a customer by arousing his desire. When the prospect has been convinced, obtaining a purchase commitment closes the process and follow-up is conducted later just to make sure the customer is satisfied.

### **2.6.3 Sales Promotion**

Sales promotion is a non-personal form of communication that uses marketing techniques to stimulate product interest, trial or purchase in-order to accelerate sales (Blythe, 2006). Sales promotion tools include among others coupons, contests, free samples, price packs and premiums. According to Kotler et.al (2005) sales promotions are short-term incentives to encourage purchase or sale of products or services. Shimp (2000) define sales promotion as marketing communication activities used to encourage the customer to purchase or to take other relevant action by affecting the perceived value of the product being promoted or to otherwise motivate action to be taken.

Sales promotions generate stronger and quicker responses especially when sales are declining. However its effects are short-term and therefore are not suitable for fostering long-term brand preferences. So unlike advertising sales promotions give

incentives to buy now. The effect is that future sales are brought forward to boost short-term financial performance (Idman et.al, 1993). Although a sales promotion is easier to control and evaluate its impact on sales turnover, it is criticised for its lack of credibility, as consumers are believed to be conscious of the motive of sponsors.

#### **2.6.4 Direct Marketing**

Direct Marketing is an impersonal non-public interactive marketing communication tool where marketers engage directly with specific targeted individual customers or prospects to solicit response or dialogue using telephone, mail, fax, email or internet (Kotler and Armstrong, 2010). It allows marketers to personalise and be efficient in their marketing efforts by concentrating on segmented markets and customers. Direct marketing has a high rate of establishing immediate desire that often leads to action.

According to Nash (2000), direct marketing can be referred to as direct distribution or marketing channels without intermediaries. He further asserts that direct marketing should no-longer be viewed as a supplementary medium but as the best approach or model for building mutually beneficial relationships with customers in this technology laden business world. Kotler and Keller (2006) posits that many researchers are silent on the market situations suitable for direct marketing hence it is generally viewed as being suitable for both business to business and business to consumers markets.

#### **2.6.5 Sponsorship**

Ligase (2005) define sponsorship as a business agreement entered into by two parties where the sponsor provides money, goods, services or know-how in exchange the sponsored party gives rights and associations that the sponsor utilises for commercial purposes. There are two types of sponsorship objectives direct and indirect. Under direct objective, sponsors expect immediate and positive change in the behaviour and attitude of its customers or prospects. Indirect objective is concerned with visibility and image of the sponsors brand and products coupled with a long-term growth in sales (Vladimir et.al, 2006).

Palmer (2005) described sponsorship as an investment in events or causes that an organisation engages in with the objective of realising enhanced awareness and reputation for example festivals, scholarship awards and soccer. Some firms engage in sponsorships to create promotional opportunities, improve community relations and to gain publicity (Jobber, 2007). Some firms are just after an available exploitable commercial potential and nothing else (Arenas, 1999).

According to Amis et.al, (1999), a sponsorship carefully managed can be a competitive advantage as image and reputation can be boosted intensively. Dolphin (2003) sees sponsorship as a profile enhancer that ultimately increases the value of a brand. Mulin et.al (2007) summed it all when they said that there is no single objective in making a decision to sponsor but rather a couple and that most of these are the same.

#### **2.6.6 Public Relations**

Public relations are a marketing and management function responsible for establishing and maintaining mutually beneficial relationships between an organization and its publics. The success and failure of an organisation depends on the relationship between it and its publics (Cutlip et.al, 2000). It is imperative for organisations to establish and maintain relationships with the public so as to shape the think and attitude of public about the organisation and its products. Perceptions have an effect on customers evaluation (Bagozzi et.al, 1999). If customers have a negative perception, trust and commitment decreases and eventually it affects loyalty (Gronroos, 2011). Techniques employed in public relations include news releases, brochures, bulletins and annual reports. Goldman (1984) points out that a new paradigm has emerged in public relations where there is need to respond to physical and social needs so as to maintain the social system.

There are two strategies for conducting public relations; proactive and reactive. Proactive public relations is regarded as an offensive and opportunity seeking strategy where marketers take advantage of opportunities available and engage in publicity programmes that enhance their reputation and image. Merisave (2008) posits that sometimes marketing communication should be done just to keep

customers engaged and active. Reactive public relations are a defensive and solution oriented strategy to problems and weaknesses of the firm. Firms engage in publicity activities either to restore reputation tainted or to defend market share (Goldman, 1984).

Unlike advertising, which is perceived to be biased by consumers, public relations is based on facts and rationality hence it has a higher impact in creating and enhancing credibility. Kotler (2006) highlight three distinctive attributes of public relations as high credibility based on consumers' view of news stories and features as authentic and credible. Public relations appeals to consumers that normally avoid sales personnel and advertisements as they are caught off-guard and lastly public relations can dramatise a company or its products.

It is therefore recommended that businesses should view public relations on a wider perspective and incorporate it in their promotional activities and strategies. As Doyle (1985) suggests, organizations that pay little attention to promotion will fail their businesses.

### **2.6.7 Internet/Social Media Marketing**

The advent of the Internet and social media has impacted on business processes and the ways in which organisations communicate with customers and other stakeholders (Wright and Hinson, 2008). According to Merisavo and Raulas (2004), majority of b2b interactions are now being done electronically through the email. Social media has enhanced the development and use of the Internet as a powerful marketing communications tools for business (Constantinides and Fountain, 2008). According to Kaplan and Haenlein (2010), social media is a group of Internet based applications that allows the creation and exchange of user generated content where users interact and participate in generating content and sharing it.

The Cambridge Business English Dictionary (2013) describe social media marketing as a way of advertising products, services or a brand using the internet, where interest groups interact, discuss and make suggestions online. Howe (2006) asserts that the internet and social networking sites like face-book and limekiln are essential

for identifying prospects and building relationships and trust with customers. Leveraging on social media increases brand awareness and eventually sales (Barwise and Meehan, 2010).

Corporate websites disseminate information, attract new customers and provide a two way interaction for feedback purposes which helps customers to get to know and have an insight into consumer preferences (Prahad and Ramaswamy, 2004). They communicate a business co-competencies and culture needed for image building and customer attraction (Kim et.al, 2012).

## **2.7 RELATIONSHIP BETWEEN MARKETING COMMUNICATION TOOLS AND SALES PERFORMANCE**

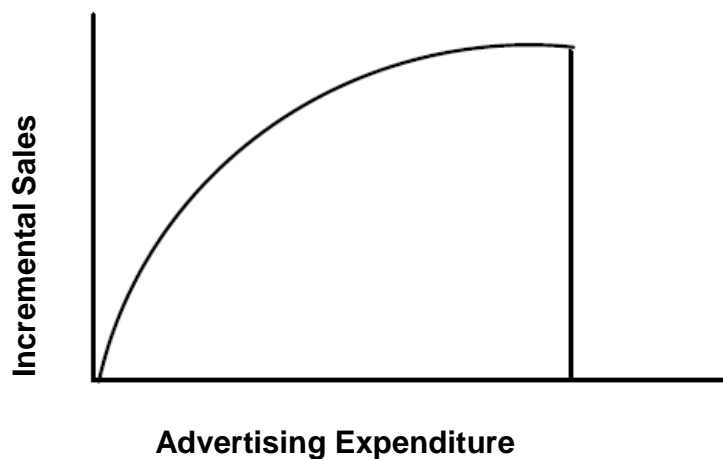
According to Okyere et.al (2005), sales are an essential function of every organisation. This is so because sales sustain business existence. But for organisations to sell, consumers or users of products and services must be aware that such a product or service exists. Awareness involves engaging in one or more forms of marketing communication tools to promote products or services. Therefore there must exist some relationship between marketing communication expenditure and sales performance. How can organisations measure the proportion of marketing expenditure needed to generate or attain a required level of sales turnover. And between sales turnover and marketing communication, which one is the dependent variable.

A number of studies have been done using statistical quantitative methods to establish the interrelationship between marketing communication and sales but they were not elaborative on the occurrence of the relationships, hence some of them are questionable (Eagle, Kitchen and Balmer, 2006).

In an analysis of one hundred studies done to ascertain the effects of advertising expenditure on sales turnover results showed that advertising budgets reflected a macro-economic law of diminishing returns. As the advertising budgets went up to a certain level the incremental value of sales was decreasing (Belch, 2003). This implied that action by consumers was prompted by first exposures driven by their



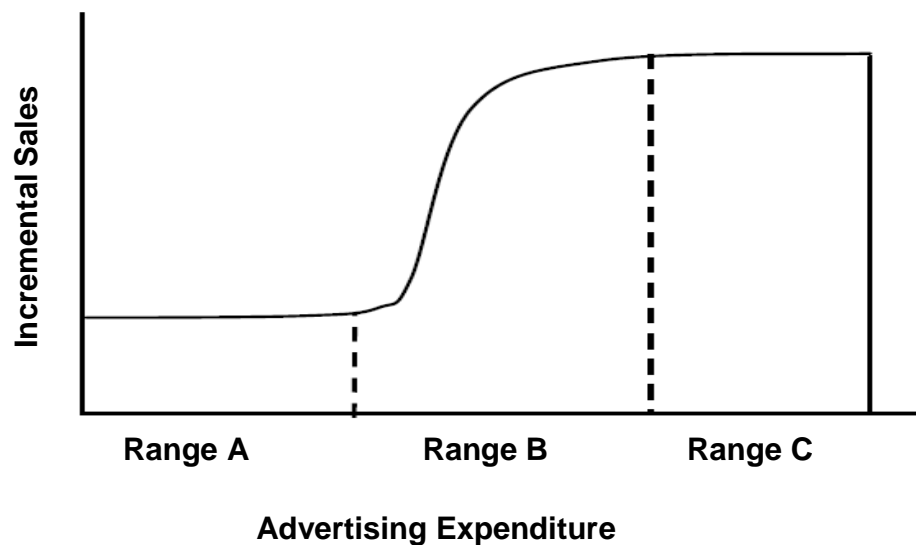
ability to pay. Additional advertising yielded little effects on sales. When the data was plotted on a graph to show the response graphically, it produced a concave downward curve. Whilst this may hold true of the relationship between advertising expenses and sales, organisations can only determine that they have reached their optimal level when they have gone past it.



**Figure: 2.5. The con-curve downward response curve.**

**Source: Belch (2003)**

According to Belch (2003), the effect of advertising expenditure on sales does not work in isolation of other factors that have a causal effect on sales, hence in some situations the relationship can initially exhibit a low effect on sales but as advertising expenses increase, it begins to have a greater impact on sales but only again to a certain point where additional expenditure will start to yield little effects on sales. If data were plotted on a graph under this scenario the graph would resemble an S shape as shown below.



**Figure: 2.6 The S –Shaped response curve**

**Source: Belch (2003)**

In the dynamic business world, organisations experience upturns and downturns in sales volumes of their products, which are either temporally, or permanent. Therefore marketing communications effectiveness is different in stable and evolving economic environments (Bonsais, et.al 1990). During the 1990s recession car dealers in the United States of America experienced a sharp decline in sports car sales which according to the car dealers was not only attributable to recession, but was a signal of a permanent decline in popularity (The Economist, 1992).

Kotler (2003) points out that its one thing to create awareness, and another to sustain the attention attained, and still another thing to trigger action, therefore it's not guaranteed that marketing communication efforts will impact on sales turnover. Similarly Lancaster and Reynolds (2005) argue that promotional activities can be omitted from a marketing mix programme without causing drastic effects that are visible. They further posit that promotion cannot have an impact on sales of products that are perceived negatively regardless of how persuasive and pervasive the promoter is. In this instance promotion will only serve give additional information to consumers on alternatives available.

However they concluded that a properly planned and implemented promotion programme would eventually lead to business growth through expanded sales volumes. Sales would eventually increase if buyers are informed and are knowledgeable through prior marketing communications (Lancaster and Reynolds, 2005). Green and Ryan (1990) postulates that new products have a higher chance of success when advertising expenditures are high. When prefabricated houses were first introduced in the United States of America they experienced a slow acceptance but the industry quickly adopted high expenditure advertising budgets with messages that portrayed a feeling of fashion, modern and secure and immediately the industry realised big changes in sales turnover (Cook and Freedman, 2001).

According to Giron and Hosrky (1990), advertising has carry over effects on sales. Its effects in one period are partially carried over to future periods. Customers remember past advertising messages and create goodwill with a brand but it will eventually deteriorate with time. Hosrky and Simon (1983) points out that, advertising has indirect dynamic effects on sales that emanate from purchase reinforcements which create future repurchases. Similarly Hansonns, et.al (1990) posits that advertising incentives have a higher impact on innovators and early adopters than laggards hence a rapid increase in sales that follow a slow start is as a result of imitation effects from an expanded customer base. Therefore advertising must be credited for the subsequent sales.

Promotional expenditures are a source of future cash-flows that will arise from future sales. Firms that allocate a significant budget to promotional expenditure program should expect a positive correlation with financial benefit that will accrue (Frankenberger, 2001). Conviction generated by promotions will cause customers to buy and even do repeat purchases after deriving satisfaction from the first purchase (Lavidge and Steiner, 1961). There is a positive relationship between loyalty, sales and profitability (Bowen and Chan, 2001). Firms that do pay little attention to promotion will fail their businesses (Doyle, 1985).

Karayanni and Beltas (2003) pointed out the effect of corporate websites in increasing sales revenue for B2B organisations. Websites communicate a firm's co-competencies and culture which are key to image building needed to attract new clients (Kim et.al, 2012). Organisations that have interactive websites save on time and offer improved services to customers. White and Miles (1996) queried whether advertising expenditure should be expensed in one period on working capital expenditure or be regarded as an investment included in the capital budgets on the balance sheet for some time. They also recommend the use of breakeven analysis model to establish the optimum change in sales required before additional advertising can be resumed.

A study by Sharma and Sharma (2009) showed a higher effect of advertising on sales in manufacturing firms and a lower effect of advertising on sales in non-manufacturing companies. The study also indicated a converse relationship in the amount of advertising expenditure needed to generate the same level of revenue in the two industry categories. Non- manufacturing firms incur more advertising expenditure to generate the same level of revenue with manufacturing companies.

Eliot (2001) discovered a major positive effect of advertising on sales in the food industry. The relationship is stable regardless of business cycles. Contrary, Frankenberger and Graham (2004) in a study of the effects of recessionary advertising expenditure applied cross-sectional time series regression on a sample of 2662 firms and discovered that increases in advertising expenditure yields higher benefits during recession than during non-recession times.

Kim (2007) studied the positive effects of advertising and publicity on corporate reputation and sales revenue. The study showed that advertising and publicity generate conducive corporate reputations and high volumes of sales in certain firms. A hypothesis test using a time series analysis of panel data for 18 companies over a 21 year period from 1985 to 2005 reflected that advertising and publicity do have large effects on corporate reputation for certain companies.

Although a majority of studies carried out by researchers have concluded that a relationship do exist between marketing communications and sales performance, the studies have generated arguments and were inconclusive in answering questions like ; What is the level of marketing and communication expenditure needed to generate a certain level of sales ? Which one of the two variables depends or drives another? The situation has been compounded by the approach towards integrated marketing communications relationship management plus the advent of Internet based marketing communication tools like the web, social media, email and SMS.

## **2.8 MARKETING COMMUNICATION CONSTRAINTS**

Constraints deter and restrict organisations from adopting and implementing marketing communication strategies and programmes. These could emanate from within and outside the organisation. According to Kitchen et.al (2004), internal constraints include among others limited or lack of financial resources, lack of senior management commitment and support, organizational culture and lack of technological infrastructure.

Marketing communication planning and implementation requires the participation of all levels of management and staff from the Chief Executive Officer down to lower level staff. It is a complex process that requires thorough coordination of all communications at customer contact points in the organisation (Fill, 2009). Schultz et.al (1992) advocates the need for organisations to employ a communication czar to coordinate and control all communications pertaining to the organisation.

Corporate objectives should support marketing objectives and in-turn marketing objectives should be derived from corporate objectives. Implementing marketing communication is costly that requires a huge financial capital outlay. It requires a wholly dedicated budget enough to complete the whole process (Reid, 2005). Managers view marketing communication expenditure as working capital expenditure in one trading period, hence they end up allocating a paltry budget over it.

Management risk attitude and disagreements over methods of allocating funds to a marketing communication budget has resulted in some organisations partially implementing the process and only to realise no tangible benefits (Hartley and Pickton, 1999). Senior management support and involvement is important for marketing communication to work (Pickton and Hartley, 1998).

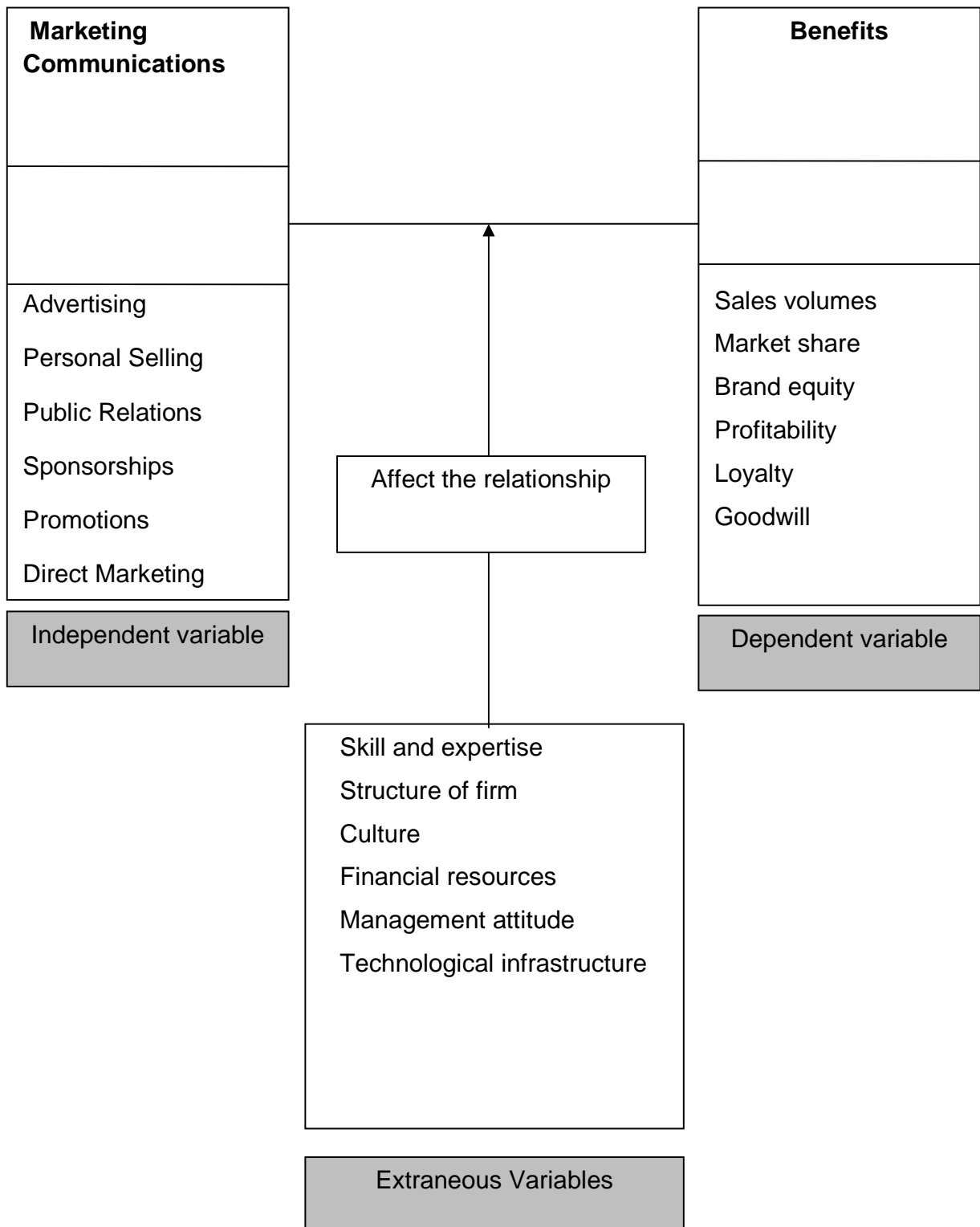
The structure and culture of an organisation have an influence on how marketing communications are perceived. Some organisations are structured around company products while some according to functions (Thurow, 1997). According to Schultz (1993), it is important to reorganise and adopt appropriate structures that are conducive for the successful implementation of marketing communication strategies. However this is dependent on the culture of the organisation as well.

Inappropriate structures and culture are a constraint to successful marketing communications. Nowak and Phelps (1994) opine that structure and culture constraints can be controlled by cross-functional tasks like regular meetings and training. In some countries, it is now common for firms to engage a communication czar to coordinate all major communication activities.

Buehrer, et.al (2005) identified technology as a constraint. Firms either have no financial resources to acquire the infrastructure or the constraint could be as a result of senior management unwillingness to adopt new technology. Today communication has been made easy and faster by the advent of the web and internet. However there is need for necessary infrastructure installed to be able to utilise these. Eagle and Kitchen (2000) posits that constraints are different and unique, each firm has its own and hence interventions needed to minimise these should be organisation specific.

## **2.9 CONCEPTUAL FRAMEWORK**

Miles and Hubaman (1994) define a conceptual framework also called a frame of reference as a graphical form or a narrative explanation of critical issues to be discussed in a study or research. The study is guided by the conceptual framework in Figure 2.3 below and the research methodology discussed in the next chapter.



**Figure 2.7: Conceptual Framework.**

**Source: Kumar (2011)**

## **2.8 CONCLUSION**

The chapter reviewed existing literature on marketing communications. It started off by looking at how marketing communications have evolved over the years, the various strategies used, planning and implementation of a marketing communication programme, its relationship with sales performance and possible constraints to successful implementation. Literature reviewed showed that there was a general consensus among researchers that a relationship does exist between marketing communications and sales performance, but however they have different views on the quantitative measure of the causal effect and the formula to adopt when budgeting for communication expenditures.

While some are of the view that marketing communication expenditure should be treated as operating expenses in one trading period, others argue that marketing communications should be treated as capital expenditure since its benefits can continue to accrue well after the expense has been met. Based on the above it can be concluded that marketing communications has an impact on sales performance.

However the impact is not an event but a process that will eventually materialise depending on other variables being fulfilled first such as customer loyalty, brand awareness and visibility. The chapter wound up by looking at constraints that may hinder the successful implementation of marketing communications within an organisation and finally the conceptual framework adopted for the study. The next chapter will focus on the methodology to be applied to this study.



## **CHAPTER 3**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter is a detailed discussion of the research design, methodology, philosophy and the strategies applied in the research study. It will also discuss and validate the sampling techniques, population, data collection and analysis methods adopted in the research study.

#### **3.2 RESEARCH DESIGN**

A research design is a programme that gives guidelines to data collection, analysis and interpretation (Brayman, 2003). It connects empirical data to a research study's initial research question thereby allowing the researcher to make inferences from variables under investigation (Yin, 2003). According to Grimm (1990), a research design can be historical, descriptive or experimental. The choice of design depends on one's preferences and abilities (Leedy, 2000). For this research, the researcher adopted a single case study design. A case study allows the researcher to appreciate the realities of events and complex social phenomena (Yin, 2003). A single case study is also viewed as persuasive (Siggellzow, 2007).

#### **3.3 RESEARCH PHILOSOPHY**

A research philosophy is a manner or style of thinking that a researcher adopts before undertaking a study. It is a belief system or worldview that guides the researcher in ontology and epistemology (Guba and Lincoln, 1994). White (2000) posits two approaches of carrying out a research; the qualitative or phenomenology and the quantitative or positivism approach. Where necessary, the two approaches can also be combined in carrying out a research (Hammersly, 1992).

##### **3.3.1 Qualitative approach**

According to Smith et.al (1997), the qualitative approach applies several methods to establish different views of phenomena. It is subjective and takes a qualitative view to a research process to obtain insights into complex business situations (Saunders et.al, 2003). It endeavors to clarify details of a complex situation so as to

comprehend reality. According to Silverman (2000), the qualitative approach should be adopted at the exploratory stages of a study as it is viewed as lesser relative to quantitative approach.

However Mark et.al (2005) argues that the qualitative approach is flexible and spontaneous. It uses open ended questions to seek more information from respondents where as the quantitative approach uses fixed responses which do not give room to probe respondents to maneuver around complex questions. Probing helps to reveal more information hence the use of a qualitative approach provides a deeper understanding of social phenomena than is the case with the quantitative approach (Silverman, 2000).

### **3.3.2 Quantitative approach**

The quantitative approach is a methodology that uses statistics to analyse causal relationships between variables in-order to explain a phenomenon (Denzin and Lincoln, 2000). The statistics are then interpreted to give meaning. The use of the quantitative methodology involves numerical counting and measurement of observations under study in-order to make conclusions. Alvesson and Skoldgerg (1994) argued that the quantitative approach is biased in that it relies on the researchers choice of variables and his ability to comprehend and interpret data which ultimately affects the phenomenon under investigation.

### **3.3.3 Selection of methodology**

As Hammersly (1992) stated, the two approaches can be combined to compliment each other in carrying out a research. The quantitative approach tries to eliminate bias through its objective nature while the qualitative approach uses primary sources of data to give meaning. How-ever in the event that the researcher chooses one approach, he should be guided by the purpose of the research study (Tranoy, 1986).

According to Yin (2003), the choice would also depend on the nature of the research, type of information required and availability of resources. In carrying out this research, the researcher adopted the qualitative approach in order to maximise

learning and to gain an in-depth comprehension of the subject impact of marketing communications on sales performance.

### 3.4 RESEARCH STRATEGY

A research can be conducted in several ways. According to Yin (2003) some of these are; case studies, surveys, experiments, histories and analysis of archival information. Depending on applicability, each strategy has its advantages and disadvantages subject to three conditions;

- type of research question
- researchers control over behavioural events
- focus on contemporary over historical phenomena

Strategy	Form of Research Question	Control of Behavioural Events	Focus on Contemporary Events
Experiment	How, Why?	Yes	Yes
Survey	Who,What,Where,How many ,How much?	No	Yes
History	How, Why?	No	No
Case Study	How, Why?	No	Yes
Archival Analysis	Who,What,Where,How many,How much?	No	Yes/No

**Table 3.1 : Situations for different research strategies.**

**Source : Yin, 2003**

The Table 3.1 above shows major strategies which can be used and the conditions conducive for application of each strategy.

### **3.4.1 Case study**

Creswell (1998) defines a case study as a detailed and in-depth exploration of a case over a time period using data that is rich in context from multiple sources. It can either be a single case or multiple cases (Robson, 1993). According to David (2006), a case study serves different purposes depending on a situation. For example a case study may be used to find explanations, explore a subject topic or to describe a situation. Robson (1993) further states that a case study has a considerable probability to answer questions why, what and how? A case study uses several data collection methods such as questionnaires, interviews, observations and documentary analysis to gather information (Robson, 2002).

According to Yin (2003), a case study has four distinct advantages which are;

- results obtained are directly related to everyday experiences
- evidence and analysis techniques are decided prior to the research
- case studies are flexible
- case studies use data from multiple sources

A case study allows the researcher to maximise learning since it narrows to a specific case and its complexity. It unveils details of the relationship between a case and its activities in crucial circumstances (Stake, 1995). According to Yin (2003) case studies are more suitable where a phenomenon cannot be analysed outside of the context. This would then allow appreciation and comprehension of real life events and complex social phenomena.

It is against this background that the researcher chose to do a case study of Destiny Electronics to ascertain the impact of marketing communications on sales performance in business to business (B2B) relationships. The researcher wanted to make an in-depth study of the research topic so as to get a deeper understanding of the subject and add more value to what has been established by other researchers (Yin, 2003).

### **3.4.2 Prejudices against case study strategy**

Contrary to the above, Yin (2008) later argued that a case study is not rigorous relative to other strategies with methodologies that give researchers specific procedures to guide them. He further states that case studies provide little basis for scientific generalisation. They are generalised to theoretical propositions and not to populations. Stake (1995) also criticises a case study for the high involvement of the researcher in the research hence chances are that the research findings may be distorted or biased. White (2000) defended the use of a case study by arguing that researchers fail to distinguish a case study research from case study teaching which may involve making alterations to research material to effectively illustrate a concept. This is not allowed in case study research.

## **3.5 DATA COLLECTION**

Primary and Secondary data were used in this research. Collection of primary data was done through questionnaires administered to selected respondents and interviews with ten (10) Destiny Electronics employees. Secondary data was obtained from Destiny Electronics annual reports for the period under study and also from the statistics records of The Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ).

### **3.5.1 Population**

A population is an entire set of objects of a research which the researcher intends to establish some characteristics (Robson, 1997). A population can be categorised into either a target population or a study population. A study population is a representative of the whole population under study while a target population refers to subjects to whom results can be generalised (Krathwahl, 1998). Saunders et.al (2000) referred to a population as a body of people or a full set of objects under study from which a sample is drawn. The population for this research study is made up of Destiny Electronics staff during the period under study.

### **3.5.2 Sample**

A sample is a small representative of the whole population under study from which the researcher collects data and knowledge (Cohen, 1980). Hart (1998) describe a

sample as a subject of a whole population with characteristics which can be generalised to the entire population. Key attributes which must be considered when selecting a sample are its appropriateness to the research question and its characteristics with those of the entire population. According to Leedy (1997), there has to be a trade-off between economic factors and adequate representation when selecting a sample. A large sample may be expensive while a small one may not be adequate to reflect the characteristics of the entire population.

### **3.5.3 Sampling Procedure**

Due to complexities associated with measuring the whole population, a process of sampling is applied or used to make valid generalisations about the entire population (Borg, 1989). A population can be too large to measure and after all it may change before completion of the study hence it would be not be practicable or impossible to measure and make generalisations (Borg, 1989). There are two approaches to sampling namely; probability and non-probability sampling. According to Bernard (1995), the researcher should be guided by research objectives and characteristics of the study population when determining which and how many objects to select.

The researcher adopted the qualitative methodology which uses non-probability types of sampling which include judgment sampling, convenience sampling and quota sampling among others. The researcher then selected judgment sampling which involve selection of suitable objects for analysis (Salant and Dillman, 1994).

### **3.5.4 Judgment sampling**

This involves grouping of participants based on a pre-selected criteria which is relevant to the research question (Denzin and Lincoln, 2000). The chances of error is dependent on the degree of expertise that the researcher posses (Shadish et.al, 2002). For this research, the researcher picked respondents from corporate, sales and finance divisions. The researcher selected senior management in the corporate division because of their involvement in the determination of the strategic direction or vision of the organisation. Respondents from the sales were selected because they are at the tactical level where marketing communication strategies are implemented. They are better positioned to give insights into how the situation is on the ground.

The respondent from finance was selected because of the role that finance plays in the funding of all activities of the organisation.

### **3.6 SOURCES OF DATA**

There are two types of data namely; primary data and secondary data.

#### **3.6.1 Primary data**

Primary data is data captured for the first time and for a specific purpose. It is captured directly from the elements of a population under study (Salant and Dillman, 1994). According to Cooper and Schindler (2003), primary data are original words of research or raw data that has not been interpreted, representing an official opinion. Although primary data is expensive and time consuming to gather, it is generally viewed as more meaningful and reliable. Its other advantages are that it is directly relevant to the problem at hand and the researcher has greater control over occurrences. Primary data for this research was obtained through interviews and questionnaires.

#### **3.6.2 Secondary data**

Secondary data is data that was collected for other purposes. According to Cooper and Schindler (2003), secondary data are interpretations of primary data. Secondary data for this research was obtained from Destiny Electronics annual reports and from publications of The Postal and Regulatory Authority of Zimbabwe during the period under study.

### **3.7 RESEARCH INSTRUMENTS**

These are tools used to gather data for a research study. According to Drew (1998), each of the various tools is suitable for a particular purpose. The researcher used questionnaires and interview research instruments to gather data.

#### **3.7.1 Questionnaire**

This is a set of carefully constructed, structured or semi-structured questions that are administered to respondents to provide information about a particular subject (Moore, 1998). Krishnaswamy et.al (2006) described a questionnaire as a formalised, structured or semi-structured set of questions used to elicit information

regarding facts, knowledge, attitudes, needs and motivation. It translates research objectives and answers to provide data for hypothesis testing (Seliger, 1989). According to Brayman (2003), using a questionnaire has the following advantages;

- it is economical to both parties in terms of time, effort and cost
- it confines respondents to pertinent issues only
- It reaches respondents in a wider geographical area even those that could not otherwise be accessed.
- It offers privacy and anonymity hence bias is less likely
- It is easy to construct

However Brayman (2003) pointed out the lack of validity and reliability on the use of a questionnaire as a research instrument. He further asserts that a questionnaire does not give room for probing. The respondents can modify answers just to make their responses make sense. Therefore chances are that answers given may not be factual, true and original. It also fails to capture gestures and emotions of respondents.

### **3.7.2 Types of questions**

There are two formats of questions that can be used on a questionnaire; open ended questions and close ended questions (Robson, 1997). Open ended questions are those that allow respondents to answer in their own way. The advantage of this question type is that questions do not give a lead or suggestions to respondents hence new areas can be revealed and explored. However they are criticised for being time consuming being cumbersome in recording of varying responses given (Brayman, 2003).

Close ended questions offer respondents to choose from predetermined answers like yes or no and true or false. Its advantages are that they are easier to respond to and also easy to compile responses. They are criticised for not being exhaustive and that answers are difficult to make them mutually exclusive (Brayman, 2003). The researcher conducted interviews with eight (8) Destiny Electronics employees at different hierarchs so as to gain insights from strategic level and operational level of



the organisation. The researcher also conducted six (6) interviews with heads of purchasing departments of Destiny Electronics.

### **3.7.3 Personal interviews**

An interview is a pre-planned, formal and oral conversation held by two or more people to share ideas or information about a particular topic (Little, 2006). The parties to an interview are guided by a list of questions pertinent to the area under investigation (Salant and Dilman, 1994).

Its advantages are;

- 1- It gives room for further probing of respondents by the researcher
- 2- Gestures and emotions can be noted and captured.
- 3- Responses are also obtained immediately.

Its disadvantages are;

- 1- Conducting personal interviews is costly
- 2- Personal interviews are time consuming
- 3- Interviewees may hide information for fear of victimisation.

Interviews were conducted with the directors, sales manager, finance manager and sales account managers. The directors are the strategic level of the organisation and the others are at the tactical level of operations. The composition allowed the researcher to gain in-depth insights into marketing communication in the organisation.

## **3.8 DATA ANALYSIS**

The researcher analysed data obtained from the research using data displays. According to Neuman (2006), data analysis in qualitative research does not follow a standard format. Information collected was analysed versus theory stated in the literature review and relevant inferences were drawn (Miles and Huberman, 1994).

Data analysis was done through questions to establish common themes, patterns and relationships (Miles and Huberman, 1994).

### **3.9 RELIABILITY AND VALIDITY**

Reliability is a measure of consistency of the research instruments in yielding results while validity is a measure of effectiveness of the research instruments in measuring what they are supposed to measure (Leedy and Omrod, 2005). Both reliability and validity will be measured through pre-testing of five respondents that will be excluded from the study population.

### **3.10 CONCLUSION**

The chapter explained the research methodology to be used in the research study. Research instruments, population and samples were discussed. Advantages and disadvantages of the various tools to be used were highlighted. Data analysis, reliability and validity issues concluded the chapter. The next chapter will focus on presentation, discussion and analysis of research findings.

## **CHAPTER 4**

### **4.0 RESULTS AND FINDINGS**

#### **4.1 INTRODUCTION**

The chapter is a presentation of research findings obtained from in-depth interviews conducted by the researcher. The chapter is comprised of two sections that summarise responses to face to face interviews conducted with Destiny Electronics staff and its customers. An analysis of the results will be done using content analytic tables. An explanation of the results will be given together with a discussion of implications and the link to literature related to the subject of research.

#### **4.2 PART A: INTERNAL RESPONDENTS**

The researcher conducted face-to-face interviews with internal respondents using a questionnaire. The questionnaire questions were divided into five sections; background information, marketing communication strategies, benefits of marketing communications, constraints or inhibitors to marketing communications.

##### **4.2.1 Key respondents**

The key respondents included four company directors (Group Chief Executive Officer, Chief Executive Officer and two Executive Directors), Sales Manager, Finance Manager and two Sales Account Managers. The directors are responsible for strategy formulation and implementation in the organisation. They manage the business in line with the vision and mission of the organisation on behalf of all stakeholders. Their input in the research is vital so as to acquire information from a strategic level perspective. Three of the directors have been employed by the organisation for a period of over thirty (30) years hence they have gained exposure and experience in the business operations over the years.

The Sales Manager is the head of sales department and is subordinated by two Sales Account Managers. Their inclusion as respondents provides critical information at the tactical level of the business plus they are the custodians of the organisations customers. They are better placed to articulate marketing communication issues between the organisation and its customers and prospective

clients. The Sales Manager and one Sales Account Manager have also been employed by the organisation for a period of over thirty years hence they are a source of important information. The Finance Manager was chosen as a respondent in-order to have an insight on the research subject from a financial perspective.

#### 4.2.2 Section A: Demographic information of internal respondents

**Table 4.1 Demographic Information of respondents**

Respondent	Age of the respondent (years)	Professional/Career background	Number of years in the organisation	Number-of years current position
Group CEO	Above 56	Chartered Accountant	35	17
CEO	46-55	Accountant/MBA	4	4
Executive Director	Above 56	Medical Engineering	40	10
Executive Director	Above 56	Telecoms Engineering/Sales	35	5
Sales Manager	46-55	Telecoms Engineering/Sales	30	7
Account Manager	46-55	Telecoms Engineering/Sales	7	4
Account Manager	46-55	Sales	30	10
Finance Manager	25-35	Accountant	1	1

Majority of the respondents is above forty six years old and have been employed by the organisation for more than thirty years. This is an indication that the respondents were mature and had spans of experience and understanding of the business functions and operations. Although the respondents were from a diverse professional background, information indicates that they rose through the ranks and thus had acquired exposure and experience at each level of operation. This was an opportunity for the researcher to gather rich information from the views of individuals from a diverse professional background backed by a span of experience in the subject of research both at strategic and tactical levels.

#### 4.2.2 Section B: Marketing Communication Strategies

**Table 4.2: Marketing Communication Strategies.**

Respondent	Response
Group CEO	1- Advertising in newspapers- to complement sales efforts 2- Sponsorship and personal selling-suitability to products
CEO	1- Personal selling and direct marketing- effective. 2- Advertising in newspapers -to support the sales efforts.
Executive Director	1. Direct marketing- you focus on the targeted customers 2. Personal selling- suits nature of our products
Executive Director	1- Personal selling and direct marketing- you focus. 2- Trade shows-access to a large pool of potential buyers.
Sales Manager	1- Personal selling- effective in professional products sales 2- Direct marketing- you focus on your target
Account Manager	1- Direct marketing- you get immediate responses 2- Personal selling- suitable in a long sales processes.
Account Manager	1- Direct marketing- you target where there is potential. 2- Personal selling- you develop personal relationships
Finance Manager	1- Advertising in newspapers- it has a wider reach 2- Personal selling

Responses in the above Table 4.2 indicate that the respondents use personal selling to a greater extent followed by direct marketing. According to Karjaluoto (2010), personal selling is the most used marketing communication strategy in B2B markets. It is the most important tool in a B2B relationship (De Pelsmacker et.al. 2007). The Group CEO and the CEO pointed out that their products are capital intensive and hence they require a personal approach in interacting with customers. One Account Manager concurred with the above and added that selling of professional and technical products takes a long process and therefore require personal interactions with buyers to develop and nature a relationship.

The Sales Manager and two Executive Directors also cited the technical and professional dimensions of the products as the reasons behind their use of these marketing communication strategies. This however is contrary to literature which says that marketers need to employ more promotional tools to reach different audiences (Keller, 2001). Also buyers have different information processing capabilities depending on their level of expertise (Alba and Hutchinson, 1987). Information also reveals that sponsorships and advertisements in newspapers were also carried out.

The Group CEO and the CEO pointed out that advertisements in newspapers were meant to compliment and support sales efforts while sponsorships were done to boost the brand and corporate reputation. This is in line with literature which says that sponsorship investment by an organisation enhances awareness and reputation (Palmer, 2005). However advertisements and sponsorships were not done on a regular basis.

**Table 4.3: Marketing communications budget formulation**

Respondent	Response
Group CEO	1- Percentage of sales- It is flexible and activity based.
CEO	1- Percentage of sales- It is relative to productivity.
Executive Director	1- Percentage of sales- It matches sales activity. It prohibits innovation though.
Executive Director	1- Percentage of sales- It's a fair allocation.
Sales Manager	1. Percentage of sales- Not suitable to modern marketing.
Account Manager	1. Percentage of sales- The method is not ideal. It assumes sales should drive marketing communication.
Account Manager	1- Percentage of sales- Not suitable to our market approach
Finance Manager	1- Percentage of sales- Its fair. It is not easy to come up with what is enough.

The responses in Table 4.3 above indicate that respondents agreed that the marketing communication budget was formulated based on a percentage of sales. Kotler and Armstrong (2006) posited four methods of allocating funds to a marketing communication budget. These are: affordable method, percentage of sales method, competitive-parity method and the objective-task method. What determines the method to be used depends on an organisations perception, affordability and the objectives to be achieved by its marketing communications.

All the directors concurred that the percentage of sales method is suitable as it matches expenditure to sales activity. This method was criticised by Kotler (2002) for stifling long-range planning of marketing communications. It assumes that sales determine communication expenditure rather than sales being a result of communication expenditure. One Executive Director though pointed out that the

method has an inherent weakness in that it stifles and prohibit innovation and creativity. The Finance Manager pointed out that it is a fair method considering that it is not easy to decide on what is enough when allocating funds for marketing communication expenditure. This is consistent with Fill (1999) who stated that the problem arises from the fact that the budget cannot be related to standard accounting practices.

In contrast to all the above views, the Sales Manager and Account Managers pointed out that the method is not suitable and ideal to modern marketing. They highlighted that the method assumes that sales should drive marketing communication whereas it is marketing communication that should drive sales (Kotler, 2002).

**Table 4.4: Marketing communications impact on sales performance**

Respondent	Response
Group CEO	1- The impact was minimal- economy was subdued
CEO	1- The impact was below expectations- its not easy to measure impact.
Executive Director	1- The impact was low- We hardly met sales targets.
Executive Director	1- Limited impact on sales performance- Below budget sales performance
Sales Manager	1- Very little impact on sales was realised. About 80% of sales were purchases for upgrades.
Account Manager	1- Very little impact on sales performance was realised- Most say they have suspended capital projects.
Account Manager	1- The impact was not satisfactory- Customers are playing a wait and see attitude
Finance Manager	1- Not good. At times sales targets were met and sometimes not.



Responses in Table 4.4 above show that respondents agree that there was minimal or very little impact of marketing communications on sales performance during the period under study. This is contrary to literature which says that marketing communications help organisations achieve their marketing objectives (Shimp, 2010). Sales would increase if buyers are informed and are knowledgeable through prior marketing communications (Lancaster and Reynolds, 2005). Product awareness induces conviction and finally purchase. Once customers are happy with first purchase experiences, they do repeat purchase and eventually become loyal customers (Lavidge and Seiner, 1961).

But viewing from another dimension, one may suggest that the low impact of marketing communications on sales performance was commensurate with the communication expenditure of the organisation. Hence this could be in line with literature which says that there is a positive relationship between promotional expenditure and financial benefits. The more you invest in marketing communications, the more financial benefits you get and vice-versa (Frankenberger, 2001).

The Group CEO cited the subdued economy as the reason behind the failure of marketing communications to impact on sales performance. This concurs with literature that states that the impact of marketing communications is different in stable and evolving economic environments (Bonsaal, et.al 1990). The CEO added that selling of professional products is a long process which can take a prolonged time before decisions are made and it therefore complicates quantification in terms of the impact realised through sales performance. The view is in line with what Giron and Hosrky (1990) described as carry over effects of advertising where advertising effects in one period spill over to future periods.

The Sales Manager stated that about 80% of sales during the period under study were purchases for upgrades and features additions on previously bought equipment which usually are of small value. The Executive Directors attributed the

low impact to below budget performance of sales. The Finance Manager also stated that sometimes sales targets were achieved and sometimes were not achieved. One Account Managers stated that most of his target customers said they had suspended capital expenditure projects until their capacity utilisation had improved. Similarly the other Account Manager said target customers are expressing a wait and see attitude.

#### 4.2.2 Section C: Benefits of marketing communications

**Table 4.5: Destiny marketing communication relative to competitors.**

Respondent	Response
Group CEO	1- Equally the same- Most players in the sector were quite.
CEO	1- Lower in comparison to our competitors- Our competitors were more vocal than us.
Executive Director	1- We averaged the same.
Executive Director	1- The same relative to other major players in the sector.
Sales Manager	1- The whole sector was quite. Basically we were not better or worse off than competition.
Account Manager	1- Destiny was behind its competitors.
Account Manager	1- Our competitors were better-off. They have interactive websites and are accessible on social platforms.
Finance Manager	1- Not good enough.

Responses in the above Table 4.5 indicate that respondents expressed different views when asked to rate their organisations marketing communication with that of its competitors. Half the respondents acknowledged that the organisations marketing communications were below those of its competitors while the other half said the whole sector players averaged the same due to low activity. However literature states that marketing communications should not only be focused on activity but

sometimes it must be done just to keep customers engaged and active. By doing so, it creates extra value for the customers (Merisavo, 2008). The Group CEO pointed out that the industry players were generally quiet and hence the organisations communications were the same with others. The Executive Directors concurred with this view and stated that the organisation averaged the same with major players in the sector.

The CEO expressed that the organisations competitors were more vocal and visible through their marketing communications. They frequently advertised in the newspapers and some of them put up billboards on major roads that come into the central business district. The Sales Manager believes that the whole sector was quite and therefore neither player was better or worse-off than another. The Account Managers and the Finance Manager pointed out that the organisations marketing communications were below those of competitors. One Account Managers gave an example of the use of interactive websites and social media by competitors as feet ahead. This concurs with literature that say organisations that use interactive websites save on time and offer improved services to customers (Kim et.al, 2012).

**Table 4.6: Benefits that would accrue from marketing communications**

Respondent	Response
Group CEO	<ol style="list-style-type: none"> <li>1- Increased Sales</li> <li>2- It creates loyalty and trust</li> <li>3- Competitive advantage</li> <li>4- Increased market share</li> </ol>
CEO	<ol style="list-style-type: none"> <li>1- Increased sales volumes</li> <li>2- Growth in market share</li> <li>3- Competitive advantage</li> </ol>
Executive Director	<ol style="list-style-type: none"> <li>1- Growing market share</li> <li>2- Competitive advantage</li> <li>3- Increases sales</li> </ol>

Executive Director	<ul style="list-style-type: none"> <li>1- Increases market share</li> <li>2- Results in sales growth</li> <li>3- Competitive advantage</li> </ul>
Sales Manager	<ul style="list-style-type: none"> <li>1- Market share growth</li> <li>2- Growth in sales</li> <li>3- Competitive advantage</li> <li>4- It shapes values, beliefs and behaviour of customers</li> </ul>
Account Manager	<ul style="list-style-type: none"> <li>1- Increased market share</li> <li>2- Growth in sales</li> <li>3- Competitive advantage</li> </ul>
Account Manager	<ul style="list-style-type: none"> <li>1- Growth in sales</li> <li>2- Increased market share</li> <li>3- Competitive advantage</li> </ul>
Finance Manager	<ul style="list-style-type: none"> <li>1- It boosts sales and profits</li> <li>2- It gives a going concern impression and goodwill.</li> <li>3- Growing market share and competitive advantage</li> </ul>

Responses in Table 4.6 above indicate that all respondents agree that there are numerous benefits that would accrue from implementing marketing communications in an organisation. Such benefits are growth in sales, increased market share, competitive advantage, profit realisation, customer loyalty and trust. This is in line with literature which states that there is a positive relationship between sales, profits, loyalty and marketing communication (Bowen and Chan, 2001). According to Doyle (1985), organisations that do pay little attention to promotion will fail their businesses.

Advertising and publicity generate positive effects on corporate reputation that will eventually lead to high volumes of sales (Kim, 2007). The Sales Manager highlighted that marketing communication changes value, beliefs, behaviour and buying patterns of customers as stated in literature by Norris (1984). According to Cutlip

et.al (2000), organisations should establish and maintain relationships with its target audiences as they help shape their thinking and attitude towards it and its products.

The Group CEO stated that marketing communication builds customer loyalty and trust. Karayanni and Beltas (2003), cited the impact of corporate websites in increasing sales revenue for B2B organisations. They communicate a firm’s co-competencies and culture which are critical in image building needed to attract new clients (Kim et.al, 2012).

The Group CEO also mentioned the important role that sponsorships play in portraying a positive image for the organisation. According to Amis et.al, (1999), a sponsorship carefully managed can be a source of competitive advantage as it boosts an organisations image and reputation. The Finance Manager added that other intangible benefits that can accrue from marketing communication are the going concern impression and goodwill.

**Table 4.7: Maximising benefits from marketing communications**

Respondent	Response
Group CEO	<ol style="list-style-type: none"> <li>1- Integrate communication efforts</li> <li>2- Invest more in modern communications technology</li> <li>3- Increase interaction with target audiences</li> </ol>
CEO	<ol style="list-style-type: none"> <li>1- Invest in new technologies</li> <li>2- Communication frequency should be increased</li> <li>3- Align strategies with customer needs and preferences</li> </ol>
Executive Director	<ol style="list-style-type: none"> <li>1- Employ a marketing expert</li> <li>2- Integrate marketing communication</li> <li>3- Use of modern technologies</li> </ol>
Executive Director	<ol style="list-style-type: none"> <li>1- Expand on marketing communication strategies</li> <li>2- To be customer oriented in our marketing</li> <li>3- Invest in modern communication technologies</li> </ol>

Sales Manager	<ul style="list-style-type: none"> <li>1- Integration of marketing communication</li> <li>2- Use modern technologies to communicate</li> <li>3- Increase strategies and frequency of communication</li> </ul>
Account Manager	<ul style="list-style-type: none"> <li>1- Invest in modern technology</li> <li>2- Use of social platforms</li> <li>3- Communicate more</li> </ul>
Account Manager	<ul style="list-style-type: none"> <li>1- Increase frequency of communication</li> <li>2- Upgrade website to two way communication</li> <li>3- Embrace use of social media</li> </ul>
Finance Manager	<ul style="list-style-type: none"> <li>1- Invest more in marketing communications</li> <li>2- Increase communication frequency</li> <li>3- Senior management support and drive</li> </ul>

Responses in the above Table 4.7 show respondents various ideas on how the organisation can realise maximum benefits from marketing communications. The Group CEO suggested that the organisation should integrate its marketing communication activities and invest in modern communication technologies that would result in increased interaction with target customers. This agrees with literature that states that the advent of the internet has impacted on business processes and the ways in which organisations communicate with customers and other stakeholders (Wright and Hinson, 2008). The internet is now a powerful marketing communication tool for business (Constantinides and Fountain, 2008).

The CEO and Executive Directors also stated that investment in modern technologies and integration of marketing communications would increase frequency and interaction with customers. The CEO added that it was also important for the organisation to align its communication strategies with customer preferences. One Executive Director suggested the organisation should consider employing a marketing communication expert. The other Executive Director also concurred and said there is need to add more strategies hence this would require an expert to coordinate the communication in an integrated manner. Nowak and Phelps (1994)

stated the some organisations are now employing communication experts to manage all their communications.

The Sales manager also suggested that the organisation need to invest in modern communication technologies and to integrate marketing communication so as to increase communication frequency. The Account Managers also shared the same sentiments but added that there was need to embrace social platforms for business communication. This is in line with literature which states that leveraging social media can increase brand awareness and eventually increases in sales (Barwise and Meehan, 2010). The Finance Manager pointed out that while he concurred with all these suggestions, it was critical to have management support and drive for all this to succeed. Senior management are the final decision makers hence their involvement is important for marketing communications to work (Pickton and Hartley, 1998).

#### **4.2.2 Section D: Constraints/inhibitors encountered.**

**Table 4.8: Constraints encountered by Destiny Electronics.**

Respondent	Response
Group CEO	<ul style="list-style-type: none"> <li>1- Limited financial resources</li> <li>2- Under performance at operations level</li> <li>3- Subdued economy</li> </ul>
CEO	<ul style="list-style-type: none"> <li>1- Lack of funding is the organisations biggest challenge</li> <li>2- Competence challenges</li> <li>3- Low demand</li> </ul>
Executive Director	<ul style="list-style-type: none"> <li>1- Budget constraints</li> <li>2- Limited skills</li> <li>3- Economic Challenges</li> </ul>
Executive Director	<ul style="list-style-type: none"> <li>1- Inadequate funding</li> <li>2- Lack of marketing and communication expertise</li> <li>3- Competition from emerging technologies</li> </ul>

Sales Manager	<ul style="list-style-type: none"> <li>1- Non-availability of financial resources</li> <li>2- The structure of the organisation is not conducive</li> <li>3- Senior management attitude</li> </ul>
Account Manager	<ul style="list-style-type: none"> <li>1- Senior management attitude and perception</li> <li>2- Inadequate financial resources</li> <li>3- Structure of the organisation</li> </ul>
Account Manager	<ul style="list-style-type: none"> <li>1- Lack of funds</li> <li>2- Management support and drive are lacking</li> <li>3- The organisational structure</li> </ul>
Finance Manager	<ul style="list-style-type: none"> <li>1- Under-funding of the marketing communication budget</li> <li>2- Structure of the organisation</li> <li>3- Management initiative is lacking</li> </ul>

Responses in Table 4.8 above shows that there is general consensus among the respondents that lack of adequate financial resources has been the major crippling factor for the organisations failure to successfully implement marketing communication programmes to the desired levels. Literature states that constraints are different and unique in each organisation hence interventions should be organisation specific (Eagle and Kitchen, 2000). Reid (2005) stated that marketing communications require a wholly dedicated budget. Firms that allocate paltry budgets to marketing communications fail their businesses. Marketing communication expenditure must be treated as an investment.

The directors however pointed out that while everyone agreed that financial constraints were a hindrance, the situation was being compounded by competency deficiencies at middle management level. They said there is lack of skill and expertise to champion the marketing communication of the organisation. The Group CEO also blamed the state of the economy as not being conducive.

The Sales Manager pointed out to the structure of the organisation and management attitude as impediments. According to Thurow (1997), the way an organisation is structured has an influence on how its marketing communications are perceived. He



pointed out that the structure at the organisation does not have key functions of marketing and communication as autonomous functions hence it assumes that marketing and sales are the same. This is contrary to literature which states that organisations need to have structures that are clearly defined and conducive for the successful implementation of marketing communication strategies (Schultz, 1993).

This was also shared by Account Managers and the Finance Manager. The Finance Manager said management initiative was lacking contrary to literature which states that senior management power and involvement are critical for development and implementation of marketing communications (Pickton and Hartley, 1998).

**Table 4.9: Strategies to minimise effects of the constraints.**

Respondent	Response
Group CEO	1- In the process of mobilising additional capital 2- Restructuring the organisation
CEO	1- Restructuring the organisation 2- Mobilising capital injection
Executive Director	1- Re-alignment of structure with functions 2- In the process of raising additional capital
Executive Director	1- Mobilising funds in the form of capital injection 2- Reducing numbers of managerial staff
Sales Manager	1- Directing efforts towards cheaper strategies 2- Targeting existing clients for repurchases
Account Manager	1- Using cheaper direct methods like letters and email 2- Encouraging existing customers to do upgrades
Account Manager	1- Utilizing less costly strategies 2- Focusing more on existing relationships for upgrades
Finance Manager	1. We are prioritising sales staff in resources allocation 2. Allocating sales staff with dedicated telephone lines

Responses in Table 4.9 above show the various strategies and actions that respondents said were being undertaken to mitigate the effects of constraints being encountered. The strategies include capital injection, restructuring of the organisation and utilisation of less costly strategies to contact customers. This is in line with literature which states that reorganisation and adapting to new structures are key to addressing structural constraints (Schultz, 1993). The Group CEO stated that directors had resolved that the business needed capital injection and hence they are currently engaged in discussions with shareholders to inject funds in the organisation. He also stated that they had also agreed as directors to restructure the organisation.

The functions of marketing and communication would have substantive management positions added to the structure while some managerial positions considered as not adding value would be dropped off. The CEO and Executive directors also stated that shareholders have been engaged with a view to raise additional capital and that restructuring of the organisation was underway. The Sales Manager pointed out that currently sales efforts were being directed towards less costly strategies and that as sales they had agreed to target existing relationships for upgrades of equipment and additions. The same was also mentioned by Account Managers but one stated that she was using postal letters to contact target customers. The Finance Manager stated that he was prioritising sales staff when allocating resources and that he had also dedicated some telephone lines to sales personnel.

## **4.2 PART B: EXTERNAL RESPONDENTS**

The researcher conducted face-to-face interviews with staff employed in the purchasing departments of Destiny Electronics customers. The questionnaire questions were divided into two sections; background information, and customer perceptions of Destiny Electronics and its marketing communications.

### **4.2.3 Key respondents**

The key respondents included eight (8) heads of purchasing departments in ZB Bank, Agribank, Netone, Zimnat Life, PG Merchandising and City of Harare. These

are responsible for the strategic procurement of all goods and services needed by their respective organisations either for use in their production lines or for other services required. They are responsible for vetting suppliers based on set guidelines and conditions approved by their organisations. They are the supplier contact persons on behalf of their organisations therefore they were chosen as respondents because they have information about all their suppliers. The researcher obtained a 100% response rate from the interviews conducted.

#### 4.2.4 Section A: Demographic information of external respondents

**Table 4.10 Demographic Information of respondents**

Respondent/ Organisation	Age of the respondent (years)	Professional background	Number of years in the organisation	Number-of years current position
Administration Executive ZB Bank	46-55	Finance	20	8
Purchasing Manager Agribank	36-45	Purchasing	7	5
Procurement Manager PGMerchandising	46-55	Purchasing	17	9
Purchasing Manager Zimnat Life	36-45	Finance	12	7
General Manager Administration City of Harare	46-55	Administration	22	6
Purchasing Manager Netone	36-45	Finance	10	10

Information in Table 4.10 above indicate that respondents are above thirty six years old and have been employed by their respective organisations for a minimum seven years. This is an indication that the respondents were mature and have experience in their work and an understanding of the business operations. The professional background of the respondents and their work experience is a source of gathering rich information relevant for the research study. The respondents are senior managers in their organisations hence they are able to articulate issues at a strategic perspective without fear or bias. Their views are most likely the views that are also held by the organisation as a whole.

#### 4.2.4 Section B: Customer perceptions

**Table 4.11 Channels/Medium of communications**

Respondent/ Organisation	Response
Administration Executive ZB Bank	<ol style="list-style-type: none"> <li>1. They contact us by email and telephone</li> <li>2. I prefer being contacted by telephone and email</li> </ol>
Purchasing Manager Agribank	<ol style="list-style-type: none"> <li>1. Contact is through telephone and by email</li> <li>2. It depends with message content but email is smart</li> </ol>
Procurement Manager PGMerchandising	<ol style="list-style-type: none"> <li>1. Ever since it has been either email or telephone</li> <li>2. We have access to many media so they can use any</li> </ol>
Purchasing Manager Zimnat Life	<ol style="list-style-type: none"> <li>1. What others do they have other than email and phones</li> <li>2. Not particular we have so many options here</li> </ol>
General Manager Administration City of Harare	<ol style="list-style-type: none"> <li>1. I indicated to them that email is convenient to me</li> <li>2. I don't usually entertain calls so emails are fine</li> </ol>

Purchasing Manager Netone	<ol style="list-style-type: none"> <li>1. Looks like they are limited to phones and emails</li> <li>2. Depends it just has to reflect importance of message</li> </ol>
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Responses in Table 4.11 above indicate that respondents are being communicated to by telephone and email. Information indicates that the majority of respondents prefer to be conducted by email which Destiny Electronics are using. The General Manager Administration for City of Harare stated that he had indicated to his suppliers that he prefers communicating through email. This is in line with literature which states that receivers of communications have distinct preferences for the channels in which messages are received (Westmyer et.al, 1998). Channel preferences are also influenced by customers perception about how well that channel can provide them with their desired interactivity (Florenthal and Shoham, 2010). A study by Merisavo and Raulas (2004) revealed that majority of B2B interactions are done through email.

The Purchasing Manager for Zimnat Life stated that her organisation has a variety of channel options so she is not so particular about channel a supplier is using to communicate so long its effective. This concurs with Kotler (2005) who posited that channels have different attributes and they serve different purposes, therefore effectiveness and suitability depends on how well the channel achieves engagement, persuasion, convenience, trustworthiness and reliability better than others. The Purchasing Manager for PG Merchandising also echoed the same sentiments. He said that he has access to a number of options which suppliers can use to communicate with him.

The Purchasing Manager for Netone said the channel or medium that a supplier uses reflects the importance that he/she wants attached to a message. People should not just consider the cost but also how the message will be perceived by the receiver. A message should trigger interaction (Del Pelsmacker et.al, 2007). The Purchasing Manager for Agribank stated that suppliers should consider the content of their messages when communicating because in some cases delivery of

messages is delayed due to bulkiness of the message. According to Venkatesan and Kumar (2004), matching communication channels with customer preferences increase profits.

**Table 4.12 Frequency of communication**

Respondent/ Organisation	Response
Administration Executive ZB Bank	1. Few times- Only when they want extension of lease agreements for their systems or when there are faulty.
Purchasing Manager Agribank	1. They rarely communicate with our staff.
Procurement Manager PGMerchandising	1. If we do not communicate, its once in a while from them.
Purchasing Manager Zimnat Life	1. They hardly communicate.
General Manager Administration City of Harare	1. Only when they are following up payment due.
Purchasing Manager Netone	1. Once you buy and pay that is it until next time they want you to buy something.

Responses in Table 4.12 above indicate that all respondents agree that interaction frequency was low between their organisations and Destiny Electronics contrary to literature which states that interaction enhances customer perception about an organisation and it adds to value co-creation. Frequent or regular contact with customers has a positive effect on customer loyalty (Merisavo, 2008). The

Administration Executive for ZB Bank stated the few times that Destiny Electronics communicates with him and his staff is when they want to negotiate renewal of leases for their equipment on rental.

Similarly the Purchasing Manager for Netone mentioned that once you close a deal with Destiny Electronics, the only time you hear from them is when they want to sell something to you again. In between communication is zero. This is contrary to Blomback (2005) who postulated that business buyers are active and need to interact a lot so as to build relationships and business networks.

The General Manager Administration for City of Harare said that the only time you get frequent communication from Destiny is when you owe them money which is over-due. They sent emails and make a lot of telephone calls. The Procurement Manager for PG Merchandising also stated that if his on the few occasions he has interacted with Destiny Electronics, he would have initiated the communication. Information also shows that respondents were using email as it was the most preferred by customers. The Purchasing Managers for Zimnat Life and Agribank stated that they rarely come across marketing communications from Destiny Electronics.

**Table 4.13 Customer perception of Destiny and its marketing communications**

Respondent/ Organisation	Response
Administration Executive ZB Bank	1. They are not customer focused. MCs are poor in-fact very poor.
Purchasing Manager Agribank	1. We like the Philips brand but the company has failed us so are their communications.

Procurement Manager PGMerchandising	1. Think they have failed as reflected by their poor MCs- You want something you are told its out of stock.
Purchasing Manager Zimnat Life	1. We are tied to them by contract leases otherwise we would have gone elsewhere. MCs are not up to scratch.
General Manager Administration City of Harare	1. I have told my staff to start weighing other options. Their MCs are weak.
Purchasing Manager Netone	1. A good product brand in the wrong hands. Their MCs are not loud and visible.

Responses in Table 4.13 above indicate that most of the respondents have negative perceptions Destiny Electronics and its marketing communication. According to Bagozzi et.al (1999), perceptions have an effect on customer evaluation. The negative perception is contrary to literature which states that value is derived from perceptions. If perceptions are negative, trust and commitment decrease and eventually customer loyalty is lost (Gronroos, 2011). Loyal customers buy more and hence are profitable (Harris and Goode, 2004). Commitment and trust are critical elements of a durable relationship (Morgan and Hunt, 1994).

The Administration Executive for ZB Bank expressed that Destiny Electronics lacks customer focus and their MCs are poor. The Purchasing Manager for Agribank expressed his organisations satisfaction with the performance of the Philips brand but felt there were being let down by service delivery of Destiny Electronics. This was also echoed by the Netone Purchasing Manager who said that it is a case of a good product brand in the wrong hands.

The General Manager Administration for the City of Harare said that he had instructed his subordinates to start weighing other options and that Destiny Electronics marketing communications were weak. Similarly the Procurement



Manager for PG Merchandising said they felt let down by Destiny Electronics. If eventually you initiate an order for them, you are told we are out of stock and their marketing communications are poor.

### **4.3 SUMMARY OF FINDINGS**

#### **4.3.1 Marketing communication strategies employed by destiny electronics**

Information obtained revealed that Destiny Electronics use direct marketing and personal selling strategies to communicate with its target audiences. They also engage in promotions and advertisement in newspapers a few times. The respondents cited the technical and professional nature of their products as the reason behind their frequent use of the two strategies. The marketing communication budget is based on a percentage of sales. While all the directors were supportive of the method, sales staff expressed dissatisfaction saying it prohibits long-term planning.

#### **4.3.2 Benefits of marketing communications at destiny electronics**

Information indicates that there were no benefits realised from marketing communications in Destiny Electronics. Marketing communications did not impact on sales performance as highlighted by respondents and also reflected in the financial reports. The directors cited lack of skill and expertise at middle management level as inhibiting achievement. Inadequate funding of the marketing communication budget and the state of the economy were also cited as the reasons for failure to realise benefits of marketing communication such as growth in sales, increased market share, profits, loyalty, trust, brand equity and competitive advantage. Respondents suggested the use of multiple marketing communication strategies, increased funding of the communication budget, investment in modern communication technology and employing a marketing communications expert as solutions to mitigate the challenges.

### **4.3.3 Constraints to successful implantation of marketing communications**

Respondents pointed out lack of financial resources as the major inhibitor to the successful implementation of marketing communications in the organisation. The structure of the organisation is not clear who is responsible for marketing communications. The attitude of the directors was also mentioned as inhibiting to the successful implementation of marketing communications. Measures being undertaken to mitigate the situation include negotiations to raise additional capital and restructuring.

### **4.3.4 Customers perception of destiny and its marketing communications**

The organisation and its marketing communications are experiencing negative perceptions from its customers as revealed by information gathered. The organisation is not frequently communicating with its target audiences. Some customers are already weighing other options. Most respondents expressed dissatisfaction with Destiny Electronics and its marketing communications. This eventually will lead to lose of market share.

## **4.4 CONCLUSION**

The chapter gave a report of the research findings. The findings were discussed and linked to literature obtained on the subject topic of the research study. The next chapter will give a conclusion to the research, state the study limitations and make recommendations.

## **CHAPTER 5**

### **5.0 CONCLUSIONS AND RECOMMENDATIONS**

This chapter presents inferences and conclusions of the research based on results and findings that were discussed in chapter four of the research study. The researcher will make recommendations on the basis of related literature and will also suggest areas for further studies.

#### **5.1 CONCLUSION**

The major conclusion drawn from the research study is that marketing communications did not impact on sales performance at Destiny Electronics as explained in the following conclusions to the research objectives.

##### **Impact of marketing communication**

The study concludes that marketing communications did not impact on sales performance in Destiny Electronics. The organisation does not have the knowledge, skill and expertise to implement marketing communication. Its approach to marketing communication is not structured. Even though the organisation is experiencing some constraints, it does not have a marketing communication plan in place indicating that they lack full appreciation of the importance of marketing communication as a critical element of the business function.

##### **Marketing communication strategies employed**

It is also concluded that the organisation is over reliant on two marketing communication strategies; personal selling and direct marketing. The organisation is placing too much emphasis on these strategies to the detriment of the basic fundamental objectives of marketing communications which are awareness and reminding. The effect of relying on just a few strategies is that you limit the potential of the organisation to reach out to a bigger target audience.

The study also concludes that the organisation did not possess the requisite skill and expertise in marketing and communications. The level of marketing and communication appreciation is low. The implication is that strategies employed would lack a marketing perspective or flair based on knowledge and skill. The structure of the organisation was inappropriate for the successful implementation of a marketing communication programme. The structure assumes that sales and marketing are the same hence sales staff is responsible for marketing and communication. The implication is that the organisation would lose market share to competitors with structures that have persons responsible for marketing and communications.

### **Customer perceptions of the organisation its communications.**

The organisations reputation is at stake, customers have negative perceptions about the organisation and its marketing communications. The implication is that customer loyalty, trust and commitment are being compromised and that slowly customers will disengage from the relationships.

## **5.2 EVALUATION OF PROPOSITION**

The research proposition is restated as follows:

Marketing communications did not impact on sales performance as desired at Destiny Electronics because of lack of skill and expertise in marketing and communications, limited application of marketing communication strategies, financial constraints and an in appropriate structure. The study therefore confirms the proposition as the organisation through its management failed to realise benefits from marketing communication due to lack of skill, expertise, inappropriate structure and underfunding of communication activities.

### **5.3 RECOMMENDATIONS**

The study recommends that for Destiny Electronics to realise full benefits from implementing marketing communications;

#### **Restructuring**

It is recommended that Destiny Electronics restructure its current structure to accommodate marketing and communication functions as separate or autonomous functions with the responsibility of marketing and communication for the whole organisation. These functions must be led by competent personnel with respect to qualifications, knowledge and experience.

#### **Marketing communication strategies**

Another recommendation is that, the organisation adopts an integrated marketing communication approach to its communications. Increase marketing communication strategies and increase communication frequency to repel the negative perceptions.

#### **Capitalisation**

It is also recommended that additional capital be raised to invest in communication technologies infrastructure. Marketing communication is now widely used as a competitive advantage by many firms. Those firms that are investing in communications are realising returns on the investment.

#### **Public relations**

The image of the organisation is not so good hence it is further recommended that Destiny Electronics embark on public relations campaign to repair its dented image before customers start disengaging from relationships as is inevitable in their situation. It is cheaper to maintain existing customers than it is to acquire new ones. Public relations would help restore credibility, customer loyalty and trust which are critical in gaining market share.

#### **5.4 STUDY LIMITATIONS AND AREAS FOR FURTHER RESEARCH**

The major limitations were time and resources to interview an ideal number of respondents suffice to do generalisations of the research findings across b2b markets. Another limitation was to do with the academic/professional background of respondents in terms of their knowledge and familiarity with the subject matter which may suggest it could have impacted on the results obtained. The respondents were at first not comfortable to answer some of the questions as the researcher is a former management employee of the organisation hence they felt that the information was being gathered for senior managers to use for other purposes other than for research hence they could be victimised afterwards.

The research was also based on a single qualitative case study analysis which only focused only on Destiny Electronics therefore results obtained may be inconclusive to make generalisations based on the views of one organisation. It would be more ideal in future to involve more organisations in b2b markets. For further research it would be beneficial to investigate on other factors that influence an organisations success or failure in achieving desirable impact of marketing communications on sales performance like the ideal academic and professional background of management, the orientation of an organisation and the structure of an organisation. It can be inferred from this research that these factors have an effect on the success/failure of a business in implementing a marketing communication programme.

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**APPENDIX 1**

**INTERVIEW GUIDE FOR CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS, SALES MANAGERS AND ACCOUNT MANAGERS**

**SECTION A: BACKGROUND OF RESPONDENT**

1. What is your position in the organization?  
.....
2. Please state your age  
 25-35years    36-45years    46-55       above 56
3. Please state your professional/academic background.  
.....
4. How many years have you been employed by the organization?  
.....
5. How long have you been in your current position?  
.....

**SECTION B: MARKETING COMMUNICATION STRATEGIES**

1. As you may be aware, marketing communication tools include advertising, personal selling, direct marketing, sales promotions, public relations and social media. Please explain what marketing communication tools are used by your organisation and the reasons for adopting these tools?  
.....  
.....  
.....  
.....

2. Explain how the marketing communication budget is formulated and who are the people involved? What are your views regarding this process?

.....  
.....  
.....  
.....  
.....

3. To what extent did marketing communications impact on sales performance?

.....  
.....  
.....  
.....  
.....

**SECTION C: BENEFITS OF MARKETING COMMUNICATIONS**

1. How would you rate your organisation's marketing communications against your competitors?

.....  
.....  
.....  
.....

2. Please explain what benefits would accrue from implementing marketing communications?

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.....  
.....  
.....

3. Explain in your view what must be done to maximise benefits from marketing communications?

.....  
.....  
.....  
.....

**SECTION D: CONSTRAINTS/ INHIBITORS ENCOUNTERED**

1. Please explain what constraints/inhibitors are being encountered by your organisation in implementing marketing communications? How are they impact on sales performance?

.....  
.....  
.....

2. What strategies has your organisation employed to counter or minimise the effects of the constraints/inhibitors?

.....  
.....  
.....  
.....  
.....

***End of Questionnaire***

***Thank You for Your Valuable Time and Support.***

**APPENDIX 2**

**INTERVIEW GUIDE FOR DESTINY ELECTRONICS CUSTOMERS- ZB BANK, ZIMNAT LIFE, NETONE, AGRIBANK, PG MERCHANDISING AND CITY OF HARARE**

**SECTION A: BACKGROUND OF RESPONDENT**

- 6. What is your position in the organization?  
.....
- 7. Please state your age  
 25-35years    36-45years    46-55       above 56
- 8. Please state your professional/academic background.  
.....
- 9. How many years have you been employed by the organization?  
.....
- 10. How long have you been in your current position?  
.....

**SECTION B: CUSTOMER PERCEPTIONS OF DESTINY ELECTRONICS AND ITS MARKETING COMMUNICATIONS**

- 4. Please explain what channels of communication does Destiny Electronics use to communicate with your organisation? How would you prefer to be communicated to?  
.....  
.....

5. Please explain how often does Destiny Electronics communicate with your organisation?

.....  
.....  
.....  
.....  
.....

6. What are your perceptions of Destiny Electronics and its marketing communications?

.....  
.....  
.....  
.....  
.....  
.....

***End of Questionnaire***

***Thank You for Your Valuable Time and Support***

## APPENDIX 3

### DESTINY ELECTRONICS AUTHORISATION LETTER



62 Mutare Road Beverly, Msasa, P.O. Box 994, Harare, Zimbabwe, **Tel:** +263 (4) 486 536-45, **Fax:** +263 (4) 486 473

7 July 2014

The Director  
Graduate School of Management  
University of Zimbabwe  
P.O Box MP 167  
Mt Pleasant  
HARARE

The Director

**RE: DENNIES SUNGURO R074391H: - DISSERTATION AUTHORISATION**

Reference is made to the above subject matter.

We are pleased to advise you that we have allowed Mr D. Sunguro our former staff member to carry out a research at Destiny Electronics (Pvt) Ltd in fulfilment of his MBA studies.

We hope the information acquired during the research will be used solely for academic purposes. It is also hoped that the company will benefit from the study as he is expected to make it available to us upon completion.

For any further information please contact the undersigned.

Yours faithfully

**DESTINY ELECTRONICS (PVT) LTD**

**S. CHUMA**

**CHIEF EXECUTIVE OFFICER**

Directors: A. Senderayi (**Chairperson**), S. Chuma (**CEO**), N. Munyaka, K. Chibota (**GCEO**), B. Tinago, D. Easterbrook, U. Duske