

## **SS1 THIRD TERM MARKETING LESSON NOTE**

ADVERTISING

ADVERTISING CONT.

ADVERTISING CONT.

PROMOTION

PROMOTION CONT.

MARKETING SSS1 THIRD TERM MID-TERM ASSESSMENT

- TEST

PROMOTION (CONTD)

MERCHANDIZING

MERCHANDIZING CONT.

MERCHANDIZING CONT.

TYPES AND FUNCTIONS OF DISTRIBUTION

CONSUMER BEHAVIOUR AND ORGANISATIONAL BEHAVIOUR

## MARKETING SSS1 THIRD TERM FINAL EXAM

### WEEK 1

#### Advertising

##### Performance Objectives

Students should be able to know:

1. Advertising media
2. Print
3. Electronics

##### Advertising Media

Advertising media refer to vehicles or channels through which the message of advertisement reaches the target audience.

The media can be grouped into

- (a) Print media
- (b) Electronic media

##### Print Media

Print media are publication materials, e.g. Newspapers, magazines, periodicals and journals.

In 1854, Rev. Henry Townsend, a Presbyterian Church missionary, established the first printing press in Nigeria. Five years later, it would publish the country's first newspaper known as "Iwe Irohin Fun Awon Ara Egba Ati Yoruba."

"His objective is to get the people to read and to beget the habit of seeking information by reading." -- Rev. Henry Townsend.

Although, it is the opinion of many that, in contrast to his purported objective, the purpose of Rev. Henry Townsend newspaper was to foster the outreach of Christian religion at the time; it cannot be denied, however, that the "Iwe Irohin" played a very significant role in the history of Nigerian newspaper.

History has it that the first edition of Nigeria's first newspaper, "Iwe Irohin," came out on November 23, 1859. The newspaper was published every fifteen days and sold for 120 cowries, which is equivalent to a penny.

It would be highly patronized by the few literates in Yoruba land. And the circulation of the paper was around 3,000 as at that time.

The content of the newspaper was news of church activities, arrival and departure of religious dignitaries, ordinations etc.

It would be broadened by introducing stories that revolve around Abeokuta, as well as cotton and cocoa statistics.

The newspaper would also include advertisements from local firms and government agencies from 1860.

Eight years later, "Iwe Irohin" was printed in two versions, one in English and the other in Yoruba.

However, due to cultural and political clashes that occurred between the Egbas and the British which resulted in the expulsion of all Europeans in Egbaland, the printing press was razed in 1867.

And as a result, Nigeria's first-ever newspaper met with its end.

Be that as it may, the purpose for which the newspaper was formed has been fulfilled: The reading habit of the people has developed to a point whereby they now yearn for news after the demise of the "Iwe Irohin."

The second Nigerian newspaper was Anglo-African.

It was established in 1863 by Robert Campbell and was the first paper published in Lagos. In those days, the newspaper can be said to be the paper of its times.

And just as the title indicated, it was purposed for African self-improvement through the utilization of Western and African systems of knowledge.

It would take another seventeen years before the establishment of the third Nigerian newspaper, known as The Lagos Times and Gold Coast Colony Advertiser.

Established on 10th November 1880 by Mr Richard Olamilege Beale Blaize and was edited by Mr Andrew M. Thomas and Mojola Agbebi, The Lagos Times and Gold Coast Advertiser was sold for sixpence newspaper was printed every fifteen days.

Unlike Rev. Henry Townsend "Iwe Irohin," it is said that the newspaper was mainly concerned with the critical issues and matters of the period.

Records even have it that The Lagos Times and Gold Coast Colony Advertiser was actually the first to publicly denounce the extravagance of the colonial government in one of its editions published in 1881.

However, the newspaper would go out of circulation on October 24, 1883; only to reappear seven years later with little or no success.

Another newspaper that played a very important role in the history of Nigerian newspaper is the West African Pilot.

With a motto that reads: "Show the light and the people will find the way," the West African Pilot was launched in Nigeria by Nnamdi Azikiwe ("Zik") in 1937. And it was dedicated to the fighting for independence from British colonial rule.

It is said that from 1937-1947, Nnamdi Azikiwe edited the West African Pilot, personally.

### **Importance of Print Media**

It can be targeted

Printed media can be tailored to your target market, both in terms of the style of design as well as in how you distribute the material. This means you can focus your marketing budget on reaching the audience you want and make the material relevant and appealing to them.

It can create credibility

Another reason why print media is important is that it creates credibility. Investing in printed material signals to customers that you are serious about your business and that you offer a worthwhile product or service.

It can create engagement

Printed materials can also create engagement between the customer and the brand. By providing interesting articles to read, special offers or amusing copy there is the opportunity to provide a connection between the reader and the product that can lead to brand awareness and sales.

It can be kept

Unlike webpages, print media has a longer lifespan. Rather than spending a few seconds on a site and then moving on, brochures and leaflets can be picked up and put down and referred back to. They can also be passed onto friends or colleagues, maximising the reach of your campaign.

It can link to digital campaigns

Finally, print media offers the chance to link a paper with online content. Examples here include the use of a QR code or referral to a website for more information or to make an online order.

### **The positive impact of Print Media**

1. **Advertisement:** The ancient Babylonians got it right where the print media was concerned; it is indeed an effective tool for mass communication. That's why companies often spend in millions each year to advertise their products and services across various forms of print media. To put it in perspective, Vogue magazine, which is often touted as one of the most fashionable magazines of the world, had clocked impressive ad revenue of \$500 million in 2013 alone. The fact remains that showcasing ads on these magazines and other forms of print media ensures that your targeted demographic sees the ad and gets the message. And the best part is that as an advertiser, you would have to pay only once and the recipients can view the ad again and again, at no extra cost.
2. **Mass communication:** One of the effective ways to communicate with the masses was through the print media. That's why the US government ran several ads on various print media to entice young men and women to enlist with the army during the Second World War. Print media remains to date one of the most effective ways to communicate with the general population.
3. **Entertainment and news:** While we do get both instant variations of both news and entertainment through the various television programs, the fact remains that the print media such as newspapers still holds out a special allure to many. This is why, despite being in the digital age, most newspapers reported in an incremental increase in the total number of subscribers

### **The negative impact of Print Media**

1. **Negative body image:** One of the things that print media had been accused of in the recent past is of stereotyping of what it considers to be the perfect body image. As a result, most of the pictures posted in the print media reflect the same, thin unreasonable waistlines and this is having an impact on the younger generation. As a result, several have opted to starve themselves to achieve that body image, resulting in both severe health complications and fatalities.
2. **Psychological effect and fake news:** The print media needs to understand that it plays an influential role in today's society. But sadly, some of the companies often rile their audiences while paying little attention to fact and even go to the extent of distorting the truth so that they can make a quick sale. Many a riot had started with less and the costs of such manufactured news are just rising.
3. **Hidden agenda:** Many a news story planted in the print media has often led to governments being dismissed, presidents impeached and in one case, a king to abdicate. It is clear from the outset that the particular news firm had an agenda, but that should not have prevented the firm from exercising their journalistic ethics and objectivity when preparing the news. Sadly, few chose to exercise this at their discretion which is why the next time you read a loaded news item, you may want to keep the salt shaker close by.

## **Electronic Media**

Electronic media are the broadcast media, e.g. Radio, television, cinema, billboards etc.

Electronic media are media that use electronics or electromechanical audience to access the content. This is in contrast to static media (mainly print media), which today are most often created electronically, but do not require electronics to be accessed by the end-user in the printed form. The primary electronic media sources familiar to the general public are video recordings, audio recordings, multimedia presentations, slide presentations, CD-ROM and online content. Most new media are in the form of digital media. However, electronic media may be in either analogue electronics data or digital electronic data format.

Although the term is usually associated with content recorded on a storage medium, recordings are not required for live broadcasting and online networking.

### **The positive impact of Electronic Media**

1. **Information:** Electronic media is one of the effective methods by which you can disseminate information within seconds. So if you wanted certain information including information about an impending tsunami, then electronic media is your best bet to get that information out there, within a short space of time. That's why most politicians utilize all forms of electronic media to publicize themselves and to enable them to reach out to brand new voters.
2. **Educational:** Electronic media provides you with a host of information and certain agencies have started using the same to educate their young students. With the help of electronic media young students can learn more about the news, about the process and how reporters often have to report on it while facing a lot of stress and pressure. Some institutions also feature educational modules based on electronic media which can prove to be invaluable for those seeking to establish a career in the same.
3. **Behavioral:** various studies have already established that television and other forms of electronic media do continue to influence behavioural patterns in young children. And this can be a positive thing as it helps them to relate to the context and as a result, modify their behaviour, As a –parent, you would be required to monitor all their electronic media interaction to ensure that they are not led astray

### **The negative impact of Electronic Media**

1. **Psychological:** Again various studies have established the fact that the more young children are exposed to scenes of gratuitous violence in television programs, the more likely they are, to act it out. And moreover, television, as well as social media, can have a psychological effect on young viewers and cause them to become more reclusive, and to become addicted to select programs. As a result, this can impact their health in the long run.
2. **Behavioral:** Young children often tend to imagine that television programs are for real and naturally when they see explicit scenes and even violent ones, this can have a direct impact on their behaviour. This is why it is important for parents to regulate all forms of electronic media; after all, it is for their own benefit. And remember, all it takes is for one show to alter your little one forever.
3. **Health:** Being exposed to electronic media 24/7 is not good, not in any sense of the word. For one, binge-watching television programs can impair your vision and even affect your hearing.

If that wasn't enough, you would most likely put on more weight as a result of all that inactivity and this can even play a causative role in you developing diabetes.

4. Social interaction: As a result of being obsessed with electronic media and communication devices, you are more likely to lead a life of a recluse with little or no interaction with others. Soon, you would feel comfortable only when you are sitting in front of your laptop or television which is indicative that you have a major problem.

## **WEEK 2**

### **Advertising Cont.**

#### **Performance Objectives**

Students should be able to explain:

1. Advantages and disadvantages of each medium

(Electronic media)

#### **Advantages and Disadvantages of Electronic Media**

Medium	Advantages	Disadvantages
	<ul style="list-style-type: none"><li>- Dramatic presentation &amp; demonstrative ability.</li><li>- High reach potential</li><li>- Attain rapid awareness</li></ul>	<ul style="list-style-type: none"><li>- Very expensive</li><li>- Needs electricity which is not guaranteed/stable.</li><li>- Requires full attention</li></ul>
Television	<ul style="list-style-type: none"><li>- Relatively efficient</li><li>- Non-literate compliance</li><li>- Audio and visual advantage</li><li>- Provides a form of entertainment.</li></ul>	<ul style="list-style-type: none"><li>- Non-retrieval of message</li><li>- High product cost</li><li>- Control of time</li></ul>

Radio	- High frequency	
	- High level of efficiency	- Message on the product could not be seen
	- Ability to integrate with television	- Prone to wrong interpretation.
	- Portable & personal medium	- sometimes ambiguous & misleading.
	- Low production cost	- Fractionalization of audience.
	- Use of local personalities	- Time limitation
	- Reach a wider audience at once	- Commercial clutter, etc.
	- Not limited to literate	

### **WEEK 3**

#### **Advertising Cont.**

#### **Performance Objectives**

Students should be able to explain:

Advantages and disadvantages of each medium (Print media)

#### **Advantages and Disadvantages of Print Media**

Medium	Advantages	Disadvantages
Newspapers & Periodicals	- It offers excellent local market penetration	- Limited target selectivity
	- It enhances rapid audience	- Significant different between



	communication	national and local rates
	- Ability to reach a large number of people in a single day	- Not intrusive
	- Excellent geographical flexibility	- Not for illiterate
	- Timeliness	- Very expensive
	- Ability to convey a detailed copy	- Poor quality in packaging and production when handled non-professional
	- Could be retrieved for future use	
	- Efficient reach to the target audience	- Uneven distribution
	- Flexibility in target market coverage	- Very expensive
Magazines & Journal	- Non-seasonal of readership	- Geographical limitation
	- Ability to deliver a complex copy	- Not meant for illiterates
	- Could be retrieved for future use	- Slow audience accumulation

## **WEEK 4**

### **Promotion**

#### **Performance Objectives**

Students should be able to explain:

1. Meaning of promotion
2. Forms of promotion
3. Pricing - off
4. Coupon
5. Salesman competition
6. Loyalty scheme

## **Meaning of Promotion**

Promotion could be described as the use of any incentive by a manufacturer to induce the trade (wholesaler and retailer) or consumer to buy brand and to encourage the sales force to aggressively sell it. It must be noted that sales promotion even though can influence but may not be able to compensate for a poorly trained sales force, give the trade or consumer any compelling long-term reason to continuing purchasing a brand, permanently stop as established brand's declining sales trend or change the basic non-acceptance of an undesirable brand.

Promotion is an effort by the marketing manager to convince potential customers that the "right" product is available at the "right" price often through publicity, advertisement, sales promotion and other promotion techniques ".

## **Forms of Promotion**

The following among others are the forms of promotion that are employed in marketing management:

### **1. Pricing - off**

This is a strategy that involves temporary price reductions to retailers with the intent that savings will be passed along to consumers. Another consumer-oriented promotion technique is the direct price-off deal, which reduces the price of the brand. Price-off reductions are typically offered right on the package through specially marked price packs. Typically, price-offs range from 10 to 25 per cent off the regular price, with the reduction coming out of the manufacturer's profit margin, not the retailer's. Keeping the retailer's margin during a price-off promotion maintains its support and cooperation.

Marketers use price-off promotions for several reasons. First, since price-offs are controlled by the manufacturer, it can make sure the promotional discount reaches the consumer rather than being kept by the trade. Like bonus packs, price-off deals usually present a readily apparent value to shoppers, especially when they have a reference price point for the brand and thus recognize the value of the discount. So price-offs can be a strong influence at the point of purchase when price comparisons are being made. Price-off promotions can also encourage consumers to purchase larger quantities, preempting competitors' promotions and leading to greater trade support.

Price-off promotions may not be favourably received by retailers, since they can create pricing and inventory problems. Most retailers will not accept packages with a specific price shown, so the familiar X amount off the regular price must be used.

### **1. Coupon**

In marketing, a coupon is a ticket or document that can be redeemed for a financial discount or rebate when purchasing a product.

Customarily, coupons are issued by manufacturers of consumer packaged goods or by retailers, to be used in retail stores as a part of sales promotions. They are often widely distributed through the mail, coupon envelopes, magazines, newspapers, the Internet (social media, email newsletter), directly from the retailer, and mobile devices such as cell phones. Since only price conscious consumers are likely to spend the time to claim the savings, coupons function as a form of price discrimination, enabling retailers to offer a lower price only to those consumers who would otherwise go elsewhere. In addition, coupons can also be targeted selectively to regional markets in which price competition is great.

In government, a coupon is a paper certificate used to administer a benefit or permission.

### iii. Salesman competition

This is a contest that brings in reward for salesmen and the company they represent. It is said to occur when companies equipped their sales representatives and aspiring for a large customer base.

#### 1. Loyalty scheme

A loyalty program is a marketing strategy designed to encourage customers to continue to shop at or use the services of a business associated with the program. Today, such programs cover most types of commerce, each having varying features and rewards schemes, including in banking, entertainment, hospitality, retailing and travel.

The loyalty scheme is just a way to show appreciation by rewarding loyal customers, but how to do it is very important. It goes a long way in determining the relationship with customers moving forward. For a business to retain those customers, it is very imperative to initiate effective customer loyalty scheme.

#### Reasons for the Loyalty Scheme

##### Data Generation

The business stands the chance of generating good data that will help in repositioning it in the long run. Generating data pertaining to customers will give room for strategy and planning. It could be used to improve the business bottom line but all depends on how it effectively use those data.

The fact remains that customer loyalty schemes give the business an opportunity to really know its real customers, which can be used to separate the good eggs from the bad ones.

The scheme actually put the spotlight on customer behaviour. They can show the best clients and also underscore the worst customers.

##### Serves as a comeback avenue

While the best customers may be bringing in the lion's share of business profit, worst customers are the bargain-hunters that spend little and only buy discounted goods. However, the loyalty schemes there could be used to win back those lapsed customers.

These customers are much easier to win over than cold prospects. They know the business and it knows them, their buying history and where and how to reach them. It could be more profitable to lose bad customers than to gain new ones.

Allow the business to focus on Good Customers

Knowing good and bad customers worth it, hence business need a customer loyalty programme. Customer loyalty scheme serves as an avenue for business to focus on best customers and allows it to focus on improving satisfaction.

The thing is that loyal customers buy more and are often willing to pay more, which boosts business cash flow. Remember, by increasing loyalty, a business can increase profitability and extend the time they place their business with it.

The long-run effect of that is that loyal customers are also good customers in one way or the other helps you to advertise your products and service.

1. Bonuses

This relates to financial and non- financial rewards given to customers in appreciation and recognition for purchasing one brand rather than another. i.e. sweepstakes, coupons, premium, display allowance etc.

1. Trade allowances

This relates to financial and non- financial rewards given to consumers for performing one activity or the other in support of the manufacturer's brand.

## **WEEK 5**

### **Promotion Cont.**

#### **Performance Objectives**

Students should be able to know:

Forms of promotion

Premium offers

Words of mouth

Trade-in-allowance

Sampling

Merchandising incentives

Training schemes

## **Content**

Forms of Promotion

1. Premium offers
2. Word of mouth

iii. Trade-in- allowance

1. Sampling
2. Merchandising
3. Training schemes

## **Forms of Promotion**

1. Premium Offer

Traditionally premium offer is defined as a sales promotion technique where the customers are given two or more products and they pay lower than the price of the combined products. It is an inducement for the customers to buy more products. In premium offers the customers get prizes, gifts, coupons, and vouchers etc. as incentives when purchasing products. At times, Premium is designed for loyal customers and sometimes to attract more customers. Premium offers also help generate a lead for the products as many customers are deal hunters.

Types of Premium Offer

Premium offers are of following types:

1. Free premium: - These are the premium offers for which customers don't have to pay anything they just have to purchase the product and they get the offer. The objective of these premiums is to reward loyal customers, increase brand awareness, make brands more user friendly.
2. Self-liquidating premium: - In, self-liquidating promotion premium offers, the token amount needs to be paid to avail the offer as a gift or voucher. The objective is to attract more customers at a lower price. This helps generate more revenue for the company.

iii. On Package premiums: - These premium offers are small toys or gifts inside the packs. These offers help a brand revitalize itself and explain a different usage for the same product. It also helps improve the visibility of the product.

## 1. Word of Mouth

This is an unpaid form of promotion in which satisfied customers tell other people how much they like a business, product or service.

Word-of-mouth advertising is important for every business, as each happy customer can steer dozens of new ones your way. And it's one of the most credible forms of advertising because a person puts their reputation on the line every time they make a recommendation and that person has nothing to gain but the appreciation of those who are listening.

Here are some tips to help you generate word-of-mouth:

Word-of-mouth is triggered when a customer experiences something far beyond what was expected. Slightly exceeding their expectations just won't do it. You've got to go above and beyond the call of duty if you want your customers to talk about you.

Don't depend on your staff to trigger word-of-mouth by delivering "exceptional customer experience." Good customer service is sporadic, even in the best establishments. The customer who receives exceptional service today can't be sure their friends will receive the same tomorrow, so even the most well-served are unlikely to put their necks on the line and make a recommendation. Deep down, customers know service comes from an individual, not from an establishment. And even the best people have bad days.

Physical, nonverbal statements are the most dependable in triggering word-of-mouth. These statements can be architectural, kinetic or generous, but they must go far beyond the boundaries of what's normal.

## 1. Trade-in Allowance

It is a reduction in the price of a new item when an old item is given as part of the deal. It is also the sales promotion technique in which the buyers are offered a fixed discount (called trade-in allowance) on the price of a new model or item in exchange for an older model or item.

## 1. Sampling

Sampling is a process used in statistical analysis in which a predetermined number of observations are taken from a larger population. The methodology used to sample from a larger population depends on the type of analysis being performed, but it may include simple random sampling or systematic sampling.

## 1. Merchandising

Merchandising is the promotion of goods and/or services that are available for retail sale. Merchandising includes the determination of quantities, setting prices for goods and services, creating display designs, developing marketing strategies, and

establishing discounts or coupons. More broadly, merchandising may refer to retail sales itself, that is the provision of goods to end-user consumers.

#### 1. Training Schemes

The Act defines a training scheme as “study and training that leads to qualification not, of itself, lead to a qualification. The training scheme is for the pursuit of recreation, pleasure or leisure (including in the nature of a hobby), and the skills gained are not designed to lead to further or higher study, or entry into employment.

## **WEEK 6**

### **Promotion (Contd)**

#### **Performance Objectives**

Students should be able to know:

1. Functions of promotion

#### **Functions of Promotion**

1. It provides employment for thousands of people l.
2. It affords the society to enjoy and derive benefits which would not have otherwise been possible.

iii. Promotion helps to influence consumer buying behaviour.

1. It helps to communicate the strength of a product over its rivals.
2. It helps to re-orientate old customers about other benefits of their valued/ choice products.
3. It helps to reinforce advertisement.

vii. It facilitates the introduction of new products to the trade.

viii. It enhances and stimulates salesforce enthusiasm.

1. It promotes sales of established products

2. It enhances and increases product usage

## **WEEK 7**

### **Merchandizing**

#### **Performance Objectives**

Students should be able to explain:

1. Meaning Merchandising
2. Features of merchandising
3. Packaging
4. Branding
5. Labeling

### **Merchandising**

Merchandise known as merchant wholesalers is regarded as independent firms that purchase a product and resell it to other manufacturers, wholesalers or retailers but not to the final consumer. They provide space for permanent showrooms and exhibit goods and products.

#### **Features of Merchandising**

A merchandise marketing activity is characterized as the following:

1. Packaging: This is regarded as the most distinctive marketing effort performs by merchandising.

#### Functions of Packaging

##### 1.protection of products

1. Identification of products
2. Information source
3. Enhance disposal
4. Enhance channel acceptance.
5. Branding: This is one of the most essential information elements that consumers use to simplify buying decisions and minimise purchase risk. It states the attributes and general image of a product. Brands include the product name, logo, slogans, trademark etc.

#### Functions of branding



1. It attracts attention
2. It aids memorability
3. Communicate the positioning of the product.
4. Distinguish the product from competing brands.

iii. Labelling: Labelling should be consumer/customer-friendly, hence, it must perform the following functions.

#### Functions Labelling

1. Proper identification of the identity of the manufacturer
2. State the expiration of a product.
3. State the usage of the product
4. Provide detail instructions about other essential matters.

## **WEEK 7**

### **Merchandizing**

#### **Performance Objectives**

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## **WEEK 8**

### **Merchandizing Cont.**

#### **Performance Objectives**

Students should be able to explain:

1. Conditions in merchandizing
2. Warehousing cost
3. Cost resulting from a reduction in inventory value
4. Transportation cost etc

## Conditions in Merchandising

Conditions in merchandising include the following:

1. Warehousing cost:

This relates to who bears the cost of keeping the products, i.e. is it the manufacturer or the wholesaler merchant. Both parties must agree so as to avoid unnecessary problems.

1. Cost resulting from a reduction in inventory value:

Cost reduction in inventory management is vital in an exploding market that is continuously attracting more competition. As competition increases, logistics businesses must take a few straightforward steps to reduce inventory costs to stay in the game.

Here are five ways to do just that.

1. Slash supplier lead time

You can keep inventory levels (and therefore costs) lower by speeding up supplier lead times. The median supplier lead time for purchased materials is eight days. If you can shave two or three days off of that, it will have a major impact on your bottom line.

Shop around for suppliers that can meet your needs, quickly. If you're already working with a supplier that isn't moving as fast as you'd like, think about the costs of staying with a slower supplier.

You need to keep more safety stock around for orders that need to be filled, and that means you're paying to warehouse stuff you wouldn't need to have at all if your supplier could deliver inventory to you more quickly.

Calculate how much you're paying for that safety stock, and you'll have an idea of what kind of savings are possible if you find a better supplier.

1. Get rid of obsolete inventory

Safety stock isn't the only product you're carrying that you don't need. Chances are you've got obsolete inventory, too.

It's tough to get rid of stuff when you're in the inventory management business. Those are products, after all—products that are theoretically worth real money. But if they're obsolete and not selling, they're just taking up space. Take a deep breath, and chuck 'em (or recycle).

Resist the hoarder mentality. It's easy to think that the additional space you're dedicating to that inventory is keeping the valuable product on hand and a good financial decision, but you're really just throwing good money after bad by paying to store stuff on the hope that it'll sell at some point.

Gather data on how much of your inventory consists of items that haven't sold in the past year. A full breakdown of what you're spending on such products is almost always eye-opening.

Once you've gotten rid of the obsolete stock, you need to prevent it from building back up. Adjust your demand forecasting based on expected future sales so you're ordering the right quantities of merchandise. This is a fairly simple way to reduce costs in inventory management, but most managers get so caught up in the day-to-day demands that they never get around to it.

1. Choose better software

Quality logistics software can do incredible things for your business. And there are dozens upon dozens of options out there—231 in our directory, to be exact.

You need to keep track of your inventory levels, or risk overstocking and seeing your inventory costs balloon. If you've been relying on a simple spreadsheet or a basic software solution with limited features to manage everything, you probably aren't getting the full picture of your inventory situation.

Find a software solution that keeps inventory info automatically up-to-date, so you can quickly make decisions when necessary.

Logistics software also helps centralize control of your inventory, which cuts costs by eliminating redundant effort. This is particularly important for complex logistics operations that require a detailed inventory plan.

Centralizing supply chain models also helps you avoid the excess and obsolete stock. Remember: it's always better to be preventive than reactive.

1. Set up automatic re-orders when inventory gets low

Thanks to technological advancements, automation is accessible even to small businesses. You must use this to your advantage.

When your inventory runs low, automatic re-orders ensure you aren't left with shortages. The software combined with a perpetual inventory system will help you avoid those costly shortages.

A perpetual inventory management system provides real-time inventory updates by tapping into a database that tracks all of your inventory to determine when supplies are running low and when it's time to re-order—all without any human input.

1. Monitor your SKUs

Stock keeping units (SKUs) are identification codes for products that help you track them through inventory. Relatively straightforward products may have just one SKU, but items that come in multiple shapes, sizes, and colours (like clothing) have multiple SKUs.

This can become an inventory headache, as products with multiple SKUs can send confusing signals when it comes to demand. You might think that there is no interest in a particular product, only to find that the reason people aren't ordering that shirt is that the size they want is never in stock.

For these products, you need to use software that can manage all of your SKU data in one place so you know how these products are really performing on the market.

### iii. Transportation cost:

The expenses involved in moving products or assets to a different place, which are often passed on to consumers. For example, a business would generally incur a transportation cost if it needs to bring its products to retailers in order to have them offered for sale to consumers.

#### 1. Distribution tasks:

The process of distribution refers to a series of activities which takes place between the time of the production of goods and the time they reach the final consumers or put it another way, the time taken up by the production unit of such activities are part of a continuing process of productions.

After the distribution objectives are set, it is appropriate to determine the specific distribution tasks (functions) to be performed in that channel system. The channel manager must be far more specific in describing the tasks and must define how these tasks will change depending upon the situation. An ability to do this requires the channel manager to evaluate all phases of the distribution network. Tasks must be identified fully, and costs must be assigned to these tasks. For example, a manufacturer might delineate the following tasks as being necessary in order to profitably reach the target market:

provide delivery within 48 hours after order placement

offer adequate storage space

provide credit to other intermediaries

facilitate a product return network

provide readily available inventory (quantity and type)

provide for absorption of size and grade obsolescence

#### 1. Materials handling:

Material handling involves short-distance movement within the confines of a building or between a building and a transportation vehicle. It uses a wide range of manual, semi-automated, and automated equipment and includes consideration of the protection, storage, and control of materials throughout their manufacturing, warehousing, distribution, consumption, and disposal. Material handling can be used to create time and place utility through the handling, storage, and control of waste, as distinct from manufacturing, which creates form utility by changing the shape, form, and makeup of the material.

## **WEEK 9**

### **Merchandizing Cont.**

#### **Performance Objectives**

Students should be able to know:

1. Functions of merchandising
2. Scrambled merchandising

#### **Functions of Merchandising**

The following are the functions of merchandising:

1. Nearness to the population/target market.
  2. It helps the producers of some perishable goods to have a rigid distribution control to avoid spoilage.
- iii. It affords products to have a high value per unit
1. It helps in spreading the cost of promotion.
  2. It helps to create a job for thousands of unemployed.
- vi.it helps in product packaging and serves as a source of information.

#### **Scrambled Merchandising**

"This is the handling of merchandise lines based solely on the profitability criterion and without regards to the consistency of a particular product line with other products in retailer's product mix".

## **WEEK 10**

### **Types and functions of Distribution**

#### **Performance Objectives**

Students should be able to explain:

1. Meaning of Distribution
2. Types of distribution
3. Channels of distribution

#### **Distribution**

A distribution channel can be described "as an organized system of marketing institutions and their interrelationships that promote the physical flow of goods and services along with a title that confers ownership from producer to consumer or business user. It also connotes the network of organizations that creates time, place and possession utilities for consumers and business users.

Examples: movement of textbooks from publishers to bookshops, movement of agricultural products from farm to the commodity market.

#### **Types of Distribution**

The distribution could be grouped into the following;

1. Dual Channel Distribution: This refers to the movement of products through more than one distribution channel to reach the same target consumers.

Examples are:

(a) Manufacturer---> Wholesaler---> Consumers

(b) Manufacturer---> Wholesaler---> Retailers

1. Reverse Channel Distribution: This relates to the backward movement of goods from users to producers. This is the situation when consumers are expected to supply certain information before goods and services could be distributed. For instance, registration of car owner allows manufacturers to send a proper notification in the event of a recall.
2. Wholesaling Intermediaries: This is a broader term whereby firms sell products primarily to retailers or to other wholesalers or business users and only in insignificant amounts to the ultimate consumer. These include agents and brokers who perform important wholesaling activities without taking title to goods which differentiates it from merchandising.
3. Sakes Channel: This is part of the distribution which involves the buying, selling and transferring title. The participants in this marketing channel are the manufacturers, retailers, consumers and transportation company.
4. Facilitating Channel: These include public storage firms, insurance companies, finance companies, market research firms and several other types of firms also frequently participate as facilitating organisations in various marketing channels. It is essential that both the sales and facilitating channels are usually needed to create time, place and possession utilities.

### **Channels of Distribution**

Channels of distribution connote the medium through which products pass from manufacturers to consumers. Factors that inform the channel decision are:

1. The size of the customers base
2. Nature of the products

iii. Consumers behavioural pattern

1. Perishability of product
2. Technical complexity etc

### **Levels of Distribution Channels**

- (a) Two level: Manufacturer-->Consumers
- (b) Three level: Manufacturer-->Retailer-->Consumers
- (c) Four level: Manufacturer-->Wholesaler-->Retailer-->consumer
- (d) Five level: Manufacturer-->Agent-->Wholesaler-->Retailer--->consumers.

## **WEEK 11**

### **Consumer behaviour and Organisational behaviour**

#### **Performance Objectives**



Students should be able to explain:

1. Factors influencing consumer behaviour
2. Cultural factors
3. Social factors
4. Personal factors
5. Psychological factors

### **Factors influencing Consumer Behaviour**

The following factors have been identified as those that influence the atypical behaviour of an average consumer. The factors are:

1. **Cultural Factors:** First and foremost, the term culture can be defined as a set of values, beliefs, preferences and tastes handed down from one generation to another. Invariably, the culture where an individual comes or raised up may have a direct/indirect impact and influence on his/her consumption or buying behaviour.
2. **Social factors:** This relates to a group or societal class. Every consumer belongs to a number of social groups. The word social could be described as a relationship, fellowship or interaction between people. Every group exhibits certain norms of behaviour as values, attitudes and behaviours that a group deems appropriate for its members.
3. **Personal Factors:** These relate to taste, preference and choice that an individual has for a particular product. Personal factors do influence consumption pattern of consumer, it can be as a result of religious belief, educational attainment, exposure, taste etc. E.g. some people may not be influenced to eat a particular kind of meat or food due to personal policy or decision or religious belief.
4. **Psychological factors:** These include attitudes, perception, learning, motivation and personality which have a direct or indirect influence on consumer behaviour.