Full Length Research

Another Look at the Concept of Marketing, Market Segmentation and the Dichotomy That Exists Between Integrated Marketing Communication and Sales Promotion

Oberiri Destiny Apuke

Department of Mass Communication Taraba State University Jalingo, Nigeria.
Phone Number: +234 7068851417. Email: apukedestiny@gmail.com

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This paper delineates what marketing is and further explains how a marketer or advertising marketer should segment his market. It likewise demonstrates the dichotomy that exists between integrated marketing communication and sales promotion. The paper adopts a qualitative research approach and used Google and Google scholar as the means of data search and retrieval. However, it was difficult to solely depend on electronic sources, hence, relevant print literature such as journals and books were also consulted. The study was undertaken between February and March 2018. It was deduced from this study that marketing is an organizational function and a set of processes for creating, delivering, communicating value to customers, as well as managing customer relationships in ways that also benefit the organization and its shareholders. It was also revealed that market segmentation is the process of dividing consumers in a given economy into target markets. The findings also disclosed that integrated communication merely implies the use of marketing strategies to enhance the communication of a consistent message of a company’s brand to stakeholders. Whilst sales promotion is marketing activities that are usually made for a specific time, place or customer group with the aim of stimulating immediate sales. Therefore, integrated communication extends to encouraging dialogue between customers and a company in order to create and nourish profitable relationships. Hence, it could be inferred that sales promotion is an element of the integrated marketing communication.

Keywords: Integrated marketing communication; market segmentation; marketing; sales promotion


INTRODUCTION

There is evidence to show that marketing has been viewed differently by scholars, based on perception and understanding, as well as it is a crucial human activity that includes the activities, we engage in to satisfy economic needs and wants. Yet, there seem to be relatively few studies that have provided an explicit
elucidation of marketing, market segmentation, and dichotomy that exists between integrated marketing communication and sales promotion (Andrews & Shimp, 2017; Olcaysoy Okten & Moskowitz, 2018; Ringold & Weitz, 2007). In view of this, this present paper will contribute to this growing body of knowledge by describing in more detail what marketing is and extend to explain how a marketer or advertising marketer should segment his market. It will also demonstrate the dichotomy that exists between integrated marketing communication and sales promotion which has continued to be debated among scholars (See Figure 1). Interestingly, this paper is significant because it will clearly explicate the concept of marketing and suggest to marketers and advertisers how best to segment their market so as to yield a better result. It will also clarify the main divergence between integrated communication and sales promotion. No doubt this present work has a potential of contributing to the knowledge of practitioners, shareholders and scholars in the field of advertising, promotion and marketing.

METHODS

This paper documents what marketing is and further elucidates how a marketer or advertising marketer should segment his market. It likewise demonstrates the dichotomy that exists between integrated marketing communication and sales promotion. To achieve this, a qualitative research approach which involves the use of secondary sources was employed. Thus, a review of the literature which entails corroborating of studies related to this present research was undertaken between February and March 2018. The researcher used Google and Google Scholar search engine to retrieve peer review articles. The key search terms used were marketing, integrated marketing communication, sales promotion, and market segments. There was no restriction to an article publication date range. This implies that as long as the article is related to the subject under investigation it was consulted and used.

At the initial search, results yielded about 110 references, which were related to the work on a closer look, but after a thorough screening of each article title, abstract, methodology, basic findings and conclusion, 47 were found more related and used for this work. Furthermore, in case of uncertainty, the researcher read the entire text of an article. Therefore, the main inclusion and exclusion criterion were that articles that centred on the definition of marketing, integrated marketing communication, sales promotion, and market segments were included. While articles that merely centred on advertisement, non-related issues, news items, monographs, duplicates, encyclopaedia and non-English were mostly excluded and not used in this study.

However, it was not entirely possible to rely only on simple electronic searches of the database, therefore, the reference list of other relevant sources such as print books and academic journals were consulted. The final search was undertaken in March 2018. This study used a narrative technique to demonstrate the concept of marketing, market segmentation and the difference between sales promotion and integrated marketing communication.

Marketing defined

It has been shown that the market consists of all prospective customers for a given product, service, or idea. Customers can be purchasers who intend to resell the product or end users who intend to use or consume the product (Keefe, 2008). In view of this, marketing in recent years has been viewed as the process of communicating the value of a product or service to customers, for the purpose of selling that product or service (Ringold & Weitz, 2007). From a societal point of view, marketing is the link between a society’s material requirement and its economic patterns of response (Gundlach & Wilkie, 2009). This implies that marketing satisfies these needs and wants through exchange processes and building long-term relationships. In other words, marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and managing customer relationships in ways that also benefit the organization and its shareholders.

Strengthening this view, Naeem, Bilal, and Naz (2013) commented that marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer buying behaviour and providing superior customer value. Consistent with this view, a research has described marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (Hague, Hague, & Morgan, 2013). This connotes that marketing is getting the right product or service in the right quantity, to the right place, at the right time and making a profit in the process. It is about identifying and understanding your customer and giving them what they want. It's not just about advertising and promoting your business (Fadipe, 2002).

In view of these definitions, it is important to note that the customer can be an individual user, a company, or several people who contribute to the purchasing decision. The product can be a hard good, a service, or even an idea of anything that would provide some value to the person who provides an exchange. An exchange is most often thought of as money, but could also be a donation.
of time or effort, or even a specific action. A producer is often a company but could be an individual or non-profit organization. According to Kotler et al. (2012), classical marketing is often described in terms of the four “P’s, which are:

Product – what goods or services are offered to customers
Promotion – how the producer communicates the value of its products
Price – the value of the exchange between the customer and producer
Placement – how the product is delivered to the customer.

A complete analysis of these categories is often called the Marketing Mix. In addition, research has shown that marketing has both inbound and outbound activities (Best, 2012). Inbound activities largely centre on discovering the needs and want of the potential customers (Lambert, Garcia-Dastugue, & Croxton, 2005). This implies that the collective group of all potential customers is called a market and categorizing these needs into groups is called segmentation (Solomon et al., 2014). Therefore, organizing markets into segments allows a producer to more logically decide how to best provide value to that group of potential customers (Huang, Tzeng, & Ong, 2007).

Accordingly, Liu and Ong (2008) suggests that the analysis of market segment needs; analysis of existing sales and profitability; the descriptions, design and introduction of new products; and the analysis of competitor offerings are also inbound activities that are important but not often seen by the public. On the other hand, the outbound activities include all aspects of informing the market that a product is available, delivering that product, and encouraging the purchase decision (Armstrong, Kotler, Harker, & Brennan, 2015). These activities include advertising, promotion, supply chain, sales support, product training, and customer support (Brey et al., 2007).

Having discussed what marketing is all about, it is pertinent to explain market segmentation so as to demonstrate a broader understanding of marketing.

Market segmentation

It has been established that the market consists of buyers with varied needs, wants and purchasing power and that sellers do not specialize in the same goods or service; rather they handle various goods and services (Ko et al., 2012). Therefore, research has shown that for such markets to be effectively served, there is a need to divide the markets in line with the needs and purchasing power of the buyers (Brey et al., 2007). Moreover, buyers in an environment have unique needs and want; thus, each buyer is potentially a separate market. Most often, sellers design a separate marketing program for each buyer (Fahy & Jobber, 2012). This implies that each buyer requires a unique combination of goods and service as the buying habit and motives differ. In order to meet the needs of consumers, marketers divide the total markets into smaller segments, on the basis of the kind of similar demands for a product. Also, most companies realize that they cannot compete in meeting all the different shades of unique demands in an economy, so they aim at focusing on few segments that seem more profitable to them.

Market segmentation is, therefore, the process of dividing consumers in a given economy into target markets (Turow, 2008). It is aimed at dividing the total market in an economy where demands for a given product are heterogeneous into homogeneous demand...
groups or segments, for the purpose of providing unique or specific products or services for each segment (Martin, 2011). Supporting this view, Deon (2011) found that consumer markets can be segmented through a single variable or a combination of variables. However, it should be noted that segmentation of consumer markets varies from company to company and product to product. Intrinsically, much of the research exploring market segmentation has suggested the following forms of market segments:

Geographic Segmentation

Geographic segmentation entails dividing a market into different geographic units such as nations, states, regions, countries, cities, etc. (Jobber, Fahy, & Kavanagh, 2006). A company may decide to operate in one or a few geographical areas or to operate in all areas, but pay attention to geographical differences in needs and wants. A study has stated that companies who segment their market using geographical segmentation include Nigeria Bottling Company Plc., Seven-up Company, Unilever Nigeria Plc, NNPC, etc. (Ewah & Ekeng, 2009). Accordingly, Aigbiremolen and Aigbiremolen (2004) reported that many companies today are “regionalizing” their marketing programs- localizing their products, advertising, promotion and sales efforts to fit the needs of individual regions, cities, etc.

Demographic Segmentation

Research has shown that demographic segmentation consists of dividing the market into groups based on variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, and nationality (Cody, 2012). Similar evidence suggests that demographic factors are the most popular bases for segmenting customer groups (Sánchez-Hernández et al., 2013). Besides, demographic variables are easier to measure than most other types of variables. Even when market segments are defined using other bases, such as personality or behaviour, their demographic characteristics must be known in order to assess the size of the target market and to reach it Efficiently (Gray & Bean, 2011). For instance, some companies use age and life-cycle segmentation, offering different products or using and life-cycle groups. For example, Pharmaceutical enterprises have different products (drugs) for different ages. Likewise, manufacturers of clothing materials use this variable as a basis of segmenting their markets into baby clothes, boys’ and girls’ clothes, youth clothes and adult’s clothes to facilitate selling activities and to serve the market efficiently.

In recent years, research findings have confirmed that, although the gender segmentation has long been used in clothing and cosmetics section (Constantinides & Zinck Stagno, 2011), however, due to western culture; a woman also uses men’s dresses. Nevertheless, a lot of companies today have continued to produce cloths based on gender. Additionally, evidence from documented research has likewise shown that those who operate in the entertainment industry also use gender mutation as a way of segmenting the market, to ensure efficiency (Gray & Bean, 2011).

Income segmentation has also been used by the marketer of products such as automobiles, clothing, cosmetics, jewellery, wristwatches, etc. Many companies target different consumers with luxury goods and convenience service (Baker & Hart, 2008). For example, in the aviation industry where airlines such as Arik, Bellview, British Airways Chanchangi etc., operate, passengers are classified into –first class, second class and third class, respectively. This is based on the amount of money paid by passengers. In the hospitality industry, income segmentation is one way of serving customers. In fact, the amount of money paid by guests determines the facilities to enjoy. Since income varies from person to person, and from industry to industry, markets use income segmentation as a way of identifying consumers’ needs in order to make provisions, accordingly.

Psychographic Segmentation

Another form of market segmentation is the psychographic segmentation which means dividing buyers into different groups based on social class, lifestyle, or personality (Florez-Lopez & Ramon-Jeronimo, 2009). This implies that people in the same demographic groups can have different psychographic makeup. Social class, on the other hand, influences the types of good and service consumed. Abraham Maslow classified human beings into various classes, using needs as a basis. For example, rich men who live in big cities such as Abuja and Lagos reside in Maitama, Asokoro, VGC or Lekki, respectively. These places are designated as rich men’s places; likewise, rich men prefer going to supermarkets to shop for their goods, rather than visiting open markets. These places are considered as a high class, for rich men in Nigeria. All the classifications serve as ways of locating, the target consumers and produce goods and services to satisfy their needs. For example, 5-star hotels are located in Lekki, VGC (Lagos), Asokoro, Maitama (Abuja) just because of the people who are residing over there. Therefore, social classes are groups whose members share similar values, interests and behaviours (McCarty & Hastak, 2007).

Behaviour segmentation

Behavioural segmentation implies dividing buyers into groups based on their knowledge, attitude, uses, or responses to a product (Florez-Lopez & Ramon-
Jeronimo, 2009; McCarty & Hastak, 2007; Baker & Hart, 2008). Some marketing executives are of the view that behavioural variables are the best starting point for building market segments (Müller et al., 2018; Ernst & Dolnicar, 2018; Gray & Bean, 2011). Variables such as occasions, benefits sought, status, usage rate, loyalty status, attitude toward products—among others—are used by marketers to segment markets (Gordon et al., 2018; Melancon & Dalakas, 2018).

The dichotomy that exists between integrated marketing communication and sales promotion

The dichotomy is a division or contrast between two things that are or are represented as being opposed or entirely different (Olcaysoy Okten & Moskowitz, 2018). Hence, this section will describe the contrast between integrated marketing communication and sales promotion.

Most of the past and recent investigation exploring sales promotion has described it as a short-term incentive to encourage the purchase or sale of a product or service (Akram et al., 2018; Tomczak, Reinecke, & Kuss, 2018; Narayanaswamy & Heiens, 2018; van Heerde & Neslin, 2017). The American Marketing Association defines it as: “those marketing activities other than personal selling, advertising, and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays’, shows and expositions, demonstrations and various non-current selling efforts not in the ordinary routine” (Ernst & Dolnicar, 2018). This implies that sales promotion mostly serves as a bridge between advertising and personal selling to supplement and coordinate efforts in these two areas. It should be noted that as the number of brands increases, for example, the competitive pressures for display space in retail stores intensify for manufacturers. These forces increase retailers’ demands for more sales promotional effort from their suppliers.

Conversely, integrated marketing has been described as an approach to creating a unified and seamless experience for consumers to interact with the brand/enterprise (Andrews & Shimp, 2017). It attempts to meld all aspects of marketing communication such as advertising, sales promotion, public relations, direct marketing, and social media, through their respective mix of tactics, methods, channels, media, and activities, so that all work together as a unified force (Belch & Belch, 2004). This implies a process designed to ensure that all messaging and communications strategies are consistent across all channels and is centered on the customer (Kim, Han, & Schultz, 2004). It is, therefore, an approach to achieving the objectives of a marketing campaign, through a well-coordinated use of different promotional methods that are intended to reinforce each other (Kitchen & Burgmann, 2015).

This view is consistent with the definition of the American Association of Advertising Agencies, which emphasizes that integrated marketing communication recognizes the value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines advertising, public relations, personal selling, and sales promotion and combines them to provide clarity, consistency, and maximum communication impact (Dahl, Eagle, & Low, 2015; Kitchen & Burgmann, 2015). In order to have a better understanding of the dichotomy of integrated marketing communication and sales promotion, it is important to explore what really brought about the integrated marketing communication

Why an integrated marketing communication?

In the past, evidence has shown that companies, mainly relied on advertising and promotion to help them market products and services (Popescu, He, Jianwu, & Lei, 2017). This implies that advertising and other forms of promotion were the most prominent sources of information for consumers to make purchase decisions. However, increasing global competition, technological advances, and segmentation of fast, informed customers resulted in integrated marketing communication (Akram et al., 2018). The marketers began to look beyond the traditional media to find new and better ways to communicate with their customers. Thus, they began moving toward the process of integrated marketing communications (IMC), which involves coordinating the various promotional elements and other marketing activities that communicate with a firm’s customer (Belch, 2003). Table 1 further highlights the difference between integrated marketing communication and sales promotion.

CONCLUSION AND IMPLICATION

In summary, the intention of this paper was to shed light on marketing, explicate how marketer or advertising marketer should segment his market and demonstrate the dichotomy that exists between integrated marketing communication and sales promotion. It was deduced from this study that marketing is an organizational function and a set of processes for creating, delivering, communicating value to customers, as well as managing customer relationships in ways that also benefit the organization and its shareholders. It was likewise revealed that market segmentation is the process of dividing consumers in a given economy into target markets. Furthermore, the market consists of all prospective customers for a given product, service, or idea.

The findings also disclosed that integrated
Table 1: Sales promotion and integrated marketing communication

<table>
<thead>
<tr>
<th>Sales Promotion</th>
<th>Integrated marketing communication</th>
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<tbody>
<tr>
<td>Marketing activities that are usually for a specific time, place or customer group. Encourages a direct response from consumers or marketing intermediaries (trade) by offering additional benefits – value-added incentive</td>
<td>A strategy aimed at unifying different marketing methods such as mass marketing, one-to-one marketing, and direct marketing. Its objective is to complement and reinforce the market impact of each method and to employ the market data generated by these efforts in product development, pricing, distribution, customer service.</td>
</tr>
<tr>
<td>Sales promotion is one of the elements of the promotional mix. Sales promotion uses both media and non-media marketing communications for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability.</td>
<td>Integrating all the promotional tools, so that they work together in harmony. It blends various promotional tools and communications/marketing/creative services and techniques to maximize profit. IMC is ultimately achieved through concise and consistent messaging that fosters familiarity and consumer affinity.</td>
</tr>
<tr>
<td>A short-term communication plan aimed at increasing demand and sales</td>
<td>Long and consistent communication plan using all available forms of communication aimed at relating to customers and increasing sales. It is, therefore, a process of all sources and information managed so a consumer or prospect is exposed which behavioural moves the customer more towards a sale</td>
</tr>
<tr>
<td>Sales promotion is implemented to attract new customers, to hold present customers, to counteract competition, and to take advantage of opportunities that are revealed by market research. It is made up of activities, both outside and inside activities, to enhance company sales. Sale promotions often come in the form of discounts.</td>
<td>Integrated marketing communications (IMC) is the use of marketing strategies to optimise the communication of a consistent message of the company’s brands to stakeholders. Coupling methods together improve communication as it harnesses the benefits of each channel, which, when combined together builds a clearer and faster impact than if used individually</td>
</tr>
<tr>
<td>Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales</td>
<td>It is more of about strategically controlling or influencing all messages and encouraging purposeful dialogue to create and nourish profitable relationships with consumers and other stakeholders</td>
</tr>
<tr>
<td>Direct inducement that offers an extra value or incentive for the product to the sales force, distributor or ultimate consumer, with the primary objectives of creating immediate sales.</td>
<td>It involves identifying a single, core message which leads to one great creative idea which is implemented across everything a company does. This means it is the process of developing and implementing various forms of persuasive communication programs with Customers and prospects over time</td>
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Communication merely implies the use of marketing strategies to amplify the communication of a consistent message of a company’s brand to stakeholders. Whilst sales promotion is marketing activities that are usually made for a specific time, place or customer group with the aim of stimulating immediate sales. Therefore, integrated communication extends to encourage dialogue between customers and a company in order to create and nourish profitable relationships. Hence, it could be concluded that sales promotion is an element of the integrated marketing communication. This is consistent with Belch and Belch (2016) notion which established that integrated marketing communications are a holistic planning process that focuses on integrating messages across communications disciplines, creative executions, media, timing and stakeholders.
It is, therefore, the dominant approach used by companies to plan and execute their marketing communication programs (Kim, Han, Schultz, 2004) It combines advertising, direct response, sales promotion, and public relations in order to provide clarity, consistency, and maximum communications impact. (Belch & Belch, 2003:9). Whereas, the sales promotion, the primary objective is creating immediate sales by offering an extra value or incentive for the product, while IMC is the process of developing and implementing various forms of persuasive communication programs with customers and prospects over time.

REFERENCES


