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Developing a marketing communication strategy: a case study of Taj Mehal Afro, an African and Asian grocery in Finland.

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Taj Mehal Afro, an African and Asian grocery in Finland.

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The purpose of this study is to make an assessment of the case company in terms of its marketing communication strategy, analyzing and exploring weaknesses and opportunities. On the basis of the findings, a proper marketing communication strategy is developed which will focus on efficient coordination of the customers' expectations and the case company's objectives. The core objective of this research is to define the various communication strategies and make recommendations on how these proposals could be applicable. Problems always arise as there is no guarantee of an efficient flow of information from the business to its customers and from customers to the business. Questionnaires were sent to the customers of the case company, which enabled examination of the suggestions and alternative courses being employed.

The study was conducted by reviewing theories associated with marketing communication strategies. Furthermore, personal observations and discussions with managers of the case company were conducted. Literature in electronic form from the internet was reviewed to support the study. The empirical section of this thesis describes the case company and area of specialization and provides general ideas about the products on offer and the wholesale and retail of African and Asian food products.

Quantitative and qualitative study (triangulation) was the form of research methodology adopted for the study. Data collection and examination were conducted on the capabilities of examining the necessary procedure for the development of marketing communication strategy by gathering information via a questionnaire of open-ended questions, and the appropriate responses were evaluated using a statistical package for the social sciences programme, (SPSS).

The results of the research generated diverse findings on the shortfalls in the marketing communication strategy of Taj Mehal Afro. Communication elements including reliability and cost effectiveness played a key role in the profitability and growth of the case company's brand loyalty.

Key words strategy, communication, marketing, pricing, relationship marketing.

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1 Introduction

Business ventures seek returns on their initial investments and vie for market share to increase revenues. While growth could be argued as being the main objective of nascent firms, stability, penetration to new markets and building brand awareness are important in big companies. However, given competition and the ever changing demand patterns of consumers, companies explore and adopt marketing communication strategies to distinguish their offerings from competitors. Having goods or services of superior quality does not necessarily mean increases in sales or brand awareness. Some companies do not survive due to poor marketing communication strategies.

In the interest of the case company, developing a comprehensive marketing communication strategy will increase profitability through increases in sales of products, growth in brand awareness, which enhances good consumer feelings and memories, sales promotion through advertisements so that eventually, it leads to the continuous growth in market share of the case company.

The scope of this thesis entails theories on marketing communication, segmentation, customer information, marketing mix, and branding, competitive advantage as well as the supply chain of African foodstuffs in Tajmehal Afro.

The case company (Tajmehal Afro) operates in the provision of African foodstuff. This thesis is written to highlight the importance of Marketing Communication (planning and strategy) in the success of companies and identify possible areas where emphases have to be made.

1.1 The Objectives of the Thesis

The purpose of this study is to make an assessment of the case company in terms of its marketing communication strategy; after which, weaknesses and opportunities have to be analyzed and explored. On the basis of the findings, a proper marketing communication strategy is developed which will focus on efficient coordination of the customers' expectations and the case company's objectives. This study has as objective, the definition of the various communication strategies. The results of the study would be used to make amendments on how these proposals could be applicable. Communication problems always arise as there is no guarantee of an efficient flow of information from the business to its customers and from customers to the business. Questionnaires were sent to the customers of the case company which enabled examination of the suggestions and alternative courses being employed.

1.2 Theoretical Background of the Study

The cardinal principle of assessing a competent research work is done through the literature review in order that the statements of fact and figures could be subjected to verification and reliability test to conform to modern research techniques as evidence based.

The theoretical background is academic evidence based on the materials which have been acceptable for academic research over several years and this research conforms to the existing literature.

In developing a communication strategy that suits the case company, (Tajmehal Afro), a range of sources was used. These were primary, (interviews, questionnaires), secondary, (books, thesis, articles) and tertiary, (search engine, oxford dictionary).

1.3 The Limitations of the Study

The study was carried out within the Helsinki and Espoo regions where the case company has chains of stores which are visible and easily accessible in Hakaniemi (Hämeentie5) and Leppävaara (behind the Alepa supermarket).

This research work, however, was carried out not without problems. In fact, the problems encountered were so numerous that the researchers were obliged to limit the scope of the research. The lack of time, adequate funds and transportation, and the fact that the researchers personally administered the questionnaires to individual customers made it impossible to acquire a very large sample size.

Furthermore, considering the broad nature of marketing communication strategies, the strategies of marketing the case company was considered only within the context of the marketing communication strategy that include, Internet marketing, personal selling, referrals or word of mouth, relationship marketing, events and experiences, direct marketing, sales promotion. The literature review focuses on marketing communication strategies.

1.4 Structure of the Thesis

In the figure, there is an illustration of the thesis structure. The initial part of the study is the introduction, which explains the subject matter and background information. Again, it further explains the objectives of the study. The second section discusses the theoretical framework. The theoretical framework focuses on marketing communication strategies in support of the case study.

The third section narrates the research methodology and methods used in the analysing of the data. The fourth section enumerates the empirical study (Data analysis and discussions) with regard to the case company. Finally, the study was completed by mentioning essential findings of the research making and drawing conclusions as well as making necessary recommendations and suggestions to the case company, Tajmehal Afro.

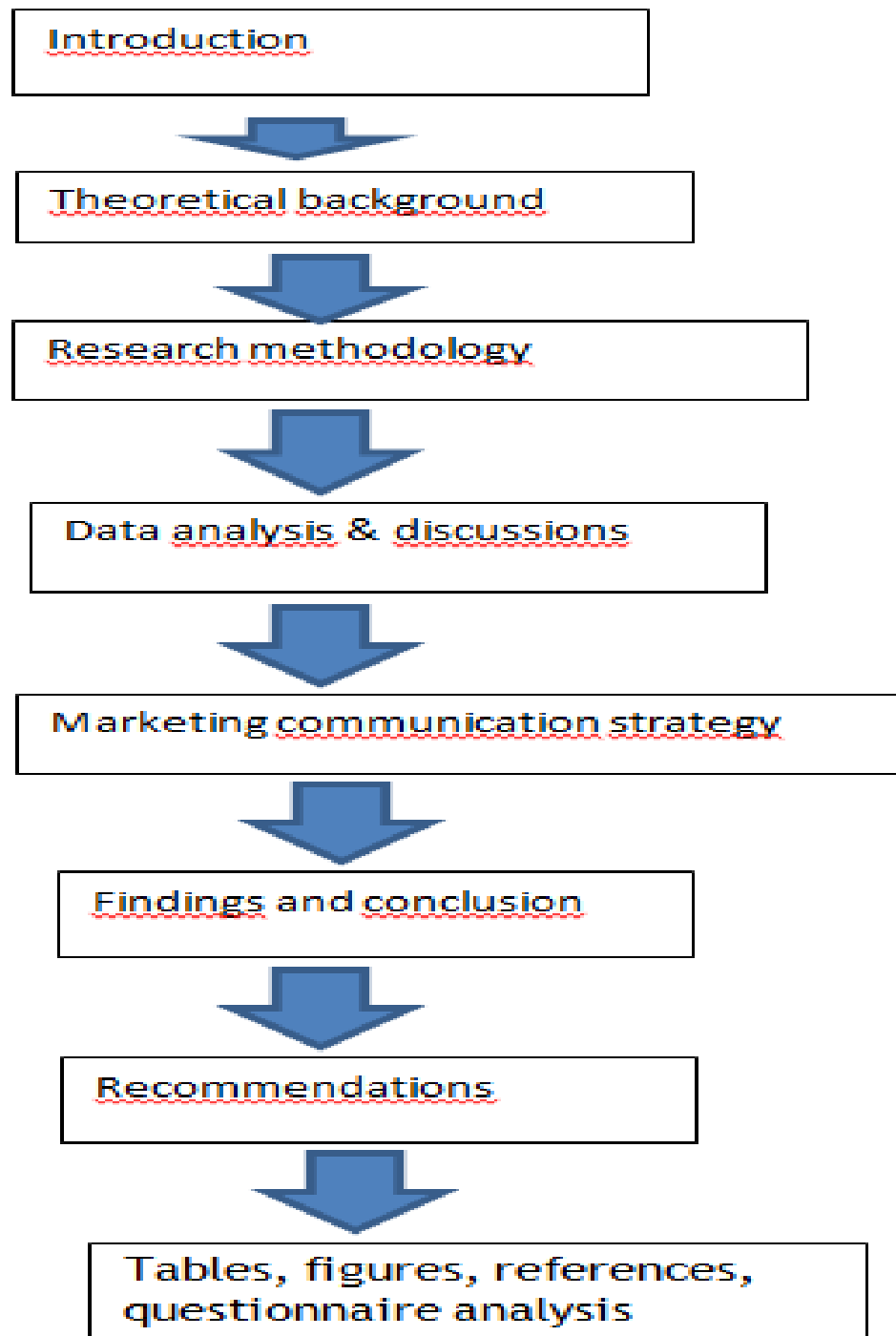


Figure 1: Structure of the studies

2 The Hypothesis

The thesis is focused on the following hypothesis: That the absence of a comprehensive marketing communication strategy will jeopardize or starve the growth of the company as a result of experiencing dwindling sales coupled with a continuous decline in the measurement

of the Tajmehal brand equity in the Helsinki Metropolitan area, such that the determination of product pricing is ambiguous.

2.1 Research Methodology

Data for the research was obtained from two sources, primary and secondary sources. The study provided the primary source of data, and with this method; structured questionnaires were administered to the respondents by the researchers themselves. Unstructured interviews were also conducted on some workers of the case company in both Espoo and Helsinki.

The secondary sources involved library research from published information on marketing strategies while other secondary sources were obtained from the internal operations of the Tajmehal Afro, like the handbook of the case company, the monthly issue of the average whole sale prices of commodities for the two regions.

2.1.1 Methods of Data Collection

The choice of the sampling technique was based on the homogeneity in terms of cultural and socio-economic activities of the people, using simple random sampling mechanism for collection of data for the study. Therefore, it is hoped that the results of the sampled data would give a general view of the entire study area.

In all, a sample size of forty (40) regular customers consisting of both male and female respondents was considered for the study. From the simple random sampling technique, twenty (20) respondents were selected from Helsinki and Espoo respectively.

Male respondents, who usually shop on behalf of their families, constitute about 75 percent of the sample population.

2.1.2 Methods of Data Analysis

To achieve the set objectives of the study, simple statistical tables involving the working out of percentages on the various answers to each question in the questionnaire analysis and a graph are used to analyze the data collected from the field.

2.1.3 Definition of Important concepts

Strategy: This is the direction and scope employed by modern businesses in the operation of business from the short to the long term that contributes towards the maximization of returns and growth of the entire business. (Tutor2, 2011)

Marketing: "The process by which persons and organizations obtain needs and wants through creating and exchanging products and value with others". (Kotler et al 2008, 6-9).

Product: A product is an attribute or value being provided to a market for attention, acquisition, or consumption that might satisfy a want or need. (Doole & Lowe 2004, 249-251).

Price: "This is the amount of money charged for a product or service"; (Kotler, et al 2008 639).

Promotion: Any technique under the control of a seller that communicates favourable, persuasive information about that seller's product to potential buyers; either directly or through third parties that affect purchase decisions. Or, "short term incentives to encourage trial or usage of a product or service"; (Keller 2008, 256).

Place: The collection of firms and individuals that take title, or assist in transferring title to the goods or services while transferring them from producers to consumers. (Kotler et al 2008, 875-880).

2.2 Literature Review

Extensive literature exists on this important subject. However, what writers have failed to do is developing a comprehensive marketing communication strategy for small scale enterprises doing business with a minority group or segment of foreigners resident in the Helsinki metropolitan area.

Some previous researchers also tried to look at the various marketing communication strategies in isolation whilst an integrated approach is required. This chapter examines available literature in the areas of pricing strategy, place (channel) strategy, product strategy and promotion (advertising) strategy.

Tajmehal is a small scale enterprise established and owned by a Pakistani born Finnish citizen in 2006 with the objective of serving a niche market through the sales of products targeted at the increasing Afro-Asian communities in Helsinki and Espoo with possible expansion agenda to serve other geographical locations of Finland, particularly; Turku, Tampere, Vantaa and Jyväskylä. (Handbook of Tajmehal oy, 2010).

2.2.1 Pricing Strategy

Pricing is one of the most critical decision functions of a marketer. To a large extent, pricing decisions determine the types of customers an organization will attract. Likewise, a single error in pricing can effectively nullify all other marketing mix activities.

According to Keller (2008, 200), pricing is a vital subject not only for the marketer but for the enterprise as a whole. The financial position of an organization is determined by its effectiveness at pricing its goods and services.

Therefore, for an organization to achieve its objective of profitability, prices should be fixed such that the target market sees it as commensurate with the product's perceived benefit. Ineffective pricing policies could have very serious commercial consequences and capable of resulting in bankruptcy or liquidation.

He stressed that pricing policies must deal with varied, competitive situations. This is similar to the suggestion by Doole & Lowe.; international marketing strategy, (2004 370-374) that most marketers enjoy considerable liberty in making pricing decisions, yet in making such decisions, management must take account of numerous and varied internal and environmental factors.

Supporting Kevin Lane Keller, Doole & Lowe (2004, 380-384) concluded that management must make certain that all pricing decisions are consistent with the company's objectives and image. In addition, they must take into account such factors as the other strategic components of their marketing programmes (product, place, promotion) and also the competition, buyers' psychology and behaviour, the economic climate and legislation.

From this perspective, Tajmehal Afro Oy does not have any consistent price and discount policy for its food stuffs; including fresh Asian and African vegetables, cosmetics and others which usually are perishable. Prices normally fluctuate sharply depending on the level of supply and demand.

Kotler et al (2008 639-641) opined that the type of market in which the business operates affects its approach to pricing. In a purely competitive market with many sellers offering identical products, the market is a determinant of the price level. In monopolistic situations, price determination is entirely under the control of the seller. Oligopolistic markets, with a number of sellers and partially differentiated products represent an intermediate case in

which a given company has some but not complete freedom in designing pricing strategy. (Kotler, et al 2008 651-652).

2.2.2 Channel Strategy

The objective of the strategy in the marketing communication programme is to implement a rapid flow system where goods and services are transferrable to the consumer or industrial user to acquire the product on the just-in-time basis from the manufacturer or producer. This objective must be achieved in a dynamic and competitive setting and in a manner consistent with the product, its price and promotion strategies.

The development of the most effective channel through proper selection is a healthy sign of success. The channel strategy is an important element of the total marketing communication strategy which has to be designed taking consumers of the product into consideration. If this is done, the company can be in the position of selecting the channel members that can be used conveniently to reach the final consumer. (Kotler, et al 2008, 880-887).

According to Keller (2008, 211-219), a distribution channel always includes the producer and the ultimate consumer as well as any intermediaries; for example, wholesalers, retailers, agents and merchants. He acknowledged the important roles played by the intermediaries in facilitating the transfer of products from producers to consumers and concluded, it is possible for producers to get rid of the intermediaries and still continue with the distribution of their products, it will only mean engaging in extra work and incurring additional cost than it is realizable with the intermediaries.

Kotler et al (2008, 896) was of the view that developing the appropriate channel strategy is imperative to consider the final consumer in order to specify their wants and needs relative to purchase and use of the product. The second stage is to determine the appropriate channel that links the ultimate consumer to the channel strategy. It is also important to consider the possibility of selling directly to consumers than using channel members. Finally, it is imperative to motivate the middlemen to perform the services required of them.

It has also been observed that middlemen help stabilize prices of food products. Seasonal fluctuations in the prices of food products can be very wide. If the food product is for a large majority of the population, this can be a major inconvenience and even cause extreme hardships. The expected effort of the middlemen will be to reduce the amplitude of such fluctuations thereby purchasing at relatively reduced prices while selling at relatively high prices.

It is upon these observations that Kotler, et al (2008, 880-887); think that in order to stimulate the middlemen or intermediaries into performing these functions efficiently, producers must first understand their needs and wants. In understanding the needs, there must be continuous, routine information collection through practices such as monitoring the middlemen, conducting market research and establishing middlemen council.

Doole & Lowe (2004, 334- 338) pointed out that a cursory look at the literally hundreds of different marketing channels in everyday use should be sufficient to convince the manager that there is no such thing as the best marketing channel. He suggested that instead of searching for the best channel for all products, the marketing manager must analyze alternative channels in the light of the consumer's needs to determine an optimum distribution system for the firm's products. He concluded that the choice of a channel should be based upon an analysis of the consumer, the type of the firm, characteristics of the products and consideration of the environment under which the firm operates.

Keller (2008, 211-219) agreed with Kotler et al (2008, 884), over the non-existence of any best marketing communication channel for all products, but indicated that with perishable food products, the channel of distribution should be as short as possible. His argument is that since most food products are perishable, if they are to go through a long channel of distribution, the losses would be great. In summation, he suggested that the possible distribution channels for food products should be either directly from the producer to the consumer (i.e. producerconsumer), from the producer through agents or brokers to retailers, and to the final consumer; i.e. (producer....agents or brokers....retailers.....consumers).

2.2.3 Product Strategy

The product is an attribute or value which is offered to a market for attention, acquisition, or consumption that might satisfy a want or need. (Doole & Lowe 2004, 249-251).

In designing a total marketing communication strategy, the product strategy is said to be the most important strategy to be considered. Keller (2008, 195-197), in support of this view noted that; a firm's total planning begins with the choice of product to offer its market target, pricing structures, selection of marketing channels, promotional plans that are the other variables of marketing strategy are all based upon product planning.

Consumers of a target market always have certain needs and wants that a product is expected to satisfy, and a marketer in formulating a marketing communication strategy should identify these needs and wants in order to meet these expectations. According to

Kotler, et al (2008, 502-508), it is when these needs and wants are identified that a product is made functional. He noted further that a product must have qualities that provide benefits in use, that are measurable and that relate directly to the purposes and reasons the consumer has in mind when making the purchase.

By this distinction, Keller (2008, 194-198) observed that a conceptual framework will be made available and that this framework is potentially useful in analyzing competing offerings, identifying the unmet needs and wants of a target market; and developing or designing new products or services.

Other than the organizational distribution of the various marketing responsibilities, a product strategy, should not be viewed in isolation. It should include the other three sets of decisions: price, place and promotion. It should also recognize the implied relationship among them and include a product policy statement which explicitly states the product positioning, product features, price range, distribution policies and the communication strategy to be used in reaching the product's intended market. (Doole & Lowe 2004, 259-263).

2.2.4 Promotion and Advertising Strategy

The advertising strategy deals with the process by which information about an enterprise and its products is disseminated to selected markets. According to Doole & Lowe, (2004, 310-314), inadequate information on current conditions is a characteristic weakness. This he said arises mainly from poor communication systems, illiteracy and relative increases in small businesses. Complete market information reduces business risks with potential benefits to producers, retailers and consumers. He pointed out further that when up-to-date information is lacking, wholesale buyers seek wider margins as a hedge against price in distant markets which they may not know about.

Keller (2008, 235-236), asserted that advertising themes and appeals should reflect the objective and task defined for a promotional programme. They may be based on product for company attributes that are thought to be important to customers. Some product attributes and related customer needs are so clear that the product may be marketed with a little research work being undertaken. Even under these circumstances, it may still be useful to test advertising to see if the communicated message is the preferred.

Kotler et al (2009, 691-694), is of the view that for advertising to achieve its real objective, the advertiser must endeavour first to identify the potential buyer by type and that when this is done, their presence by territories can easily be determined through marketing research. They stated further that armed with database on the type of potential buyers and where to

locate them, decisions can easily be reached on which media or medium to select at the lowest possible cost.

Different types of advertising will have to be used by a company depending on the categories of consumers it may wish to reach. The type of media to use also depends on the attributes of the product the company wants to portray. In the former case, the literate population can be reached through local radios, the internet and television announcement. On the part of the latter, the attributes of the product can be portrayed through television.

Ottesen (2001, 233-236) opined that choosing between alternative media like television, magazines, newspapers and direct mail is an onerous task and depends on several factors. Initially, knowing the media habits of the target audience is essential to deciding between alternatives. Secondly, occasionally, product attributes necessitate the use of certain media. For instance, if the colour is a major part of the product appeal, radio advertising is excluded. Newspapers allow advertising for quick action to confront competitors, and magazines are fit for relatively complicated messages, because the reader can spend time reading the message. The final factor in selecting an alternative medium he emphasized is cost.

Keller (2008, 235), on his part, asserted that advertising effectiveness should be measured in terms of the criteria from the company's objectives and the advertiser's overall advertising effectiveness in current use. These may include such measures as the size of audience, programme ratings, the number of enquiries received, all of which pertain almost exclusively to campaign objectives alone. There is a growing realization that advertising must be tailored performance. If the task or objective is well defined, the effectiveness can be measured by examining the degree to which the objectives has been accomplished. When the advertising is intended to get leads for the company's distributors, its effectiveness is measured in terms of the leads obtained. However, if the task is to create consumer awareness for a brand, credibility is measured in terms of the individuals found to be aware of the product after placing the advertisement. If the task of the advertisement is to generate a favourable image for the company, the measurement is in terms of the numbers responding to appropriately designed questions.

2.2.5 Relationships and Communication

Communication involves sharing viewpoints, and it is the hearts of forming relationships (Hollensen 2010, 490). All businesses do have relationships, and their continuity in business is partly due to how well they manage these relationships. A company cannot survive without

relationships. Relationships are both an asset and a burden for any business (Gadde et al 2011).

Hakansson et al (1976) points out that a relationship is created once a customer expresses uncertainty and the supplier shows the ability to provide a solution.

The degree of mutual interest of buyers and sellers is sufficient to create a two-way communication process which makes both parties aware of the offerings of each other. Trust and genuine commitment are required to develop relationship (Ford Gadde et al,2011 70).

Buyers value relationships with trusted suppliers who make superior offers. The supplier will need to develop trust beyond simple offerings in order to meet the customers' expectations (Adrian Payne, 111).

The Marketing Concept

Business ventures seek returns to investments while aiming for customer satisfaction. In the process, David Jobber and John Fahy (2003, 4) outline that there are three basic concepts to meet and exceed customer expectation better than the competitor.

Focus on Customer Satisfaction

Integrated Efforts

Achievement of Corporate Objectives through Customer Satisfaction

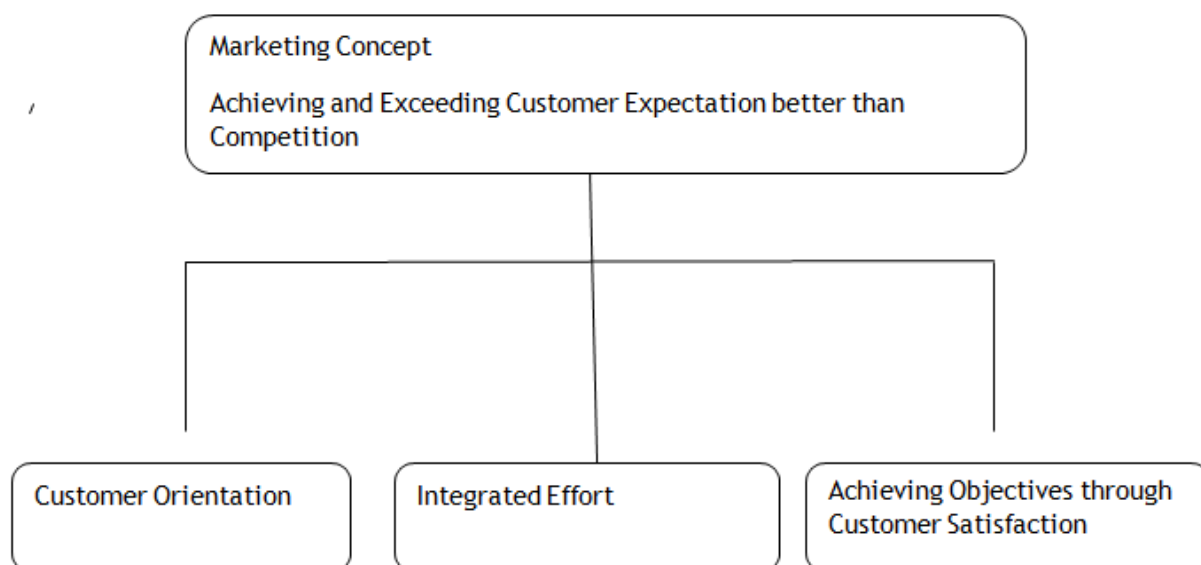


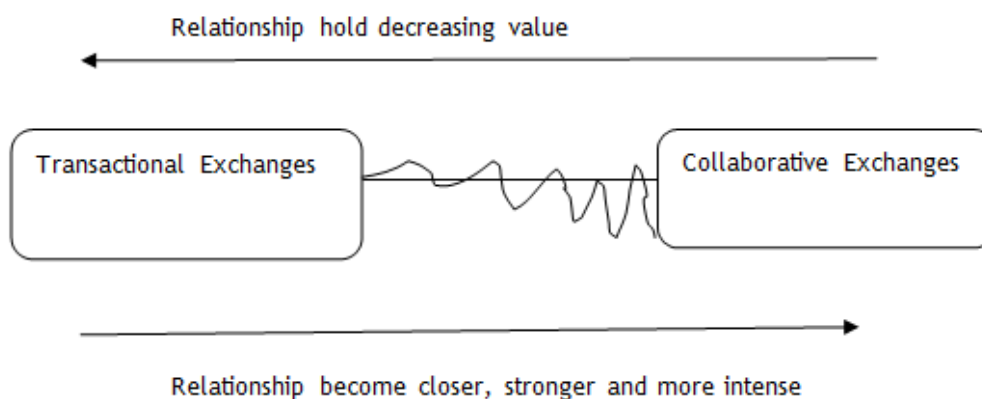
Figure 2: Marketing concept

Key Components of Marketing Concept (Adopted from Jobber and Fahy 2003, 4)

The above figure illustrates the commitment of management to focus on attaining customer satisfaction through integrated effort. The motivation behind the Marketing concept is to increase sales via stimulating the consumer rather than mass production. The responsibility of implementation is not limited to the marketing department but must encompass finance, logistics and warehousing and other departments. It is important that the case company pursues a market oriented concept since competitive advantage could be derived from its ability to render the offerings to an ever changing customer expectation and avoid waste due to the perishable nature of its products.

There is an interchange of information between or among parties. Its objective is to influence the buyer and other groups in the decision making process.

Alternatively, Chris Fill (2009, 8-9) views the marketing concept as an exchange process in which two parties freely engage to share something which offers value to each other. Exchanges create relationships which have either short-term orientations (transactional or market) or long-term orientations (relational or collaborative). Relation building with potential customers is dependent on many factors but must be based on mutual trust. However, companies seeking increase returns in investment compete for loyal customer relationship base which in turn increases shareholder value.



Adopted from Chris Fill: *Marketing Communications* (2009, 8)

Figure 3: Relationship and exchanges

The above figure illustrates transactional and collaborative exchanges that reflect the two extremes of exchanges, in building a buyer/seller relationship. Transactional exchanges are decreasing in value since purchases are mainly motivated by self-interest while collaborative exchanges reflect the need to build a long-lasting mutual relationship with objective of changing the perception of the consumer from a potential customer to an advocate or partner.

According to Baack, (2011, 05), Communication is defined as transmitting, receiving and processing information. Messages and ideas are transferred between people, groups and businesses with the use of communication. It is used within a company, between companies and to reach the final consumer. Various functionalities or departments within an organisation are coordinated with communication patterns in order to achieve the set objectives of an organisation.

Four elements are required for effective communication; a sender, a message, a communication channel and a receiver or audience (Hollensen, 2010, 493). The sender of the message needs to know the objective of the message, the target segment (audience) and the interpretation and response of the audience.

The Communication Process

The process begins when the manufacturer (sender) transmits a message through any form of media to an identified target segmented audience, Hollensen (2010, 586) acknowledges. The sender is the initiator of the communication process. However, the buyer will in turn be the initiator (reverse marketing) once there is a positive post-purchase experience.

Reverse marketing tends to increase with increases in customer satisfaction (Ottesen, 1995). The present and future buyer initiative is a resultant of the firm's past market performance which includes; the extent, nature and timing of the seller initiative, the competitiveness of the offerings, post-purchase experience, the relationships developed with buyers and the way in which buyer initiative is dealt with.

2.2.6 Segmentation Strategy

In an attempt to know the preferences of their customers and better communicate their offerings to customers, companies engage in a division of the total market into smaller homogenous groupings which tend to portray similar characteristics such as taste, needs, wants or preferences. Firms generally concentrate on a few market segments within an industry to avoid costs and to have knowledge of customer expectation (Ferrell Hartline, 2011, 167). Businesses would find it difficult to cope without segmentation which gives them an insight of markets they serve and re-direct their efforts to better coordinate distribution and marketing strategies.

However, Fifield (2007,167) claims that businesses are bound to segment markets and aspire to make their offerings relevant through improved penetration, increased sales, and premium pricing. The extra costs incurred by the seller in segmenting are then transferred to the buyer since the customer benefits from improved customer service.

1. Niche Marketing: Identification of a small size, well-defined market segment with a unique set of needs.
2. Permission Marketing: Deliberate targeting of customers by companies to communicate offerings. Targeted customers are either advocates or partners who give their accord in the campaign.
3. Behavioral Segmentation: Use of behavioral patterns and product usage to segment the market.

2.2.7 Targeting Strategy

Markets present a range of segments which reflect different levels of profitability. However, targeting involves the process of assessing the worthiness of every segment and designing a strategy which best suites the segment the company would want to concentrate its efforts (Brennan,Baines and Garneau, 2003, 111).

Kotler et al (2008,423) claim that there are three fundamental factors that influence targeting; segment size and growth, segment structural attractiveness and the company objectives and resources. Furthermore, companies are faced with the challenge of market differentiation, choosing between mass marketing and segmented marketing. Mass marketing provides for wider market coverage, it faces enormous competition from focused or segmented marketing since customers are demanding and differences in value creation are as a result of customer satisfaction.



Targeting marketing strategies

Figure 4: Targeting marketing strategies

(From Kotler et al 2008, 424, Principles of Marketing)

The above figure illustrates how companies define their markets by identifying and concentrating on the most profitable segment. There is a need to move from mass market to specific target markets (segments) due to high returns or costs reduction. Firms will tend to concentrate on segments in which they have better offerings than competition. Although it involves higher risks, concentrated marketing could be highly profitable. Diversifications of segments are recommended since consumers could have a sudden change in preferences or large firms could decide to engage in niche or specialized market segments.

2.2.8 Positioning Strategy

Companies increasingly desire to differentiate their products from competitors hence the need to create and maintain distinctive offerings to customers. The association of a company's offering and image to quality and efficiency is vital as a psychological tool in persuading potential consumers to buying a product. Brand position affects the way a product is viewed. (Kotler, Keller, Brady, Goodman, Hansen, 2009, 361).

The method that companies use to outperform competition is to make differential advantages visible to customers. According to (Jobber and Fahy 2003, 116), there are four features that reflect differential advantages: Clarity, consistency, credibility and competitiveness.

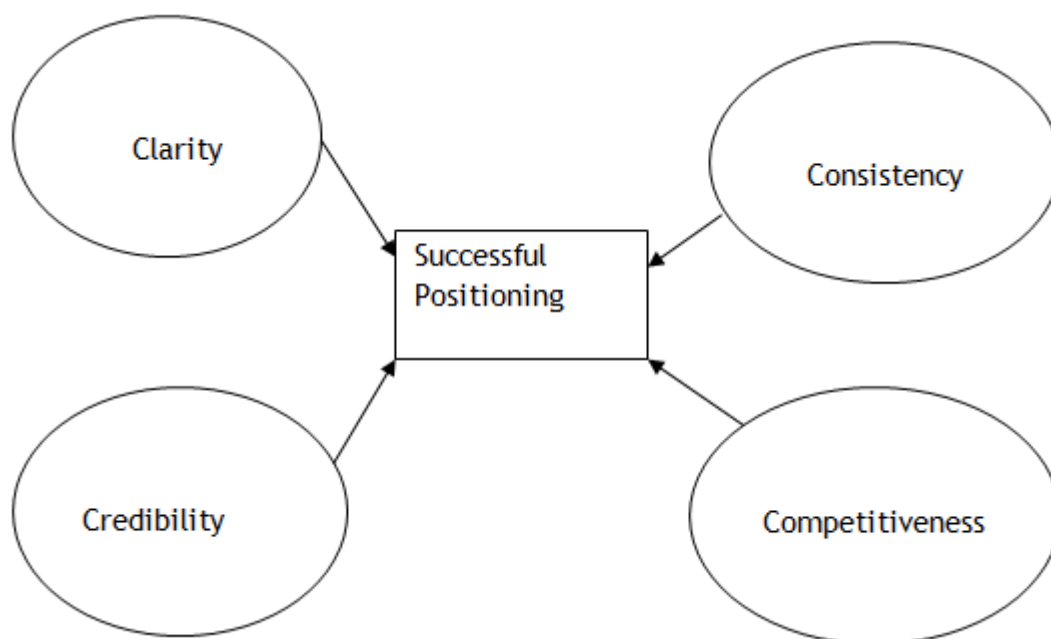


Figure 5: Positioning

Keys to Successful Positioning

Adapted, from Jobber and Fahy, 2003, 116, Foundations of Marketing.

The above figure illustrates the need for marketers to position products or company brand image favourably in the minds of customers through association with certain features better than the competition. Differential advantages designed to add value must at least be clear, consistent, credit, and competitive. Competitive advantage must be unique and messages communicated to customers should be clear and precisely consistent.

2.2.9 Branding

Consumers' perception and feelings are determined by brand image or equity of a company. A strong brand is measured in its ability to capture consumer loyalty and preferences. Brands are not simply signs and symbols but show a clear link between a product and the consumer. They show the willingness of how much the consumer is ready to pay in a competitive industry. Brands portray specific features, benefits, services and experiences and are designed as contracts which consumers relate to the delivery of value and satisfaction Kotler, et al., 2008, 521-2).

As consumers aspire for greater customer satisfaction, there is a need to assign attributes to offerings which go beyond the functional characteristics of a product. Brand equity reflects positioning in the minds of consumers, (Hawkins, Mothersbaugh and Best, 2007, 351).

3 Marketing Communication Tools

1. Advertising

Its objective is to encourage or persuade a customer to make a decision with respect to a commercial offering. Making the product familiar to the customer and associating the benefits of using the product influences the demand for the product. Advertising is the most visible form of communication (Hollensen, 498, 2010).

Messages are channelled through either mass media or new media. The objective of marketing is to make commercial offerings known to buyers so that rightful decisions are made to satisfy their expectations. Marketing is important in building the brand image of a product.



Figure 6: Communication plan

The Application of Communication Plan (Dubois, Jolibert et al, 2007, 259)

The above figure illustrates that businesses establish a communication plan based on the marketing operations which must fit into the general communication strategy. Firstly, the communication plan identifies the core message, and the communication objectives to be achieved. An appropriate communication technique is then used in order to reach the target market. Actions to be taken and resource allocation are defined in the plan. The advertising campaign elaborates detail regarding:

The target market

The objectives to be attained by advertising

The form of media/Channel to be used

A measurement for efficient advertising control

3.1 Sales Promotion

Sales promotion aims at increasing purchase of product offerings by using a collection of incentive tools. It is designed for short-term use and consists of consumer promotion tools such as coupons, samples, premiums, prizes, patronage, rewards, free trials, warranties and free goods. Incentive tools are designed to meet specific customer expectation or strengthen existing customer relationships. (Kotler, et al 2009, 735). While advertising explains the reason of purchasing a product, sales promotion tries to induce a customer to purchase an offering.

Keegan and Green(2003,562) define sales promotion as any paid consumer or trade communication programme which increases the tangible value of an offering in a given period of time. The use of sales promotion is due to the reduction of perceived risks of the buyer in purchasing a product and accountability of the volume sales in respond to the sales promotion.

The reason why companies use sales promotion is to attract brand switches to trying their offerings that could eventually lead to customer retention and subsequently increases in sales. It raises awareness where there are many brands and competitors and differentiates offerings from main competitors. (Kotler, et al, 2009, 735).

Sales promotion can be categorized into two groups

1. Consumer promotion includes samples, coupons, cash refunds offers, money off, premiums, prizes, patronage, rewards, warranties, free trials, demonstrations and cross promotions)
2. Trade promotion are free goods, advertising and display allowances while salesmen contests and specialty advertising and enterprise promotions are examples of trade exhibitions and fairs. The use of sales promotion is effective and cheap as the customer becomes knowledge oriented.

3.2 Events and Experiences

The use of sponsorship of sports events, arts festivals, fairs, charity events is employed to target a niche market where they desire to deepen and forge a stronger relationship, prestige and credibility with consumers (Kotler et al 2009, 739). However, events have to be carefully chosen, and parameters executed to ensure the effects of the events. Objectives of event

sponsorship revolve around the enhancement the company's brand or corporate image. Attaining set objectives require that companies are to:

1. Identify a particular target market or lifestyle.
2. Increase awareness of product name or company.
3. Enhance company image.
4. Create experiences to evoke feelings.
5. Entertain key customers and reward employees.
6. Reinforce perceptions of brand image associations

Events sponsorship also allows shareholders and executives to meet directly with their customers and offer instant feedback on both the marketing campaign and the products.

Sponsorship delivers increase awareness, brand building and propensity to purchase. The African food store promotes cultural activities in different African communities around Helsinki to acquire first-hand information of their expectations and benefits of using their products. ([http://en.wikipedia.org/wiki/Sponsor_\(Commercial\)](http://en.wikipedia.org/wiki/Sponsor_(Commercial)))

Experiences are just as effective as referrals as it impacts the psychological thoughts of customers. The objective of experiences is not to sell products but demonstrate how a brand could enrich a customer's lifestyle.

3.3 Public relations and Publicity

Dubois, Jolibert et al define public relations as the coordination of a set of complex activities to create a spirit of cooperation with a group of stakeholders and to establish confidence and understanding firstly within the company (internally) and between the company and its stakeholders (externally).

Public relations seek to project an organization's strategic intent and corporate policy. Management tries to identify and close any discrepancies between how an organization is viewed and how it would like to be seen by its stakeholders. While customers are principal targets, other constituencies such as employees, shareholders, government/politicians, the

media, the general public implicitly or explicitly is needed for a successful public relations performance. (Baker, 2006, 548)

The target range groups considered in public relations is wider than those of other marketing communication channels. Public relations involve internal and external communication and also involve anticipation of criticism. (Hollensen, 2011, 598).

In order for companies to plan and sustain mutual understanding with customers, public relations will have to be used together with other marketing communication tools. According to Palmer (2009, 440), public relations employ certain tools such as:

1. Press releases
2. Press conferences
3. Lobbying
4. Sponsorship

3.3.1 Direct Marketing

According to Kotler et al (2009, 749), direct marketing entails the use of consumer-direct (CD) channels to access and market offerings to potential customers excluding marketing middlemen.

According to keynote (www.keynote.co.uk), direct marketing is any activity aimed at individuals with the objective to elicit a response from them through contact details that are added to the database.

The European Direct Marketing Association (EDMA) defines direct marketing as an interactive system of marketing which employs one or several communication channels with the objective of provoking a measurable reaction.

Direct marketing is an aspect of marketing which is based on the development and utilization of company database to forge relationship directly with the customer. Segmentation, positioning, database collection, are essentials to successful direct marketing campaign. It entails several processes comprising the development of a system of customer management to the application of direct communication techniques (Dubois et al, 2007, 430). Individual customers are personally targeted using different approaches that include distribution,

communication and sales methods. Direct marketing through consumer database systems helps to convey the rightful offerings to customers while assuring its low costs. Otherwise, termed individualization, direct marketing is effective when dealing with complex and ever-demanding customers in a changing business environment.

3.3.2 Personal Selling

Hollensen, (2010, 602) define personal selling as a two-way communication process designed to achieve immediate feedback and relatively less noise'. Customer screening process is identified by the use of a marketing computerized database. Sales force tasks are to channel offerings with the help of customers. Their task is to change potential buyers to real and loyal customers. It is a precise channel for persuasion as the selected message is designed for a particular targeted audience.

The case company provides a niche segment making personal selling, a priority channel to reach the final consumer. According to Jobber and Fahy (2003, 205), Personal selling is a two-way which involves the interaction of both buyers and sellers. Identification of specific customer's demands is crucial as the seller provides appropriate solutions. Although expensive, it is efficient on having immediate feedback from customers. Personal selling is effective with a certain type of products and particularly suitable for small businesses. Information about competition and current market trends is easily obtained through this promotion channel.

3.3.3 Word of Mouth - (Referrals)

Word-of -mouth consist of the propagation of rumours, favourable to the awareness of consuming a particular products or service (Dubois et al, 2007, 298). Customers show approval of their satisfaction by making recommendations to potential buyers. Certain customers view referrals more credibly than advertising as it reflects the true customer experience. Although it is effective, many companies cannot control the content of the message which is transmitted to the buyer.

Kotler et al (2009, 703), who define word-of-mouth as an interpersonal form of marketing communication, emphasized that, it is effective for small businesses seeking the development of special relationships with customers. Companies are increasingly aware of the strength of word-of-mouth in brand building and profitability and must comply with customers' expectations. However, the impact of a lack of controlled information transmitted from already existing buyers to potential buyers is a source of concern for most companies.

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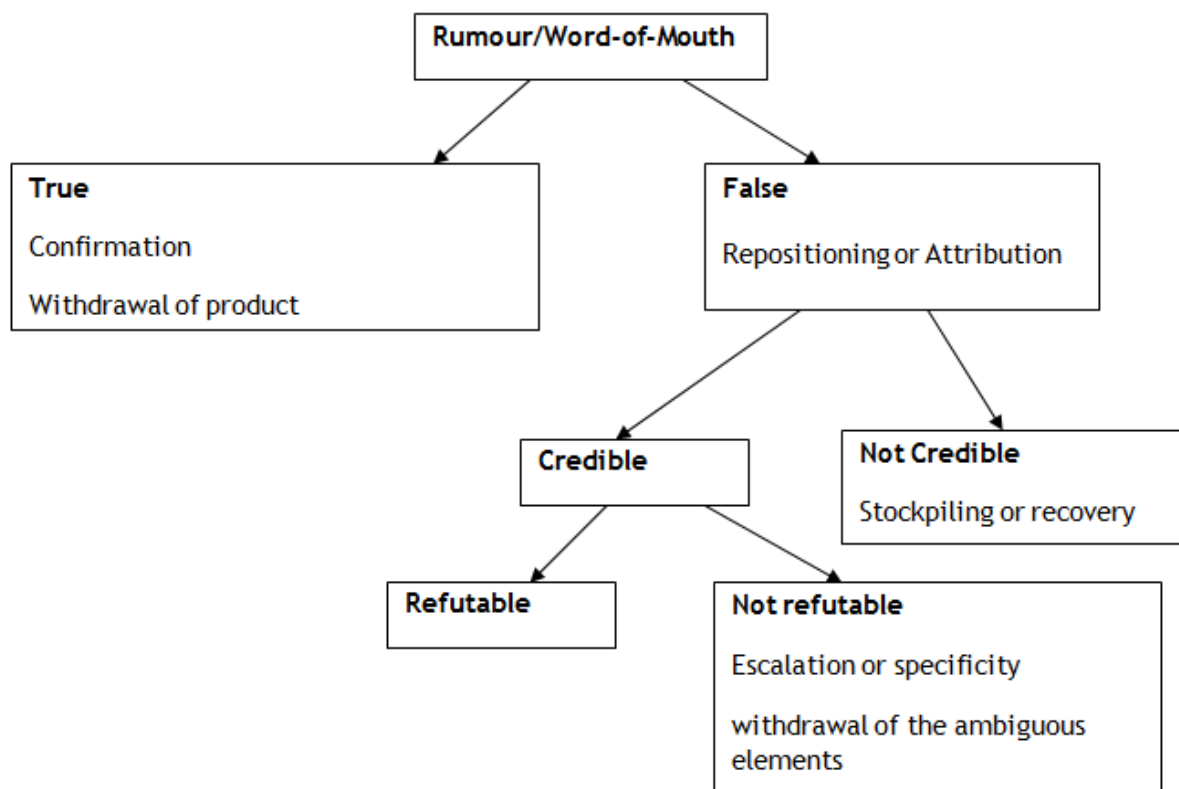


Figure 7: Choice of response

Types of rumour and choice of response Source: O. Brodin (1995). The above figure shows the impact of word-of mouth to the brand image of a company and the alternative patterns to adopt. There are positive and negative rumours and companies should respond to them appropriately in order to preserve their brand image. Inability to respond to rumours (either positive or negative) could lead to a potential decrease in the company profits.

3.3.4 Internet Marketing

For many companies or organisations, the internet has become an important channel to communicate their offerings and reach a wide target group. The internet has transformed marketing as a new drive of enterprise competition. According to Chaffey, Ellis-Chadwick, Mayer, Johnston (2009, 9), internet marketing refers to how the internet is used in association with other traditional forms of media to acquire and provide information and services to customers. Names associated with internet marketing are e-marketing, digital marketing, e-business, and e-commerce. It is worthy to note that the internet provides a direct response tool which enables customers to react to offers and promotions which are channelled through other forms of media. Taj Mehal has its own webpage where information on the product

offering, contacts and special promotions and locations are made public. The customer is aware of the product offerings from home before any eventual purchase.

3.3.5 Relationship Marketing

(Hooley, Nigel Piercy, Nicoulaud, 2008, 397) claim that companies are forging to build ties and bonds with customers aiming to increase both sales volume and loyalty. Relationship marketing requires trust and constant interaction to attain its objectives. Companies have a task of transforming prospective customers to active partners in adding value and profitability.

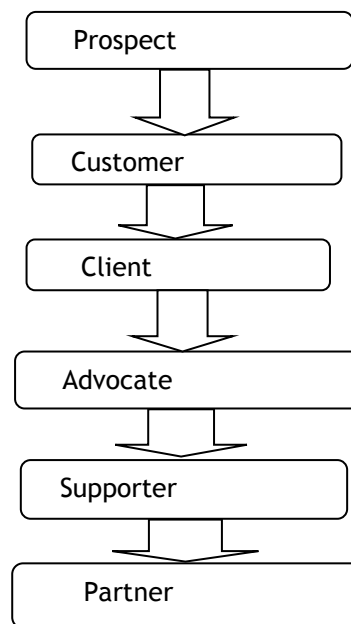


Figure 8: Competitive advantage

Payne, Christopher, Clark and Peck (1995) Relationship Marketing for Competitive Advantage. The above figure illustrates the readiness of firms/companies to build long-lasting relationships as prospect buyers become customers. Status will depend increasingly on the level of trust and commitment of both the company and the customers, but the ultimate is for customers to become partners so that they are involved in the marketing campaign through channels such as referrals or word-of-word and experiences. Companies also receive instant feedback and try to enhance their offerings to meet the expectation of the customers.

Integrated Marketing Communication:

Persuading people to purchase goods and services require that companies develop effective Integrated Marketing Communication programs (Clow Baack, 2011 62). The purchasing of goods or services is a process which involves both information search and evaluation of alternatives. 3.8 Consumer Decision Making Process (Baack, 2011, 63).

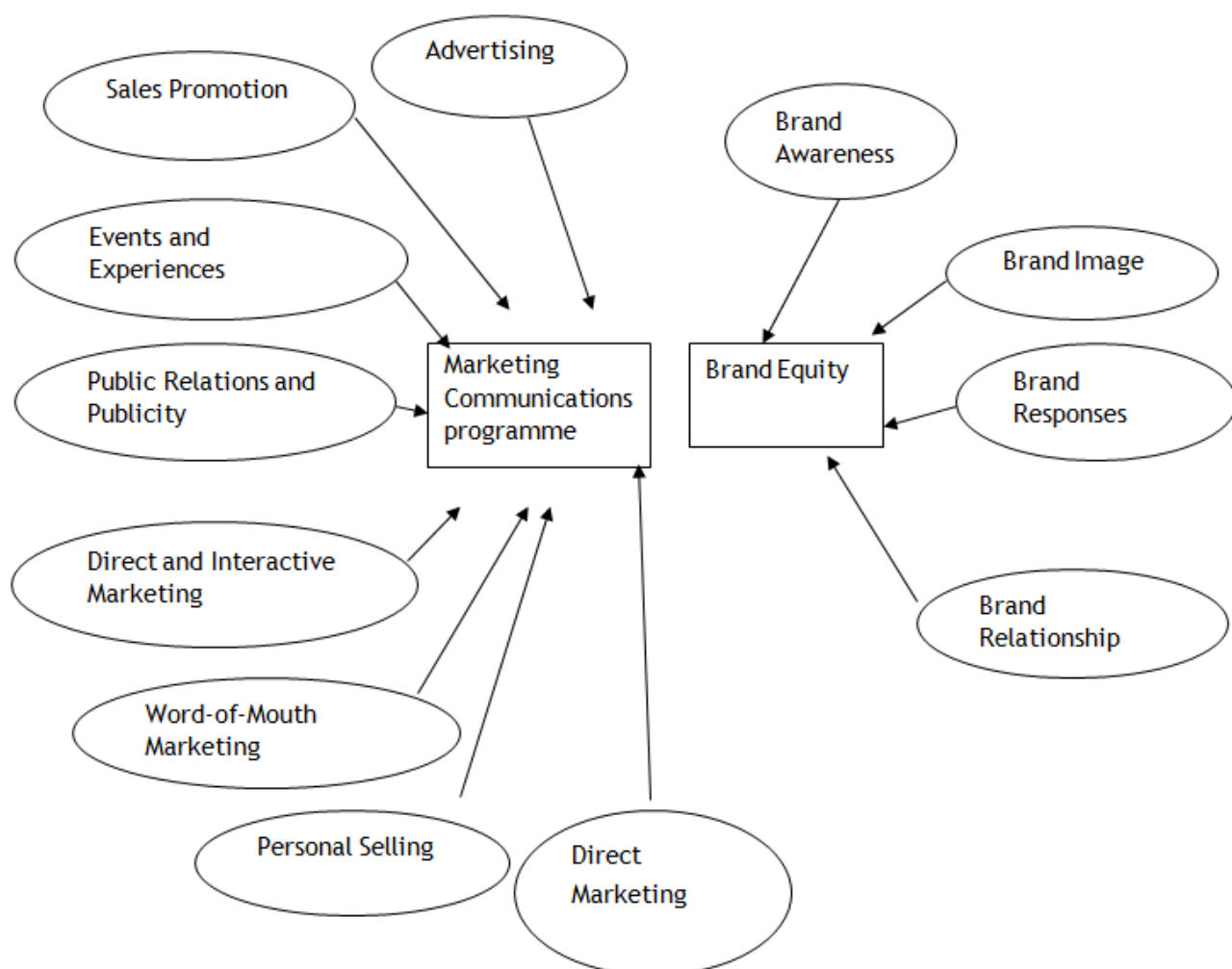
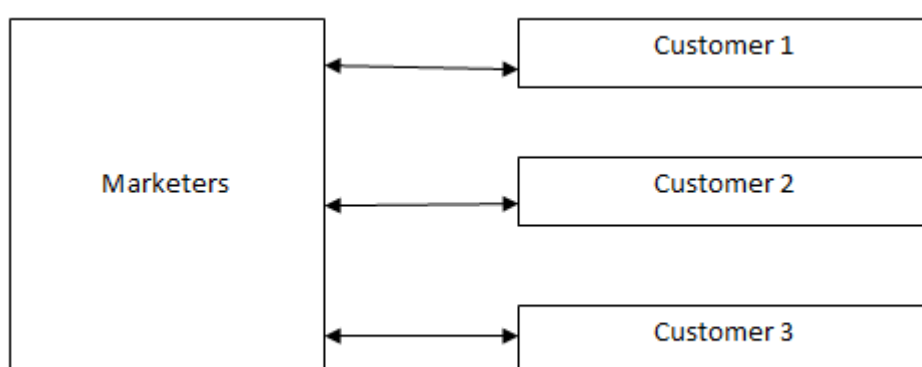


Figure 9: Integrating marketing communication

Integrating Marketing Communication to Build Brand Equity Philip Kotler (2009, 690) defines marketing communication as the voice' of the company. Companies establish an environment to inform, persuade and remind customers of their offerings. It aims at establishing dialogue and building relationships with customers. Since the aim of marketing communication is to affect shareholders' value and increase sales, companies link brands to other places, people, events, brands, experiences, things and feelings.

Marketing communication, reach final users directly, and indirectly (Hollensen, 2010, 492). Onestep communication requires that all members of the target audience are exposed to the same message simultaneously. Multiple-step communication uses opinion leaders (influential members in the target audience). The objective of using opinion leaders is to filter or modify a message before it reaches the other customers. Opinion leaders may have special skills, knowledge, personality or other characteristics which exert influence on other customers.

One-Step Communication (Direct)



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Figure 10: One step communication

Figure 11: One step communication (indirect)

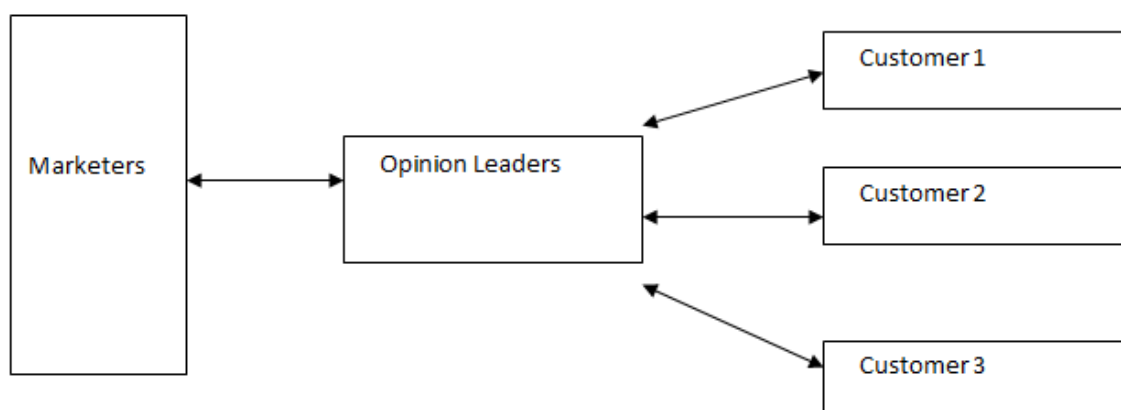


Figure 12: Multi step communication

Figure 12 (Hollensen, 2010, 492)

Figure 11 describes one-step communication in which all members of the target audience are simultaneously exposed to the same message. Figure 12 illustrates where Opinion leaders are used to filter the message before it reaches the final customers. Opinion leaders are also known as gatekeepers and are open to communication from all sources. If their responses are positive, gatekeepers can read a lot, talk with the salesperson and intensify the strength of a message especially when transmitted through media.

For Marketing Communication, to be effective, various stages have to be identified; which will include identifying the target audience. (Tony Proctor, 2000, 225)

- Determining the communications objective

- Designing the message

- Selecting the communication channels

- Allocating the total promotions budget

- Deciding on the promotion mix

- Measuring the results of the promotion

3.3.6 Data Analysis and Discussions

Introduction:

This chapter is devoted to data analysis and discussion that highlights the significance of the research. The respondents for this study are both male and female consumers drawn from Espoo and Helsinki respectively. The aim of this study is to look at the marketing communication strategies employed by the case company with particular reference to product strategy, promotion strategy, price strategy and place strategy. An attempt is also made to identify the problems encountered by the case company in the marketing of the products. The sample size for this study is forty (40) respondents. The data for this study is analyzed by the use of statistical tables indicating absolute figures as well as percentages. Some demographic characteristics of the respondents such as sex, age and level of education are analyzed. The variables that deal with the objectives of the study are also analyzed. Therefore, the analyzed variables are shown below: Background information of respondents:

Sex:

Out of the 40 respondents studied, 30 are male and 10 are female customers. The female customers are less than their male counterparts for the reason that the locations of the case company is generally remote to the residencies of customers generally, thereby resulting in long hours of fatigue and stress reaching the case company. It was also revealed that purchases of food products from the case company are generally expensive than local shopping malls such as s-market, city market, etc and beyond the reach of low income women in the area of study. It is seen that the male customers are 20 (twenty) times more than their female counterparts. The statistical table below shows the detailed analysis: Distribution of respondents on the basis of sex.

Sex	Frequency	Percentage
Male	30	75.0
Female	10	25.0
Total	40	100.0

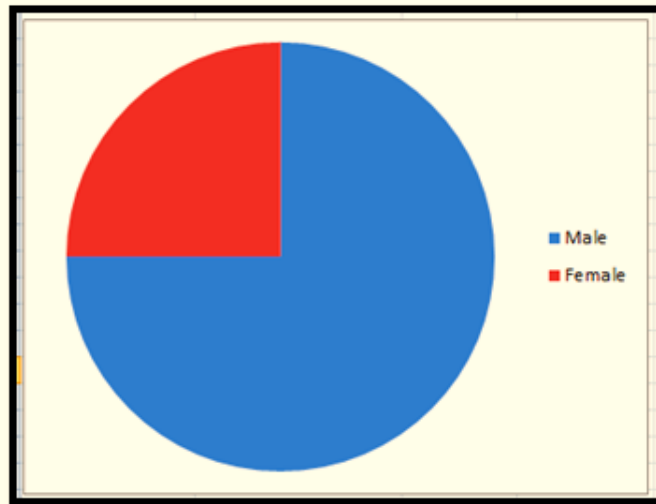


Table 1: Distribution of respondents on the basis of sex (Questionnaire analysis, Tajmehal oy 2012).

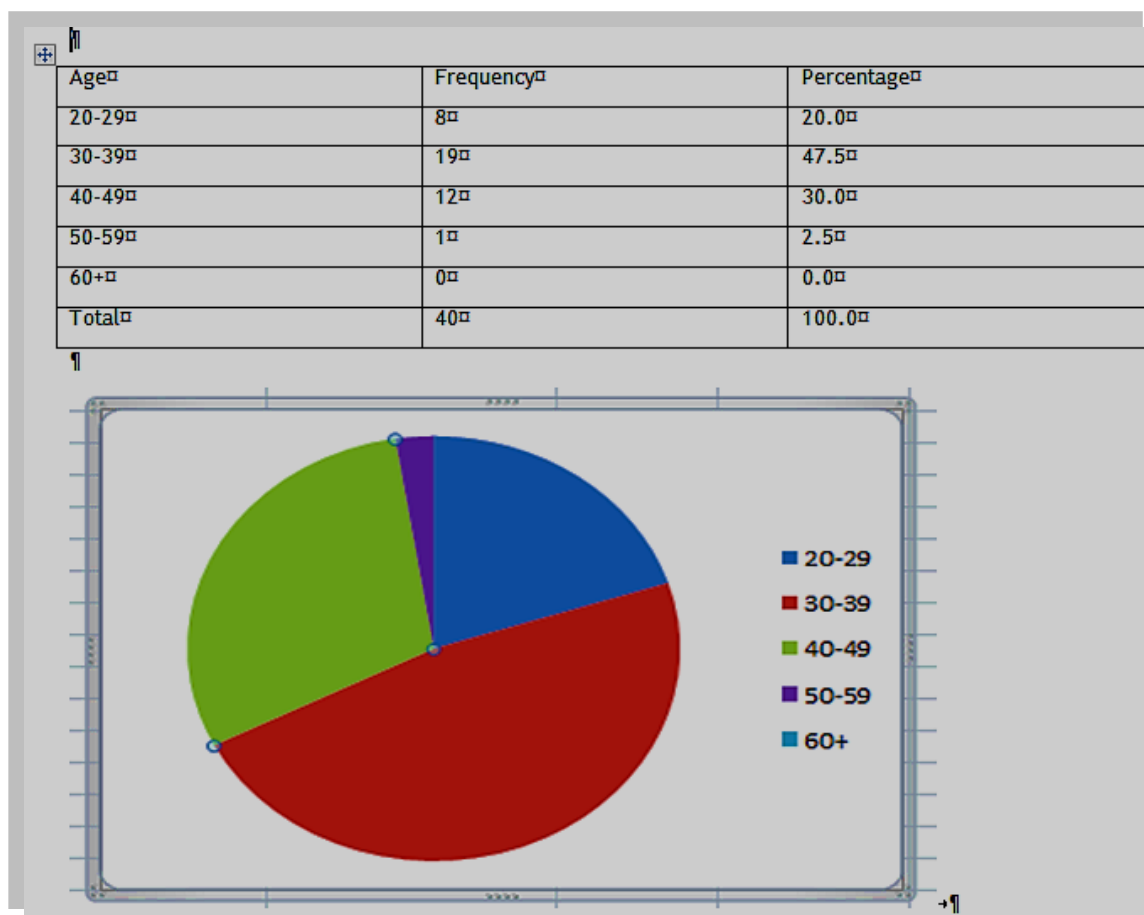


Table 2: Breakdown of respondents by age

The above table indicates that out of the 40 respondents investigated, the most of them were in the age category of 30-39 years. It is shown in the table that 47.5 percent of the respondents were in the 30-39 age group; 30 percent were in the 40-49 age range; 20 percent in the 20-29 age range; and only 2.5 percent in the 50-59 age range. It is clear that the minority of the respondents were in the 50-59 age groups. Even though the researcher set out to study all customers, none of the cases studied is in the age range of 60+ (and above). The non-availability of the 60+ age range respondents in the sample probably explains the laborious nature of accessing the case company.

Level of education

The analysis of this variable has revealed that the majority of the respondents has some sorts of education ranging from primary, secondary and tertiary levels respectively. The detailed analysis is indicated in the table below:

The analysis of this variable has revealed that the majority of the respondents have some sorts of education ranging from primary, secondary and tertiary levels respectively. The detailed analysis is indicated in the table below:

Category	Frequency	Percentage
Primary Education	12	30.0
Secondary Education	9	22.5
Tertiary Education	10	25.0
No education	9	22.5
Total	40	100.0

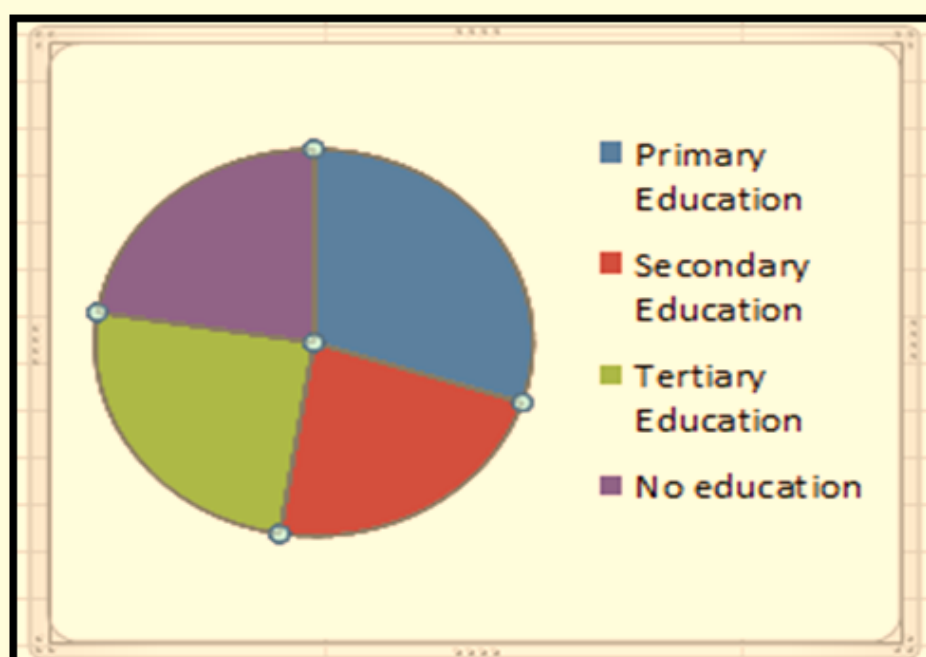


Table 3: Distribution of respondents by level of education

The table above indicates that respondents with primary education were greater while those with secondary and without any education are the minority. In a descending order, respondents with primary education constitute 30 percent of the sample size of 40; tertiary level 25 percent, secondary level 22.5 percent and no education 22.5 percent each respectively.

Respondents' preference of food stuffs

Is there any type or variety of food stuff that you think consumers generally prefer?. Respondents answered in the affirmative that is yes. 97.5 percent of the respondents responded affirmatively, whereas only 2.5 percent responded in the negative; that is no. The customers mentioned fresh Titus (salmon) fish as the most preferred.

Category	Frequency	Percentage
Yes	39	97.5
No	1	2.5
Total	40	100.0

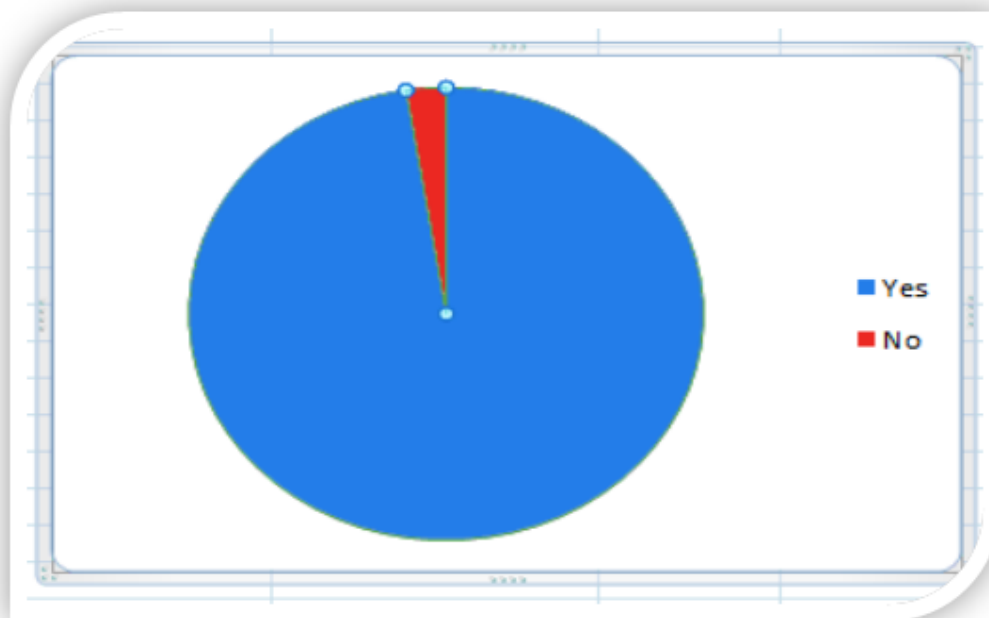


Table 4: Consumer preferences of food stuffs

It is indicated in the table that a majority of the respondents make purchases across the available food products on display in the shelves of the case company. The analysis has revealed that 64.10 percent purchases perishable food products including fresh vegetables, chicken and fish while 35.90 do not patronize them.

It is further revealed that 51.28 percent out of the 64.10 percent of respondents consumes fresh vegetables and 12.82 percent consume fish & fish products, rice, cooking oil, root and tuber crops; yam, cassava, gari, etc, body cream and others. Some of the customers do not patronize any of the food products or other groceries either because they are costly to obtain or are unavailable.

The overwhelming response to the fact that there are certain varieties or types of food stuffs that consumers prefer is a vindication that consumers or a target market always have certain needs and wants that a product is expected to satisfy, and a marketer in formulating a marketing communication strategy should identify these needs and wants in order to meet these expectations. The point is further supported by Keller (2008) 195, that it is when these needs and wants are identified that a product is made functional.

Respondents' satisfaction of product pricing:

Are you satisfied with the present prices of food stuffs?

In response to this question, the majority of the cases investigated said they were not satisfied with the prizes of their product. This analysis shows that 87.5 percent of the interviewees were not satisfied with the prices of the product. However, 12.5 percent were pleased with the prices offered for their product. The table below shows the analysis:

Category	Frequency	Percentage
Yes	5	12.5
No	35	87.5
Total	40	100.0

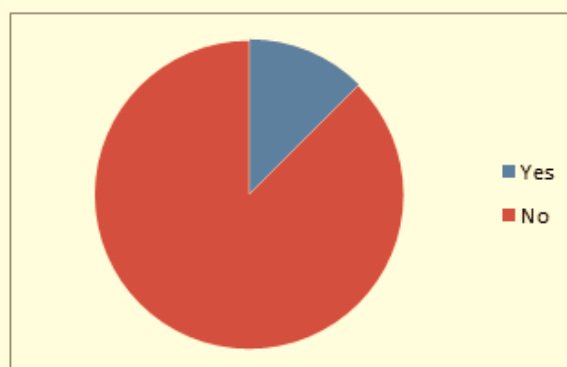


Table 5: Whether respondents are satisfied with prices

The interviewees who were not satisfied with the prices offered for their product assigned various reasons for their response. According to them, the prices offered are generally too high considering income levels in Helsinki - Espoo municipality as well as the strenuous efforts in accessing the case company. For instance, customers will normally expect about €5 per kilo of chili fresh pepper, while the case company offers them as high as €10 per kilo.

In view of this, according to them, purchases of food products from the case company dwindle their savings portfolios as compared to existing super markets; with variable taste and preferences. In addition, rotten tomatoes and stale fish which is about three days to expire, sells at €2 per kilo instead of customer expectations of about €5 per kilo on fresh produce.

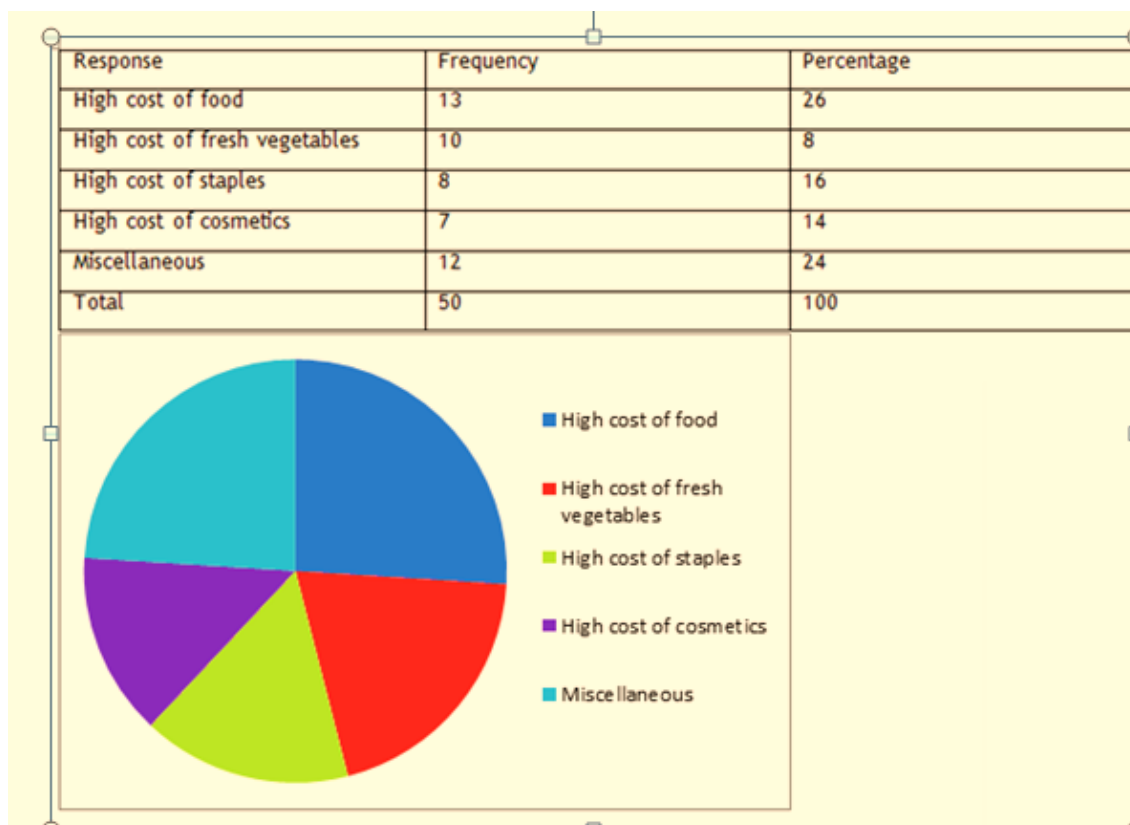


Table 6: Breakdown of respondents by reasons

Note:

There are double and multiple responses. The table has analysis of only the 35 respondents who were not satisfied with the prices offered for the products.

Determination of product price

Who determines product pricing?

In the analysis of these variables, it was revealed that middlemen, who are traders predominantly, determine the prices. Also, the wholesaler and market forces are not excluded in the determination of the prices; 25 percent said market forces; 62.5 percent said traders and only 12.5 percent said the wholesalers themselves determine the price.

One may say that the majority of the respondents were not satisfied with the prices offered for the produce on sale, because the prices are largely and exorbitantly determined by the wholesalers.

The table below illustrates the detailed analysis.

Category	Frequency	Percentage
Producers	5	12.5
Traders	25	62.5
Market forces	10	25.0
Total	40	100.0

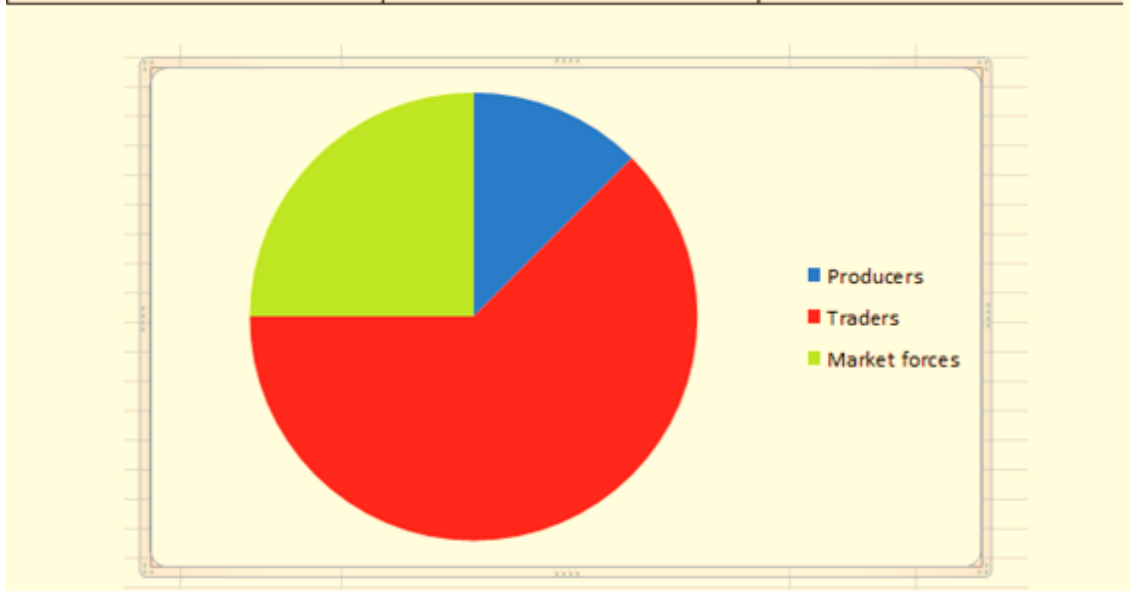


Table 7: Distribution of respondents by those who determine prices of products

The prices are largely determined by traders and market forces, because the market is a competitive one. This finding is also made by Kotler (2008, 639-641) that in a purely competitive market, with many sellers offering identical products, the market is determined largely by traders who are middlemen. Individual producers are not able to determine the prices because of excess supply of the product over the demand for them.

Do you have stable prices for the food products between the years?

The overwhelming response from respondents to this question is that prices are never stable between years. 92.5 percent of the respondents said prices between years are not stable, and only 2.5 percent responded affirmatively. The table below shows the analysis.

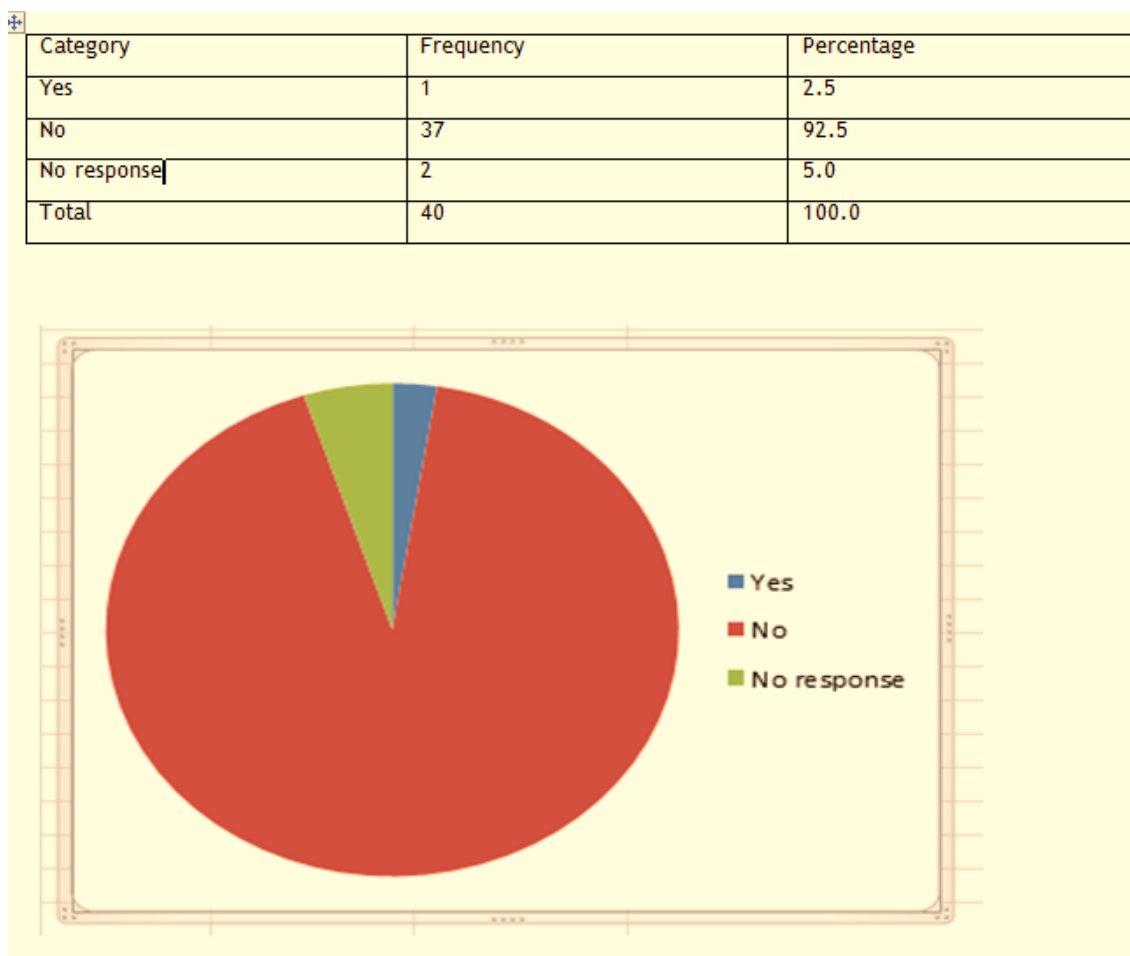


Table 8: Whether there are stable prices for the food products

Interviewees' sources of receiving communication about the availability of produce

Do you have any means by which product availability is communicated to the public?

A preponderant number of the respondents have various media through which they receive communication about product availability. 65 percent of the sample size of 40 respondents receives regularly product availability through the media while 35 percent do not receive communication about product availability.

In absolute terms, those who receive communication about product availability were 12 more than those who do not. The table below shows the analysis.

Category	Frequency	Percentage
Yes	26	65.0
No	14	35.0
Total	40	100.0

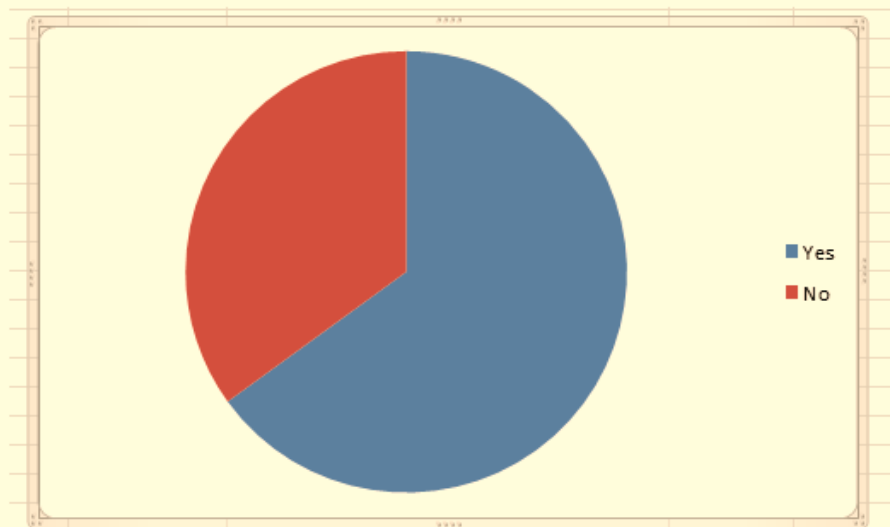


Table 9: Whether respondents have means of receiving communication about product availability

The media employed by the case company in the dissemination of communication regarding product availability include text messages to clientele, advertisement via mainokxia, radio and quick television advertisement Helsingin sanomat newspapers as well as magazines. (Kotler et al 2008, 737-738) Emphasized, that advertising activities, such as newspapers, magazines, television announcements, text messages and e-mails are used in making sales. It is in view of this that the case company employed the above mentioned media in promoting the sales of their products.

Do you think informing the public about product availability will help boost sales? The majority of the respondents studied expressed satisfaction that awareness creation about the case company's product availability, helps greatly in boosting sales. A high percentage; in fact, as high as 70 percent of the respondents said, sales of the commodity will be boosted tremendously when the public is informed about the availability of the products while only 22.5 percent responded negatively; that is informing the public about the existence of offerings does not influence sales. See the table below for illustration.

Category	Frequency	Percentage
Yes	28	70.0
No	9	22.5
No response	3	7.5
Total	40	100.0

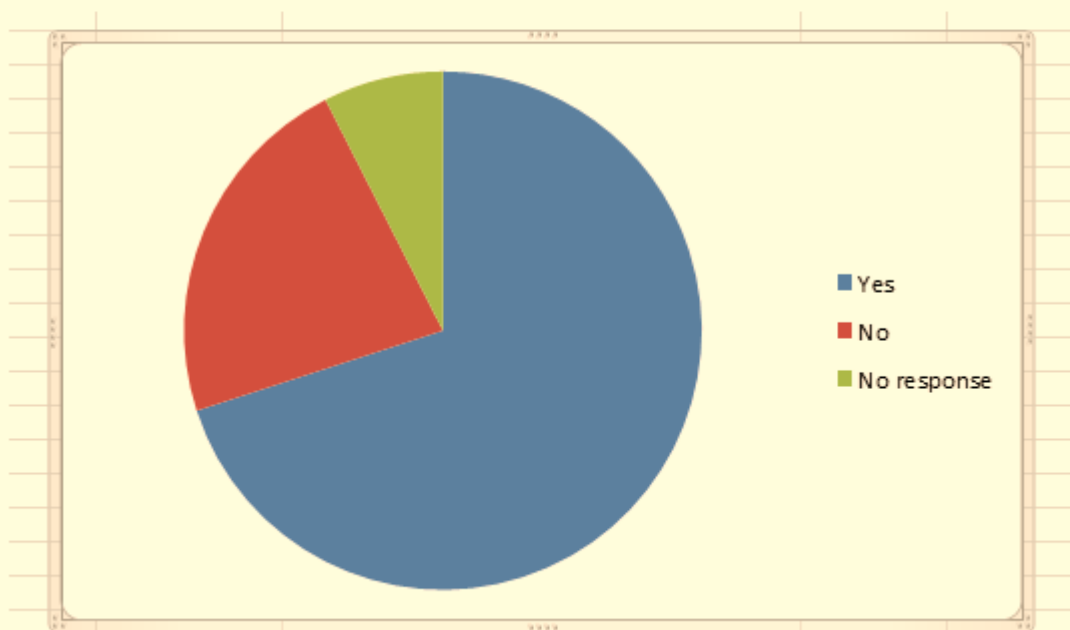


Table 10: Whether informing the public about the availability of the product helps boost sales

Respondents made it clear that informing the public about product availability has a number of advantages. The benefits mentioned include:

Firstly, that a large market is created for the product; in that people in every part of Finland are made aware of the availability of the commodity. According to them, a large number of other consumers also come from northern (Oulu) and South Eastern Finland (Kuopio), which is the effect of the advertising made in newspapers, on television, radio and text messages to foreigners generally; which is extracted from the local population centers.

Secondly, the large number of customers induced by the advertising helps to push the prices of the products higher, thus enabling the case company make a reasonable profit.

Furthermore, the case company does not experience shortages of products; essentially due to a large number of middlemen who come to supply the commodities coupled with increasing numbers of customers who buy as a result of advertising and direct contact with them.

Sales point and distribution of products

Where do you buy your products?

It is ascertained from the analysis that consumers buy their products from the wholesale at Hakaniemi or Leppävaara respectively. Some interviewees make purchase groceries in the south eastern Finland known as Kuopio. At the same time, buying from Hakaniemi, dependent on location, due to residency in Helsinki but working on a 3-month project in Kuopio. 87.5 percent, of the sample, answered that product purchases, were made from the wholesalers, (Hämentie5 & leppävaara), 10 percent at a retail outlet in Oulu, and only 2.5 percent in other small shops, in Helsinki, Espoo, Vantaa. The highest numbers of the customers buy their products at the wholesale. See table below:

Category	Frequency	Percentage
At the wholesale	35	87.5
At Kuopio & Helsinki	1	2.5
At Oulu	4	10.0
Total	40	100.0

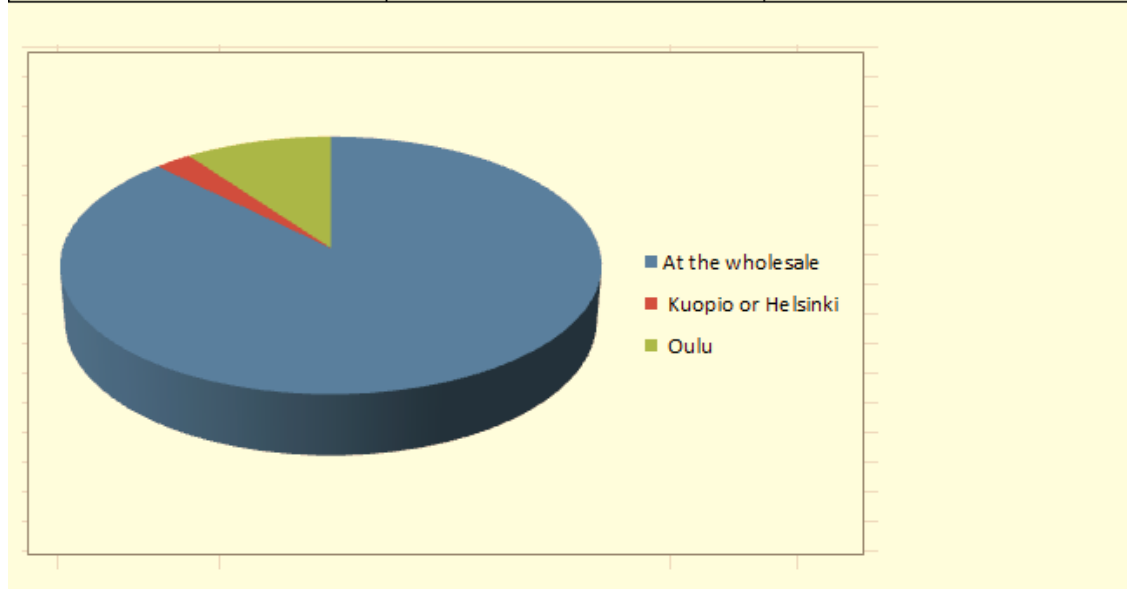


Table 11: Where respondents buy their products

Channels of distribution of product

The discussion has demonstrated that there are two channels that operate in the distribution of the products. The first channel defines the producers sales relationship with the wholesaler, and the wholesaler intends sells to the consumer.

The channel of distribution where the producer sells directly to the consumer does not exist.

Table 12 below indicates that 62.5 percent of the sample operates with the first channel of distribution and only 37.5 percent operate with the second channel. Absolutely, those who operate with the first channel are 25 percent more than those who operate with the second channel.

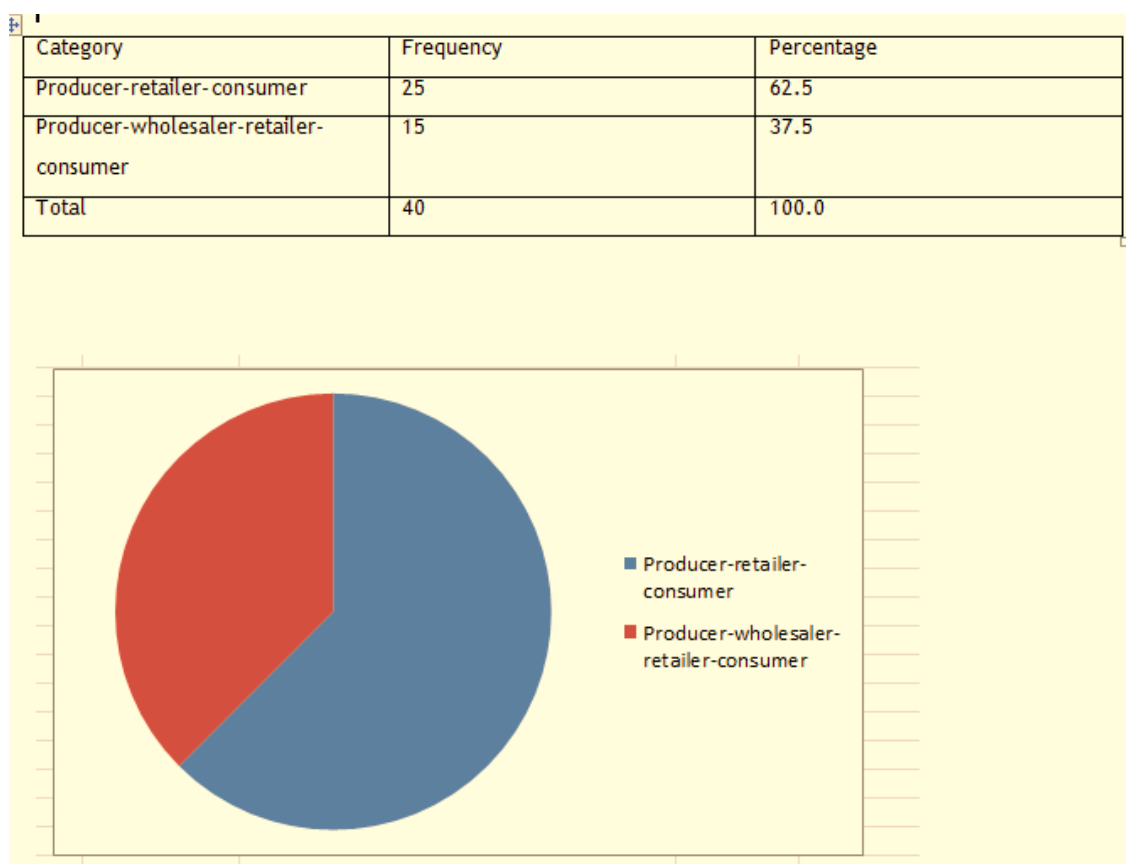


Table 12: Breakdown of respondents by channels of distribution

Problems affecting wholesalers

Do you have problems with the marketing of the products? The interviewees that answered this question see problems with the marketing of the products.

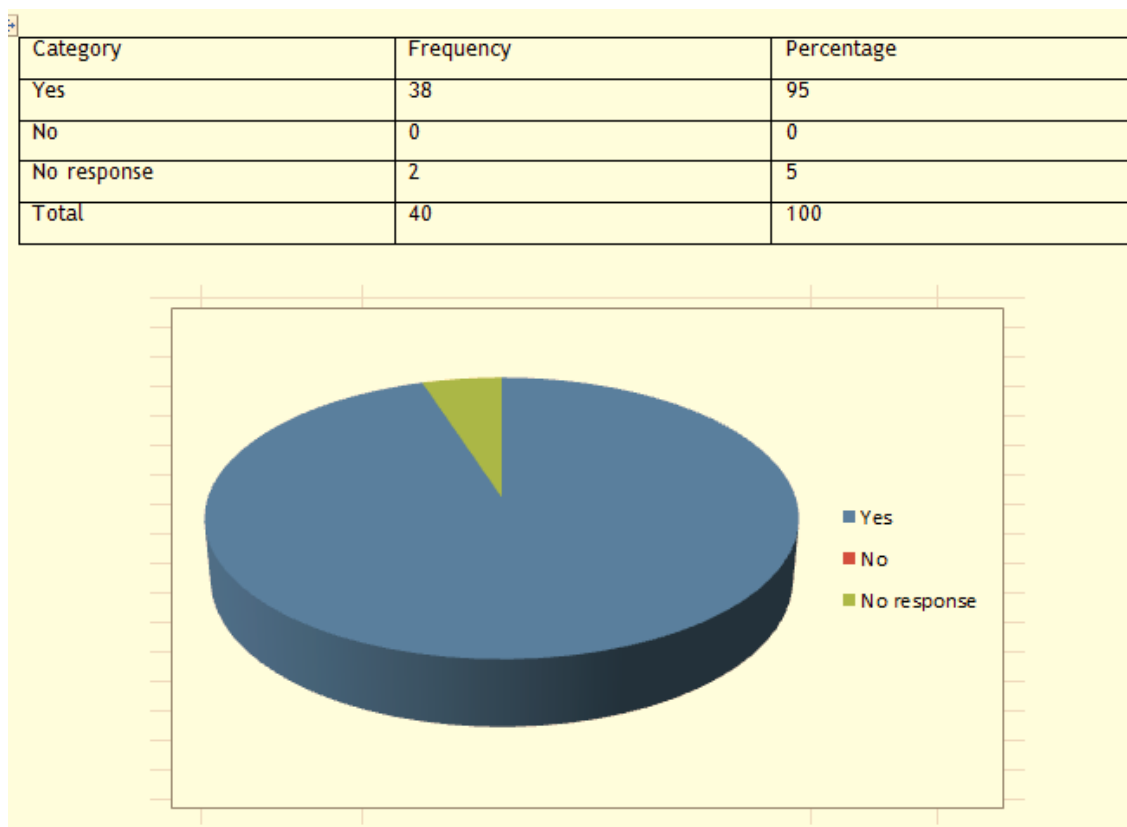


Table 13: Whether respondents have problems with the marketing of the product

The problems hindering the case company in the marketing of their products are:

Firstly, there are experiences of price fluctuations. There have not been stable prices within a year and between the years. The trend of the price fluctuations has been an upward one. Such price fluctuations do not encourage the case company to undertake large scale storage of food stuffs; including rice sales, because there are certain years that losses are recorded.

The second problem is that prices are determined largely by middlemen, partly, also by wholesalers. This has harsh effects on the consumers; for this practice makes the case company breakeven or make profits that are inadequate to commensurate with the efforts put in the investment.

Also, increasing cost of storage facilities coupled with the high cost of transportation from rented warehouses exacerbates the problem.

Category	Frequency	Percentage
Price fluctuation	17	21.80
Middlemen determine prices	16	20.51
Inadequate measurement /kg	2	2.56
High cost of transport	4	5.13
High cost of storage	16	20.51
Inadequate ready market	15	19.24
Miscellaneous	8	10.25
Total	78	100.00

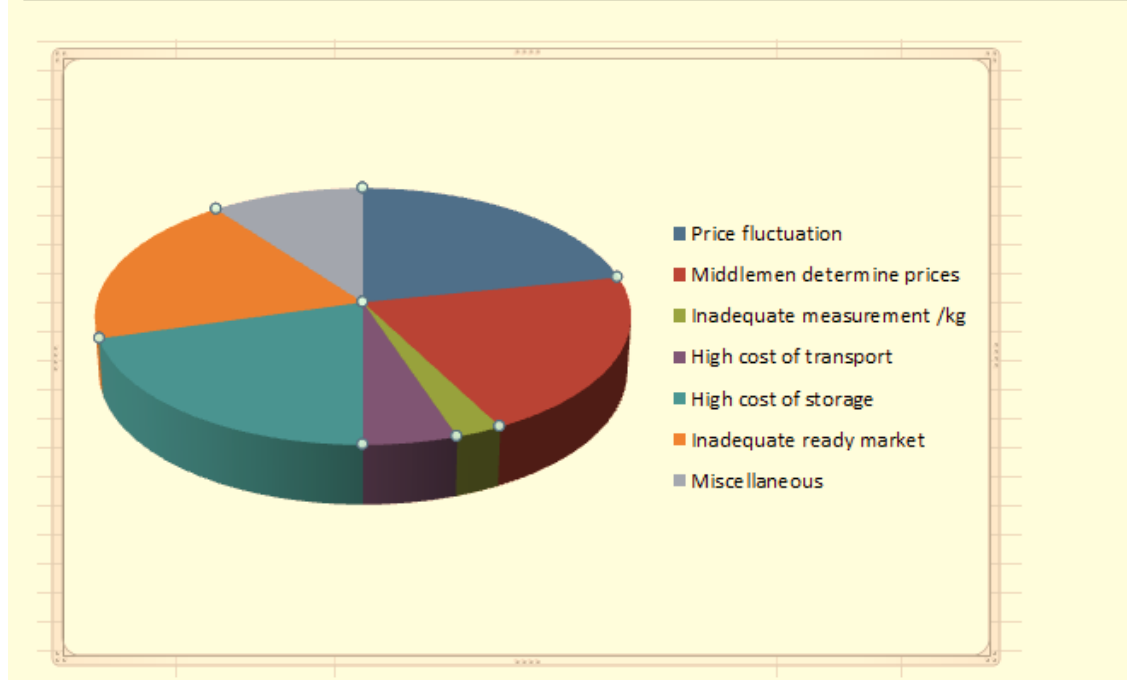


Table 14: Breakdown of respondents by problems

In descending order, interviewees that mentioned price fluctuations were 21.80 percent of the sample middlemen determine prices were 20.51 percent respectively, inadequate ready market for the products, 19.24 percent, miscellaneous, 10.25 percent, high transportation cost, 5.13 percent, inadequate measurement / kilograms, 2.56 percent.

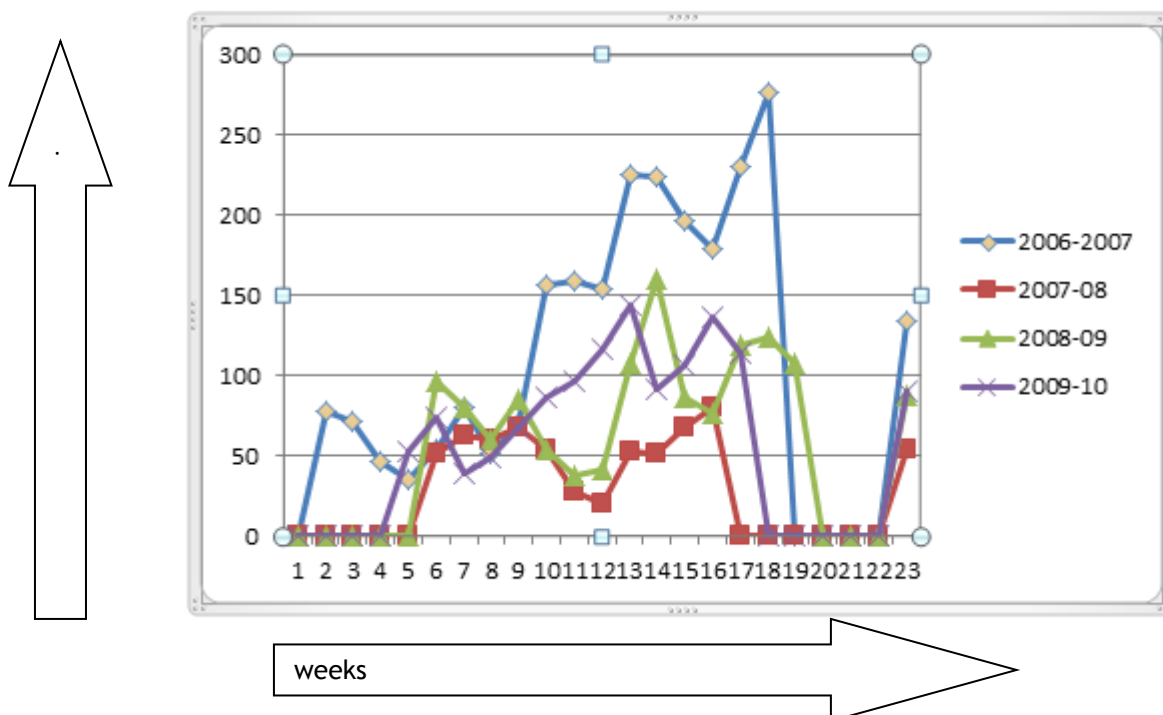
If you do not have stable prices, give the average prices within the past four years?.

The prices of food stuff for the 2006/'07, 2007/'08, 2008/'09 and 2009/'10 are given on a weekly basis per kilogramme.

The mean price is calculated by dividing prices obtained in weeks by the total number of weeks, semi-annually. The number of marketing weeks were: 2006/'07, seventeen weeks, 2007/'08, eleven weeks, 2008/'09, fourteen weeks, and 2009/'10, thirteen weeks. The prices are in weeks, semiannually, shown in the table below, and the graph is drawn from the table.

weeks of the year	2006/'07		2007/'08		2008/'09		2009/'10	
	weekly price/kg(€)	av.	weekly price/kg(€)	av.	weekly price/kg(€)	av.	weekly price/kg(€)	av.
1	0		0		0		0	
2	78,2		0		0		0	
3	71,2		0		0		0	
4	46,15		0		0		0	
5	35,51		0		0		53	
6	54,1		51,14		96,12		74	
7	80,76		62,5		80,4		39	
8	51,15		60,61		60,04		49	
9	69,99		68,18		85,7		68	
10	156,35		53,41		53,98		86	
11	158,97		27,75		37,15		96	
12	153,84		20,33		40,79		117	
13	225,13		52,08		107,1		144	
14	223,67		51,14		159,78		92	
15	196,14		67,37		86,04		107	
16	178,84		80,49		76,71		136	
17	230,78		0		118,51		114	
18	276,92		0		123,58		0	
19	0		0		107,96		0	
20	0		0		0		0	
21	0		0		0		0	
22	0		0		0		0	
Average price	134,59		54,09		88,13		90	
Breakeven price	51,49		-		-		-	
Average returns	7,64		13,4		-		-	

Table 15: Food prices (October to April) - Helsinki & Espoo



Food prices (Hakaniemi & Leppävaara)

Weekly average prices €/kg

Note: An average return is estimated from a representative number of identifiable respondents randomly selected from Espoo and Helsinki whole-sale units.

The mean shows a positive relationship with product availability, i.e. good returns show excellent business results. This does not rule out other factors like quality control, food variety performance and so on.

Source: Taj Mehal Afro (2010)

The graph shows prices on the basis of weekly sales.

The graph indicates that the weekly prices vary greatly from week to week. The nature of the graph is a further indication that prices were not stable, recording the lowest weekly price of two thousand Euros, which was recorded in the twelfth week for the 2007/'08 calendar year. The 2006/'07 also recorded the highest weekly average price at two thousand seven hundred euros.

In addition, the average price for the 2007/'08 fell from one thousand three hundred and forty euros and fifty nine cents in 2006/'07 because of many Chinese businessmen engaged in the food business due to higher prices that was originally earned.

3.3.7 Findings and Conclusion

Strengths

Forging communication relationship with different communities could be quite challenging and time consuming, but Tajmehal easily relates with its customers and communities. Segmenting and targeting the various communities also reflect the know-how of the company to provide specific community offerings. Customers are generally loyal since the company has more products offering than competitors. Through cultural, festive and traditional manifestations, the company's brand image is improved, and many people see the company as a promoter of unifying attributes that bring people sharing cultural and economic delicacies. Customers can also access the company website without making long displacements finding company offerings.

Weakness

Lack of coordination of the various marketing communication messages and as well as the inability to expand beyond the two outlets of Hakaniemi and Leppavaara are fundamental weaknesses of the company. There is the need to implement business risks in order to operate channels outside Helsinki metropolitan area, so that market share and company growth are achievable.

Threats

The growth of competition influenced lower budgetary allocations to marketing activities. Competitors are also very knowledgeable and pursue aggressive policies to gain market share. Proximity is also one of the problems the company faces. Rival firms prefer to locate nearer to competitors in vie for market share.

This study is about developing a comprehensive marketing communication strategy of the case company through the assessment of the existing marketing communication strategies, if any, such that weaknesses and opportunities are analyzed through the findings, and finally, proper marketing communication strategies are developed based on the objectives of the case company in meeting the expectations of its cherished customers.

3.3.8 Marketing Communication Strategy

4 Pricing Strategy

There is the urgent need to introduce electronic customer loyalty bonus schemes e.g. “(Afrokortti)” to guarantee bonuses and universal price stability to all customers.

A stable pricing framework or policy wins the confidence of prospective customers by building a good image and reputation of the case company; such that the Tajmehal brand becomes memorable in the minds of potential customers, which leads to a greater market share and profitability in the future.

Also, the pricing policy that is based on the capabilities of the individual customers in payment is also unacceptable. This is because such a strategy leads to different prices of same products offered on sale to different customers which could result in potential conflicts and could cause customer apathy and eventual shift in purchase decisions with the resultant consequences in achieving lower sales volumes and reduced profitability of the case company.

Finally, even though the primary objective of the firm is to maximize profits; thus obtaining excess revenue over costs, thereby instilling confidence in the operations of the case company, this skimming price policy would be detrimental to the eventual growth and development of the case company because potential customer attraction momentum is likely to be dwindled and possible loss of business in the market. Alternatively, the case company should adopt business penetration pricing policy by charging relatively lower prices so as to attract prospective customers and capture the market in the long run before the emergence of competition from rivalry businesses in the future due to spontaneous growth in the populations of foreigners in the Helsinki metropolitan area.

4.1.1 Channel Strategy

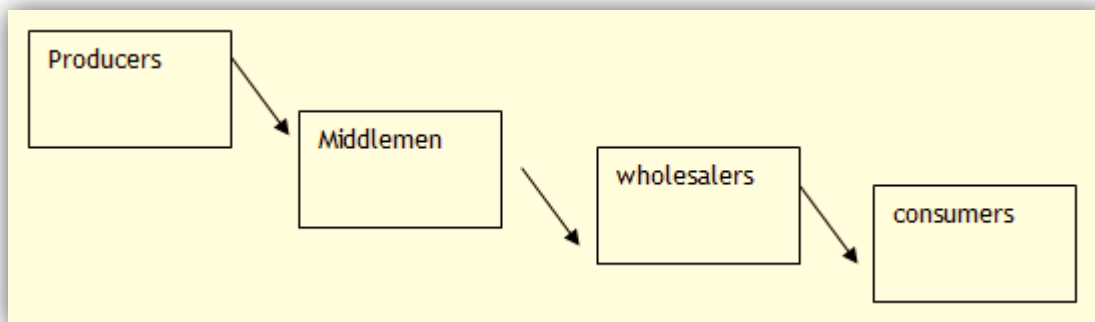
The lack of business intelligence in the operations of the case company accounts for the failure of establishment of other branches or outlets of wholesale and retail units in areas such as Vantaa with an increasing Afro- Asian population.

According to Wikipedia.org, marketing channel is a kind of practices required to transfer title of goods and services and to move goods and services from production to consumption, and that made up of all the traits of activities in the marketing process”, (http://en.wikipedia.org/wiki/Marketing_channel).

But according to Kotler et al (2008 881), “a marketing channel or channel of distribution is a set of interdependent organizations included in the means by which offerings are made available so that prospective business users or consumers could make informed choices”.

(http://en.wikipedia.org/wiki/Marketing_channel).

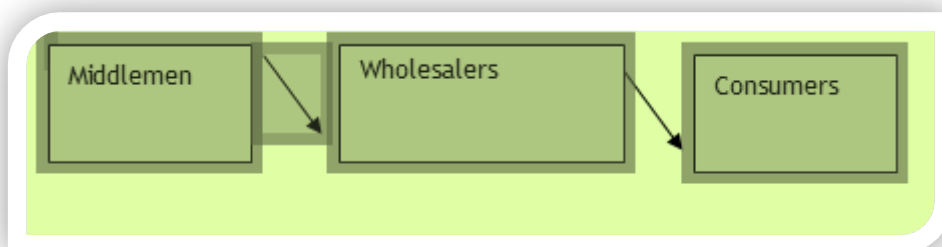
According to Kotler et al (2008 881), marketing channel or channel of distribution is a set of interdependent organizations included in the means by which offerings are made available so that prospective business users or consumers could make informed choices’.



According to Kotler et al (2008 881), marketing channel or channel of distribution is a set of interdependent organizations included in the means of making offerings available for use by the consumer or business user’.

There is an interdependent relationship in the value added chain that enables transfer of offerings to prospective customers. This value addition is done by bridging the major time, place and possession space that separates offerings from potential consumers. (Kotler et al 2008, 882).

In achieving this framework, the case company depends on potential middlemen from variable backgrounds who directly supply fresh produce from the production fields to them so that it is then distributed to third parties for retail business or that they engage in wholesale or retail directly to their cherished customers in Hakaniemi and Leppävaara respectively.



4.1.2 Internet Marketing

The Internet provides the best ways of business trends, as a reflection of increased usage by potential customers. Offerings are found through the use of the company’s webpage.

Company information is available via the Internet at: (www.tajmehal.fi, Kotler et al 2008) 839).

4.1.3 Sales Promotion

The use of catalogues, brochures, leaflets, is distributed to trigger the minds of potential and loyal customers, about the arrival of new products and promotional prices. Sales force teams are traditionally dispatched to Afro-Asian communities to ensure that awareness is raised while customer interest is encouraged to make purchases. Events and Experiences

Taj Mehal is an active supporter of outdoor games that are organised in Afro-Asian communities during the summer. Football, which is the most popular game among Africans, is being partly sponsored by them. In doing so, they show their commitment of identity, unique attributes that are a reflection of Afro-Asian culture and perspectives.

5 Public relations and Publicity

Since Taj Mehal is serving a niche market, public relations channels are not much of a problem. They virtually employ other forms of marketing tools to make sure that they deal proportionately with information concerning their brand image.

5.1 Direct Marketing

Direct Marketing together with one-to-one selling remains the most basic ways which the case company employs to get to its customers. Messages are channelled directly to concerned customers. The usage of company database clearly segments and gives the supplier information concerning the needs of each set of communities. Food types are variable; therefore with segmentation, the business easily targets each community with unique offerings.

5.1.1 Personal Selling

Given its two-way communication nature, personal selling reflects the ideal form of communication between Taj Mehal and its customers. Customers feel a sense of importance and concern as a response to proposals made by the company. With the use of a database, the business shows that it has insight knowledge of customer expectation as it makes special offerings each time the customer is identified.

5.1.1 Recommendations

The Thesis demonstrates the inadequacy of research in this area of concentration; with emphasis on the development of marketing communication strategy for the case company; and so the following recommendations are thereby proposed:

The presence of sales units in Leppävaara and Helsinki cover a large part of the market, while Vantaa, with a large and expanding African community, is not served meaning that loyal customers have to travel all the way to the nearest outlets. Many customers have been lost due to the presence of competitors who see these markets as an important part of their strategy. The opening of an outlet in Vantaa region will serve a large left-out segment which could enhance profitability. An expansion policy to towns, such as Kajaani, Tampere, Turku, would serve an additional market and present new challenges.

Pricing is the amount paid to a company for what it produces or sells. However, the company needs to standardize its promotional offerings to all customers. Packages are presented at different prizes that differentiate prices and promote customer apathy.

There is a need for an integrated marketing strategy as the company prospects other towns in Finland. Database development is critical to targeting potential cultural communities across Finland, including, the Cameroonian, Ghanaian, Kenyan, Gambian, Nigerian, Tanzanian, Chinese, Taiwanese, Indonesian, Somali, are served with a database reflecting specific demands.

Just like other food stores around Finland, packaging with a brand name could have many benefits to the case company. Brand names on plastic bags are a reminder of where the products are bought even without word-of-mouth or rumour.

Increase participation in cultural events and sponsorship in various communities during summer greatly enhances the image of the company and would be important for Taj Mehal to explore the possibility of increase funding on cultural and traditional exhibitions. The World Global Village Festival that is organized during the summer is ideal for sponsorship.

While it is clear that marketing communication tools are used to convey messages from companies to stakeholders, word-of-mouth, direct marketing, personal selling and event and experience offer Taj Mehal communication with stakeholders at reduce costs. It would be difficult and ineffective to use all the marketing communication tools to get to potential customers.

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Appendices

Questionnaire

Appendix : Questionnaire Analysis

1.) Your sex: Please mark "X" in the appropriate box.

a) Male

b) Female

2.) Your present age: Please mark "X" in the appropriate box.

a) Under 20

b) 20 - 29

c) 30 - 39

d) 40 - 49

e) 50 - 59

f) Over 60

3.) What is the highest level of education that you have completed?

a) Primary

b) Secondary Education

c) Tertiary Education

d) No Education

4.) Where do you buy your food stuff and groceries?

Hakaniemi

Leppävaara

Both

5.) Is there any variety of food stuff that you think consumers prefer?

Yes

No

6.) If you answered yes to question five, then name that variety:

7.) Do you make purchases in the category mentioned in question (6)?

Yes

No

8.) If you answered no to question 7, please explain why?

a) The food type or category is not available

b) The food is costly

c) Others; specify

9.) Are you satisfied with the present prices of food?

Yes

No

10.) If no to question (9), please explain

11.) Who determines the prices of foodstuffs?

a) The producer

b) Middlemen

c) Market forces

d) Consumers

e) Wholesalers

f) Others; specify

12.) Do you have stable prices for food products between the years?

Yes

No

13.) If you answered no to question (12), give the average prices within the past five years;
i.e. (2006-2010)

- a) 2006 -
- b) 2007 -
- c) 2008 -
- d) 2009 -
- e) 2010 -

14.) Do you have stable prices within the same year?

Yes

No

15.) If no to question (14), pick one of the years in question (13), and list the different prices recorded in that particular year

16.) Do you have any means of communicating the availability of Tajmehal food to the public?

Yes

No

17.) If yes to question 16, then name any three;

a)

b)

c)

18.) Do you think informing the public about product availability helps promote sales?

Yes

No

19.) If yes to question (18), list some of the benefits that may accrue to Tajmehal

a)

b)

c)

20.) Where do you make purchases? Please mark "X" in the appropriate box

a) Hakaniemi

b) Leppävaara

c) Oulu

d) Kuopio

e) Others; specify

21.) Which of the following channels do you use to distribute your products?

a) Producer to consumer

b) Producer - retailer - consumer

c) Producer - wholesaler - retailer - consumer

d) Other; specify

22.) Do you have any problems with the marketing of your products?

Yes

No

23.) If you answered yes to question (22), please list three (3) most important problems that you face

a)

b)

c)

24.) Suggest any possible and practical solutions to your marketing problems

a)

- b)
- c)
- d)

25.) Do you think the relocation of Tajmehal Afro could be of help to your marketing problems?

Yes

No

26.) Do you think transportation in any way serves as a hindrance to the marketing of your products?

Yes

No