

A Thesis submitted to the KNUST School of Business, Kwame Nkrumah
University of Science and Technology, Kumasi in partial fulfillment of the
requirements for the degree

Of
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KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,
KUMASI.

THE ROLE OF MARKETING COMMUNICATION IN THE DISTRIBUTION
OF PETROLEUM PRODUCTS IN GHANA.

By

KNUST

Mesuna Sualihu BSC. Agric Technology. (Hons.)

A Thesis submitted to the KNUST School of Business, Kwame Nkrumah
University of Science and Technology, Kumasi in partial fulfillment of the
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DECLARATION

I hereby declare that this submission is my own work towards the Masters in Business Administration (Marketing) and that , to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

MESUNA SUALIHU (PG9775126)



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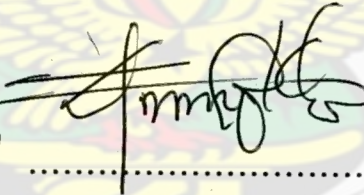
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ABSTRACT

All over the world, petroleum and petroleum products are indispensable for the smooth running of any state. The purpose of this dissertation is to find empirical signs of differences and similarities in the elements of communication and in how it affects the marketing operation of an oil distribution firm.

The study was set to cover Accra. As such, data were collected from as many sources (from oil marketing companies) as represented in the research area selected and to make a more representative conclusion. A sample size of 100 respondents were selected from fifty filling stations and marketing executives, of which the managers, their deputies and marketing oriented officials in the OMCs were selected by using the non-probability sampling method. Quantitative and qualitative methods of analysing statistical data were employed in the analysis of the data.

It was external communication which was realized to be the most effective form of communication in the sector under study. The major communication strategy used by marketing officers is two way communications process which involves the provision of feedback to both the clients and the companies. It was also discovered from the study that, in devising or structuring a marketing/communication strategy for the petroleum products marketing officers, a very strategic and tactful considerations should be made before that programme could be designed as part of the, marketing programmes for the companies.

In conclusion, communication does not consist of several elements working in isolation. Instead, it is a gathering of elements working as an entirety.

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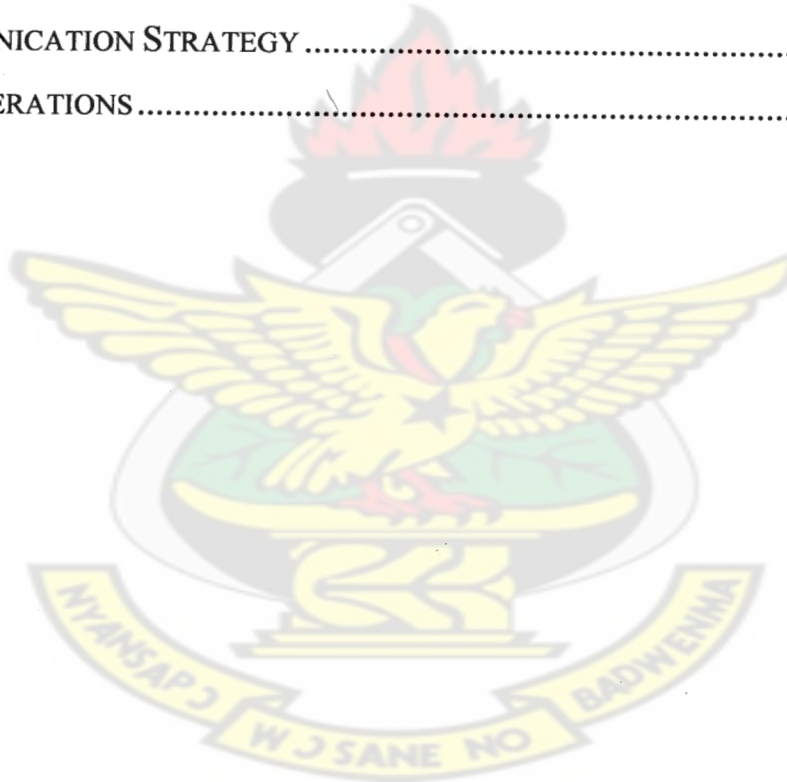
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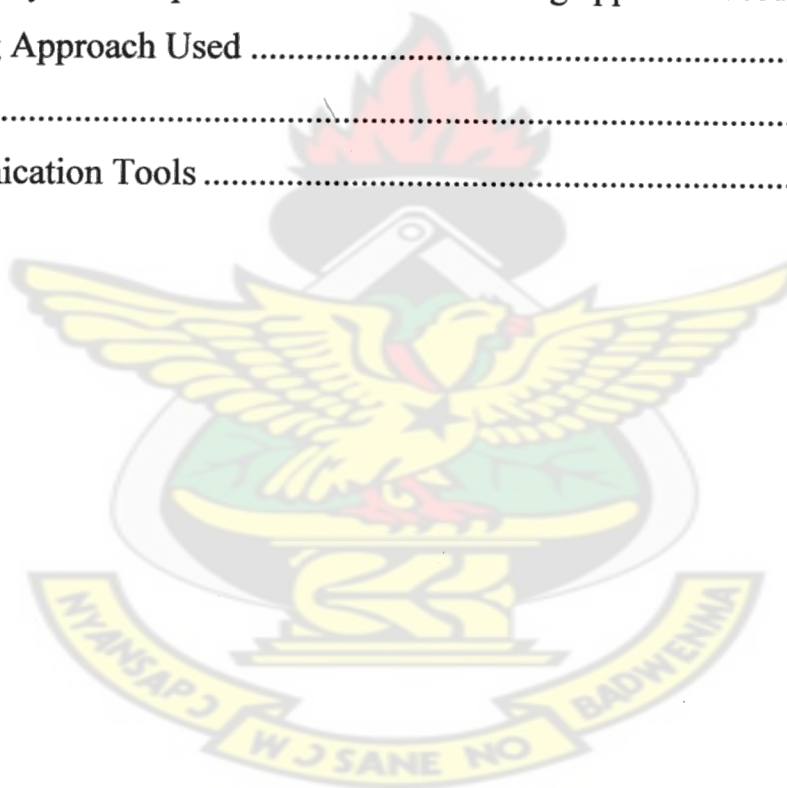
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CHAPTER ONE

GENERAL INTRODUCTION

1.1 Background of the Study

All over the world, petroleum and petroleum products are indispensable for the smooth running of any state. To be able to engage in different relationships, companies as well as individuals must communicate. However, we believe that there are differences in how the communication is carried out. An awareness of possible differences should make it easier for buyers and suppliers to actively decide the best way to communicate, and most certainly enhance the chances of building favourable relationships between them.

Marketing determines the business activities and behaviour of every enterprise. This is natural when we know that the planned and business tasks and assignments could be realized only by the market and its mechanisms. Since the time when the demand was bigger than the supply and when the basic problems were shown through a request for an increase in the scope of production (to produce the largest quantity of goods with the lowest expenses) the market has been transformed into the market of buyers in which the essential problem is how to satisfy the buyers requirements concerning the goods (product) or service.

· Only the best and the most capable ones will survive and remain on the market. They always offer faster, more and more qualitatively than their competitors. Buyers are satisfied with them because they meet buyer's needs, requirements and expectations. Better are only those who can duly identify the market needs and requirements, providing the quality which ensure them a measurable competitive advantage on the market, long standing success, and even the leading position.

The relationship to the market in the petroleum industry depends not only on the action of the market laws, but also on the influence of the country, producers and consumers themselves, that are to be identified and properly allocated by the enterprise management so as to achieve the maximal possible effect on the petroleum market.

Marketing is a process that can help managers of Oil Marketing Firms achieve their objectives of providing the right petroleum product to the right client at the right time, the right place, and the right way; and increasing the satisfaction of their client. Marketing calls more than just developing good products, pricing them attractively, and making them available to target clients. Oil marketing companies must also communicate with existing and potential clients to make them aware of the improved and competitive products offered, and also to build and maintain good customer relationship. However, to communicate effectively the marketing communicator must understand the client's field of experience.

Technological development has brought new ways of communicating, ways that today are used by quite a lot of people, but still might not be fully exploited in business marketing. The usage of interactive media – on their own or integrated – is developing rapidly, and new usage possibilities are found every day. Because of this, peoples' attitudes and opinions are changing constantly as well. This makes it vital to investigate what the situation currently looks like, compare it to how it used to look, and try to imagine how it will come to look in the future, with the view of using such processes to enhance the marketing of petroleum products.

1.2 Problem Statement

New approaches have been emerging in the field of marketing. Many industries are facing a world that is an increasingly turbulent place, and customer wants and needs are changing rapidly. Product life cycles are getting shorter, and it is difficult to keep up with technological development. Requirements for quality and service go up as the competition gets tougher. In order to be competitive in this environment, the focus cannot only be on the single transaction. Additional service and creation of loyalty is becoming vital if companies are to retain their customers (Komenar, 1996).

A company - as well as any other customer - may prefer to buy from a certain supplier for many reasons, not just because it has good products at a reasonable price. It may be that the communication provides added value to the transaction itself.

1.3 Research Questions

The research questions to be answer through the study include:

- a) What are the differences and similarities in the channels of marketing communication used in petroleum marketing?
- b) What are roles of the marketer in market communication?
- c) How relevant is market communication in petroleum distribution in Ghana
- d) What is the Role of market communication in consumer adoption process
- e) What communication strategy is used to enhance the operations of an oil marketing firm?

1.4 Objectives

The purpose of this dissertation is to find empirical signs of differences and similarities in the elements of communication and in how it affects the marketing operation of a firm.

The specific objectives to be achieved include:

1. Find out the differences and similarities in the channels of marketing communication of petroleum products in Ghana.
2. Find out the role market communication plays in petroleum marketing.
3. Find out how market communication will aide in consumer adoption in petroleum products.
4. Develop recommendations for marketing communication strategies in petroleum marketing.

1.5 Justification of Research

As in the case of individuals, no company can ever survive in isolation. A company forms part of different relations and interacts with customers, suppliers and competitors. To be able to engage in different relations, companies as well as individuals must communicate in order to share knowledge, thoughts and values with other actors. Consequently, without communication a company will be isolated and left with little, if any, chance to survive in the business world. As already mentioned, communication is necessary to avoid isolation.

Zineldin and Jonsson (2001) argue that it is the “factory” of human society. Behind every company there are, in one way or another, individuals. Thus, communication is the “factory” that makes these people involve and engage in relations on behalf of the company. In this way the company shares knowledge with others that it can benefit from, now or in the future.

However, shared knowledge may also reveal differences in views and interests of the actors. This can lead to conflicts, which can only be solved through communication between the actors. Also, Marketing communications represent a part of social communication where the interaction between the communication participants takes place that is determined by the communicative need. They have both common and different features. The development of marketing communications is determined by the following factors: the quality of goods, target audience, the way of influencing it, the time of transmitting a message, length, and the aim of marketing communications the

task of which is to create the wish to purchase goods/services by pointing out their features; the means used in marketing communications. Marketing communications provide for the satisfaction of the communicative needs of the product consumer as a subject of social communication and therefore should be actively applied and developed.

Moreover, as one of the main elements of the marketing practice is exchange, including the information exchange during which the satisfaction of the individual interests, wishes and needs of different marketing process participants should be ensured. That regards companies, intermediaries and final consumers. In the creation of the mutual relations within the process it is necessary to observe all the pre-conditions of the communication process development taking into account the specific features of marketing.

What is more, as it arises from the classification of the marketing communication elements and the comparative analysis of the indicators, there is a close link among the kinds of marketing communications. Advertising stands for cognition in the information of marketing communications therefore in the application of advertising the fact of mutual covering of the elements of marketing communications can be found. However, the essence and role of every element is different. Each of them carries out its own task in the unified communication system depending on the communicative need of the communication participants. By using different communicatively designed classifications of marketing communication elements, the leading function of advertising is clearly visible and it confirms the integrity of all marketing communication elements.

In the social aspect marketing communications are an important source of daily trade information for satisfying the communicative needs of consumers, however, in the economic aspect the marketing communications (advertising) provides for the stimulation of economic development. The social and economic processes function in interrelation. For the determination of the development of marketing communications the communicative and economic indicators cannot be divided and it is necessary to take into account their complex. Consequently, a combined entirety of communicative and economic features should be used in assessing the development of marketing communications.

In the current development period in Ghana the indicators of public relations, sales stimulation and direct marketing are not summarized. The lack of the indicators for study creates difficulties for developing particular kinds of marketing communications. The relations of market participants that develop as a result of different influencing factors provide for the information turnover and feedback of marketing communications. The increasing wishes and needs determine the direction of the advertising development in the branch structure.

In the advertising market the fast development period has finished and the period of certain stability has set in. In the economy certain structural changes take place and the advertising market cannot react so fast to the changes of the macroeconomic situation. There are connections among GDP, retail turnover, level of remuneration, level of unemployment and advertising indicators. That is proved by the influence of the

variables and is confirmed in the effectiveness of the promotional product of marketing communications.

1.6 Limitations

In this study communications refers to the modes used in communicating with customers by petroleum distribution companies. The reason for this is the suitability of these modes to the investigated case, according to earlier research. The research will not involve transactions and handling of orders, and therefore excludes any aspects such as trade such modes to be selected. This limitation was done since the areas are by themselves quite large and differ in focus.

The study has also been limited in geographical scope to cover the market of Accra. This particular city was selected on request of the case companies, since they are considered to be important market in Ghanaian oil industry, and also illustrate a cosmopolitan part of Ghana, culturally and also when it comes to the stage of development concerning oil marketing.

Other limitations will be described and explained later on in the text, in the right context, but in order to clarify certain concepts and standpoints from the beginning the researcher chose to list some of the limitations here. However, this dissertation focuses only on communication. Due to geographical closeness, limited time and financial resources we have chosen to include only OMCs within the above mentioned industry.

1.7 Outline of the Dissertation

To conclude this chapter, the outline of the rest of the dissertation is indicated below:

Chapter two will present the theoretical framework. The Interaction Approach will be introduced. Theories about trust, commitment and communication will be presented as well as a presentation of the applied model and the hypotheses.

In Chapter three the report will present the method chosen. Different research approaches and research philosophies will be discussed, as well as the theory and the empirical strategy. We will in this chapter present the empirical method. The research strategy explaining the approach in answering the research question will be described. The population as well as the questionnaire will be discussed. The chapter concludes with a discussion on the reliability and validity of the study. In Chapter four the results of the study will be presented. The research questions of the dissertation will also be answered.

Finally in chapter five the conclusions will be presented. Implications for organisations and suggestions for further research will also be discussed. The chapter concludes with some reflections of the work.

CHAPTER TWO

LITERATURE REVIEW

1.0 Introduction

Since the early nineties some authors such as (Grönroos, 1997), discussed the increasing need to manage relationship building, which has brought forth a variety of "new generation" marketing approaches-customer-focused, market-driven, outside-in, one-to-one marketing, data-driven marketing, relationship marketing, integrated marketing, and integrated marketing communications.

The increasing importance of communication in marketing is demonstrated by differentiating these “new generation marketing” approaches from traditional and classic ones. Each approach emphasizes two-way communication through better listening to customers and interactivity and the idea that communication before, during, and after transactions can build or destroy important brand relationships (Milisavljevic, 1992).

In this study, It is argued of the possibility to build a competitive advantage into a company’s Communication strategies looking at the customer behaviour with a “new generation” perspective: considering the reach, the attentiveness, the relevance, the receptiveness and the impact of a brand since during the whole communication strategy it

will be possible to develop a real innovative holistic plan based on a Trust and Advocacy perspective that offers to the brand image a real competitive advantage in term of awareness, trust and reliability and brand ecology (Milisavljevic, 1992).

The study approach is based both on a critic literature review concerning the increasing customer power, the challenge to use a multichannel communication plan based on a ecological multi ways dialogue between front office and back office.

Companies that do business today are often involved in contacts and relations worldwide. Globalisation has increased connections all over the world and technological development has made it easier to communicate across geographical boundaries. That is, the technical preconditions for communication are almost the same all over the world.

The marketing mix management paradigm has dominated marketing since it was introduced almost 40 years ago. Focused around the 4 Ps – product, place, price and promotion - this paradigm is today beginning to lose its position (Grönroos, 1997). “Promotion” is defined as “Promotion... stands for the various activities the company undertakes to communicate its products’ merits and to persuade target customers to buy them” (Kotler, 1988). According to this definition promotion is a one-way communication process, and only concerns product information.

This globalization of business and the evolving recognition of the importance of customer retention, market economies and customer relationship economics, among other trends,

reinforce the change in mainstream marketing.

The interaction and network approach of petroleum product marketing and modern service marketing approaches, especially the one by the Nordic School, clearly views marketing as an interactive process in a social context. The marketing mix management paradigm with its Four Ps, on the other hand, is a much more clinical approach, which makes the seller the active part and the buyer and consumer passive (Grönroos, 1997).

2.1 Marketing Activity

Kotler (1972) defines marketing as “people’s activity oriented to satisfying the needs and wishes through the process of exchange”. He emphasizes that “marketing can be best defined as making the market, as the buyers production, as the unique programming of production of an organization from the consumers point of view” (Kotler, 1972).

Milisavljevic, says that marketing is “also a method of linking the organizations with the milieu in which the process of exchange is carried on to satisfy the needs of an individual or an organization” (Milisavljevic, 1992). What is common to all these assumptions is that the marketing of an organization represents a complex system which unites all domains connected to the functions of an organization.

The marketing conception in the industry of petroleum in fact offers a new method and practice in defining and realizing the business policy of the organization. The business functions and the policy of the organization act on the basis of the marketing conception

synchronously and integrated. Their only aim is the market i.e. its needs and the making of a competitive capability and advantage of the organization on the market. This affirms the search for new designs and more efficient forms of management in which a certain specific features become apparent, reflecting directly or indirectly the marketing.

2.1.1 Marketing Program of an Organization

To remain on the market the organization must be well acquainted with its demands, taste and needs. This also includes, in addition to knowing the factors and phenomena influencing the market trends, having knowledge of the competition, relevant normative regulations, government policy as well as general economic, social and political circumstances influencing the market conditions (Culibrk, 1998).

Therefore, it means that in the development of the marketing activity on the market it is not sufficient to be only marketing oriented toward the key resource - consumer but the attention should be also directed to the creating new values of the product, better and more complete than that offered by the competition. The marketing is therefore expected to contribute, through the market research and the proposal of product assortment for that market, to the choice of such a production which products have the appropriate demand and real chances for marketing.

Starting from these principles, the marketing concept has evolved from its traditional paradigm conceived on creating a “better” product and orientation to “personality” of the consumer toward a more expressive affirmation of the significance of the strategic

management approach in developing the marketing activities through the marketing program.

Marketing mix makes the basis of the marketing strategy from which the overall marketing orientation of the organization originates. Realization of the marketing program usually runs through the following stages:

1. defining individual elements of marketing program,
2. defining the role of every individual element in the marketing program,
3. interlinking the functions of the marketing program elements,
4. finding and optimal combination of the program elements,
5. realization of the marketing program on the market,
6. Action control of the marketing program.

Marketing program represents the scope, structure and the method of utilization of the marketing resource defined beforehand for the purpose of accomplishing the objectives set. Marketing program encompasses four basic fields (subsystems):

1. production,
2. price related,
3. distribution, and
4. communication.

Each element of the marketing program covers a great number of activities through

which the appropriate functions to be precisely defined are realized in order to be more efficiently combined for a more successful activity of the whole marketing program.

Defining of the optimal combination inside the mix of each element, as well as the whole program is implemented for a more efficient realization of the basic targets both of the program itself and the overall business system. It should have in view here that the product, prices, sales channels are only the instrument of the marketing mix and variables with which the organization try to satisfy the buyers and to accomplish the goals of its management of affairs.

What will be the structure of certain elements in the marketing mix depends first of all on the conditions in which the system functions, and on the frequency of changes occurring in the environment as well as on the method of market communication.

At this, the management of the organization should strive for such combinations of elements that best correspond to both the business system and the instantaneous demands of the market, through an effective communication strategy.

2.2 Communication

Communication derives from the Latin verb *communicare*, which means “to share”, “to make common”. Thus, when we communicate we make things common. In this way we increase our shared knowledge, our “common sense”, which is the basic precondition for all society. Shared knowledge may also include knowledge about conflicting views and

interests. It may, therefore, sometimes lead to conflict rather than to community. On the other hand, conflicting actors also need to communicate with each other.

Communication takes place between units of rather different size and complexity. It may occur between and within individuals, groups, organisations, social classes, nations, countries, and regions of the world (Rosengren, 2000). When communication is effective, it results in the formation of actor bonds between the individuals involved, based on their mutual learning, trust and commitment (Ford et al., 2003). Zineldin and Jonsson (2001) argue that communication, and interaction, is the essence of any relationship. Further on, it is communication, in one form or another, which links people and companies together. As mentioned in chapter one, it is the “factory” of human society. Due to the aim of this dissertation we will only handle the issue of communication between companies in business relationships.

2.3 Communication Strategy and Channel Conditions

Mohr and Nevin (1990) present a theoretical model in order to understand the communication in marketing channels. According to this model *communication strategy* regulate the impact of *channel conditions* on *channel outcomes* like coordination, satisfaction, commitment and performance.

When communication strategy matches the channel conditions, channel outcomes will be improved in comparison with the outcomes when a communication strategy mismatches channel conditions. In the following section we will briefly present the model by Mohr

and Nevin.

2.3.1 Communication Strategy

Mohr and Nevin present *communication strategy* as four (five) communication facets, i.e. frequency, (duration), content, modality and direction. These facets are a summary of relevant findings from both channels and organizational communication research.

2.3.1.1 Frequency and Duration

In the model the authors present *frequency* and *duration* as one facet. In order to better fit the purpose of this research we will present and use these two facets separately. Both frequency and duration refer to the amount of communication between actors. Frequency can be defined as how often communication is carried out between the actors involved. Duration, on the other hand, can be defined as how much time is spent on each occasion of communication.

2.3.1.2 Content

Content is defined as the message that is transmitted, or what is said. Communication content can be analysed by asking the actors in a relation what their perceptions of the content are (Frazier & Summers, 1984). Morgan and Hunt (1994) use a similar definition of content in the KMV model. They consider how relevant, timely and reliable information is and use this as a measure of an actor's perception of communication. However, this definition is related to one of the definitions presented by Mohr and Nevin, which define content as the type of influence strategy, direct or indirect, included in the

exchanged information. Direct communication strategies are those used to change the behaviours of the other actor by suggesting or requesting a specific action. Examples of direct communication content are e.g. requests, recommendations, and promises. Indirect communication is intended to change the other actor's beliefs and attitudes about a certain problem or behaviour, i.e. no specific action is directly requested. Indirect communication content may be information exchange, where an actor uses discussions on general business issues to change the other actor's attitude about certain behaviour.

2.3.1.3 Modality

Modality is defined as the method used to transmit information and can be categorised in several different ways. One way is to categorise modality as telephone, letters, face-to-face, or other modes. Mohr and Nevin also present other ways to categorise modality, e.g. formal and informal modes. Formal communication generally means communication that is carried out through written modes. However, other modes may also be considered as formal. Informal modes are more personalised, e.g. word-of-mouth contacts. These kinds of contacts may be spontaneous and can take place outside the organisation.

2.3.1.4 Direction

Direction refers to the vertical and horizontal movement of communication within an organisational hierarchy, i.e. in an intra - organisational context. In an inter - organisational context the focus is instead on the kind of contact between organisations. Direction is here used to describe what levels in the organisations that are involved in the communication with other relationship actors. Even if the organisational structure states

the actors' roles and tasks, authority and status may be less clear. According to the situation the manufacturer (the upstream channel member) or the reseller (the downstream channel member) may be more powerful. Mohr and Nevin describe the pattern of communication flow as "downward" and/or "upward" depending on which actor is the most powerful. The communication is said to be downward if the most powerful actors is the manufacturer and the communication flows from the manufacturer to the reseller. Conversely, if the reseller is the most powerful and communication flows up to the manufacturer the communication is upward. In the model Mohr and Nevin use the terms "unidirectional" if communication is upward or downward, and "bidirectional" if the communication is both upward and downward.

2.3.2 Channel Conditions

Mohr and Nevin further present three different channel conditions – channel structure, channel climate, and channel power. Our survey includes factors like channel structure and channel climate, but not channel power. Therefore, we will only focus on the discussion of channel structure and channel climate presented by Mohr and Nevin.

2.3.2.1 Channel Structure

Channel structure is used to describe the channel structure in terms of how exchanges between actors are carried out, i.e. the nature of the exchange relationship - relational or discrete. Relational exchange includes cooperative planning between the actors, the relationship has a long-term orientation and interdependence is high. Conversely, discrete exchanges have a short-term orientation and interdependence is low. These two

characteristics are each other's opposites and can be compared with the relationship spectrum (Day, 2000) presented earlier in section 3.4. Mohr and Nevin use the term "relational structure" to describe the relationships toward the relational end of the spectrum, and "market structure" to describe the relationships toward the discrete end of the spectrum. Furthermore, they argue that communication in relational channel structures is different in comparison to communication in market channel structures.

Communication in a relational channel structure has higher frequency, more bidirectional flows, informal modes, and indirect content. Communication in market channel structures has lower frequency, more unidirectional flows, formal modes, and direct content. The reason for this is, according to Mohr and Nevin, which actors in relational channel structures share more interdependent activities than actors in market channel structures, and because of this a higher level of communication frequency may be necessary. The actors in relational channel structures interact more since they need to share more information in order to coordinate more closely shared activities. Most likely, the interdependence causes the information to be more relevant and therefore, communication will be more frequent. To better coordinate activities communication will flow both upward and downward, i.e. bidirectional, in relational channel structures. Furthermore, since the actors in a relational structure are more closely linked communication is presumably more informal. However, formal communication may also be used, but due to tight linkages between the actors more informal modes are generally used.

The communication content also differs between the two channel structures. In relational structures actors are more willing to share benefits and problems. Therefore, influence strategies are more indirect than direct. Offering information to other actors in the relationship may be enough to encourage them to participate in programs and activities. The communication in relational structures is also more likely to reflect the aim of a further supportive climate in the relationship. Thus, indirect influence strategies are more likely to be used when actors try to develop a supporting trading atmosphere.

2.3.2.2 Channel Climate

Channel climate may be defined as the actors' perception of the work environment, including characteristics of the organization and of the relationships with other actors. Climate also reflects norms, leadership, and membership structure and offers an environment for interpersonal communication. The model by Mohr and Nevin suggests that communication will differ depending on the channel climate, i.e. the level of trust and mutual supportiveness. In channel relationships with a high degree of trust communication will be characterized by higher frequency, more bi-directional flows, informal modes, and indirect content. Conversely, in a climate with low trust and low mutual supportiveness communication will be characterised by lower frequency, more unidirectional flows, formal modes, and direct content.

Mohr and Nevin argue that when actors experience trust and supportiveness a sense of shared identity is developed. This will result in shorter duration and higher frequency due to shared knowledge and common language practice. When there is no shared identity or

low trust the frequency is lower. Trust also affects the direction of communication. Relationships with a high degree of trust are characterized by more upward communication. This in combination with information that flows downward results in more bidirectional information flows. When trust is low, actors are less willing to pass information upward. Thus, the communication is generally more unidirectional. When trust is high and there is a feeling of shared identity in the relationship informal modes of communication are common. Due to a positive and supportive atmosphere actors share information more verbal by one-on-one and group meetings. The experience of informal productive conversations may encourage a further supportive atmosphere. On the contrary, the absence of trust and mutual support will lead to more formal communication modes. Regarding content, indirect strategies are more useful when the actors share common goals and trust is high. Conversely, when trust is low indirect strategies may be ineffective and direct strategies are preferred.

2.4 Market Communication System

The organization as a system sustains and receives the influences of its environment. The relationship of the influences between the elements (subsystem) inside the system and the system in the wider surroundings is realized through an exchange of material, energy and information. It is an universal characteristics valid in general for all open systems and relationships between the subsystem and the system. In order to pertain to a wider entity, they must have its basic properties because otherwise they lose the connection with it and in most cases are condemned to destruction. Therefore, only open systems can survive with permanent interaction with the environment.

If the organization is acquainted with changes at every moment, it is possible to optimally govern the flows of production and their expenses. The organization establishes the contact with the environment through the marketing system of communication, because it is also the part thereof. The characteristics of the environment are carried over to it, so we can find similar valuable characteristics in it (Kostic, 1978).

The organization environment determining its behaviour includes:

1. socio-economic system,
2. demographic system,
3. technical-technological system,
4. legal system, and
5. the system of social values.

The role and the importance of communication in marketing reflects first of all the requirement for the objective and thorough information of buyers and consumers about the products and services aimed at making the choice more clear and the decision-making for the purchase easier.

The instrument which regulates the elements behaviour inside the system and the system in the environment on the basis of which its further behaviour is planned is the feedback connection which eliminates entropy and chaos, and establishes an order and balance in the system.

Fig. 1 shows a schematic presentation of the organization-market communication.

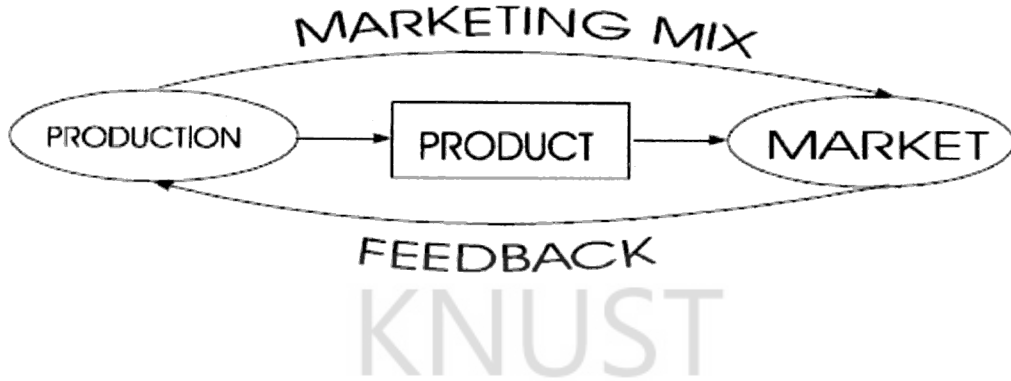


Fig.1. Organization-market communication system

The above system of communication of the organization offers the following advantages:

1. better resistance to entrophy forces,
2. greater availability to changes and threats of the environment,
3. greater flexibility and openness for introduction of innovations,
4. more successful monitoring of competition activities,
5. easier implementation and more adequate utilization of the technological achievement.

The communication system is developed and changed parallel with the development and changes of the market i.e. the environment in which it functions. For that reason and in order to gain a competitive advantage of an organization, it is also necessary to adapt the organizational structure and the management strategy of the organization to the market

changes.

2.5 The Role of Communication

The increasing importance of communication in marketing is demonstrated by its ability to differentiate the new marketing approaches from traditional ones. The new approach emphasizes two-way communication through better listening to customers and interactivity, and the idea that communication before, during, and after transactions can build or destroy important relationships. (Milisavljevic, 1992). The role of promotion that ignored the interaction between the parties was one of persuasion. In building relationships, promotion has been replaced by communication, which plays the role of informing, answering and listening. In other words, persuasion is more limited in impact and scope than communication. (Milisavljevic, 1992).

To achieve an effective communication strategy, the basic problems to be resolved according to Hill et al. (1977) concern the questions of the target, timing, media and message. They are all dependent on each other, and the order in which they are mentioned is not relevant.

2.5.1 The Target

Once it is decided which product or services to offer, and to which market segment, it is of major importance to identify the target audience. Referring back to 2.1.2 and 2.1.3 we know that the buying centres often consist of a number of individuals, each having their own personality, character, needs and expectations, and with varying degree of

involvement and role in the buying process. This identification is important as it will affect the other parts in designing the communication, for example it will determine the nature of the information required as well as the wanted form of communication. (Hill et al.1977)

2.5.2 The Media

There are a number of media or tools by which people can be encouraged to use products, services or ideas. Generally companies have centred on combining four basic tools - advertising, public relations, direct marketing and sales promotion into a consistent and coherent campaign. Occasionally this approach to integration is expanded to include personal selling as a fifth tool. The model by which a manager integrates the mix may have changed, but the five basic tools have remained constant. (Ritson 1998) Now, however, a new challenge to integrated marketing is emerging. In this “information age”, information overload is a new concept. A combined shortage of time and attention is unique to today's information age. (Godin 1999)

The evolution of marketing media passes through the ‘90s and is, according to Komenar (1996), driven forward by higher levels of interactivity, immediacy of transaction, improved access, a customer driven market place, and individually addressable promotions. Advertising was designed to reach many potential customers at once, through e.g. printed ads or television. It is a one-way communication, and the focus is narrow, only allowing so much information as would fit the in the available time or space. (Cronin 1995) Focus is now being put upon information instead of advertising. It

should be interactive and customized, as well as exclude the persuasion aspect of the interruptive media.

2.6. Features of the Petroleum Industry Oil Marketing

High Transportation Costs: In the process industry marketing, percentage of transportation cost is very high. Transportation costs for chemicals may be as high as 80% of the product cost. This makes it critical for chemical companies to bring transportation costs under control (Andel, 1998). In the petroleum industry too, transportation costs occupies a sizeable portion of total cost of the product. There are various means of transportation: ships, railway wagons, road tankers and pipelines. In the petroleum industry, transportation costs about 20% of the production cost.

Risk of Product Contamination / Adulteration: The finished products like petrol and diesel in the petroleum industry are at higher risk of contamination/ adulteration. For example, kerosene is easily miscible with diesel and hence, diesel can easily be adulterated with kerosene. As kerosene is cheaper than diesel, this can give huge financial losses to the oil companies while at the same time providing the customer with impure product. This makes it necessary to perform quality checks at various stages. For example, for petroleum products, quality check would be required at the following stages:

- a. Dispatch at the refinery.
- b. Receipt at the storage installation.
- c. During receipt and storage at the retail outlet.

The rest of the manufacturing industry is not prone to such risk.

Information Strategy: Traditionally, the process industry has been a laggard at utilizing information technology as compared to its counterparts in the manufacturing sector. Lately, however, companies have started using ERP for internal integration and B2B exchanges for trading purposes. Needless to say, visibility across the marketing is low. The option to trade or exchange crudes, intermediates and products at key points along the chain means that companies have to balance a series of complex and interlinked economic decisions to maximize their margins. The use of information technology can be of great help in this case.

2.6.2 Role of Information Technology in the Petroleum Industry

Information sharing is essential to any successful marketing management. Use of IT can make economic contribution to the whole marketing. It is important to use appropriate information technology. For the petroleum industry it is critical due to the following reasons: The chemical industry in general and petroleum industry in particular has global markets and suppliers/ marketing partners who are widely dispersed geographically. In such a case, timely flow of accurate information can affect performance of the marketing to a large extent. Companies rely on accurate forecasting of demand, but in most cases are disconnected from actual demand. In most instances, this process can be described as anything but closed loop. Integration of demand chain information is critical to success or failure of any SCM strategy (Brandon, 2002).

Often the process industries may make a wrong product, at the wrong time and at the wrong place. Hence process optimization is the key task for the Information Technologies function of process industries and currently seems to be a huge challenge. It is a method that unites the modelling, design and monitoring of engineering assets with scheduling, marketing, trading a fulfilment via multiple flows of information between stages in life cycle of products, bringing huge efficiencies. By introducing visibility in the marketing the optimized organization can extract further efficiencies through the use of the Internet (Adshead, 2002).

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Timely and accurate information is more important to shareholder value than simple physical assets. The flow of information represents the key to customer-segmentation strategies and effective demand management, which will lead to increased top line revenues and reduced cost of sales (Brandon, 2002).

2.7 Marketing Communication Strategy

Modern marketing calls for more than just developing good products, pricing them attractively, and making them available to target clients. Companies must also communicate with current and prospective clients, and what they communicate should be well arranged. Communication is concerned with sending and receiving knowledge, ideas, facts, figures, goals, emotions and values. Communication is also a central element of the way people relate to and cooperate with each other. Communication is more than a marketing tool. Companies not only send and receive information in order to cooperate, but parallel with this is that companies are constantly communicating their self images to

all around them. In business organizations, communication with clients, shareholders, and employees is now regarded as a major resource, requiring careful management and adequate investment.

Some communication is internal, involving the flow of information within organization, both to provide information for decision making and to maintain focus among the staff on what the organization is seeking to achieve. Without effective internal communication, the activities of a business will become uncoordinated and focused more on individual goals rather than on operational objectives. A lot of business communication is external. Without effective external communication between a business and its clients, the benefits needed and wanted by the market will not be understood, leading to loss of market share, and loss of profitability. Marketing communication strategy helps to create clearer, sharper messages appropriately directed to target clients. There are three factors of marketing communication strategies:

2.7.1 Identifying the Target Clients

Any marketing process starts with the perception of the client's needs, and further perceptions of possible ways in which that can be met. A marketing communicator must find out who the clients are, the services they want and the benefits they are looking for. The communicator should start with a clear target client in mind. However, clients always require for an easy, comfortable, and convenient way to get what they want.

2.7.2. Developing an Effective Message

Once the target client has been defined, the marketing communicator must decide what response is sought. The marketing communicator needs to know where the target client now stands and to what stage it needs to be moved. These stages include awareness, knowledge, liking, preference, conviction, and purchase. The target client may be totally unaware of the product, know only its name or a few things about it. Having defined the desired responses, the communicator then develops an effective message. Ideally, they should get Attention, hold Interest, arouse Desire, and obtain Action. There are two factors in developing an effective message: (a) message content -what to say, (b) message structure and format – how to say it. Furthermore, the communicator has to figure out a theme that will produce the desired responses: rational, emotional, and moral.

They send messages to the clients in order to help them solve their problem in finding a nice, comfortable, and convenient place to read, and do several activities on a reasonable price.

2.7.3. Selecting Message Channel

There are two types of communication channels: (a) personal communication channels, (b) non personal communication channels.

In personal communication channels, two or more people communicate directly with each other. They might communicate face to face, over the telephone, through the mail, or even through the internet “chat”. Non personal message channels are media that carry messages without personal contact. They include major media (newspapers, magazines,

direct mail, radio, television, bill boards, signs, posters, online services, web sites), atmosphere (designed environments that create the client's leanings toward buying product), and events are staged occurrences that communicate messages to target clients.

2.8 Major Marketing Communication Tools

The major communication tools in marketing are advertising, public relations, sales promotion, personal selling, and direct marketing. Some authors also include product design/ package, point-of-purchase displays, Internet communication, etc

2.8.1 Advertising

Advertising is a very important tool on the earlier stages of the response hierarchy models. Due to its public presentation, persuasiveness and amplified expressiveness, advertising campaigns can help reaching high levels of awareness about the product, the brand or the company. Also advertising could be successful in building a long-term image for a brand (such as Absolute, Coca-Cola, etc.) Advertising is cheaper than sales promotion and more expensive than public relations, but often evokes negative feelings (such as annoyance, anger, distrust, etc.).

2.8.2 Sales Promotion

Sales promotion campaigns offer a distinctive purchase invitation. This sort of programs also offers some kind of stimulus (discount, free sample, etc.). They are preferable in the cases of new product launching, sales stagnation, etc. But, the effects of sales promotion are usually short run and do not build long run brand preference. The major

characteristics of public relations are: high credibility, off guard, and dramatization. People accept the PR campaigns as news, not as paid publication. That's why they trust to PR messages. The basic problems of the PR campaigns are connected with the low level of control on what, where, and when is said.

2.8.3 Direct Marketing

The direct marketing approach is based on databases containing the names and characteristics of potential customers. As a result, the direct marketing offer greater possibilities for message adaptation. Target audience selection is far more precise, as well as the measurement of the effectiveness of database programs. But this communication tool is the most expensive (in the context of fast moving consumer goods).

Combining the marketing communication tools in a solid and well-balanced campaign is more effective. The integrated marketing communication programs give chance to low budget campaigns. Due to their increased impact, these integrated programs are suitable in low-growth economies. One of the difficulties concerning the implementation of the integrated method is the measurement aspect. Some guidelines for measuring IMC will be suggested in the next paragraphs.

2.9 Globalization

As transaction capabilities are advanced by technology, the geographic boundaries of trade are beginning to disappear. Additionally, global trade agreements between countries have created a windfall of economic opportunity. Global mergers and acquisitions are

expect higher quality, service, and customization. They perceive fewer real product differences and show less brand loyalty. More than ever, they are better equipped to distinguish false marketing claims from substantive ones. They use the Internet and other sources to obtain extensive product and service information. Thus, they are able to shop more intelligently, which – in turn – makes them more price sensitive in their search for value.

On the other side, brand manufacturers and service companies are facing intense competition – among others – from domestic and foreign brands as well as young high tech oriented businesses. The result is businesses facing rising promotion costs and shrinking profit margins. In today's world, mass-marketing is giving way to micro-marketing, by which organizations strive to identify and focus on the people most likely to buy. The one-product-fits all concepts now fit fewer and fewer. Even niche marketing is giving way to one-to-one and customer relationship marketing. Marketing integration provides companies with a competitive edge by focusing all of the sales, marketing, and operations resources on promoting the same message throughout the customer and prospect base and doing everything possible to make sure that sales and marketing promises get consistently delivered.

Marketing integration not only increases the chances that an organization's message will break through the clutter, but also that a customer's expectations will be consistently met. Also, integrated marketing communication strategies ensure that the company's message have more impact with greater cost efficiency than old-fashioned strategies.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

Marketing has achieved recognition in the situation of globalization; however, it has its disadvantages as well. In marketing one must be prepared for a challenge in order to achieve the understanding of the marketing role in the provision of business processes. In the provision of these processes the marketing communication is important. Marketing is a form of human activity that is based on meeting the wishes and needs in the way of exchange. In the new markets and conditions of competition the meeting of the wishes and needs is getting increasingly more complicated.

It is necessary to apply specific tools that would result in meeting both the interests of individuals and society as a whole. In the context of marketing the application of marketing communications within the set of tools is gaining importance. In business marketing communications are a form of market differentiation that is always competing and attempting to persuade consumers and other market participants about the supply of goods, services and ideas. Thus, to have a successful communication in the mutual relations and interaction between companies and different consumers the marketing communications are of current importance.

The determination of the efficiency of marketing communications is based on the

comparison of the interaction of marketing communications (advertising) that has not been separately studied up to now. That is why the comparative indicators and the method of comparison are applicable and provable for the purposes of assessing efficiency.

A good research of this sort requires a proper data collection and data analysis methods that best represents the scope and elements under study. Such careful selection provides a platform for an appreciable analysis of the importance of the research and the recommendation being considered for the area under study.

This chapter outlines the various tools, methods and procedures that were used to gather data for this study. This study adopts both qualitative and quantitative research approaches such as empirical and statistical data. This mix of quantitative and qualitative approaches poses many challenges. However, it is now becoming the norm rather the exception in research (Mikkelsen, 2005). This approach is deemed more effective as each approach complements the other, rendering the study accurate and authentic.

The method applied to achieve the purpose of this dissertation was to start with an exploratory study, that is, a study of already existing literature. It would not have been appropriate to overlook the wealth of literature in this field. The intention was to continue with a field study to be able to describe the differences and similarities in how the buyer communicates with its domestic and foreign suppliers. Ending up in an explanatory study we evaluated and explained the communication's connections to the level of trust in a

relationship.

3.1 Scope

The study is set to cover Accra. Accra harbours most of the head offices as well as the operational units of oil marketing companies. It contains a mix of all the diverse oil marketing companies, which will lend support to the study. Oil and Gas stations within the Accra Metropolis will be the base of our study.

3.2 Sampling

A case area of Accra Metropolis was selected as representative of the oil marketing companies in Ghana, with the individual oil and gas station being the individual cases. Managers and their deputies as well as marketing executives of oil marketing companies constituted my population. The population was selected because, that would give in-depth analysis coverage of the results or the findings. As such, data were collected from as many sources (from oil marketing companies) as represented in the research area selected and to make a more representative conclusion.

3.2.1 Sample Size and Sampling Technique

A sample size of 100 respondents were selected from fifty filling stations and marketing executives, of which the managers, their deputies and marketing oriented officials in the sample area were selected by using the non-probability sampling method. This sample was chosen as result of the time frame in which the study had to be completed. It was then prudent to select a minimal number to cover the study. Specifically, the purposive or

judgmental sampling method was used. The process thus involved the deliberate selection of managers their deputies and marketing executives in order to have a distributed representation of a cross section of oil companies in the country. The sample was selected in accordance with the established objectives of the study.

3.2.2 Tools of Data Collection

The tools used for the research were Questionnaires and informal interviews. The questionnaire was used to collect Quantitative data, whereas the qualitative data was collected using interviews.

3.2.3 Questionnaire

Self-administered questionnaires were predominantly used in collecting data from respondents although existing literature provided us with additional information. A questionnaire is preferable used when there is a large amount of respondents, when you have limited time and when the questions are of standardized character (Saunders et al., 2003). These were printed in English with neatly printed lines for respondents to provide their responses. It was numerically stated to differentiate one question from the other. Boxes were provided for respondents to tick where necessary.

Before questionnaires were administered they were subjected to thorough testing and amendments before they were dispatched to respondents.

On the other hand, the pre-coded questions were given to respondents to answer. With these questions, answers were provided for respondents to select their views. Some of the

questions were multiple choice whereas others were Yes / No.

The lengths of the questionnaires were influenced primarily by the scope of the study and the depth of information desired.

3.2.3 Interviews

Various categories of stakeholders such as marketing executives of oil marketing companies and managers and the deputies of oil and gas stations were strategically selected and interviewed as part of the data gathering process. With the interviews the focus was on the senior members of each selected group segment.

Also, senior officers who work with the marketing departments of oil marketing companies were interviewed. This was done for relational analysis of views and for other confirmatory responses given by respondents who were not necessarily marketing biased but managed the stations. Information from this category of people will shed authentic light on how marketing communication strategies could be formulated and managed in relation to enhancing the overall corporate development strategy.

The use of interview in this study is deemed appropriate in order to get as close as possible to interviewees and to be able to solicit information which might not be divulged on the questionnaire. This is intended to afford interviewees the opportunity to express themselves and to afford interviewers the chance to ask other relevant questions that may come to mind during the interview process.

Most of the questions involving government policies and laws on the implementation of the communication plans if any, in the country were asked using interviews. This was done in order to help the researcher solicit literature to justify the various assertions made.

3.3 Primary and Secondary Data

Both primary and secondary research data was analysed and used in this study. Primary data included information gathered from the respondents by the researcher through questionnaires, interviews and observation. This primary data will provide reliable and authentic firsthand information relevant to this study about the marketing communication strategies that could be employed for enhanced organizational performance within the area.

Secondary data in the form of articles, journals, research works, gazettes and other written sources and so on were also analysed to identify what other people have written on the problem under study.

Other sources of secondary data include press releases, the internet as well as literature on existing research on this area of study.

3.4 Data Analysis

Quantitative and qualitative methods of analysing statistical data were employed in the

analysis of the data. The results were subsequently computed into percentages. Percentage values, which were not round figures, were approximated to the nearest whole numbers. Diagrammatic representations of the statistical summaries of the results were presented in the form of pie charts, bar graphs and tables.

Computer data analysis software such as SPSS and other relevant software, such as Microsoft Excel were the main tools employed to analyse the data in order to help interpret results. The Social Science Statistical package (SPSS) was used to analyse the pre - coded questions. This package was used to compute the percentages because it is easier to use. It can also be used to make the tables needed for discussions of the results.

The other questions that were open-ended were analysed by listing all the vital response given by the respondents. They were then considered based on their relevance to the research. This gave the general ideas about the problem under study.

When deciding how the research should be conducted in order to get the answers needed and to minimize the threats to the credibility of the research findings, two important aspects have to be dealt with: validity and reliability.

Validity is defined as to what degree the findings really measure what they are aimed at measuring and if the findings are what they appear to be about (Saunders et al., 2003).

There are different kinds of validity, e.g. face validity and content validity.

Reliability is about how well the research method yields the same results on other occasions and if other researchers could reach similar results. Reliability is also concerned with whether the conclusions are presented in a way which makes it possible to understand how sense was made from the raw data (Saunders et al., 2003). As stated above, high validity and reliability in a research is crucial for the credibility of the whole work. It is essential to be aware of the threats to validity and reliability and what steps could be taken to reduce these threats.

Six main processes were involved in the research data gathering and analysis process.

The process included;

- a. Pre-Editing: this looked at examination of the responses received for completeness, relevance, appropriateness and its importance to the study.
- b. Coding of Rough Data: this involved the grouping of the data into the various categories and subjects that would help analyze them.
- c. First Write Up: this is the stage where all the information was written to form one continuous piece.
- d. Data Entry: in this, modern techniques were employed to typeset the data.
- e. Data Modification: at this stage the researcher sent the drafts for editing and for expert advice after corrections were made to give it an appreciable form.
- f. Finishing: at this stage the entire project was put together and final corrections made. It was at this stage that printing and binding took place to give the research its completeness.

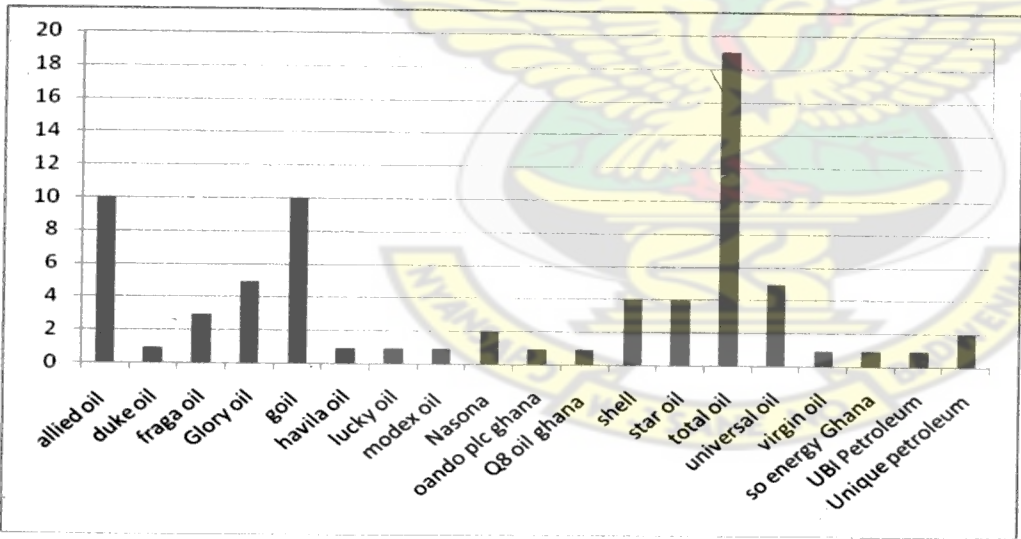
CHAPTER FOUR

FINDINGS AND DISCUSSION

4.0 Introduction

This chapter looks at the analysis and interpretation of data that has been collected by the researcher on the topic. It uses graphs and tables as the basis for its analysis. Marketing determines the business activities and behaviour of every enterprise and thus the Petroleum firm too. The research was aimed at finding the role of communication in the marketing of petroleum products. The diagram below shows the number of oil companies that was contacted during the data collection and analysis.

Figure 1: OMCs Represented



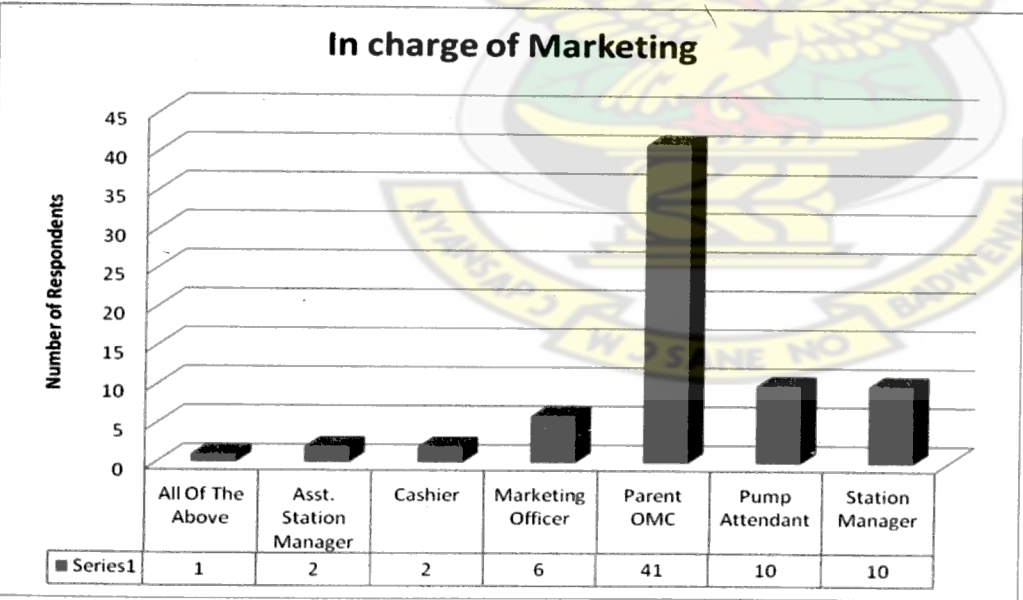
The sample method was aimed at obtaining a wide respondent representation from all the OMCs in the country. At the time of the study official data puts the number of OMCs at thirty six (36). The figure above shows the oil companies that was involved in the data

collection and further the analysis. From figure 1 above, most of the data under discussion was collected from the staff of Total Oil, Goil Ghana Ltd and Allied Oil. This occurred because on the concentration of these companies in the areas of research. Out of these Total Oil had the highest representation. In total there were 19 companies that responded to the study questionnaire.

4.1.1 Responsibility of Station Marketing

The researcher believed that, for the study to be more representative and reflective of the subject matter being studied, a varied response from various people in charge of marketing at the stations will reflect better the issues that have been raised in the questionnaire. Thus, the questionnaire sought to find out from our respondents who or what group was involved with the marketing of their products at each station.

Figure 2: In Charge of Marketing



The figure 2 above shows the number of people who have been assigned various responsibilities in the oil companies that are involved in the marketing of the

station. From the figure, most of the respondents provided responses concentrated on the Parent OMCs (56.2%).

This meant that most stations in Ghana had their marketing activities conducted by their Parent OMCs. The other officers with marketing responsibility include Station Managers and Pump Attendants (13.7% each).

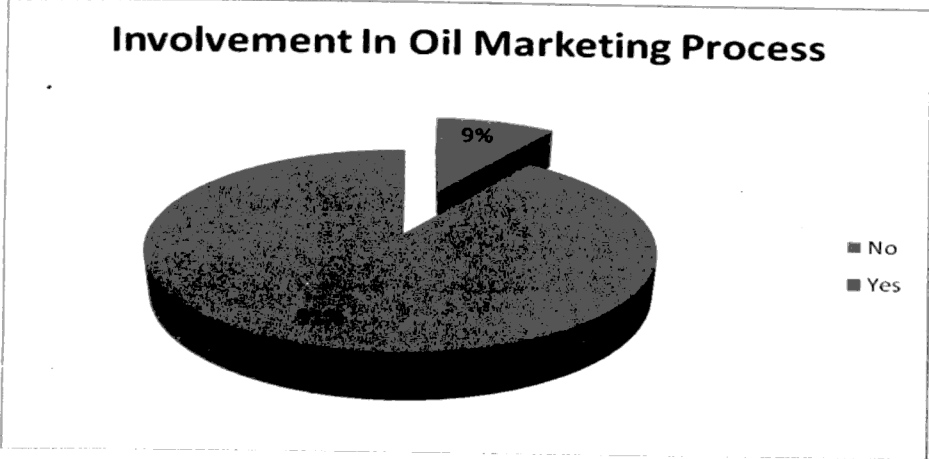
Out of those people involved in the research, almost all the staffs of the companies are involved in the marketing of the products of the company. Mostly the station managers, marketing Officers, Pump Attendants and the Parent OMC's are directly involved in the oil marketing process.

Also from the figure 2 above, it is realized that most of the marketing is done by the Parent OMC'S (34.7%), Pump attendants, (8.5%), Station Managers (8.5%) and the Marketing Officers (5.1%). It was revealed that aside the roles assigned to each staff working at a station, they are all supposed to do some level of marketing.

4.1.2 Involvement in Oil Marketing Process

It was realized from the research that all these officers were also involved in Marketing Communication in their respective organizations, as represented in figure 3 below.

Figure 3: Involvement in Oil Marketing Process



The OMCs has to assign specific roles to the staff for the achievement of their goals. This has lead to assigning marketing of the petroleum products to specific people in the organization. However, it was realized that everyone in the company is supposed to do some level of marketing.

4.2 Communication Channels Used

Modern marketing calls for more than just developing good products, pricing them attractively, and making them available to target clients. Companies must also communicate with current and prospective clients, and what they communicate should be well arranged. Communication is concerned with sending and receiving knowledge, ideas, facts, figures, goals, emotions and values. Communication is also a central element of the way people relate to and cooperate with each other.

Communication is more than a marketing tool. Companies not only send and receive information in order to cooperate, but parallel with this is that companies are constantly communicating their self images to all around them. In business organizations,

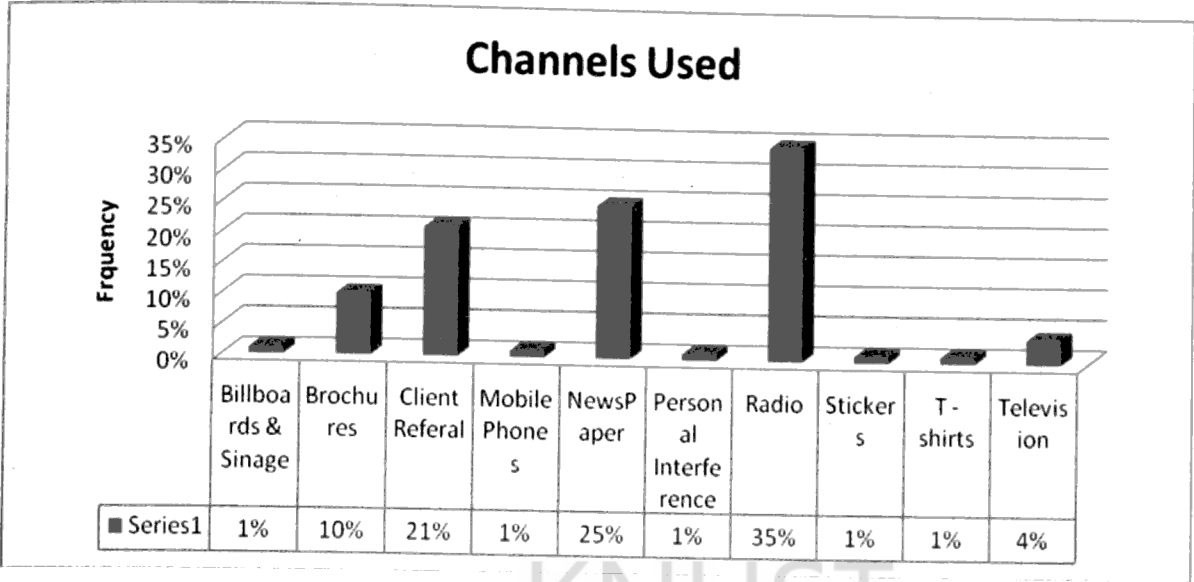
communication with clients, shareholders, and employees is now regarded as a major resource, requiring careful management and adequate investment.

It was realized from the research that, some communications were internal, involving the flow of information within organization, both to provide information for decision making and to maintain focus among the staff on what the organization is seeking to achieve. Without effective internal communication, the activities of a business will become uncoordinated and focused more on individual goals rather than on operational objectives.

A lot of business communication is external. Without effective external communication between a business and its clients, the benefits needed and wanted by the market will not be understood, leading to loss of market share, and loss of profitability. Marketing communication strategy helps to create clearer, sharper messages appropriately directed to target clients.

The Figure 4 below shows the major communication strategy used by these companies in the marketing of their products and services to their clients.

Figure 4: Communication Channels



From figure 4, it was realized that, Radio is the major communication channel used by the marketing officers. It is an external communication which was realized to be the most effective form of communication in the sector under study. Others OMCs resulted to the use of Newspapers, Billboards, Stickers and Televisions. The few internal communications used which includes Client Referral and Personal Interferences were both proved to be equally effective.

Most of the respondents recommended the use of Radio, Newspapers, Television and Bill Boards as a major ways of communication to prospective and existing clients.

4.2.1 Communication Channels Used by Those In charge of Marketing

The study also sought to find out the preferences of the various executives in charge of marketing in regards to the communication channels they used. The outcome as presented in table 1 below gives a general reliance on radio as a major channel when it came to oil

marketing.

	Billboards & Signage	Brochures	Client Referrals	Newspapers	Personal Interference	Radio	Stickers	Television	Total
Asst. Station Manager	0	0	0	1	0	1	0	0	2
Cashier	0	0	1	1	0	0	0	0	2
Marketing Officer	0	1	0	2	0	3	0	0	6
Parent OMC	1	4	3	4	0	27	0	1	40
Pump Attendant	0	2	3	1	1	3	0	0	10
Station Manager	0	1	0	2	0	6	1	0	10
Total	1	8	7	11	1	40	1	1	70

Table 1: Communication Channels*In charge of Marketing

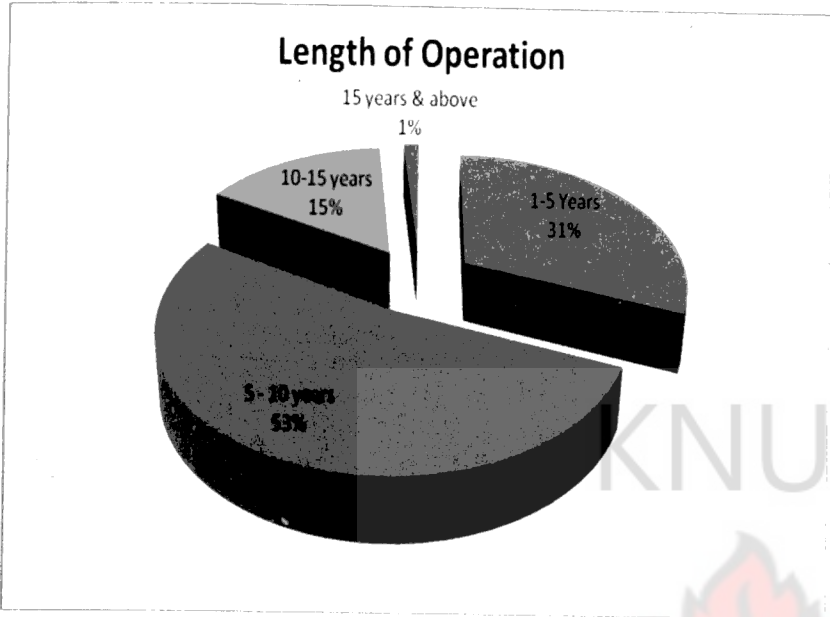
From the data, the radio had a representation of 68% from responses from Parent OMCs, Newspapers (12) and Brochures (10) are the major channels that marketing officers of the various OMC’S use. Marketing officers also depend on word of mouth of their clients; thus they depend on client referral as a means of marketing their products.

4.2.2 Number of Years in Operation

The study also categorized the respondents by the number of years they had been in operation. The data revealed that most of the respondents had been in the oil marketing business between 5 – 10 years, representing 53% of the total respondent figure. Furthermore, respondents who have been in the area between 1-5 years represented 31%,

putting the workers in the sector as fairly new in it.

Figure 5: Number of Years in Operation

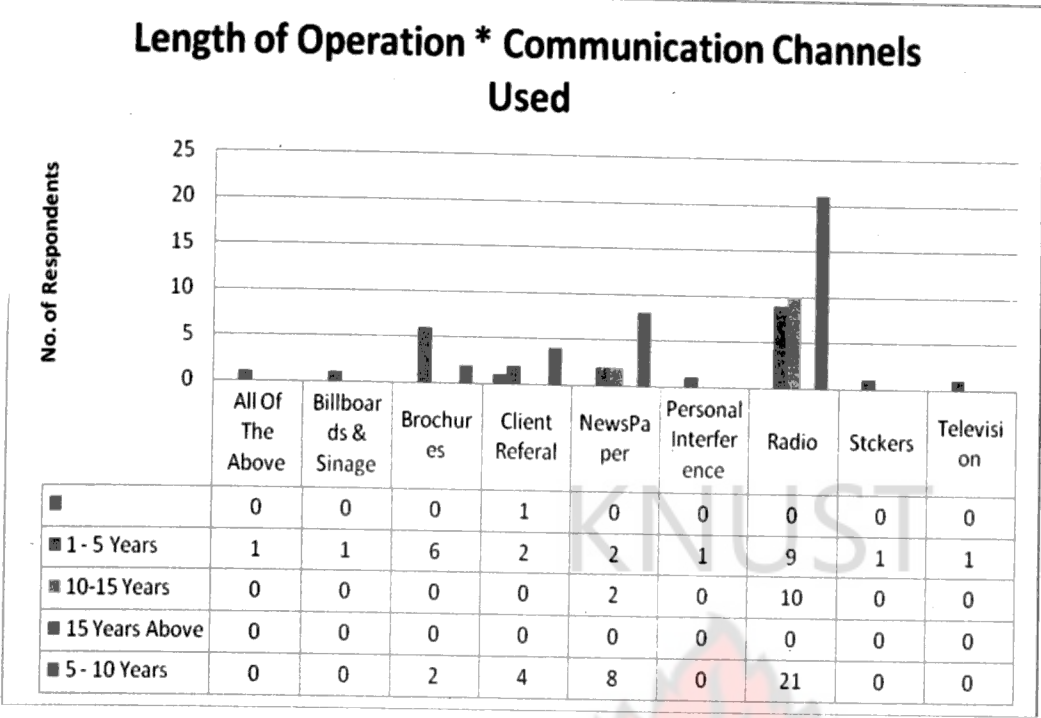


The researcher also investigated as how the length of a respondent being in the OMC had on the preferred communication used. Figure 6 below presents the out come of the analysis. It became evident that employees that have been working between 5 – 10 years had a greater support for radio and newspaper adverts, whereas those between 1-5 years in the industry preferred more of radio and brochures. It was also revealed that, as the years increased as per the period they have stayed in operation, the less likely they preferred other channels of communications. Other employees favoured more of radio and news paper adverts, where as the younger groups also favoured in addition to radio and newspapers, use of brochures, billboards and signage, stickers and television.

This also brought to the fore a more modern advertising channels.

2.2.3 Length of Operation and Communication Channels Used

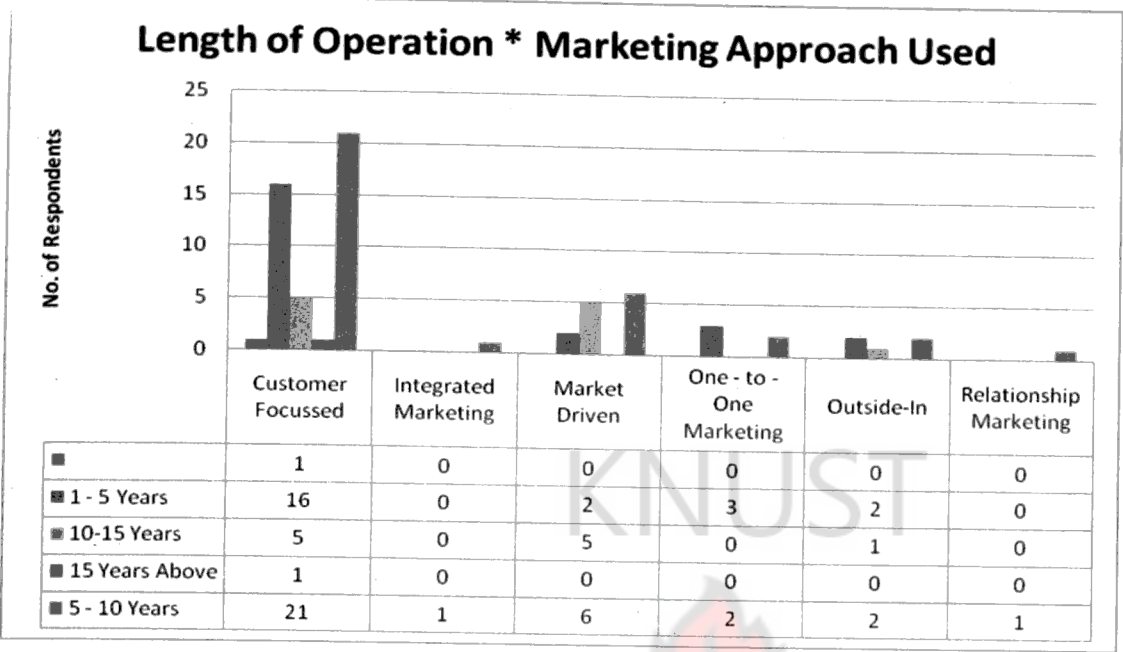
Figure 6: Length of Operation and Communication Channels Used



It is believed that the strategies in marketing come with experience. What an officer who has worked in the field of marketing for lesser years will use may differ from what the one who have worked for longer years will use. The researcher wanted to find out the marketing strategies used by the marketing officers as compared to the number of years they have worked with company.

4.2.4 Number of years in operation and the marketing approach used

Figure 7 : Number of years in operation and the marketing approach used



The Figure 7 above shows the number of years respondents have worked with the companies in marketing petroleum products and the marketing approach they use.

From the data, most of the respondents have worked for the companies within the ages of 5 – 10 years. Most of these peoples are those who work for the Parents OMCs. There are also four marketing Managers who have worked with these companies for the same number of years.

From the figure above, 60% of the respondents use a customer focused approach to market their products. Also, 18% of them also use the market driven approach in their marketing. This clearly indicates as a marketing approach the customer focused and market driven strategies.

4.3 Development of Communication Strategies

Businesses with a value-oriented management know that trust is a currency strongly appreciating in value. In the “new complexity”, however, they need advice. If you are offering trust, but fail to be credible, you will spoil your opportunities permanently.

The researcher tried to find out if there is some level of consultation in the marketing strategies used by the oil companies in their marketing.

It was realized from the research that the marketing strategies used by the marketing Officers were developed in a consultative way. This is shown from table 2 below; it presented 79.5% respondents indication that they were involved in the development of the marketing strategies in their respective firms.

Involvement in the Marketing Process

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	9	12.3	12.3	12.3
No	6	8.2	8.2	20.5
Yes	58	79.5	79.5	100.0
Total	73	100.0	100.0	

Table 2: Involvement in the Marketing Process

The table 3 below, the researcher shows the type of communication that is used by the various marketing officers in the oil companies.

In charge of Marketing * Type of Communication			
	Type of Comm.		
In Charge of Marketing	One Way	Two Way	Total
Asst. Station Manager	0	2	2
Cashier	1	0	1
Marketing Officer	2	4	6
Parent OMC	1	40	41
Pump Attendant	2	8	10
Station Manager	2	8	10
Total	8	63	71

Table 3: In Charge of Marketing against Type of Communication

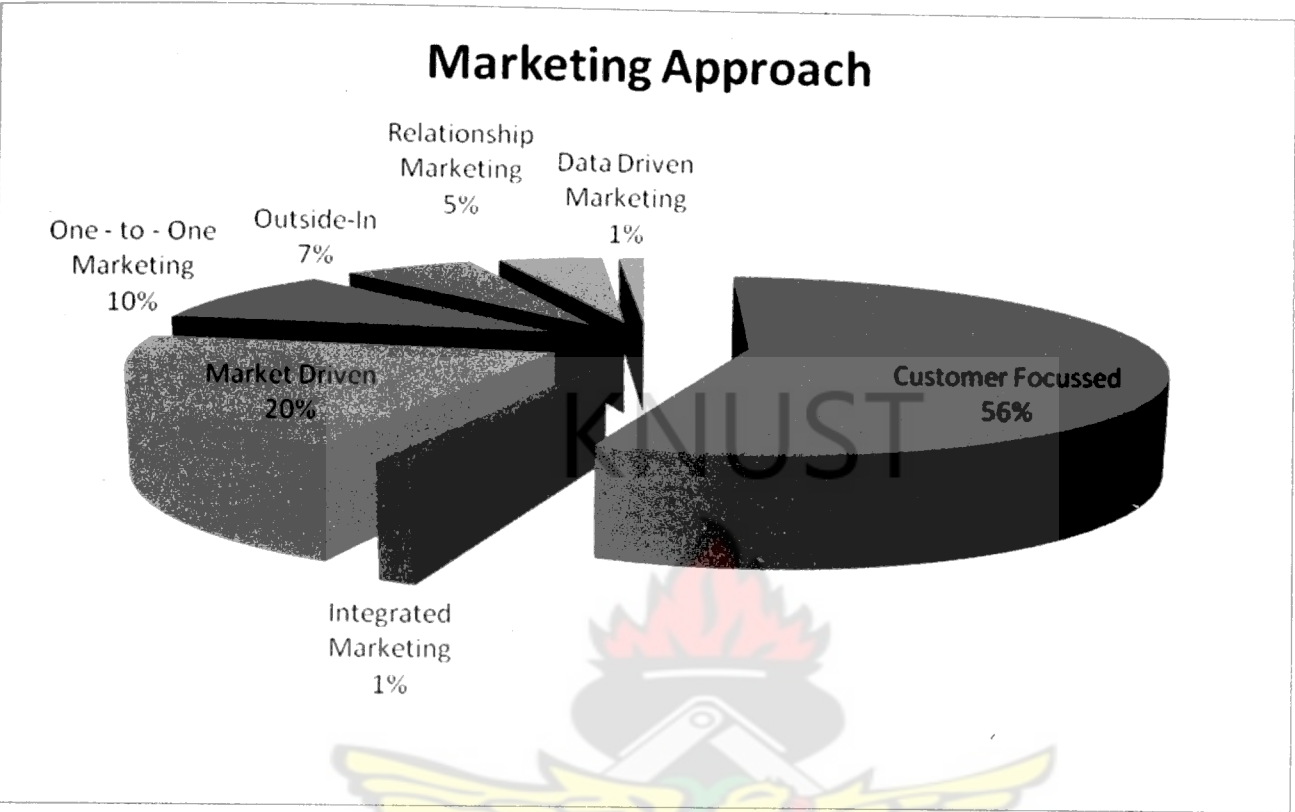
From the table above, the major communication strategy used by marketing officers is two way communications process which involves the provision of feedback to both the clients and the companies at large. It is mostly used by the Parent OMCs to disseminate information to their prospective clients.

4.3.1 Marketing Approach Used By Marketing Officers

Companies involved in the oil business have to device marketing strategies that are clearly related to the corporate mission, values and needs and those that are capable of swaying customers to do business with them. The research was to find out the Marketing

communication approach used by the Marketing officers in the Oil Marketing field.

Figure 8: Marketing Approach Used



The figure 8 above shows the various marketing approach used by the marketing officers. From the analysis, almost all of the respondents use a customer Focused Approach of marketing in their business. From the figure, respondents representing 56% said they use a customer focused approach in their marketing.

One other important strategy used by these people is the Market Driven approach. With this 20% of the 73 respondents said they use this approach. There are others who use the One – to – one Marketing approach and the Outside-In Approach. This represents, from the table, 10% and 7% respectively of the data.

Type of Communications

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	2.7	2.7	2.7
One Way	8	11.0	11.0	13.7
Two Way	63	86.3	86.3	100.0
Total	73	100.0	100.0	

Table 4: Type of Communication

The table 4 above shows the type of communication that exists within the organizational set up in OMCs. From the table, almost all the institutions use the Two Way approach of communication in their set up. A majority of 86.3% of the respondents said that the type of communication that exist in their organization is the two way.

4.3.2 Marketing Programmes and Communication Strategies

The researcher also wanted to find out whether the oil companies have marketing programmes and communication strategies in place to implement these other programmes for the sales of their products and services.

It was discovered from the research that all the OMCS' have marketing programmes in place to sell their products to their clients. They are well planned in such a way that it passes through the entire major stages appropriate for the marketing of the products.

The stages that respondents agreed that their marketing products pass through include the following:

1. Defining individual elements of marketing program
2. Defining the role of every individual element in the marketing program
3. Interlinking the functions of the marketing program elements
4. Finding and optimal combination of the program elements
5. Realization of the marketing program on the market
6. Action control of the marketing program

The table 5 below shows how respondents reacted to some of the questions on the marketing programmes;

	YES	%	NO	%	TOTAL
Production	68	93%	5	7%	73
Price Related	70	96%	3	4%	73
Distribution	68	93%	5	7%	73
Communication	71	97%	2	3%	73
Reach	56	77%	17	23%	73
Attentiveness	56	77%	17	23%	73
Relevance	70	96%	3	4%	73
Receptiveness	63	86%	10	14%	73
Impact of Branded Products	68	93%	5	7%	73

Frequency	63	86%	10	14%	73
Duration	56	77%	17	23%	73
Content	58	79%	15	21%	73
Modality	62	85%	11	15%	73
Direction	59	81%	14	19%	73
Channel Structure	49	67%	24	33%	73
Channel Climate	57	78%	16	22%	73
Channel Power	56	77%	17	23%	73

Table 5: Marketing Programmes

The first part of the table looks at the fields that the marketing programmes encompass.

Marketing Programmes	Percentage
• Production	93%
• Price Related	96%
• Distribution	93%
• Communication	97%

Table 6: Fields of Marketing Programmes

It was discovered from the data that, the marketing strategies developed by the officers who are into the marketing of petroleum products have designed their marketing strategies to encompass the following four basic fields Production (93%), Price Related (96%), Distribution (93%) and communication (97%), with a high response rate to support their answers.

Second section of the table above also looks at certain consideration that the companies make in other to reach their customers.

From the table 7 below, it was realized that all the companies consider their clients in terms of:

Consideration	Percentage
Reach	(77%)
Attentiveness	(77%)
Relevance	(96%)
Receptiveness	(86%)
Impact of Branded Products	(93%)

Table 7: Considerations

It was also realized from the data that, any marketing strategy that lacks any of these consideration of the clients would fail. They are all essential for the success of any marketing strategy.

The major consideration is the relevance of the product to the client. With that alone representing 96% of the entire respondents. On the other hand, the product itself is a major consideration when devising a marketing strategy. With this, 93% of the respondents consider that in their marketing strategy. They need to know the impact that the branded products could have on the clients so they could capitalize on that as a point

of sale. The other areas of consideration are the receptiveness of the product in the marketing process. With this, 86% of the respondents stated that it is a major consideration in their marketing strategy.

From the next part of the table above, thus third part of it was to find out if the communication strategies that have been put in place by the petroleum companies have the facets of communication listed below.

Communication Strategy	Frequency	Percentage
Frequency	63	86%
Duration	56	77%
Content	58	79%
Modality	62	85%
Direction	59	81%

Table 8: Communication Strategy

From the table 8 above, it was stated that the communication strategies used by the officers have all these facets of communication in place. This implies that, the communication strategies are carefully designed to yield commendable results.

The last part of the table was to find out if the following channel conditions were considered in the marketing strategies. These include:

Channel Conditions	Frequency	Percentage
Channel Structure	49	67%
Channel Climate	57	78%
Channel Power	56	77%

Table 9: Channel Conditions

From the table 9, the marketing strategies also considered Structure, Climate and Power as part of their design.

It was also discovered from the table that, in devising or structuring a marketing/communication strategy for the petroleum products marketing officers, a very strategic and tactful considerations should be made before that programme could be designed as part of the, marketing programmes for the companies.

4.3.3 Organizational Environments that Affects Communication Systems

There are certain factors that have a direct positive effects and psychological outcomes of marketing in and organization.

The following organizational environments were stated by the respondents that they affect the communication systems in their respective organization.

1. Socio-economic system
2. Demographic system
3. Technical-technological system
4. Legal system

5. The system of social values

4.3.4 Importance of Effective Communication

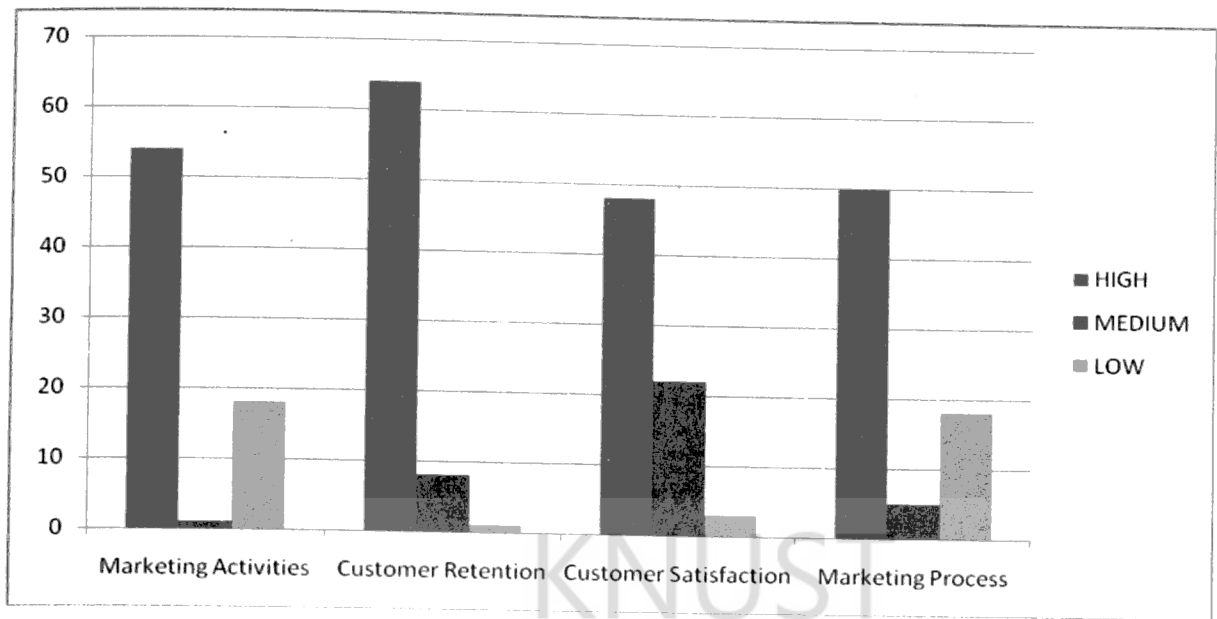
There are several advantages that results from effective communication in an establishment. The respondents stated among things that effective communication is very important in their establishment as well. Some of the things they listed to be the results that effective communication brings to bear include:

1. Greater availability to changes and threats of the environment
2. Greater flexibility and openness for introduction of innovations
3. More successful monitoring of competition activities
4. Easier implementation
5. More adequate utilization of the technological achievement

4.3.5 Rating of Communication Plans

The researcher wanted to find how respondents would rate the various communication plans that the marketing officers use in their communication process. The figure 9 below shows the various ratings given by the respondents.

Figure 9: Ratings

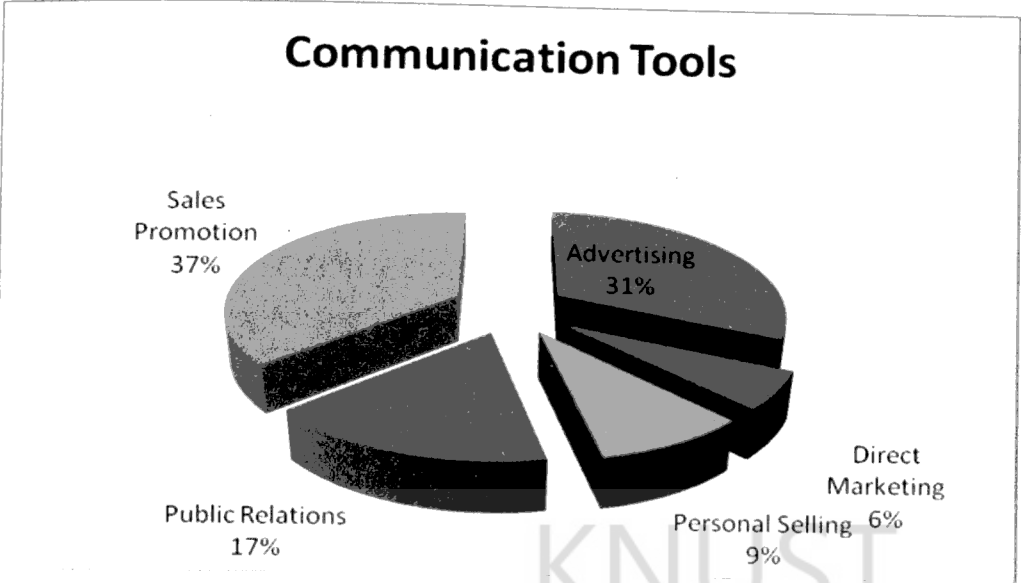


4.3.5 Tools Used For Marketing

A good communication skills leads to the success of every organizational set up. Learning to communicate effectively is a life-long process. With this, the researcher wanted to known what tools do the marketing officer use to communicate with their clients.

The diagram below shows the tools that the marketing officers use to communicate with their clients.

Figure 10: Communication Tools



From the figure 10 above, it could be seen that the major tool for communication by petroleum companies is ‘Advertising’. It comprises of 42 (58%) of the entire respondents. 23% of them also responded that they use Sales promotion as tool to communication their products and services to their prospective clients. The use of Public relations is not a major tool used by marketing officers for the marketing of their products.

The use of direct marketing and personal selling are other tools for communication. However, marketing officers do not really use it as major tools for communication. Few of the respondents responded positively to the usage of these tools for communicating in their respective organizations.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Conclusion

As in the case of individuals, no company can ever survive in isolation. A company forms part of different relations and interacts with customers, suppliers and competitors. To be able to engage in different relations, companies as well as individuals must communicate in order to share knowledge, thoughts and values with other stakeholders. Consequently, without communication a company will be isolated and left with little, if any, chance to survive in the business world.

In contemporary business culture, marketing has defined itself as the beneficial institution par excellence, concerned primarily with the needs of society and its members. Through elaborate systems of communication, the marketing institution claims to link organizations with markets and publics and, thus, to foster openness and sensitivity to different voices. The Oil Marketing Industry is no exception in this drive. Effective communication in marketing is therefore seen as pivotal if any marketing strategy is to work.

Since the 1950s, marketing has gradually established itself as a pervasive managerial

norm for how organizations should deal with their environments. As a creative response to the growing critique of business corporations since World War Two, marketing introduced a new business "orientation" that committed organizations, public as well as private, to focus their activities primarily on the satisfaction of their relevant publics (Kotler & Levy 1969).

Central to this orientation is the notion of marketing as an ongoing dialogue between organizations and their markets (Levy 1978), a dialogue designed to stimulate organizational openness and responsiveness and set the marketing approach apart from the, often denounced, production, product, and sales orientations of the past (Kotler 1991). In contrast to these orientations, marketing prides itself of being obsessively preoccupied with its external world, in particular the consumer.

For that reason, communication with the market becomes the "raison d'être" of the marketing discipline and an indispensable activity for the marketing organization. Through a well-functioning communication system, the marketing-oriented organization hopes to forge close relations with the market and, thus, remain sensitive to changes in the needs and wants of present and prospective customers. Although the scope of contemporary marketing practice reaches far beyond the acts of sending and receiving messages, its basic function is to link, by means of communication, the organization with the society it claims to serve.

These fundamentals are what this research has been able to re-eco. The research has been

able to give adequate support and evidence to the importance of communication in the marketing of petroleum products. It has been able to present the reliance of OMCs on market communication channels and as a result presenting the channels used in the industry as well as the effective ones.

The study was also able to indicate the vital and crucial role communication plays in the marketing of petroleum products in Ghana. The study was able to prove that all OMCs employed various means of communication tools to enhance their marketing drives.

More importantly, there was also a conscious effort by OMCs to develop market communication strategies to improve their bottom-line.

5.1 Recommendation

Communication is a prerequisite for companies to engage in different relations. Communication represents an important factor in building trust between actors, which in turn will determine the possibility to develop and maintain favorable business relationships. The following are recommendations that will aide marketers in the petroleum industry be conscious about and integrate communication strategies to improve on their operations.

5.1.1 Recommended Effective Communication Channels

The study revealed these communication channels which they find as effective to the development of a communication strategy in OMC. They are,

1. Radio
2. Client Referrals
3. Client Staff Relations
4. Television
5. Brochures
6. Newspaper
7. Customer relations
8. Giving out souvenirs to customers: T-Shirts, Dusters & Stickers
9. Billboards
10. Signage

The major communication tools in marketing key to the sustenance of a communication strategy that can be employed are advertising, public relations, sales promotion, personal selling and direct marketing. Some authors also include product design/package, point-of-purchase displays, Internet communication, etc

Advertising is a very important tool on the earlier stages of the marketing of a product or service. Due to its public presentation, persuasiveness and amplified expressiveness, advertising campaigns can help reaching high levels of awareness about the product, the brand or the company. Also advertising could be successful in building a long-term image for a brand. Advertising is cheaper than sales promotion and more expensive than public relations.

Sales promotion campaigns offer a distinctive purchase invitation. This sort of programs

also offers some kind of stimulus (discount, free sample, etc.). They are preferable in the cases of new product launching, sales stagnation, etc. But, the effects of sales promotion are usually short run and do not build long run brand preference.

The major characteristics of **public relations** are: high credibility, off guard, and dramatization. People accept the PR campaigns as news, not as paid publication. That's why they trust PR messages. The basic problems of the PR campaigns are connected with the low level of control on what, where, and when is said.

The direct marketing approach is based on databases containing the names and characteristics of potential customers. As a result, the direct marketing offer greater possibilities for message adaptation. Target audience selection is far more precise, as well as the measurement of the effectiveness of database programs. But this communication tool is the most expensive (in the context of fast moving consumer goods like petroleum products).

Combining the marketing communication tools in a solid and well-balanced campaign is more effective. The integrated marketing communication programs give chance to low budget campaigns. Due to their increased impact, these integrated programs are suitable in low-growth economies. One of the difficulties concerning the implementation of the integrated method is the measurement aspect.

5.1.2 Recommended Marketing Program Development Stages

The following stages if adhered to enable the development of effective marketing programmes to drive the development of the marketing activities in an organization.

1. Defining individual elements of marketing programme
2. Defining the role of every individual element in the marketing programme
3. Interlinking the functions of the marketing programme element
4. Finding and optimal combination of the programme elements
5. Realization of the marketing programme on the market
6. Action control of the marketing programme

5.1. Trained and Motivated Employees

It is also critical that, as you think about strategy and marketing plans more importantly you also think about the human resource that is going to implement those strategies. Once an incentive template is in place for the marketing teams, it can be modified and rolled out to all employees. Not only will they need to understand the key promises being made by the brand, they must understand that they are key points of contact for many consumers and that their interactions will feature greatly in terms of how these consumers experience the brand or product.

As is true with the marketing teams, a crucial aspect of employee buy-in is establishing proper metrics and incentives. These may vary by department, but clarity must be established as to what's being measured, its relevance to the company's health and the rewards that will accrue to employees based on their achieving the stated goals, based on

the strategies being developed. It is therefore very important that training and motivation of employees is considered in a marketing communication strategy development.

5.1.1 Marketing a Successful Business

The following guidelines will help in marketing an effective communication strategy for an OMC.

1. Marketing is a form of communication, which does not have to be expensive.
2. Remember: You are an expert! You must believe in yourself and your business.
3. Remember to surround yourself with creative people.
4. Know who your ideal Target Market customer is.
5. Know your competition - who is your competition?
6. Conduct a SWOT Analysis: Strengths, Weaknesses, Opportunities, Threats
7. Make ready Company elements that help sell your business:
 - a. Company name and logo
 - b. Business Cards and Stationary

By systematically gathering information about the market, organizations demonstrate- internally as well as externally-that they "listen" to the consumer and are willing to take his or her needs into proper consideration. Such symbolic use of market information may often be enough to convince the world that the organization is in fact organized in line with the marketing ethos and is ready to communicate and serve them better.

While this practice may appear hazardous in a turbulent environment, it serves the organizational need to legitimate its actions and maintain a positive self-image in a culture that expects its organizations to define themselves in the reflection of the public.

5.2 The Way Forward

Today, we live in a society that expects, to a remarkable extent, its organizations to serve the needs of its members— a culture in which organizations gain legitimacy by being sensitive and responsive to the wants and wishes of their different audiences.

When the marketing approach is guided and controlled by an overall strategy, the self-referential tendencies become even more pronounced. While marketing strategies are most often grounded rhetorically in existing needs and demands, their aim is to help organizations integrate and coordinate their efforts in a long-term perspective that allows them to respond earlier and more consistently to changes in the market.

The marketing communication strategy, thus, is basically non-reactive. In order to be able to serve consumer needs as early as possible, many organizations of today seek to handle change proactively; that is, before the changes become manifest demands. This way, however, the influence of the consumer's voice becomes more unclear and ambiguous. When an organization proacts strategically on expected future changes, it is not responding directly to existing demands but to an image of potential needs and its own position and role in an ideal future market.

While ideas related to possibilities and limitations in future markets often originate in more general discourses on management and change, such ideas are always shaped and dramatized within the organization's own self-image. By projecting this image into its surroundings, the proactive organization hopes to enact an environment that is largely favorable in terms of its own future plans and aspirations.

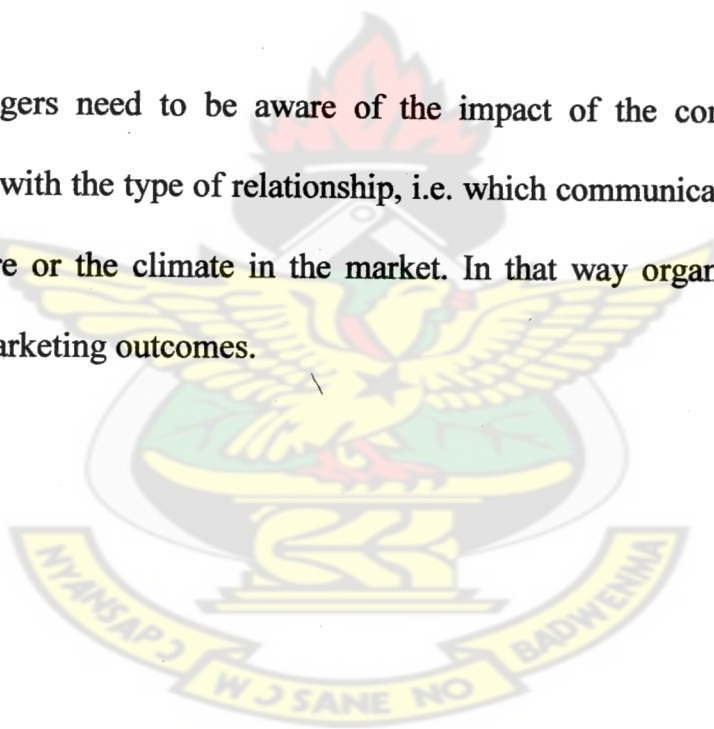
Clearly, external analyses may sometimes modify such plans and aspirations. The nature of most market research, however, and the limitations to organizational sense-making described above, implies that information gathered about markets trends often is circumscribed by the strategic perspective. Following this line of thought, strategies can be described as organizational ideas that are "extended outward, implanted, and rediscovered" (Weick 1977).

When the organization rediscovers its own ideas through interactions with the environment, it is largely communicating with itself. Since marketing is thought of as an integrative function that helps the organization remain sensitive and adaptive to the market (Kotler 1991), marketing-oriented organizations rely heavily on frequent information exchanges with their environment. The existence and refinement of such exchanges, however, does not necessarily imply that such organizations are in open dialogue with their external world? In fact, the opposite may sometimes be claimed to be true.

Even so, an awareness of the different combinations of communication elements is of major importance in order to achieve favourable relationship outcomes. The fact that different communication elements seem to compensate each other makes it important for organisations and managers to be aware of the impact of these elements in combination with the type of relationship.

Thus, it is important to be aware of which communication strategy matches the structure or the climate in the relationship. In that way organisations can reach more favourable relationship outcomes.

Organisations and managers need to be aware of the impact of the communication elements in combination with the type of relationship, i.e. which communication strategy that matches the structure or the climate in the market. In that way organisations can reach more favourable marketing outcomes.



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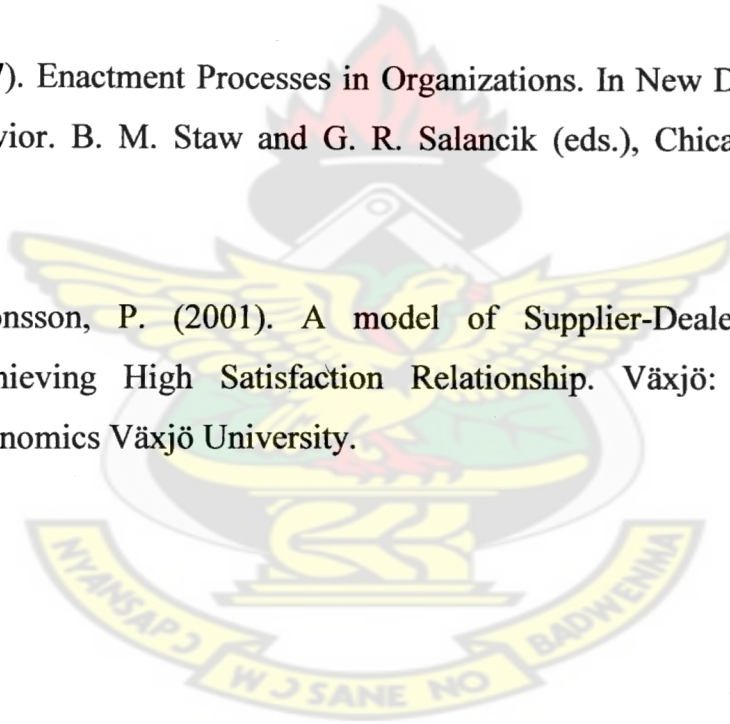
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APPENDIX 1

QUESTIONNAIRE

This research is aimed at soliciting information for the completion of a Master's Dissertation in Marketing at the KNUST School of Business, Kumasi. It is aimed at finding out the role of marketing communication in the distribution of petroleum products. It is solely for academic purposes and any information provided will be treated with the highest confidentiality.

Please answer the following questions:

1. Name of Oil Marketing Company
2. What is your current Position
Station Manager ☐ Asst. Station Manager ☐
Cashier ☐ Marketing Officer ☐
Pump Attendant ☐ Other, Please Specify
3. Are you involved in the oil marketing process? Yes ☐ No ☐
4. How long have you been in this business?
1-5yrs ☐ 5-10yrs ☐ 10-15yrs ☐ 15yrs above ☐
5. Are you involved in the marketing communication in the organization?
Yes ☐ No ☐
6. What communication channels do you use
Radio ☐ Newspaper ☐ Client Referral ☐ Brochures ☐
Television ☐ Other, Please Specify
.....
7. Are your communication channels effective? Yes ☐ No ☐

8. Which one will you recommend, in order of importance?
- a.
 - b.
 - c.

9. Does your company have a communication strategy? Yes ☐ No ☐
10. If yes to question 9, when was it developed? Yes ☐ No ☐ ☐
11. Who developed it? In-house ☐ Consultant ☐ Other ☐
12. Who is in charge of the marketing of your products?
- | | | | | | |
|------------|--------------------------|-------------------|--------------------------|-----------------------|--------------------------|
| Parent OMC | ☐ | Station Manager | ☐ | Asst. Station Manager | ☐ |
| Cashier | ☐ | Marketing Officer | ☐ | Pump Attendant | ☐ |
- Other, Please Specify

13. Is your market communication plan integrated into the general marketing plan?
- Yes ☐ No ☐

14. In your opinion, what is the best way to communicate in your organization?
- a.
 - b.
 - c.

15. Was the development of the communication strategy consultative? Yes ☐ No ☐

16. What marketing approach does your strategy look at?
- | | | | | | |
|----------------------|--------------------------|-------------------------------------|--------------------------|--------------|--------------------------|
| Customer-focused | ☐ | market-driven | ☐ | outside-in | ☐ |
| One-to-one marketing | ☐ | data-driven marketing | ☐ | relationship | ☐ |
| Integrated marketing | ☐ | integrated marketing communications | | | |

17. What type of communication exists within the organizational setup?
- one way ☐ two way ☐
18. Does the company have a marketing and sales program? Yes ☐ No ☐
19. If yes to question 16 above, does it go through the following stages (tick the appropriate stage)
- ☐

Defining individual elements of marketing program

Defining the role of every individual element in the marketing program ☐

Interlinking the functions of the marketing program elements ☐

Finding and optimal combination of the program elements ☐

Realization of the marketing program on the market ☐

Action control of the marketing program ☐

20. Does the Marketing program encompass the following four basic fields (subsystems)

Production Yes ☐ No ☐

Price related Yes ☐ No ☐

Distribution Yes ☐ No ☐

Communication Yes ☐ No ☐

21. Does the strategy consider customers in terms of.....

Reach Yes ☐ No ☐

Attentiveness Yes ☐ No ☐

Relevance Yes ☐ No ☐

Receptiveness Yes ☐ No ☐

Impact of branded products Yes ☐ No ☐

22. Is the communication strategy made up of the following communication facets

Frequency and Duration Yes ☐ No ☐

Content Yes ☐ No ☐

Modality Yes ☐ No ☐

Direction Yes ☐ No ☐

23. Do you consider the following channel conditions in your communication strategy

Channel structure Yes ☐ No ☐

Channel climate Yes ☐ No ☐

Channel power Yes ☐ No ☐

24. Which of the following organization environment affects your communication system ☐

Socio-economic system

Demographic system ☐

☐

Technical-technological system

Legal system

☐

The system of social values

☐

25. Which of the following advantages result in the effective communication:

Greater availability to changes and threats of the environment

☐

Greater flexibility and openness for introduction of innovations

☐

More successful monitoring of competition activities

☐

Easier implementation

☐

More adequate utilization of the technological achievement

☐

26. How would you rate the effect of the communication plan on...

High

Medium

Low

Very Low

Marketing Activities

☐☐☐☐

Customer Retention

☐☐☐☐

Customer Satisfaction

☐☐☐☐

Marketing Process

☐☐☐☐

27. What are the communication tools that are used in the enterprise for marketing

Advertising

☐

Public relations

☐

Sales promotion

☐

Personal selling

☐

Direct marketing

☐

Any other, Please Specify.....