THE IMPACT OF MARKETING ON REVENUE GENERATION IN POLYTECHNIC CONSULTANCY SERVICES LTD, FPTB.

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Abstract- This research is an attempt at analyzing the extent to which marketing can be used as a tool to enhance a firm`s revenue generation, and by implication, its profits using Polyconsult as a case study. The study adopted the survey type as questionnaire were developed to elicit responses from staff of polyconsult to get the primary data for the study, while textbooks, internet and journals were used as secondary data. SPSS Version 20.0 was used for Data analysis. It was revealed that marketing plays a significant role in the survival and growth of a firm. It was also found that the marketing activities impact positively on the revenue generation of the company. It was recommended among others that the company should carry out periodical review of its' marketing functions for it to be abreast of competition.

Key Words- Marketing, Revenue, Strategy, Customer.

I. INTRODUCTION

The extent to which a business firm will achieve its set objectives is largely determined by its ability to generate required funds. This is because revenue generation directly affects the survival and growth of every business as it affects sales, profit market share, expansion etc. In their bid to improve revenue generation companies devise different strategies with a view to having an edge on competition. There is no gainsaying the fact that marketing is the most important of all strategies as far as revenue generation is concerned. Marketing as we have come to understand has its focus on the customer's needs, wants, preference, attitudes, lifestyles, etc. Indeed, marketing concept suggests that the logical place to start the research for new product ideas are the customers' need and wants. Consequently, competitive advantage is secured through intelligent identification and satisfaction of customers needs better and sooner than competitors and sustenance of customer services. Businesses adopted mass production, mass communication and mass distribution to achieve economies of scale. Companies now started focusing on manufacturing and efficient operation to cut costs. Intermediaries like distributions, wholesalers and retailers took on the responsibilities of warehousing, transportation, distribution and sale to final consumer. This result in greater efficiency and lower cost to industries, but brought in many layers between them and the customers. The resulting gap reduced direct contacts and had a Marketing as we have come to understand has its focus on the customer's needs, wants, preference, attitudes, lifestyles, etc. Indeed, marketing concept suggests that the logical place to start the research for new product ideas are the customers' need and wants. Marketing as one of the functional areas of in management is inevitable, as it is needed and utilized in our everyday lives, i.e both at individual and organizational levels. In a typical competitive market, the aim of every firm is to be a step ahead of its competitors, whether through increases sales, profit or market share. In order to achieve this, companies engage in a lot of things to ensure they are always ahead of competition. Most business organizations aim at profit maximization, which entails the firm adding value to its investment. The level of competition in the sector determines the intensity of each firm. Drive to generate enough revenue with which to meet obligations. The main strategy to achieve target revenue, and therefore the set objective is through a carefully designed marketing programme.

II. LITERATURE REVIEW

According to Belch and Belch (2001), marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individuals and organizational objectives". Also, Kotler and Keller (2006) defined marketing "as an organizational function and a set of processes for creating, communicating and delivering values to customers and for managing customer relationship in ways that benefit the organization and its stakeholders". From the above definitions, it can be deduced that marketing, being the centre piece of exchange relationship, entails the identification, anticipation and satisfaction of consumers' wants at a profit. It is pertinent to note that marketing provides the firm's stakeholders with a payoff for the time, money and effort invested in the whole business cycle. Other departments may be essential to organizational growth but marketing remains the sole revenue-generating unit, all others being cost-centres.

III. CORE MARKETING PRINCIPLES

According to Kotler and Keller (2012), in understanding the marketing function, we need to understand the following core set of concept:

(1) Needs: - are the basic human requirements, people need air, food, water, clothing, and shelter to survive. People also have strong needs for recreation, education, and entertainment.

(2) Wants: - These needs in (1) above become wants when they are directed to specific objects that might satisfy the need. E.g, A person in Nigeria needs food but may want a mango, rice and beans. Wants are shaped by our society.

(3) Demand: - Are wants for specific products backed by an ability to pay. Many people want a Mercedes; only a few are willing and able to buy it.

These distinctions shed light on the frequent criticism that "marketers do not create needs". Needs pre-exist marketers. Marketers along with other societal factors, influence wants. Marketers might promote the idea that a Mercedes would satisfy a person's need for social status. They do not, however, create the need for social status.

Kotler and Keller (2006), concluded that, understanding customer needs and wants is not always simple – some customers have needs of which they are not fully conscious, or they cannot articulate these needs, or they use words that require some interpretation.

Etuk-udo (1973) defined revenue as an income from both the fixed asset and current asset. He further describe fixed asset as an asset which is expected to last more than one year and it is for future benefit, the current asset as it is defined by Etuk-udo (1973) means those assets that last for less than a year and can be converted to cash immediately.

The Longman dictionary of contemporary English (1995) defined revenue as money that a business or an organization receives over a period especially from selling goods or services. It also described revenue as money that government received from tax.

Nature of Competitive Environment and Competitive Advantage

In Nigerian business climate, competition cannot be avoided and competitors` actions are inevitable. The profit potential of any company depends to some degree on a careful analysis of the strength and weaknesses of existing or potential competitors.

According to Frank and Bingham (1998), in evaluating a competitive environment, a marketing manager should be able to provide answers to the following questions:

A. Who are my target competitors?

B. What are the weaknesses of my target competitors?

C. What are the design vulnerabilities of my target competitors?

However, Frank and Bingham (1998) opined that competition comprises of five (5) forces;

i. Rivalry among Existing Companies

This refers to competition in terms of quality, packaging, and distribution of differential product or similar products within a particular market.

ii. Threats of New Entrants

This refers to using series of strategies such as absolute control of economies of scale, penetrating pricing etc. so as to scare new companies out of the market.

iii. Threat of Substitute Producers.

In every competitive environment, original or initial producers are threatened by the presence of companies producing products that are substitute to their own.

iv. Bargaining Power of Suppliers

Series of companies are faced by how quickly they supply their products to a particular market before their competitors.

v. Bargaining Power of Buyers

As a result of different products in the market buyers decisions are influenced by series of product characteristics.

Meanwhile, Frank and Bingham (1998) supported the above forces of competitive environment by saying; the major consequence of competitors in competition is that, the competitive arena may be altered overtime due to the impact of the above five forces upon an industry.

Therefore, in formulating marketing strategy, the existing and potential competitors' strength, in the areas of research and development, advertising, distribution, finance, technical force, sales force, must be properly understood, before a firm makes a commitment to enter into a particular market segment.

Also, competitors exist so as to defend or take market share from rival firms and their ability to do so vary with their strength and weaknesses.

However, according to Belch and Belch (2001), any company that intends to exchange its products or services successfully in the market place must have a marketing strategy which will guide the allocation of its resources.

In addition, marketing strategy is based on a situation analysis; a detailed assessment of the current marketing conditions facing a particular company, its product lines or its individual brands

Onuoha and Bassey (2004) contributed on effective marketing strategy in competitive environment: it revolves from a company's overall corporate strategy, thereby serving as a guide for specific marketing programmes and policies.

An important aspect of marketing strategy development is the search for a Competitive Advantage. When a company sustains a profit that exceed the average for its industry, the company is said to possess a Competitive Advantage (Onuoha and Bassy, 2004).

In Okpara's (2002) view, a Competitive Advantage enables a company to create superior values for their customers and superior profit for itself. Cost and differentiation advantages are known as positional advantages, since they describe a company's position in the industry as a leader in either cost or differentiation.

In addition, Okpara (2002) concluded that the ways of achieving Competitive Advantage includes; having quality products that commands a premium price, providing superior customer service, or dominating channels of distribution, promotions which creates and maintain product differentiation and brand equity loyalty.

IV. METHODOLOGY

The research will adopt the survey type of research via questionnaires and interview. The study area will be some selected staff of the Consultancy Services Ltd, FPTB. Ten questionnaires will be administered. Regression will be used for analysis(SPSS).

V. ANALYSIS OF DATA

1. *Hypothesis:The implementation of marketing function does not depend on the development of products by polyconsult Ltd. which is influenced by marketing concepts and the general operations that have been more profitable with a highly sophisticated marketing strategy.*

Crosstab

			The General Operations would have been more Profitable with a Highly Sophisticated Marketing Strategy		Total
			1	3	
The Development of Products by Polyconsult Ltd. is Influenced by Marketing Concepts	1	Count	5	0	5
		Expected Count	1.7	3.3	5.0
	2	Count	4	0	4
		Expected Count	1.4	2.6	4.0
	4	Count	0	17	17
		Expected Count	5.9	11.1	17.0
Total		Count	9	17	26
		Expected Count	9.0	17.0	26.0

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.000[a]	2	.000
Likelihood Ratio	33.542	2	.000
Linear-by-Linear Association	23.633	1	.000
N of Valid Cases	26		

a. 4 cells (66.7%) have expected count less than 5. The minimum expected count is 1.38.

H_0:The implementation of marketing function does not depend on the development of products by polyconsult Ltd., which is influenced by marketing concepts and the general operations that have been more profitable with a highly sophisticated marketing strategy.

H_1: The implementation of marketing function depends on the development of products by polyconsult Ltd. which is influenced by marketing concepts and the general operations that have been more profitable with a highly sophisticated marketing strategy.

Decision Rule

Reject the null hypothesis if the calculated value is greater than the tabulated value and accept otherwise.

At 5% level of significance, $\alpha = 0.05$

$\chi^2_{\alpha,V} = \chi^2_{0.05,2} = 5.991$

Conclusion

Since the calculated value (26.000) is greater than the tabulated value (5.991), we reject the null hypothesis and conclude that the implementation of marketing function depends on the development of products by polyconsult Ltd. which is influenced by marketing concepts and the general operations that have been more profitable with a highly sophisticated marketing strategy.

Symmetric Measures

		Value	Asymp. Std. Error[a]	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	.972	.007	20.373	.000
Ordinal by Ordinal	Spearman Correlation	.978	.015	23.030	.000
N of Valid Cases		26			

2. *The relationship between implementation of marketing function on the development of products by polyconsult Ltd. which is influenced by marketing concepts and the general operations that have been more profitable with a highly sophisticated marketing strategy.*

From the table above, it showed that there is significant relationship between the implementation

of marketing function, development of products by Polyconsult Ltd. which is influenced by marketing concepts and the general operations that have been more profitable with a highly sophisticated marketing strategy (r = 0.972). The positive relationship implies that if marketing functions, concepts and general operations were fully implemented Polyconsult Ltd, profitability will be enhanced significantly (P = 0.000).

3. *Hypothesis: Enhanced revenue generation depends on the modern market techniques and customers satisfaction.*

Crosstab

			Marketing Functions will Assist Customers to Fully Understand the Standard of the Product they are Patronizing			Total
			1	2	4	
Polyconsult Ltd. has Adopted Modern Marketing Techniquesin Gaining Control of the Market Segment	1	Count	4	5	0	9
		Expected Count	1.4	1.7	5.9	9.0
	3	Count	0	0	17	17
		Expected Count	2.6	3.3	11.1	17.0
Total		Count	4	5	17	26
		Expected Count	4.0	5.0	17.0	26.0

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.111[a]	2	.000
Likelihood Ratio	22.139	2	.000
Linear-by-Linear Association	27.224	1	.000
N of Valid Cases	26		

a. 4 cells (66.7%) have expected count less than 5. The minimum expected count is 1.38.

H_0: Enhanced revenue generation does not depend on the modern market techniques and customers satisfaction.

H_1: Enhanced revenue generation depends on the modern market techniques and customers satisfaction.

Decision Rule

Reject the null hypothesis if the calculated value is greater than the tabulated value and accept otherwise.

At 5% level of significance, $\alpha = 0.05$

$\chi^2_{\alpha,V} = \chi^2_{0.05,2} = 5.991$

Conclusion

Since the calculated value (18.111) is greater than the tabulated value (5.991), we reject the null hypothesis and conclude that enhanced revenue generation depends on the modern marketing techniques and customers satisfaction.

4. *The relationship between enhanced revenue generation and the modern marketing techniques and customers satisfaction.*

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	.970	.004	19.487	.000
Ordinal by Ordinal	Spearman Correlation	.978	.015	23.030	.000
N of Valid Cases		26			

From the table above, result showed that there is significant (P = 0.000) and positive relationship (0.970) between the role of marketing as a tool for enhanced revenue generation (which) depends on the modern marketing techniques and customers satisfaction. That is to say, the adoption of modern marketing techniques will attract prospective customers which in turn lead to increase in revenue generation.

5. *Hypothesis: The overall performance (revenue generation) depends on the products and services and market orientation.*

Crosstab

			The Quality of Products and Services of Polyconsult Ltd. is not Compromised			Total
			1	3	4	
Polyconsult Ltd. is a Market Oriented Organization	1	Count	9	0	0	9
		Expected Count	3.1	1.4	4.5	9.0
	4	Count	0	4	13	17
		Expected Count	5.9	2.6	8.5	17.0
Total		Count	9	4	13	26
		Expected Count	9.0	4.0	13.0	26.0

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.780[a]	2	.000
Likelihood Ratio	19.042	2	.000
Linear-by-Linear Association	21.118	1	.000
N of Valid Cases	26		

a. 4 cells (66.7%) have expected count less than 5. The minimum expected count is 1.38.

H_0: The overall performance does not depend on the products and services and market orientation.
H_1: The overall performance depends on the products and services and market orientation.

Decision Rule
Reject the null hypothesis if the calculated value is greater than the tabulated value and accept otherwise.
At 5% level of significance, $\alpha = 0.05$

$\chi^2_{\alpha,V} = \chi^2_{0.05,2} = 5.991$

Conclusion
Since the calculated value (16.78) is greater than the tabulated value (5.991), we reject the null hypothesis and conclude that the overall performance depends on the products and services and market orientation.

6. The relationship between the overall performance (revenue generation), the products and services and market orientation.

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Interval by Interval	Pearson's R	.968	.014	18.786	.000
Ordinal by Ordinal	Spearman Correlation	.905	.052	10.392	.000
N of Valid Cases		26			

Result from the table above, showed a significant (P = 0.000) and positive relationship (0.968) between the overall performance and the products and services and market orientation. That is to say, the increase in the quality of goods and services as well as marketing orientation will lead to the improvement in the overall performance in revenue generation.

DISCUSSION OF RESULT

Marketing is the biggest discretionary spending area in most companies; it is also the area in which many companies wish they could devote even more resources to. There is a belief that the push for productivity in marketing spending is inherently contradictory to creating and maintaining a market orientation. In other words, the belief is that being customer-oriented means having to spend more on marketing. As we have discussed, this is not necessarily so. The mechanisms we have described should improve both customer loyalty, as well as marketing productivity.

In order to test the significance of hypothesis testing, the findings revealed that the implementation of marketing function depends on the development of products by polyconsult Ltd. which is influenced by marketing concepts and the general operations that have been more profitable with a highly sophisticated marketing strategy. This meets the entry probability requirement of less than or equal to 0.05 (≤ 0.05). The result depicts that there is a significant relationship between the implementation of marketing function, development of products by Polyconsult Ltd. which is influenced by marketing concepts and the general operations that have been more profitable with a highly sophisticated marketing strategy (r = 0.972). The positive relationship implies that if marketing functions, concepts and general operations were fully implemented by Polyconsult Ltd., profitability will be enhanced significantly (P = 0.000). Result also showed that the role of marketing as a tool for enhanced revenue generation depends on the modern market techniques and customers satisfaction. There is significant (P = 0.000) and positive relationship (0.970) between the role of marketing as a tool for enhanced revenue generation (which) depends on the modern market techniques and customers satisfaction. That is to say, the adoption of modern marketing techniques will attract prospective customers which in turn lead to revenue generation. The overall performance depends on the products and services and market orientation.

There is also a significant (P = 0.000) and positive relationship (0.968) between the overall performance and the products and services and market orientation. That is to say, the increase in the quality of goods and services as well as marketing orientation will lead to the improvement in the overall performance in revenue generation.

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