SS3 MARKETING LESSON NOTES

FIRST TERM

WEEK 1: INTERNATIONAL MARKETING (1)

1.1 MEANING OF INTERNATIONAL MARKETING

International Marketing is the process of planning and executing the marketing mix (Product, Price, Place, and Promotion) to satisfy the needs of customers in *more than one country*.

It is *not* just "exporting." Exporting is the simple act of selling a product abroad. International marketing involves a deep and continuous business strategy. It requires a company to research foreign markets, understand different cultures and laws, adapt its products, and build a brand presence outside its home country.

Example:

- **Exporting:** A Nigerian farmer sells a container of cocoa beans to a buyer in Germany.
- **International Marketing:** A Nigerian company (e.g., a "Made in Nigeria" chocolate company) researches German tastes, designs new packaging to comply with German labelling laws, runs advertisements in German magazines, and builds a relationship with German supermarket chains.

1.2 REASONS FOR INTERNATIONAL MARKETING

A company makes a strategic decision to "go international" for many reasons, which can be **proactive** (to seek new opportunities) or **reactive** (to escape domestic problems).

Proactive Reasons (Opportunity-Driven):

1. **To Access a Larger Market:** This is the most important reason. A Nigerian company's domestic market might be 200 million people, but the global market is over 8 billion people. International marketing opens the door to a massive increase in potential customers.

2. **Higher Profit Potential:** Foreign markets may have customers with higher "disposable income" (more money to spend), allowing a company to sell its product at a higher price (a better "profit margin") than it can at home.
3. **Economies of Scale:** By producing more units for a global market, the cost per unit decreases. This is called "economies of scale." Making 10 million T-shirts for the world is cheaper per-shirt than making 100,000 for Nigeria.
4. **Diversification of Risk:** By operating in multiple countries, a company is not dependent on a single economy. If the Nigerian economy has a downturn, the company can still make money from its sales in Ghana or the UK.
5. **Global Brand Prestige:** Being an "international brand" (like Dangote) increases a company's prestige, reputation, and brand value, which can also help it compete in its home market.

Reactive Reasons (Problem-Driven):

1. **Saturated Domestic Market:** The company may have already sold its product to everyone it can in its home country. The market is "saturated," and the only way to grow is to find new markets abroad.
2. **Intense Domestic Competition:** The home market may be flooded with competitors (a "red ocean"), leading to price wars and low profits. A company might seek a foreign market (a "blue ocean") where it has fewer competitors.
3. **Small Domestic Market:** For companies in small countries (e.g., Togo or Benin), the domestic market is simply too small to be profitable. They *must* export to survive.
4. **To Follow Customers:** A company may expand internationally to service its domestic customers who have already gone abroad.

EVALUATION (WEEK 1)

1. Define "International Marketing" in your own words.
2. How is "exporting" different from "international marketing"?
3. List three "proactive" reasons a company would engage in international marketing.

4. Explain what a "saturated domestic market" is and how it encourages a company to go global.

ASSIGNMENT (WEEK 1)

1. Choose a major Nigerian company (e.g., UBA, Dangote, Innoson Motors, or a major Afrobeats artist).
2. Write a one-page report on *why* they have pursued international marketing, using the reasons listed in this week's notes.

WEEK 2: IMPORTANCE OF INTERNATIONAL MARKET & DOMESTIC COMPARISON

2.1 IMPORTANCE OF INTERNATIONAL MARKET

The international market is critically important for both the individual firm and the nation's economy.

A. Importance to the Firm (The Company):

1. **Increased Sales and Revenue:** Access to billions of new customers leads to a direct increase in sales.
2. **Longer Product Life Cycle (PLC):** A product that is "old" or "mature" in Nigeria (e.g., an older phone model) might be considered "new" and "in-demand" in a less developed market. International marketing allows a company to extend the profitable life of its products.
3. **Access to New Ideas:** By operating in different countries, a company is exposed to new technologies, marketing strategies, and product ideas, which it can then use in its home market.
4. **Risk Diversification:** (As mentioned in Week 1) It protects the firm from economic downturns in a single country.

B. Importance to the Nation (The Country):

1. **Source of Foreign Exchange (Forex):** This is the most critical benefit for Nigeria. When a company exports goods, it is paid in foreign currency (e.g., Dollars, Euros). This "Forex" is what the *entire country* needs to pay for its *own* imports (like cars, petrol, and machinery).
2. **Job Creation:** International demand creates a need for more production, which creates more jobs at home in factories, on farms, and in logistics.
3. **Transfer of Technology:** When foreign companies enter the domestic market (the other side of international marketing), they bring new technology, skills, and management practices that local workers can learn.

4. **National "Soft Power" and Prestige:** When a country's products and culture (e.g., Nollywood, Afrobeats, Nigerian fashion) become popular globally, it increases the nation's "soft power" and global influence.
5. **Improved Balance of Payments:** A strong export market leads to a "favourable" balance of trade, making the national economy stronger.

2.2 DIFFERENCE BETWEEN DOMESTIC AND INTERNATIONAL MARKETING

This is a classic exam question. The core principles of the 4 Ps are the same, but the *environment* is radically different and more complex.

Feature	Domestic Marketing (e.g., selling in Nigeria only)	International Marketing (e.g., selling in Nigeria, Ghana, & UK)
Market Scope	One single market.	Multiple, diverse markets.
Currency	One single currency (e.g., Naira).	**Multiple Currencies.** Must deal with exchange rates and fluctuation risk.
Culture	Generally one dominant culture and language (or a few well-understood ones).	**Highly Complex.** Must navigate dozens of different languages, religions, tastes, and social customs.
Legal Environment	One set of simple, known business laws.	**Very Complex.** Must obey the laws of *each* host country (e.g., on advertising, product standards, labour).
Political Risk	Low and stable (one government).	**High.** Risk of new governments, political instability, war, or "expropriation" (gov't seizing your factory).
Logistics (Place)	Simple. Road/rail transport.	**Complex and Expensive.** Involves international shipping, air freight, customs, tariffs, and port delays.
Market Research	Easy and cheap to conduct.	Difficult and expensive. Must research cultures and laws you know nothing about.
Competition	You only compete with other domestic firms.	You compete with domestic firms *and* other global giants from all over the world.

EVALUATION (WEEK 2)

1. Explain two reasons why the international market is important to *the nation*.
2. How does international marketing help to extend a "Product's Life Cycle"?
3. What is "foreign exchange," and why is it so important for a country?
4. List four (4) major differences between domestic and international marketing.
5. What is "political risk" in international marketing?

ASSIGNMENT (WEEK 2)

1. Choose a global product you know (e.g., Coca-Cola, or an iPhone).
2. Write a one-page essay on the *complexities* that product faces in the Nigerian market, using the comparison table. (e.g., How does the *legal* environment (NAFDAC, SON), *currency* (Naira value), and *logistics* (ports) affect its sale here?).

WEEK 3: INTERNATIONAL TRADE SYSTEM – IMPORT AND EXPORT TRADE

3.1 MEANING OF INTERNATIONAL TRADE

International Trade is the *specific act* of **exchanging (buying and selling) goods and services across international borders.**

- **Relationship to Marketing:** Trade is the *action*; marketing is the *strategy*. International *marketing* is the process of deciding *which* products to trade and *how* to promote and price them. International *trade* is the physical and financial transaction of the *import* or *export* itself.

3.2 IMPORT TRADE

- **Definition:** Import trade involves a domestic company (an importer) **buying** goods or services from a foreign country and bringing them *into* the home country.
- **Purpose (Why does Nigeria import?):**
    1. **To Obtain Goods Not Available Locally:** Nigeria does not manufacture cars, airplanes, or smartphones. We *must* import them.
    2. **To Obtain Cheaper or Better-Quality Goods:** A foreign company may produce a good (e.g., a textile) at a much lower cost due to economies of scale, and it is cheaper to import than to make locally.
    3. **To Obtain Raw Materials:** A Nigerian company (e.g., a bakery) may need to import a specific raw material (e.g., high-quality wheat) that is not grown in Nigeria.
    4. **To Increase Consumer Choice:** Imports provide more variety for customers (e.g., importing Japanese, American, and German cars).

3.3 EXPORT TRADE

- **Definition:** Export trade involves a domestic company (an exporter) **selling** goods or services *to* a foreign country.
- **Purpose (Why does Nigeria export?):**

1. **To Earn Foreign Exchange (Forex):** This is the primary national reason. It is the main way Nigeria earns US Dollars.
2. **To Sell Surplus Production:** A company (e.g., Dangote Cement) may produce more cement than Nigeria can buy. It exports the surplus to neighbouring countries.
3. **To Access a Larger Market:** (See Week 1) To grow the business by finding new customers.
4. **National Specialization:** To focus on what the country is good at producing (its "comparative advantage"). Nigeria's advantage is in oil, gas, cocoa, and sesame seeds.

3.4 COMPARISON OF IMPORT AND EXPORT TRADE

Feature	Import Trade	Export Trade
Definition	Buying goods *from* foreign countries.	Selling goods *to* foreign countries.
Direction of Goods	Goods flow **INTO** the country.	Goods flow **OUT OF** the country.
Direction of Money	Money (Forex) flows **OUT OF** the country.	Money (Forex) flows **INTO** the country.
Key Player	Importer	Exporter
Main Goal	To acquire goods or services.	To sell goods or services.
Impact on Balance of Payments	Contributes to the "Debit" (negative) side.	Contributes to the "Credit" (positive) side.
Nigerian Example	Importing Toyota cars from Japan.	Exporting Cocoa beans to the Netherlands.
Regulation	Regulated by **Import Duties (Tariffs)** to *discourage* or control it.	Regulated by **Export Incentives** to *encourage* it.

EVALUATION (WEEK 3)

1. Define "International Trade."

2. What is the main difference between an "importer" and an "exporter"?
3. List three (3) reasons why a country like Nigeria must import goods.
4. What is the single most important national benefit of exporting?
5. How do imports and exports affect a country's "Balance of Payments" differently?

ASSIGNMENT (WEEK 3)

1. Draw a simple diagram showing the flow of **Goods** and **Money** in an import-export transaction between Nigeria and China.
2. Research the **"Balance of Trade."** Write a paragraph explaining what a "Trade Deficit" is and what a "Trade Surplus" is.

WEEK 4: MARKET DECISION AND REASONS

4.1 INTRODUCTION

The decision to enter an international market is one of the biggest a company can make. This decision is driven by a desire for growth ("wider market") or survival ("escape from competition").

4.2 EVALUATION OF REASONS WHY BUSINESSES SEEK WIDER MARKETS

Seeking a wider market is a *proactive* growth strategy.

1. **Access to Untapped Customer Base:**
   - **Reason:** The primary driver. A company's growth is limited by the number of people in its home market.
   - **Evaluation:** A Nigerian company that only markets to Nigeria is targeting 200M people. By expanding to just Ghana, Ivory Coast, and Kenya, it *doubles* its potential customer base. By expanding globally via the internet, its potential market is billions.
2. **Utilisation of Excess Capacity:**
   - **Reason:** A company may have a large, expensive factory that is only running at 60% capacity to meet domestic demand.
   - **Evaluation:** The "fixed costs" (rent, machinery) are the same whether the factory makes 600 or 1,000 units. By seeking a wider market, the company can run its factory at 100% capacity, sell the excess units abroad, and the *profit margin* on those extra units is extremely high.
3. **Extension of the Product Life Cycle (PLC):**
   - **Reason:** Products go through a life cycle (Introduction -> Growth -> **Maturity** -> **Decline**). In the "Maturity" and "Decline" stages, sales slow down as the market is saturated.
   - **Evaluation:** International marketing allows a company to find a *new* market where the product is in the "Introduction" or "Growth" phase.

- **Example:** A 3G phone model that is in the "Decline" stage in the UK (where everyone uses 5G) can be exported to a rural, developing market where 3G is still the standard, giving the product a *new life*.

4. **Risk Diversification:**
    - **Reason:** A company that operates in *only* one country is 100% vulnerable to that country's problems.
    - **Evaluation:** If a Nigerian company sells only in Nigeria, its sales can be wiped out by a local recession, a new government policy, or a currency devaluation. If that company *also* sells in South Africa and the UAE, a problem in Nigeria can be balanced by success in the other markets, making the company more stable.

4.3 ESCAPE FROM COMPETITION

This is a *reactive* or *defensive* strategy.

1. **Domestic Market Saturation:**
    - **Reason:** The domestic market is "full." Every potential customer already has the product, and competitors are just fighting to steal each other's customers.
    - **Evaluation:** It is often *easier* and *cheaper* to find new customers in a new, "un-contested" foreign market than to fight for a tiny piece of an existing, hyper-competitive market at home.
2. **Intense Price Wars:**
    - **Reason:** Too many competitors in the home market (e.g., the soft drink or telecoms market in Nigeria) leads to "price wars," where companies must constantly lower their prices to attract customers.
    - **Evaluation:** This *destroys* profit margins. A company may "escape" this by entering a foreign market where it is the *only* provider (or one of few) and can charge a premium price.
3. **To Counter a Foreign Competitor:**
    - **Reason:** A foreign company (e.g., a South African company) enters Nigeria and starts taking your customers.

- **Evaluation (Strategic Move):** A powerful "escape" is to *also* enter the competitor's home market (e.g., you expand into South Africa). This forces the competitor to "defend their home" and may reduce their ability to attack you in your market.

EVALUATION (WEEK 4)

1. Explain what "Economies of Scale" means.
2. How does international marketing help to extend a Product's Life Cycle (PLC)?
3. Why is "Risk Diversification" a good reason to seek wider markets?
4. Explain "Market Saturation" and how it leads to "Price Wars."

ASSIGNMENT (WEEK 4)

1. Identify a highly competitive market in Nigeria (e.g., instant noodles, banking, or telecommunications).
2. Choose one company from that market.
3. Write a one-page "memo" to the CEO, advising them on why they should "escape from competition" and expand into a neighbouring country (e.g., Ghana). Use the concepts from this week's lesson.

WEEK 5: MIDTERM EXAMINATION

This week is for the Midterm Examination, covering all topics from Weeks 1-4.

- **Topics:** Meaning of International Marketing, Reasons for (Proactive/Reactive), Importance of (to Firm/Nation), Domestic vs. International Comparison, Import vs. Export Trade, Market Decisions (Wider Market, Escape Competition).

WEEK 6: FEATURES OF INTERNATIONAL MARKET

6.1 INTRODUCTION

This week, we will consolidate our understanding by summarizing the key features of the international market, which can be viewed as a list of advantages (opportunities) and disadvantages (challenges).

6.2 ADVANTAGES OF INTERNATIONAL MARKET

These are the positive features or opportunities that attract a firm.

1. **Increased Market Size:** Access to a vastly larger customer base than the domestic market.
2. **Higher Profitability:** Opportunity to sell in "premium" markets (e.g., Europe, USA) where customers can pay more, leading to higher profit margins.
3. **Economies of Scale:** Reduced per-unit production costs by manufacturing in larger volumes for a global audience.
4. **Diversification of Risk:** Spreading business risk across multiple countries to protect against a single country's economic downturn.
5. **Extended Product Life Cycle:** Finding new markets for "mature" or "declining" products.
6. **Brand Prestige:** Becoming a "global brand" (like Dangote) enhances the company's reputation everywhere.
7. **Access to New Ideas & Technology:** Operating in advanced markets (like Japan or Germany) exposes a company to new trends, innovations, and technologies that it can adopt.

6.3 DISADVANTAGES (CHALLENGES) OF INTERNATIONAL MARKET

These are the negative features or barriers that make international marketing difficult and risky.

1. **Cultural Differences (The Biggest Barrier):**

    - **Language:** Product names, advertising slogans, and packaging must be translated. A name that sounds good in Nigeria might be an insult in another country.
    - **Tastes & Habits:** A product that is popular in one market may be rejected in another (e.g., Nigerians like spicy food; many Europeans do not).
    - **Religion & Values:** Must be aware of taboos (e.g., colours, symbols, images) that could offend.
2. **Political and Legal Risks:**
    - **Political Instability:** Risk of war, coups, or unrest in the host country, which could lead to loss of investment.
    - **Trade Barriers:** The host country can impose tariffs (taxes), quotas (limits), or embargoes (bans) to block your product.
    - **Expropriation:** The risk (though rare) that a foreign government could seize your factory or assets.
3. **Economic and Financial Risks:**
    - **Currency Fluctuation:** The exchange rate between the Naira and the Dollar can change, wiping out your profits.
    - **High Costs:** The cost of market research, product adaptation, international shipping, and marketing is extremely high.
4. **Complex Logistics and Transport:**
    - Managing international shipping, customs documentation, and long-distance transport is complex and expensive. Products can be damaged, delayed, or lost.
5. **Intense Global Competition:**
    - You are no longer just competing with local rivals; you are competing with giant, established brands from all over the world.

EVALUATION (WEEK 6)

1. List three (3) major advantages of operating in the international market.
2. List three (3) major disadvantages (challenges) of operating in the international market.
3. Explain how "Cultural Differences" can be a barrier to a company's success.
4. What is "Currency Fluctuation Risk"?

ASSIGNMENT (WEEK 6)

1. Imagine you are the Marketing Manager for a Nigerian company that makes spicy "Suya Spice."
2. You want to export to Germany.
3. Write a brief report (one page) identifying the **top 3 disadvantages/challenges** you will face from this week's lesson. Explain *why* each one is a problem for your *specific* product.

WEEK 7: MIDTERM BREAK

This week is for the midterm break.

WEEK 8: LEGAL, SOCIAL, CULTURAL AND DEMOGRAPHIC FEATURES

8.1 INTRODUCTION (THE "SLEPT" ANALYSIS)

To successfully enter a foreign market, a company must first analyze its "environment." This is often called a PESTLE or **SLEPT** analysis, which stands for **S**ocial-Cultural, **L**egal, **E**conomic, **P**olitical, and **T**echnological. This week, we focus on these non-economic features.

8.2 LEGAL FEATURES

The "Legal Environment" refers to the laws and regulations of the *host country* that a foreign firm must obey.

- **Key Legal Features:**
    1. **Product Standards:** Laws that dictate the quality, safety, and performance of a product (e.g., NAFDAC and SON in Nigeria; the FDA in the USA).
    2. **Labelling & Packaging Laws:** Strict rules on what information *must* be on the label (e.g., ingredients, nutritional info, "best before" date).
    3. **Advertising Laws:** What you are (and are not) allowed to say in advertisements (e.g., in many countries, you cannot claim your product is "the best," or advertise cigarettes to children).
    4. **Labour Laws:** Laws about who you can hire, how much you must pay (minimum wage), and working conditions.
    5. **Local Content Laws:** A law that forces a foreign company to use a certain percentage of local materials or local staff.
    6. **Intellectual Property:** Laws protecting trademarks, patents, and copyrights.

8.3 SOCIAL AND CULTURAL FEATURES

This is often the most complex and important environment for a marketer. It includes all the beliefs, values, and customs of a society.

- **Key Cultural Features:**

1. **Language:** (Verbal and Non-Verbal). A "thumbs up" is a good sign in Nigeria, but a rude insult in parts of the Middle East.
2. **Religion:** Affects values, holidays (e.g., sales during Christmas, Ramadan), and *what* can be sold (e.g., alcohol in the Middle East, beef in India).
3. **Aesthetics:** The "sense of beauty." Different cultures have different preferences for *colours*, *designs*, and *symbols*.
   - *Example:* White is a colour for weddings in the West, but a colour for funerals in parts of Asia.
4. **Tastes and Habits:** The actual way people use products (e.g., Nigerians prefer instant coffee, Italians prefer espresso).
5. **Social Structure:** How is the society organized? (e.g., family-centric, individualistic, strong class system).

8.4 DEMOGRAPHIC FEATURES

Demography is the statistical study of a population. This is "market research" at the macro level. It tells you *who* your customer is.

- **Key Demographic Features:**
  1. **Population Size and Growth Rate:** Is the market large and growing?
  2. **Age Distribution:** This is *critical*.
     - *Example:* **Nigeria** has a **"Youth Bulge"** (median age is 18). This is a huge market for fashion, music, tech, and snacks.
     - *Example:* **Japan** has an **"Aging Population"** (median age is 48). This is a huge market for healthcare, retirement homes, and luxury travel.
  3. **Income Level & Distribution:** What is the average income (GDP per capita)? Is there a large middle class (like in Europe) or extreme inequality (rich and poor)?
  4. **Urbanization:** Is the population mostly rural (like in many parts of Africa) or urban (like in the UK)? This affects your *Place* (distribution) strategy.
  5. **Literacy/Education Level:** This affects what kind of advertising you can use (e.g., visual/radio vs. text-heavy).

EVALUATION (WEEK 8)

1. What does "SLEPT" analysis stand for?
2. Give two examples of "Legal Features" that could affect a marketer.
3. Why is "Aesthetics" (e.g., the meaning of colours) an important cultural feature to study?
4. What is "Demography"?
5. How would your marketing strategy for a new phone be different in Nigeria (median age 18) versus Japan (median age 48)?

ASSIGNMENT (WEEK 8)

1. You want to launch a new brand of "Suya-Flavoured Instant Noodles" in two international markets: (A) The United Kingdom and (B) Saudi Arabia.
2. Write one paragraph for *each* market, identifying the main **Legal** and **Cultural** features you would need to investigate before you start.

WEEK 9: APPROACHES TO INTERNATIONAL MARKET

9.1 INTRODUCTION

"Approaches" (or **Market Entry Strategies**) are the *methods* a company uses to get its product into a foreign market. This is a strategic decision that balances **Risk, Control, and Profit Potential**.

The strategies range from low-risk/low-control (Exporting) to high-risk/high-control (Direct Investment).

9.2 APPROACHES TO ENTERING INTERNATIONAL MARKETS

1. **Exporting (Lowest Risk):**
    - **Definition:** Producing the product in your home country (e.g., Nigeria) and shipping it to the foreign market.
    - **Indirect Exporting:** You use a middleman (an export agent or trading company) in your *home country* to handle all the risk and logistics. (Low risk, no control, low profit).
    - **Direct Exporting:** You handle it yourself. You find a distributor in the *foreign country*. (Moderate risk, more control, more profit).
2. **Licensing:**
    - **Definition:** The company (the "licensor") gives a foreign company (the "licensee") the legal *license* to use its intellectual property (e.g., trademark, patent, trade secret) in exchange for a royalty (a fee or percentage of sales).
    - **Example:** Disney (licensor) gives a Nigerian company (licensee) the right to print Mickey Mouse on T-shirts, in exchange for 10% of every sale.
    - *Pros:* Low risk, no investment. *Cons:* You can create a future competitor, you have limited control.
3. **Franchising:**
    - **Definition:** A more advanced form of licensing. The "franchisor" gives a "franchisee" the right to use their *entire business model* (brand, products, methods) in exchange for fees.

- **Example:** KFC, Domino's Pizza, Mr. Bigg's (in Nigeria). The franchisor provides the training, menu, and marketing; the franchisee provides the capital and management.
- *Pros:* Very fast way to expand. *Cons:* Hard to control the quality of all franchisees.

4. **Joint Venture:**
   - **Definition:** A new company is created, *jointly owned* by the foreign company and a *local partner* in the host country.
   - **Example:** A Nigerian bank wants to enter Ghana. It forms a *joint venture* with a Ghanaian company. They share the ownership, costs, and profits.
   - *Pros:* You gain local knowledge, share the risk/cost, and may be required by local law.
   - *Cons:* Can lead to major disagreements between the two partners.
5. **Foreign Direct Investment (FDI) (Highest Risk):**
   - **Definition:** The company *directly* invests in and *owns* its own operations in the foreign country.
   - **Examples:**
     - **Acquisition:** Buying an existing company in that country.
     - **Greenfield:** Building a new factory or office from scratch (e.g., MTN South Africa building its entire network in Nigeria).
   - *Pros:* 100% control, 100% of the profits. *Cons:* 100% of the risk, very high cost, high political risk.

9.3 ADAPTATIONS IN INTERNATIONAL MARKETS (THE GREAT DEBATE)

Once you are in, what do you sell? This is the debate between **Standardization** and **Adaptation**.

- **Standardization (Global Strategy):**
  - **Strategy:** Sell the *exact same* product with the *exact same* marketing message worldwide.
  - **Example:** Coca-Cola, Rolex, Apple (mostly).
  - **Pros:** Creates a single global brand, massive economies of scale, very efficient.

    - **Cons:** Can fail if it ignores local culture.
- **Adaptation (Multinational Strategy):**
    - **Strategy:** *Change* or *adapt* the 4 Ps to fit each local market.
    - **Product Adaptation:**
        - *Example:* McDonald's does not sell beef in India (a Hindu country); it sells the "McAloo Tikki" (a potato burger).
        - *Example:* Guinness brews a different, stronger "Foreign Extra Stout" for the Nigerian market.
    - **Promotion Adaptation:**
        - *Example:* Changing the language, models, and message of an advert to be culturally relevant.
    - **Pros:** Responds directly to local needs, more likely to be accepted.
    - **Cons:** Very expensive, "dilutes" the global brand, complex to manage.

EVALUATION (WEEK 9)

1. List the five main market entry strategies, from lowest risk to highest risk.
2. What is the difference between "Licensing" and "Franchising"?
3. What is a "Joint Venture"?
4. Explain the "Standardization vs. Adaptation" debate.
5. Give a real-world example of "Product Adaptation."

ASSIGNMENT (WEEK 9)

1. If you had a very successful "Suya" restaurant chain in Nigeria, what *entry strategy* would you use to open in London? (e.g., Exporting, Franchising, Joint Venture, or Direct Investment?).
2. Write a paragraph *justifying* your choice, explaining its pros and cons.

WEEK 10: REGULATIONS GUIDING INTERNATIONAL MARKETING

10.1 INTRODUCTION

No trade is truly "free." All international marketing is governed by a complex web of rules and regulations from three sources: the **home country**, the **host country**, and **international bodies**.

10.2 RULES AND REGULATIONS

A. HOST COUNTRY REGULATIONS (BARRIERS TO TRADE)

These are the most common. These are laws the "host" country (e.g., Nigeria) uses to *control* imports and protect its local industries.

1. **Tariffs (Import Duties):**
    - **Definition:** A **tax** placed on an imported good.
    - **Purpose:** To make the imported good *more expensive*, thus making the locally-produced good (e.g., Nigerian-made rice) more competitive against the foreign one (e.g., Thai rice).
    - *Example:* A 50% tariff on imported cars.
2. **Quotas (Quantitative Restrictions):**
    - **Definition:** A **limit** on the *quantity* (number of units) of a specific good that can be imported in a year.
    - **Purpose:** To protect local producers by guaranteeing them a share of the market.
    - *Example:* "Nigeria will only allow 1 million tonnes of sugar to be imported this year."
3. **Embargo:**
    - **Definition:** A **total ban** on the import (or export) of specific goods, or a total ban on all trade with a specific country.
    - **Purpose:** Often political, not economic (e.g., the US embargo on Cuba) or for safety (e.g., a ban on importing beef from a country with "mad cow disease").
4. **Local Content Laws:**

- **Definition:** A law that requires a foreign company to use a certain *percentage* of local materials, labour, or components in its product.
- *Example:* A law in Nigeria requiring that 40% of the parts used in a car assembled by a foreign company must be "Made in Nigeria."

5. **Non-Tariff Barriers (NTBs):**
   - **Definition:** "Hidden" or "subtle" barriers that are not taxes.
   - **Examples:**
     - **Strict Standards:** Setting impossibly high quality or packaging standards that foreign goods cannot meet (e.g., SON, NAFDAC).
     - **Bureaucracy:** Deliberately slow customs procedures that let perishable goods rot at the port.

B. HOME COUNTRY REGULATIONS

These are the laws of the *exporter's* own country.

1. **Export Controls:** The home government may *ban* the export of certain products, especially:
   - **National Security:** Weapons, advanced technology.
   - **National Heritage:** Antiquities (e.g., Benin Bronzes).
   - **Food Security:** Banning the export of maize during a famine to keep prices low at home.
2. **Export Promotion:** (The opposite) The government provides *incentives* to encourage exports (e.g., **Export Expansion Grants (EEG)** in Nigeria, provided by the **Nigerian Export Promotion Council (NEPC)**).

C. INTERNATIONAL REGULATIONS

These are the rules that all countries have agreed to follow.

1. **World Trade Organization (WTO):**
   - The "global referee" for trade.

- It is an organization of 160+ countries that sets the rules for international trade and acts as a "court" to settle disputes.
- **Goal:** To promote "free trade" by encouraging members to *lower* their tariffs and quotas.

2. **Bilateral/Multilateral Agreements:**
    - Agreements between countries (e.g., **ECOWAS** in West Africa, or the **AfCFTA** - African Continental Free Trade Area) that create "free trade zones" by removing tariffs *between members*.

EVALUATION (WEEK 10)

1. What is the main difference between a "Tariff" and a "Quota"?
2. What is an "Embargo"?
3. Explain "Local Content Laws" using a clear example.
4. What is the main role of the **World Trade Organization (WTO)**?
5. What is the **NEPC**?

ASSIGNMENT (WEEK 10)

1. In 2019, Nigeria closed its land borders to all goods, effectively "banning" the import of rice and other items from Benin Republic.
2. Using the terms from this lesson, what *kind* of trade regulation was this? (e.g., Tariff, Quota, or Embargo?).
3. Write a paragraph explaining the *stated purpose* of this policy (i.e., who was it designed to protect?).

WEEK 11: ICT IN INTERNATIONAL MARKETING

11.1 MEANING OF ICT

ICT (Information and Communication Technology) refers to all technologies and tools used to handle, store, process, and communicate information. In the context of marketing, ICT primarily means **The Internet, Mobile Phones, Computers, and Social Media.** The rise of ICT has been the *single greatest change* to international marketing in 50 years. It has "democratized" the process, allowing small businesses to compete with large ones.

11.2 ADVANTAGES OF ICT IN INTERNATIONAL MARKETING

1. **Global Reach (E-commerce):**
    - **Before ICT:** To sell in the UK, a Nigerian company had to fly there, hire agents, and get a shop.
    - **With ICT:** A Nigerian designer can build an **e-commerce website** (e.g., using Shopify) or an Instagram store. They can now sell *directly* to a customer in the UK, 24/7, with zero "place" cost. This *flattens* the world.
2. **Low-Cost Market Research:**
    - **Before ICT:** Researching a foreign market required hiring expensive consultants.
    - **With ICT:** A marketer can use Google, read foreign blogs, analyze social media trends (e.g., "What are people in London wearing?"), and survey potential customers *for free* or very low cost.
3. **Low-Cost Promotion (Social Media Marketing):**
    - **Before ICT:** Advertising meant buying expensive TV or magazine ads.
    - **With ICT:** A company can use **Instagram, TikTok, and Facebook** to run highly targeted, low-cost ad campaigns.
    - **Example:** A Nigerian Afrobeats artist can promote their new song *directly* to "Afrobeats fans in Atlanta" for a fraction of the cost of radio.
4. **Instant, Low-Cost Communication:**
    - **Before ICT:** Communicating with a foreign partner meant expensive faxes or international phone calls.

- **With ICT: Email, WhatsApp, Zoom, and Skype** allow for instant, free, and rich (video) communication with suppliers, distributors, and customers anywhere in the world.

5. **Global Brand Building:**
   - A company can build a global "image" and community through its social media presence, connecting directly with fans and customers.

11.3 PRACTICE OF INTERNET FACILITIES FOR MARKETING

This is *how* ICT is used:

1. **E-commerce (The "Shop"):**
   - Having a professional website with a "shopping cart" and a payment gateway (e.g., Paystack, Flutterwave) to accept international payments.
2. **Social Media Marketing (The "Advert"):**
   - Using platforms like Instagram, TikTok, and Facebook to showcase products, build a community, and run targeted ads.
3. **Content Marketing (The "Story"):**
   - Creating valuable content (e.g., blog posts, videos) that *attracts* customers.
   - *Example:* A Nigerian chef, instead of just *selling* a spice, makes a YouTube video *teaching* "How to Make Jollof Rice" and puts a link to buy the spice.
4. **Email Marketing (The "Relationship"):**
   - Collecting customer emails (e.g., via the website) and sending them newsletters, special offers, and updates to build loyalty.
5. **Search Engine Optimization (SEO):**
   - The technical process of making your website appear *first* on Google when someone searches for your product (e.g., "buy Nigerian shea butter").

EVALUATION (WEEK 11)

1. What does ICT stand for?
2. How has ICT "democratized" international marketing?
3. List three (3) major advantages of using ICT in international marketing.

4. What is "E-commerce"?
5. Explain the difference between "Social Media Marketing" and "Content Marketing" using an example.

ASSIGNMENT (WEEK 11)

1. Imagine you are a small business owner in Nigeria making handmade leather bags.
2. Your goal is to sell them in the USA.
3. Write a simple, 4-step "ICT Marketing Plan." (e.g., "Step 1: I will build a brand on Instagram... Step 2: I will set up an E-commerce website...").

WEEK 12: REVISION

- This week is for a comprehensive review of all topics from the First Term.
- **Key Themes for Review:**
  - **Why Go Global?** (Week 1 & 4) - Access to wider markets, higher profits, economies of scale, risk diversification, saturated domestic market.
  - **Domestic vs. International:** (Week 2 & 8) - The core challenge is navigating the complex differences in **Currency, Culture, and Law (PESTLE)**.
  - **The "How" (Market Entry):** (Week 9) - The 5 strategies from Exporting (low risk) to Direct Investment (high risk).
  - **The "What" (Product Strategy):** (Week 9) - The debate between **Standardization** (same product everywhere) vs. **Adaptation** (changing the product for the local market).
  - **The "Barriers":** (Week 10) - Trade regulations like **Tariffs, Quotas, and Embargoes**.
  - **The "Enabler":** (Week 11) - How **ICT (Internet, E-commerce, Social Media)** has made international marketing possible for small businesses.
- **Final Exam Preparation:**
  - Be ready to differentiate between key terms (Import/Export, Domestic/International, Standardization/Adaptation, Tariff/Quota).
  - Be prepared for case-study questions (e.g., "A company wants to enter market X. What challenges will it face? What entry strategy should it use?").

SS3 MARKETING LESSON NOTES

SECOND TERM

WEEK 1: INTERNET BROWSING AND ELECTRONIC MARKETING

1.1 INTRODUCTION: INTERNET BROWSING

Before we can discuss e-marketing, we must understand the platform it is built on.

- **Internet:** A massive, global network of interconnected computers. It is the "highway."
- **World Wide Web (WWW):** The most popular service that runs on the internet. It is the collection of websites and pages.
- **Internet Browsing:** The act of using a software application (a "browser") to access, navigate, and view information on the World Wide Web.
- **Key Browsers:** Google Chrome, Safari, Mozilla Firefox, Microsoft Edge.

1.2 MEANING OF E-MARKETING (ELECTRONIC MARKETING)

E-Marketing (or Digital Marketing) is a broad term that refers to all marketing activities that use electronic devices or the internet. It is the process of promoting products, services, and brands to connect with potential customers through digital channels.

It is more than just "Internet Marketing." E-Marketing includes:

1. **Internet Marketing:** Using the web (websites, ads) to market.
2. **Social Media Marketing (SMM):** Using platforms like Instagram, TikTok, Facebook, and X (Twitter) to build a community and promote products.
3. **Mobile Marketing:** Using mobile devices (e.g., SMS alerts, WhatsApp Business, in-app ads).
4. **Email Marketing:** Sending newsletters, promotions, and updates directly to a list of subscribers.
5. **Search Engine Optimization (SEO):** The technical process of making your website appear first on Google for "free" (organic) searches.

6. **Search Engine Marketing (SEM):** Paying (e.g., Google Ads) to have your website appear as a sponsored link at the top of search results.

1.3 ADVANTAGES AND DISADVANTAGES OF E-MARKETING

A. ADVANTAGES (BENEFITS)

1. **Global Reach:** A small business in Lagos can sell its products to a customer in London or New York without a physical store.
2. **Lower Cost:** It is significantly cheaper to run a targeted Instagram ad campaign than to pay for a billboard on the Third Mainland Bridge or a full-page ad in a national newspaper.
3. **24/7 Marketing:** Your website, e-commerce store, or social media page is "open" 24 hours a day, 7 days a week, allowing customers to browse and buy at any time.
4. **Targeting and Personalization:** You can precisely target your ads to a specific audience (e.g., "women, aged 25-34, living in Abuja, interested in fashion"). This is impossible with traditional radio ads.
5. **Measurable (Analytics):** You can track *everything*. You can see exactly how many people saw your ad, how many clicked it, and how many made a purchase. This allows you to measure your Return on Investment (ROI).
6. **Interactivity and Engagement:** You can talk directly to your customers through comments, DMs, and reviews, building a loyal community.

B. DISADVANTAGES (CHALLENGES)

1. **High Competition:** The "digital space" is extremely crowded. It is difficult to get noticed among millions of other businesses.
2. **Security and Privacy Concerns:** Customers are afraid of online fraud ("scams") and are hesitant to share their credit card details.
3. **Negative Feedback:** A single bad review or angry customer comment is public and can be seen by thousands, damaging your brand's reputation instantly.
4. **Digital Divide:** A large portion of the population (especially in rural or low-income areas) may have limited or no access to the internet, or may not be able to afford data.

5. **Requires Technical Skills:** Effective e-marketing requires constant learning and new skills (e.g., SEO, content creation, ad management, data analysis).
6. **Impersonal:** It lacks the face-to-face trust and relationship-building of a physical market.

1.4 INTERNET ETHICS

Internet ethics (or "Netiquette") are the moral principles and rules of conduct for using the internet. For a business, violating these ethics can destroy customer trust.

Key Ethical Issues for E-Marketers:

1. **SPAM:** Sending unsolicited commercial emails or messages to people who did *not* ask for them. This is a primary violation of ethics.
2. **Data Privacy:** A business has an ethical (and often legal) duty to protect the customer data it collects (e.g., phone numbers, home addresses, email). You *must not* sell this data to other companies.
3. **Truth in Advertising:** All claims made in your marketing must be true.
    - **Unethical:** Using "bait-and-switch" (advertising a cheap product to lure customers, then forcing them to buy a more expensive one), or using "scarcity" tactics (e.g., "Only 2 left!" when you have 500 in stock).
4. **Copyright and Intellectual Property:** You must not steal product photos from another website or use copyrighted music in your videos without permission. You must create your own original content.
5. **Fake Reviews:** Paying people to write fake positive reviews for your business (or fake negative reviews for a competitor) is highly unethical.

EVALUATION (WEEK 1)

1. Define E-Marketing and list its five main components.
2. List three advantages and three disadvantages of e-marketing.
3. What is the "digital divide," and how is it a challenge for e-marketing in Nigeria?
4. Explain three rules of "internet ethics" a business must follow.

ASSIGNMENT (WEEK 1)

1. Choose a major Nigerian brand you follow on social media (e.g., a bank like GTB, a food brand like Indomie, or an e-commerce site like Jumia).
2. Write a one-page report analyzing their e-marketing.
   - What channels do they use (e.g., Instagram, X)?
   - What kind of content do they post?
   - Who do you think is their target audience?
   - In your opinion, is their marketing effective?

WEEK 2: PLANNING FOR A PERSONAL MARKETING OUTLET (PART 1)

2.1 MEANING OF A MARKETING OUTLET

A **Marketing Outlet** (or Channel Outlet) is any physical or virtual location where a customer can purchase a product or service. It is the "point of sale" where the exchange of goods and money takes place. It is the final link in the distribution channel.

Types of Marketing Outlets:

- **Physical Outlets:**
    - Retail Store / Shop
    - Boutique
    - Market Stall
    - Kiosk / "Container" Shop
    - Supermarket
    - Warehouse (for wholesalers)
- **Virtual (Digital) Outlets:**
    - E-commerce Website (e.g., Jumia, or your own Shopify store)
    - Social Media Page (e.g., an "Instagram Shop")
    - Digital Marketplace (e.g., a "seller" account on Jiji or Konga)

2.2 SOURCES OF FUNDS FOR MARKETING BUSINESSES

Starting a business requires **capital** (money). This capital can be sourced from various places, each with its own pros and cons.

1. **Personal Savings (Owner's Equity):**
    - **Source:** Money saved by the entrepreneur from their own salary or other activities.
    - **Pros:** 100% control, no debt, no interest payments, all profits are yours.
    - **Cons:** Limited amount, high personal risk (if the business fails, your life savings are gone).

2. **Friends and Family (Informal Loan/Gift):**
   - **Source:** Borrowing or receiving money from relatives.
   - **Pros:** Often zero or low interest, flexible repayment terms, easy to get.
   - **Cons:** Can create tension and ruin relationships if the business fails.
3. **Bank Loans (Debt Financing):**
   - **Source:** A formal loan from a commercial bank (e.g., Access Bank, UBA).
   - **Pros:** Can access large amounts of capital, provides a formal structure.
   - **Cons:** Very hard to get (especially for new businesses), requires a detailed **Business Plan**, high-interest rates, and **collateral** (an asset, like a house or car, that the bank can seize if you fail to pay).
4. **Cooperatives and "Esusu/Ajo":**
   - **Source:** A local thrift and credit society where members pool their money and give it to members in rotation or as low-interest loans.
   - **Pros:** Community-based, low interest, accessible.
   - **Cons:** Funds are often small and may not be available when you need them.
5. **Government Loans and Grants:**
   - **Source:** Government-backed schemes designed to support small businesses (SMEs).
   - **Examples in Nigeria:** Bank of Industry (BOI), SMEDAN (Small and Medium Enterprises Development Agency of Nigeria), Development Bank of Nigeria (DBN).
   - **Pros:** Low interest rates, long repayment periods.
   - **Cons:** Very difficult to access, requires a lot of paperwork, bureaucracy, and "connections."
6. **Angel Investors / Venture Capital (Equity Financing):**
   - **Source:** Wealthy individuals (Angels) or firms (VCs) who give you money in exchange for *ownership* (shares) in your business.
   - **Pros:** Can provide *huge* amounts of capital and valuable business expertise.
   - **Cons:** You *lose* a part of your company; they become your "boss" and you must answer to them. (This is rare for a simple "outlet" and more common for tech startups).

2.3 ADVANTAGES AND DISADVANTAGES OF FINANCING

The main decision in financing is between **Debt** and **Equity**.

- **Debt Financing (e.g., Bank Loan):**
  - **Advantages:**
    - You retain 100% ownership and control of your business.
    - Interest payments are a predictable business expense.
  - **Disadvantages:**
    - The loan *must* be repaid, even if the business fails. This is a fixed cost.
    - Requires collateral, which you might lose.
- **Equity Financing (e.g., Venture Capital):**
  - **Advantages:**
    - The money is *not* a loan; it doesn't have to be paid back if the business fails.
    - Investors bring experience and networks.
  - **Disadvantages:**
    - You "sell" a part of your business. You give up some control and must share the profits forever.

EVALUATION (WEEK 2)

1. What is a "marketing outlet"? Give one physical and one virtual example.
2. List five (5) possible sources of funds for a new business in Nigeria.
3. What is "collateral," and which source of funding usually demands it?
4. Explain the primary difference between "Debt Financing" and "Equity Financing."

ASSIGNMENT (WEEK 2)

1. You want to start a small-scale fashion boutique (a marketing outlet). You need N500,000 for rent and initial stock.
2. Write two short paragraphs, one *for* taking a bank loan and one *against* it.
3. Conclude with which option you would choose and why.

WEEK 3: IDENTIFYING A GOOD MARKETING LOCATION AND SETTING UP

3.1 IDENTIFYING GOOD MARKETING LOCATIONS

The most common phrase in retail is **"Location, Location, Location."** A good product in a bad location will fail. A bad product in a great location might still succeed.

Factors for Choosing a Good Location:

1. **Proximity to Target Market:**
   - This is the *most important* factor. The shop must be where your *target customers* are.
   - *Example:* A shop selling expensive baby items should be in a high-income residential area (e.g., Lekki, Ikeja GRA), not a student-focused area (e.g., Yaba). A fast-food shop should be near offices or a university.
2. **Visibility and Accessibility:**
   - **Visibility:** Can the shop be seen easily from the road? Is the sign clear?
   - **Accessibility:** Is it easy for customers to get to? Is it on a busy road? Is there adequate car parking? Is it on the ground floor (easy for all)?
3. **Traffic (Human and Vehicular):**
   - A good location has a high "footfall" (many people walking past) or high "drive-by" traffic.
   - *Example:* A location near a major bus stop, a market, or a bank is excellent.
4. **Cost (Rent and Rates):**
   - The location must be affordable. Your rent should be a small, manageable percentage of your expected sales. A "prime" location with high rent is useless if you can't make enough sales to pay for it.
5. **Competition:**
   - **Direct Competitors:** How many other shops are selling *exactly* the same thing? If you are opening a phone shop on a street that already has 20 phone shops, you will struggle (this is a **saturated market**).

- **Complementary Businesses:** Sometimes, being near "competitors" is good. A fashion boutique might *benefit* from being next to a shoe store, as they attract the same kind of customer.

6. **Infrastructure:**
    - Does the location have reliable power (or good generator access), good security, and a clean water supply?
7. **Zoning and Regulations:**
    - Is the area "zoned" for commercial use? You cannot legally set up a noisy bar in an area zoned as "residential-only."

3.2 STEPS IN SETTING UP AND MANAGING A MARKETING OUTLET

This is a summary of the entrepreneurial process.

A. SETTING UP (THE "LAUNCH" PHASE)

1. **Step 1: Idea and Feasibility:** (Week 2) Have the idea (e.g., "a modern shoe shop"). Do a study: Is this a good idea?
2. **Step 2: Business Plan:** (Week 2) Write the formal plan (goals, budget, marketing).
3. **Step 3: Secure Funding:** (Week 2) Get the capital (e.g., from savings, a loan).
4. **Step 4: Legalities:** Register the business name with the **Corporate Affairs Commission (CAC)**. Get local government permits. Open a company bank account.
5. **Step 5: Secure Location:** Find the *perfect* spot (using the factors above) and sign the lease (rent).
6. **Step 6: Shop Fit-Out and Staffing:** Renovate the shop (paint, shelves, lighting). Install equipment (e.g., POS, generator). Hire and train staff.
7. **Step 7: Sourcing and Stocking:** Find your suppliers (wholesalers) and purchase your first set of inventory (stock).

B. MANAGING (THE "OPERATING" PHASE)

1. **Step 8: Marketing and Promotion:** (Week 1) Announce your opening! Use social media, flyers, etc., to attract your first customers.

2. **Step 9: Daily Operations:** Manage the day-to-day work: serving customers, managing staff, and ensuring the shop is clean and professional.
3. **Step 10: Fund Management:** (Week 6) Track every sale and expense. Manage your cash flow to ensure you can pay bills.
4. **Step 11: Inventory Management:** Track what is selling and what is not. Re-order popular items and put slow-moving items on sale.
5. **Step 12: Review and Adapt:** Read customer feedback. Are you making a profit? What needs to change? The business must constantly adapt.

EVALUATION (WEEK 3)

1. What does the phrase "Location, Location, Location" mean in marketing?
2. What is the *most important* factor to consider when choosing a location?
3. Explain "market saturation" in the context of competition.
4. List the first five (5) steps in "setting up" a new marketing outlet.
5. What is the difference between the "Setting Up" phase and the "Managing" phase?

ASSIGNMENT (WEEK 3)

1. You have N1,000,000 to start a new business: a fast-food "takeaway" outlet.
2. In your local area, identify **one (1) location** you think would be **excellent** for this business, and **one (1) location** you think would be **terrible**.
3. Write two paragraphs justifying your choices, using the factors from section 3.1 (e.g., "The location at 123 Main Street is excellent because it has high footfall from the nearby bank and bus stop...").

WEEK 4: PURCHASE AND SUPPLY OF GOODS

4.1 ROLE OF MARKETING OUTLETS (INTERMEDIARIES)

A "marketing outlet" (like a retail shop) is an **intermediary** or **"middleman"** in the **supply chain** (also called the "channel of distribution"). The supply chain is the path a product takes from the *Producer* to the final *Consumer*.

Example Supply Chain: Producer (e.g., Farmer) -> Wholesaler (e.g., "Dugbe" Market Trader) -> Retailer (e.g., Your local shop) -> Consumer (You)

Marketing outlets are the most important part of this chain. Their role is to **"add value"** by making the purchasing process easier for the consumer and the selling process easier for the producer.

4.2 ROLE OF OUTLETS IN THE PURCHASE OF GOODS (Value to the Consumer)

The outlet *helps the consumer buy* goods by:

1. **Providing Assortment (Variety):**
   - A consumer does not want to visit a bread factory, a milk factory, and an egg farm just to make breakfast.
   - The outlet (e.g., a supermarket) gathers thousands of different products from hundreds of different producers into **one convenient location**.
2. **"Breaking Bulk":**
   - The producer (e.g., Coca-Cola) wants to sell a *truckload* (1,000 crates) at a time.
   - The consumer wants to buy *one bottle*.
   - The outlet "breaks the bulk" by buying the large quantity and selling it in the small units the consumer wants.
3. **Providing Location and Convenience:**
   - The outlet brings the products close to where the consumers live, saving them time and transport costs.
4. **Providing Information:**

- The outlet provides a point of contact for the consumer to ask questions (e.g., "Is this fish fresh?" "What is the difference between these two products?") via a salesperson.

4.3 ROLE OF OUTLETS IN THE SUPPLY OF GOODS (Value to the Producer)

The outlet *helps the producer (manufacturer) sell* goods by:

1. **Market Access and Sales:**
    - The outlet *is* the "market" for the producer. It provides a salesforce and a physical location to reach thousands of consumers that the producer could never reach on their own.
2. **Storage and Inventory:**
    - The outlet (especially a wholesaler) buys in bulk and *stores* the product in its own warehouse.
    - This is a huge benefit to the producer, who is freed from the cost and risk of storing large amounts of finished goods.
3. **Financing:**
    - The outlet *pays the producer* for the goods, often upfront.
    - This provides the producer with the cash flow they need to pay their staff and buy more raw materials.
4. **Market Feedback (Information):**
    - The outlet is on the "front line." They know what customers are buying, what they are complaining about, and what competitors are doing.
    - They can provide this *vital market information* back to the producer, who can then adapt their product. (e.g., "Customers are complaining your new packaging is hard to open," or "Everyone is asking for a 'sugar-free' version").

EVALUATION (WEEK 4)

1. What is a "supply chain"?
2. What is the main role of a "middleman" or "intermediary"?
3. Explain the function of "Breaking Bulk."

4. List two ways an outlet helps the *consumer* and two ways it helps the *producer*.
5. What is "market feedback," and why is it valuable to a producer?

ASSIGNMENT (WEEK 4)

1. Choose a simple, everyday product (e.g., a bar of soap, a bottle of Fanta, or a loaf of bread).
2. Draw a diagram showing the likely "supply chain" for this product, starting from the raw materials and ending with you, the consumer.
3. Label each "middleman" (e.g., wholesaler, retailer) in the chain.

WEEK 5: SELLING AND BARGAINING SKILLS

5.1 MEANING OF SELLING AND BARGAINING SKILLS

- **Selling:** This is the *art of persuasion*. It is the process of helping a potential customer understand how your product or service provides a *benefit* and *solves their problem*, thereby motivating them to make a purchase.
- **Bargaining:** This is the *art of negotiation*. It is a discussion between a buyer and a seller to find a "mutually agreeable" price. This is a common and expected practice in many informal markets (like Balogun Market), but is *not* practiced in formal retail outlets (like Shoprite).

5.2 VARIOUS SALES TECHNIQUES (THE AIDA MODEL)

A successful salesperson (even in a small shop) instinctively follows a 4-step process known as **AIDA**.

1. **A - ATTENTION:**
   - **Goal:** Get the customer's attention.
   - **Techniques:**
     - A polite, warm greeting ("Welcome! What can I help you find today?").
     - A clean, attractive shop.
     - A good window display.
     - (In a market) A respectful call-out ("My sister, come and see these fine shoes!").
2. **I - INTEREST:**
   - **Goal:** Keep their attention by finding out *what they need*.
   - **Techniques:**
     - **Ask "Open" Questions:** (Questions that *cannot* be answered with "yes/no").
       - *Bad Question:* "Are you looking for a phone?"
       - *Good Question:* "What kind of phone are you looking for today? What features are most important to you?"

        - **Active Listening:** Listen to their answer.
3. **D - DESIRE:**
    - **Goal:** Turn their "interest" into a "want."
    - **Techniques:**
        - **Sell Benefits, Not Features:**
            - *Feature (Bad):* "This phone has an 8-core processor." (So what?)
            - *Benefit (Good):* "This phone is so fast, it will *never* hang when you are playing games or on a video call."
        - **Demonstration:** Let the customer *hold* the product. ("Feel how light this fabric is," "See how sharp the camera is.")
        - **Social Proof:** "This is our most popular model; all the students are buying this one."
4. **A - ACTION:**
    - **Goal:** Close the sale (get the money).
    - **Techniques:**
        - **"Trial Close":** "Would you prefer this in black or red?" (Assumes they are buying).
        - **Create Urgency (Ethically):** "The special price for this ends today."
        - **Make it Easy:** "We accept POS, cash, and transfer."

5.3 VARIOUS BARGAINING (NEGOTIATION) TECHNIQUES

This is a "game" that requires skill on both sides.

- **Know Your Price:** The seller *must* know their **Cost Price** (the price they paid) and their **"Walk-Away" Price** (the absolute lowest they will accept). The buyer should also have a maximum price in mind.
- **Build Rapport:** Be polite, friendly, and respectful. Don't be aggressive. A friendly seller gets a better price.
- **The "Anchor":** The first price mentioned is the "anchor."
    - The seller sets a *high* "anchor price" (e.g., N10,000).
    - The buyer sets a *low* "anchor price" (e.g., "I will pay N5,000").

    - The final price will likely be somewhere in the middle.
- **Silence:** After you make an offer, be silent. The first person to speak often loses.
- **The "Flinch":** React with mild "shock" to the first offer (e.g., "Ah! N10,000 for this small thing!").
- **The "Bundle":** If the seller won't drop the price, ask them to "add value." (e.g., "Okay, I will pay N8,000, but you must throw in this pair of socks for free.").
- **The "Walk-Away":** Politely thanking the seller and walking away. This is a high-risk tactic, but often the seller will call you back with a final, better offer.

EVALUATION (WEEK 5)

1. Differentiate between "Selling" and "Bargaining."
2. What do the letters in the AIDA model stand for?
3. Explain the difference between a "Feature" and a "Benefit."
4. What is the "Anchor" in a bargaining discussion?
5. What is the "Bundle" technique in bargaining?

ASSIGNMENT (WEEK 5)

1. You are trying to sell a new (imaginary) laptop to a university student.
2. The laptop has "16GB of RAM" (a feature).
3. Write one sentence explaining the **benefit** of this feature to the student.
4. Write a short, 8-line dialogue script of a *good* bargaining session between a customer and a market trader for a pair of jeans, where the final price is N6,500.

WEEK 6: FUND MANAGEMENT

6.1 MEANING OF FUND MANAGEMENT

Fund Management (or Financial Management) is the process of planning, organizing, directing, and controlling a business's financial resources (its *funds* or *money*).

The primary goal is to ensure the business is **profitable** (makes more than it spends) and **liquid** (has enough cash on hand to pay its bills *on time*).

Key Activities in Fund Management:

1. **Budgeting:** (Planning) Creating a forecast of all expected income and expenses.
2. **Bookkeeping:** (Controlling) Accurately recording *every* transaction (every sale, every purchase).
3. **Cash Flow Management:** (Controlling) This is the *most important* short-term skill. It is managing the *timing* of cash. You must ensure you have cash to pay salaries on the 30th, even if your biggest customer only pays you on the 1st.
4. **Financial Reporting:** (Analyzing) Creating a "Profit and Loss" statement to see if you are *actually* making money.
5. **Investment:** Deciding what to do with the profit (e.g., re-invest it to open a new branch, save it).

6.2 ROLES OF TECHNOLOGY IN FUND MANAGEMENT

Technology has revolutionized fund management, making it cheaper, faster, and more accurate for small businesses.

1. **POS (POINT OF SALE) SYSTEMS:**
    - **What they are:** Modern cash registers (e.g., the terminals from OPay, Moniepoint, Palmpay, or software on a tablet).
    - **Role 1 (Accepting Payments):** This is the most obvious role. They allow a small shop to *securely accept* card payments (Naira/dollar cards) and bank transfers, which is essential as fewer people carry cash.

- **Role 2 (Automatic Bookkeeping):** This is the *most powerful* role. The POS *records every single sale*. At the end of the day, you can print a report: "You sold 50 Cokes, 30 meat pies, and 12 bags of rice. Total Sales: N85,000." This eliminates guesswork and theft.
- **Role 3 (Inventory Management):** The POS can be linked to your stock. When you sell 1 Coke, it automatically subtracts 1 from your inventory. It can even alert you: "You only have 10 Cokes left. Time to re-order."

2. **ACCOUNTING SOFTWARE:**
    - **What it is:** Software (like QuickBooks, Wave (free), or Sage) that replaces the old, dusty paper "ledger" book.
    - **Role 1 (Financial Reports):** You enter all your expenses (rent, salaries, feed) and connect it to your POS (sales). The software *automatically* calculates your **Profit and Loss Statement** and "Balance Sheet."
    - **Role 2 (Taxation):** It makes paying taxes easier by having all your records in one place.
    - **Role 3 (Invoicing):** Allows you to create and send professional invoices (bills) to corporate clients.
3. **MOBILE BANKING & FINTECH APPS:**
    - **What they are:** Your bank's mobile app, or apps like PiggyVest.
    - **Role 1 (Cash Flow Management):** Allows you to pay suppliers, staff salaries, and check your balance instantly from your phone, 24/7.
    - **Role 2 (Savings/Investment):** Apps allow you to easily move your profits into a separate "savings" or "treasury" account to earn interest, so your money is always working for you.

EVALUATION (WEEK 6)

1. Define "Fund Management." What are its two main goals?
2. What is "Cash Flow Management," and why is it important?
3. List the three (3) main roles of a POS system.
4. What is the main advantage of using Accounting Software over a paper ledger?
5. How do mobile banking apps help a business owner manage their funds?

ASSIGNMENT (WEEK 6)

1. Imagine you run a small cafeteria. You use a simple cash box (a drawer) to hold money.
2. Your business partner wants to invest in a POS terminal (like OPay/Moniepoint).
3. Write a one-page "memo" to your partner explaining *why* the POS is a good investment. Focus on the benefits *beyond* just "collecting card payments."

WEEK 7: MIDTERM BREAK

This week is for the midterm break. No new lesson notes.

WEEKS 8–11: REVISION

8.1 INTRODUCTION

This period is for a comprehensive review of all topics covered in the Second Term. The theme of this term was **"Starting and Managing a Marketing Enterprise."**

8.2 SUMMARY OF KEY CONCEPTS

- **Week 1: E-Marketing:**
    - **Definition:** Using digital channels (web, social media, email, mobile) to market products.
    - **Pros:** Global reach, low cost, 24/7, measurable (analytics).
    - **Cons:** High competition, security risks, negative feedback, "digital divide."
    - **Ethics:** No Spam, protect data, be truthful, no copyright infringement.
- **Week 2: Funding the Outlet:**
    - **Outlet:** A physical (shop, kiosk) or virtual (website) point of sale.
    - **Sources of Funds:** Personal Savings, Friends/Family, Bank Loans (Debt), Cooperatives, Government (BOI), Investors (Equity).
    - **Debt vs. Equity:** Debt (loans) must be repaid but you keep ownership. Equity (investors) is not repaid, but you lose ownership.
- **Week 3: Location and Setup:**
    - **Location Factors:** Proximity to Target Market, Visibility, Accessibility, Cost (Rent), Competition (Saturation).
    - **Setup Steps:** Idea → Business Plan →Funding → Legal (CAC) → Location →Fit-out -> Staffing → Sourcing Stock.
    - **Management Steps:** Marketing → Daily Ops → Fund Mgt →Inventory Mgt → Review & Adapt.
- **Week 4: Role of Outlets (Supply Chain):**
    - **Outlets = Middlemen.**
    - **Value to Consumer:** Provides *Assortment* (variety), *Breaks Bulk* (sells single units), *Location* (convenience).

    - **Value to Producer:** Provides *Market Access* (salesforce), *Storage* (holds inventory), *Financing* (pays them), *Feedback* (market data).
- **Week 5: Selling and Bargaining:**
    - **Selling:** Persuasion. **AIDA Model** (Attention, Interest, Desire, Action).
    - **Selling "Benefits, Not Features."**
    - **Bargaining:** Negotiation (common in informal markets). Key techniques: Anchor Price, Build Rapport, Bundle, Walk-Away.
- **Week 6: Fund Management:**
    - **Definition:** Managing money for Profit and Liquidity (Cash Flow).
    - **Technology is Key:**
        - **POS:** Accepts payments, tracks sales, manages inventory.
        - **Accounting Software:** Automates bookkeeping, calculates Profit/Loss.
        - **Mobile Banking:** Easy payments, 24/7 access.

8.3 SSCE PRACTICE QUESTIONS

1. (a) What is E-Marketing? (b) State three of its advantages and two of its disadvantages.
2. (a) What is a "marketing outlet"? (b) List and explain three factors to consider when choosing a location for a new retail outlet.
3. Explain the four (4) roles of a retailer (as an intermediary) in the channel of distribution.
4. (a) What is the "AIDA" model in selling? (b) Explain the difference between a "feature" and a "benefit" of a product.
5. (a) Define Fund Management. (b) Explain three ways technology (like POS systems) has made fund management easier for small businesses.
6. Differentiate between (a) "Debt Financing" and "Equity Financing" and (b) "Spam" and "Email Marketing."

(Weeks 8-11 are for continuous review, practice, and preparation for the final examination).