

The Role of Communication Mix Technologies in Border Trade Zones: A Case Study in Baneh, Kurdistan

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Abstract

In this research, we have studied the role of communication mix technologies in Baneh's trade zone. The population under study is the people that have buyers to Baneh's trade zone to shop, and the sample size is determined using the normalized ratio formula, and 90 people are selected using the simple random method. To perform this research, a questionnaire has been used for gathering the data, which has been finalized using the Delphy technique and advice of experts. The validity of the questionnaire has been confirmed based on content, and its reliability is confirmed by calculating the Cronbach's Alpha multiplier and the 0.87 amount. The SPSS software and the Test of Normality and Friedman test were used for analyzing the data. The results indicated that, based on the averages obtained from the Friedman test, the highest effect on the customers, among the communication mix technologies is ordered as follows: in-person display of region in form of tour, social media (facebook, blog, telegram, viber, ...) , internet , provide useful information about region, and loyalty reward for returning customers.

Keywords: Communication Mix, Personal Sales, Public Relations, Commercial and Non-commercial Advertising, Sales Promotion, Direct Marketing, Baneh Trade Zone

Introduction

Nowadays, in marketing, we are forced to do more than offering a good product, setting the right price, and delivering the product to the target customers. Companies need to communicate with the customers, and work based on a plan. Part of the success or failure of many organizations and companies is tied to their communication mix, or promotion activities. As such, we have witnessed an increased budget by the organizations and companies in this area, and tending to communication mixtures has become a habit for trade and service institutions, without considering the effect of each one of the mixtures. And every year, money is spent on this subject, which if the effectiveness of each mixture is not considered, will result in a lot of losses. And, usually selecting a combination of these mixtures is done without the necessary evaluations (Kotler and Armstrong, 2008). One of the important tasks in marketing management is selecting the most effective communication mix combination. From an effectiveness view, communication mixtures are different, and each one has unique features that will be the determining factor for their selection (De Pelsmacker , Geuens , & van Den Bergh, 2013). A company should deliberately and carefully combine the communication tools in a way that creates an elegant combination of communication mix elements, a combination which will enable achieving the communication and marketing goals (Rezvani and Hosseini, 2010). Baneh's trade zone is no different, and based on the expansion of Baneh's market, and people's reception from across Iran, the "Baneh Market"'s transition from an unofficial economy to an official economy period, was inevitable. Baneh market has highly prospered due to its functions and special place in business transactions, the ability to provide various and cheap products, and rare reception from the people of our country (Haji Nejad and Ali Ahmadi, 2008). Considering the existence of similar markets in the country and the competition for attracting customers, it is necessary to create an environment for better conditions and status for this trade zone in the future,

by performing research and considerations in the field of marketing in general and communication mix in specific. The purpose of the current research is to study the role of technologies and tools of Marketing Communication Mix in attracting shoppers and customers of the Baneh's Trade Zone.

Review of Literature

By considering multiple factors, such as market competition, product features and organization, target customer features, etc, managers of current organizations attempt to prepare a specific combination of communication methods, which includes advertising, sales promotion, public relations, personal sales, and direct marketing. A company should deliberately and carefully combine communication mix technologies, so that it could create an elegant combination of these mixtures (Rousta, Venus, and Ibrahim, 2010). Modern marketing requires doing more than offering a good product, setting the right price, and delivering the product to the target customers. Companies need to communicate with the customers, and work based on a plan (Kotler and Armstrong, 2008). The most important marketing communication mixtures include personal sales, public relations, advertising (commercial and non-commercial), sales promotion, and direct marketing (Rousta, Venus, and Ibrahim, 2010).

Personal sales

Personal sales consist of creating the desired relation with the customer, and providing the information about the product, service, idea, or similar stuff to the customer to convince them for a purchase (Glazer and Weiss, 1993). In-person sales is a mutual relation, which creates a personal relation between the seller and the customer (Kotler and Armstrong, 2008). Main tools for in-person sales are related to the personal skills of the sellers and sales factors in stabilizing and improving the company's status in the market (Blech and Blech, 2001). The personal behaviour and character, job features, and the seller's skills in presenting a particular product is called the personal sales tools, which can be in form of in-person sales, or phone sales (Kotler and Armstrong, 2006).

Public Relations

This mixture is a non-personal promotion of demand for a product, service, or business unit, via inserting important and positive business news in media, without paying the relevant company any money, and includes creating desirable relation with different populations that deal with the company (Moriarty, 2001). Public relations mean creating a proper relation with different types of customers using proper advertising and creating a nice image in their minds (Kotler and Armstrong, 2008). Public relations is usually used for promoting products, people, places, ideas, activities, organizations, and even countries (Rousta, Venus, and Ibrahim, 2010). Public relations has a great power for creating awareness and preference in customers, and requires selecting public relation messages, a tool for transmitting messages, executing the public relations plan, and evaluating its results (Kotler and Armstrong, 2006).

Advertising (commercial, and non-commercial)

Advertising means sending a message, informing a matter to others, or display a subject as good or bad, and includes visual and verbal messages, which are transmitted for promoting an idea or product from a source using an advertising channel to the whole population, and if it is paid for, It is commercial advertising. Non-commercial advertising refers to a group of advertising that is done by people and organizations and even the government, for free, and its biggest goal is to public education and training for using or not using a product or service. Advertisement is a great tool to inform, encourage, persuade, and convince shoppers to buy the products created by a company (Ryans and Ratz, 1987). Nowadays, great and popular companies in developed countries allocate a large percent of their sales to advertising (Rousta, Venus, and Ibrahim, 2010). When creating an

advertising plan, the goal of advertising is the first step. The goal of advertising is to describe the services that we are providing, encourage customers to buy, and keeping the memory of the product alive in the mind of the customer . Advertising has a more known position compared to other elements of product placing, because it is from advertising that customers learn about new products (Moriarty, 2001). Furthermore, advertisement minimizes the barriers between the customers and the institution, and minimizes their distance (Blech and Blech, 2001).

Sales promotion

This consists of a set of various different stimulator tools, and usually short-tem, that is meant to drive customers or business shoppers to buy faster or more products or services (Gupta, 1988). The goals of sales drive is determined based on the goals of marketing, and will be variable based on the target market. Sales promotion creates more incentives for the sales force, distributors, and final customers (Blech and Blech, 2001) .

Direct Marketing

Direct marketing is the direct relations that the company creates with each target customer, to understand their instant reactions (Kotler and Armstrong, 2008). Direct marketing allows a marketer to get more direct answers from the customer, better aim the target market, and sell the product without going through the long and wide and expensive process of traditional channels (Wilkinson and Timothy, 2007). Direct marketing tries to attract and keep customers by creating a direct and unmediated relation with the customers. This method, unlike other methods of communication, requires the customer's immediate response, thus, the effectiveness of direct marketing activities can be measured quantitatively. In other words, it is a mutual marketing that, using one or more marketing medias, provides a means for a measurable reaction or transaction in place (Peter,1999). Communication mixtures have been identified based on their tools of use in Table 1.

Table 1: The study of Communication mixtures

Personal Sales	Public Relations	Advertising (commercial and non-commercial)	Sales Promotion	Direct Marketing
<ul style="list-style-type: none"> - negotiation and meeting - in-person display of product - provide useful information about region - in-person display of region in form of tour 	<ul style="list-style-type: none"> - lecture and introducing trade zone - publish book about region - government support for the region - connecting with group media - utility organizations and charity work - make use of events 	<ul style="list-style-type: none"> - using media (radio, newspaper, and magazines) - using catalogs, brochure, and booklet - using billboard, and ads on vehicles - participate in exhibitions - using movies through CDs and video tapes 	<ul style="list-style-type: none"> - discounted sales - using coupons - using promotional gifts, such as journals, calendars, or pictures of region - loyalty reward for returning customers - using lottery and contest, and giving prizes - using the credit system with low interest or periodic payment 	<ul style="list-style-type: none"> - television media - direct mail - electronic catalog - fax and telephone - internet - social media (facebook, blog, telegram, viber, ...)

Baneh Trade Zone

Baneh is located at 270 km north-west of Sanandaj, capital of Kurdistan province. Baneh city has 120 km common border with Iraq, and its west neighbor is Iraq's Solyemanieh. Business and border trades of the city were limited until the end of 60s and more similar to what is known as suitcase trade. But in the beginning of 70s, and specially with the creation of the Seyran Band border marker in 1373, 21 km from Baneh, business trades in the city increased significantly, so much that it was able to receive the top award in export. But, after a few years of activity, the Seyran Band market lost its popularity, and on the hand, unofficial business activities heavily expanded from a decade earlier.

The market's products are mainly imported products from China, Thailand, Malaysia, Korea, Japan, Turkey, and in smaller scales, from other European and north American countries, which are imported from Dubai and Turkey into Iraq, and reach Baneh from there. Therefore, products are all presented in a centralized area with a 500 meter radius from the center of Baneh city, in the form of business complexes and passages, and quoted by Baneh's mayor, more than 40 business complexes and passages exist in Baneh, and 5 new complexes are being built, which contain more than 4 thousand stores in total. The statistics of sellers with permit is also a good indicator of the size of the unofficial economics in Baneh. Baneh mayor also said, there are 27 thousand sellers and merchants (member of the syndicate) and store-owners in more than 20 thousand store active in the city, from which only 4,300 have valid and active permits. The whole conditions and functions of Baneh market have resulted in more travelers, shoppers, and tourists to travel from across the country to Baneh for shopping (Ahad Roshti and Motamedi, 2012).

But, we can mention the following articles about studies in the field of communication mix, based on our research and review:

- Determining the appropriate promotion methods for dairy products by using multi-criteria decision method by Samadi (2008), who mentioned that modern marketing is more than just good products, reasonable pricing and ease of access to consumer goods .

- Modeling of Promotion with a fuzzy logic approach (case studies of vehicle battery industry) is another study by Rezvani(2010), who determined the value and contribution of each variable in the mix appropriate promotion strategy and marketing purposes. He stated that the traditional marketing promotional mix is usually designed with more attention to the advertising element, such that in addition to the limited development of the other elements of the promotional mix, their integrity was also neglected.

- Among other researches in the field is the identification and promotional tools of propaganda for the Iranian hand-woven carpets in local markets. Among the promotional tools, he considered professional journals, newspapers and the TV as effective tools in the promotion which, in the right time and place, and with the right quality, covers more of the target population.

- In another study entitled as prioritizing the promotional mix methods in the campus food industry with a hierarchical technique, have acknowledged that the order of priorities is sales promotion , public relations, personal advertising , marketing, direct and personal selling (Rahmani and Matlabi Seraji, 2011)

Methodology

This research in terms of purpose, usage and the method of collecting information is a cross-survey.

The population: The population in this study, are buyers and customers who came from different cities to Baneh.

Sample size and sampling method: To determine the sample size, we used the modified relation and the sample size of the study population was 90 clients and the same number of simple random questionnaires were distributed among them.

Methods and tools for data collection: In this study, a questionnaire was used which was designed by the researcher, and finalized using the Delphi technique by experts in the field, and the Likert scale model was followed and the library study method was used to collect the results of previous research.

Validity and reliability: The validity of the questionnaire was confirmed by a number of experts and specialists in this field. Cronbach's alpha was used for reliability of methods that achieved 0.87 and indicates the reliability of the questionnaire.

Data analysis method

Data analysis is performed by using SPSS software. In the descriptive statistics, mean descriptive indicators and standard deviation were used, and in inferential statistics, Friedman test was used to determine the role of information compounds in the business district. A summary results of demographic data analysis based on descriptive statistics are shown in Table 2.

Table 2: Results of demographic data of respondents

	Variable	Frequency of Respondents	Percentage
Gender	Men	64	71
	Women	26	29
Age	25-15	13	14
	35- 26	34	38
	45-36	27	30
	55-46	14	16
	55 or more	2	2
Education	High School	12	13
	Diploma	19	21
	Associate Degree	9	1
	B.A	38	42
	M.A or more	12	13

Results of inferential statistics

Summary results of statistics analysis based from Friedman test are shown in Table 3 With regard to the statistics analysis of results from Friedman test for each of the communication mix technologies in the table 3 , the ranks of each role on communications mix technologies on attracting customers to the business district of Baneh are shown in Table 4.

Table 3: The ranks of each role on communications mix

Marketing communication mix	Rating (order by role)
Personal sales	1
Direct marketing	2
Sales promotion	3
Advertising (Commercial and non-commercial)	4
Public relations	5

Also ,with regard to the mean comparison of results from a mix of communication tools, the mean rank of each roles on attracting customers to the business district of Baneh are shown in Table 4.

Table 4: The ranks of each role on communication tools

Ranks				
Communication mix technologies		Mean rank	Rating (order by role)	Mean rank
T1	using media (radio, newspaper, and magazines)	13.63	T9	20.21
T2	using catalogs, brochure, and booklet	11.77	T27	20.04
T3	using billboard, and ads on vehicles	12.38	T26	19.34
T4	participate in exhibitions	12.34	T8	18.68
T5	using movies through CDs and video tapes	12.40	T13	18.21
T6	negotiation and meeting	17.12	T7	17.79
T7	In-person display of product	17.79	T10	17.63
T8	provide useful information about region	18.68	T22	17.59
T9	in-person display of region in form of tour	20.21	T6	17.12
T10	discounted sales	17.63	T18	15.96
T11	using coupons	7.58	T23	15.34
T12	using promotional gifts, or pictures of region	12.21	T16	14.95
T13	loyalty reward for returning customers	18.21	T1	13.63
T14	using lottery and contest, and giving prizes	12.69	T19	12.92
T15	using the credit system with low interest or periodic payment	12.61	T14	12.69
T16	lecture and introducing trade zone	14.95	T15	12.61
T17	publish book about region	8.78	T5	12.40
T18	government support for the region	15.96	T3	12.38
T19	connecting with group media	12.92	T4	12.34
T20	utility organizations and charity work	10.69	T12	12.21
T21	make use of events	7.37	T2	11.77
T22	television media	17.59	T20	10.69
T23	direct mail	15.34	T25	10.65
T24	electronic catalog	7.33	T17	8.78
T25	fax and telephone	10.65	T11	7.58
T26	Internet	19.34	T21	7.37
T27	social media (facebook, blog, telegram, viber, ...)	20.04	T24	7.33

Conclusion

Based on the findings of the study, we found that the communications mix is not used completely or have a low importance in the commercial area of Baneh. Among the communications mix technologies, is ordered as follows: in-person display of region in form of tour , social media (facebook, blog, telegram, viber, ...) , internet , provide useful information about region , loyalty reward for returning customers, etc have a role in attracting customers to buy from the commercial area of Baneh and the roles of electronic catalog , make use of events , using coupons , publish book about region was weak; however, one should not ignore some of these instruments that do not have an important role. In fact, we can say some of the tools of communications mix in the commercial area of Baneh are absent or if there are, have no or very weak and not significant role. maybe the major reason for such a situation is absence of a central institution or organization to undertake and coordinate merchants and businessmen to adopt and use these tools. If such things happen in the business district of Baneh, its impact would be greater. As Baneh traders does not seems to get the

idea, but now by these means, as a path, they can achieve their own goals. For make a better situation and using the communication mix, the following recommendations are raised:

- Creating or establishing an organization or institution by traders and merchants and service centers and doing activities with the purpose of attracting more buyers into the market.
- Providing a good picture of Baneh commercial for people around the country, for example, by the support of a charity, a newspaper or ... or by a sports event worthy of the name of Baneh and its introduction to the public, to make a stronger role for it.
- Emphasizing on tourism business, which should provide the necessary conditions for it, means the region should have the tourist attractions so people travel to this area. Both state and private institutions and people together can do things. For example, creating a landmark for the city in the mountains overlooking the city and making service centers, hotel, resort etc
- Like the other domestic and foreign markets, using monthly and quarterly draw, for example, assigning a vehicle to draw among buyers.
- Distributing attractive color posters as well as booklets for free, which their copies often exceed ten thousand and make people familiar with brand commercial and shopping area as well as quality and where to buy goods.

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