

Seed Enterprise Management Institute

**PROMOTIONAL STRATEGIES;  
ENHANCING COMPETITIVENESS**

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**SEMIs UoN**

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University of Nairobi

# PROMOTION DECISIONS

- ▶ Any form of communication used to inform, persuade, and engage customers about an organization's goods, services, image or ideas

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# Promotional mix variables

Promotion mix variables include

- ▶ Advertising
- ▶ Sales promotion
- ▶ Personal selling
- ▶ Publicity
- ▶ Public relations
- ▶ Direct marketing (online marketing)

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- ▶ **Advertising**

- ▶ One of the oldest forms of communication with records going back to Roman, Greek and biblical days.

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- ▶ It is a paid, non-personal presentation and promotion of ideas, goods and services by an identified sponsor.

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▶ Why advertise ?



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# Advantages of Advertising

- ▶ Attracts a large and geographically dispersed market
- ▶ Low cost per customer or listener
- ▶ Uniform message is delivered to all people
- ▶ Sponsor has control over message content, graphics, and timing


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# Decisions in Advertising


1. Setting advertising objectives
2. Setting the advertising budget
3. Developing advertising strategy (message decisions and media decisions)
4. Evaluating advertising campaigns

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- ▶ Before an advertising message can be communicated effectively, carry out some research and find answers to the following
  - ▶ What are the product's selling points?
  - ▶ What kind of people will buy it?
  - ▶ What kind of media will reach the market most effectively?

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## Sales Promotion

- ▶ seeks to achieve given objectives by adding extrinsic tangible value to a product or service.

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- ▶ involves communicating with an audience through various non-personal, non media vehicles such as free samples, gifts, games, concerts, tradeshows, trading stamps, signs and displays, sweepstakes are also part of sales promotion.

## Advantage

- ▶ Can provoke immediate and repeat buying, to the exclusion of rival brands.

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## Examples of sales promotion

- ▶ **Games and competitions.** Company arranges for games in which winners are rewarded, or they win specific items


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- ▶ **Free gifts.** The gift may be attached to the product, as a pair of socks with a ruler tied onto them

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- ▶ **Rebate schemes.** refund of cash to consumer who have bought a certain product on production of coupon (receipt) which specified that the item is on offer.

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- ▶ **Demonstration, free samples.** For customers to see, seeing is believing



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In developing the sales promotion programme, It is important to clearly establish such items as

- ▶ Size of the incentive- provide a realistic incentive that will not eat too much into the sales returns;
- ▶ Conditions of participation- specify who should participate.. Are company employees allowed?

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- ▶ **The duration of the promotion** – it should not be too long or too short. Slogans like ‘ buy now while stock last are common ;
  - ▶ **timing** – decide when the promotion should be done. Improper timing can be very bad

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## Personal Selling

- ▶ An oral presentation in a conversation between one or more prospective buyers.
- ▶ involves communicating directly with an audience through paid personnel of the organization or its agents (sales people).




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- ▶ may include door to door selling where sales people move from door to door selling goods

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- ▶ Effective personal selling depends on how well the sales force is managed.

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Company should therefore deal with

- ▶ Recruitment and Selection -- Of the sales force personnel
- ▶ Motivation-- Of the sales force personnel

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- ▶ Compensation-- Of the sales force personnel
  - ▶ Training and development.. Of the sales force personnel

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▶ **Publicity and Public Relations**

- ▶ Publicity is the non-personal stimulation of demand for a good or service by placing commercially significant news about it in a published medium, or by making a presentation on television.
- ▶ Not paid for by an identified sponsor.


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- ▶ reaches a mass audience, and within a short time new products or company policies are widely known.
  - ▶ Enhances credibility about message because they are reported in independent media

## Limitations

- ▶ the firm has little control over messages, their timings, their placement or coverage
- ▶ the firm may not be able to plan publicity in advance because new worthy happenings take place quickly.

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- ▶ PR is a continuous process, unlike advertising which may be seasonal.
  - ▶ It goes on and on whether we like it or not, and every one in my organization is involved in public relation and is affected by it.

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- ▶ The strength of public relations is its role in creating understanding.
  - ▶ It is very crucial in converting negative image to positive image:

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- ▶ Hostility to Sympathy : Why are customers hostile to us?
  - ▶ Prejudice to Acceptance:  
Customers are very bitter with us, may be because of our past bad record..But we have since changed, yet they still hate us!

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# What are they saying ?





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