MARKETING PROMOTIONAL STRATEGIES:

• ENHANCING COMPETITIVENESS IN THE MARKET PLACE

BY

Dr Raymond Musyoka
Communication defined

...a **transactional** process

between two or more **parties**

whereby meaning is **exchanged**

through intentional use of **symbols**
COMPREHENSIVE COMMUNICATION MODEL

Pretests to Ensure Message Will be Received
Posttests to Ensure Message Was Received
Marketing Communication Defined

...process of persuading consumers to accept the firm’s offer.
Advertising
Plant demonstration
Integrated Marketing Communications

- It’s the controlled integrated program of communication methods and materials

- Designed to present the organization and its products
- To the prospective customers,
- To communicate need-satisfying attributes of products to facilitate sales and thus contribute to long-run profit performance (Kinner, Warshaw & Engel, 1998)
TOOLS OF PROMOTIONAL STRATEGIES

- Advertising
- Sales Promotion
- Sales-force
- Direct Marketing
- Publicity and Public Relations
- Sponsorship

- Exhibitions
- Corporate Identity
- Packaging
- Merchandising
- Word-of-Mouth
- The Internet and others – price etc
Advertising Strategy

Definition:

• Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
What is An advertising objective?

• ...is a specific **comm’tion task** and achievement level to be accomplished with a specific audience in a specific period of time.

E.g. Bidco’s one advertising objective could be “to gain number one market share in cooking oils in Africa in the next 10 years”.
DEVELOPING AND MAINTAINING AN ADVERTISING PROGRAMME
MAJOR DECISIONS IN DEVELOPING AN ADVERTISING PROGRAM
Starting point:

Marketer must **identify**

- **The Target market**
- **The Buyer motives**
MAJOR DECISIONS

1. Set Advertising Objectives
2. Decide on the amount the company will spend
3. Choose the Advertising Message
4. Decide on Media To Be Used

5. Decide on How To measure Results
PHASE ONE: SETTING ADVERTISING OBJECTIVES
What is An advertising objective?

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What To Consider:

- Current marketing situation - competitors
- Target market
- Brand positioning
- Marketing program - overall mktg strategy
- Product Life Cycle

After analysing the above mentioned issues the marketer must classify the objectives to pursue in the communication plan.
INFORMATIVE ADVERTISING

Purpose is to create **awareness** and **Knowledge**
PERSUASIVE ADVERTISING – Aims to create...

- LIKING
- PREFERENCE
- CONVICTION
REMINDER ADVERTISING

- Aims to stimulate repeat purchase

REINFORCEMENT ADVERTISING

- Aims to convince current purchasers that they made the right choice

(The car in front of you is always a Toyota)
PHASE: TWO
DECIDING ON THE
ADVERTISING BUDGET
Advertising investment builds up an intangible asset called Brand Equity.
FACTORS TO CONSIDER

- Stage In Product Life Cycle
- Market Share target
- Consumer Base
- Competition/Clutter
- Advertising Frequency
- Product Substitutability
PHASE :THREE:

DEVELOPING AN ADVERTISING MESSAGE
Advertising campaigns do vary in creativity

Employ art to develop

**Message Strategy** ie What The Ad Attempts To Convey About The Brand (Positioning An Ad)

**Creative Strategy** ie How The ad Expresses the Brand Claims
Steps in Ad strategy Dev’t:

1. Generation Of Message
2. Evaluation and selection Message
3. Execute Message
4. Review social responsibility Implications
1. Message Generation

**Schools of thought** for generating effective message:

- **Link-brand to single benefit**
  
  *(Action – the powerful pain killer)*

- **Base it on a worrying situation**
  
  *(Omo advert – no stain, no learning)*

- **Base it on competitor talk**
2. Message Evaluation And Selection

The advertiser should do **market research** to find out which **appeal** works best with his **target audience**.

Focus on **one core selling preposition**.

Rate it on:
- Desirability,
- Likeability
- Exclusiveness
3. Message execution

Message Impact depends on:
- How It Is Said
- What Is Said

Rational/Cognition
Emotional
Creativity/ use creative phrases
Style/ use celebrity
Format
Content
In message execution try to use memorable and attention getting words. (“sleep cheap at XYZ hotel”)

Choose appropriate tone for the ad ie either being positive/ humorous etc.
AD FORMAT USAGE

- color
- size
- Illustr’n

Ad (Impact & Cost)
Celebrity Endorsements As A Strategy

- To *draw attention* to a product or brand
- The celebrity should have
  - High Recognition,
  - High Positive Effect,
  - And High Appropriateness To The Product

- This, however, has consequences in case the celebrity failing to sign consecutive contracts or getting caught up in a scandal.
• **Note**

That Ads are more effective when they are **congruent with surroundings**.
Advertisers and their agencies must be make sure their “creative” advertising does not overstep social and legal norms.

Companies must avoid

- False or deceptive ads or make false claims, demonstrations
- Avoid bait and bite tricks. Eg adv low prices and when clients turn up you charge higher price
- Offending ethnic groups, racial minorities.

- It is advisable for the company to build ad campaigns on a platform of social responsibility.
PHASE: FOUR: DECIDING ON MEDIA
1. Decide on Desired Reach, Frequency, and Impact
2. Choose Among Major Media Types
3. Select Specific Media Vehicles
4. Decide on Media Timing
5. Decide on Geographical Media Allocation
1. Deciding On Reach, Frequency, And Impact

- Rate of **product trial** depends on brand **awareness** among other factors.
- Therefore, the aspect of **exposure** will be critical here.
- As a result, the effect of exposures on audience awareness depends on the exposures’ **reach, frequency and impact**.
Reach(R) the number of different persons or households exposed to a particular media schedule at least once during a specified time period.
Frequency (F)

- The number of **times** within the specified time period that an average person or household is exposed to the message.
Impact (I)

- The qualitative value of an exposure through a given medium eg Level of awareness, etc
2. CHOOSING AMONG MAJOR MEDIA TYPES

The media planner must be able to

• know the capacity of the major media types to deliver the required reach, frequency and impact.

• Consider their costs, advantages and disadvantages
Factors to consider

Target Audience:
- Teenagers prefer TV

Media Habit:
- Media types have different potential for demonstration, visualization, explanation, believability, and color.

Product Characteristics:
- Timeliness and information content do influence media choice/urgent/technical/etc.

Message characteristics:
- Cost

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Allocating A Budget To Specific Medium

• Given the abundance of media, the planner must decide how to allocate the budget to the major media types.

• In making choices, the planner has to rely on measurement services that provide estimates of audience size, composition, and media cost.
Audience size has several possible measures:

- **Circulation:** The number of physical units carrying the advertising.

- **Audience:** The number of people exposed to the vehicle. (If the vehicle has pass-on readership, then the audience is larger than circulation.)

- **Effective audience:** The number of people with target audience characteristics exposed to the vehicle.

- **Effective ad-exposed audience:** The number of people with target audience characteristics who actually saw the ad.
PHASE: FIVE: EVALUATING ADVERTISING EFFECTIVENESS

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**Note:**

- Most measurement of advertising **effectiveness** deals with campaigns.
- Most of the money is spent by agencies on **pretesting** and **evaluating** their effectiveness.
- A proposed campaign should be tested in one of the cities first and its impact evaluated before rolling it out nationally.
Measurement on communication effectiveness cover:

- Potential Effect On Awareness
- Knowledge, Or Preference
- Ad's Sales Effect
Copy testing... done before an ad is put into a media and after it is printed or broadcasted.
SALES-EFFECT RESEARCH

• Advertising's sales effect is generally **harder** to measure than its communication effect.
Reason:

Sales are influenced by many factors, *such as*

- Product's Features,
- Price,
- Availability,
- Competitors Actions.
• The **fewer** or **more controllable** these other factors are, the **easier** it is to measure effect on sales.

• The **sales impact** is easiest to measure in **direct-marketing situations** and hardest to measure in brand image-building advertising.
Researchers try to measure the sales impact through Historical data and Experimental data.
SALES PROMOTION

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Definition

Sales promotion consists of a set of tools mostly short term designed to stimulate quicker or greater purchase of particular products or services by consumers.
PURPOSE OF SALES PROMOTION

1. Incentives are used to attract new consumers especially brand switchers
2. To reward loyal customers and increase repurchase rates of occasional users
3. Small scale competitors use sales promotion to match market leaders with big budget.

4. Price competition is used on small brands to enlarge market share.

5. Enables manufactures to adjust to short run supply and demand.
6. Manufactures can test high list price they can charge since they can always discount it.

7. Promotes greater consumer awareness of prices.

8. Allow consumers to sell more than they would normally sell at list price.
9. Helps manufactures adapt programs for different consumer segments

10. Consumers can enjoy some satisfaction and take advantage of price specials or discounted prices.
MAJOR DECISIONS IN SALES PROMOTION

Establishing Objectives

• Consumer objectives
• Retailer objectives
• Sales force objectives
SELECTING CONSUMER PROMOTION TOOLS

Considerations

1. Type of market
2. Sales promotion objectives
3. Competitive conditions
4. Each tools cost effectiveness
MAJOR CONSUMER PROMOTION TOOLS

- Samples
- Cash refund or rebates
- Price pack
- Gifts
- Frequency programs
- Free Trials
- Product Warranties
Sales promotion is most effective when used with advertising. Many large companies have a sales-promotion manager whose job is to help brand managers choose the right promotional tool.
MAJOR TRADE-PROMOTION TOOLS

• Price-off
• Allowance
• Free goods
BUSINESS AND SALES FORCE PROMOTION TOOLS

- Trade shows and Conventions
- Sales contests
- Specialty Advertising
DEVELOPING THE PROGRAM

Factors marketers have to consider in deciding to use a particular incentive.
• The size of the incentive as a certain minimum is required for the promotion success.

• Establish conditions for participation for example the age groups for beer promotion.
• The duration of the promotion. The optimal frequency according to research is three weeks per quarter.

• The marketer must also choose the distribution vehicle.

• The manger must also establish the timing of the promotion.
• Using the above factors estimate the total sales-promotion budget. This includes administrative costs of printing, phone calls and mailing. Also the incentive premium costs.
After program development the following four processes should be done for the sales promotion to be effective upon implementation.
Pretesting

Pretests should be conducted to determine if the tools are appropriate, the incentive size optimal and the presentation method efficient.
Implementing

Planning must be done to cover both Lead time and sell in time.
Lead time - time necessary to prepare the program prior to launching it.
Sell in time - this begins with the promotional launch and ends when approximately 95% of the merchandise is in the hands of the consumers
Evaluating the program

- Sales data
- Consumer surveys
- Experiments
RISKS ASSOCIATED WITH SALES PROMOTION

1. Sales promotions have the tendency of not yielding new long-term buyers in mature markets. They tend to attract deal prone consumers who switch among brands as deals become available.
2. Loyal brand buyers tend not to change buying patterns as a result of competitive promotion.

3. When a brand is price promoted too often, the consumer begins to devalue it and buy it mainly when it goes on sale.
4. Sales promotion come with extra costs of special production runs, extra-sales force effort and handling requirement.

5. Certain promotions irritate retailers who may demand extra allowances or refuse to cooperate.
Sales promotion includes

- Consumer promotion
- Trade promotion
- Business and Sales force promotion
Factors contributing to rapid growth of sales promotion

• Internal factors
• External factors
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Personal selling

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Definition of Personal Selling

• ...as oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.
Strengths of Personal Selling

- Personal selling is present in all the three transaction phases:
  - pre-transactional,
  - transactional and
  - post-transactional.
- More flexible and adaptable
- Possibility of wasted effort is minimal
- Possible for salesman to detect loss of attention and interest
- Development of durable relationship
- Salesman acts as a marketing researcher
Limitations of Personal Selling

- Expensive:
  - Retaining
  - Training
- Difficult to recruit the right kind of salesmen:
  - potential
  - ability to sell
  - loyal.
- Lose of consumer loyalty:
  - build around a good salesman/ with retirement.
Conditions favoring Personal Selling

• **Market situation:**
  - Small market
  - Government market
  - Consumers concentrated in a small geographical area
  - Indirect channel of distribution is used.
• **Product situation:**
  - Introduction stage in PLC
  - High unit value
  - Require demonstration
  - Require personal attention to match specific consumer needs (e.g., insurance policy)
  - Require after-sales-services
  - Has poor brand loyalty.
• **Company situation:**
  - Can not afford consistent advertising and large advertising outlay

• **Consumer behavior:**
  - Complex buying behavior
  - Consumer require persuasion and Follow-up
Selling methods

• In order to sell its products a company may choose one or a combination of the following methods:

  - Selling at the Door-step
  - Selling Across the Counter
  - Tender Selling
  - Auction Selling
Process of Personal Selling

Irrespective of the kind of selling method chosen the selling process is composed of the following steps:

**Step 1: Prospecting:**
- Involves identification and locating buyers and developing their profiles
- Eliminates wasted calls.
Step: 2: Pre-approach:

- Prepares an effective background for making approach
- Involves understanding the buyers in terms of Needs,
  Personality traits and Behavior patterns.
Step: 3: Approach:

- Involves the use of methods seeking an access to the buyer
- Use any method stated above
Step 4: Demonstration Stage

✓ The salesman demonstrates need satisfying characteristics of the product

✓ Use AIDA Approach

- A = To gain consumer’s ATTENTION,
- I = Holds his/her INTEREST,
- D = Builds-up his/her DESIRE, and
- A = Ends up in purchase ACTION)
Step: 5: Handling Objections
- Arising during or as a result of demonstration
- Involves questions,
- seeking explanations.

Step: 6: Closing the Sale
- After answering the questions,
- ask for an order and
- negotiates, if need be.
Step: 7: Follow-up

• To ensure it is properly executed.
• To gather information from the consumer regarding product-use problems and the level of consumer satisfaction.
• It builds up goodwill,
• Ensures feedback and
• Encourages replacement
• Repeat purchases.
Designing the Sales Force

Sales Force Objectives (tasks to perform include:)
- Prospecting,
- Targeting,
- Communicating,
- Selling,
- Servicing,
- Information gathering, and
- Allocating
**Sales Force Strategy** - approach can be:
- sales rep to buyer,
- sales rep to buyer group,
- sales team to buyer group,
- conference selling or
- seminar selling.

• A company can utilize a
  - direct (company) or
  - contractual (outside) sales force
Sales Force Compensation - level and appropriate combination of components

- Fixed,
- Variable,
- Expense allowances, and
- Benefits.
Training Sales Representatives
- several goals:
  - to know and identify with the company,
  - to know the company's products,
  - to know the customers' and competitors' characteristics,
  - to know how to make effective sales presentations, and
  - to understand field procedures and responsibilities
Supervising Sales Representatives

- Developing Norms for Customer Calls
- Developing Norms for Prospect Calls
- Using Sales Time Efficiently
Motivating Sales Representatives

✔ The higher the salesperson's motivation, the greater his or her effort.

Sales quotas

Supplementary Motivators
• meetings,
• contests, etc.
Evaluating Sales Representatives

• **Sources of Information** –
  - sales reports
  - including activity plans and write-ups of activity reports

• **Formal Evaluation of Performance**
  - current-to-past sales comparisons,
  - customer-satisfaction evaluation,
  - qualitative evaluation
Negotiation Element

• In an exchange situation, on price and other terms are set via bargaining behavior, in which two or more parties negotiate long-term binding agreements.

• When to Negotiate – appropriate whenever a zone of agreement exists
Relationship Marketing

based on the premise that important accounts need focused and continuous attention.

• Main steps in establishing a relationship marketing program include:
  - Identify the key customers meriting relationship marketing,
  - Assign a skilled relationship manager to each key customer,
Develop a clear job description for relationship managers,

Appoint an overall manager to supervise the relationship managers,

Have relationship managers develop long-range goals and annual customer-relationship plans.

END
Public Relations & Sponsorship
Public Relations

**Definition - No. 1:**

- ...is the development of and maintenance of good relationships with different publics...

- Organization is dependent on.
A public is any group that has an actual or potential interest and impacts on a company’s ability to **achieve its objective**

**Publics include:**
- Employees
- Investors
- Suppliers
- Customers
- Distributors
- Legislators
- Pressure groups
- The Community
- The Media
- The Competition

**Note**
- They have different interests
Definition-No 2

• ...the **planned and sustained** effort to establish and maintain **goodwill and mutual understanding** between an organization and its publics’

(UK Institute of Public Relations)
Critical Observations:

...involves a variety of programs that are designed to **promote** or **protect** a company’s image or its individual product to the public.

**Marketing public relations** directly support **corporate** or **product** promotion and image making.
Critical Observations:

• management function which helps establish and maintain mutual lines of:
  • communication,
  • understanding,
  • acceptance and
  • cooperation between an organization and it’s publics’.

• includes activities directed towards cultivating a positive image for the company and / or its brands and then protecting and building equity behind this image.
Critical Observations:

- ...is one of the elements of product promotional mix. It is a tool used to communicate to the broader audience but not to directly sell a product.
- ...activities are normally public oriented and take various forms.
- ...has been extensively used to manage good and bad images worldwide and has created value in companies and destroyed it in others.
A wise company takes concrete steps to manage successful relations with its key publics.

1. PR monitor attitudes
   - ...monitor attitudes of an organizations publics
   - Then distribute information and communication to build goodwill.
2. Counter Bad Publicity

Marketing public relations involves the management of problems and issues to counter bad PR.

Eg The Royal Dutch Shell and the death of Ken Sarowiwa.

Dixie Chicks Go Nude to Protest Declining CD Sales

- on March 25, 2003, during a Dixie Chicks performance, Natalie Maines said, "Just so you know, we’re ashamed the president of the United States is from Texas."
- This sentence opened up a veritable shitstorm of protests.
- *There was a boycott of their music, and sales of their albums plummeted.*
- Sudden enthusiasm for the music on the part of liberal-minded “independent” music fans hardly compensated for their loss of market share in the truly vast and highly lucrative Country Music business.
• **TIGER Woods** has been divorced from his wife **Elin Nordegren**
• TIGER Woods has been alighted for the more **relationship with other ladies** except his wife Elin Nordegren.
• …burning issues in the recent past and these issues give a lot of troubles to the life of TIGER Woods
• … **impact on the game of the golfer.**
• …deteriorating family relationships Earl Woods Jr, the half brother of the golfer TIGER Woods has recently given a statement about his brother recent activities. In this statement, Earl Woods Jr, said that, TIGER Woods ignored his family and do not want to communicate with his family members. Earl Woods Jr also added that, he has not talked with TIGER Woods for near about 4 years. They talked last in their father’s death anniversary. Earl Woods Jr also added that, He called TIGER Woods several times and gave a lot of text messages to TIGER Woods. But in a true sense, TIGER Woods didn’t receive the call or called to Earl Woods Jr later or gave the response of the text messages to Earl Woods Jr. All the attempts of the Earl Woods Jr to contact with TIGER Woods were in vein.
• Wood’s ex-wife Elin Nordegren is engaged with a new **boyfriend.**
• **Locacal –kenyan case- wanjiru/ long distance runner/ but reconcilled on valentine day / 2011**
3. Informs management

Helps management to keep informed on and responsive to public opinion.

• Do adults in Kenya support laws that regulate the sales and consumption of alcoholic beverages?  
  
  MP, Hon, Mututho
4. Influencing specific groups

- Influence specific target groups - drug companies sponsor doctors conventions.
5. Awareness Creation

• Focus on a product and is modelled on creating hype around the product and influencing public awareness of such a product.

Local examples of marketing PR that focuses on the product brand:

• Dettol Heart Run - The Mater Dettol Heart Run is a run that raises money for a fund that helps children with cardiac problems to get the surgery that they need in order to ...
  Tusker Safari Sevens

• Standard Chartered Marathon

• Sameer Kenya Open

• Colgate Dental Action Month

• The Barclaycard Premier League.
6. Lobbying

- Lobbying through legislators and government officials to promote or defeat legislation or regulation that is bound to affect the organization’s product. E.g. The Donde Bill on interest rates.
7. Corporate Communication

- Public relations plays the role of corporate communication by promoting understanding of the organization through internal and external communications.

8. Manage press relations.
- This is presenting news and information about the organization and its product in the most positive light.
9. **Product publicity**

- Product publicity which will involve sponsoring efforts to publicize specific products.
10. Launching New Products
Marketing PR assist in the launching of new products – Standard Newspapers.

(How to Launch a New Product Using Public Relations
By Kristie Byrum,)
11. Counseling management

...by advising on public issues and company’s positions and image during good times and crises.
12. Repositioning Products
Assists to repositioning a mature products.
13. Deter the declining stage of the product

This may help deter the declining stage of the product – KCB rallies; Omo campaign to assist young girls who have been sexually abused

- Builds interest in a product category and especially to rebuild interest in declining commodities and expand consumption in such products e.g. amongst the Elite today there is a Hype of eating healthy foods and demand for products like cheese, eggs, milk and other products associated with heart diseases has declined – Kenya Dairy Board milk is good for you.
PR STRATEGIES:

- Have a **PR plan** that should be an integral part of the overall marketing programme.
- Provide information about company and its products.
- Develop case stories and case histories on product performance.
- Maintain an **open channel** of communication on industry developments.
- Build a one to one **relationship** with the consumer.
Turn satisfied customers into advocates. Customer databases and profiles can yield satisfied customers who can become role models and spokespeople for the product.

Influence the influencers. These must be people with one to one relationship with consumers. Create events that will call attention to all products and services.

Build marketplace excitement before media advertising breaks.

Build a core consumer base.
Both public relations and publicity aim to increase the public’s awareness of the firm’s products and its services, or to reinforce or change the firm’s image.

Publicity can be defined as news about specific products or companies that appear in the editorial part of the media, e.g. TV news stories. Technically, publicity is without cost to the firm, but this is only refers to the fact that you do not pay for the insertion of the publicity into the media. Cost is involved in preparation and distribution of these items.

The most common forms of publicity are:
- Press releases or news items;
- Photographs;
- Feature stories;
- News conferences;
- Visits to the company.
• PR covers **much broader** area that publicity, and indeed publicity is sometimes initiated elsewhere in the marketing department e.g. new products may receive publicity based on information prepared by the new product managers.
MAJOR TOOLS USED IN MPR

Publications:

- This is the use of published material to reach and influence target markets.
- E.g. annual reports, brochures, articles, calendars, company newsletters and magazines and audiovisual materials.
Events:
Arranging special events in order to draw attention of target public to new products and other company activities. E.g. fundraising for non profit organizations, news conferences, seminars, outings, exhibits, contests and competition.
<table>
<thead>
<tr>
<th>NO.</th>
<th>EVENT</th>
<th>DATE</th>
<th>DURATION</th>
<th>VENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Western Kenya Branch Show</td>
<td>June 23rd - 25th</td>
<td>3 Days</td>
<td>Kakamega</td>
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<tr>
<td>2.</td>
<td>Nakuru National Agricultural Show</td>
<td>July 7th - 10th</td>
<td>4 Days</td>
<td>Nakuru</td>
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<tr>
<td>3.</td>
<td>Southern Kenya Branch</td>
<td>July 14th – 16th</td>
<td>3 Days</td>
<td>Kisii</td>
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<tr>
<td>6.</td>
<td>Central Kenya National Show</td>
<td>Sept 14th – 17th</td>
<td>4 Days</td>
<td>Nyeri</td>
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<tr>
<td>8.</td>
<td>Nairobi International Trade Fair</td>
<td>Sept 26th – 2nd Oct</td>
<td>7 Days</td>
<td>Nairobi</td>
</tr>
<tr>
<td>10.</td>
<td>Kitale National Show</td>
<td>Nov 25th – 5th</td>
<td>4 Days</td>
<td>Kitale</td>
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Sponsorships

To promote brands and corporate name. *E.g. sports, cultural events and any other highly regarded causes.*
• **News:** Create favorable news about the company, its product and its people and get media to attend press releases and press conferences.

• **Speeches:** Chief executive should occasionally field questions from the media or give talks at trade associations or sales meetings to build company image.
Contributions:
Build goodwill by contributing money and time to good causes.

Identity media:
A company needs a media identity the public will recognize. E.g. logos, stationery, brochures, signs, business cards, uniform, dress code.
PR Agency:

• Use of a PR agency will allow firm to tap into the media contacts to capture an audience and control impressions you want to make about the firm and its products.

• Public spirited physical appearances for example on TV shows and radio programs, championing a certain course.
Direct contact with key decision makers in form of lobbying, seminar sponsorships and dinner / luncheons.

Releases of communication material through alternative media like email, internet, web pages and street banners.
TOOLS IN MARKETING PR

Publications
- Annual reports, brochures, articles, newsletters, magazines,

Events
- News conferences, seminars, trade shows, exhibitions, competitions, anniversaries
- Sponsoring sports, cultural events

Sponsorships
- Press releases, press conferences

News
- Trade associations talks, sales meetings, fielding media questions

Speeches
- Donations, clean up, environmental conservation

Social activities
- Company logos, stationery, signs, business cards, uniforms

Identity media
Misconception about public relations

• It is not advertising
• PR is not primarily oriented to specific products
• It is not part of the marketing mix
• It is not free
A firm needs a plan to handle a PR crisis and the following plan is a guide to handling a crisis

Steps

- **Define the real problem**, both in the short and long term. Call in an outside PR agency to act for the bank.
- **Centralise and control the flow of information** - establish one source for dissemination and receiving of information.
- **Isolate a crisis team**, who will take charge of the sole charge of the crisis, away from daily business concerns. The team will consist of firms’ and agency staff working together.
- **Contain the problem** and recognise the values of short-term sacrifice of a market or product compared to the potential long-term damage to the corporate image.
Resist the combative instinct – nobody wins by going out to battle with the media or any other group.

Remember all your audiences both internal (e.g. employees) and external (e.g. customers, investment community).

Always assume a ‘worst case’ planning position.

Identify allies in your industry who can back you up in times of stress. Broaden the issues if possible, to put the incident into perspective. If there is a potential of your ‘allies’ to be hit by the same problem ‘broadening the issues will reduce the damage to the corporate image.

Never depend fully on one individual – it is often very difficult to get accurate facts from even the most senior executive in times of crisis.
While it is indeed difficult to evaluate PR, it is possible by setting objectives and following them through, to make a good estimate of the effectiveness of a PR campaign. The procedure suggested is:

1. Set measurable PR objectives:
   (a) Quantitative, e.g. improved market share, increased sales, improved/better media coverage;
   (b) Qualitative, e.g. improved awareness of the firm, effective change in attitude, improved understanding of the firm’s products, successful counteracting of negative PR.

2. Agree measurement criteria, e.g. analysis of contribution to sales and profit (objective), improvement in corporate (subjective).

3. Establish monitoring procedure, e.g. use of market research or media tracking studies.

4. Demonstrate results gathered from:
   (a) Media and audience exposure to PR campaign;
   (b) Research of key publics
      © tracking studies.
CONCLUSION ON MPR

- MPR Manager must identify and develop interesting stories to tell about the product.
- Implementing of public relations should be done with care.
- Publicists should develop personal relationships with media editors.
Sponsorship and social responsibility

Sponsorship combines social responsibility with the marketing benefit.

Social responsibility is the need for the firm to be aware of changing social values and to amend its policies to keep them in line with these changes. Social responsibility can be classed into two main areas:

- The responsibility of the employer (equal opportunities, good conditions, secure employment)
- The responsibility of wider issues (a positive role in the creation of employment via small business, or help in the fight against urban decay)

END
SPONSORSHIP
AND
SOCIAL RESPONSIBILITY
Basic Relationship

Sponsorship combines social responsibility with the marketing benefit.

Marketing Benefit

- A CSR Event where the Bank donated Desks and Text Books to Kinondoni Muslim School,
- This was a great opportunity also to promote Islamic Banking Product "AMANA ACCOUNT“ to Muslim community.
What is Social Responsibility?

... is an ethical or ideological theory that an entity whether it is a government, corporation, organization or individual has a responsibility to society at large.

...is the need for the firm to be aware of changing social values and to amend its polices to keep them in line with these changes.

**EXAMPLES:** Equity Group Foundation and The MasterCard Foundation (Secondary school student)
Two

a) Responsibility of the employer
   - equal opportunities, good conditions, secure employment

b) Responsibility of wider issues
   - a positive role in the creation of employment,
   - help in the fight against urban decay, etc.
To sponsor something is to support
• an event,
• activity,
• person, or
• organization
financially or through the provision of
products or services.

A sponsor is the individual/group/ that
provides the support
The Aims Of Sponsorship

- To bring the firm and its products to the attention of the public.
- To bring the firm’s name forward when entering into new market areas.
- To develop or change the corporate image.
Key factors to consider when embarking on a sponsorship

1. Event V/s Marketing Objectives

- Does the event fit with the firms marketing objectives

**EXAMPLE:**

Possible Equity Bank Marketing Objectives:
- To increase customer base in the Kenya market
- To be the market leader in the next 10 years
- To increase level of customer Loyalty

So the launch of Equity Group Foundation and The MasterCard Foundation (Secondary school student is fitting well.)
2. Size of audience

- What is the size of audience?

- Is the audience part of firm’s target market segment?

A CSR Event where the Bank donated Desks and Text Books to Kinondoni Muslim School. This was a great opportunity for the to also promote Islamic Banking Product "AMANA AACCOUNT“ to Muslim community.
3. Event Timing and duration

- Timing and duration of the event
- Generally the longer the event it lasts, the more the risk of some unforeseen problems.

EXAMPLES:

WEATHER PROVES TOO MUCH
Major disappointments for rally fans as organizers are forced to cancel the first spectator stage of the 2010 KCB Safari Rally due to heavy rains. The organizers of the main round of the 2010 African Rally Championship had no choice but cancel the Jamhuri Park stage after only 10 cars were able to limp through the wet and slippery section.
4. Media Coverage

What media coverage applies?

United against the new

Seed Enterprises Management Institute of Nairobi
5. Firm Involvement

- To what extent can the firm become involved in the management and organisation of the event?

Some Cases
- World Cup
- Fund Raising eg Lewa Marathon
- Sports Secondary/ Primary sports Competition
- Conservation of the Environment/ eg Mau Forest/ Karura forest/
- Protecting the endangered species/ eg= Lion/Rhino/ etc
Marketing affiliates – World Cup /2010/ South Africa
6. Organiser’s Competency

- Are the organiser’s competent?
- If not, there is the risk that the firm name could become associated with the public relations disaster.
7. Sponsored Firm performance V/s company Image

• If the firm sponsors a competitor who loses, or a team which performs badly, how will this affect the firm’s image?

ILLUSTRATION: Sports Sponsorship:
• A Risky Game
• Companies love lending their names to winning teams.
• But what if a team loses, or worse, finds itself embroiled in scandal?
• This is a critical issue

• Corporate sports sponsorship seems like a win-win proposition. By attaching their names to sports teams, companies reap international publicity at relatively low cost, while their executives and customers get to hang around athletic events and call it "work."
8. Positioning Firm’s Name/Logo

• Can the firm ensure that its name appears in the ‘credits’
9. Time Need

- How much management time will be needed?
- Can the firm afford to invest so much time?
10. Cost/ Benefits

- Will it be cost effective?
- How much is it going to cost the firm?
- What is the firm getting in return? e.g. will our name appear or logo be used ?, and if so where?
Risk Of Sponsorship

SEMIs UoN
Seed Enterprises Management Institute
University of Nairobi
1. Controversy

The danger of involving the firm in controversy if the event appeal upsets some people.
Minister for Sports and Youth Affairs/ about the **controversy** over the naming of former Nyayo Stadium as “**Coca Cola Stadium**”.

...
2. Lossing Money

- The danger of signing ‘blank cheques'
- Ensure that the total financials commitment is clearly agreed at the outset.
3. Control

- Lack of control of the outcome.
- If the event is a fiasco, the sponsor loses credibility

- Example: Nyayo stadium case/ it was taken to parliament
4. Conflicts

- If the firm sponsors one event there is a danger that similar events could plead unfair discrimination if they are to be sponsored.
5. Inadequate Communication

• Problems can arise with the long-term sponsorship especially with the fact that public may not know what the business the sponsor is in.

• To evaluate this the market research should be carried out.
Planning A Sponsorship Programme

1. Situational Analysis
2. Define sponsorship Objectives
3. Formulate Strategy and clarify how the firm benefit
4. Develop the tactical details of how it fits the organization
5. Define the target audiences
6. Develop the budget - money/ human resources needed/ time
7. Measurement of its effects

END