SEMIS,
Marketing Management Exercises in Promotion
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Tanmaize’s unprecedented Sales success

• Tanmaize Seed Company (TM) had one of the best seasons in its history last year
• Though profits were low, it was able to dispose off all its TMV1 seed against cash, by offering a 20c discount to its dealers
• Its TMV1 seed covered an area of 25,000 ha (500 M.T. / 20 kg per ha), largest in the history of the company
• Most of TM’s competitors had huge carried over stocks, were unable to pay their growers and many of them could not even pay salaries to their employees
• Both TM’s CEO and John were considered marketing geniuses (though in his heart, John knew it was the CEO)
Tanmaize success

• TM also received many applications from top seed sales persons across the industry

• Even John received three job offers from competitors including one from TanSeed but the CEO increased his salary by 20% and John decided to stay back in the company

• Besides TMV1, another marketing success was sales of TMH 1, the new proprietary F1 seed variety, released by TM

• The company gave 3 M.T. of this hybrid to each of its 10 dealers and spread the remaining 20 M.T. across Tanzania
The new hybrid, TMH 1

• At the time of writing this, most of the TMH 1 plots were 90 to 100 days old and they looked excellent
• TMH 1 had also topped the Govt. trials, again
• At this point, the CEO called a meeting of his top team, attended by John, David, the Finance Manager and Isaka, the Production Manager
• The CEO announced that the company had taken up production of 350 M.T. of TMH 1 seed, the production plots looked healthy and already had excellent nicking
• As a result, the actual production could be higher - in the 350 M.T. – 450 M.T. range
Last year, TMH 1 selling price was $3.00 / kg. The company offered a 10% discount on sales to its dealer chain. Also, last year, the procurement price from grower was $1.00 per kg. Considering the good seed yields expected this year, Isaka said that he need not revise the procurement cost, this season / year. However, the quantity to be sold next year was likely to be seven to nine times more (350 to 450 M.T.) as against 50 M.T. the company had sold this year. The CEO felt that special marketing efforts will be required to sell this higher quantity.
He asked John to prepare a draft sales and marketing plan for his approval, taking into consideration the following:

- Price
- Discount structure
- Distribution plan and number of dealers
- Pack size and design
- Promotional material (leaflets, catalogues, hoardings, farmer meetings),
- Field days and demonstrations
- Any other
Team Exercise

- As the Sales and Marketing Manager of TM, please prepare a draft Sales and Marketing Plan for TMH1 for the coming year, for CEO’s approval
- Suggest if AM should change TMH price
- Propose a product promotion budget in financial terms
- Propose the sales and in turn production target for the following year assuming the company is able to sell all its production this year