PROMOTIONAL STRATEGIES; ENHANCING COMPETITIVENESS

DR JUSTUS M MUNYOKI

WELCOME

2014
Any form of communication used to inform, persuade, or remind people about an organization goods, services, image or ideas”.
Promotion mix variables include

- Advertising,
- Sales promotion,
- Personal selling
- Publicity (public relations).
Advertising

One of the oldest forms of communication with records going back to Roman, Greek and biblical days.
It is a paid, non-personal presentation and promotion of ideas, goods and services by an identified sponsor.
Why advertise?

SEMIs UoN

Seed Enterprises Management Institute
University of Nairobi
Advantages

- 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
Disadvantages

- Inflexible and not responsive to consumer questions since they are standardized
- May be wasteful to some audience that is not interested (Since message targets everyone)
Decisions:

- Determine message content.
- Specify the location of an ad in a broadcast program or print medium, e.g., in the cover page, sports pages or entertainment pages or at the back.
Outline a promotion schedule.

Choose how many variations of the basic message to utilize. This depends on the frequency of presentation and the quality of the ad.

Identify the advertising target group. Select the media.

Define the advertising budget.
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?
Sales Promotion seeks to achieve given objectives by adding extrinsic tangible value to a product or service.
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 quantity and repeat buying and so achieve high awareness of the product which is constantly in use or in the home, to the exclusion of rival brands.
Negative aspects

Special promotional offer can appeal to the bargain seeking or greedy people, who will wait and only buy when a product is on special offer.
Distributors may be reluctant to handle goods not on offer. As goods not on offer may not be as fast moving.
Examples of sales promotion

- **Games and competitions.** Company arranges for games in which winners are rewarded, or they win specific items, as is the case with beer promotion by Kenya breweries, Safaricom, Airtel etc.
Free gifts. The gift may be attached to the product, as a pair of socks with a ruler tied onto them.
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.
Demonstration, free samples. For customers to taste, seeing is believing
SHOES.
BUY ONE
GET ONE FREE!
mid season madness
today only:
15% off everything
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?
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.
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).
may include door to door selling where sales people move from door to door selling goods
Effective personal selling depends on how well the sales force is managed.
Company should therefore deal with

- Recruitment and Selection -- Of the sales force personnel
- Motivation-- Of the sales force personnel
Compensation -- Of the sales force personnel
Training and development... Of the sales force personnel
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.
- 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.
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.
The strength of public relations is its role in creating understanding.

It is very crucial in converting negative image to positive image:
Hostility to Sympathy: Why are customers hostile to us?

Prejudice to Acceptance: Customers are very bitter with us, maybe because of our past bad record. But we have since changed, yet they still hate us!
Apathy to Interest: it can happen to you also!
Ignorance to Knowledge: Are customers knowledgeable?

What is our role?
What are they saying?
END

SEMs UoN

Seed Enterprises Management Institute
University of Nairobi