

## **PRODUCT PROMOTIONS**

Product is an item or service offered to the consumers at a price. Therefore, product promotion is the communication or any activity undertaken to inform the consumers, persuade and remind them to buy the product from the market.

### **The purpose/Importance of product promotion**

- ❖ It informs the customer of the availability, price, and where to obtain the product to satisfy their wants
- ❖ It persuades the buyer to buy their products a head of their competitors products in the market
- ❖ It reminds the customers of the continued existence of a given product in the market
- ❖ It educates the consumers of the usage of the product to satisfy their needs fully
- ❖ It informs them on any improvement that has been made on the product
- ❖ It stimulates the demand of the product being promoted in the market
- ❖ It brings out the positive features of the product
- ❖ It opens new market for the product in the environment

### **Methods of product promotion**

Product promotion may be carried out in the following ways:

- I. Personal selling
- II. Advertising
- III. Sales promotion
- IV. Publicity

#### **i. Personal selling**

This is a method of promotion where there is an oral presentation in the conversation with the prospective customer. It is done by with the use of salesmen who informs the prospective buyer of all the aspects of the product

#### **Methods of personal selling**

Personal selling can be carried out in the following ways;

##### **❖ Through sales person approaching the customers**

A case where the sales person approaches the prospective customers after drawing their attention, explaining details of the product and even demonstrating how the product works in order to persuade the customer to buy.

#### **Steps involved in personal selling through sales person**

- i. Identify prospective customers who could possibly require the product
- ii. Preparing the presentation by gathering all the possible information about the product , as well as designing an appropriate methods that he will be used to present to the customer
- iii. Establishing the customers contact, as well as choosing an appropriate time to meet the customer to be. That is the time when the customer may receive him
- iv. Arousing the consumers interest in the product by attracting his/her attention through approach and languages, as well as making the prospective customer develop interest in the product
- v. Dealing with the objections on the product which may have been brought about by the customer to be
- vi. Closing the sale by inquiring whether the prospective customer will be interested in the product or not. This should be done in a polite manner
- vii. Offering after sale service to the customer on the product that has been sold

### Qualities of an effective sales person

- ✦ **Attractive personality-** should have interest in other people and has the ability to attract and influence them.
- ✦ **Knowledge of the product-** must know the product he/she is selling thoroughly well , and be capable of explaining and demonstrating it's use.
- ✦ **Politeness and courtesy-** should be polite and courteous when dealing with both the prospective and existing customers.
- ✦ **Honesty, sincerity and patience**
- ✦ **Ability to communicate-** should have good communication skills in all the relevant languages. Should also be tactful, persuasive and convincing to be able to win customers.
- ✦ **Flexible-** should be flexible enough to be able to address the needs of various groups of customers.
- ✦ **Outward appearance-** should be p

### ❖ **Shows, trade fairs and exhibitions**

This is where the manufacturer of a given product gets a chance to display publicly to the prospective customer to inform them about the product. The prospective customers' attention is then drawn to the product and more information is given to him about the product at the point where it is displayed.

#### ***Advantages of shows, trade fair and exhibitions***

- It gives the customer an opportunity to compare various products before making a decision on what to buy
- It gives the sales person an opportunity to explain in fine details the features of the product to the prospective customers
- The manufacturers of the product gets a chance to receive immediate feedback from their customers through interactions during the shows
- The number of people visiting their stall to assess their products will help them determine their potential market size for the product

#### ***Disadvantages of shows, trade fairs and exhibitions***

- It is expensive to hire a stall for the exhibition of the product
- The sales person may have to explain over and over again for the prospective customers as they may not enter into the stall at the same time
- The trade fairs are not frequently organized, therefore an organization rely on it as the only means of product promotion may not succeed

### ❖ **Showrooms**

These are large rooms where goods are displayed, especially bulky and durable goods like cars, furniture's, etc for the customer to see and be informed about them to stimulate their interest in them The room allows the customer to get more information about the product from the sales person in the showroom

#### ***Advantages of showrooms***

- They enables the seller to get immediate feedback on the product
- They enable the customers to get clarification on the product they need to purchase
- It is a cheap method of production
- It provides an opportunity for the usage of goods to be demonstrated
- The information the prospective customer get from the show room is more reliable

### ***Disadvantages of showrooms***

- They are usually located away from the town centers, making them not be accessible by many
- It is expensive to hire showrooms
- They require security to protect the goods inside them which may be very expensive
- Some prospective customers may tamper with goods in the room while trying to operate them

### **❖ Free Gifts**

A gift is an item given to the customer free of charge after buying a product which it is pegged on or buying products of a given value. The gift may not necessarily be the same as the product bought, but they are meant to encourage the customer to buy more or give the customer opportunity to explore the product given as a gift.

### ***Advantages of free gifts***

- It enable the customer to enjoy the product given as a gift without paying for it
- It persuades the customer to buy more of the product in order to get the gift
- It is an additional product, and therefore increases the customers satisfaction
- It may help in creating loyalty in the product being promoted

### ***Disadvantages of free gifts***

- It makes the customer buy including products they didn't require in order to the said gift
- The cost of the product may be very expensive for he customer
- Some middlemen may remove the gift and keep or even sell to the customer to maximize profit

### **❖ Free Sample**

This is a product on trial given to the customers freely to influence their demand towards the product. It mainly used when the product is new and the customer may have not known about the existence of the product

### ***Advantages of free sample***

- It enables the customer try the product before making a decision to buy it
- The customer is able to enjoy the product that otherwise he may have not enjoyed
- The organization is able to get immediate feedback from the customer about their new product
- It enables the organization to acquire more customers for their product

### ***Disadvantages of free sample***

- Some of those receiving the sample may not come back to buy
- It may be an expensive method of promotion especially where many samples are to be given
- Goods given for free may reduce the value of goods that may have been sold to earn profit
- It is not suitable for expensive products

### ***Circumstances under which personal selling is appropriate***

- i. When launching a new product in the market which requires a lot of awareness to the prospective customers to enable them make a choice
- ii. When a product is tailored to meet the customer's needs, as different consumers have different needs, taste and preferences to be addressed.

- iii. When demonstration is required on how the product works, especially the technical products
- iv. When the organization has the capacity to finance the sales force carrying out the personal selling.
- v. Where the market is concentrated within a given region that can easily be accessible by the task force.

#### **Advantages of personal selling**

- It is more flexible than any other method for the marketer is able to meet the needs of different people
- It enable the prospective customer to know more details about the product before making a decision
- The sales person is able to demonstrate the use of the product
- The seller is able to get immediate feedback on the product
- The seller is able to obtain the personal contact of the prospective buyer
- It gives the buyer an opportunity to negotiate the terms of purchase
- It takes care of both literate and illiterate prospective customer
- The seller is able to persuade the prospective buyer to buy the product

#### **Disadvantages of personal selling**

- It is labour intensive and therefore very expensive when the area to be covered is wide method
- It is time consuming as it involves explanation and demonstration
- It may only target a particular group of people
- The seller has to meet the travelling and other expenses involved which may be very expensive
- Salespersons may misuse the resources allocated for them, making the target not to be achieved
- The process may inconvenience the prospective buyer's program
- It may only cover a given region which may not be wide enough

#### **ii. Advertising**

This is the presentation of information about a product through public media such as news papers, radios, billboards, etc

#### **Types of Advertising**

- Product advertising: - this is a form of advertisement meant to promote a given product or a particular brand of product
- Institutional advertising: - this is a form of advertisement meant to improve the image of the institution or organization and not a particular product. It is meant to create confidence in the customers about the institution
- Primary demand advertising: - a form of advertisement meant to a new product that has been introduced in the market for the first time. It is mainly to create awareness of the existence of that particular product
- Celebrity advertising: - a form of advertisement where a famous/popular person is used to promote a particular product. It is meant to convince those who identify themselves with that personality to buy the product

- Informative advertising: - a form of advertisement meant to give the customer more information about the product to enable them make an informed decision
- Competitive/persuasive advertising: - a form of advertisement carried out with organizations producing similar product to persuade the customers to buy their products ahead of their competitors
- Corrective advertising: - a form of advertising meant to correct a misleading information that may have been given out about the product
- Reminder advertising: - a form of advertising meant to remind the customers that the product still exists in the market and is still capable of satisfying their needs.

### ***Advantages/Importance of advertising to the business***

- i. It maintain the sales of an already existing product
- ii. It create awareness in the customers about a new product in the market
- iii. It informs the customers about the changes that may have been made in the product
- iv. It helps in building image or reputation of the selling organization
- v. It may increase the volume of the existing sales of a product
- vi. It reaches peoples who may have not been reached by the sales person
- vii. It complements the effort of the sales person to enable them achieve their sales objectives
- viii. It clears the customers misconception and prejudice about the product
- ix. It opens up new markets for the products.

### ***Disadvantages of advertising to the business***

- ❖ It may be costly to the business in terms of money and other resources
- ❖ It leads to increase in cost of production if at all it has to be done frequently
- ❖ The cost of the advertisement will always reduce the profit margin of the business
- ❖ Poorly planned advertisement may negatively affect the business
- ❖ Misleading advertisement may reduce the level of business operation

### ***Advantages of advertising to the customer***

- ❖ They educate them on the usage of the product
- ❖ They inform them on the products availability
- ❖ They guide them on where to get the product
- ❖ The outlines all the features about the product including prices to the customer
- ❖ Competitive advertisement may lead to improved quality of goods to benefit the customer
- ❖ Information on different prices through competitive advertisement makes the customer to benefit from the reduced prices

### ***Disadvantages of advertising to the consumer***

- ❖ The advertisement may not disclose the side effect of the product
- ❖ The advertising cost may be passed to the consumers through increased price
- ❖ Some advertisement may persuade customers to buy what they do not require leading to impulse buying
- ❖ Some customers may buy substandard goods due to misleading advertisement

### ***Advertising media***

These are channels or agents through which an advertisement message is conveyed to the target group. They includes both the print and electronic media which includes; newspapers, journals, magazines, posters, bill-boards, brochures', radio, television, neon signs, etc

### **a) Newspaper**

These are daily or regularly publications which contains advertisement. They includes, Daily nation, Standard, Taifa leo, citizen, star, etc

#### ***Advantages of newspaper***

- The can reach areas that other means may not reach
- Many people can afford them as they are relatively cheap
- They cover a wider geographical area, leading to a wider market
- The message on the news paper can last for a longer period of time, making it to reach more customers
- The advertisement appearing in the newspaper is readily acceptable by the reader
- Colored print makes the advertisement to be more attractive to the reader who in turn gets the information

#### ***Disadvantages of the newspaper***

- Many of them are written in English or Kiswahili, making them to only target those who can read and understand the language
- It discriminate against the illiterate group who cannot read the information
- They have short lifespan as they may be read only on the day it is circulated
- It cannot be used to focus on a specific target as they are read by almost everybody
- Some of the prospective customers are always in a hurry to read the newspaper and may not pay attention to the advertisement

### **b) Magazines and Journals**

These are periodic publications meant to target a particular class or group of people. They may be published monthly, quarterly, annually, etc. The information reaches the targeted group as they read them

#### ***Advantages of magazines and Journals***

- The specific information for the targeted people can be published
- They can be read and re-read before the next publication may the information to last longer and plead with the prospective customer
- Their publication is of high quality and colourful, making them to draw the attention of their targeted group easier and passing the information to them
- The quality material they are made of makes them to last longer and can be accessed even by those who may have not been around during their publication

#### ***Disadvantages of magazines and journals***

- If the time gap between the publication time and circulation time is wide, the advertisement may fail
- They are a bit expensive which makes some of the potential customers not to afford them
- The cost of advertising on them may be expensive for the organization
- Their circulations may be limited to a small geographical region
- The publications may not be available in the vernacular language to reach those who are not able to read either English or Kiswahili

### **c) Posters and Billboards**

A form of advertising that may contain the information about the product either in words, pictures or both for the customer to see and read.

#### ***Advantages of posters and billboards***

- They are able to convey the information to the large audience, as they are placed in strategic position
- Posters are cheap and easy to prepare
- The use of different colors makes them to be more attractive and appealing to more audience
- It can be used by both literate and illiterate group
- The message may last for a longer period of time
- Billboards are conspicuous and hence attractive to the audience

#### ***Disadvantages of posters and billboards***

- May be affected by adverse weather condition, especially rain
- If not placed strategically, it may not reach the targeted group
- Incase destroyed by the passersby, the information may not meet the targeted group
- Bill boards are expensive to make and maintain

#### **d) Transit/transport advertising**

A form of advertisement whereby vehicles such as trailers, matatus, buses, etc are used to carry and convey the advertisement message

#### ***Advantages of transit advertisement***

- The message reaches most of the people in the environment
- They message last long as the paints always last on the vehicle
- Transit vehicles may carry the message a long way to their final destination
- It is captivating to the members of the public especially the promotion convoy, hence can easily reach the target

#### ***Disadvantages of transit advertisement***

- During the rush hour, the crowd may hinder some from getting the information
- It mainly relay the information to those served by the vehicles
- The noise produced by the promotion convoy may be a nuisance to some members of the public

#### **e) Brochures**

These are small pamphlets carrying message and pictures about product being advertised.

#### ***Advantages of Brochures***

- They are easy to carry around as they are small in size
- They are effective in meeting the targeted group
- Their cost of production is not very high
- They can be distributed at different places to meet the targeted group
- Can be made attractive by the use of different colours
- They have a long life and therefore can be used repeatedly
- They can be used to direct others on where to get the product

#### ***Disadvantages of Brochures***

- The information may not reach the illiterate group
- They may be ignored by the intended users
- They may require frequent updating if many changes are made on the product making it expensive

#### **f) Radio**

This is a channel that allows for the advertised messages to be conveyed through sound to the listeners, with some background music accompanying the message

##### ***Advantages of Radio***

- Different languages may be used to reach different people
- It is accessible even to the remote areas that is not covered by other media
- One can choose the time to advertise to reach the targeted group
- Able to serve many people at the same time
- It can be used for both literate and illiterate members of the group
- The advertisement can be repeated over and over again according to the advertisers needs
- The music accompaniment may attract many people to listen to the information
- Can reach even the blind as they are able to hear
- The message can be conveyed in different languages

##### ***Disadvantages of Radio***

- Their advertisement does not have any reference
- It may be more expensive than the print media
- Poor timing may make the message no to reach the targeted group
- It may interrupt some programmes to the annoyance of the listener
- It short and brief advertisement may be missed by the listeners
- It is difficult for the listener to visualize the product

#### **g) Television (T.V) and Cinema**

Television is a form of media advertisement where the written words are combined with motion pictures and sound to pass the information

Cinema is where the advertised messaged is conveyed during film shows in the cinema halls. It may be before or after the movie.

##### ***Advantages of Television (T.V) and Cinema***

- It appeals to most people as it is entertaining
- It makes it possible for the demonstration of the use of the product
- It is able to reach both the literate and illiterate viewers
- The advertisement can be aired over and over again to meet the targeted group
- The advertisement may be modified when need arise
- It has wide appeal to many people
- The message can be conveyed in different languages

##### ***Disadvantages of Television (T.V) and Cinema***

- The cost of advertising through this media is high
- The television sets are expensive to acquire, hence many people may not have them

- Their uses are limited to places with electricity
- The advertisement may not last longer
- The time for airing the information may not suit the targeted audience

#### ***h) Neon Signs***

This is a form of advertisement where the message is passed to the public through the use of electrical signals transmitted through neon lights. They are usually common in the banks, airlines, jewel shops, etc

#### ***Advantages of Neon Signs***

- The use of different colours makes them very attractive and catch attention of different people
- They can be put strategically making them to be visible to many people
- Can be used both at night and day
- They direct the customer on where the goods are to be found

#### ***Disadvantages of Neon Signs***

- Can only be used where there is electricity
- They are expensive to buy and maintain
- The message may not easily reach the illiterate

#### ***Advertising Agencies***

These are businesses that specialize in advertising work and are hired to carry out the functions for other businesses. They are paid a commission for this

#### ***Functions of Advertising Agencies***

- iii. They help the organizations in designing their trade marks, logos and advertising materials
- iv. They book space and airtime for their clients in various media
- v. They offer advisory services to their client on selling techniques
- vi. They advertise on behalf of their clients
- vii. They choose on behalf of their clients the appropriate media to be used

#### ***iii. Publicity***

This is the mentioning of the product or the organization in the mass media to make it be known to many people. There two types of publicity, that is free publicity (where the payment is not required) and Special featured publicity (where there is payment, for example sponsoring an event in the public)

#### ***Advantages of Publicity***

- It saves the organization money incase of free publicity
- It is likely to cover a wider region as the publicity is in the media
- The organization may earn credibility due to positive publicity
- The information may be received positively by the customers as the message is likely to be more objective
- It may improve the competitiveness of the firm

#### ***Disadvantages of Publicity***

- Unfavourable information about the organization may reach the public especially in free publicity

- It is irregular and short lived
- Might require special occasion or event in order to attract the mass media
- The firm does not have control on how the information will appear in the media and the extend of the coverage

#### **iv. Public relations**

A process of passing information with an intention of creating, promoting, or maintaining good will and a favourable image of the organization in the public. It involves informing the public about the firm's achievement and how it is contributing to the community welfare and development, to get more approval of the public

##### ***Advantages of public relations***

- May be used to correct the dented image of the firm
- It informs the public about the activities of the firm
- Assist in upholding the good image of the firm
- It improves the relationship between the firm and its customers

##### ***Disadvantages of public relations***

- It is costly in terms of time and finance involved
- The customer may make premature buying arising from the picture created by the firm
- Effects may take long before they are actually realized
- It may be difficult to evaluate the impact of the message, since the customers are not obliged to respond to it

#### **v. Point of purchase (Window) display**

This is where the items are arranged in the shops strategically, allowing the customers to see them easily. The arrangement is meant to attract the customer's attention and induce them to buy goods as they pass close to the shop

##### ***Advantages of Point of purchase display***

- ❖ May induce the customer to buy the product due to their arrangement
- ❖ As the customers get in to the shop, they are likely to buy including the other goods that were not being displayed
- ❖ The customers are able to determine the features of the product with ease
- ❖ It is relatively a cheaper method of promotion

##### ***Disadvantages of point of purchase***

- ❖ The method only work well with the potential customers who are near the shop and not far away
- ❖ They may also attract thieves especially if the product displayed is of high value
- ❖ In case the arrangement does not appeal so much to the customers, they may not get into the shop
- ❖ It may be expensive setting up the display area

#### **vi. Direct mail Advertisement**

A form of advertisement which is sent to the potential customers directly in the form of a mail, for example the pricelist being sent to the potential customers

### ***Advantages of direct mail advertisement***

- ❖ It is able to reach the targeted group as they are sent to the potential customer directly
- ❖ The message may be made to suit the requirement of the specific customer to be
- ❖ There may be an immediate respond on the message
- ❖ The potential customers incurs no cost to acquire the information

### ***Disadvantages of direct mail advertisement***

- ❖ Some mails may not get to the intended customers in time
- ❖ The prospective customer may ignore the advertisement
- ❖ May not be effective where the customer needs to examine the product
- ❖ This method may be expensive especially in terms of material and money
- ❖ It may only appeal to the literate group only
- ❖

## **vii. Catalogue**

A booklet that gives information about the product that the organization deals in. It gives the description about the product, the picture as well as the prices of the product.

### ***Advantages of catalogue***

- ❖ It may be used to advertise all the products in the organization
- ❖ The owner/organization has the total control over the catalogue
- ❖ It gives detailed information about the product
- ❖ Its colourful nature makes it an attractive promotion tool

### ***Disadvantages of catalogue***

- ❖ It is expensive to produce increasing the cost of production
- ❖ Change in price may affect the whole catalogue

## **viii. Guarantee (warranty issue)**

An assurance given to the customer that the product will serve as expected if used according to the instructions given by the manufacturer. For the guaranteed period the seller will be willing to maintain repair or replace the product for the customer

### ***Advantages Guarantee***

- ❖ The confidence built in the customer by the guarantee to the customers makes them to buy more products.
- ❖ It may create the customers loyalty to the product of the firm
- ❖ The fact that the product can be replaced if it gets spoilt within the period is an advantage to the customer

### ***Disadvantages of guarantee***

- ❖ Repairing or replacing the product may be very costly to the organization
- ❖ The method may only be suitable for the durable goods
- ❖ The customer may be tempted to mishandle the good during this period

## **ix. Discount**

This is a reduction in price of the commodity, allowing the buyer to pay less than what he would have paid the goods.

### **Types of discount**

- Quantity discount: - Allowed by trader to encourage him/her to buy more quantity of the product being offer
  - Trade discount: - Allowed to another trader who is buying products for resale to the consumers
  - Cash discount: - Allowed to the customer to enable him pay promptly for the goods bought
- x. Loss leader: - Selling the price below the market price to entice the customer to buy
- xi. Psychological selling: - Playing with the customers psychology in terms of pricing by quoting odd prices such as 999, 199, 99, etc to convince the customer that the price has been reduced
- xii. Credit facilities: - where the customer is allowed to take a product for his consumption and pay for it later. This entices the customer to buy more of the product
- xiii. After sales service: - these are services offered to the buyer after the goods have been bought. They may be in terms of packaging, transportation or installation which may be offered to the customers free of charge. This makes the customer to buy more goods with confidence

### **Sales promotion**

These are activities carried out to increase the sales volume of a business. They are activities out of the ordinary routine of business that is carried out by the seller to increase his sales volume. The methods of carrying out sales promotion includes all the methods of carrying out product promotion as discussed earlier, that is, shows and trade fair, showrooms, free gifts, free sample, personal selling, advertisement, window display, credit facilities, after sales services, etc

### **Factors to consider when choosing a promotion method**

- i. The cost of the promotion that is whether the company can afford it or not, for some promotion methods are very expensive that may not be easily affordable to the company.
- ii. The nature of the product being promoted especially whether it requires demonstration or not. Products which requires demonstration are best promoted through personal selling
- iii. The targeted group for the advertisement, on whether they can be reached by that method or not. The promotion method must reach the targeted group, if it has to be effective
- iv. The objective that the firm would like to achieve with the promotion, and whether the method is helping them to achieve that particular objective
- v. The method used by the competitor in the market to enable them choose a method that will enable them compete favourably
- vi. The requirement of the law concerning product promotion, to enable them not use what the law does not allow

### **Ethical issues in product promotion**

These are rules and regulations to be followed when carrying out promotion to avoid violating other people or businesses right. They include;

- Cheating on performance of the product to attract more customers by given them wrong and enticing information about what the product can do.
- Cheating on the ingredients of the product by telling them that the product contains a suitable type of ingredient which does not exist just to lure them to buy the product

- Not telling them the side effects of the product which may affect them should they continuously use the product due to fear of losing customer
- False pricing, especially a case where they overprice their and later on reduce them slightly just to lure the customer, yet exploit them
- Not caring about the negative effect of the product on the environment, which may include littering of the environment by the posters used for advertisement
- Social cultural conflict, especially putting up some forms of advertisement which are considered a taboo by the community, such as hanging a billboard of a female advertising inner wears next to a church

### **Trends in product promotion**

The following are some changes that have taken place to improve the product promotion activities

- Use of website/internet to advertise product world wide, which has increased the coverage
- Encouraging gender sensitivity and awareness in product promotion to bring about gender balance
- Use of electronic billboards in advertisement to increase their visibility even at night
- Intensifying personal selling by the business to reach more customers
- Development of promotion convoys to move from one place to the other with music and dancers to attract more prospective customers
- Catering for the rights of the youths when carrying out product promotion and even involving them in carrying out the promotion
- Catering for the interest of those with special needs when carrying out advertisement
- Advertisement through mobile phones by sending them s.m.s about the product