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BEIRUT UNIVERSITY COLLEGE
P.O.B 98 13-5053
BEIRUT LEBANON

APPROVAL OF RESEARCH TOPIC

CANDIDATE: GEORGE NASSAR

DATE:

DEGREE: MASTERS OF SCIENCE IN BUSINESS MANGEMENT ADVISOR: Dr.SING

TITLE OF RESEARCH TOPIC: PROMOTIONAL MANAGEMENT OF MARKETING EFFORTS
IN AN INSTABLE ECONOMY.

The following professor nominated to serve as the advisor of the above
candidate has approved his research work.

ADVISOR :

[REDACTED]

[REDACTED]

PROMOTIONAL MANGEMENT of MARKETING EFFORTS
in an INSTABLE ECONOMY

A RESEARCH TOPIC
PRESENTED TO BUSINESS DIVISION
BEIRUT UNIVERSITY COLLEGE

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OF THE REQUIREMENTS FOR THE DEGREE
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GEORGE T. NASSAR
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I- Statement of The Purpose.

The objective of this study is to give the basic knowledge a manager needs to understand, plan, execute and evaluate company's promotion program. This study provides what must be used in the Lebanese market during this economical crise. Promotion is an integrated whole, advertising-publicity-personal selling and sales promotion. Advertising and publicity are concentrating on the buyer mind as a key decision making, while personal selling is concentrating on the salesmanship also on the tradership and last the sales promotion is integrating the three basic elements of the buying process, salesman-merchant-consumer.

There is always the danger that the marketing strategy may fail because it is planned to suit ideal circumstances but recognition is necessary of outside forces which may interfere with an ideal marketing situation. The major force in this study is economic not forgetting the minor forces which are political or legal and psychological.

In this paper, studies were limited by consumer products not industrial ones.

II- Statement of The Problem.

In our economy of instability which reflected sharp devaluation of the Lebanese pound against foreign currencies, many business attempt to stimulate demand for their goods and services. They are not satisfied merely to produce their products and trust to risk products awareness through the impersonal interplay of market forces. Businessmen know that if a better, low price and available product is produced, consumers will not necessarily take special pains to inform themselves of its existence, its want-satisfying qualities, and where it can be purchased.

The Lebanese market place is flooded with numerous foreign brand while national brands are limited in number. However, consumers have a wide choice regarding which particular brand among many others to purchase in order to obtain his wants and his ego-satisfaction.

Businessmen try to overcome this problem of overcoming consumer resistance towards their markets. By using the promotional tools of advertising, publicity, personal selling and sales promotion.

III- Performance Objectives:

This study upon completion will demonstrate to the marketing manager the following dual objectives, on the three levels of the market place; Consumer, Merchant and Salespeople.

With respect to the Lebanese consumer:

- a- Maximise the feeling to save.
- b- Maximise impulsive buying stimulation.
- c- Increase purchases of current customer/occasion.
- d- Attract new customers.

With respect to the Lebanese merchant:

- a- Aid him to overcome the instable situation prevailing in Lebanon.
- b- To obtain distribution.
- c- To increase inventories.
- d- To gain special displays.
- e- To gain shelf price features.
- f- To gain retailer advertising support.

With respect to the company salespeople:

To find the way to motivate them and let them feel they are secured.

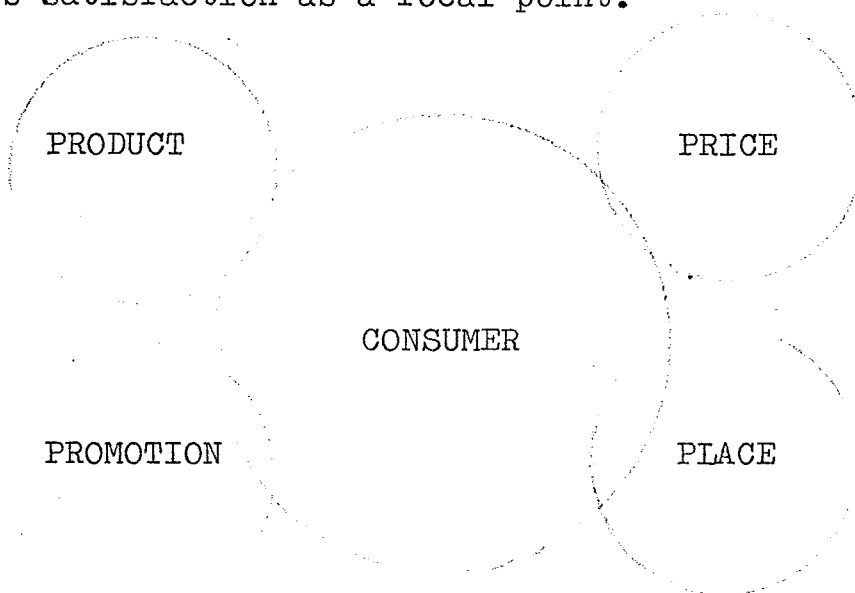
CHAPTER II

WHAT IS PROMOTION

Promotion, an Element of the Marketing Mix.

Promotion is only one basic element of the marketing mix. Other important parts are product, price, and place as shown in figureII-1. The marketing mix for a product or service is created by blending controllable marketing factors into an integrated program for a particular period of time in order to secure company's goals through satisfying consumer needs and wants.¹

The four basic parts of the marketing mix are interrelated and all revolve around the potential consumer's satisfaction as a focal point.



FigureII-1

Each of these four basic parts is actually itself a mix, although complementary to the total marketing mix.

As can be seen in figure II-2.

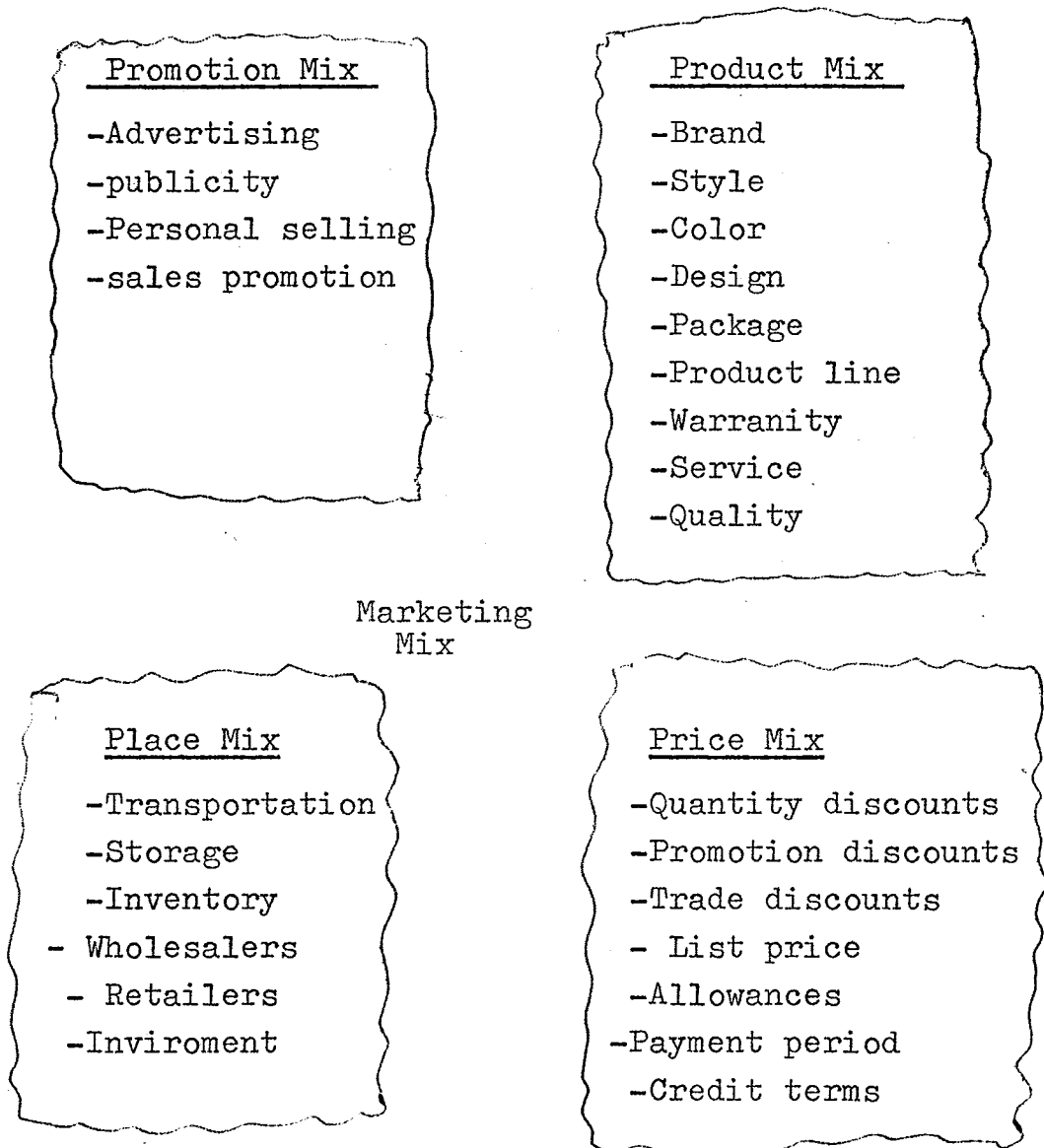


Figure II-2

Product is anything that can be offered to a market for attention, acquisition use, or consumption. It concludes physical objects, services, personalities, places, organizations and ideas.

Price is the only element in the marketing mix that creates sales revenue.

Place is the link between the producer and the buyer.

Promotion is the incentive mix that can help too much in buying certain product or service.

II- Definition of Promotion.

Promotion is any communicative activity, or set of activities, whose purpose is to move forward a product, service, or idea in a channel of distribution. It is an effort by a seller to persuade buyers to accept, resell, recommend, or use the product, service, or idea being promoted.

In short, it tries to affect the knowledge, attitudes and behavior of recipients and to persuade them to accept concepts, services or things.

The promotional mix is divided into two categories:

I- Above the Line Media:

-Advertising.

II- Below the Line Media:

- Publicity
- Personal selling
- Sales promotion

Any tool of the promotional mix, can be of primary stress and relegate the others to minor roles. These tools are somewhat interchangeable, and not all of them have to be use in any promotional mix. A strong promotion mix, is a combination of two or three tools, which depend upon a number of enviromental and cost factors, company and marketing objectives, and the preference of each marketing manager.

A- What is Above the Line Media?

Above the line media, are media from which advertising agencies receive commissions on the purchase of space, air, time and sites.²

a- Advertising:

Newspaper is a publication. It is printed and ditributed regularly, and contains daily and/or

weekly news, events, opinions, advertising and items of general interest.

Magazine is a publication. Which is printed on coated stock, and distributed on a regular basis. Contains a collection of articles, stories and advertisements.

Television is an audio-visual communication between sponsors and individuals, which can broadcast serials, news, and advertisements it can reach the largest audience.

Radio is an audio communication between sponsorers and individuals, which can broadcast programs, news and advertisements.

Direct Mail is written communication between individuals or between business, using the Lebanese postal service delivery of message, which contains an advertisement as shown in figure II-3.

BE- What is Below the Line Media?

Media that do not allow commission. Under below the line media three major promotional tools are recognised:

a- Publicity:

Publicity is news or information about a product, service, or idea that is published on behalf of a sponsor but is for by the sponsor through different media like newspaper, magazines, television and radio,

and the sponsor's name may or may not be given.

The objective of publicity or public relations is to build a favorable corporate image as shown in figure II-4³.

SUBARU: LES NOUVEAUTES

Les nouvelles Subaru sont totalement différentes des précédents modèles de la marque, sauf pour la fiabilité qui reste inchangée. Les voitures sont plus spacieuses, l'empattement plus long. Elles possèdent une nouvelle suspension pneumatique. La boîte de vitesses est à 5 rapports synchronisés. Sièges avant réglables en hauteur, dossiers

rabattables, vitres teintées, dégivreur à la lunette arrière, ceintures de sécurité, radio, protections latérales, micro ordinateur, ouverture de l'intérieur du coffre et de la trappe d'essence en font des véhicules particulièrement agréables à conduire.

Hormis ces exclusivités on notera également le montage en série et en exclusivité d'aides à la conduite, particulièrement appréciés dans les conditions d'utilisation dans notre pays.

A. HILL HOLDER: Très souvent lorsqu'on est obligé de s'arrêter sur une pente, aussi légère soit-elle, quand on veut repartir il y a un léger glissement vers l'arrière qui peut dans certains cas d'encombrement présenter un risque d'accident. Grâce au Hill Holder, vous freinez pour stopper votre voiture, dès que vous embrayez vous pouvez enlever votre pied de la pédale de frein. La voiture ne bouge pas jusqu'à ce que vous donniez un léger coup d'accélérateur qui la fera avancer.

B. TABLEAU DIGITAL ET ORDINATEUR DE BORD (en option): Affichage numérique du kilométrage et du tour/moteur, affichage au quartz du niveau d'essence, de la température etc., thermomètre donnant la température extérieure.

Ordinateur qui calcule la consommation d'essence horaire et sur les distances. Cet ordinateur donne également d'autres informations trop longues à énumérer.

C. SUSPENSION PNEUMATIQUE: Il suffit de presser un bouton pour que la voiture gagne quelque 4 cm en hauteur et reprenne sa position normale dès que le véhicule atteint la vitesse de 80 km par heure.

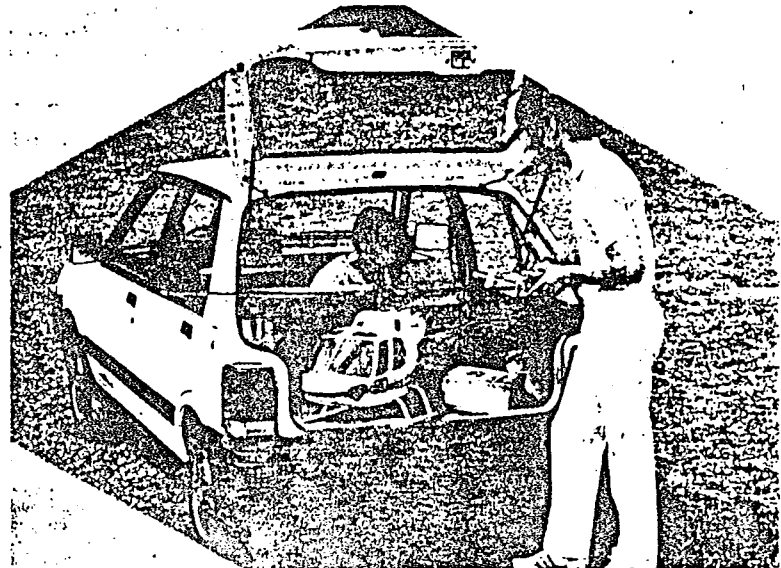
D. AUTOMATIC FOUR WHEEL DRIVE: C'est une première mondiale. La voiture devient une quatre roues motrices automatiquement dès que:

— Vous mettez en marche les essuies glaces.

— Vous freinez ou accélérez à fond (procédé Kick Down).

E. FERMETURE ELECTRIQUE des 4 portes sur la 1800 GL.

F. SUR LA 1800 GL RETROVISEURS REGLABLES intérieurement de l'intérieur.



Une petite voiture pleine de nouveautés exclusives.

La J 10 4 x 4

Mais la véritable nouveauté est la petite J 10 4 x 4.

Subaru est le pionnier de la création de voiture de tourisme à traction intégrale, le passage de la traction avant à la traction intégrale se fait par une petite manette qu'il est possible de déclencher en roulant.

La J 10 4 x 4 vient compléter une gamme dont la plus grande des voitures est la 1800.

La J 10 est dotée d'un moteur d'un litre (1000 CC) développant 55 CV à 6000 pouvant atteindre des vitesses de l'ordre des 145 km/h pour un poids total de 740 kg.

Ce moteur super économique (consommation: environ 350 km/20 litres) est capable des performances les plus enviables.

La suspension McPherson est à 4 roues indépendantes.



Publicity figure I-3

b- Personal selling:

Personal selling is the presentation of a product, service or idea by a salesman in direct contact with his prospect. It includes telephone selling and encompasses selling to industry, middlemen and the ultimate consumer (door to door).

The objective of personal selling are to relate to sales volume, expenses, profits and overcoming objections, closing sales, creating interests, etc...

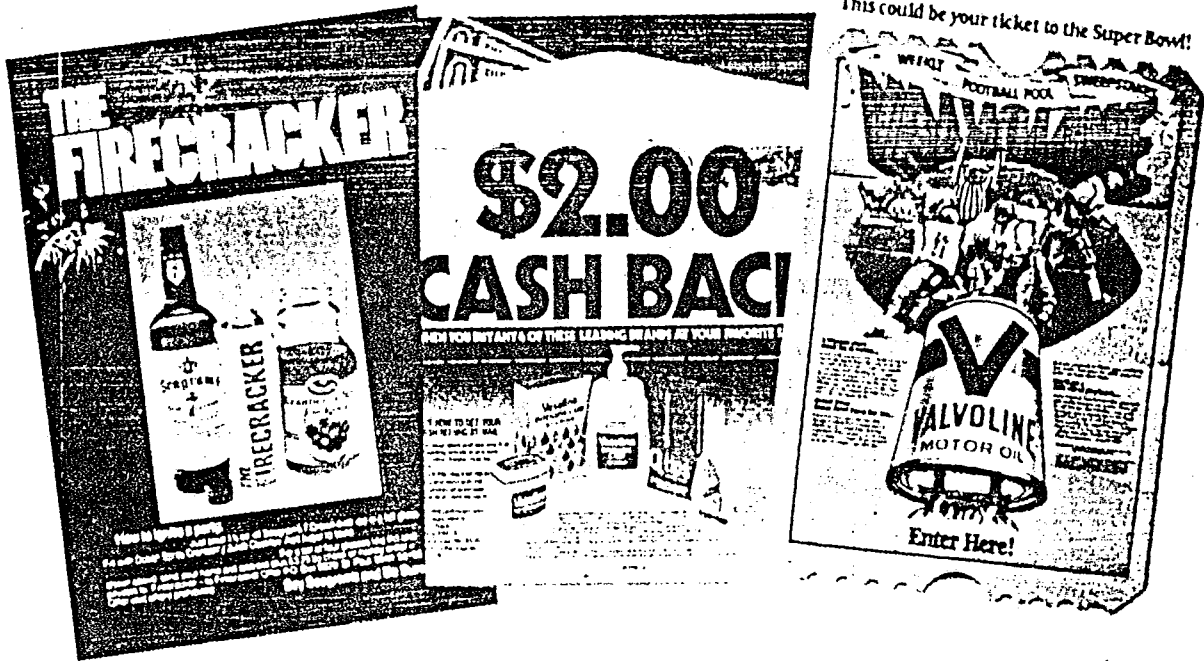
c- Sales promotion:

Sales promotion is any promotional activity that is designed to directly supplement other promotional activities such as contests, premiums, trading stamps and trade-show exhibits. Sales promotion exists at three levels:

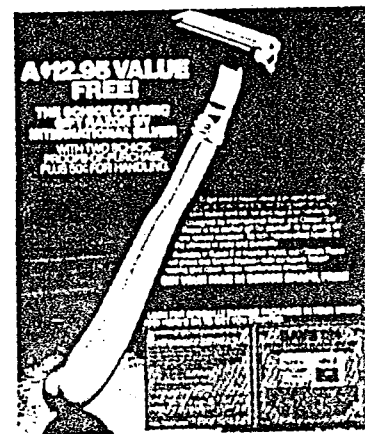
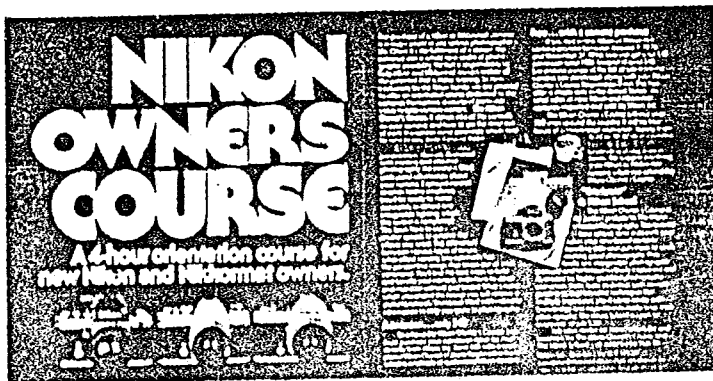
- consumer
- middlemen
- company salespeople

The objectives of sales promotions are:

- a- Supporting the sales force and its merchandizing efforts.
 - b- Gaining acceptance and active support of middlemen in marketing the product.
 - c- Increasing the sales of the product to consumers.
- as shown in figureII-5.



Announcing...Something for everyone, from Nikon!



Sales promotion Figure II-5

An effective sales promotion will operate on all three levels, by encouraging salespeople to perform more salesbuilding activities: Encouraging dealers to stock a product, sell it more aggressively, give it a better store location, and inviting consumers to try the product, repeat the purchase, buy larger sizes or amounts or perform other direct action.

CHAPTER III

THE ACTUAL LEBANESE

MARKET STRUCTURE

I- The Constrains of an Ideal Marketplace

There is always the danger that the marketing strategy may fail because it is planned to suit ideal circumstances but recognition is necessary of outside environmental forces which may interfere with our ideal marketing situation. Such forces include:

- Political and/or legal.
- Economical.
- Psychological.
- Competition.
- Technology.
- Primary resources.
- etc...

In this paper, the economical, political and psychological constraints that resulted from the lebanese war are the most important forces which did interfere in the lebanese consumer buying behavior, and therefore thorough analysis will be undertaken to reach a sound strategy. The remaining parts will focus on these forces as the analysis of their impacts on the elements will be reached.

II- The Lebanese Market Structure

Three basic market elements arise in Lebanon today and deserve special considerations. These elements are:

- Ultimate consumer.
- Merchant.
- Salespeople.

Below, each element will be analysed as per the current environmental forces and affected them.

A- Ultimate consumer

The Lebanese consumer today is faced with the following extraordinary states:

a- War/Political stress

The war and political stress created an instable and insecured situation to the Lebanese consumer. The impact of this stress has resulted in the following effects:

1- Limited shopping time

The sudden shelling and other war practises resulted in a limited time spent outside home. Such limitation affected shopping as well.

Impacts

.....

- Seek more known brands.
- Shop from "down stairs" groceries.
- Shop fastly whatever available on shâves.

2- Confused as far as purchasing

The marginal propensity of savings is increasing versus the marginal propensity to consume, due to the instability in the political and the war situation.

Impacts

.....

- Stick to neccessities.
- Less stocking of luxuries.

b- Economical stress

The Lebanese consumer is living under a difficult economical crise which left him/her with:

1- Reduction in his/her purchasing power.

Due to the high cost of living caused by so many economical developments, the Lebanese consumer purchasing power per capita is reduced.

Impacts

.....

- Shift for neccessities.
- Purchase just the needed quantities (more stingy).

2- Increased number of poor people relative to the prices and less income opportunities.

Impacts
.....

- Become more price sensitive.
- Increase demand for popular products, economical packaging and giant sizes.
- 3- Increase desire to save.

Perhaps this is the most important effect of the economical crisis on the Lebanese consumer. In recessions, and such economical turbulences, the "Feeling TO Save" is maximized on the behalf of consumers. They like to feel saving, to fight recession, to beat inflation, etc...⁴

Impacts
.....

- Look for every opportunity to save.
- In particular, for special offers, consumer incentive, price reductions, sales, etc...

c- Psychological stress

Due to the war and economical tensions in Lebanon, a heavy psychological stress is overwhelming the average Lebanese consumer. Noticed that, the average citizen in Lebanon is always "Under Fire" alert to fight for every small issue. Psychologucally speaking, the stress has caused a major weakness in our "EGO" states. The EGO is the each persons state controller or manager.⁵

4. Marketing Concepts & Applications Schewe Smith 1983

5. Consumer Behavior Hawkins Coney Best 1980

Marketing speaking a weak EGO will increase the so called impulsive buying on the behalf of the consumer, ie. will make buying decisions impulsively just to satisfy his weak EGO state.⁶

Impacts
.....

- Get attracted to impulsive stimulation.
- Influenced by gimmicks.
- Look for every opportunity to build up EGO state regardless of consequences.⁷

B- Merchant

The merchant is a middleman between the producers and the ultimate consumers such as Groceries, Supermarkets, Mini-Markets, and others. The merchant is the most important element of the market structure because he is the only one who buys and sells out our product at the same time. Knowing that, the merchant is also going under the same pressures that a consumer is facing. The impact on the merchant is as follows:

a- War/Political stress

- 1- Hesitant as far as investments are concerned, the war caused tremendous future uncertainty as far as investments and developments projects.

Impacts

.....

- Confusion in business development.
- Rejection of new products' introduction.
- Less stocking.

2- Lower sales volume due to sudden allocation of target consumers.

Due to the dramatic demographic changes in the country that was resulted from the war, the merchant is becoming more frustrated towards the business game in general.

Impacts

.....

- Less stocking and products variety.
- Stick to famous brands.
- Reluctants against new products/lines introduction.

-Unpredictable sales volume that lead to poor planning and consequently to lose.⁸

b- Economical stress

The economical stress in Lebanon has resulted in the following changes:

1- Groceries are losing role to Supermarkets. This role was lost due to:

. The merchant is losing capital due to the U.S Dollar higher rate and his mismanagement of this situation that lead him to poor store financerly and

restocking.⁹

. The fact that, the Lebanese consumer is searching for more savings that they can find it in Supermarkets rather than groceries.

Impacts

.....

- Closure of some small Groceries.
- Lack of enthusiasm on the behalf of small merchants.
- Demand of fair treatment from suppliers.¹⁰

2- Difficulties to introduce new products

In this kind of economy, it is too difficult to introduce new products on the market because the merchant want to buy quick selling products and make some good profits and dont need effort to convince.¹¹

Impacts

.....

- Stress on fast moving items, that generate better profits.
- Avoid any product complication.
- Avois luxuries.
- Stress more on popular items.

c- Psychological stress

The same consumer analysis is applicable on the merchant. The end result is double filded:

9. Grocery owner Y. Beaine' Interview 1986
10. Marche Du Pont, Manager I. Maalouf Interview 1986
11. Fatal, Managing Director M. Zakhia Interview 1986

- 1- Lack of working motivation.
- 2- Impulsive buying from the supplier.

C- Salespeople

There is a fact, that states that the salesman is not selling anymore as much as he used to, before the war. The revenues are relatively much less than before, which is due to the following reasons:

a- War/Political stress

1- Illegal ports

It is known that during the war illegal ports have opened, giving the chance for big number of new and foreign items to enter the Lebanese market at very low prices which consequently made the job of the salesman tougher than ever.

2- Difficulties in commuting

Many Lebanese areas are unsecured due to the sudden shelling which will cause him feelings of stress and anxiety.

3- Lower sales volume and less market competence.

b- Economical stress

Many companies were effected in a way or another, by this economical stress that has been

going on since two years. The volume of sales and the margins of profits are less than ever and this will effect directly on the salesman.

1- work insecurity

Each salesman has the fear that his company will close its door.

2- Work dissatisfaction

The salesman are not satisfied at their work, because companies are cutting down some of their freinge benifits, allowances and not updating thier salaries.

3- High cost of living

Salesmen are always in the market and thus subject to see so many products displayed at high prices that they could not afford in these difficult days. This daily field observation causes feelings of frustratuin and demotivation for the salesman. It is obviously known that the less the salesmin are satisfied, the less productive they become. It is a psychological phenomena which is real on ground today.¹²

c- Psychological stress

- . The sales man is not motivated to sell.

C- I. COMPARISON Table of the Market Structure

Market structure	Before	After
MERCHANT	<ul style="list-style-type: none"> - SECURED - MOTIVATED - PERSUASIVE 	<ul style="list-style-type: none"> - GROCERIES ARE LOSING ROLE TO SUPERMARKETS - UNSECURED BECAUSE OF THE PRICE FLUCTUATION - FINANCIALLY DISTURBED - WAR RISKS , WAREHOUSING and BAD DEBTS
SALESMAN	<ul style="list-style-type: none"> - MOTIVATED - COMPETENT 	<ul style="list-style-type: none"> - DEMOTIVATED BECAUSE OF HIS LOWER PURCHASING POWER - UNSECURE IN HIS COMPANY - FRUSTRATED - NO COMMUTING SAFETY IN DIFFERENT AREAS
CONSUMER	<ul style="list-style-type: none"> - BUYS WHATEVER S/HE FEELS LIKE - PRODUCT ORIENTED - SEEKS LUXURIES & NECESSITIES - STABLE - GENEROUS 	<ul style="list-style-type: none"> - CONCENTRATE ON NECESSITIES - PRICE SENSITIVE - LOW PURCHASING POWER - LIKES TO SAVE & LOOK FOR SPECIAL OFFERS - SELECTIVE

Market structure figure III-1

C-II. Comparison Table of the Marketing Mix

Marketing Mix	Before	Current	Suggestions
PRODUCT	- STRESS ON QUALITY	- SEARCH FOR NECESSITIES	- BULK WRAPPING - GIANT SIZES
	- PRODUCT DIFFERENTIATION	- NEED AVERAGE SATISFACTION	- ECONOMICAL PACKAGING
	- SUPERIOR QUALITY PERFORMANCE		
PRICE	- NEED MAXIMUM SATISFACTION		- ACCEPTABLE PERFORMANCE
	- QUALITY CONTROL		
PLACE	- COMPETITIVE	- FLUCTUATING	- VERY COMPETITIVE TO MEET THE EMERGING POOR SEG
	- STABLE	- HIGH	
	- SELECTIVE	- SHORTAGE	- INTENSIVE DISTRIBUTION
PROMOTION	- ORGANIZED	- UNSTABLE	
	- INTENSIVE		
	- SOPHISTICATED ADVERTISING CAMPAIGNS, PLANNING ETC...	- ON AND OFF - NOT WELL STUDIED	- SHIFT SOME OF THE PROMOTIONAL MIX INTO SALES PROMOTION

Marketing Mix figure III-2

The marketing manager should seek new opportunities at every phase of the economy. The economical situation we are facing is difficult, however, it includes its own opportunities. The consumer is at low purchasing power nowadays, and he is going through an austerity situation, so at the ultimate consumer level, we help him understand that we know what he is going through, and we are doing our best to help him getting out of it.

At the second level, the merchant feels that his sales are getting lower, and his capital is becoming smaller because of the higher rate of the foreign currencies. At this stage, we can give him some facilities and chances to increase his marginal profits.

Last, at the third level, which is the salesman whose life and family's survival depend upon his sales, might think that his sales have decreased may be, due to the market situation, or his capability in sales is diminishing.

The above mentioned things, might not seem to have some opportunities to some people, but in the next chapter any marketing manager facing such economical crisis could find in it adequate solution in order to save his company.

CHAPTER IV

CORRECTIVE ACTIONS AND

STRATEGY ADJUSTMENT

Following our in depth analysis of the current states of the consumer, merchant and salespeople in Lebanon, found out that the application of sales promotion devices is most profitable for today's companies in order to generate profits while motivating the major market elements. In this capacity, below is a detailed list of suggested sales promotions tools, each proceeded by marketing objectives designed as each situation requires.

A- Ultimate Consumer

a- Our Objectives

- a- Maximise the "FEELING TO SAVE" among consumers.
- b- Maximize impulsive buying stimulation.
- c- Increase purchases of current customers/ occasions.
- d- Attract new customers.

B- Sales Promotion Devices Used to Obtain the Consumer Cooperation

a- Consumer promotion to sample new customers

- . Store demonsration

These are people supplied and paid by the manufacturers to demonstrate his product. IN-Store demonstrations are effectively used where consumers can

be convinced to buy by seeing the product in use.¹³

Demonstrators are high cost sales promotion device justified only for high volume stores. They can offer samples and urge the Lebanese consumer to buy the product

. Free samples

Sampling is the offer of free trial of a product to consumers. Sample is a trial size that contains just enough product to allow the consumer to realize the benefits to be obtained from it in order not to delay consumer retail purchase.¹⁴ It is the most effective sales promotion device in introduction of a new product but it must be supported by advertising campaign.

Sampling is not justified on well established or mature products, products without a demonstrable advantage over their competition, personal care products with widely varying appeals, slow turnover products, narrow profit margin products, and products that are perishable, heavy, bulky, or fragile.¹⁴

13. Promotion Stanley Richard 1977

14. Sales Promotion Management Shultz and others, 1982

. Money refund offers

This promotion device return a sum of money by mail in proof of purchase of a particular product to the producer. The consumer may get back all or part of the price he paid. This device is used to encourage trial, a sample money refund offer is shown in figure IV-1.

Write your own refund
Get up to \$4.00 back on these quality products.

Write your own refund. Write your own refund. Write your own refund.

You One! You Two! Your Name Four Dollars Spinning Products

Here's how to get your mail refund

GET \$1.00 GET \$2.00 GET \$4.00

Johnson's disposable diapers

BAND-AID extra large

Cotton Balls

STERIPAD Sterile Pads

CAREFREE PANTY SHIELDS

TYLENOL

SHOPPING LIST
Here are the particular products and amount of refund required. Only one proof of purchase per product allowed.

- BAND-AID extra large adhesive bandages
- CAREFREE PANTY SHIELDS
- Johnson's Disposable Diapers
- Johnson's Cotton Balls
- Johnson's STERIPAD Sterile Pads
- TYLENOL Extra Strength Tablets

CHECK YOUR CHOICES
from this handy shopping list

CHECK YOUR MAIL

Money refund offers figure IV-1

. Sweepstakes

Entrants merely submit their names on proper forms to have them included in a drawing of prize winner. It can also be used as support to other sales promotion devices for higher efficiency.

. Premiums/Product

Is an item of merchandise that is offered free or at a low cost as a reward to buyers of a specific product. This sales promotion device is usually used in established product especially in an offensive action designed to keep a new competitive product from gaining a foothold in the market,¹⁵ as shown in figure IV-2.



Premium/product figure IV-2

.Price off promotions

These are sales promotion devices that offer consumers a specific amount of money off the regular retail price of a product and state the amount of the reduction on the label or package.

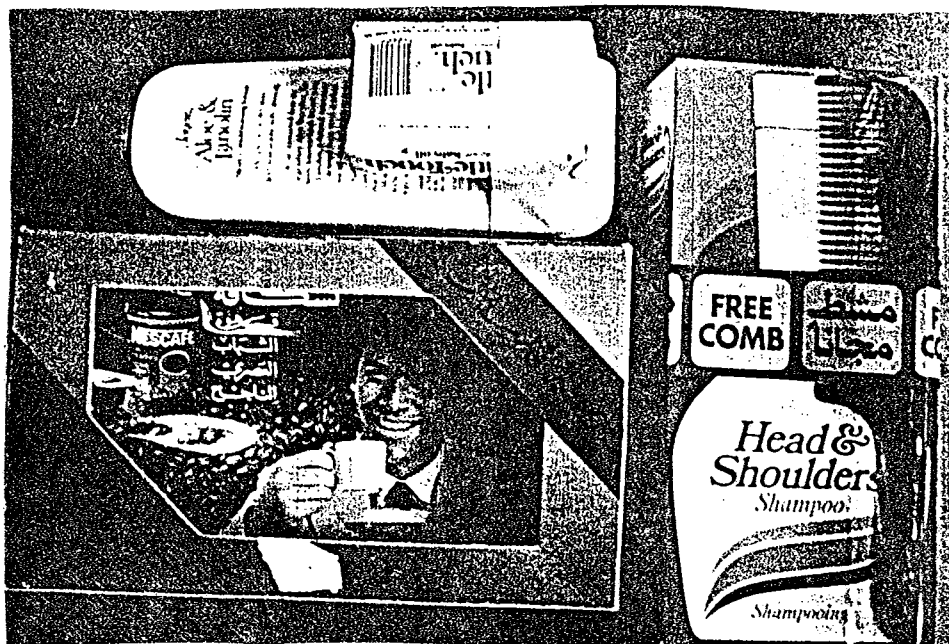
The purpose of price dealing is to sell more of the product both during and after the promotional period at a profit.¹⁶ This is more effective on newer brands than on established ones. This sales promotion device is usually used when there is a low sales volume, as shown in figure IV-3.



Price off promotions figure IV-3

. Premiums / Gifts

Premuim gift or "in-pack" which means putting a gift other than the product in the same pack. The gift must be complimentary to the product in order to reach high efficiency, as shown in figure IV-4.



Premiums/Gifts

figure IV-4

. Coupons

Is a certificate that, when presented for redemption at a retail store, entitles the bearer to a specific saving on the purchase of a particular product or brand. Coupons can be very versatile sales promotion devices and are used to many purposes:¹⁷

- 1- Get consumers to try a new or improved product.
- 2- Encourage the repeat buying of a new product after its initias trial.

- 3- Increase the use of an established product.
- 4- Sell larger sizes of a product.
- 5- Introduce new varieties or flavors.

Coupons are the most appealing sales promotion device from the consumer's standpoint, as shown in figure IV-4

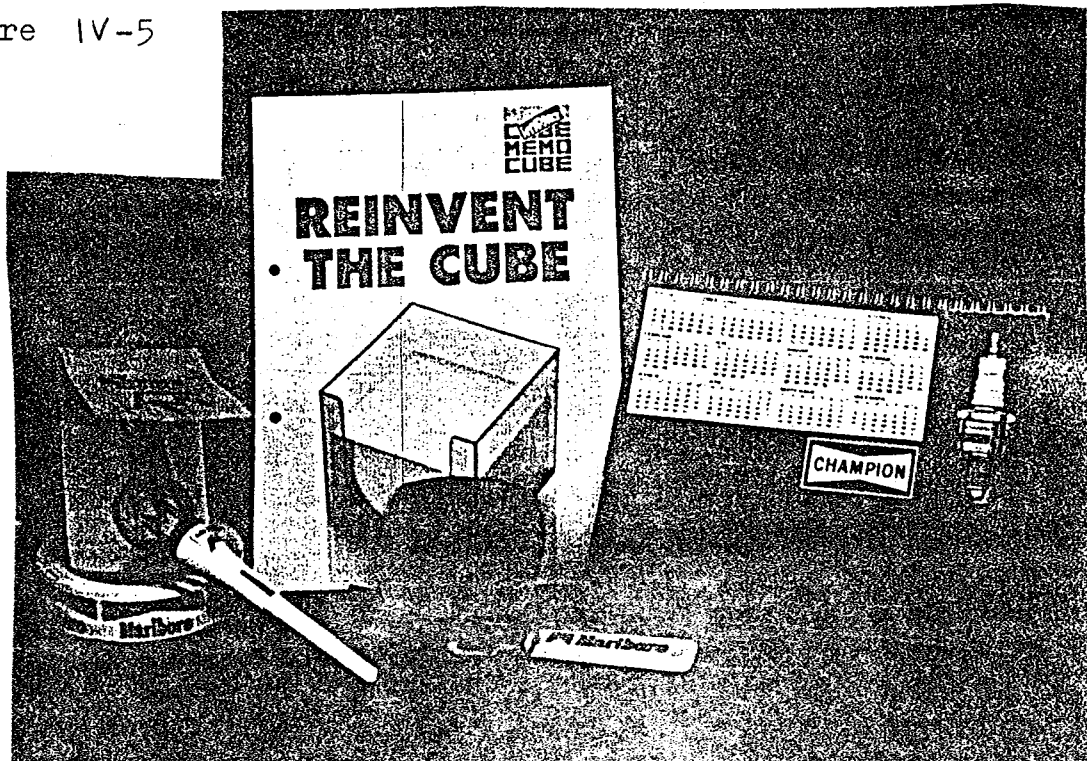


Coupons figure IV-4

. Advertising specialties

Distribution of books of matches, playing cards, calenders, souvenirs, post cards, key rings,

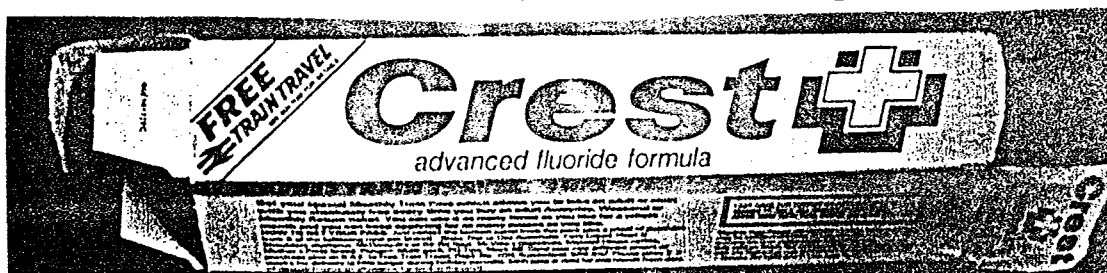
penciles and similar specialties are important in building consumer goodwill and indirect brand promotion, as shown in figure IV-5



Advertising specialists figure IV-5

. Contests

Entrants compete for prizes on the basis of their skills in meeting some requirements. It can be used as support to other sales promotions devices for higher efficiency, as shown in figure IV-5 18



Contests
Figure IV-6

b- Consumer promotions designed to increase purchases of current customers

. Packaging

When consumers know little about competing products or regard them as being about equal in quality, the sales advantage may come from the package. The increase in trend toward self-service merchandizing is making packaging the business of today which serves as the most important sales stimulant of the point of purchase.¹⁹

Packages have two functions to perform:

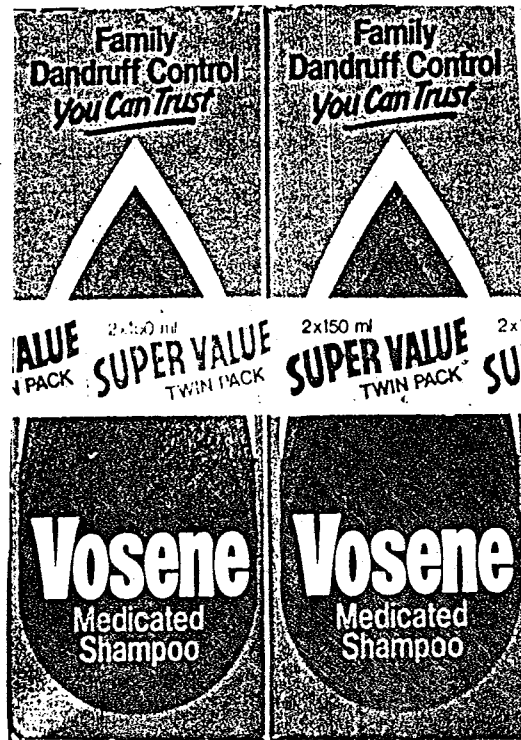
- 1- protect the product.
- 2- communicate and promote the product's benefits to consumer, as shown in figure IV-6.



Packaging , figure IV-6

. Consumer Offer (two for one)

In this offer, two packs of the same item are offered under a lower price, than each one bought seperately, as shown in figure IV -7, for consumer products of more frequent use, such as soaps, a six for five or any other conveneint offer may be used.²⁰



Two for one offer figure IV -7

c- Maximise use of point of sales material(P.O.S.M)

Point of sales materials consists of the promotional materials placed on, at, or in retail stores.²¹

20. Fatal, Managing Director. M. Zakia

Interview 1986

21. Philip Morris, Sales Development Manager.

N. Malek
Interview 1986

A wide variety of P.O.S.M are furnished to retailers by manufacturers or distributors, such as:

- Posters displayed in a public places or clubs.
- Banners and flags.
- Streamers: long narrow flag.
- Racks: framework with bars, pegs, etc...,for holding the concerned brands.
- Signs: to be hanged outside the shop, sometimes they write the shop's name on it.
- Displays and Shelf Talkers: to be put on the shelf where the concerned product is displayed.
- Price cards.

The point of sales material will aid the Lebanese consumer in his purchaling decisions in these days of turbulence, as shown in figures IV -8



P.O.S.M
figure IV-8

B- Merchant

The Merchant is the most important person because he determines:²²

- . Whether or not a particular brand will be stocked.
- . How many shelf space will be given.
- . Whether or not it will be given.
- . Special displays.
- . Price features.
- . Retail advertising support.

I- Our objectives

1- Aid merchant to overcome this instable situation.

- 2- To obtain distribution.
- 3- To increase inventories.
- 4- To gain special displays.
- 5- To gain shelf price features.
- 6- To gain retailer advertising support.

II- Devices used to obtain retailer's support

a- Concerning gain of distribution/ increase inventories

- . Trade loader

Trade loader is a premium given to retailers for buying a specific amount of a manufacturer's product.²³

ie. one free case for buying ten cases of a specific product you get one case free.

22. Salesman, Fatal. H.Hamzi. Interview 1986

23. Modern Retailing Management Duncan, Hollander, and Savitt
1983

.Quantity discount

Quantity discount is a discount given to retailers by the manufacturers or the distributor for the purchasing of a certain quantity, i.e. for the purchase of:

L.L.100,000- you receive 5% discount.

L.L.150,000.- you receive 7% discount.

. Consignment offers

The distributor or manufacturer deliver a quantity of merchandise to retailers or agents in order to sell it, without transmitting the ownership of the merchandise, profiting from a certain commission.²⁴

b- Trade promotion to gain support of retail sales personnel

. Retail training and meetings

Meetings are frequently held by company sales people and management in their respective territories. These meetings and trainings are commonly held at the opening of the active selling season and provide the retailer with information concerning new models, products, advertising schedule and promotional plans and materials. also the manufacturer or distributor can train the retailers in order to know better their products.²⁵

24. Sales Promotion Management Shultz and others 1982

25. Modern Retailing Management Ducan, Hollander, and Savitt
1983

.Trade contests

It is often used to motivate distributors and dealers and their salespeople. It must provide a chance of winning for everyone who is eligible to enter to win a prize, a participant must show a certain percentage or, a certain will (such as good shelf display etc...) to increase his sales, sometimes over a set sales quota.²⁶

Four types of contests:

- Volume rebate (If you reach a certain volume of sales the agent will rebate for you a certain percentage).
- Dealer incentives.
- Non cash prizes (sell and share).
- Envelope offer.

Swon in figures IV-8, IV-9, IV10.

ade
ntests
courage
ndow
splay
gure
V-8

have the
BEST
WINDOW
DISPLAY
 and win L.P.990

have the
BEST
SHELF
DISPLAY
 and win L.P.500

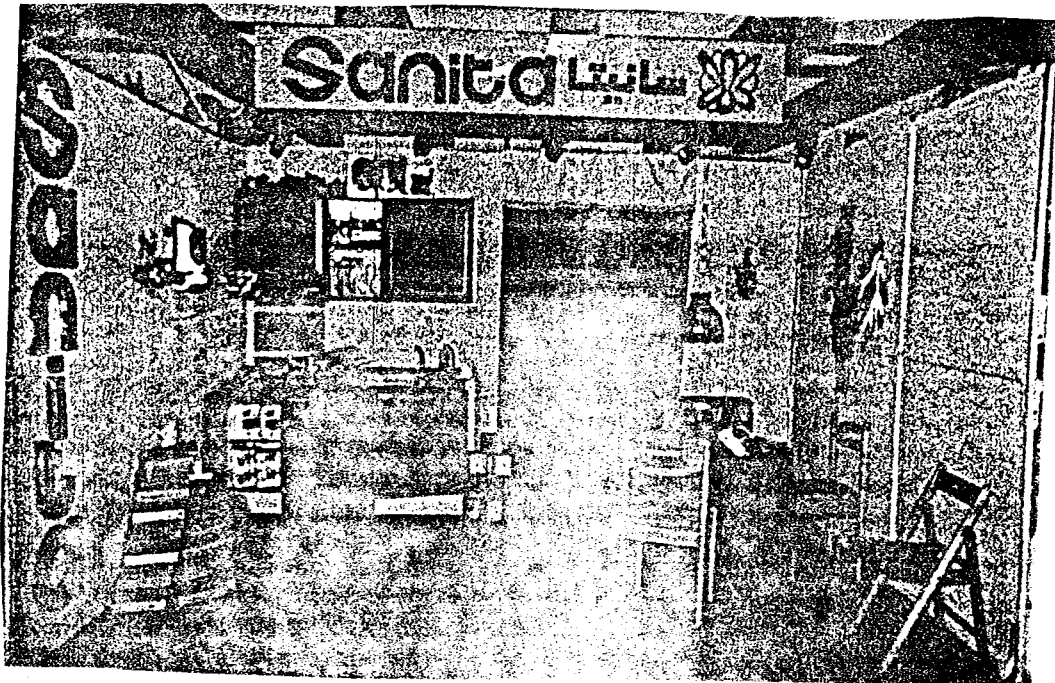
Trade
contests
to
encourage
shelf
display
figure
IV-9

.Push money

It is a special monetary incentive to retail salespeople to push a particular line or brand of goods. It is among the best devices when retail salespeople are a vital link in selling the customer.²⁷

. Trade shows and exhibitions.

Trade show visitors are able to see demonstrations of new products or innovations in existing products as shown in figure IV-11.



A stand at a trade exhibition
Figure IV-11

Point of purchase materials

Consists of promotion material placed on, at or

in retail stores in order to help the retailers sell out our product.

c- Trade promotion to gain special display and/or price features.

. Display allowances

Retailers qualify for a display allowance by building special displays of the manufacturer's product in their stores. They receive this allowance by furnishing written certification of compliance with the terms of contract.²⁸

. Non-branded promotions

Non-branded promotions might have different features such as:

- Window signs
- Store banners
- Display cards
- Shelf talkers
- Price stickers
- Other decorative materials associated

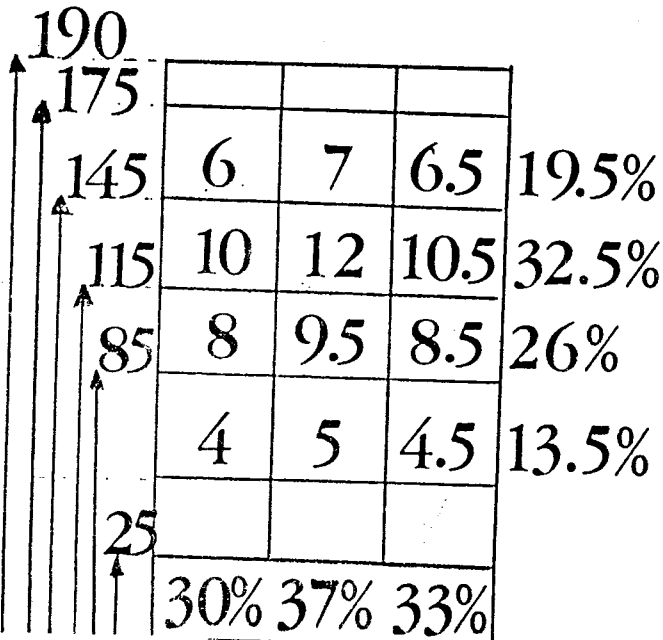
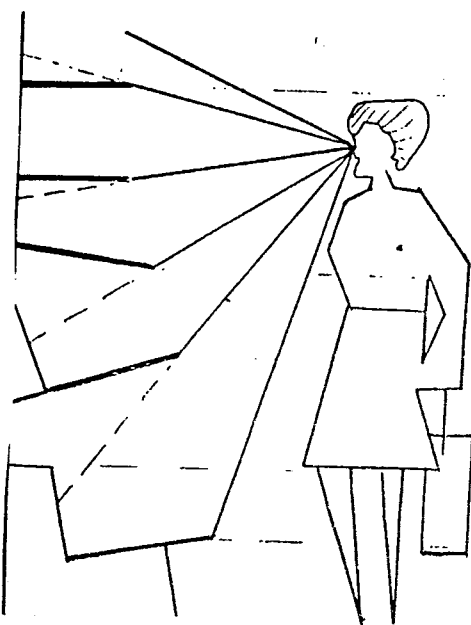
with a theme.

Included with the non branded material will be brand identified P.O.S.M for the brand of the advertiser.

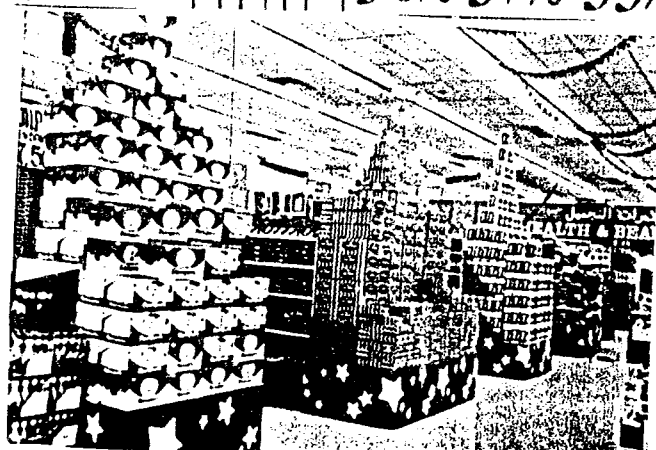
d- Maximise use of merchandising activities.

In such days of turbulence, merchandising activities help much the merchant to sell out his products. Such activities fall under the following set:

- Have the best shelf displaying, organization, and arrangements.
- Have good price control.
- Make sure you have no product shortage on shelves.
- Good point of sales material handling to aid your consumer in their purchases.
- Good eye level displaying of major products as shown in figures -12 and -13



Merchandising activities figure IV-12



Merchandising activities figure IV-13

e- Trade promotions to gain advertising support

. Advertising allowance

This allowance is given to a wholesaler or retailer for advertising the manufacturer's product.

. Cooperative advertising

Wholesalers or retailers and manufacturers share with each other the advertising campaign budget promoting the wholesalers or retailers and the manufacturer's product,²⁹ as shown in figure IV-14.

SAVE on
GLAD
special value
3 Mil • 2 Ply
TRASH BAGS

\$1.19
15 ct.
box

HEAVYWEIGHT
GLAD
TRASH BAGS
NEW 2 PLY
3 MIL THICK

Centrella

Visit One of These Conveniently Located Centrella Stores.

MINELLI BROS.
7780 N. MILWAUKEE AVE., CHICAGO

ELLIOTT DAIRY
4800 N. NAGLE, CHICAGO

RAYS
2708 W. PETERSON, CHICAGO

MR. VALUE
DOWNERS GROVE

CEE BEE'S

BLUE GOOSE
ST. CHARLES

BROOKHAVEN
DARIEN

CANTERBURY FOODS
2959 W., 159TH, CHICAGO

EMSING
GRIFFITH, INDIANA

J & M FOODS

Cooperative advertising Figure IV-14

C- Salespeople

I - Our objective

Our objective is to find the way to motivate the salespeople and let them feel that they are secured.

II - Devices to motivate the salespeople

. Frequent sales meetings

Gatherings of the company's salespeople at the national, regional or district levels to present new products, programs and plans, and to stimulate the sales force to new efforts. ³⁰

. Sales manuals and products models

Provide a wealth of information about the company and its products, policies and procedures also contains descriptions and prices of every product carries, materials that make up each product, manufacturing processes used, sales techniques and general suggestions for helping customers get the most out of company offerings, ³¹ as shown in figure III-15.

. Sales letters and bulletins

These are communications that can provide helpful ideas, suggestions for improving sales techniques, product information and the like. They can also serve as moral builders and motivators by letting salespeople know their effort and appreciated. ³¹

30 . Marketing Concepts and Applications Schewe & Smith 1983
31 . Sales Promotion Management Shultz and others 1982



Sales manuals figure IV -15

. Non cash rewards

For good performance and as a motivating factor, such reward could be a free holiday, or a colored T.V, etc...

. Frequent sales cotests

Are used to motivate salespeople to excel in their work, enjoy the esteem of others, and develop this competitive tendencies. It can a sales volume increase and profit for the company, put some selling emphasis on particular products, and help in the introduction of new products, secure new customers, improve sales performance and the like.³² Many difficulties may arise from the contest, in order to overcome these difficulties, marketing managers

should use some incentives campaigns in which salespeople compete against their own past performance and the number of prizes is not limited.

. Sales training seminars

Good salesmen are not born, they are made by well executed training programs. Trained sales people are able to produce more quickly, sell more and are easier to manage. Knowledge training includes knowledge of the company, its product or services, its promotion program, its customer and the sales job to be done.³³ Sales knowledge training is best given through lectures, sales training conferences, plant visits, individual study and correspondence between sales managers and their salespeople. Sales attitudes toward his company, manager and product, and to transform his negative attitudes into positive ones.³⁴ In this economic instability that the Lebanese is facing, "sales man of the crises" will be the best subject of the sales training.

33. Marketing Concepts and Applications Schewe & Smith 1983

34. Philip Morris Sales Seminar N. Malek 1985

CHAPTER V
CONCLUSION
&
RECOMMENDATION

The instable political and economical situation in Lebanon had incurred several changes on the market site. As such, the whole marketing mix elements will face changes that marketing managers must take into serious considerations.

As far as the promotional mix, which was the concern of our paper, the major shift in the mix is towards sales promotion. In recession and such turbulent situations, the advertising and promotional budget will face major changes, i.e. a shift in the spending to sales promotional devices and incentives. By this, the major percentage of the budget will be transferred to sales promotional tools whereby the minor portion will be kept for direct media advertising.

In short, marketing management that uses any possible adjustments to its mixes in order to stimulate the always changing consumer needs and wants especially in fluctuating markets.

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