

## **SALES GROWTH, THE OPTION OF SALES PROMOTION STRATEGIES (TELECOMMUNICATION INDUSTRY IN PERSPECTIVE)**

**ANUMEGE S. CHIBUNNA (PhD)**

**Department of Marketing**

**Madonna University Nigeria, Okija Campus**

### **ABSTRACT**

*With stiff competition, Economic meltdown, recession, covid 19 among other issues facing Nigeria as well as Sales growth pressure being mounted on the Sales department of every organization, the need arises for an examination of the decisions on what has happened in the past that is seen as example, the unusual feature and future benefits within the context of sales promotion strategies. The sales promotion is aimed at pedestal zing the telecommunication firms as most acceptable, profitable and first class communication firm. Using comparative analysis, the paper strongly advocates sales promotion strategies hinged on constant appraisal of various sales promotion strategies, avoid uncoordinated sales provision strategy, make first hand information available to all their subscribers on current sales promotion the firm is running at every point in time, among others.*

***Keywords: Sales Promotion; - Incentives to consumers and traders that are designed to stimulate purchase (Jobber, 2007)***

*This is a corporate practice of developing and maintaining strategic fit between the organizations goals and capabilities and its changing marketing opportunities, sales promotion activities usually characterized by incentives.*

### ***Sales Growth***

*Statements of sales goal attainment, objectives or expression of the state of affairs desired by the organization of some specified future dates.*

***Promotion; providing information for persuasion (Riel, A.C., R. Montangers etc 2005)***

### **Introduction**

There are proven sales promotion strategies and sales promotion tools to help plan for effective sales promotion and to combat the negative effects. Adequate idea of the complicated parts of sales promotion dynamics is very important criteria for effective sales promotion strategy. Since sales promotion is a Sine-qua non for every Tele communication firms that wants to remain afloat in business in the face of sales increase pressure from the firms owners.

Sales promotion have in recent times become “in thing” among the Nigeria’s marketing communication firms. The intense desire to survive, growth, profit maximization among others have become pressing goal for these firms. This implies that sales promotional efforts that are timely, cost effective, reliable and accurate are inevitable for success. Sales promotion is designed to speed up the selling process and create maximize sales volume through providing extra incentives (Belch,& Belch,2009, p.509)

### **The Concept of Sale Growth and Sales Promotion:**

Sales growth is a contentious issue; however, it is generally traceable to selling concept efforts. Economic growth meant a rapid and sustained rise in output, in all gainful economic ventures (Meier 1976).

The consensus of past researchers affirmed that sales promotion boost on the short term sales, (Cartwright 2002), in Aworemi, Oyedokun, Ajagbe and Wojuade (2008) and Kotler 2009).

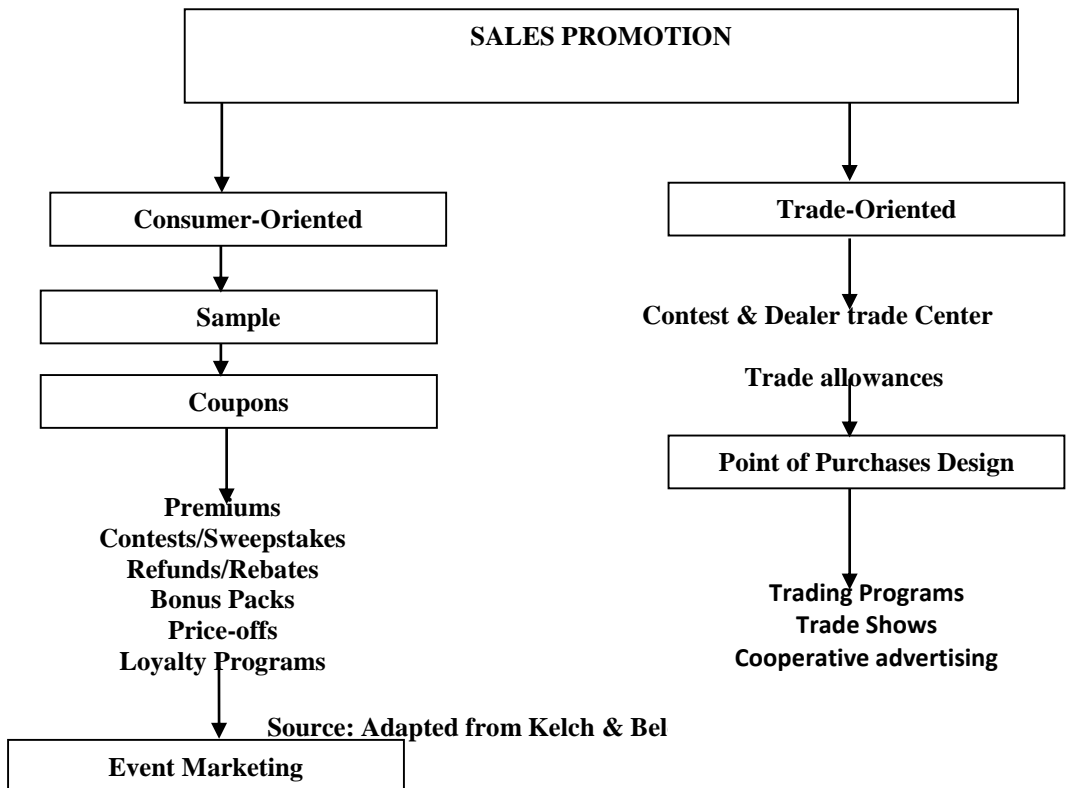
However, its long-term effects are debatable and many researchers have reported conflicting results. According to (Ailawadi 2001) cited in Lindholm (2008), sales promotions have a positive long term effect on sales because promotions persuade consumers to brand switch, buy in large quantity, etc, while some of the researchers reported contrary views, (Keogh 2014) findings include that excessive use of sales promotion can damage brand equity others choose to argue that after a promotional purchase, the probability of repeat purchase is reduced after a non-promotional purchase. Literature, five reasons were identified as accounting for this:

1. Promotion is considered to be an external stimulus.
2. Customers might also become comfortable with the lower price and well not be motivated to buy with the normal price anymore
3. Promotion might also encourage low-probability customers to purchase products and services
4. Prices are used as a measure of quality for many service consumers. In that sense decrease in the price devalues the brand in the eyes of the customers.
5. Regular purchasers tend to stockpile during a promotion, decreasing the frequency of patronage.

Brassington and Pettitt (2000) cited in Chaharsoughi and Yasory (2012) revised the definition of sales promotion as a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above “normal” offering in order to achieve specific sales and marketing objectives. This extra value may be of a shorter tactical nature or it may be part of a long-term franchise building strategy. Having evaluated the effect of sales promotion on sales growth and customers’ attention to purchase the authors reported that sales promotion content brings about customers attention and promotion of selling and at the same time creates awareness to enhance more patronage from the authors discussion so far, one can deduce that when sales promotion is well planned and structured, it will not only result to short term purchase but equally enhance long-term patronage (Lindholm 2008), Chaharsought et al (2012). Since this study was based more on intangible than tangible products Pendergast and Cheung (2010) defined sales promotion as a direct inducement that offers an extra value or incentive for the product to sales force, distributors or final consumers with primary objective of creating an immediate sale, Belch and Belch (2007) have proposed a similar definition before a viable sales promotion strategy can be formulated, one must spot out those impediments that are obstacle to the wheel of sales promotion. Frequently causes include:-

- Overly optimistic sales promotion/sales projection.
  - Poor strategic choice
  - Poor execution of a good strategy
  - High operating costs
  - Insufficient resources
  - Non/unsuccessful R and D strategies
  - High successful competitors (Marketing Warfare)
  - Inadequate tools and financial controls while each case is unique, the sales promotion process involves the following stages.
1. Conducting Sales tools research: This systematic design, collection, analysis and reporting of data relevant to a specific sales promotion situation facing organization.
  2. Situation Analysis: A situation analysis is performed to evaluate the prospects of the strategy.

Strategy according to Gilbert A. Church Hill et al is a statement of the fundamental pattern of present and planned objectives, resource, deployments, and interactions with markets, competitors, and other environmental factors that indicate how an organization intends to survive and prosper over time.



**Sales Promotion:** A short term promotional arrangement to woo, lure seduce or induce the target market into favorable reaction or those promotional activities other than advertising, publicity and personal selling that stimulate interest, trial or purchase by final customers or other in the channel (William 2000).

3. Establishment of Image: This style builds a mood or image around the product or service such as beauty or serenity. Few change to be making about the product. Even when the offers look the same, the brand image that convey the product distinctive benefits and positioning.
4. Condition for Participating/benefitting: - The condition for participating or benefiting from the sales promotion must be spelt out before the commencement of the sales promotion. Carefully choosing conditions enables non user before to become loyal customers.
5. How much to spend (budget)  
How much to spend which the planners may arrive at through the use of the following budgeting method
  - (i) Percentage of expected sales volume within the sales promotion period.
  - (ii) Conventional Percentage of the total sum mapped out for promotion/sales promotion tools
  - (iii) Geographical budgeting, etc, other considerations are: - the size of the market, location of the market, magnitude of competition etc.
6. When to run the sale promotion:  
This refers to timing, i.e. the executors must decide exact time or period which the sales promotion will take place i.e. time, days weeks, before or after festivities, morning, afternoon, or night, the frequency etc. The schedule in a planning instrument requires careful co-ordination of production, sales, distribution and finance.
7. **Duration of the sales Promotion:** If sales promotion strategy is offered for too short period, many prospects will not be able to take advantage since they may not purchasing or repurchasing at the time of the sales promotion or they may be too busy with other things at that point in time. If the sales promotion runs for too long a period, the customers may begin to perceive it as a long-term price concession and the excise will lose some of its “act now” force as well as raising questions about the brand real quality. The operational duration may be three weeks or one month as the case may be.

## **Growth**

Growth refers to something that has grown, growing or the process of increasing in size. Equally, Measuring growth in telecommunication industries is necessary so as to ascertain success or failure if such telecommunication firm. In as much as no best ways which one can measure growth, the parameters to achieve accurate results in measuring growth includes application of consistent method that evaluates both internal and external variables through selling of goals (short and long term goals) that must be **SMART**.

Indices to be measured among others are

- i. Increase in the market share growth

- ii. Rate of retaining more customers ratio
- iii. Cash inflow growth rate
- iv. Work force increase rate (sales force increase
- v. Increase in the rate of coverage (market coverage)
- vi. Increase in the net profit
- vii. Increase in the number subscribers (number of territories)
- viii. Increase in sales volume of the recharge cards etc

A sales-oriented goal seeks some level of sales, physical unit's points, monetary, sales or share of the market. A time a firm's sales promotion strategy will be geared towards stimulating sales growth. The benefits derivable from increased sales volume are based on the premise that higher sales, reduce unit cost (Economy of scale), increase total revenues, and enhance profits at lower unit prices. To achieve sales growth objective sales promotion strategy of penetration pricing strategy is the most suitable. A short-term price cut or discounts, for instance, maybe very effective to boost up the sales (Arens, Schaefer, & Weigold, 2009)

#### **Implications:**

- i. Immediate short-term profits as the opportunity for future growth.
- ii. Reducing short cost through high volume output.
- iii. Discouraging new entrants,
- iv. Good for international market entry etc.

Though Dickson (1994) in contrary view argued that some firms fire high list prices but through discounts, allowance, coupons etc bring the price low at the introductory stage in order to generate initial sales. He explained that this approach is advantageous, in that the high list price can signal product quality otherwise, some buyers may question the quality, if a low introductory price is used alone.

In support of the above statement, high list price assists inventors in licking the cream of the market, MTN is a typical example.

#### **Sales Promotion Prospects**

Sales promotion has bright prospects in the world of business and other human endeavors as well as aid in Government Services. It is critically essential for the marketing of goods and services successfully, when carefully and strategically applied, the applicant (firm) can achieve high volume sales, more market share, increase in revenue and profit.

Kotler (2001) stated that several factors contribute to the rapid growth of sales promotion, particularly in consumer markets. Internal factors include the support being given to it and acceptance by the top management of business firms. Aware of its effectiveness in actualization of sales growth objectives, more product managers have resorted to use sales promotion tools. Marketing managers and sales forces of business firms are always under pressure to increase their companies market share, obtain reasonable sales volume as well as achievement of sizable profit and fight competitors to stand still.

**Others are:-**

Many brands are seen as similar, this is a pointer to application of effective sales promotion strategy, also consumers are more price oriented, the traders has demanded more deals form manufacturer these are indicators that sales promotion strategies are good hopes. More so, advertising efficiency has decline because of rising costs and today many consumer package products, sales promotion account for more than other promo tools.

The increased sales promotional messages have helped in creating awareness to the potential on the existence and importance of communication and the benefits to consumers.”The take up and use of specifically information communication technology (ICT) over last decades throughout economics, social environment to the point of current ubiquity, impacts on most aspects of modern life” (Galloway, 2007,p.641). Now the world is age of information, Customers will define what information they need, what offerings they are interested in, and what prices they are willing to pay (Kotler & Keller, 2006, p.612) The creation of more marketable services by Telecommunication firms has led to vacancies for young marketing graduates thus reducing unemployment.

The gradual movement of economies to cashless society, where most transactions are done electronics deviates is also good hope for the selling units

#### **Issues of sales promotion strategy:**

Many different problems impede on a wheel of sales promotion strategy-which among such obstacles includes:

- Shortage of products (out of stock), especially within the middle of any ongoing sales promotion, it is a serious obstacle militating against actualization of the sales promotion objectives.
- Setting of unattainable sales promotion strategy, in terms of high sales volume, More market share, unimaginable profit maximization etc are usually limitations.
- Activities of unscrupulous and crooked businessmen and women coupled with the so called Nigeria factors are limiting sales promotion strategies successes. Incentive tools (gifts) meant for consumers, middle or sales force are always hijacked by the managers of some firms, while the remnants are taken away and channeled into wrong hands, sold or even in some cases converted to personal use thereby making mockery of the entire sales promotion excises.

#### **Sales growth and efficient sales promotion**

For our purpose, efficient sales growth of any business firm refers to a state of high value – cost ratio, in which a unit effort in any departments leads to more than a proportion result, such that quality utility (satisfaction) is lucratively generated and transferred, leading to an ultimate multi-departmental vibrancy and sustainability. With each department being efficient (more results from less effort) the overall multiple impacts on the business firm will among others increase in income to the business firm

- Increase in income to the business firm
- Generate more employment opportunity
- Improve quality of life and standard of living for the workers (employee)
- Guarantee job security for the employees of the firm
- Pedestals zing the telecommunication firm as most acceptable, profitable and holistically first class communication firm. Etc.

These constitute the hubs of sales growth. The role of sales promotion strategy therefore is apparent pivotal/epicenter, since lucrative creating and sustaining demand is at the vertex of economic development quest (Martines, 2005, Anyanwu 2003)

Sales promotion strategy can perform this arduous task through.

- Constant Research, in order to anticipate demand and ensure that appropriate new product and service are made available to those who need them at the right price, time and place (Anyanwu 2000). There is no best alternative to get new and more customers than promotion (Bridges, Briesch & Yim, 2006, p.304). Promotion is define as providing information for persuation (Riel,A.C.,R.Montangles, C.P. & Streukens, 2005), Promotion includes, advertising, promotional events, personal selling, web-site-based communication activities, and so on (Kim & Hyun, 2010, p.7)
- For this communication firms, there is need to consistently review of the marketing controllable variables in line with the changing conditions of market and market place. This should consider the offerings in line with satisfaction, consideration of costs communication and convenience.
- In all the communication firms should conduct a cost – benefits analysis before embarking on any sales promotion strategy campaign so as to avoid incurring avoidable losses at the end of the entire excises.

### **Conclusion/Recommendations**

The problem of sales growth the world over has continued o be serious concern to the researchers, marketers, firms, academic and investors in both the private and public sector of the economy. Downturn sales especially of key firms is very dangerous and has far-reaching multiple negative effect on the firm itself, the stakeholders as well as the general economic health of the nation. This study therefore is keen at understanding sales growth pressure being faced by firms in Nigeria especially those firms in the telecommunication industry and how sales promotion strategies as a man in the middle will assist in ameliorating cum actualization of the goals (sales growth), recourse must as a matter of urgency be taken to aggregate demand resuscitation.

Based on the above we hereby recommend thus:-

1. For these communication firms, there is need to constantly review the marketing controlled variables in line with the changing conditions of market. This should consider the product (services) in line with consumer satisfaction, consideration on costs, communication and convenience.
2. The research and development department should be created by these telecommunication firms, in order for them to always research and innovate on the sales promotion strategies that can give them more market share, profit and loyal customers.  
More so, it will enable them to avoid copying competitors' sales promotion strategies (me too strategy).
3. The telecommunication regulatory body in Nigeria should encourage these firms by providing an enabling business environment for them to make headway.

4. The incentives offered should be realistic, attractive, even distributed etc, so as to build subscribers confidence and trust.

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