

PROMOTION AND ADVERTISING

Table of Contents

1	Disclaimer.....	2
2	Introduction to SMEDA.....	2
3	Purpose of Document	2
4	Promotion	3
4.1	Personal Selling	3
4.2	Sales Promotion	3
4.3	Public Relations	4
4.4	Advertising.....	4
5	Commonly Used Advertising Media	5
6	Example: Promotional Activities of Wholesome Bakery Café	10

1 Disclaimer

This information memorandum is to introduce the subject matter and provide a general idea and information on the said matter. Although, the material included in this document is based on data/information gathered from various reliable sources; however, it is based upon certain assumptions, which may differ from case to case. The information has been provided on as is where is basis without any warranties or assertions as to the correctness or soundness thereof.

Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision, including taking professional advice from a qualified consultant/technical expert before taking any decision to act upon the information.

For more information on services offered by SMEDA, please visit www.smeda.org.pk

2 Introduction to SMEDA

Small and Medium Enterprises Development Authority (SMEDA) is an apex SME development agency working under the Ministry of Industries and Production (MoI&P), Government of Pakistan. In pursuit of its mission, SMEDA has adopted an integrated strategy that comprises SME sectors & clusters development, Business Development Services (BDS), and Policy advocacy to protect and promote SME interests.

SMEDA offers a broad spectrum of business development services to SME which include prefeasibility studies, identification of experts and consultants, delivery of need based capacity building programs in addition to business guidance through help desk services.

3 Purpose of Document

This document is a demonstrative guide for new / start-up entrepreneurs who are interested in understanding key points of consideration when deciding on avenues for Promotion and Advertising of their businesses, particularly businesses categorized as Small & Medium Enterprises (SMEs).

4 Promotion

All activities aimed at making the potential customer aware of your product/service or brand is promotion. When you “promote” your product or service, you try to develop the potential customers’ interest in your business offering and make your brand popular or positively well known.

Activities / tools used for promotion are Personal Selling, Sales Promotion, Public Relations and Advertising.

4.1 Personal Selling

Personal selling is done through verbal presentations and demonstrations. These presentations may be face to face, by phone or internet. Personal selling involves; internal activities to train, motivate and mobilize your firm’s sales staff, as well as external promotions of your product/service to potential customers. Both sets of activities aim towards generating sales.

Examples for internal activities include training and incentive programs for the sales team, sales presentations, telemarketing and samples etc. A property dealer selling a house and a sales agent selling a car are both examples of external activities of personal selling.

Tip

- i. Prepare your selling pitch by highlighting key product features
- ii. Keep the language you use simple and easy to understand
- iii. Maintain follow up with your target customer for feedback and review

4.2 Sales Promotion

Sales promotion involves activities undertaken to increase sales of a product/service for a defined period of time. Examples include samples or trials, coupons, trade shows, exhibitions, contests etc. For more ideas explore seasonal discounts on clothing brands, prizes or discounts offered by Shopping Malls like Emporium or Hyperstar, for specific periods to stimulate sales. Also service providers like gyms, restaurants etc. regularly offer special discounts for limited time periods.

Consider

No gift is a free gift. Prepare budgets for sales promotions carefully. You don’t want to spend more money than what you expect to earn.

4.3 Public Relations

Public relations (PR) in a commercial organization (business) is information about its products/ services or activities usually provided through a third party. This information is presented such that it reflects favourably on the organization, and it is meant to stimulate public interest. Examples include newspaper and magazine articles, charitable contributions, seminars, speeches, etc.

Notice how Uber and Careem regularly offer discounts and even free rides during times of crises or during national celebratory events as part of their PR campaigns.

Consider

You should take part in at least some P.R. related activities, such as appearing to celebrate national holidays such as Independence Day or Eid, and other religious and cultural festivals.

Most businesses use a mix of advertising, personal selling, referrals, sales promotion and public relations to promote their products or services.

4.4 Advertising

Advertising involves activities of calling public attention to a product, business or need, usually by paid announcements in the electronic, print and broadcast media or through outdoor channels such as bus stands, billboards etc. For example large clothing brands like Gul-Ahmed often use a combination of advertising channels including Television, Radio, Print (Magazines & Newspapers), and Billboards.

The objective of advertising is to increase sales by:

- i. Making your business and product name familiar to the public
- ii. Creating goodwill and building a favourable image
- iii. Educating and informing the public
- iv. Attracting customers to explore your product or service

Consider the following four key points when planning any advertising activity:

- i. **Aim** - What is the main purpose of the advertisement? Is it to inform, sell, produce listings or improve the image of your business?
- ii. **Target** – Who is the target and what are their set of demographics? From which sector of the public are you trying to achieve a response? For example is it male, female, adult, teenager, child, mother, father etc.
- iii. **Media** - Keeping your aim and target in mind, which of the media options available to you appears most suitable – i.e. TV, radio, press or Internet?

- iv. **Competitors** - What are your competitors doing? Which media channel do they use? Are they successful? Can you improve on their approach and beat them in competition?

In order to create a good advertisement, we need to make sure that it attracts attention, arouses interest and delivers sufficient impact in the message, creates a desire to learn more or crave ownership, and it prompts an action which leads to the achievement of the advert's original objective.

5 Commonly Used Advertising Media

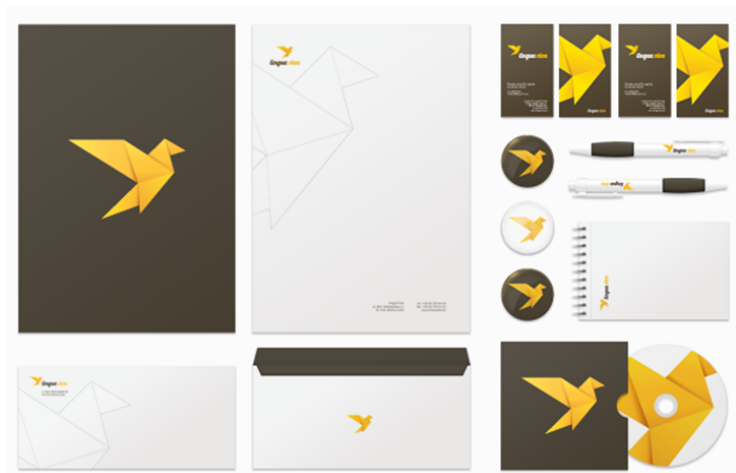
There are many media options available to advertisers and often a combination of these can be used to good effect. Following is an introduction to some commonly used advertising media available to SMEs:

Note: Remember to keep your branding and message consistent across all media. This includes the colours, logos, design elements and fonts used.

- i. **Stationery:** Stationery includes letterheads, envelopes and business cards. It is a means by which your business image or name is projected. Good quality stationery, used with care and attention and with a high standard of presentation, is an everyday means of presenting your business image.

Tip

Start with visiting cards designed through a printing agency. As your business grows or requires, you can have other stationary items developed.



- ii. **Window display or Office front:** The external presentation of your business, office or shop is one of the principal ways of establishing your business image. An attractive, well maintained exterior with clear, bold sign writing is an essential start. People on the street, passing by your business location are all potential customers who

if attracted by your window display, may step inside for a closer look, which is exactly what you want.



Windows should be bright, attractively presented, scrupulously clean and well lit at night. The display should be arranged neatly and aimed at projecting an attractive business image and/or an incentive to enter the premises.

- iii. **Press advertising:** includes advertising in all press such as newspapers, magazines and journals. Press advertising is suitable for image building, information dissemination and sales campaigns.

Consider

Contact your local newspaper for prices as well as the options for newspaper advertising that they offer.

Real estate dealers and builders often advertise new housing schemes and societies in large advertisements printed in newspapers (like the one shown on right).

Price (PKR)	Size (Sq. Yards)	Features
1,590,000	5	390 sq. yd. plot, 50% built-up area, 10% open area, 10% reserved area, 10% reserved area, 10% reserved area
2,290,000	10	720 sq. yd. plot, 100% built-up area, 10% open area, 10% reserved area, 10% reserved area, 10% reserved area
3,690,000	1	100% built-up area, 10% open area, 10% reserved area, 10% reserved area, 10% reserved area

12A, K-Block, Main Boulevard, Gulberg II, Lahore.

042-111-532-222

0333-4032506 | 0333-4066450 | 0322-4853916

LDA City Development Partners

URBAN DEVELOPERS, PARAGON CITY (P) LTD, ALPHA ESTATE, MUMBAI

- iv. **Radio:** Radio advertising involves spot adverts (usually 15-30 seconds long), promotions or talkback/DJ discussions. Most local radio stations provide significant airtime to advertisements. DJs regularly distribute gifts as prizes for quiz winners on their shows, these gifts are typically offered by businesses for promotional purposes. Contact your local radio station and ask for potential advertisement opportunities that you can avail.

Consider

Remember to know the type of programs/shows your target audience listens to (if any) and consider advertising only during those shows

- v. **Television:** Television is a powerful advertising medium, however the cost of producing the advertisement and obtaining sufficient airtime to allow the campaign to work often makes it unaffordable for small businesses. Local cable operators, however, allow cheaper airtime and should be explored. All advertisements including commercials as well as banner ads shown on TV fall within this category.

Consider

Explore the possibility of small popup banner adverts if your cable operator offers such a facility, and if such advertisements are suitable for your product/service.

- vi. **Direct mail:** This is a broad category covering direct communication with the consumer through email, post or fax. It can include brochures / catalogues, leaflets / pamphlets, newsletters and letters.

Tip

To minimise cost physical catalogues / newsletters may be dropped by business representatives at nearby locations. Distant customers can be reached through Pakistan Post.



- vii. **Outdoor:** This is any type of advertising which is done outdoors, including static advertising such as billboards, backs of street benches and bus shelters or advertisements displayed on buses, trains, taxis or towed signage etc.

Tip

Advertising on the backs of rickshaw's (as shown right) and business vehicles can be effective and yet relatively less expensive



The usefulness and impact of outdoor advertisement depends on how often your potential customers get exposed to those adverts and pay attention to them. This is why the cost of outdoor advertisements can vary from location to location.

- viii. **Point of Sale:** Advertising at the point where the consumer makes a purchase decision is a widely used technique e.g.: floor stickers, in-store digital advertising, shopping trolley signage, shelf or counter posters or playing interviews about your product in store.



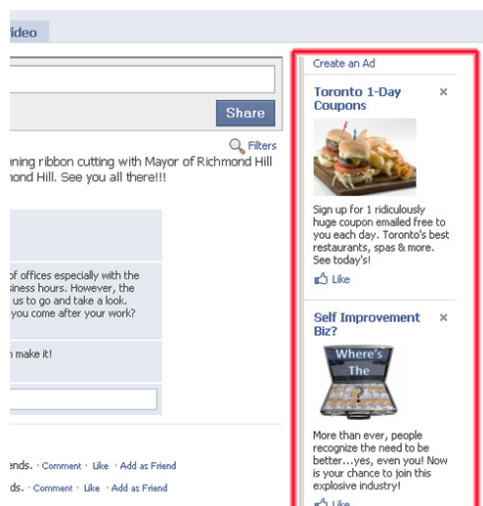
In case of small businesses, what options you have for point of sale advertisements depends on the type of product/service you are offering. For example If you have your own shop or outlet you can choose to place, brochures near the counter, and show banners and/ or posters highlighting inside the shop as you see fit.

If, however your product/service reaches customers through a location shared by competitors, such as a large retail store or a hotel then you might have to offer the

owners of the venues/retail outlets certain incentives before being allowed to display point of sale advertisements.

- ix. **Online:** Online advertising is very suitable for SME's due to its relative low cost. The options for online advertising continue to grow rapidly, which include advertising through your website, advertising on other websites, social networks and forums as well as email marketing. For example: If you create a webpage for your business you can easily advertise your products and promotions on that page. Many local websites will also provide advertisement space to businesses for a fee.

A cheaper option is the use of social media like Facebook. If you have a Facebook profile you will notice advertisements on the right side of your display panel, these advertisements are clickable and lead you to the advertiser's official Facebook page. You can advertise your business and products/ services on Facebook similarly. It is also recommended that you create a Facebook page for your Business as well.



Tip

Login to your Facebook account, click the small button at the top right side of the page and a panel will open with options like "Create Page", "Create Ads" and "Advertising on Facebook".

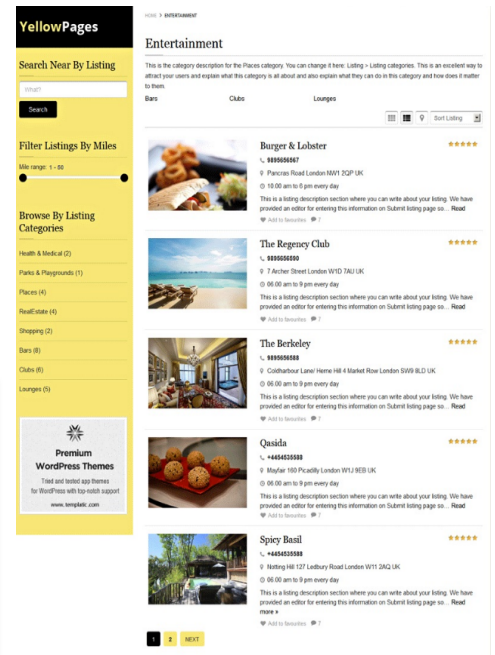
Do explore these options. Facebook will guide you through the processes.

- x. **Directory listings:** Many consumers use business directories to find a supplier/service provider. Directories include the yellow or white pages, union directories, trade directories or local business directories. The search results from an online search conducted on search engines like Google are also based on the internal directories of the search provider.

You can usually find relevant directories online, like the one shown on right, or you can obtain them from bookstores.

Consider

For businesses which are highly dependent on their web presence it is often beneficial to get involved in Search Engine Optimization (SEO) or to purchase SEO services from third parties. SEO moves your website higher up in the search results of internet search engines like Google.



6 Example: Promotional Activities of Wholesome Bakery Café

Mrs Hassan has setup a business by the name of “Wholesome Bakery Café” which is a Bakery & Café situated in a major commercial hub of the city. She wishes to promote her business in an effective manner so she has decided to use a mix of communication channels to reach her targeted customers.

Personal Selling:

Mrs Hassan (the proprietor) began by gathering all her staff and presenting to them her idea of the kind of business she wants Wholesome Bakery to be. She elaborated what makes her passionate about her business and what kind of experience she wants her customers to have when they visit Wholesome Bakery Café.

She also called all her friends and acquaintances and informed them about her new business and invited them try out her products.

Sales Promotion:

In order to jumpstart her sales, Mrs Hassan has decided to send boxes of biscuits and pastries on behalf of Wholesome Bakery Café to select people for free, so that potential customers can experience the quality and taste of her products. She also provided nearby offices and school administrations with limited time discount coupons.

Public Relations:

Mrs Hassan is very passionate about organic food and she has translated her passion into her business by ensuring that organic ingredients are used in all products as much as possible. The tagline for Wholesome Bakery Café is *“Eat Organic, Eat Healthy”*. All promotional material that is designed for the business incorporates emphasis on organic, healthy and tasty food.

Mrs. Hassan wants to educate customers on the importance of healthy eating and associate Wholesome Bakery Café with healthy and wholesome food.

Advertising:

Mrs. Hassan understands the importance of using targeted advertisements while remaining within budgetary constraints. Following are the guidelines for advertising, which, Wholesome Bakery Café uses:

- i. **Aim** – To inform and attract potential customers towards Wholesome Bakery Café, and to create an image of healthy and tasty food available in an ambient environment.
- ii. **Target** - Target Market for Wholesome Bakery’s Café’s advertisements are upper middle class people between the ages of 16 to 55, who live within 15 to 20 kilometres from the location of the business.
- iii. **Media** - Mrs Hassan’s preferred media for advertising are on spot Banners and Billboards placed at the store front as well as near the point of sale (business location), printed adverts in newspaper magazines, social websites like Facebook as well as the business webpage. Printed pamphlets are also available at the point of sales.
- iv. **Competitors** - The management considers all bakeries and cafés as well as many restaurants within 20 kilometres to be direct competitors of Wholesome Bakery Café

Following are some forms of advertisements that the business has used:

- i. **Window Display and Business Front:** The premises of Wholesome Bakery Café has been tastefully designed; there are large windows at the front displaying real looking replicas of some of the items in the menu with spot lights focused on them. The businesses name and logo are clearly displayed on a large electrically lit billboard that can be clearly seen from across the road.
- ii. **Press Advertising:** Periodically attractive adverts displaying delicious food items from the menu are shown in local magazines, read by the target market. These advertisements often feature new items in the menu or limited time promotions.
- iii. **Online:** Wholesome Bakery Café maintains an active website which is mentioned on all their advertisements, potential customers are encouraged to visit the website. There is also a Facebook page which is maintained by the business and all new promotions and advertisements are communicated through both the website and Facebook.