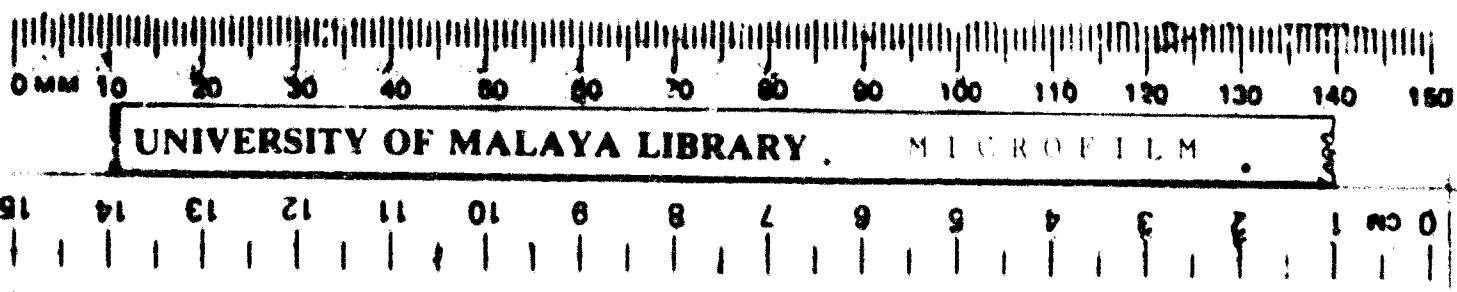


PERPUSTAKAAN UNIVERSITI MALAYA

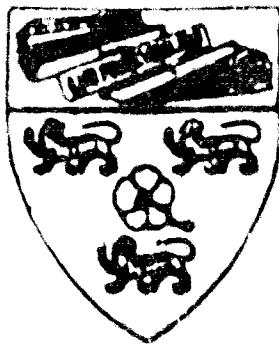
PERKHIDMATAN REPROGRAFI

UNIVERSITY OF MALAYA LIBRARY

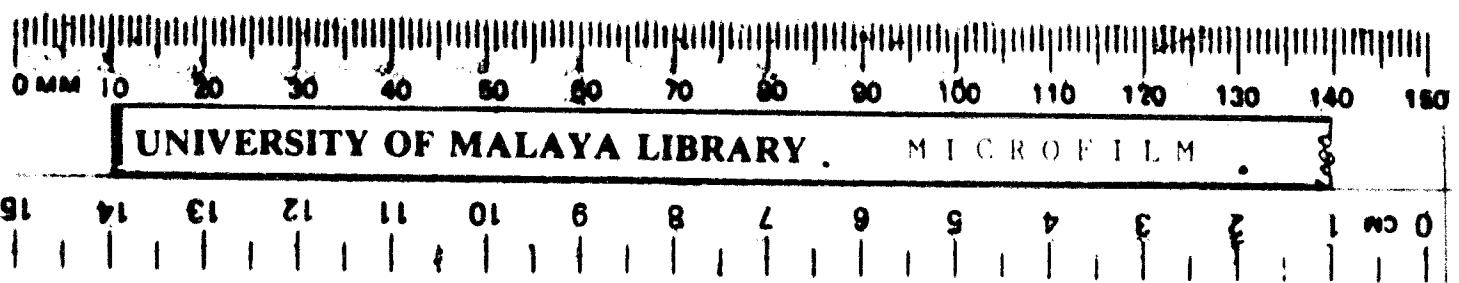
REPROGRAPHIC SERVICE



UNIVERSITY OF MALAYA LIBRARY . MICROFILM .



# MULA



NOTA  
DOKUMEN ASAL  
TIDAK TERANG.

---

NOTE  
ORIGINAL COPY  
NOT CLEAR.

PP. T. 7856

PER. UTAMA-UM



A004467750

PERIODICAL REPORT OF SELECTED COUNTRIES

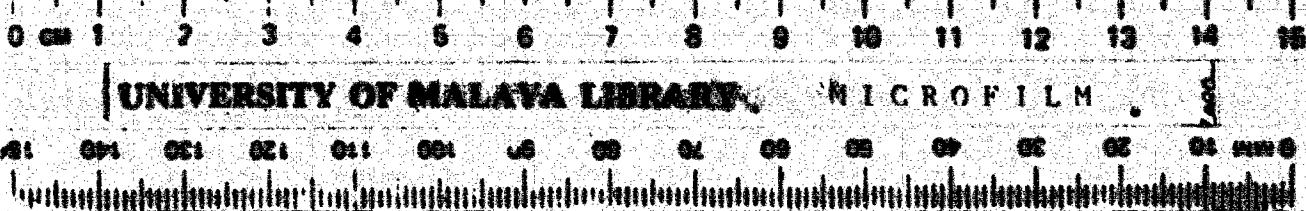
INDUSTRIAL CITATION IN THE MALAYA

DEPARTMENT OF INDUSTRY

Perpustakaan  
yang dibawa

DPOSED

GERARD BOWLES



A GRADUATION EXERCISE PRESENTED TO THE UNIVERSITY OF MALAYA

IN PART FULFILMENT TOWARD THE DEGREE OF BACHELOR OF ARTS

AT THE FACULTY OF ECONOMICS

## TABLE OF CONTENTS

	Page
<b>L<small>I</small>ST OF T<small>A</small>LES .....</b>	<b>v</b>
<b>L<small>I</small>ST OF D<small>I</small>AGRAMS.....</b>	<b>vi</b>
<b>S<small>E</small>CONDARY .....</b>	<b>vii</b>
<b>Chapter</b>	
<b>I. INTRODUCTION.....</b>	<b>1</b>
<b>Objective of Study .....</b>	<b>1</b>
<b>Scope of Study .....</b>	<b>1</b>
<b>Limitations .....</b>	<b>2</b>
<b>Theoretical aspects of Study .....</b>	<b>4</b>
<b>Findings and Conclusion .....</b>	<b>8</b>
<b>II. THE MALAYAN ADVERTISING ENVIRONMENT.....</b>	<b>11</b>
<b>Malay Population and the Semantic Differential (a problem).....</b>	<b>12</b>
<b>Poverty and Literacy .....</b>	<b>16</b>
<b>Availability of Advertising Media .....</b>	<b>16</b>
<b>Local media .....</b>	<b>17</b>
<b>III. AN EXAMINATION OF THE PRODUCTS INVOLVED IN THE STUDY .....</b>	<b>30</b>
<b>Types of Goods .....</b>	<b>30</b>
<b>The need for different strategies for different products.....</b>	<b>34</b>
<b>IV. MARKET CHARACTERISTICS.....</b>	<b>40</b>
<b>The Behaviour of Customers .....</b>	<b>40</b>
<b>Market Characteristics .....</b>	<b>45</b>
<b>The Cigarette Market .....</b>	<b>45</b>
<b>The Soft-drinks Market .....</b>	<b>47</b>

## TABLE OF CONTENTS

Chapter		Page
	The Paint Market .....	22
	The Industrial Fuel and Chemical Market .....	23
	The Petrol Market .....	24
	The Tyre Market .....	67
	Market Demands .....	62
<b>V. PROMOTIONAL OBJECTIVES</b>	.....	<b>67</b>
	Objectives of Consumer convenience goods - Rothmans and Fraser and Neave .....	67
	Objectives of Shopping Goods - I.C.I. and Lever Brothers..	73
	Objectives of Speciality goods - Shell and Dunlop .....	75
	Promotional objectives in Industrial goods. Shell and Dunlop .....	75
<b>VI. THE PROMOTIONAL BUDGET</b>	.....	<b>83</b>
	Determining the Budget .....	83
	Methods used .....	86
	Definition of Promotion adopted .....	87
	An examination of the Budgets of various companies .....	94
<b>VII. THE STRATEGY OF PROMOTION</b>	.....	<b>99</b>
(a)	The cost factor .....	100
	The availability of Media .....	101
	Assessment on the effectiveness of the media .....	102
	The Allocation .....	103
	Comparison and Conclusion .....	118
(b)	Personal-selling strategy .....	121
	Sales-force selection .....	121

## TABLE OF CONTENTS

Chapter	Page
Sales-force training .....	122
Compensation and Motivation .....	124
An examination of Personal-selling undertaken by Shell and Dunlop.....	130
<b>VIII. EXECUTION OF THE PROGRAM .....</b>	<b>138</b>
Scheduling .....	138
Rundown of factors affecting the schedule .....	140
Relation of schedule to strategy and overall objective of the company .....	142
<b>APPENDIX</b>	
I. Facsimile of Questionnaire used as a Guide to Interviews ...	147
II. Petrol Station Services (Courtney) Computer .....	150
III. Induction Training and Revised Training Programme for Shell Company's Salesmen .....	152
IV. Relationship of Rubber and Tin Prices to Car and Tyre Sales (a forecast) .....	164
V. Media Rates and Data. ....	170
<b>BIBLIOGRAPHY .....</b>	<b>183</b>

**LIST OF TABLES**

Table	Page
I. Literacy Rates in any Language .....	14
II. Literacy Rates in English .....	15
III. Distribution of Rediffusion Sets .....	22
IV. Subscriber Strength among all races .....	22
V. Distribution of Expenditure on Commercial Broadcasts by Product groups .....	24
VI. Lovers Competitive position in the Detergent, Bleaches and Toilet Markets .....	27
VII. Market Share of the various Oil Companies in Malaya .....	55
VIII. Distribution of Shell's supply-points (Retail and Industrial) 57	
IX. Comparison of Shell's supply-points to competitors (Retail) 58	
X. Breakdown of Shell's supply points .....	59
XI. Average expenditure of Malay, Chinese and Indian households in the Federation (all income groups) .....	62
XII. Gross Sales Soft-drinks and carbonated Beverages .....	63
XIII. Gross Sales of Tobacco Products .....	63
XIV. Gross Sales of Paints and Varnishes .....	64
XV. Gross Sales of Soap, Washing and Cleaning Compounds .....	64
XVI. Gross Sales of Vegetable Oils and Fats and other Vegetables and Animal Oils .....	65
XVII. Average Monthly Expenditure of Population .....	66
XVIII. Rothmans Advertising Expenditure (Press) .....	88
XIX. Rothmans Broadcasting Expenditure .....	89
XX. Proportionate Allocation of Advertising Expenditure by Media 1962 (Rothmans) .....	91
XXI. Media Used - Lovers .....	110
XXII. Comparison of Mass Media Allocation .....	114
XXIII. Total Budget Expenditure .....	116

## LIST OF DIAGRAMS

Diagram	Page
I. Peak Radio Listening Period in Malaya .....	29
II. The Malaysian Cigarette Market .....	44
III. Total Spirits and Aromatics (Chemicals) .....	54(b)
IV. Total White Spirits Market .....	54(a)
V. Weekly percentages of the rememberance of advertising	139
VI. Organization Chart of Shell's sale force (Kuala Lumpur Division) .....	132

## ACKNOWLEDGMENTS

So many people have contributed in one way or another to the writing of this exercise that any list of acknowledgements cannot fail to be incomplete. I should like to make special reference to Mr. Cheong Sin Kee, for stimulating my interest in this exercise and for providing most of my formal academic training in the subject, and to Professor Wilkinson, whose guidance shaped much of my thinking in the draft of the exercise.

In all this undertaking, my debt is heavy and to all my creditors in information I give my thanks and appreciation. To the Shell Company (M) Limited and especially Messrs. Lim Hoe Hoe, Matthias Lee, Raymond Tan and Harry Taylor; to Dunlop Company (M) Ltd. and especially Asche Tunik Ahmad and Mr. Robinson; to Rothmans Company (M) Limited and Mr. Kirby to Fraser and Neave Company (M) Limited and Mr. Lin Cheng Teek; to I.C.I. (M) Limited and Mr. Markanday; and to the Marketing Division of Lever Brothers (M) Limited, for generously giving me vital information to construct the main body of the exercise.

To each of these the author expresses his sincere thanks. Appreciation is also expressed to the many other business firms mentioned in the exercise, the editors and authors of books, journals and articles from which information was extracted. Last but not the least to others who have helped in anyway to the accomplishment of this task.

Full responsibility for errors, either of commission or of omission, is of course my own.

## SUMMARY

The exercise is an attempt to study and examine the promotional strategies undertaken by selected Companies catering for different types of goods. The main distinction being, between industrial and consumer goods. The companies examined and the types of goods involved are.

### Consumer goods

Fraser and Neave (M) Ltd. (Soft drinks)

Rothmans of Pall Mall (M) Ltd. (Cigarettes)

Lever Brothers (M) Ltd. (Household goods)

I.C.I. (M) Ltd. (Paints)

Dunlops (M) Ltd. (Automobile tyres for private use)

Shell (M) Ltd. (Petrol for private consumption)

### Industrial goods

Dunlops (M) Ltd. (Tyres for Industrial use)

Shell (M) Ltd. (Hydro Carbons and Petrol for Industrial consumption)

A general introduction to the necessity of the promotional job is provided at the end of Chapter I.

Chapter II examines the Malayan Advertising Environment and the problems encountered in the local commercial environment. This examination is imperative, for the understanding of the promotional strategies of the various companies. The problems faced in this environment to a great extent determine the nature of the strategies undertaken by the various Companies.

Chapter III is purely an examination of the different classes of goods. This chapter is theoretical and provides the background for the comparison of different strategies for different types of goods dealt with in chapters V, VI and VII. Chapter IV to some extent is a continuation of background information to the main theme of the exercise. But in this chapter further examinations into the market characteristics of the various companies and the goods involved is made.

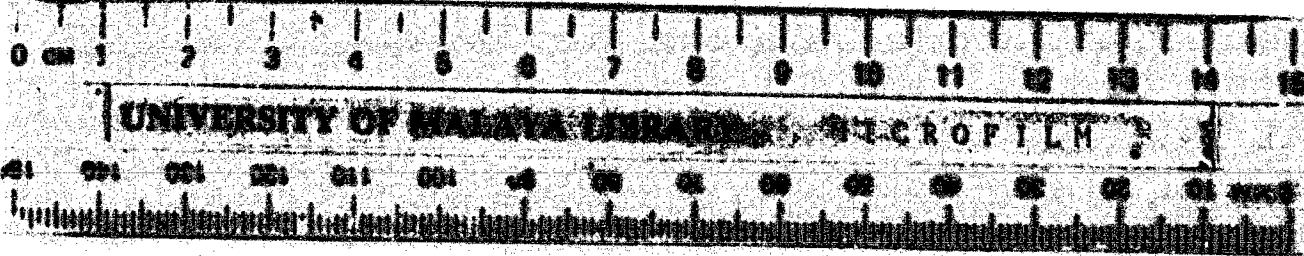
Only in Chapter V do we enter into the main theme of the exercise. Here the promotional objectives of the different companies for the different classes of goods is examined.

The nature of the Promotional Budget and the determination of its size is an important step towards a good strategy. Chapter VI deals with the methods used for the determination of this budget, and examines the nature of the Promotional Budgets of the different Companies.

The strategy, the factors affecting the choice of a certain strategy, and the nature of the Promotional blend are specifically examined in Chapter VII. Chapter VIII in fact is a continuation of Chapter VII, for good programming and scheduling of the promotional campaign contributes to the effective execution of the overall promotional strategy. But it is felt that scheduling as one of the most important areas in the promotional strategy should be dealt with separately.

Irrespective of the size of the firm, often the retention of an advertising agency is regarded as essential. The account executive or the 'contactman' of the advertising agency advises the various companies on the co-ordination of the advertising strategy. This co-ordination between the various companies and their agents is acknowledged.

but no detail communication is done on the activities of the advertising agents, as the main area of decision making and choice of strategy in promotion is done by the Company. Benson (P) Ltd., is the most popular advertising agent (5 companies in the exercise utilize the services of this agent).



UNIVERSITY OF MADURAI LIBRARIES, MICROFILM?