

CHAPTER VII

PROMOTION PERTAINING TO THE CO-OP

This chapter describes the promotional set-up of the Co-op and discusses the effectiveness of present promotional approaches with suggestions for a new promotional set-up. It also shows how management, prices and products can combine to make promotion more effective.

Introduction:

Promotion is "any method of informing, persuading or reminding consumers - wholesalers, retailers, users or final consumers about the marketing mix of product, place and price which has been assembled by the marketing manager"¹.

The objectives of promotion are to inform, persuade or remind consumers of the company's marketing mix. When these promotional objectives are carefully planned and satisfactorily achieved, it will bring about an overall improvement in the sales of the business concern thereby bringing in revenue and tremendous benefits to it.

Promotion of sales in any business organisation, whether private or public, can be carried out in a variety of ways. Although advertising is one of the most important forms of promoting sales, it need not be the only method. The various methods perform the vital tasks of attracting the attention of customers and potential or prospective customers, holding their interest, arousing their desire and culminating in their selling of the particular product or service. The final sale is also dependent on the efficiency of the sales staff, the manner in which the goods are displayed and the gay atmosphere around the business organisation. Such factors which contribute to the promotion of sales should not be ignored.

Promotion for the Co-op

With regards to the Co-op, the above mentioned means of attracting customers and promoting sales are no less important. The consumers must be informed of the merchandise or service that is offered for sale in the Co-op. This is a necessary service since it is useless for goods to be purchased to meet the demand of the consumers if consumers do not know where to obtain these goods. Goods must be displayed on counters and on the shelves so that prospective

1. E.J. McCarthy, Basic marketing-a managerial approach, U.S.A., Richard D. Irwin INC. 1961, p. 480.

customers may inspect them at their leisure. Advertisement with printed information can be designed not merely to tell the customers where his existing demand can be satisfied but also to increase that demand by inducing consumers to purchase more.

The customers of the Co-op are the students and the staff, but this does not mean that they are immune to the psychological effects of advertisement. Apparently this is exactly what the management committee of the Co-op is thinking, and hence, the extremely lack of emphasis laid on promotional effects. No advertisements had ever been advertised in the students' newspapers.

PRESENT PROMOTIONAL SET-UP OF THE CO-OP

The Publicity Manager

The publicity manager, an elected member on the Management Committee - is the sole person responsible for the promotional activities concerning the entire Co-op, both in the promotion of sales and the drive for membership, although on certain occasions, the publicity manager do get some advice from the other Committee members, generally during their monthly meetings.

Medium used for the promotion of sales

The scope of promotional efforts is both disheartening and unimpressive. From observations and confirmation by the Publicity Manager, the sole media used for promotional objectives of informing, persuading and reminding the customers is through the use of posters. This medium of advertisement for the Co-op could be effective if it is properly carried out. But for the present, this is not so.

The publicity manager chalks up a few unimpressive, shabby and disheartening posters and these are then put up at the stairway leading to the Economics and History departments, on the doors of the Arts lecture theatres, conspicuous places in the 3rd College, and a few loosely placed ones in the Canteen which reflects the couldn't-care-less attitude of the publicity manager towards such efforts.

From this, it is very apparent that the Publicity Manager has in mind only the Arts students and the 3rd College residents and is either unaware or could not be bothered with the students of the other faculties. Furthermore, such methods of promotion are also absent in the first, second and fourth colleges. This by itself contradicts the objective of "serving the entire student population" even within the Campus.

Secondly, the very few posters drawn up for promotional purposes were by themselves unimpressive. These posters are just quick scribblings done with the help of coloured chalks on either white or black cardboards. In a few cases there is no sense of colours in doing the posters. Some of these posters contain illegible writing and one has to strain ones eyes before one can really know what is written on the posters. Moreover, the drab appearance of these posters does not attract the attention or catches the eyes of the students from a distance. Some posters have no effect at all and does not serve its purpose. For example, there were a few posters intended to call attention to students to purchase from the Co-op. One was worded as follows:-

"GET YOUR GOODS FROM THE CO-OP STORE"

and another thus:-

"BUY FROM THE CO-OP OPEN NOW"

These two examples suffice to show clearly the inadequacies of promotional attitudes.

Although it does call attention to the existence of the Co-op, it does not inform the students where the Co-op is being located. Assuming the students know where the Co-op is located, it does not inform or remind consumers and prospective consumers what are the goods that are being in stock, at the moment, and what their prices are. This is important because on many occasions students were turned away because stocks ran out. They should be informed about arrival of new stocks.

Finally, no attention is placed on the attraction of customers by way of effective displays of goods, either on the counter or on the shelves. This can be seen from the way the things are stacked in the shelves. This is particularly so in the case of textbooks which are placed in such an angle that it is difficult for students to see them at a glance. The reason given for the barrenness in the display of goods on the counter was the fear of lifting of goods by the students. This clearly reflects the inefficiency of the salesman who cannot even look after the store with any confidence.

Moreover, the atmosphere of the Co-op is not gay and there are no chairs or stools for customers to sit for a while when

2. Specimens could not be obtained because the posters have long been destroyed.

ordering their requirements. Many students complain about the bad service provided when they go and purchase a product. For example, on many occasions the writer noticed that the salesman was talking to some chaps while the customer was kept waiting. Prompt service should always be accorded to customers. Otherwise it will give a bad impression to the customers and thereby result in loss of goodwill by the store. This can result in a drop of sales and potential sales.

Promotion of membership

The promotion of membership is, at present, the responsibility of the Publicity Manager. Like the promotion of sales, the promotion and drive for an increase in the total number of members is very lacking and inconsistent. Since 1962, membership drive was very ineffective and unsatisfactory. As a freshmen in 1962, the writer experienced how the membership drive was carried out.

During the first few weeks when the freshmen were still struggling to adopt themselves to the new environment by way of the "Orientation Programme" they were handed application forms and persuaded to become members. Those who really had an inkling of the benefits they can derive by becoming members managed to join but the majority were either unable to join or refuse to join for one reason or another. This failure to recruit more members was the result of the ineffective and unsatisfactory planning and timing of their approach towards the membership drive. Management should give the students time to settle down to the new environment before approaching them. Patience and time will make the membership drive more effective and produce better results.

The new potential members are, generally speaking, unaware of the benefits to be derived by becoming a member. The Publicity Manager should give a talk to the freshmen, explaining to them the advantages and benefits to be derived by becoming a member. At such gatherings, the potential members should be briefed on the various products they can get from the store, when, where and how to get these things. To this effect, a printed sheet with the items and prices stated therein will suffice. At the same time, potential members should be given the chance to voice their opinions, suggestions and to thrash out irregular issues lurking in their minds. Only after these beginnings should the application forms be distributed to the potential members. It is important that this should be followed up. With a little extra effort the Management should try and collect back these forms by giving the students a day or two to decide for themselves and then ask them to hand it over to the various representatives from their respective colleges.

For the present, practically no efforts are made to increase the number of members. As a result of the students leaving the University annually, the number of members will gradually decrease through their withdrawals. If a drive is not carried out, the Co-op might be deserted and void of members in the near future and it might even have to be liquidated.

Quite a number of students, some in their final year of study, do not even know about the existence of the Co-op. On the other hand, there are others who are partially aware of its existence but do not know where it is actually located. There are others who have seen the Co-op but are unaware of it because they thought that the Co-op store in the Canteen is a part and parcel of the Canteen itself³. These observations may appear to be extreme examples, but it is still a fact that many students, who are interested in the Co-op and who believe in the principles of Co-operation, are unaware that the Co-op really exists. This clearly reflects, on the Publicity Manager and the Management Committee as a whole, their apparent lack of interest in carrying out promotional responsibilities. As stated in the chapter on the analysis of the Co-op, a paid full time manager should be employed. He should be responsible for Co-ordinating the Student Committee members and could be paid a low basic salary, plus commission on turnover.

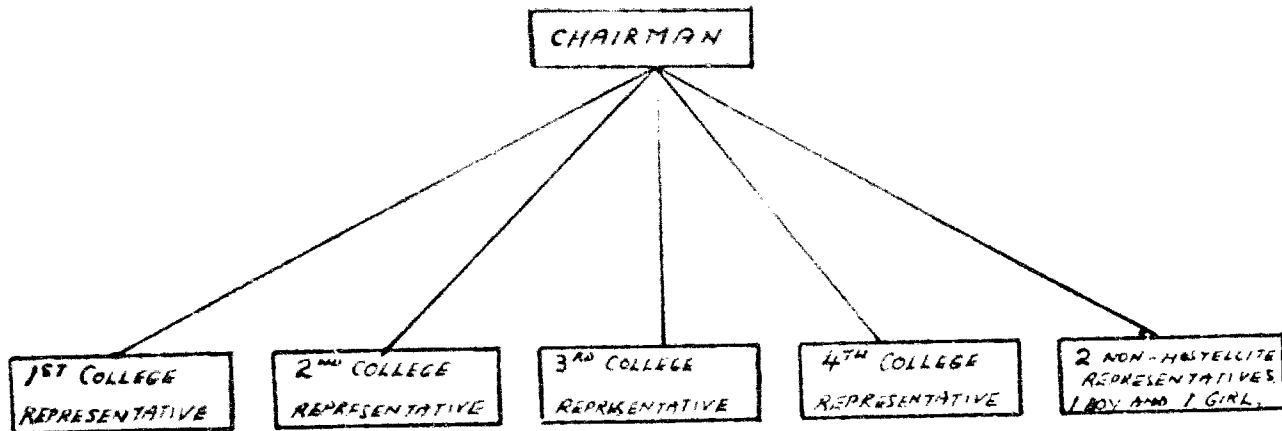
Another drawback is the lack of fixed and substantial budget set aside for the Publicity Manager to carry^{out} the promotional objective. He has to request for the amount he requires to carry out his responsibilities. Even such requests are unfavourably received because the Management's attitude, for the present, is to incur the minimum amount of expenses possible and thereby help to reduce and settle the heavy debts that the Co-op got entangled with. This attitude seriously hampers the working of the Publicity Manager.

3. These conclusions were from informal interviews held with students picked from random at the canteen. Students represent the various faculties and are friends of the writer. They were unaware of why the writer queried them about the Co-op. Included were both residents and non-residents. Of the 2 Science students interviewed, both expressed surprise when the writer finally told them which was the Co-op store. There is no sign-board whatsoever for the Co-op.

SUGGESTED PROMOTIONAL SET-UP

A Sub-Committee

The present one man set-up who is responsible for the promotional activities of the Co-op, both in the promotion of sales and the drive for membership, is rather unsatisfactory. In view of this, the writer suggests that a new set-up in the form of a Sub-Committee should be formed. Although management by committees may not be the best method, it is far more superior than the present one man set-up.



SUB-COMMITTEE FOR PROMOTIONAL PURPOSES

The Sub-Committee should consist of the Chairman who should always be a person known for his or her enthusiasm and ability in Co-operative work. The Chairman should be aided by a committee of six members, one each from the four residential colleges and two, a boy and a girl from the non-hostellite organisation. The respective representatives from the colleges should be active members and they should nominate reliable and responsible active members from the various floors of the colleges to help him perform his responsibilities. The non-hostellite representatives should do all they can to help in any way and whenever possible to promote the Co-op among the non-hostellites.

The functions of the representatives should be:-

- 1) To get students interested in the Co-op and to persuade them to become active participating members. It is useless to have passive members. The representatives can also do some personal selling for the Co-op.
- 2) To keep the students informed of the goods available in the Co-op and of their prices and also of the introduction of new stocks or which have just been replaced.

- 3) To prepare or enlist the help of artists to prepare posters to be posted at strategic points of their respective colleges and also at strategic points in the various faculties and the Canteen.
- 4) To receive suggestions and complaints of the students and then forward such suggestions and complaints to the Management Committee at its monthly meetings.
- 5) To help in other ways possible.

With such a set-up it is important to note that the sub-committee must be given a bigger and more specific budget so that it can carry out its responsibilities satisfactorily, and at the same time, showing the limit of its expenditure without having to delay before it even knows whether it can proceed with those responsibilities requiring finances.

Suggested medium of promotion

Only with some aggressive promotional efforts can the interest of the students in the Co-op be aroused. In case the Management Committee intends to carry on with the one man set-up, then the Publicity Manager should carry out a relentless publicity campaign, and whenever possible, the Management Committee should initiate activities which will singularly magnify the Co-op's existence. An example of such an activity could be the holding of an annual sale in the form of an auction. Although such a move is unlikely to bring in much success in the sense of profits, it will bring in success in the sense that students are made aware of the Co-op's existence. Even here the Management Committee should plan and pay special attention to prior publicity concerning any such auctions. This could be by way of posters or through announcements to be made by the respective representatives in their respective colleges.

Regarding advertisement, if posters are to be used as a basis for the promotion of sales, then the posters should be properly and carefully designed and set up so that it will attract the attention of the students even from a short distance. Budding artists are only too willing to help if only the Publicity Manager cares to move around and seek them out. Slipshod drawings and designs will be harmful and contribute to an increase in wasted expenses since they do not serve the purpose of informing, persuading and reminding consumers about the products available in the Co-op.

Moreover, the posters should bear specific purposes and not general or overall ones. For example, instead of merely scribbling "GET YOUR GOODS FROM THE CO-OP STORE" it should be something like this:- "FINNEY AND MILLER - INTRODUCTORY ACCOUNTING - GET IT FROM YOUR CO-OP.

PLACE: CO-OP STORE AT STUDENTS UNION CANTEEN

TIME: BETWEEN 9 A.M. and 1 P.M. and 2 P.M. to 4.30 P.M.

PRICE: \$X/- PER COPY

Such a poster will be more effective than the former since it is more informative. Added with proper designing and careful blending of colours, it will serve its purpose.

Instead of clinging on to posters as the sole means of advertisement, the Publicity Manager should approach the Publication Committee of the Students' Union and persuade them to co-operate by informing the student population what goods are available at the Co-op and their prices through "Campus Talk" and even the Mahasiswa Negara - the organ of the Students' Union. The Editor of "Campus Talk" is willing to help advertise at no cost, if they are approached because the Co-op is doing a service to the student population. In the case of the Mahasiswa Negara, it can also be done free of charge so long as the advertisement is in the form of an article and which must also be interesting to read. The Editor consented to publish such advertising articles. To attract readers, the articles should possess a touch of humour in it and should ^{express the advantages} of becoming a member and purchasing from the Co-op.

Moreover, the Publicity Manager should approach the Management Committee and suggest that a sign bearing these words:-

"VARSITY CO-OP - YOUR STORE"

be ordered and hanged just above or on the outer edge of the counter of the store in the Canteen. Such an expense is worth the while because it will bring attention to the students that it is their store and not a part and parcel of the Canteen itself.

Finally, the very store itself should be properly re-arranged so that it will give a more pleasing appearance and a gay atmosphere. This can be done by way of better display of goods both on the counter and on the shelves, and, if it is possible, employ a salesgirl with a sweet face instead of the present salesman who always put on a sour face. It seems this could be achieved at a lower wage too!⁴

4. This information is obtained from the co-owner of the canteen during one of the friendly chat the writer had with him when he was behind the counter and the salesman was nowhere around.

Such methods, if properly manipulated, can remove the drab appearance of the Co-op and restore it with a place where purchases could be done in a more gay, satisfactory and friendly atmosphere.

MANAGEMENT - AN IMPORTANT FACTOR IN PROMOTION

One of the most important factors in the success of the Co-op regarding sales and membership, is the right type of management. There is no implication whatsoever that the present Committee is inefficient. In accordance with general and normal practice, the Management is made up of elected members, but this does not guarantee efficiency for it is possible that those who stood at the elections merely did it for personal glories and not with the intention of wanting to dedicate themselves to the causes of the Co-op.

On the other hand, there may be present at the elections, members who are truly enthusiastic about the Co-op and who are eager to serve it but were prevented from standing at the election for one reason or another. After the elections, there were students who really showed signs of wanting to serve in the Management but were forced to stay in the background because they had not been elected. It is advisable for the Management to enlist the support of such people and give them an effective role to play in the affairs of the Co-op. There is no reason why the Management should not co-opt them to serve on the Management. Although this is a departure from usual practice, such departures are justifiable if there are benefits to be derived.

Prices

Effective advertisement and effective management cannot push up sales if prices are out of line with those prevailing in the retail shops outside the Campus and also those at the private store in the 4th College. The prices of all the products at the Co-op must be at a competitive level with those of general retailers outside the Campus? In case of minor differences it does not matter much because

-
5. Finney and Millers' "Introductory Accounting" - Asian Edition costs \$12.60 at the Co-op and \$11.40 outside, a difference of \$1.20. Incidentally, it is not advisable for the Co-op to sell text books.

the patrons are not so much interested in the minor differences as they are in the inconvenience which the Co-op can save them from. If outside prices are very much lower than Co-op prices, for example text books, then it is obvious that the Co-op is not purchasing its goods from the cheapest source possible. It is advisable for the Co-op to approach the Federal Cooperative Department to help them find the cheapest source of supplies. Better still, use these prices and compare them with what the Management can bargain for.

Products

Patrons are not so much interested in the slight differences between the price levels at the Co-op and that prevailing elsewhere as they are in the inconvenience which the Co-op can save them from. What they are interested in is the assurance that the goods they require are there, so that they can go at anytime to the store with the certainty that they can get what they want. If once they find the goods are not there, they will take it for granted that the store does not sell those goods and they will buy them whenever they or their friends go to town. This will result in a loss of customers and sales.

It is important that the store should have enough inventory to meet students' demand. Products which are greatly demanded like Society Writing pads bearing the Varsity Crest, should always be in stock and quickly re-ordered when stocks are running low. There is no proper stock control. Management is sometimes unaware that stocks are completely exhausted and on many occasions students were turned away. This reflects on Management which is not centralised and representatives are unaware of one another's actions.

Conclusion:

Promotion of sales and membership is dependent on the promotional efforts put forth, by way of advertisement or otherwise. Moreover, Management is an important factor in promotional because it has to see that the prices are competitive and also to see that the products are available to meet students' demand. Here-in lies the solution to the problem of "volume of sales" which is discouraging for the present.

6. This is the writers personal opinion.