

The Role of Promotion in Milling and Bakery Products Sales

■

Sergiu-Bogdan Constantin

Academy of Economic Studies, Bucharest

sergiu@bestcontab.ro

***Abstract.** Irrespective of the avenue chosen for the retail of milling and bakery products, a key role in sales growth is the one played by promotion, information of the future customers as to the characteristics of the products, the execution and sale conditions. Such information process takes place by means of the promotional mix, consisting of a blend of advertising, sales promotion, public relations tools, trademarks, promotional events, and sales forces. The milling and baking industry uses, to certain extent, all the components of the promotional mix. Product promotion is central both to sales growth, as well as to educating, advising and informing consumers as to how they can select quality milling and bakery products.*

Keywords: the milling and baking industry; product promotion; products sales; components of the promotional mix.

■

JEL Codes: M31, M37.

REL Codes: 14G, 14K.

Irrespective of the way chosen for the sales of milling and bakery products, a key role in sales growth is the one played by promotion, information of the future customers as to the characteristics of the products, the execution and sales conditions. There is a series of particularities resulting especially from the impact of milling and bakery product consumption on the safety and security of people's lives.

Any modern company relies on a complex marketing communications system. Companies which sell milling and bakery products communicate with the intermediaries, the consumers, and various public institutions. Intermediaries communicate with consumers and public institutions. Consumers communicate amongst themselves orally, and with the public institutions as well. At the same time, each group is reversely connected to all the other groups.

A company's marketing communications programme, known as the promotional mix, is a specific blend of advertising, sales promotion, public relations, trademark use, and sales forces tools, employed to achieve the marketing and advertising goals. For the fiercely competitive industry of milling and baking, each particular element of the promotional mix is of utmost importance.

Companies in the milling and baking sector should not limit their goals to merely

providing quality goods. They should seek to inform the consumer of the advantages of their products and to "implant" such advantages in the consumer's mind with surgeon precision. To that end, it is mandatory that businesses properly employ mass promotion tools.

For the purposes hereof *advertising* shall be construed as any form of paid, non-personal way of presenting and promoting ideas, goods or services by means of mass communication channels (the printed media – catalogues, newspapers, magazines; the internet; radio and television stations) and by a clearly identified sponsor. Many of the companies in the milling and baking industry result to advertising in order to transmit messages about themselves, about their products, or about their policy so as to generate reaction amongst a certain audience.

As it is the most intensively used tool when promoting consumer goods, it comes naturally that advertising be the most frequent activity in the promotion of milling and bakery products. Given the nature of the very needs it addresses (first needs, that is), and given that the catalyst of demand for milling and bakery products is the population in the territorial reach of a company, television is one of the main promotion media used. The combination of image, sound and motion generates an indisputable persuasion effect, so much so when taking into consideration the

importance of organoleptic properties of milling and bakery products in assessing their quality and, why not, in arousing appetite.

Milling and bakery products' appearance, depicted in vivid colours, is highly significant in influencing market demand. Hence most frequently employed media are the printed press (especially periodicals, in consideration of their reproduction accuracy and colour quality), posters, billboards, catalogues, flyers, brochures, etc.

A growing number of producers in the milling and baking industry chooses to promote and present their products through internet, most of such producers having their own websites – www.boromir.ro, www.velpitar.ro, www.pambac.ro, www.dobrogeagrupo.ro, www.titan.ro, www.spicul.ro.

Generally, advertising is emotional at its core, thus exploiting the emotional features and springs of the individual. This kind of advertising is particularly powerful in the case of festive products.

Factual advertising may as well be resulted to, with a focus on, say, the vitamin, mineral, and fibre content of milling and bakery products and their role in the normal development of metabolic processes.

Advertising campaigns make for one of the main leverages of milling and bakery products sale. Sales strategies in the

milling and baking industry rely on image campaigns in combination with national strategic campaigns, as well as on promotion point of purchase campaigns customized for sales channels or seasonal sales.

In addition to press layouts, in most cases, players in this market segment result to point of purchase promotions beginning with educating the consumer, placing products on additional positions to the shelf, and cross-promotions with complementary own products.

A communication tool that is more and more frequently used is that of *sales promotion*. Sales promotion resides in short-term incentives granted as a supplement to the very advantages of a certain good or service, with the purpose of boosting sales of that good or service. Sales promotion is that which provides the reasons at the foundation of immediate sale. It is the means to persuade a consumer to buy “now”.

Sales promotion targeted at increasing consumer demand for a product is also extensively used in the case of milling and bakery products. As it gives a temporary advantage to the consumer, sales promotion can determine an increase in milling and bakery products sale, at least by drawing consumers of similar goods (i.e., extensively) and to a smaller extent, by increasing the average per capita consumption (i.e., intensively), specifically

due to the primary nature of the need which milling and bakery products satisfy.

Most common of all sales promotion techniques when seeking to boost sale of milling and bakery products are price reductions, package sales, promotional contests, promotional gifts, point of purchase advertising, merchandising techniques, etc.

Promotional campaigns for milling and baking products vary according to whether one is looking into modern or traditional trade. In modern trade, promotion is directed to the consumer and relies on point of purchase activities and promotions of the type “buy 1, get 1 free”. On the other hand, in traditional trade, promotion takes the shape of trade allowances, price reductions or product promotions. Producers’ promotion programmes distinguish between buyer and consumer. At a first stage, women make for the targeted category, as they are the ones usually in charge of shopping for the family; if women are at the same time mothers, they will additionally purchase child products. At a second stage, milling and bakery products address all types of consumers, from children – biscuits and waffles of all kind – to the elderly – especially bulk products.

Public relations are another mass promotion technique. It is a way of establishing good relations with various public bodies and thus benefiting of

favourable publicity, creating an appropriate “company image” and preventing or dismissing unfavourable rumours and news.

Public relations help with both product and company promotion. Public relations can generate a powerful impact on the level of public awareness, at a much lesser cost than advertising. Large companies in the milling and baking industry, through their spokes persons, organize press conferences, grant interviews to various publications (e.g., dedicated magazines such as “Piața”, “Magazinul Progresiv”, „Brutarul”, „Food and Drinks Globus”, or newspapers such as „Ziarul Financiar”). Other targeted informative activities are organized in order to attract media participation and focus (symposiums, conferences), as well as leisure activities (preferably of informative nature) meant to create sympathy and hence aimed at the emotional or subconscious levels (anniversary celebrations, cocktail parties, trips). However, a more indirect approach is beginning to gain weight, namely a company’s association with major events initiated by other organizations (congresses, exhibitions, shows) or a company’s involvement with social work (social care, medical research) by means of donations and sponsorships.

Trademark use refers to objectives dictated by the need to single out and differentiate own products and services from those of the competition, depending

on the specificity of market segments – determined as they are, amongst others, by the various consumer lifestyles – and oriented towards emphasising psychological advantages and qualities. The trademark functions both as means of identification and communication tool.

As it provides a tangible edge to producers and buyers alike, the trademark plays an important part in the promotion of milling and bakery products. Such a central part comes as a result of the graphic shape and the message communicated, the trademark being thus a means of naming and recognizing a product, as well as an easy manner for the consumer to choose from among a number of similar products which, in the case of milling and bakery, is quite high. The function of facilitating product recognition and, implicitly, purchase is also performed by the package and the label, yet this only stands so long as the shape, the size, the dimension, and perhaps the colour of the package are not changed at short time intervals. The package is essential to the promotion of milling and bakery products; nonetheless, it should always be supported by quality and price. Moreover, the package and the label together work as an irreplaceable, quick and precise product identifier, whereas by way of the informative or promotional message they send out, they definitely influence the purchase decision. Usually, buyers easily recognize the

products they regularly purchase by the package and label thereof. A milling or bakery product is characterized not only by means of its nutritional value, but also by such informative elements as make it known and recognizable. In the short run, changing product packaging may result into sales increase.

A more particular product is fresh baked bread. Common rules no longer apply to fresh bread since the greatest number of consumers is not aware of the brand they purchase.

The importance given to ecology, especially in the more developed countries, and the growing ecological approach taken up by more and more companies (including those in the field of milling and baking) lead to the advent of ecological trademarks or symbols. This testifies to a company's concern with the protection of the environment. The right to apply the eco-symbol on a product is granted to companies to the extent that the products to be so labelled comply with the relevant regulations in force in their country (region).

Alongside the trademark, the eco symbols or the distinctive dress, the informative message contained on the package or the label of milling and baking products is an essential product identifier given the background of increased concerns among consumers with food safety and security.

Participation at exhibitions and sponsorships has at present become part of the *promotional events* widely employed by companies in the milling and baking industry.

The main producers in the milling and baking industry (Dobrogea Grup, Boromir, Vel Pitar, Titan, Pambac) regularly take part in exhibitions (fares and local, regional, national, and international exhibitions - EXPOAGROUTIL, INDAGRA FOOD Bucharest, AGROMALIM Arad, ALIMENTEXPO Bacău, AGROMEXPO Bacău, AGRARIA Constanța, TIMAGRALIM Timișoara, TIBCO, etc). The promotional objectives of such milling and baking companies include the opening of new sales sectors in such geographical areas where the companies are present, establishing a maximum of contact with market agents in the shortest time possible, presentation and testing of new products, launching new products at promotional prices, directing focus of all promotional means to a large number of market agents and a critical mass of potential consumers, being present alongside the competition and gaining insight into competing products and offers, creating a portfolio of immediate or promissory orders, enhancing dialogue with market agents, and raising client awareness (trademark awareness).

Sponsorship, one of the other tools used by large, powerful companies,

consists of financial support granted to certain public events (of cultural, athletic, medical, educational nature; theme competitions, etc.) with the purpose of raising mass awareness as to the trademarks under which their products are distributed.

Sales forces refer to that group of company representatives (employees or agents) enjoying multiple competences. As they fulfil a double task – namely, to increase turnover by distributing products outside the traditional trade network, and to prospect and maintain market dialogue – sales forces are part of the promotional toolkit and contribute in a much more tangible manner to the achievement of a company's business objectives. At the same time, this promotional tool is also the most costly one employed for contact and communication building, yet nonetheless highly important and specific to those companies trading industrial products and whose offer addresses a specialized, narrow client base – users and distributors. This being the case, the role of the other promotional tools is far more limited, by comparison to companies in the milling and baking industry. In terms of objectives, sales forces are not limited to the mere act of selling but rather perform a wide array of activities at the same time, such as identifying potential markets, defining the client profile and geographically locating the client, merchandising activities at the

level of the distribution network, providing technical and commercial assistance to industrial users and agents, marketing services in relation to product use directions, market prospecting, offer negotiation and deal closing, gathering information from clients or about the competition, and so forth. By performing both prospecting and communication tasks, sales forces have an increased promotional value.

The promotion of both competitiveness and quality of Romanian milling and bakery products must comply with current quality and safety European standards.

In addition to sales increase, product promotion also fulfils an educational function. It is intended to advise and inform consumers on how to make educated, quality, and safe discrimination amongst the milling and bakery products available.

At the national level, the promotional campaigns of companies in the milling and baking industry also seek to build image and maintain notoriety. Creating such solid image calls for consistent work and matching creativity, thus requiring the permanent employment of all

communication media available. From this point of view, product display areas function as a powerful image builder. It is such that clients are enabled to discriminate amongst companies even when competing products are highly similar.

A successful company image is that associating the company's identity with the superior quality of the products it offers.

Irrespective of the nature of promotional activities, of the homogeneity or heterogeneity of techniques, of their life span or their effects on sales numbers, companies in the milling and baking industry must never lose sight of the fact that these tools are complementary; an effective market policy aimed to achieve strategic objectives must incorporate available tools in a coherent and operational promotional approach instead of employing them in isolation. At the same time, the effectiveness of using promotional variables within market activities depend to a great extent both on the manner in which they are integrated in the general marketing policy as well as on the way in which the promotional activity is coordinated with the other elements of the promotional mix.

References

- Bășanu, Gh., Pricop, M. (2004). *Managementul aprovizionării și desfacerii*, Editura Economică, București
- Kotler, Ph. (1997). *Managementul marketingului*, Editura Teora, București
- Kotler, Ph., Armstrong, G., Saunders, J., Wong, V. (1997). *Principiile marketingului*, Editura Teora, București
- Diaconescu, M. (2005). *Marketing agroalimentar*, Editura Universitară, București
- Balaure, V. (coordonator) (2003). *Marketing*, Editura Uranus, București