

Corporate Mistakes In Product Promotional Strategy

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Abstract

The Global Village concept made the world population easily accessible to corporates. A company has to be very careful in designing its sales promotion techniques. It has to consider the variations in the cultures, sentiments and wants. Different options and values of other markets are focused on promoting the products and services. The sales promotion mix components must be proportionally used for optimal results. A company has to decide which product promotional strategy is ideal for its product: push, pull, or a combination of both. This article elaborated on the wrong promotional strategy adopted by many corporates to market their products. Ultimately, the products failed in the market due to the consumers' rejection, leading to enormous losses for the companies. Some products of reputed companies fail due to the wrong product promotion strategy. Analysing these failed models will enrich the corporate's knowledge of applying marketing strategies. The sales promotion strategy should match the product's quality and express the product's natural features, as discussed in this article; different sales promotion strategies and styles are available before the manufacturers. They choose the right strategy and promotion method to match the product and market. If the product and promotion strategy are perfectly matched, then the company can take the synergic value of profits.

Keywords: Cloud Gaming; Competitive Advantage; Marketing Mix; Pull Strategy; Push Strategy; Target Market.

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I. Introduction

In the globalised era, the world is shrinking. All the markets are accessible by corporates. A company can identify and market its products and services across the national boundaries of several countries. If a company can sell its products in different markets of the globe, it cannot only avoid potential losses but also significantly enhance its profit. This article, 'Product Promotional Strategy,' discusses the efficient use of sales promotion globally. Learning suitable lessons from the failure of other companies' products is possible.

“Product promotion is important because it is essential to a brand's marketing strategy. It can increase brand awareness among potential consumers in the marketplace and deepen customer relationships by rewarding customers via referrals, loyalty programs, or special deals, potentially increasing sales” (Amazon ads, 2023).

Before introducing products and services to a specific market, a company must consider the country's sentiments, cultural values, and social habits. Each country has its own unique culture and set of sentiments. Even seemingly similar habits can have different options and values in other countries. Therefore, it is crucial for a company to meticulously identify and understand the cultural nuances of its target market.

For instance, blue is considered feminine and warm in Holland. But, in Sweden, the same blue is seen as masculine and cold. That Green is a favourite colour in Middle East countries. However, Malaysia perceives green as an illness. In China and Korea, people use white to indicate death and mourning. But, in Europe, the white colour expresses happiness and joy. Usually, in Europe, white is the colour of the bride's wedding dress. But Indians never prefer white dresses for their brides.

“A promotional mix is adopting a collection of different marketing strategies aimed at effectively communicating a business's value proposition to its ideal target audience, stimulating demand, and ultimately driving revenue and marketing returns on investment” (Skirmantas Venckus, 2023).

The four Ps—product, price, promotion, and place—are vital in the marketing mix. Five elements contribute to a promotion's success: Sales Promotion, Direct Marketing, Advertising, Public Relations, and Personal Selling.

“The goal of promotional strategy is to introduce potential customers to your product and convince them to purchase. You want more than along the buyer's journey – the path customers take from realising a need, considering your product as a solution, and finally deciding to buy” (Caeleigh Mac Neigh, 2023).

“Before you plan a promotional strategy, consider the type of consumer the brand is most likely to target for a product or service. Some factors to consider include age, education level, and location. Often, a company's target audience shares similar demographics” (Indeed, 2023).

In fixing the sales promotion strategy, the company has to choose a single or multiple elements depending on the nature of the product and product design. “Promoting with a strategy is essential because promoting is the right way to the right people and optimises your time and resources. You'll have a higher chance of turning the money you spend on promotion into purchases, awareness of your product, and excitement around it” (Melissa King, 2023). The promotional elements are to be mixed in the right proportion. It is challenging for the company to choose the best promotion mix to maximise profits.

“Promotion is a crucial part of any business, so companies develop a promotion mix, putting all efforts into making promotions at the right place, at the right time and to the right audience. It helps one maximise their marketing resources by optimising their budget and saving time” (Alex, 2023).

Push Promotion Strategy - This strategy creates customer demand for the product through promotion. For example, manufacturers offer discounts to encourage buyers to choose their products. This strategy also focuses on selling directly to customers.

Coca-Cola has a vast distribution network and a push strategy. It uses its full sales force and practical trade promotion activities to induce intermediaries to carry, promote, and sell Coca-Cola to end users. Nokia also uses the push strategy to offer handset subsidies to encourage retailers to sell in higher volumes.

Pull Promotion Strategy - This strategy uses advertising to increase customer demand for a product. An example is 'Milo' health drink. The manufacturers of Milo organised sales promotion campaigns in Indian schools. They offered hot Milo drinks to all the children in the school. Children automatically went home and induced their parents to buy Milo. This method of attracting children is also a successful promotion strategy. Other pull strategies include discounts, two-for-one offers, and creating demand through social media networks.

A company must decide whether a push or pull strategy is ideal for its product. Mixed push and pull marketing strategies may also be used in product promotion.

II. Overview Of Market Expectation

The success of a product with an excellent promotional strategy depends entirely on the consumer's acceptance and satisfaction. Customer expectations also vary from country to country. Quality grading, packing, and pricing are influential factors from market to market.

“Customer expectations drive a business toward success or lead to its eventual failure. It's all about how well you handle them. Some interesting statistics show that 70 per cent of U.S. customers desire more profound and personal engagements with brands. At the same time, 93 per cent of its customers anticipate brands to respond within a 24-hour. This customer expectation says much about our fast-paced environment, where people seek quick and meaningful interactions. Brands need to adapt quickly, and one way to do that is by leveraging technology and more efficient processes” (Raluca-Ana Mocanu, 2023).

Consumers' purchase behaviour of a particular product differs from time to time, region to region and market to market. Market expectations vary based on consumer awareness, purchasing power, standard of living, culture, product cost, alternative products available, and many other factors. Various market scenarios for the products are mentioned below.

Organic vegetables and fruits are in high demand in the USA market. Americans are aware of the ill effects of chemical fertilisers, so they prefer only organic vegetables and fruits. However, Russia, China, and other developing and low-income countries do not consider organic fruits and vegetables.

Indian Shrimp are exported to the USA and Japan. However, the exporting company should be careful about market sentiments. Priority differs from country to country. In the U.S. market, correct weight and bacterial factors are important considerations. In contrast, buyers in Japan prioritise eye appeal, colour, size uniformity, and packing arrangements.

In Gulf Countries, housewives usually ask for domestic products from their husbands. The husband always makes the brand decision for the product. Even in domestic items, the head of the family decides the product and brand. The husband makes the majority of the purchase decisions. In this case, companies promoting female-related products in Gulf countries should keep the male gender as their focus audience. Only then the companies can influence purchase decisions.

Identifying and satisfying customer expectations is essential for corporate survival. “The spectre of skyrocketing and dynamic customer expectations has become a warning to companies and a call to managerial action to do better constantly. Many believe that failure to meet ever-increasing customer demands could mean doom for companies” (Tomas, et.al., 2023).

Business analytics and artificial intelligence are practical tools for identifying consumer profiles and changing behaviours favouring different products. The latest technology with AI tools can be used to find real expectations and means to fulfil them.

“Digital transformation has been changing the global business landscape in several ways, but one of the most important for organisations is rising customer expectations. The ability to create and deliver digitally enhanced experiences, products, and services will be a critical component of an organisation's success” (IDC, 2018).

III. Wrong Promotional Strategy Examples

In this scenario, some products of reputed companies fail due to the wrong product promotion strategy. Analysing this failed model will enrich the corporate's knowledge of applying marketing strategies.

Ambassador Car - “The Ambassador car is an automobile manufactured by Hindustan Motors of India from 1957 to 2014, with improvements and changes over its production lifetime. Despite its British origins, the Ambassador was considered a definitive Indian car and was fondly called the “King of Indian Roads”. Hindustan Motors manufactured it at its Uttar Para Plant, near Kolkata, West Bengal” (Wikipedia, 2023).

Hindustan Motors India Limited introduced its ambassador 'NOVA' model cars in Sweden. But the product failed in the market. Then, the company found the reason for the failure. In the Swedish language, 'NOVA' means no move. The Swedish people rejected the no-move cars. A big company makes this type of basic mistake by not conducting a detailed field survey of the product.

Mouthwash - “Mouthwash, also called oral rinse, is a liquid product used to rinse teeth, gums, and mouth. It usually contains an antiseptic to kill harmful bacteria that can live between teeth and on the tongue. Some people use mouthwash to fight against bad breath, while others use it to prevent tooth decay” (Kathryn Watson, 2019).

Warner-Lambert Company promoted 'Listerine' mouthwash in Thailand. The advertisement copy showing a boy and a girl being more affectionate to each other did not click in Thailand's conservative society. The company changed its advertisement content, especially for Thailand, to make the people accept the product. Corporates should give due consideration to the public sentiments.

Energy Drink - “An energy drink contains stimulative drugs, usually including caffeine, and is marketed as providing mental and physical stimulation. It may or may not be carbonated, and many also contain sugar or other sweeteners, herbal extracts, taurine, and amino acids. It is a subset of the larger group of energy drinks, which are advertised to enhance sports performance” (HSC Projects, 2021).

'Pocari Sweat' is a Japanese energy drink usually taken after sports. This drink will make you sweat more. The Japanese believe that sweat represents a healthy and hardworking body. They preferred to take more 'Pocari Sweat' drinks. However, in the USA, sweat is associated with a negative impression. It is considered unwanted, and athletes don't like sweat. So, the drink manufacturer entered the American market and ultimately decided to drop his idea and market the drink in the USA.

The Get Down Series - “As the world's leading entertainment service, with over 220 million paid memberships in over 190 countries, Netflix relishes various TV series, documentaries, feature films, and mobile games across multiple genres and languages. Moreover, Netflix's subscriber base has reached astoundingly high numbers, with approximately U.S. \$1 billion monthly revenue from subscriptions” (Abhishek, 2023).

Netflix introduced a T.V. series called 'The Get Down' in 2022, tracking rap and hip-hop origins. Hip-hop pioneer Grand Master Flash consulted on the series. It added up to failure. Netflix cancelled it after 11 episodes, and the loss amounted to \$120 million. 'The Get Down' was Netflix's first show to be cancelled after just one season. This failure was due to the wrong assessment and Netflix's poor promotion strategy.

Three-Layer Mask - Face masks have been essential during the Covid-19 pandemic. A three-layer mask helps to reduce the spread of the virus along with other preventive measures. However, not all masks protect the user from viruses, and this is one such mask. It had blowing air through it, and the air could easily penetrate the mask. If marketed as a three-layer mask, it can serve a different purpose than it is made for. This product failure happened due to wrong planning in the quality of the product.

“When it comes to your health and safety, it is important to invest in the best. Wearing surgical masks with four layers of protection is the best way to safeguard yourself from contracting or spreading COVID-19” (Brenda Ee, 2020).

H.P. TouchPad – “Devices between the traditional smartphone and notebook P.C. categories occupy a grey area. Dell, HP, Asus, Fujitsu, Acer, Archis and many others have also flocked to the decidedly grey area that tablets between a smartphone and notebook. The tablet category is heating lately” (Erica Ogg, 2010).

H.P. Company entered the tablet market with its H.P. TouchPad. It had some features and acceptable UX. However, this tablet has many shortcomings, such as a weak app store, low performance, and high price. These issues resulted in H.P. discontinuing the TouchPad during its first year of existence, 49 days after its product launch event. In this case, the promotion strategy needs to be clarified with the marketing mix.

Carlsberg Beer – “Here in the U.S., Heineken is marketed as a premium, imported beer, so U.S. buyers pay more for it than other choices. In the Netherlands, it's home country, Heineken is a domestic beer akin to Budweiser (here in the U.S.). Dutch customers don't pay more for it. The liquid in the bottle is the same in both

places. The only difference is its worth in the minds of the U.S. vs. Dutch customers. So, U.S. customers pay more for it” (Roger Snyder, 2021).

A trendy brand called Carlsberg has products in the beverage segment. The company's logo was with two elephants. Carlsberg entered the African market to sell its beer with its two elephants logo advertisement. To its bad fortune, two elephants are considered bad fortune in Africa. Carlsberg added a third elephant to its logo to overcome this image, which was only in Africa, to satisfy its customers. The company changed its logo to get customer acceptance and increased its African market share. Now, Carlsberg has changed its logo to 'C'.

Pond's Tooth Paste – “When it comes to market size and growth, the toothpaste industry has been steadily increasing. This increase in demand can be attributed to the growing awareness of the importance of oral hygiene and dental care. In fact, according to a report by Market Research Future, the global toothpaste market is expected to grow at a CAGR of 4.3 per cent from 2020 to 2027” (Ignition, 2023).

Since its start, Ponds has focused on women's beauty care products. Unfortunately, Ponds took the wrong time to enter the toothpaste industry. Big players like Colgate and Pepsodent have already captured a significant market share. When Ponds comes to the consumer's mind, it creates an impact as a beauty product related to women. This barrier is the main reason for Ponds toothpaste's failure. With an efficient marketing strategy, if the company adopted Pond's Toothpaste may not fail in the market.

Amazon Fire Phone – “The smartphone industry has been steadily developing and growing since 2008, both in market size and number of models and vendors. Smartphone shipments worldwide totalled around 1.2 billion units in 2022, declining from 2021. By the end of 2022, 68 per cent of the world's population were smartphone users. As of 2022, smartphone owners used an estimated 6.5 billion smartphone subscriptions, expected to climb to almost eight billion by 2028” (Federica Laricchia, 2024).

Amazon entered the market with its 3D-enabled smartphone called Fire Phone. The phone was introduced with Firefly, an app that recognised users' activities and suggested items they could buy through Amazon's online store. Most users felt the phone was average and overpriced and needed something to make them switch their phones. Amazon discontinued the production of Fire phones within a year. Amazon had to bear a U.S. \$ 170 million loss on its Fire phone project.

Edsel Car - “There needs to be a different automotive marketing strategy for luxury Porsches and BMWs versus marketers of used cars or more affordable brands like Honda and Toyota. Prospective customers have drastically different concerns, questions, wants and needs when investing in a new car” (Margot Whitney, 2023).

Produced by Ford Motor Company in 1960 as a fourth brand, Edsel was advertised as the car of the future. It was manufactured with advanced features and notable updates to match its price. Edsels were introduced at the peak of the recession, which greatly affected their sales. Some even considered them unattractive and overhyped. Ford had invested U.S. \$400 million into the car but had to take it off the market.

Apple Newton - “Handwritten text recognition is the ability of a computer to receive and interpret intelligible handwritten input from sources such as paper documents, photographs, touch-screens and other devices” (Schenk, Joachim, 2010).

Apple Newton was one of the most suitable old devices for handwriting recognition. The first devices were produced in 1993 and were considered technologically superior. But interestingly, Apple Newton flopped for several reasons, chief among them being the price factor. Newton's price started at U.S. \$700, and the handwriting recognition system did not meet expectations. The company stopped production in 1998.

Cheetos Lip Balm - “Given the insights from Amazon ads, Cheetos focused their creative strategy on promoting Cheetos Mac'n Cheese as a snack. They tailored the messaging of the ads to the younger adult audience and their preferences, highlighting that convenient addition to pantries that consumers will love and that it can go from crunchy snack to cheesy mac” (Amazon ads, 2013).

Introduced in 2005, Cheetos Lip Balm did not have the usual cherry, mint or vanilla flavours. It was flavoured with Cheetos, which was the reason for its failure. While Cheetos has been a favourite snack for generations, Cheetos-flavoured lip balm could not catch on with consumers.

Cascada Car - “Car buyers now spend most of their time researching online before setting foot in a dealership. Marketing is shifting fast in the automotive industry, and finding automotive marketing strategies to satisfy the tech-savvy consumer might make you feel dizzy. However, there are many low-cost initiatives to attract new customers. They're straightforward to implement” (Dana, 2023).

General Motors introduced the Cascada in 2016. It features a 200-horsepower convertible, powered-retracting roof, LED tail lights, and headlights. The vehicle attracted drivers in sunny climates but only a few other customers. Due to this feature, sales dropped every year. The manufacturers discontinued the production of Cascada in 2019.

Karma Drone - “Identifying buyer persona is more important in the drone business as it's a booming industry that is becoming even more competitive every day. So, to market the business correctly and guarantee success, it is needed to learn more about the target customers, their goals and challenges, and more importantly,

what they search online about drones, and this is all done through creating a buyer persona” (Hammer Missions, 2022).

GoPro, a company that produces action cameras, has ventured to develop drones. The Karma, a drone operated by GoPro's Hero 4 and Hero 5 Cameras, was introduced in 2017 with a price tag of U.S. \$800. Unfortunately, some drones fell during operation in the sky when the battery compartment door automatically opened. Karma also only had 15 minutes of flying time. Competitor drones of better quality are also available on the market. Sensing bad karma with its drone, GoPro stopped production in January 2018.

Horizon Worlds App - “With over 4.89 billion users worldwide, social media platforms are an impactful tool businesses can use to promote their products, generate leads, and gain a competitive advantage. In 2021, over 91 per cent of organisations in the U.S. used social media as part of their marketing efforts. And in 2023, the overall cost of paid social media is expected to reach U.S. \$268 billion” (Roy Emmerson, 2023).

Meta launched Horizon Worlds, one of the Virtual-reality social apps, in the U.S. and Canada in 2021. It wants to build a multiverse consisting of many virtual worlds. Thus, Horizon Worlds needs help connecting with the consumers. Meta expected to have 5,00,000 monthly active users, but after the negative results, the expectation was reduced to 2,00,000 monthly active users.

Google Stadia - “With the growing availability of 5G networks, cloud gaming is expected to become more mainstream in the coming years. It means that players can access high-quality, console-like games on their mobile devices without the need for potential hardware. This will likely make gaming more accessible and affordable for a wider audience” (Help Shift, 2023).

In 2019, Alphabet introduced Google Stadia as a cloud gaming service. It assured that players could access games anytime and anywhere without downloads and installations. However, the platform faced problems such as a lack of stability and reliability, service crashes, and significant lag times. In October 2022, Google announced the closure of Stadia and refunded the money paid by customers.

IV. Conclusion

A promotion strategy is a marketing communication technique to inform, influence, and persuade customers to buy or use a particular product. It is vital for the business's success. Surprisingly, it is noted that even MNCs like Netflix, H.P., Amazon, Ford, Apple, Meta, and Google have failed with their products in the market. The sales promotion strategy should match the product's quality and express the product's natural features, as discussed in this article; different sales promotion strategies and styles are available before the manufacturers. They choose the right strategy and promotion method to match the product and market. If the product and promotion strategy are perfectly matched, then the company can take the synergic value of profits.

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