

SEMIS,  
Marketing Management  
Exercises in Promotion

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# Tanmaize's unprecedented Sales success

- Tanmaize Seed Company (TM) had one of the best seasons in its history last year
- Though profits were low, it was able to dispose off all its TMV1 seed against cash, by offering a 20c discount to its dealers
- Its TMV1 seed covered an area of 25,000 ha (500 M.T. / 20 kg per ha), largest in the history of the company
- Most of TM's competitors had huge carried over stocks, were unable to pay their growers and many of them could not even pay salaries to their employees
- Both TM's CEO and John were considered marketing geniuses (though in his heart, John knew it was the CEO)

# Tanmaize success

- TM also received many applications from top seed sales persons across the industry
- Even John received three job offers from competitors including one from TanSeed but the CEO increased his salary by 20% and John decided to stay back in the company
- Besides TMV1, another marketing success was sales of TMH 1, the new proprietary F1 seed variety, released by TM
- The company gave 3 M.T. of this hybrid to each of its 10 dealers and spread the remaining 20 M.T. across Tanzania

# The new hybrid, TMH 1

- At the time of writing this, most of the TMH 1 plots were 90 to 100 days old and they looked excellent
- TMH 1 had also topped the Govt. trials, again
- At this point, the CEO called a meeting of his top team, attended by John, David, the Finance Manager and Isaka, the Production Manager
- The CEO announced that the company had taken up production of 350 M.T. of TMH 1 seed, the production plots looked healthy and already had excellent nicking
- As a result, the actual production could be higher - in the 350 M.T. – 450 M.T. range

# TMH 1 costing

- Last year, TMH 1 selling price was \$ 3.00 / kg
- The company offered a 10% discount on sales to its dealer chain
- Also, last year, the procurement price from grower was \$ 1.00 per kg. Considering the good seed yields expected this year, Isaka said that he need not revise the procurement cost, this season / year
- However, the quantity to be sold next year was likely to be seven to nine times more (350 to 450 M.T. ) as against 50 M.T. the company had sold this year
- The CEO felt that special marketing efforts will be required to sell this higher quantity

# TMH1 sales and marketing plan for next year

- He asked John to prepare a draft sales and marketing plan for his approval, taking into consideration the following:
  - Price
  - Discount structure
  - Distribution plan and number of dealers
  - Pack size and design
  - Promotional material (leaflets, catalogues, hoardings, farmer meetings),
  - Field days and demonstrations
  - Any other

# Team Exercise

- As the Sales and Marketing Manager of TM, please prepare a draft Sales and Marketing Plan for TMH1 for the coming year, for CEO's approval
- Suggest if AM should change TMH price
- Propose a product promotion budget in financial terms
- Propose the sales and in turn production target for the following year assuming the company is able to sell all its production this year