Sale Strategies of Small and Medium Enterprises in Cambodia: A Comparative Analysis

Dr. Kao Kven Hong*

ABSTRACT

Small enterprises (SEs) and medium enterprises (MEs) had the common, and also the different sale and marketing strategies. The sale strategies used by the surveyed small and medium enterprises in the study area are broadly classified into four categories, i.e., sales strategies during the special periods, push and pull sales tactics, sales strategies of creation of activities and participation in different events, and sales strategies in the form of incentives to sales staff. During the special periods, in most of the cases of sales strategies used by the SMEs, significant differences were found on their sales expectations. Medium enterprises were found to be more benefitted from the sales strategies compared to small enterprises during the special periods. Though both small and medium enterprises were using push and pull sales tactics in the study area but the percentage of medium enterprises following different push and pull sales tactics was more compared to small enterprises. In terms of creation of activities and participation in event, the percentage of medium enterprises using these strategies was also more as compared to small enterprises. Similarly, the more percentage for medium enterprises provided different sales incentives to the staff compared to small enterprises to motivate the staff, and to increase their sales. Both small and medium enterprises were flexible on their sales strategies in order to compete with each other in the market. But medium enterprises were found to be better off in using different sales strategies compared to small enterprises.

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1. Introduction

Small and Medium Enterprises (SMEs) contribute to economic growth, develop social infrastructure, create employment opportunities and help in regional and local development of an economy (Scupola, 2001). But, most SMEs lack technical expertise (Barry and Milner, 2002), and adequate Capital for making technological improvements (Barray and Milner, 2002; Raymond, 2001). At the same time, many SMEs suffer from inadequate organizational planning and sales strategies (Tetteh and Burn, 2001; Miller and besser, 2000). SMEs are different from large enterprises in terms of the scope of the products or service varieties available.
to the customers (Reynolds et al., 1994; Afzal, 2007). The essential characteristics and sales strategies of SMEs are also different from large enterprises. In this regard, Westhead and Storey (1996), and Hill and Stewart (2000) mentioned the key issue as “Uncertainty” which originates from the lack of control over external environment, better to say “The Market and Sales Environment” and consequently, this is an external factor that characterizes small organizations. Due to lack of control over market place and the external environment, SMEs mostly set and run short term policies and strategies, including sales strategies, which enable them to change the strategies whenever necessary by looking to the market situation. But such short scenarios lead to uncertainty (Afzal, 2007).

Cambodia has made considerable progress with the dismantling of the political and military organization of the Khmer rouge and their integration into mainstream of the society. The Royal Government has achieved tangible results by implementing the “Triangle Strategy”. Almost four years of its darkness period in history and emerging in January 1997, from below zero growth, the country bounced back to normalcy and rebuilt the destroyed institutions and capacities in various fields in 1993. Faster development could take place with resumption of long denying of external assistance (CDC, 2002).

The government of Cambodia has commenced strong effort through various reforms in the economy from 1980s and extended to a dramatic turning point in 1989, when the country was at the state economy and turned to free market economy. The enterprises owned by the state were privatized. The government increased motivation to local and foreign private investment. The price control was blocked and private property rights were restored. Large number of foreign direct ventures, mainly from Asian countries followed by Europe and USA, grew in the country after the free election in 1993 (Economics Watch, 2007). Government forum on privates sector on August 20, 2004 had been prepared to reduce the bureaucracy and corruption. In October 2004, Cambodia successfully became a member of World Trade Organization (WTO) after 10 years of negotiations and preparations of legal frameworks to comply with the standard level (WTO, 2006). Based on Key economic indicators produced by National Institute of Statistics (NIS) and projected by Economic Institute of Cambodia (EIC) in April 2007, percentage contribution of industrial sector in Cambodina economy had increased from 12.5 in 2003 to 17.1 in 2006 while in service sector it had increased slightly from 8.6 to 10.4 percent in the same year. In 2006, Cambodia enjoyed double digit economic growth at an expected rate of 10.4 percent, and this was achieved after 13.4 percent growth in 2005 and 10 percent in 2004. Micro, small and medium enterprises accounted for 99 percent of firms by consuming 45 percent of employment from labor force market (ADB, 2006). The growth was mainly boosted by the continuous expansion of garment exports, which were strongly supported by US and EU. In spite of the sharp increases in the prices of oil and other imported inputs, there has been considerable improvement in the construction activities, and also the arrivals of the tourists in the country have increased to a large extent.

In August 2004, an SME subcommittee was established by decision No.46SSR (Code number of the decision) consisting of mine Ministries and Chamber of Commerce who were to play an essential role in proposing necessary measures to raise up the implementation of policy and program to act in accordance with Rectangular Strategy of the government notably in the area of private sector development by developing competitive advantage for SMEs and proposing incentive policies, and developing activity plan to promote
and develop SMEs (SMEs Secretariat, 2005 & 2006). The government has been trying to take diverse actions to ensure the smooth growth of the sector. Rectangular Strategy, which was proposed by the government at the beginning of its third term in July 2004, stated enhancing SMEs as one of the actions towards improvement and motivation of the private sector development and employments generation. So, the important of SMEs is not just contributing to solve the economic issues but also eradicating social problems in the whole country (Sen, 2004). Besides this, Asian Development Bank (ADB) in 2006 pointed out four main barriers, such as SME development framework, business registration, business license system and assessment of finance to limit the growth. ADB used to solve this problem by working in cooperating with the government to strengthen banking supervision, supporting money and interbank market development, creating a legal framework in support of cooperate borrowing, including a body of civil commercial law and system, secure transaction and account standard, and supporting investment in long term development of human capacity (ADB, 2006).

Beside the above issue, SMEs have confronted many problems as well. Based on the study of Cambodia Development Resource Institute (CDRI) in 2002, the SMEs in the country faced aggressive competition with imported products, and sales with dumping prices because of the smuggled products from Thailand and Vietnam. The government has been trying to check the smuggling activities in the consumer products. Another problem is that though the production costs of the domestic products were very low, but the wholesalers, because of their dominance, bought the products from the SMEs at lower prices, and sold the products at higher prices in the market and got more profit. Consequently, the SMEs were the losers. Furthermore, because of the fluctuation of exchange rates of Thai Bath and Vietnamese Dong in terms of Cambodian Riel, very often, there were increases in the prices of consumer products in the country (CDRI, 2012). In addition, due to lack of skill and no updated technology, the local SMEs were facing problems to produce the outputs to meet the quality standard of the market. The SMEs located far from the city could not compete in the market because of their high cost of production and long distance to bring the products to sell in the market, another problem was that the cost of marketing of the SMEs, i.e., advertising cost, was very expensive (ibid). In spite of many sales problem, the SMEs in the country were using different kinds of sales strategies to compete each other, and finally to increase their sales volume.

2. Review of Literature

Sales strategy is the planning of sales activities, such as methods of reaching clients, getting the competitive differences and utilization of available resources. A strategic selling is a carefully conceived plan that is needed to accomplish a sales objective. Tactics involve the day-to-day selling: prospecting, sales process, and follow-up. The tactics of selling are very important but equally vital is the strategy of sales (Zahorsky, 2007).

Zahorsky developed his triple-tiered sales strategy of SMEs as: Tier 1: Association, Tier 2: Suppliers and Tier 3: Customer. These three approaches are important to understand the customers by looking at client and outside influences on the business. The insight gained for a competitive advantage comes from the marketplace not from the mind.

Rana had studied on the sales strategies of small enterprises of two countries, namely, US and Pakistan. According to her, the sales strategy were divided into four components: internal traits of salespeople, the interaction of salesperson and the customer in the sales day, the sales techniques used
and the impact of structure, policies and culture (Rana, 2004).

Neil Rackman, author of Rethinking the Sales Force, and other experts in sales and marketing felt that the success in personal selling rest on the critical ability to create value for customers. Manning and Reece in 2004 advocated that the strategic or consultative selling model features in five steps, such as: developing the personal selling philosophy, developing a relationship strategy, developing a product strategy, developing a customer strategy and developing a presentation strategy.

According to Zahorsky (2007), the competitive advantages of strategic sales of SMEs are: increased closing ratio by knowing clients’ hot buttons, improved client loyalty by understanding the need, shortened sales cycle with outside recommendation and outsell competitions by offering the best solution.

There are two basic types of sales strategies that can be employed to promote sales. (i) Direct sales strategy—it means going head to head, and feature for feature against the competitor. A direct sales strategy is a hard way to sell, unless one has clear superiority over his competitor. (ii) Indirect sales strategy. It is done by introducing new capabilities and criteria that the competitor may not have and by making the sales strategies essential to the buyer’s evaluation criteria (Brown, 2008).

Jobber (1997) felt that the companies need to provide to their sales representatives an understanding of buying behavior, personal selling skills and commercial negotiations as fundamental successful sales strategies. The next success strategy is managing customer relationship, which includes trade marketing, telemarketing, relationship management, and selling to and managing key accounts.

SMEs’ sales strategies begin from the process of effective selling skills to the contacting of all the intermediaries (retailer and wholesalers, etc.). To solve the sales problems and convince the intermediaries to accept the products, SMEs must make the advertisings, public relations and marketing activities to support and build brand image of the products (Kawasaki, 2007).

The study in Singapore shows that the bigger firms were able to use the mass media via television along with their strong sales tactics. But due to the shortage of financial resource, SMEs were contended with promotions through newspapers, magazines, flyers, radio, and word of mouth (Lim et al., 2000).

The study on sales strategy of SMEs of consumer products shows that SMEs ignored the direct sales agents by setting up a one-stop retail outlets for the most comprehensive range products and services in order to compete with large firms. To avoid price war with the large firms, SMEs maintained the same prices as that of the large firms. But they improved the range and quality of the products. In addition, to enhance more sales, they just provided brochure, friendly soft toys for children and some additional services in their sales tactics. The SMEs kept pursuing the strategy of providing quality product and ensuring superior value delivery (ibid).

Internet offers opportunities for companies to market and sell their products and services around the world without physical contact with customers. SMEs’ business was lacking in the use of internet for selling and advertising the products. Effective use of internet for selling and marketing would provide SMEs with low cost gateway to sell and offer them huge opportunities (Sam, 2007).

The research study of Kordestani (2008) showed that export was the mode of international selling. In Iran, SMEs’ products were exported and the amount of exports increased annually. The success
of the international sales was because of promotion campaign and advertising of the same standard as in the domestic market. The SMEs with high export performance did not adapt their pricing strategies, but they relied on their standardized distribution strategies. The success (sales volume, sales revenue, sales profitability, etc.) of the sales strategy was because of standardized product (i.e., the same labeling, brand, quality, etc.) and simple promotion strategy (advertising, channels, etc.).

The study of Nordstrand and Ohman in 2005 showed that the successful SMEs were taking the initiatives to adapt to the consumer demands. They also needed to have knowledge over both market and product area in order to set the right price. Adapt to consumer demands, setting right price, tradeshaw and promotion could support the sales tactic and strongly improve sales volume. The study also showed that a short distribution channel and there by short distribution time led to increase sales for SMEs.

SMEs in different countries have different sales and marketing strategies. At present, they sell through four channels: direct sales, own shop, wholesale and retail, and export. For example, Nanjing Planck (China) and Organic Health (Malaysia) had their own shops. Organic (Nepal) and Hanoi Organics (Vietnam) also operated their own shop(s) and provided a home delivery service on a membership basis. In addition, SMEs in Hanoi exported food and drinks and small amounts of organic tea to other countries. Some SMEs (India) sold their products directly or through dealers and had opened their own shops too. Thai Organic Food sold the products in supermarkets and produced vegetables for its own restaurant. SMEs producing food and drinks in Singapore supplied their products not only to wholesalers, their own shops and distributors, but also sold through home delivery (IFOAM, 2003).

SMEs personal connections had certain degree of influence in doing business. Therefore, having abundant personal connections would assert competitive edges. SMEs business information network was built on these abundant personal connections, and successful entrepreneurs had expanded social contacts. The expansions of these personal contacts not only maintained the existing basis for business deals but also brought information in on business opportunities. The information received from this channel had higher accuracy and more timely than getting those from the printed materials. As a result, Taiwanese SMEs put emphasis on establishing personal connections. In addition, credit and guarantee of many new deals were established on the friendship of mutual friends leaving out financial institutions and credit agencies. This kind of sales and marketing strategies were closely linked to SMEs’ economic and social activities together. The social activities, such as wedding and funeral ceremonies, were the occasions for keeping personal contacts and developing relationship, which would help for having good business in future to the entrepreneurs. Furthermore, SMEs entrepreneurs also liked to take part in social activities to expand their personal connections (Zhu, 2006).

In Cambodia, selling with dumping prices of the smuggled imported products caused many problems to the domestic products as well as influenced the sales strategies of the enterprises selling those products. Even though the government tried to control the smuggling activities, the ineffective implementation kept continue as a trouble. Further, the wholesalers dominated the prices of the products produced by local manufacturers. They always made pressure to lower the price, which made producers impossible to survive with their less profit. The producers tried to become united by making association to maintain the stability of prices, yet the effort was failed because of lack of knowledge and
experiences. Moreover, the fluctuation of Thai Bath and Vietnamese Dong currencies in term of Cambodian Riel mostly influenced the increase in the prices of consumer products and lowered the level of sales revenue (Archarya, 2002).

The entrepreneurs in Cambodia had no professional sales strategies, sales supporting activities and business plan. Due to the high cost of advertisement, the sales promotion to increase sales was done by flyers, word of mouth and internet, which were supported by Cambodia Craft Cooperation (CCC, 2005).

A study on consumer insights and consumer product enterprises in 2007 showed that the medium enterprises (MEs) were finding difficulty to compete in the market because of smuggling activities and unlawful business operation. But they had more clear-cut sales strategy, marketing tactics and business plan than the small enterprises. Additionally, MEs had better technologies and skills to produce the standard quality products than the SEs. The outputs of MEs were easily accepted by the consumers. Further, the MEs in the country had the large budgets to make advertisement, attract impression, build brand image and stimulate sales compared to the SEs (FCB, 2007).

Thus, the above reviews of literatures show that different countries have sales strategies of SMEs. SEs and MEs had the common and also the different sales and marketing strategies. In Cambodia, the sales strategies of SMEs were mostly on direct sales force and some on annually tradeshows activities. Further, the MEs had more clear-cut sales strategy, marketing tactics and business plan than the small enterprises in the country. It is in the above context, the present paper has tried to make a comparative analysis on the sales strategies of SMEs in the capital city of Cambodia.

3. Objectives

The present study has the following objectives:

i. To examine the sales strategies used by the SMEs during the special periods to achieve the sales objectives.

ii. To identify the push and pull sales tactics of the SMEs to promote their sales.

iii. To study the sales strategies used by the SMEs through creation of activities and participation in different events.

iv. To find out the sales strategies used by the SMEs by providing different kinds of incentives to the sales staff.

4. Research Methodology

Both descriptive and quantitative approaches have been used in the study. The data for this study have been gathered mainly from primary sources, which have been collected from the sample small and medium enterprises through structured questionnaires. The study also depends on secondary data. The different sources, from which necessary secondary data have been collected, are National Institute of Statistics (NIS); Ministry of Planning (MP), Government of Cambodia; Ministry of Industry, Mines and Energy (MIME), Government of Cambodia; International Labor Organization (ILO); Mekong Project Development Facility (MPDF); and SMEs Association.

In the study, the small and medium enterprises, which are producing consumer products, especially foods and beverages, are taken into account. There are many reasons to study the SMEs producing consumer products. Based on the Cambodia Media Monitoring (CMM) in 2007, the first reason is that the sales distribution companies are trying to turn their budgets to invest on consumer products, especially foods and beverages as the second option after the first option of investment in the field of construction. Secondly, the percentage of aggressive brand marketing activities of consumer
products, which are mainly foods and drinks, is 40 percent. Thirdly, 60 percent of consumer product brands are in the top of investments made on advertisement. Fourthly, local small and medium food and beverage enterprises as well as the new enterprises have no capabilities to compete in the market because they don’t have ability to make advertisement or conduct marketing activities, like the enterprises of imported products. Further, the Cambodian people do not like the local food and beverage products much.

The study is confined to the small and medium enterprises of consumer products, particularly foods and beverages, located in Phnom Penh city. The reason to select Phnom Penh city as the study area is that 60 percent of the companies of small, medium and large enterprises of Cambodia are located in Phnom Penh, and out of the total consumer products of the companies in the country, 60 percent are sold in Phnom Penh (FCB, 2006).

To determine the sample sizes of small and medium enterprises, the study follows the model used by Rana (2004). The formula for the computation of sample size of food and beverage of small and medium enterprises is as follows:

Using the Finite Multiplier,

\[
\text{Simple size} = n \times \sqrt{\frac{N-n}{N-1}}
\]

Where,

\(N\) = Population size

\(n\) = Sample size (Computed as per the formula given below)

\(n\) is determined as per the following formula:

\[
n = \frac{z^2 pq}{e^2}
\]

Where,

\(p\) = Sample proportion or percentage found in the sample, which is assumed as 90 percent (as per previous experience).

\[q = (100-p) \% = (100-90) \% = 10\%\]

\(e\) = Acceptable error, which is assumed as 10 percent

\(z\) = Standard normal vitiate

\[z = 1.96 \text{ (At 95 percent level of confidence)}\]

The population size of small food and beverage enterprises is considered to have 363 small enterprises operating in Phnom Penh city (Yellow Pages, 2007 and Industry Directory, 2007), and out of 363 food and beverage small enterprises, 32 enterprises are taken as a sample as per the formula mentioned above. Similarly, the population size of medium enterprises of food and beverage category in Phnom Penh city is found as 336 (ibid), and the sample size for medium enterprises is also determined as 32 as per the formula of Rana.

After the determination of sample sizes of small and medium enterprises, the sample enterprises for the study are selected through systematic random sampling method. The primary data have been collected from the general managers / sales and marketing managers / supervisors / sales representatives of the selected small and medium enterprises. The data have been gathered from the above respondents through face to face interviews with structured questionnaires. The study has used both quantitative and qualitative data, and with the help of SPSS and MS Excel programs, necessary tables and graphs have been prepared to analyze the data.
To know the significance of difference between the sales strategies of small and medium enterprises, “t” test has been used in appropriate places as per the following formula:

\[
t = \frac{\bar{X}_1 - \bar{X}_2}{S} \times \sqrt{\frac{n_1 n_2}{n_1 + n_2}}
\]

Where,

\[
\bar{X}_1 = \text{Mean of the first sample (Small Enterprises)}
\]

\[
\bar{X}_2 = \text{Mean of the second sample (Medium Enterprises)}
\]

\[
n_1 = \text{Number of observations in the first Sample (Small Enterprises)}
\]

\[
n_2 = \text{Number of observations in the Second sample (Medium Enterprises)}
\]

\[
S = \sqrt{\frac{\sum (X_1 - \bar{X}_1)^2 + \sum (X_2 - \bar{X}_2)^2}{n_1 + n_2 - 2}}
\]

\[
d.f. (\text{The degrees of freedom}) = n_1 + n_2 - 2
\]

To obtain the ‘t’ result, SPSS program has been used.

5. Sales Strategies of Small and Medium Enterprises

The different sales strategies used by the surveyed Small and medium enterprises in the study area are broadly classified into four categories, i.e., sales strategies during the special periods push and pull sales tactics, sales strategies of creation of activities and participation in the form of incentives to sales staff.

5.1 Sales Strategies During the Special Periods

During the special periods (public or non public holidays) like Seven January Days (Prampi Markara), Chinese New Year, Valentine Day, Khmer New Year, Pchum Ben Day and Universal New Year, the small and medium enterprises in the country give special discount, participate in trade or product show and carry out several other marketing activities. The comparative analysis on the achievements in sales of the surveyed SMEs due to specific sales strategies adopted during the special periods are:

5.1.1 Ten Percent Discount

On the whole, 10 percent discount sales strategy was not applicable to 43.75 percent small and medium enterprises. The sales of 12.50 percent SMEs were up to their expectations, and about 36 percent enterprises had the sales more than the expectations. Only 1.56 percent SMEs failed to exceed their expectations.

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enter.</th>
<th>Total</th>
<th>‘t’ Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Largely exceeded the expectation</td>
<td>4</td>
<td>12.50</td>
<td>2</td>
<td>6.25</td>
</tr>
<tr>
<td>Slightly exceeded the expectation</td>
<td>2</td>
<td>6.25</td>
<td>15</td>
<td>46.88</td>
</tr>
<tr>
<td>Met the expectation</td>
<td>3</td>
<td>9.38</td>
<td>5</td>
<td>15.63</td>
</tr>
</tbody>
</table>
Meet the sales expectations. Looking to the small enterprises, the above discount rate sales strategy was not applicable to 62.50 percent small enterprises as against 25.00 percent in case of medium enterprises. The small and medium enterprises who met the sales expectation due to 10 percent discount were 9.38 percent and 15.63 percent respectively. Further, the sales of about 19 percent small enterprises and about 53 percent medium enterprises were more than the expectations. The ‘t’ test reveals that there was significant difference between the sales expectation of small and medium enterprises due to 10 percent discount rate sales strategy at one percent level of significance and 62 degrees of freedom and ‘t’ value is equal 3.205 (Table 1).

5.1.2 Twenty Percent Discount

Among the 64 surveyed SMEs, 20 percent discount sales was not applicable to 60.94 percent SMEs. However, 17.19 percent SMEs met the sales expectation, and the sales of more than 14 percent SMEs exceeded their expectation. Only 1.56 percent SMEs failed to meet their expected sales. The above discount sales strategy was not applicable to 84.38 percent small enterprises as against 37.50 percent in case of medium enterprises. The percentages of small enterprises whose sales were up to the expectation and more than the expectation were 6.25 each, whereas, the corresponding respective percentages for medium enterprises were 28.13 and 21.88. The above analysis indicates that there was much difference in the sales between small and medium enterprises due to sales strategy of 20 percent discount during the special periods. This can be seen from the ‘t’ results mentioned in the table. The level of significance of the above result was one percent and degrees freedom 62 with ‘t’ value -3.97 (Table 2).

### Table 2: Sales Expectation of SMEs at 20 percent Discount

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enter.</th>
<th>Total</th>
<th>‘t’ Test (Two-tailed test)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Largely exceeded the expectation</td>
<td>0</td>
<td>0.00</td>
<td>2</td>
<td>6.25</td>
</tr>
<tr>
<td>Slightly exceeded the expectation</td>
<td>2</td>
<td>6.25</td>
<td>5</td>
<td>15.63</td>
</tr>
<tr>
<td>Met the expectation</td>
<td>2</td>
<td>6.25</td>
<td>9</td>
<td>28.13</td>
</tr>
<tr>
<td>Fell slightly short of the expectation</td>
<td>1</td>
<td>3.13</td>
<td>3</td>
<td>9.38</td>
</tr>
<tr>
<td>Failed to meet the expectation</td>
<td>0</td>
<td>0.00</td>
<td>1</td>
<td>3.13</td>
</tr>
<tr>
<td>Not applicable</td>
<td>27</td>
<td>84.38</td>
<td>12</td>
<td>37.50</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.00</td>
<td>32</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Note: Not applicable refers to those who did not use any promotion activity of the above tactic, and their sale remained more or less same as it was.

Source: Own Survey.
5.1.3 Thirty Percent Discount

The study showed that 30 percent discount sales strategy was not applicable to 76.56 percent selected SMEs. The sales of 10.94 percent SMEs were up to the expectation, and 7.81 percent SMEs had the sales slightly less than the expectation. Relating to only small enterprises, the above sales strategy was not applicable to 93.75 percent of them. On the other hand, in case of medium enterprises, it was 59.38 percent. But 18.75 percent medium enterprises were found to have the sales up to the expectation followed by 15.63 percent having the sales slightly less than the expectation. Thus, significant difference is found between the achievements in the sales expectations of small and medium enterprises on 30 percent discount sales strategy. The above result can be inferred from the ‘t’ test, which indicates the significance of difference of one percent with ‘t’ value 0.447 and degrees of freedom 62 (Table 3).

Table 3: Sales Expectation of SMEs at 30 percent Discount

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enterprise</th>
<th>Total</th>
<th>‘t’ Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Number</td>
<td>Number</td>
<td></td>
</tr>
<tr>
<td>Largely exceeded the expectation</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1.56</td>
</tr>
<tr>
<td>Met the expectation</td>
<td>1</td>
<td>6</td>
<td>7</td>
<td>10.94</td>
</tr>
<tr>
<td>Fell slightly short of the expectation</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>7.81</td>
</tr>
<tr>
<td>Failed to meet the expectation</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3.13</td>
</tr>
<tr>
<td>Not applicable</td>
<td>30</td>
<td>19</td>
<td>49</td>
<td>76.56</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>32</td>
<td>64</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Note: Not applicable refers to those who did not use any promotion activity of the above tactic, and their sale remained more or less same as it was.

Source: Own Survey.

5.1.3 Thirty Percent Discount

Forty percent discount sales strategy was found to be not applicable to more than 81 percent SMEs in the surveyed area. Among the 64 selected SMEs the percentages of SMEs whose sales slightly exceeded the expectation, met the expectation, fell slightly short of the expectation and failed to meet the expectation were 6.25, 4.69, 3.13 and 4.69 respectively. Out of 32 surveyed small enterprises, the above sales strategy was not applicable to about 97 percent SMEs in the study area. On the other hand, in case of medium enterprises, it was not applicable to around 66 percent enterprises. The percentage of medium enterprises each having the sales slightly more than the expectation, up to the expectation and failing to meet the expectation was 9.38, whereas, 6.25 percent medium enterprises has the sales slightly less than the expectation. From the ‘t’ test, it is revealed that the
difference in the sales expectation of SMEs on 40 percent discount sales strategy was significant at one percent level of significance with ‘t’ value 2.69 and degrees of freedom 62 (Table 4).

### Table 4: Sales Expectation of SMEs at 40 percent Discount

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enterprise</th>
<th>Total</th>
<th>‘t’ Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Largely exceeded the expectation</td>
<td>1</td>
<td>3.13</td>
<td>3</td>
<td>9.38</td>
</tr>
<tr>
<td>Met the expectation</td>
<td>0</td>
<td>0.00</td>
<td>3</td>
<td>9.38</td>
</tr>
<tr>
<td>Fell slightly short of the expectation</td>
<td>0</td>
<td>0.00</td>
<td>2</td>
<td>6.25</td>
</tr>
<tr>
<td>Failed to meet the expectation</td>
<td>0</td>
<td>0.00</td>
<td>3</td>
<td>9.38</td>
</tr>
<tr>
<td>Not applicable</td>
<td>31</td>
<td>96.88</td>
<td>21</td>
<td>65.63</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.00</td>
<td>32</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Note: Not applicable refers to those who did not use any promotion activity of the above tactic, and their sale remained more or less same as it was.

Source: Own Survey.

#### 5.1.5 Fifty percent Discount

Among the surveyed enterprises, 50 percent discount sales was not applicable to 82.81 percent enterprises. The sales of 3.13 percent enterprises were up to the expectation, and the sales of around five percent enterprises were more than the expected sales. The percentages of SMEs whose sales fell slightly short of the expectation and failed to meet the expectation were 6.25 and 3.13 respectively. In regard to small enterprises, 96.88.

### Table 5: Sales Expectation of SMEs at 50 percent Discount

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enter.</th>
<th>Total</th>
<th>‘t’ Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Largely exceeded the expectation</td>
<td>1</td>
<td>3.13</td>
<td>1</td>
<td>3.13</td>
</tr>
<tr>
<td>Slightly exceeded the expectation</td>
<td>0</td>
<td>0.00</td>
<td>1</td>
<td>3.13</td>
</tr>
</tbody>
</table>
Percentages were not using the above sales strategy and the sales of the rest 3.12 percent small enterprises increased much more than their expectations because of 50 percent discount sales strategy was not applicable to 68.75 percent medium enterprises. Only 6.25 percent medium enterprises met the sales expectation, and the equal percentage did not meet their expected sales because of the discount sales. Furthermore, the sales of more than the six percent medium enterprises were more than the expectation, whereas, the percentage of enterprises having sales slightly less than the expectation was 12.50. From the above analysis, and the result of ‘t’ test, it is found that there was significant difference between the sales expectations of small and medium enterprises at 50 percent discount sales. The level of significance was five percent with ‘t’ value 2.18 and degrees of freedom 62 (Table 5).

5.1.6 Buy One and Get One Free

The study reveals that, during the special sales periods, 50 percent surveyed SMEs did not use the sales strategy – ‘Buy One and Get One Free’. The percentages of SMEs whose sales slightly exceeded the expectation, largely exceeded the expectation and met the expectation were 18.75, 15.63 and 10.94 respectively. The above sales strategy was not used by 68.75 percent small enterprises. The sales of 18.75 percent of the total small enterprises were slightly more than the expectation, whereas, 6.25 percent small enterprises each met the sales expectation and met much more than the expectation. Contrary to this, 31.25 percent medium enterprises did not follow the above strategy. Sales of 25 percent medium enterprises largely exceeded the expectations followed by respective 18.75 percent and 15.63 percent enterprises had the sales slightly more than the sales expectation and up to the expectation. With regard to the above sales strategy, significant difference was found between small and medium enterprises as revealed from the ‘t’ value 0.775 and significance level 0.007 with degrees of freedom 62 (Table 6).

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enterprises</th>
<th>Total</th>
<th>'t' Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Largely exceeded the expectation</td>
<td>1</td>
<td>6.25</td>
<td>8</td>
<td>25.00</td>
</tr>
<tr>
<td>Slightly exceeded the expectation</td>
<td>6</td>
<td>18.75</td>
<td>6</td>
<td>18.75</td>
</tr>
</tbody>
</table>

Table 6: Sales Expectation of SMEs on Buy One and Get One Free Sales Strategy
5.1.7 Buy One and Get the Second One in Half Price

In the study area, the percentages of SMEs not using Buy One and Get the Second One in Half Price’ sales strategy during the special period was 67.19. More than 14 percent enterprises had sales more than the expectation, whereas, 6.25 percent enterprises each had the sales up to the expectation, slightly less than the expectation and failing to meet the expectation. Looking to the case of small enterprises, it is found that more than 84 percent of them had not applied the above sales strategy. The percentage of small enterprises meeting the sales expectation was 6.25 each, and the rest 3.13 percent met the sales largely than that of their expectations. But 50 percent medium enterprises were not found using the above sales strategy during the special sales periods. The sales of around 19 percent medium enterprises were more than the expectation, and 6.25 percent only met the sales expectation. The medium enterprises whose sales fell slightly short of the expectation and failed to meet the expectation were 12 percent each. The comparative analysis between small and medium enterprises on the sales strategy on ‘Buy One and Get the Second One in Half Price’ shows significance level 0.498 and 62 degrees of freedom (Table 7).

**Table 7: Sales Expectation of SMEs on Buy One and Get the Second One in Half Price Sales Strategy**

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enterprises</th>
<th>Total</th>
<th>‘t’ Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Largely exceeded the expectation</td>
<td>1</td>
<td>3.13</td>
<td>2</td>
<td>6.25</td>
</tr>
<tr>
<td>Slightly exceeded the expectation</td>
<td>2</td>
<td>6.25</td>
<td>4</td>
<td>12.50</td>
</tr>
<tr>
<td>Met the expectation</td>
<td>2</td>
<td>6.25</td>
<td>2</td>
<td>6.25</td>
</tr>
<tr>
<td>Fell slightly short of the expectation</td>
<td>0</td>
<td>0.00</td>
<td>4</td>
<td>12.50</td>
</tr>
<tr>
<td>Failed to meet the expectation</td>
<td>0</td>
<td>0.00</td>
<td>4</td>
<td>12.50</td>
</tr>
<tr>
<td>Not applicable</td>
<td>27</td>
<td>84.38</td>
<td>16</td>
<td>50.00</td>
</tr>
</tbody>
</table>
Total & 32 & 100.00 & 32 & 100.00 & 64 & 100.00
\hline

Note: Not applicable refers to those who did not use any promotion activity of the above tactic, and their sale remained more or less same as it was.

Source: Own Survey.

5.1.8 Buy More and Get More Special Discount

During the special period, around 78 percent selected SMEs were found to have not using the sales strategy – ‘Buy More and Get More Special Discount’. But more than 14 percent of the surveyed SMEs met the sales expectation and the sales of the rest 7.81 percent SMEs exceeded the expectation. The percentage of small enterprises not using the above sales strategy was 84.38 as against 71.88 in case of medium enterprises. The sales of 9.38 percent and 6.25 percent small enterprises were up to the expectation and slightly more than the expectation respectively. On the other hand, the corresponding respective percentages for medium enterprises were 18.75 and 9.38. From the results of ‘t’ test, it is found that the difference between the sales expectations of small enterprises and medium enterprises on the sales strategy ‘Buy More and Get More Special Discount’ was not significant at five percent level of significance with ‘t’ value -1.15 and 62 degree of freedom (Table 8).

Table 8: Sales Expectation of SMEs on Buy More and Get More Special Discount

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enterprises</th>
<th>Total</th>
<th>‘t’ Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Slightly exceeded the expectation</td>
<td>2</td>
<td>6.25</td>
<td>3</td>
<td>9.38</td>
</tr>
<tr>
<td>Met the expectation</td>
<td>3</td>
<td>9.38</td>
<td>6</td>
<td>18.75</td>
</tr>
<tr>
<td>Not applicable</td>
<td>27</td>
<td>84.38</td>
<td>23</td>
<td>71.88</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.00</td>
<td>32</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Note: Not applicable refers to those who did not use any promotion activity of the above tactic, and their sale remained more or less same as it was.

Source: Own Survey.

5.1.9 Special Discount for Wholesaler

In the study area, about 94 percent surveyed small and medium enterprises did not use the ‘Special Discount for Wholesaler’ Sales strategy. The sales of SMEs meeting the expectation and slightly more than the expectation were 3.13 percent each because of the above sales strategy. With regard to comparative analysis of small and medium enterprises, it is also found that 93.75 percent each did not apply the above sales strategy. Due to the above sales strategy, the sales of 6.25 percent small enterprises were slightly more than the expectation, whereas, in case of medium enterprises, the equal percentage met the sales expectation. The analysis shows that the difference between small and medium enterprises with regard to their sales expectations on the strategy ‘Special Discount for Wholesaler’ is not significant as the ‘t’ value was 0.288 with level of significance 0.775 (Table 9).
Table 9: Sales Expectation of SMEs on Special Discount for Wholesaler

<table>
<thead>
<tr>
<th>Type of Sales Expectation</th>
<th>Small Enterprises</th>
<th>Medium Enterprises</th>
<th>Total</th>
<th>‘t’ Test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number %</td>
<td>Number %</td>
<td>Number %</td>
<td>(Two-tailed test)</td>
</tr>
<tr>
<td>Slightly exceeded the expectation</td>
<td>2 6.25</td>
<td>0 0.00</td>
<td>2 3.13</td>
<td>‘t’ value 0.288</td>
</tr>
<tr>
<td>Met the expectation</td>
<td>0 0.00</td>
<td>2 6.25</td>
<td>2 3.13</td>
<td>d.f. 62</td>
</tr>
<tr>
<td>Not applicable</td>
<td>30 93.75</td>
<td>30 93.75</td>
<td>60 93.75</td>
<td>Significance Level 0.775</td>
</tr>
<tr>
<td>Total</td>
<td>32 100.00</td>
<td>32 100.00</td>
<td>64 100.00</td>
<td></td>
</tr>
</tbody>
</table>

Note: Not applicable refers to those who did not use any promotion activity of the above tactic, and their sale remained more or less same as it was.
Source: Own Survey.

Thus, the discussions on the different sales strategies of small and medium enterprises during the special periods reveal that, except the two sales strategies, i.e., ‘Buy More and Get More Special Discount’ and ‘Special Discount for Wholesaler’, in all the other seven sales strategies, there were significant differences between small and medium enterprises with regard to their sales expectations. Medium enterprises were found to be more benefitted from the sales strategies compared to small enterprises during the special periods.

5.2 Push and Pull Sales Tactics

Push and Pull sales tactics were key factors of sales strategy, which were mostly used by the fast moving consumer product’s company in the world. In the study area, the surveyed small and medium enterprises were found to be using different push and pull sales tactics to promote their sales. The important tactics followed by the SMEs are:

5.2.1 Sponsoring the Equipment for Product Display

The SMEs sponsor hanger, shelf, basket, etc. to the traders to display their products in their sales outlets. This attracts the customers, helps them to see the products’ properly, and finally motivates the customers to buy the products. In the present survey, out of 64 surveyed SMEs, only 20.31 percent of them were using the about tactic during the period of study. But the percentage of small enterprises using the sales tactic- ‘Sponsoring the Equipment for Product Display’ was 28.13 as against 12.50 percent in case of medium enterprises (Figure 1).

Figure 1: Percentages of SMEs using the Sales Tactic ‘Sponsoring the Equipment for Products Display’
5.2.2 Trading Off the Old Products before Launching the New Products

The idea of trading off the old products before the launching of new products is followed by many small and medium enterprises in order to dispose of the old stocks of competitors’ products to replace the new products through the traders. From among the total surveyed SMEs, 25 percent used the above sales tactic. With regard to the comparison of small and medium enterprises, only 12.5 percent small and medium enterprises had the sales tactic of trading off the old products, whereas, the percentage of medium enterprises having used the present sales tactic was higher, i.e., 37.5 (Figure 2).

5.2.3 Providing Advertising Support

In order to motivate the traders to sell the products, the producers make the support of advertisement of the products for traders. The study shows that 54.69 percent of the total surveyed SMEs provide advertising support to the traders in order to increase the sales. The percentages of small and medium enterprises providing advertising support...
to traders were 50.00 and 59.38 respectively (Figure 3).

**Figure 3: Percentages of SMEs using the Sales Tactic ‘Providing Advertising Support’**

![Bar chart showing percentages of SMEs using the Sales Tactic ‘Providing Advertising Support’](chart3)

**5.2.4 Providing Added Value to Intermediary**

In order to achieve the sales target, the enterprises provide more added values or prizes to the sales intermediaries, so that, they are motivated to increase the sales of the products through different ways. This sales tactic was followed by 51.56 percent of the small and medium enterprises in the study area. But only 34.38 percent of small enterprises were found to having the above strategy. On the other hand, 68.75 percent medium enterprises in the study area followed the sales strategy of providing added value or prize to the intermediary (Figure 4).

**Figure 4: Percentages of SMEs using the Sales Tactic ‘Providing Sample Sales Materials or Tool’**

![Bar chart showing percentages of SMEs using the Sales Tactic ‘Providing Sample Sales Materials or Tool’](chart4)
5.2.5 Providing Sample Sales Materials or tools

Many times, customers want to know certain information, such as about the company, quality, taste and benefit of the product, etc. before they take decision to buy the product. In this regard, the intermediaries request the producers or enterprises to provide tools or prototype, such as catalogue, product sample, user’s guide, sales assistant tools or video film, presentation materials and so on. In the present survey, out of 64 selected SMEs, only 29.69 percent of them were providing the above sales materials to the intermediaries. Further, the percentage of small enterprises using the sales tactic of providing sample sales materials or tools to the sales people in the study area was 18.75 as against 40.63 percent in case of medium enterprises (Figure 5).

Figure 5: Percentages of SMEs using the Sales Tactic ‘Providing Sample Sales Materials or Tools’

<table>
<thead>
<tr>
<th></th>
<th>Small Enterprises</th>
<th>Medium Enterprises</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, 18.75</td>
<td>No, 81.25</td>
<td>Yes, 40.63</td>
<td>Yes, 29.69</td>
</tr>
<tr>
<td>No, 59.38</td>
<td></td>
<td></td>
<td>No, 70.31</td>
</tr>
</tbody>
</table>

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5.2.6 Making Intermediary Meeting

The enterprises make the meetings among the intermediaries during the introduction of new products in the market. In the meeting, they discuss about the new strategy of advertisement, sales promotion, etc. to improve the sales of the product.

Figure 6: Percentages of SMEs using the Sales Tactic ‘Making Intermediary Meeting’

The percentage of total surveyed SMEs making intermediary meeting was 31.25 with 21.88 percent for small enterprises and 40.63 percent for medium enterprises in the area under survey (Figure 6).
5.2.7 Distributing Discounted Coupon

Distributing discounted coupon to the prospective consumers is much successful in selling the specific products. The discounted coupon is normally distributed by the enterprises through presses, magazines, packaging, shopping malls, newsletters, etc. Most of the discounted coupons reach to consumers by advertising companies, which publish many fliers as the additional page. In the study area, 28.13 percent surveyed SMEs adopted this sales tactic to pull up the consumers. The percentage of the small enterprises using this strategy was found to be little more, i.e., 31.25 percent, as compared to that of the medium enterprises, i.e., 25.00 percent (Figure 7)

Figure 7: Percentages of SMEs using the Sales Tactic ‘Distributing Discounted Coupon’

5.2.8 Giving Special Discount

The SMEs give special discount to the consumers when they buy huge amount of the products. This is one of the sales tactics to pull large number of consumers to buy the products. The study reveals that 37.5 percent of the total SMEs were following the above strategy. Looking to the comparison of small and medium enterprises, it is found that the percentage of small enterprises using this tactic was 25.00 as against 50.00 percent in case of medium enterprises (Figure 8)

Figure 8: Percentages of SMEs using the Sales Tactic ‘Giving Special Discount’
5.2.9 Providing Incentive Prize

Incentive prize is given to the final consumers by the enterprises as the additional benefits in the order to convince them to buy the products of the concerned enterprises. It can convince the customers to buy the products even if they do not have the demand for the products. These types of prizes mostly come in the same packet of the product. In total, 46.88 percent SMEs were accounted for using the above sales tactic in the study area. But only 28.13 percent small enterprises provided this sales incentive to the consumers, whereas, the percentage of medium enterprises following incentive prize sales tactic was as high as 65.63 (Figure 9)

Figure 9: Percentages of SMEs using the Sales Tactic ‘Providing Incentive Prize’

5.2.10 Providing Sample Products

In order to promote the sales of new products, many enterprises provide sample products at free of cost to the users, so that, the user can know the quality of the products after testing and finally are motivated to buy the products. This sales tactic was followed by 45.31 percent SMEs with 40.63 percent small enterprises and 50.00 percent medium enterprises in the area (Figure 10).
5.2.11 Providing Compound Products

Providing compound products is a kind of sales promotion by the enterprises in the study area. When the customer buys a product, another related product/products he/she gets free. These products sometimes are kept in one packet. Some enterprises write the name of free products on the packet of the concerned product, and when the customers buy the product, the sellers give the related free products to the customer. For this type of sales promotion, the enterprises also make the advertisement on the availability of compound products through radio, television, newspaper, etc. The percentage of SMEs using the above strategy was very less, i.e., 21.88 compared to the medium enterprises (31.25 percent), the percentage of small enterprises following this strategy was only 12.50 in the study area (Figure 11)

5.2.12 Making Lucky Draw

Lucky draw is the means to provide entertainment and invite the consumers to win prizes. The objective of this draw is to stimulate the users to increase their consumption, and provide the benefits of prizes of the lucky draw. In the present
survey, the percentage of SMEs making lucky draw for the promotion of the product was 20.31. It was very less, i.e., 6.25 percent in case of small enterprises, whereas, 34.38 percent medium enterprise made the lucky draw to promote the products in the study area (Figure 12).

**Figure 12: Percentages of SMEs using the Sales Tactic ‘Making Lucky Draw’**

The analysis on the push and pull sales tactics of the SMEs shows that both small and medium enterprise were using different kinds of push and pull sales tactics in the study area. But mostly more percentage of medium enterprises was following different push and pull sales tactics as compared to small enterprises. Except the sales tactics – ‘sponsoring the equipment for product display’ and ‘distributing discounted coupon’, in all the other 10 push and pull sales tactics cases, the percentage of medium enterprises using these sales tactics was more than that of the small enterprises. Thus, the small enterprises were at a lower level in applying the professional push and pull sales tactics as compared to medium enterprises in the area under survey.

**5.3 Creation of Activities and Participation in Events**

In the study area, the surveyed SMEs were found to be using the sales strategies like participating in the trade fair, joining in the weekend market of the government, organizing consumer meeting, inviting customers to join in activities and special events, distributing leaflets, using mass media for advertisement of products, conducting advertising campaign, making direct marketing, selling through agent or distributor, providing product warranty, creating website for advertisement, giving word of mouth, making field visit for customers, displaying information or photographs about production and providing consumer newsletters to the members or regular customers. Some of the important sales strategies relating to the above aspects are:

**5.3.1 Participating in Trade Fairs**

In order to make the product popular and increase the sales, the small and medium enterprises participate in different trade fairs. The percentage of SMEs who participated in the trade fairs in the study area was 68.75. The small enterprises participating in the trade fairs were little low, i.e., 65.63 percent as compared to the percentage of medium enterprises, i.e., 71.88; participated in the trade fairs (Figure 13).

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**Figure 13: Percentages of SMEs using the Sales Tactic ‘Participating in Trade Fair’**
5.3.2 Distributing Leaflets

Distributing leaflets by the SMEs for the sales promotion of their products was not much popular in the study area. Out of 64 surveyed SMEs, only 32.81 percent of them distributed leaflets for promoting their sales. The percentage of small enterprises using this sales tactic was smaller, i.e., 21.88, than that of the medium enterprises, i.e., 43.75 (Figure 14).

Figure 14: Percentages of SMEs using the Sales Tactic ‘Distributing Leaflets’

5.3.3 Advertorial and Press Release through Mass Media

Mass Media, such as radio, television and newspaper plays important role for the advertisement of the products of the companies. In this respect, the companies spend less money for advertisement in the form of advertorial and press release through mass media in order to make their products popular. The percentage of SMEs having the above sales tactic in the study area was 32.81 with 18.75 percent for small enterprises and 46.88 percent for medium enterprises (Figure 15).

Figure 15: Percentages of SMEs using the Sales Tactic ‘Advertorial and Press Release through the Mass Media’
5.3.4 Conducting Advertising Campaign

For the advertisement of the products, many companies make the advertising campaign, i.e., the thematic campaign of advertisement for building brand image of the product, and the tactical campaign of advertisement for stimulating and increasing the sales volume. In the study area, in total 51.56 percent SMEs made the advertising campaign to support their sales. In case of small enterprises, 43.75 percent of them followed this sales tactic, whereas, 59.38 percent medium enterprises had the same sales tactic during the time of study (Figure 16).

Figure 16: Percentages of SMEs using the Sales Tactic ‘Conducting Advertising Campaign’
5.3.5 Making Direct Marketing

Direct marketing of the products was found to be very popular among the enterprises under survey. On the whole, 71.88 percent of the total surveyed SMEs were making direct marketing for the sales of their products. The percentages of respective small and medium enterprises having the above sales tactic were 65.63 and 78.13 (Figure 17).

Figure 17: Percentages of SMEs using the Sales Tactic ‘Making Direct Marketing’

5.3.6 Selling through Agent or Distributor

The enterprises follow different ways to sell their products. Some enterprises directly sell the products in the market, some sell through agents or distributors and some follow the above two practices at the same time to sell products. In the present survey, from among the 64 selected enterprises, 56.25 percent sold their products through agents or distributors. Similarly, 53.13 percent small enterprises and 59.38 percent medium enterprises had their sales through agents or distributors in the study area (Figure 18).

Figure 18: Percentages of SMEs using the Sales Tactic ‘Selling through Agent or Distributor’
5.3.7 Providing Product Warranty

In order to build confidence among the customers, many enterprises provide warranty on the quality of the products, so that, the customers do not hesitate to buy the products. The study found that 65.63 percent of the total SMEs provided product warranty to the customers. The percentage of small enterprises following this sales tactic was little less, i.e., 62.5, as against 68.75 percent in case of medium enterprises (Figure 19).

Figure 19: Percentages of SMEs using the Sales Tactic ‘Providing Product Warranty’

5.3.8 Satisfying Customers for Word of Mouth Advertisement

Mostly the enterprises want to satisfy customers by producing better quality, better design, and nice color products with competitive prices. Once the customers are satisfied with the products of the enterprises, they motivate their relatives and friends to buy the products of these companies. This is called as word of mouth advertisement. For this type of advertisement, the enterprises are not required to spend money. The enterprises can create these kinds of activities for their product image loyalty as well. The above sales tactic was followed by 65.63 percent SMEs with 59.38 percent small enterprises and 71.88 percent medium enterprises (Figure 20).
5.3.9 Facilitating Field Visit for Customers

Facilitating occasional or regular field visits for customers is done by some enterprises in order to build confidence among the users on their products by showing the detail process of the production. The above sales strategy was followed by 28.13 percent of the total number of SMEs surveyed. Further, the percentages of small and medium enterprises using the above sales tactic were found to be 31.25 and 25.00 respectively (Figure 21).

Figure 20: Percentages of SMEs using the Sales Tactic ‘Satisfying Customers for Word of Mouth Advertisement’

<table>
<thead>
<tr>
<th></th>
<th>Small Enterprises</th>
<th>Medium Enterprises</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>59.38</td>
<td>71.88</td>
<td>65.63</td>
</tr>
<tr>
<td>No</td>
<td>40.63</td>
<td>28.13</td>
<td>34.38</td>
</tr>
</tbody>
</table>

Figure 20: Percentages of SMEs using the Sales Tactic ‘Facilitating Field Visit for Customers’

<table>
<thead>
<tr>
<th></th>
<th>Small Enterprises</th>
<th>Medium Enterprises</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>31.25</td>
<td>25.00</td>
<td>28.13</td>
</tr>
<tr>
<td>No</td>
<td>68.75</td>
<td>75.00</td>
<td>71.88</td>
</tr>
</tbody>
</table>

Thus, the analysis on the creation of activities and participation in events shows that out of the nine sales strategies mentioned in this respect, besides sale strategy - ‘facilitating field visit for...
customers’ in the other eight sales strategies, the percentage of medium enterprises using these strategies was more as compared to small enterprises.

5.4 Incentives for Sales Staff

Providing incentives to the sales staff is an important strategy of the enterprises to increase their sales. Because the sales staffs become motivated after receiving the incentives and they try their best to increase the sales of the enterprises. In order to motivate the sales staff, the SMEs in the study area provided the incentives like giving bonus, promoting the staff in his/her job, giving commission, providing tour package, providing training, giving certificate of excellence, increasing the salary, giving gift/prize and providing health care/health insurance services to the staff. The most important incentive was found to be giving bonus as 81.25 percent surveyed SMEs provided this benefit followed by promoting the staff (53.13 percent), giving commission (46.88) and providing tour package (35.94). With regard to small enterprises, 71.88 percent provided bonus, 43.75 percent gave the commission, 31.25 percent provided tour package, and 28.13 percent gave the promotion to the staff. Compared to small enterprises, the percentage of medium enterprises providing the incentives, such as bonus, promotion in job, commission and tour package were 90.63, 78.13, 50.00 and 40.63 respectively (Table 10).

<table>
<thead>
<tr>
<th>Type of Incentive</th>
<th>Small Enterprises</th>
<th>Medium Enterprise</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>Bonus</td>
<td>23</td>
<td>71.88</td>
<td>29</td>
</tr>
<tr>
<td>Promotion in Job</td>
<td>9</td>
<td>28.13</td>
<td>25</td>
</tr>
<tr>
<td>Commission</td>
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<td>43.75</td>
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</tr>
<tr>
<td>Tour Package</td>
<td>10</td>
<td>31.25</td>
<td>10</td>
</tr>
<tr>
<td>Provision Training</td>
<td>2</td>
<td>6.25</td>
<td>10</td>
</tr>
<tr>
<td>Excellence Certificate</td>
<td>2</td>
<td>6.25</td>
<td>4</td>
</tr>
<tr>
<td>Increase in Salary</td>
<td>0</td>
<td>0.00</td>
<td>1</td>
</tr>
<tr>
<td>Health care/Health insurance</td>
<td>0</td>
<td>0.00</td>
<td>1</td>
</tr>
<tr>
<td>Provision of gift/prize</td>
<td>3</td>
<td>9.38</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.00</td>
<td>32</td>
</tr>
</tbody>
</table>

Note: Total refers to numbers of small and medium enterprises surveyed. Source: Own Survey.

6. Conclusion

Both small and medium enterprises were flexible on their sales strategies in order to compete with each other in the market. During the special periods, significant differences were found in the uses of sales strategies like 10 percent discount, 20 percent discount, 30 percent discount, 40 percent discount, 50 percent discount, buy one and get one free and buy one and get the second
one in half price, by the small and medium enterprises using push and pull sales strategies, and the sales strategies related to creation of activities and participation in events and incentives to sales staff were more as compared to small enterprises. The important push and pull sales tactics used by the SMEs in the study area were: sponsoring the equipment for product display, trading off the old products before launching the new products, providing advertising support, providing sample sales materials and tools, distributing discounted coupon, giving special discount, providing incentive prize, making lucky draw, etc. The sales strategies used by the SMEs with regard to creation of activities and participation in events were: participation in trade fairs, distribution of leaflets, advertorial and press release through mass media, advertising campaign, direct marketing, sale through agent or distributor, provision of product warranty, word of mouth advertisement through the satisfied customers and facilitation of field visits for the customers. On the whole, medium enterprises were better off in using different sales strategies in the study area compared to the small enterprises.

References


Zhu, Ruby (2006). *Sales and Marketing Strategies for SMEs in the Mainland.* Hong Kong General Chamber of Commerce, Hong Kong, China.