

UNIT V PROMOTION

1. What is Promotion? State its features.

Ans. Promotion is the process of marketing communication. Promotions refer to the entire set of activities, which communicate the product, brand or service to the user. The idea is to make people aware, attract and induce to buy the product, in preference over others.

According to Philip Kotler, "Promotion includes all activities the company undertakes to communicate and promote its products to the target market".

The main features of promotion are:

- (i) Customers are reminded of the products and services of the company.
- (ii) Customers are urged to purchase the products and services of the company.
- (iii) Customers are informed about the product or services of the company, either at the time of introduction of a new product in the market or when any change is made in the existing product.
- (iv) Promotion activities are performed by the manufacturer.
- (v) Promotion includes advertising, personal and selling and other sales promotions techniques.

2. Explain the importance of promotion.

Ans. The importance of promotion can be briefly shown below:

(i) Sales of the goods in imperfect market: Promotion helps in the sales of the goods in imperfect market. In the imperfect market conditions, the product cannot be sold easily only on the basis of price differentiation. It is the promotional activity that provides information about the differences, characteristics and the multi-use of the products of various competitions in the market. The customer is attracted to purchase the goods on the basis of such information successfully.

(ii) Filling the gap between producers and consumers: Promotion helps in filling the gap between producers and consumers. Due to the tough market condition, mass selling is quite impossible without promotional activities. The distance between producers and consumers has so widened in present days to get them touched with the product that promotional activities are necessary.

(iii) Facing intense competition: Promotion helps in facing intense competition in the market. When a manufacturer increases his promotional spending and adopts an aggressive strategy in creating a brand image, others are also forced to follow the suit. This leads to 'promotional war'. Without promoting the goods, the competition is not possible in the market. So, it is necessary to face the competition in the market with the help of promotional activities.

(iv) Large scales selling: Promotion helps in the large selling of goods and services. Sales promotion is the result of large-scale production. It can be achieved only by appropriate methods of large scale selling. Large scale selling is possible with the help of promotional activity. Due to the large selling of

goods, there will be more chance of promotion of goods. So, it is necessary to sell lot of goods in the market for promotional activities.

(v) Higher standard of living: There are a number of products the use of which signifies a high standard of living. The information about these products is provided through sales promotion. This helps the consumer in buying them and raising the standard of living.

(vi) More employment: Promotion helps to create more employment opportunities. People can gain employment opportunity with the help of promotional activities. With the help of promotional activity, many workers get motivated towards the work. Promotional activity helps to increase more employment opportunities to the people who are unemployed, as the promotional activities cannot be performed without the help of an effective sales force and the specialists in various fields.

(vii) Development of Distribution Channel: The importance of promotion in marketing has increased as the number of distribution channels is very high. The producers find it necessary that the middlemen should be aware of the goods just like the consumers. This makes promotion further necessary.

(viii) Economic Recession: When there is economic recession in the market sales get reduced drastically. Only promotion can increase the sales in such times.

3. What is Marketing Communication? Explain the components/process of marketing communication.

Ans. Marketing communications refer to the strategy used by a company or individual to reach their target market through various types of communication. Marketing communication includes advertising, direct marketing, branding, packaging, sales presentations, trade show appearances etc.

The main components of communication process are as follows:

(i) Context: Communication is affected by the context in which it takes place. This context may be physical, social, chronological or cultural. Every communication proceeds with context. The sender chooses the message to communicate within a context.

(ii) Sender/Encoder: Sender/Encoder is a person who sends the message. A sender makes use of symbols to convey the message and produce the required response. Sender may be an individual or a group or an organization. The views, background, approach, skills, competencies and knowledge of the sender have a great impact on the message.

The verbal and non-verbal symbols chosen are essential in ascertaining interpretation of the message by the recipient in the same terms as intended by the sender.

(iii) Message: Message is a key idea that the sender wants to communicate. It is a sign that elicits the response of recipient. Communication process begins with deciding about the message to be conveyed. It must be ensured that the main objective of the message is clear.

(iv) Medium: Medium is a means used to exchange/transmit the message. The sender must choose an appropriate medium for transmitting the message else the message might not be conveyed to the desired recipients.

The choice of appropriate medium of communication is essential for making the message effective and correctly interpreted by the recipient.

(v) Recipient/Decoder: Recipient/Decoder are a person for whom the message is intended/aimed/targeted. The degree to which the decoder understands the message is dependent upon various factors such as knowledge of recipient, their responsiveness to the message, and the reliance of encoder on decoder.

(vi) Feedback: Feedback is the main component of communication process as it permits the sender to analyze the efficacy of the message. It helps the sender in confirming the correct interpretation of message by the decoder. Feedback may be verbal or non-verbal. It may take written form also in form of memos, reports, etc.

4. Explain the components/types of promotion.

Ans. There are five components/types of promotion: Advertising, personal selling, sales promotion, public relation and publicity.

(i)Advertising: Advertisement can be defined as the "paid form of non-personal presentation and promotion of idea, goods or services by an identified sponsor".

It is an impersonal presentation where a standard or common message regarding the merits, price and availability of product or service is given by the producer or marketer. The advertisement builds pull effect as advertising tries to pull the product by directly appealing to customer to buy it.

(ii)Personal selling: Personal selling is the process of marketing which assists and persuades a prospective buyer to buy a product in a face-to-face situation for making sales. It is a most effective method of selling the products by influencing one human mind to another human mind to buy goods and services.

(iii)Sales promotion: Sales promotion refers to many kinds of incentives and techniques, other than personal selling, advertising, and publicity, directed towards consumers and traders with the intention to produce primarily immediate or short-term sales effects.

(iv)Public relation: Public relations activities are typically designed to build and maintain a favourable image for an organisation and a favourable relationship with the organization's various "publics." These publics may be customers, stockholders, employees, unions, environmentalist, the government, people in local community or some other groups in society

(v)Publicity: Publicity is a special form of public relations that involves news stories about an organization or its products. It involves personal or impersonal message that reaches mass audiences through the media. But there are several things to distinguish publicity from advertising: It is not paid for, the organization that is the subject of publicity has no control over it, and it appears as news and therefore has greater credibility than advertising.

5.What is Advertising? State its features.

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Features of Advertising:

(i) It is mass-non-personal communication: Advertising is a non-personal communication for mass. It is not addressed to a specified person because it is an activity of mass persuasion towards product.

(ii) It is information in action: Advertising is informative tool of promotion. An advertisement announces the arrival of a new product, talks about its special features and explains the best use of the product. Thus, it is informative.

(iii) It persuades buyers to purchase the goods advertised: Advertising is an art of persuasion. Persuasion is a logical process to achieve predetermined objectives. There is a kind of logical process of persuasion known as A. I. D. A. Model. That is, an advertisement draws the ATTENTION, creates INTEREST, converts interest into and DESIRE into ACTION. Thus, advertising is the greatest art of persuasion.

(iv) It is Paid Form: In nature, it is paid form of presentation of an idea, product or a service in an indirect way.

(v) Mass Communication Media: The presentation of advertising can be effective, when it is reached by mass media such as television, radio, newspaper, magazines, posters, hoardings etc.

(vi) It has an identified sponsor: Advertisement is sponsored by a particular manufacturer or dealers. That is, on each product package or advertisement copy, we come to know about the name of advertiser, brand or logo etc.

6. What is Sales Promotion? State its features.

Ans. Sales promotion refers to many kinds of incentives and techniques, other than personal selling, advertising, and publicity, directed towards consumers and traders with the intention to produce primarily immediate or short-term sales effects.

Sales Promotions can be defined as the “short-term incentives to encourage purchase or sales of a product or service.”

Special characteristics of sales promotion are listed below:

- (i) It is a part of market promotion. It involves all the promotional efforts other than advertising, personal selling, and publicity.
- (ii) The primary purpose is to induce customer for immediate buying or dealer effectiveness or both.
- (iii) It is directed for multiple objectives, like to maintain sales during off season, to increase sales, to face competition, to clear stocks, to improve image, to promote new products, etc.
- (iv) It consists of offering, wide variety of tools/incentives like rebate, discounts, refunds, gifts, samples, lucky draw etc.
- (v) Sales promotion incentives are imitative. Competitors can easily imitate them.
- (vi) It supports personal selling and advertising efforts. It is like a bridge between advertising and personal selling. It can increase effectiveness of other promotional efforts.
- (vii) It includes impersonal incentives. They are offered openly to all.

7. What is Personal Selling? State its features.

Ans. Personal selling is the process of marketing which assists and persuades a prospective buyer to buy a product in a face-to-face situation for making sales. It is a most effective method of selling the products by influencing one human mind to another human mind to buy goods and services.

According to Philip Kotler, “Personal selling is personal presentation by the firm's sales force for the purpose of making sales and building customer relationship.”

Features of personal selling or Salesmanship

(i) It is a face-to-face interaction: Salesmanship is an art of face-to-face and interpersonal interaction among Salesperson and potential customers. It involved direct and personal contract between the seller or his representative with the prospective buyer.

(ii) It involves persuasion of customers: Salesmanship is the skill of convincing people and persuading them to buy a certain product, service or idea. It is an attempt to induce people to buy goods.

(iii) It provides necessary information: A salesman possesses a good knowledge about product availability, their broad features and their uses and utility, that helps to communicate it to potential buyers.

(iv) It involves winning buyer's confidence: It consists in winning the buyer's confidence through providing real service and a solution to his problems. Thereby winning a regular and permanent customer or buyer's confidence forever.

(v) It is a Science and an art both: Salesmanship is a systematically arranged and specialised body of knowledge and based on human psychology. So that it is like a social science.

It is concerned with application of specialised knowledge and skill while dealing with people to achieve the desired result. So, it is Science and art both.

8. What is Public Relation? State its features.

Ans. Public relations activities are typically designed to build and maintain a favourable image for an organisation and a favourable relationship with the organization's various "publics." These publics may be customers, stockholders, employees, unions, environmentalists, the government, people in local community or some other groups in society.

Following are the main features of Public Relations:

(i) Securing Cooperation of Public: Public relation is an activity to get support from public. Every organisation wants to run successfully. For this public (i.e., all related protagonists like consumers, employees, shareholders and society) support is essential or needed. And the support of public can be earned through Public Relations.

(ii) Successful relation with Public: Sometimes Public develops negative attitude towards any company. This attitude could be changed by establishing public relations which helps in developing better relations with public.

(iii) Satisfying different Groups: Public relation is an effort to satisfy different groups (like consumers, employees, shareholders and society). For example, with the help of Public relation, the expectation of any particular group is acknowledged. The group is tried to satisfy by most possibly meeting their expectations.

(iv) Engaging in Dialogue: Every organisation wishes to enjoy goodwill among all related protagonists. For establishing good reputation it is essential to engage in dialogue (i.e., exchange of

ideas). During dialogue organisation provides information and this is possible only through Public Relations.

(v) Ongoing Activity: This is an effort which has to be repeated again and again. For example, to keep the employees satisfied, meetings must be arranged with them from time to time.

(vi) Specialized Activity: Public Relation is recognised in the form of a specialized activity. For example, like the other activities (purchase, production, sale, finance, marketing etc.) in a business organisation, Public Relation activity is also performed under the same series of activities. This is the reason why all big organisations establish Public Relation Department separately.

9. What is Promotion Mix? Explain the factors influencing promotion mix.

Ans. Production Mix refers to the combination of different kinds of promotional tools used by a business firm to create, maintain and increase the demand of products. These promotional tools, which make-up promotion mix are: advertising, personal selling, sales promotion, public relation and publicity. These are known as elements of production mix.

The following are the factors influencing promotion mix:

(i) Nature of the Product: Promotion mix will vary according to the nature of the product. Consumer goods require mass advertisement. But industrial goods require personal selling, advertising, displays etc. Complex and technical products like computer need personal selling. Non-technical products require advertising as promotional device. In case where there is no brand differentiation personal selling should be the method of promotion. Where there is brand differentiation advertising should be emphasized.

(ii) Nature of the Market: For industrial market, advertising plays an informative role, but for consumer market it plays as informative as well as persuasive role. The promotion strategy varies with the target groups depending on age, sex, education, income, religion etc.

(iii) Stages in the Product Life Cycle: The marketing objectives and strategies are different at each stage of the product in its life cycle. During the introductory stage intensive advertising and personal selling are required for effecting product awareness.

During growth stage advertising should be extended to maximize the market share. During maturity stage persuasive advertising and sales promotion techniques are beneficial. But at the declining stage advertisement and sales promotion are reduced to the minimum.

(iv) Market Penetration: A product having good market penetration is well-known to the buyers. In that situation, middlemen are motivated to spend more on advertising.

(v) Market Size: If there is a limited number of buyers, direct selling is enough. But if the market size is large the promotional tool is mainly advertising.

(vi) Characteristics of Buyers: Experienced buyers of industrial product need personal selling. The experience of buyers, the time available for purchase, influence of friends, retailers etc. are the factors affecting promotion mix.

(vii) Distribution Strategy: If the products are directly sold by the manufacturer personal selling is the tool of promotion. Advertising is only a supporting tool. Personal selling and advertising is required for market penetration. If the product passes through a longer channel more importance should be given to advertising and less importance to personal selling.

(viii) Pricing Strategy: Pricing influences promotion strategy. If the brand is priced higher than the competitor's price, personal selling is used. If the price is comparatively low only little promotion is needed. If the middlemen are allowed higher profit margin, sales promotion at dealer level is important.

(ix) Cost of Promotion: The cost of the media of advertising and sales promotion tools should also be considered while deciding the promotional mix.

(x) Availability of Funds: If the funds are adequate the firm can spend more for advertising and sales promotion. But small firms with limited resources can depend on personal selling.

10. Explain the recent developments in marketing.

Ans. In Modern Globalised era marketing faced various global challenges in the era of meeting the competition and exploiting opportunities for expanding the existing market for further growth. Thus development of marketing spectrum is essential to serve human needs. The following are the few recent development of marketing:

(i) Social Marketing: Social marketing is an approach used to develop activities aimed at changing or maintaining people's behaviour for the benefit of individuals and society as a whole. Combining ideas from commercial marketing and the social sciences, social marketing is a proven tool for influencing behaviour in a sustainable and cost-effective way.

(ii) Online/Cyber Marketing: Online marketing is a set of tools and methodologies used for promoting products and services through the internet. Online marketing includes a wider range of marketing elements than traditional business marketing due to the extra channels and marketing mechanisms available on the internet.

(iii) Service Marketing: Service marketing refers to the application of a different set of tactics or strategies to anticipate the consumer's need for an intangible product. And thus, meet their requirements accordingly, to create maximum value for them from their purchase. The marketing of services is different from the marketing of products. While selling off services, convincing the consumers and pricing the intangible products is a challenging task.

(iv) Green Marketing: Green marketing is the process of promoting products or services based on their environmental benefits. These products or services may be environmentally friendly in themselves or produced in an environmentally friendly way.

(v) Rural Marketing: The Rural Marketing refers to the activities undertaken by the marketers to encourage the people, living in rural areas to convert their purchasing power into an effective demand for the goods and services and making these available in the rural areas, with the intention to improve their standard of living and achieving the company's objective, as a whole.

(vi) Direct Marketing: It is a non-public or non-personal promotional tool to communicate directly to specific customer. The tool includes catalogue selling, mail-order, telemarketing, T.V Shopping or e-marketing etc.

According to the Dictionary of Marketing Term, AMA 1995, direct marketing makes use of mail, telephone, fax, e-mail and other non-personal contract tools to communicate directly with or solicit a direct response from specific customers and prospects.

(vii) Consumerism Marketing: Consumerism is defined as social force designed to protect consumer interests in the marketplace by organising consumer pressures on business. Consumerism is a protest of consumers against unfair business practices and business injustices.

It aims to remove those injustices, and eliminate those unfair marketing practices, e.g., misbranding, spurious products, unsafe products, planned obsolescence, adulteration, fictitious pricing, price collusion, deceptive packaging, false and misleading advertisements, defective warranties, hoarding, profiteering, black marketing, short weights and measures, etc.”

11. What is Social Marketing?

Ans. See Question No. 10

12. What is Online/Cyber Marketing?

Ans. See Question No. 10

12. What is Service Marketing?

Ans. See Question No. 10

13. What is Green Marketing?

Ans. See Question No. 10

14. What is Rural Marketing?

Ans. See Question No. 10

15. What is Direct Marketing?

Ans. See Question No. 10

16. What is Consumerism Marketing?

Ans. See Question No. 10