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ADVERTISING AND SALESMANSHIP

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In TV, radio, cinema hall, newspapers and magazines, you observe a number of advertisements. These advertisement relate to a variety of products ranging from daily use items like oil, soap, shampoo, clothes to durable goods like television., refrigerator, automobile etc. For each product, a number of companies advertise their brand, as in case of washing powder, Surf, Ariel, Wheel, Doctor, Nirma etc, and in case of television, Videocon, Sony, BPL, LG etc.

The main purpose of advertising is to inform the prospective customers about the availability, quality, price etc. of the products and motivate them to buy. Besides advertising, sales promotion and personal selling are the other tools commonly used by the firms for promotion of their products. In this lesson, we shall learn about all these elements of the promotion mix.



OBJECTIVES

After studying this lesson, you will be able to:

- define advertising;
- differentiate between ‘Advertising’ and ‘Publicity’;
- explain the objectives of advertising;
- describe the advantages and limitations of Advertising;
- identify the various advertising media and their suitability;
- explain the meaning and importance of personal selling;
- state the qualities of a good salesman;
- describe the meaning and objectives of sales promotion and
- identify the various tools used in sales promotion.



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21.1 ADVERTISING

While watching a movie in the cinema hall or a television at home you must have noticed that suddenly there is a break and a model appears on the screen displaying a product, indicating its special features, prices etc. This is followed by similar appearances relating to other products before the movie is resumed. These displays are known as advertisements which are used by different firms to inform a targeted group of customers about their product, its quality, availability, price etc. Likewise, you come across a number of advertisements for a variety of products in the newspapers and magazines. These are impersonal messages duly paid for, by firms to an audience who may be the current or prospective buyer of goods.

According to American Marketing Association “Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.”

Thus, advertising is

- (i) **Paid form of Communication :** Advertisements appearing in the newspapers, television, cinema halls etc. are duly paid for. The firms have to pay huge amounts for use of space in newspaper or time slot in television and radio etc.
- (ii) **Non-personal Presentation of Message :** In advertisements there is no face to face communication as it happens in case of personal selling. These are presentations through mass media and as such are impersonal in nature.
- (iii) **The Idea is to Promote Goods or Services :** Advertising is done with a specific objective of promoting a product or service and increase their sale.
- (iv) **Issued by an Identified Sponsor :** The advertisers who sponsor the advertisement are duly identifiable in the advertised messages. Take the case of advertisement of Lifebuoy soap on TV wherein the name and symbol of HUL also appears.

| <i>Product</i> | <i>Sponsor</i> | <i>Media</i> |
|----------------|-------------------------|--------------------|
| Lifebuoy | Hindustan Unilever Ltd. | TV/Radio/Newspaper |
| Chyawanprash | Dabur India Ltd. | TV/Newspaper |
| Tide | Proctor & Gamble | TV/Newspaper |

21.1.1 Publicity

Publicity is like advertising. But it is the news carried in the mass media about a product or about an organisation. But money is not paid for it publicity. Publicity can be positive or negative. Maggi Ketch-up and Maggi Masala gained popularity due to favourable publicity about Maggi Noodles. But there was substantial decline in the sales of chinese plastic toys after news reports of harmful materials in the plastic toys.

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So we can say publicity is a powerful tool of communication as it can make or break a product/company.

21.1.2 Distinction between Advertising and Publicity

Advertising is different from publicity which is a communication of any significant information about a company or its product to the public through non-personal media without any payment by the concerned business firm. Thus, publicity is basically an information about the product, service or a business firm which is communicated voluntarily by the media and is of commercial significance to the firm. The information may be passed through media like magazines, newspapers, radio, T.V. in the form of debates, discussions, news items, reports, editorials etc. The company does not pay anything to the media for such activities. Look at the following.

1. While reading the newspaper you may get a news about an ongoing trade fair in your state. It talks about the products of different companies exhibited there. After reading this news item you may feel interested in having a look at or buying one or more of these products.
2. In a newspaper there may be a column on review of movies. You read the ratings given to different movies by a critics and at times, feel interested in watching a particular movie.
3. In the television news, sometimes we get information about the quarterly financial results of companies. This may motivate us to buy shares of such companies.

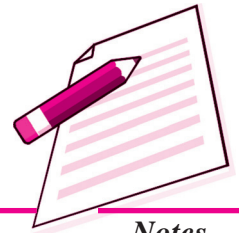
In all the above instances there is information about the product or services or the firm which is communicated through print or electronic media, leading to significant responses by the public. Can it be called advertising? But, these are non-sponsored and have not been paid for. As such, these are instances of publicity, and not advertising.

Difference between Advertising and Publicity

| | <i>Advertising</i> | <i>Publicity</i> |
|------------------------------|--|--|
| 1. Payment | It is a paid form of dissemination of information. The firm has to pay for the use of space and time. | The sponsor does not make any payment to the media as the information is published/communicated voluntarily. |
| 2. Identified Sponsor | There is an identified sponsor, that is, the business firm which wants to advertise it's products or services. | There is no identified sponsor. Media communicates the information as it considers it newsworthy. |

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| | | |
|-------------------|--|---|
| 3. Control | The advertising firm has full control over the content, type, size, duration and frequency of the message. | The concerned firm has no control over the contents, type, and size of the information. |
| 4. Purpose | It is intended to give favourable and positive impression about the company and its products. | This may have favourable or unfavourable impression on the public about the company and its products. |

21.1.3 Objectives of Advertising

The main objective of advertising is to help a business firm to promote its products and increase the sales. But, there are some other goals also which a firm can achieve with the help of advertising. The objectives to be achieved through advertising are as follows:

- 1. Introduction of new product :** Business firms keep on introducing new products in the market and have to inform the prospective customers about its features, price, usage, availability etc. Advertising not only attracts their attention but also helps them in forming an opinion about the product and making the best purchase decisions.
- 2. Increase in sale :** Advertising helps in increasing the sale of firm's products. It also helps in turning non-users of products to users of products and also in attracting the consumers of competitor's products. Business firms make use of advertising to inform the consumers about the advantages and superiority of their product.
- 3. Maintaining existing buyers :** Now-a-days new products keep on entering in the market at a fast pace and consumers tend to switch over to the new products. Advertising is used to remind the consumers about how good their products or services are and that they are still in the market as old and reliable ones. The idea is to prevent decline in the sale of their product in the market.
- 4. Create and enhance goodwill of the firm :** Advertising helps in building reputation of the business house. Through advertising, the firms can communicate their achievements to the consumers and clarify any misconceptions or doubts in the mind of the public about themselves or their products, if any. This helps in creating a good image of their firm in the minds of consumers, workers, investors, government and so on.
- 5. Dealer support :** Another objective of advertisement is to provide the necessary support to firm's dealers and distributors. Hence some advertisements, besides the information about the product characteristics, price etc., include a list of dealers and distributors.

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6. **Create and enhance brand image :** Advertising is also used for creating a brand image which helps in building customers' loyalty. When customers develop brand loyalty, they do not shift to other brands easily. Brand image gets enhanced with repeated advertisements.
7. **Helps in personal selling :** Advertising facilitates the process of personal selling. The salesperson's job is made easier if the customer has familiarity with the product. This is achieved through advertising. A customer is more receptive to the salesperson if he/she already has some idea about the product.



INTEXT QUESTIONS 21.1

1. The following sentences give the characteristics of advertising and publicity. You are required to put 'A' for characteristics of advertisement and 'P' for publicity in the boxes given against each sentence.
 - (a) It is paid form of dissemination of information.
 - (b) There is no identified sponsor.
 - (c) There is an identified sponsor.
 - (d) This may leave favourable or unfavourable impression on the public about the company and its products.
2. Read the following and indicate which objective of advertising is the company trying to achieve.
 - (a) A washing powder manufacturing company issuing an advertisement about protection of the girl child.
 - (b) A consumer durables company bringing out an advertisement giving a list of dealers selling its products.
 - (c) A company using a celebrity to advertise their product.
 - (d) A company manufacturing technical products issuing an advertisement showing use and operation of its products.

21.1.4 Advantages of Advertising

In today's competitive world there are innumerable products competing with each other. Hence, it is necessary that information regarding features, prices and availability of the product is frequently communicated to the consumers so as to ensure a reasonable market share for the manufacturer. Not only that, it also helps the consumers to make a right choice. So, advertising today benefits not only the business houses who manufacture the products but also the consumers and society. Let us now have a brief idea about how advertising benefits the manufacturers, consumers and the society.

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Benefits to Manufacturers

Advertising helps the manufacturers in introducing new products, maintaining customers of existing products and in increasing their sales by attracting new customers. It also helps the business houses in creating and enhancing their goodwill. It makes the job of salespersons easier by keeping the customer informed about the product. Advertising is an important tool for fighting competition in the market effectively by giving the customers a comparative picture of its products vis-a-vis the competitors' products.

Benefits to Consumers

Advertising helps the consumers to gain useful information about the products, prices quality, terms of sale, after sales services, etc. Besides providing such information advertising also guides the customers about the right use of the product. This helps them to make a comparative analysis and make their choice. Not only that, advertising is the main source of information for those who live in remote areas and cannot be easily approached by salespersons.

Benefit to Society

The enhanced competition resulting from advertising motivate the producers to make improvements in their existing products and find out better alternatives through Research and Development (R&D) activity. So it helps in providing more convenience, comfort, better life style to the people. Advertising also works as a guide and teacher for people who do not know about many products and their multiple uses, if any. It generates employment for thousands of people who are connected with advertising world in different capacities. Not only that, advertising generates huge revenue for both print and electronic media. This helps the availability of newspapers, magazines and television programmes at affordable prices.

21.1.5 Limitations of Advertising

Many people consider advertising to be a wasteful activity and something harmful for the customers and the society in many ways. Their arguments against advertisement are as follows:

- (i) **Advertising multiplies wants :** People tend to desire and buy products as they see in advertisement even if they do not actually need or afford them. This multiplication of wants may put them under financial and psychological pressure.
- (ii) **Advertising adds to the cost and price of product :** Money spent on advertising eventually results in increased cost of the product, which is passed on to the consumers through increased prices. You must have noticed that the brands which are advertised heavily in different media are found to be priced higher as compared to those which are not so heavily advertised.



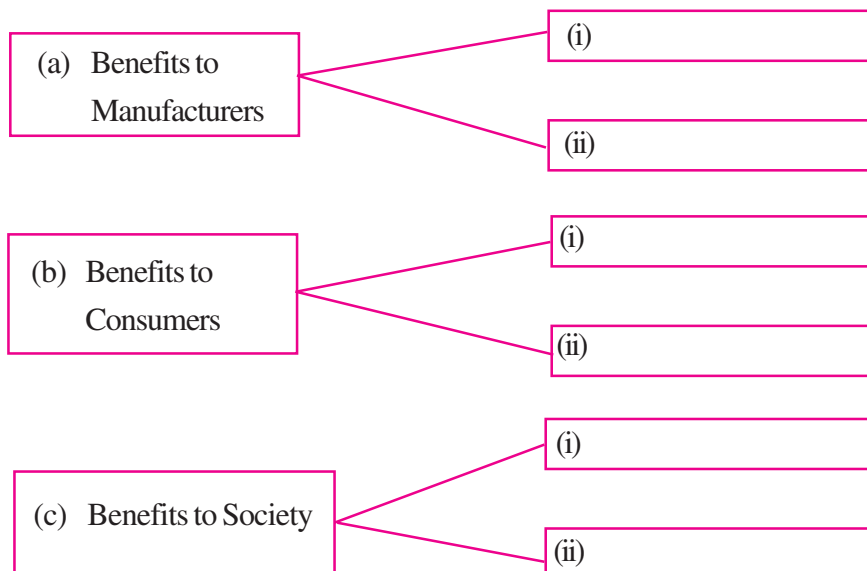
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- (iii) **Creation of monopoly** : Business firms which can spend heavily on advertising are usually the ones who grab a bigger share of the market. Such firms generally have a monopoly which results in unequal opportunity for small producers to make a place for themselves in the market. They do not get a fair opportunity to compete.
- (iv) **Advertising may affect the value-system of society** : Advertising may introduce ideas or concepts alien to our culture. These new values generated or propagated by advertising may affect our social, moral and ethical values adversely. Objectionable appeals like sex, horror etc. are sometimes used in advertisement to attract attention.
- (v) **Motivation for wrong or dangerous deeds** : The way advertisements project people consuming liquor, cigarettes or pan-masala, may feel tempted by the people to try and then get addicted to such products which are not good for health. Similarly, models are shown doing dangerous acts like jumping from the top of a hill which some children may try to copy and may face the accidents.
- (vi) **Advertising may not increase overall demand** : Advertising does not always increase demand. In many cases, a number of firms manufacturing similar products may advertise vigorously. This may not result in an increase in the total demand for the product but simply shift demand from one brand to another.



INTEXT QUESTIONS 21.2

1. In the flow charts given below, the benefits of advertisement are given under three heads. You are required to state two important points of benefit under each head.



2. State any four limitations of advertising.



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21.1.6 Media of Advertising

Advertising media are the means through which messages regarding products and services are transmitted from the advertising firm to people at whom that product is targeted. Many types of media are available for the purpose. These are enumerated below.

- **Newspapers :** Newspaper is a good means of advertising since a big proportion of our country's population read newspapers published in Hindi, English and the various regional languages.

Newspaper is the most suitable media for advertising consumer products used by masses. Such products include durables like TV, Refrigerator, Cycle, Scooter, Washing Machine etc. and non-durables like soaps, shampoos, oils, etc. It is also suitable for advertising many services like banking, insurance, transportation, etc. However, it is not suitable for advertising products which have limited number of buyers like industrial products or products used by specific professionals like engineers, doctors etc. Similarly, there are very few buyers for products like art & crafts, expensive designer jewellery, furniture etc. For such products, advertising in the newspaper is not considered appropriate.

- **Television :** Television is an important source of entertainment. It shows varieties of programme in different channels and in different languages for 24 hours in most cases. Hence advertising of different products can be done on different channels during the day as well as night. It has the ability to attract the attention of different segments of consumers according to their viewership. For example, products used by children such as chocolates, school bags, chewing gums, toys, play school etc. can be advertised during programmes like cartoon network, story telling etc. Similarly, household products and cosmetics can be more effectively advertised during programmes watched by women in the family. It is a medium of advertising with a lot of flexibility and reach as visuals are more effective than audio and print media. It has the added advantage of reaching out to the illiterate consumers.

Just like newspapers, this medium can be used for products of mass-use, like consumer durables, non-durables etc. But it cannot be used effectively and efficiently for specialised products meant for professionals or for industrial products. For introduction of new products, repeated advertising in television programmes is of immense help. However, the major limitation of this medium is the heavy cost. Hence, only large enterprises are in a position to use this media.

- **Radio :** Radio is the most common source of entertainment for rural masses and the people in the semi-urban areas. However, the addition of FM radio has brought back the lost importance of radio in urban areas. The radio programmes too have

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a lot of advertising before and during the programme. Krishi Sandesh programme (for farmers) for example has advertisements on pesticides, fertilizer, tractors etc. Advertising on radio is popular in India because a number of villages do not have electricity and television transmission facility. Hence radio still remains a popular medium of advertising for rural people. Like television, radio is also a source of entertainment, news and views. But, arrival of large number of channels on television has reduced the popularity of radio and consequently its use for advertising.

- **Magazines and Journals :** Magazines and Journals are the print media of advertising. These are published periodically i.e., weekly, fortnightly, monthly, quarterly, half yearly or annually. Their circulation is limited and most magazines are generally targeted at specific segment of readers. Hence, advertisers use this media selectively according to the target customers to be reached. For example, the health care products can be advertised in magazines like Health and Nutrition, sports goods in magazine like Sports Star, medicines and medical equipment in different medical journals and so on.
- **Films :** Films are an important source of entertainment in India and as such an important medium of advertisement. Advertisements are generally shown before the start of the show or during interval. It can be used for advertising products of mass consumption like cosmetics, toiletries, medicines, etc. People from all strata of society visit cinema halls. But with limited reach, this is a comparatively costly medium.
- **Outdoor Advertising :** While travelling by bus or train, you must have noticed a number of advertisements on the walls, billboards, outside and inside the buses and trains. Even while walking on the road you must have seen advertisement of different products, shops, schools, coaching institutes, written on the back of a scooters, rickshaws, and buses etc. These are examples of outdoor advertising which are usually in the form of hoardings, displays on walls of buildings, public places like railway station etc., and are generally used for advertising products like shoes, lotions, creams, fans, cycles etc. They are also done through electronic displays. Lights and neon signs are used during night at different places with advertisement messages illuminating at regular interval. Another media of advertisement in outdoor advertising is vehicular displays. The space outside buses, company trucks (used to carry own company's products) can be used to attract and inform the customers about the product, availability, price etc. It may be noted that the cost of hoardings/neon signs etc. is quite high due to heavy initial expenditure on their preparation and installation. The rent paid for locating these at public places is also quite high. Despite this, all outdoor media are less expensive as compared to print, television and radio advertising. However, their reach is highly limited.

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INTEXT QUESTIONS 21.3

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1. Complete the following table by writing the names of the products advertised most frequently in the given medium.

| <i>Medium</i> | <i>Products Advertised</i> |
|---------------|----------------------------|
| Newspaper | 1. 2. 3. |
| Television | 1. 2. 3. |
| Radio | 1. 2. 3. |
| Magazines | 1. 2. 3. |

2. Which medium/media of advertising will be most suitable in the following cases:
- For advertising products of mass consumption for all strata of the society.
 - To reach a selective target group or a specific segment of readers.
 - To catch the attention of people at traffic lights, in traffic jams or when they are travelling by train.
 - To reach out to illiterate consumers as well as to use the visual medium effectively.
 - To reach a wide range of the literate population of the country.
 - For advertising to people in rural, semi-urban and the urban areas.

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Once your friend had gone to a readymade garment shop to buy a pant for his younger brother. The salesperson showed him the latest collection of garments. By the time the process of sale concluded, he had also purchased one for him. The reason for such unplanned purchase was the effect of salesmanship. The salesperson at the counter first assessed his interest in the new fabric available and then persuaded him to buy it. This whole exercise of assessing our need, activating it and ultimately satisfying it by selling the product to us is termed as salesmanship or personal selling. It is a process of assisting and persuading the prospective customers to buy a product in a face-to-face situation. In other words, salesmanship simply means selling through personal communication. For successful selling the salesperson usually goes through a selling process which involves the following seven steps.

- (i) Prospecting
↓
- (ii) Pre approach
↓
- (iii) Approach
↓
- (iv) Presentation and demonstration
↓
- (v) Answering the queries/objections and their clarification
↓
- (vi) Action or ending the process of sale
↓
- (vii) Follow up or after sales service

Prospecting refers to identifying the prospective buyers in his area of operation. Having done this, he has to obtain the necessary information about the customer, his capacity to pay, choice and preferences etc. After this, in pre-approach activity he approaches the customer to gain his attention, greet him and make his presentation i.e., inform the customer about the product, its qualities, price etc. and demonstrate its use, if required. Then he handles the customers queries, persuades him to make his final decision and ends the process of sale with receiving his order and thanking him. Finally he ensures the delivery of goods and provides the necessary after sales service.

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21.2.1 Importance of Salesmanship

The flow of goods from the producers to the consumers may not be possible without the involvement of salespersons. The salespersons play an important role in the process of sale. Starting from the conversation with the consumer to effecting a sale they actually act as an important link between the manufacturer and the consumer. They ensure the sale of products and so also provide satisfaction to customers. Thus, it is not only the business houses which benefit from salesmanship but also the consumers and the society. The benefits of salesmanship are discussed below :

1. **Benefits to Consumers :** A salesperson acts as a friend and guide to the consumers. By making conversation with salesperson, the customer gets help in identifying the product of his need and the price range that suits him. The salesperson explains to the customers the uses and the operational aspects of a product. By giving the requisite information about the company and the product, the salesperson provides confidence to the customers to try something new which might be better and/or cheaper. The salesperson also provides the necessary after sales service to the customers.
2. **Benefits to the Business :** Salesmanship helps a business in increasing its sales. Identification of new customers and persuading them to buy can be done effectively through personal selling. Since the salesperson comes in direct contact with the customers, understands the needs and preferences of the customers and thus, can help the businessman in planning for the right type of products and effecting the necessary improvements therein.

In case of products of technical nature the role of salesmanship is very important as the salesperson can personally explain the functioning of the product, its use and precaution to be taken in its use. This ensures proper handling of the product, and boosts customer's confidence in his choice of the products.

3. **Benefits to the Society :** Salesmanship facilitates the process of production, distribution and consumption. Salespersons help in collecting market information, credit information, delivering goods and collecting payments. It helps in matching demand with supply because they know what the consumers want. They also inform the consumers about the introduction of new products, if any. By increasing sales, they help in the growth of business.

21.2.2 Qualities of a Good Salesperson

In the market you find a number of shops selling the same product but you prefer to go to a particular shop only. Why? This happens primarily because of the way the staff of the shop attend to you. The salesperson at the counter welcomes you with a smile, shows keen interest in your purchase and explains about the different varieties of the

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product in such a way that it become easier for you to take a decision. So, besides the availability of the product, its price etc., it is the good salesmanship that makes a difference and builds your preference for a shop. Let us now understand the basic qualities which a salesperson must possess to be able to attract and retain a customer like you. Salesmanship is a tough and challenging job which requires a mixture of physical and mental qualities. Some of the common qualities which a salesperson must possess are as follows.

- (a) **Good Personality :** Personality is a mixture of many traits like physical appearance, dressing-up, way of talking, manners, pitch of voice, habits etc. Personality of a salesperson should be such that the moment he/she comes in contact with the customer, he/she looks amiable with whom the customer is at least ready to start a conversation.
- (b) **Mental Qualities :** A salesperson must have the quality of alertness, imagination, foresightedness, empathy etc. He should have the ability to read the customer's mind and behave accordingly. There may be certain doubts or apprehensions in the mind of the customer regarding the product. Only a salesperson with these mental qualities will be able to solve the customer's problems. A good salesperson should be able to match the product with the customer's need and ability to pay.
- (c) **Good Behaviour :** A salesperson should be a well behaved person having ability to interact with people comfortably. He/she should be cooperative so that he/she can help people in making up their minds by patiently answering all their questions. Patience and humility will help him/her in not only holding the attention of the customer but also in getting them interested in purchasing the product.
- (d) **Knowledge :** While buying a television set normally we ask the salesperson a number of questions about the features of the latest model. If the salesperson fails to answer our queries or if we are not satisfied with the reply, we may leave that shop and visit another shop where all of our queries are answered by the salespersons. This is possible only when the salesperson has detailed knowledge about the product. He/she should know every detail relating to the product and the company he/she is representing. He/she should be able to explain the various features of the product, the way it is to be used and the precautions to be taken and so on. Knowledge about competitors' product is also a must so that the salesperson can explain the superiority of his/her product.
- (e) **Ability to communicate and persuade :** If a salesperson can communicate properly and effectively then he/she will be able to clear the biggest hurdle of making the prospective customer listen to him/her. The salesperson must speak confidently, clearly and audibly. Good communication ability coupled with good knowledge about the product helps the salesperson in persuading the customer to buy.

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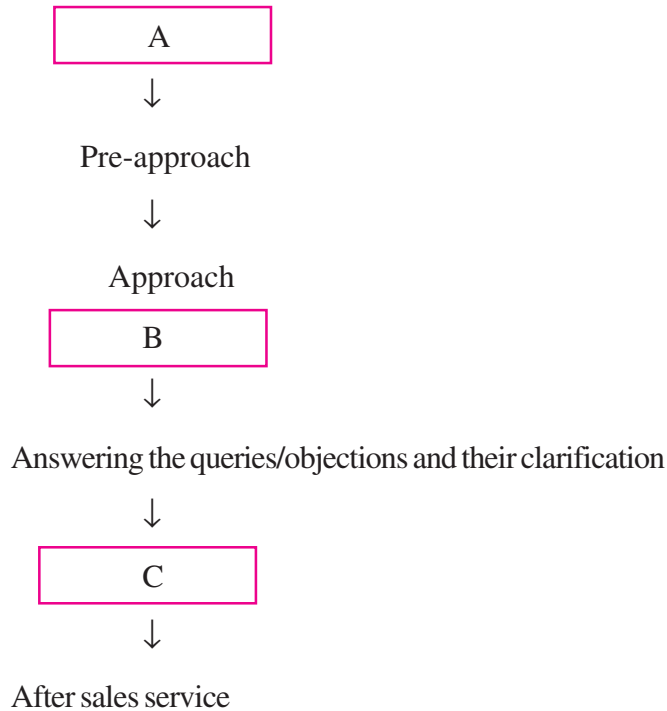
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- (f) **Persistence** : The salesperson must know the art of persistence. It requires a sense of determination to convince the customers to buy. He/she must not give up easily. Without being offensive, he/she must persuade the customer to finalise the purchase with a sense of satisfaction.



INTEXT QUESTIONS 21.4

1. Complete the flow chart



2. State briefly the benefits of salesmanship to:
- Consumers
 - Business
 - Society
3. List any six qualities of a good salesperson.

21.3 SALES PROMOTION

In the market, sometimes we see the special offer like 'Buy one get one free offer'; on a particular brand of tea there was 50 gm. extra in a 250 gm pack or one glass or bowl free with 500 gm. pack. There are innumerable examples where the manufacturer or the seller tries to tempt you to buy his product by offering discounts, extra quantity or a chance to win grand prizes, etc. All such activities are known as sales promotion.

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All promotional activities other than advertising, salesmanship and publicity which help in increasing the market demand of the product are called sales promotion. It is a non-repetitive and one time communication process. According to **American Marketing Association** “Sales Promotion includes those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness such as displays, shows and exhibitions, documentation and various non-recurrent selling efforts not in the ordinary routine”.

All elements of a promotion mix such as personal selling, advertising, publicity are used to inform people about the availability of a product, its characteristics and features and to create desire in the mind of the people to buy the product. Sales promotion is an effort in the same direction and is another important element of the promotion mix which includes displays, free sample, trade fairs, exhibitions, discount coupons, deferred payment plans, etc.

21.3.1 Objectives of Sales Promotion

Different sales promotional tools have different objectives. For example, while a free sample may motivate a consumer to buy a product for the first time, a free check-up for existing durable product like television, refrigerator etc. may affect future purchase decision of the buyer. Some of the objectives of sales promotion are listed below :

1. **Information to Customers :** Sales promotion activities inform the potential buyer about the availability, features, uses etc. of the product. Thus, it offers additional support to promotional activities like advertising, publicity and personal selling (salesmanship).
2. **Persuades Customers :** Sales Promotion activities aim at arousing customers' interest in the product and persuading them to buy.
3. **Increase in Sales Volume :** It aims at increasing sales. It is specially done during the periods when customer may not buy the product because it may not have immediate use, like a room cooler in winter, and a room heater in summer. The sales promotion schemes are a big help in making off-season sales and also in tempting the buyers to make quick decisions to purchase.
4. **Incentive to Retailers :** The main objective of sales promotional activities is to offer promotional support to retailers. Sales promotion schemes make sales easier. Incentive schemes help in getting shelf space for such products in new retail outlets.
5. **Create Product Identity :** A number of brands of a particular product are available in the market and it is very difficult to distinguish one from the other as all have similar features, prices, variety etc. Under sales promotion programme, product identity is established by offering additional features and incentives. This helps in building consumers' preference for the specific products and brands.

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21.3.2 Difference Between Advertising and Sales Promotion

| Basis | Advertising | Sales Promotion |
|----------------|--|--|
| (a) Objectives | Objectives of advertising is to create a favourable consideration for the product. | The objective of sales promotion is to stimulate the consumers to buy the product. |
| (b) Effect | It has a long term effect. | It has a short term effect and useful for increasing immediate sales. |
| (c) Nature | Advertising is recurring in nature. | It is non-recurring and one time communication process. |

21.3.3 Tools Used in Sales Promotion

Sometimes we get a small pack of tea, shampoo, soap or floor cleaner free from the manufacturer or producers. Have you ever thought why do companies distribute their products free like this? Because, their main intention is to attract the consumers' attention towards the product and then make them feel tempted to buy the product. This is a tool of sales promotion. Some of such promotional tools are given below:

- 1. Distribution of Free Samples :** As mentioned above, distribution of free sample is a commonly used sales promotion tool. It is a good method for introducing a new product or a brand in the market. Such free samples can be distributed at the door step, through fairs, or even through retail stores.
- 2. Bonus Offer :** At times marketers offer something extra with standard products without any additional charge to the customer. It could be extra quantity of the same product or some other product of the company like toothbrush with toothpaste or any other related items as gift like a bucket with large pack of washing powder, and so on.
- 3. Price-off :** To increase sale, or to reduce competition, many business firms cut down prices. Prices may also be cut down during off season to maintain certain volume of sales.
- 4. Exchange Offer :** Under this scheme, companies generally attract the customers by offering a price cut on purchase of new product in exchange for an old product. Recently you must have seen many advertisements talking about such offers on purchase of new refrigerator, television, washing machine, motorbike, cars, etc.
- 5. Fairs and Exhibitions :** Trade fairs, exhibitions and fashion shows are important tools of sales promotion. They provide a forum for demonstration and exhibition

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of products. A lot of important information about the product can be communicated to the customers through leaflets, brochures etc. during fairs and exhibitions. Especially in case of technical products like computer and electronic households gadgets, live demonstrations are undertaken. This cultivates customers' interest and boosts their confidence in the product.

6. **Free Offer :** Many companies give 'free' offers to boost the sales of their products. They offer products of similar or related nature with the purchase of main products. For example, VCR/VCD free with plasma TV is an example of such free offer.
7. **Money Refund Offer :** Of late, another method being used by marketers to boost consumer's confidence in a product is a promise of total refund of money spent on the product if the buyer is not happy with the product's performance. Such offer not only arouses the customers' interest in the product but also motivates them to make a trial.
8. **Discount Coupon :** Discount Coupon is a certificate that entitles the holders a specified discount on purchase of a product. Such discount coupon may be issued by the company by mail or through the dealers. They can also be issued through newspapers.
9. **Deferred Payment Plan :** During 1980's, some of the airlines offered deferred payment plans - 'Travel today pay fare later' for air journeys for promoting travel. It was quite a success. This plan is quite common now-a-days in case of TVs and air-conditioners.
10. **Contests :** There may be a contest like quiz related to the product or slogan writing. In case of quizzes, the questions are generally prepared in a way that consumers feel forced to know about the company and the product in the hope of winning a prize. These contests can be held on television, radio and through the magazines.

Activity

While reading newspaper and watching television, note down the sales promotional tools being used by different companies. Give any five example of such tools in detail.



INTEXT QUESTIONS 21.5

1. State the main objectives of sales promotion.
2. Name the sales promotion tools being referred to here:
 - (a) A sachet of a new brand of shampoo attached to a magazine for use by its readers.

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- (b) 10% talcum powder extra in a 250 gram tin.
- (c) A crossword puzzle on information about a new magazine for children.
- (d) A comb free with a bottle of hair oil.
- (e) Books being sold at the annual book fair in your town.
- (f) A ceiling fan being offered at a discounted price to customers during winters.



WHAT YOU HAVE LEARNT

- Advertising is ‘any paid form of non-personal presentation and promotion of ideas, goods and services of an identified sponsor’.
- Publicity is a communication about the product, service or a business firm which is communicated voluntarily by the media and is of commercial significance to the firm.
- Objectives of Advertising: The main objectives of advertising is to help a business firm to promote its products and increase the sales. It helps in introducing new products in the market and maintains its current share of market. It creates and enhances goodwill of the firm and also provides support to dealers and distributors. It facilitates personal selling and enhances brand image of the firm.
- Advantages of Advertising: Advertising helps the manufacturers in introducing new products, maintaining the demand of the existing products and attracting new customers. The consumers gain useful information about products, quality, terms of sales etc. It helps them to make a comparative analysis and make their best choice.
- Advertising generates huge revenue, employment opportunities in the country. It increases competition and motivate the producers to produce better alternatives of the existing products by utilising the findings of research and development.
- Limitation of Advertising : It multiplies the wants of the consumers. It adds to the cost of the product which ultimately increases the sales price. It helps in creating monopoly in the market. In real sense it does not increase the overall demand but simply shifts the demand from one brand to other. Sometimes people feel tempted by seeing the advertisements and then get addicted to different harmful products. Advertising may also have adverse effect on our social moral and ethical value.
- **Media of Advertising :** Newspapers; Television; Magazines and Journals; Films; Outdoor Advertising

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- Personal selling is a process of assisting and persuading the prospective customers to buy a product in a face-to-face situation. It helps the consumers to make his/her best choice. It increases the sales of the product. It helps in collecting market information, credit information, delivering goods and collecting the payment.
- **Qualities of a good salesperson :** Good personality; Mental qualities like alertness, imagination, foresightedness, empathy etc.; Good behaviour; Knowledge about the product; Ability to communicate and persuade
- Sales promotion: All promotional activities other than advertising, salesmanship and publicity which help in increasing the market demand of the product.
- **Objectives of Sales promotion :** Inform the potential buyer; Persuades customers; Increase in sales volume; Incentive to retailers; Create product identity
- Tools used in sales promotion : The various commonly used tools are free samples, bonus offer, price off, exchange offer, fairs and exhibitions, free offer, money refund offer, discount coupon, deferred payment plan, contest etc.



KEY TERMS

| | | |
|-------------------|--------------------|---------------------|
| Advertising | Bonus Offer | Discount Coupon |
| Films Advertising | Money Refund offer | Outdoor Advertising |
| Price-off | Publicity | Sales Promotion |
| Salesmanship | Sponsor | |



TERMINAL EXERCISE

Very Short Answer Types Questions

1. Define the term advertising.
2. What is publicity?
3. Define personal selling.
4. State the meaning of Sales Promotion.
5. Explain 'Bonus offer' as a tool of sales promotion.

Short Answer Types Questions

6. What are the main objectives of advertising? Explain briefly.
7. How is publicity different from advertising?

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8. Name four items each, which are best suited for advertisement in 'Magazines and Journals' and through 'Films'.
9. What are the limitations of advertising?
10. State the importance of personal selling for the society.

Long Answer Types Questions

11. "Advertising plays an important role in business and society". Discuss.
12. What is the right media for advertising consumer durable products? Discuss.
13. A manufacturer of detergent powder wants to introduce detergent cake in the market under a new brand name. Which sales promotion tools should he use to attract the customers? Give reasons in support of your answer.
14. One reputed company wants to recruit salesmen for retail stores. Can you identify the qualities they should look for in the prospective candidates?
15. What are the objectives of Sales promotion? Explain in brief, giving a list of various popular sales promotion tools.

**ANSWERS TO INTEXT QUESTIONS**

- 21.1**
1. (a) A (b) P (c) A (d) P
 2. (a) Create and enhance goodwill of the firm
(b) Dealer support
(c) Create and enhance brand image
(d) Helps personal selling
- 21.2**
1. (a) Benefit to Manufactures
 - (i) Introduction of new products
 - (ii) Creating and enhancing goodwill
 - (b) Benefits to Consumers
 - (i) Information about product, prices etc.
 - (ii) Guides the consumers about proper use
 - (c) Benefits to society
 - (i) Generates employment
 - (ii) Generates huge revenue for print and electronic media
 2. (a) Advertising multiplies wants
(b) Advertising adds to the cost and prices of product.
(c) Creation of Monopoly.
(d) Motivates for wrong or dangerous deeds.

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- 21.3** 2. (a) Films Advertising (b) Magazines and Journals
 (c) Outdoor advertising (d) Television
 (e) Newspapers (f) Radio
- 21.4** 1. (a) Prospecting (b) Presentation and demonstration
 (c) Action or closing the sale
3. (a) Good personality (b) Mental qualities
 (c) Good Behaviour (d) Knowledge
 (e) Ability to communicate and persuade
 (f) Persistence
- 21.5** 1. (a) Information to customers (b) Persuades Customers
 (c) Increase sales (d) Incentive to retailers
 (e) Create product identify
2. (a) Distribution of free sample (b) Bonus offer
 (c) Contests or Quizzes (d) Bonus-offer
 (e) Fairs and exhibitions (f) Price-off



DO AND LEARN

- Visit any two retail shops selling a particular kind of items (may be readymade garments or electronic goods) in your locality. Note down the different qualities of the salespersons you noticed during your conversation. Prepare a comparative chart and draw conclusion giving suitable reasons about the quality of salesmanship in both the retail shops.
- Make a list of 10 different types of products. Find out the media used for their advertising. Also find out the different sales promotion tools being used by marketers to promote that product. Tabulate your findings as shown below.

| <i>Name of Product</i> <i>Ball pen</i> | <i>Advertising Media</i> <i>Newspapers,</i> <i>Television</i> | <i>Sales Promotion tools</i> <i>used Fairs and</i> <i>Exhibitions</i> |
|---|---|---|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |

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ROLE PLAY

Abhay Gupta has a small factory that manufactures biscuits and his friend Suryakant is a fresh MBA graduate. Both are discussing about promotion of Abhay's products.

Abhay : People hardly know about my brand of biscuits. How do I increase my sales?

Suryakant : Simple, Advertise your product.

Abhay : But advertising is an expensive option.

Suryakant : No, No. But you must make choice of the right media. You can advertise through your local cable channel on television initially and then through other popular television channels.

Abhay : Any other method to increase my sale.

Suryakant : Yes. Use promotional schemes; send people for door-to-door selling.

Abhay : All, this sounds a little difficult.

Two friends sat down and discussed various ways of promoting the products keeping in mind cost and return involved in advertising in different media, different kinds of sales promotion offers, salesmanship etc.

Continue the conversation between them, taking the role of Suryakant and asking your friend to play Abhay Gupta's role.