



Note

16

ADVERTISING AND SALESMANSHIP

You must have seen a number of advertisements in TV, radio, cinema hall, billboard (hoarding/ a very large board on which advertisements are shown, especially at the sides of a road), newspapers and magazines. These advertisements are related 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, Tide, Wheel, Rin, Nirma, etc., and in case of television or LCD - Videocon, Sony, Samsung, LG, Sansui, etc. For services also, the marketeers advertise through these tools.

The **main purpose** of advertising is **to inform** the prospective customers about the availability, quality, features and price of the products and services **and motivate** them **to buy the same**. Besides advertising, sales promotion and personal selling are the other tools commonly used by the firms for promotion of their products and services. You must have encountered some salesperson while buying shirts, shoes, mobile phones, etc. who tell you about the price, features and quality of the product you are buying. These salespersons are playing an important role in persuading the customers. In this lesson, you will learn about these tools which are used by marketeers to create, maintain and increase the demand for their goods and services.



LEARNING OUTCOMES

- describes advertising and distinguish between advertising and publicity;
- describes salesmanship and attributes of a good salesman; and
- explains sales promotion and various sales promotion tools.

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16.1 ADVERTISING



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While watching a movie in a cinema hall or a television at home you must have noticed that suddenly there is a break and some movie star or a sports star 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. Advertising as a promotional tool is used by the marketeers either to build up a long-term image of the product or to generate quick sales. With the help of Advertising, Marketeers can reach geographically dispersed buyers efficiently. Certain forms of advertisement like TV Advertisements require a large budget, whereas for other forms of advertisement small budget is required, e.g. newspapers or magazines, etc.

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."

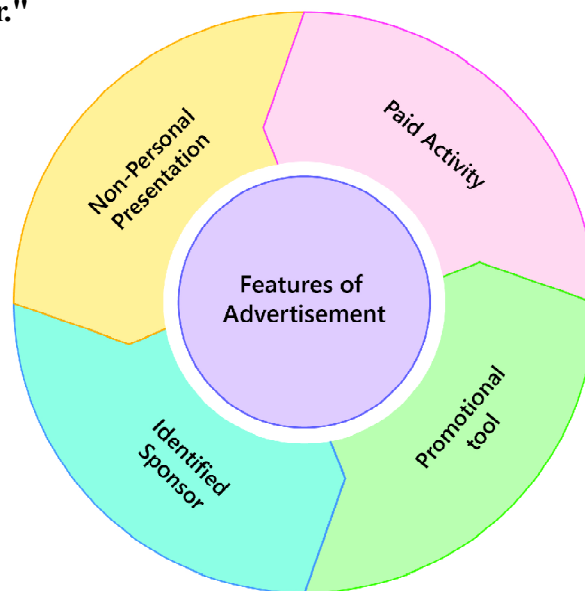


Fig. 16.1 Features of Advertisement

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 newspapers 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) **Promoting Goods or Services:** Advertising is done with a specific objective of promoting a product or service and increasing the sale.
- (iv) **Issued by an Identified Sponsor:** The advertisers who sponsor the advertisements 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.

Product	Sponsor	Media
Lifebuoy	Hindustan Unilever Ltd.	TV/Radio/Newspaper
Chyawanprash	Dabur India Ltd.	TV/Newspaper
Tide	Proctor & Gamble	TV/Newspaper



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16.1.1 PUBLICITY

Publicity is like advertising. But it is a non-paid form of communication which may be carried out in a form of news in the mass media about a product or about an organisation. 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 some products with the spread of negative news associated with those products in the market. Organisations have very little or no control on the message being spread or how the message will be spread. So, we can say publicity is a powerful tool of communication as it can make or break a product/company.

16.1.2 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 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 these.

1. While reading the newspaper you may get news about an ongoing trade fair in your state. It talks about the products of different companies exhibited there.

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After reading this news item, you may feel interested in having a look at or buying one or more of these products.

- In a newspaper there may be a column on review of movies. You read the ratings given to different movies by critics and at times, feel interested in watching a particular movie.
- 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? No, 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

16.1.3 OBJECTIVES OF ADVERTISING

	Advertising	Publicity
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.
Identified Sponsor	There is an identified sponsor, that is, the business firm which wants to advertise its products or services is known.	There is no identified sponsor. Media communicates the information as it considers it news worthy.
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.
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.
Target Audience	Prospective Customers or buyers	General Public

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 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 sales of the 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 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.
- 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



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to the salesperson if he/she already has some idea about the product.



INTEXT QUESTIONS 16.1

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 the company is trying to achieve. Write the objective in brackets.
 - (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.()

16.1.4 ADVANTAGES OF ADVERTISING

In today's competitive world there are a large number of 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 of how advertising benefits the manufacturers, consumers and the society.

Benefits to Manufacturers

1. Advertising helps the manufacturers in introducing new products, maintaining customers of existing products and in increasing their sales by attracting new customers.
2. It helps in spreading the message about the company, its product, products' features, prices etc. to widely spread customers.
3. It also helps the business houses in creating and enhancing their goodwill.
4. It makes the job of salespersons easier by keeping the customer informed about the product.
5. 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

1. Advertising helps the consumers in getting useful information about the products, prices, quality, terms of sale, after-sales services, etc.
2. Advertising also guides the customers about the right use of the product.
3. It helps them to make a comparative analysis and make their choice.
4. Advertising is the main source of information for those who live in remote areas and cannot be easily approached by salespersons.

Benefits to Society

1. The enhanced competition resulting from advertising motivates 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 and better life style to the people.
2. Advertising also works as a guide and teacher for people who do not know about many products and their multiple uses, if any.
3. It generates employment for thousands of people who are connected with the advertising world in different capacities.
4. Advertising generates huge revenue for both print and electronic media. This helps the availability of newspapers, magazines and television programmes at affordable prices due to mass reach.

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16.1.5 LIMITATIONS OF ADVERTISING

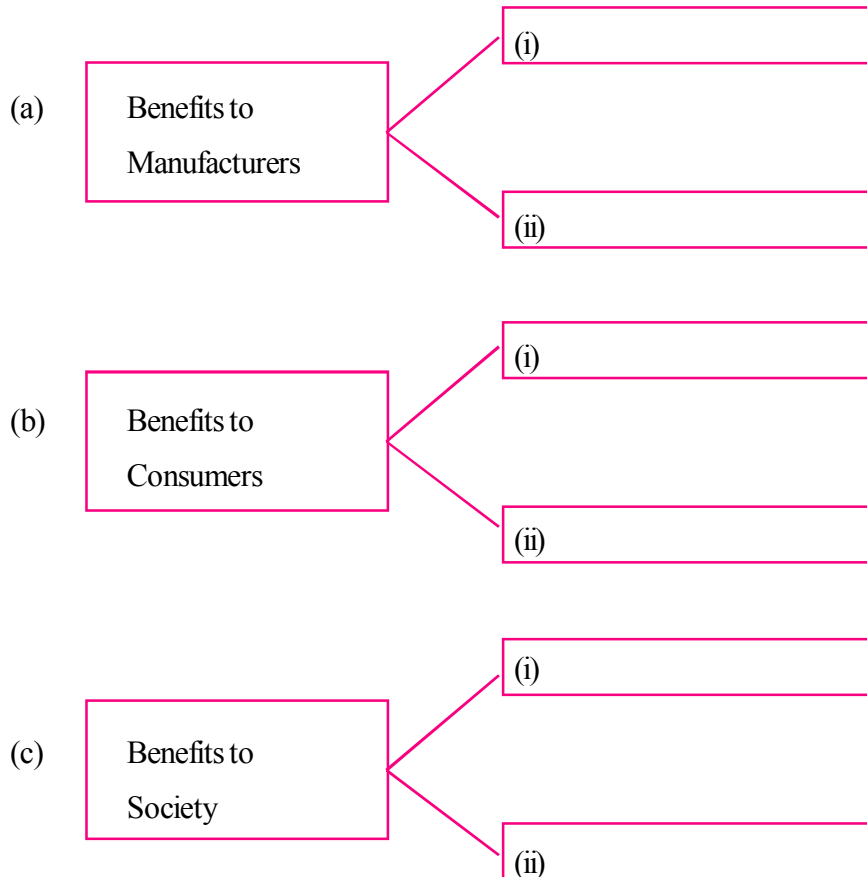
Many people consider advertising to be a wasteful activity and sometimes harmful for the customers and the society in many ways. Their arguments against advertisement are as follows:

- (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.
- (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 largest share of the market. This results in unequal opportunity for small producers to make a place for themselves in the market as they do not get a fair opportunity to compete. And as a result the bigger firm may create a monopoly.
- (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. Appeals related to sex, horror etc. are sometimes used in objectionable ways in the advertisement to attract attention.
- (v) **Motivation for Wrong or Dangerous deeds:** The way advertisements project people consuming liquor, cigarettes or pan-masala, may tempt 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.
- (vii) **One Way Communication:** Advertisers share their message with a large audience through different media but do not get the immediate feedback as it is a one-way communication from Marketeer to a larger target audience.



INTEXT QUESTIONS 16.2

1. In the flow chart 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 two limitations of advertising.

16.1.6 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 this 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.



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Newspaper is among the most suitable media for:

- A. 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.
- B. It is also suitable for advertising many services like banking, insurance, transportation, etc.

However, it is not suitable for

- A. Advertising products which have limited number of buyers like industrial products or products used by specific professionals like engineers, doctors etc.
 - B. Similarly, it is not suitable for products which have very few buyers 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 on different channels and in different languages. As it is available 24X7, 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, etc. can be advertised during programmes like cartoon network, storytelling etc., which are specifically meant for children. 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.

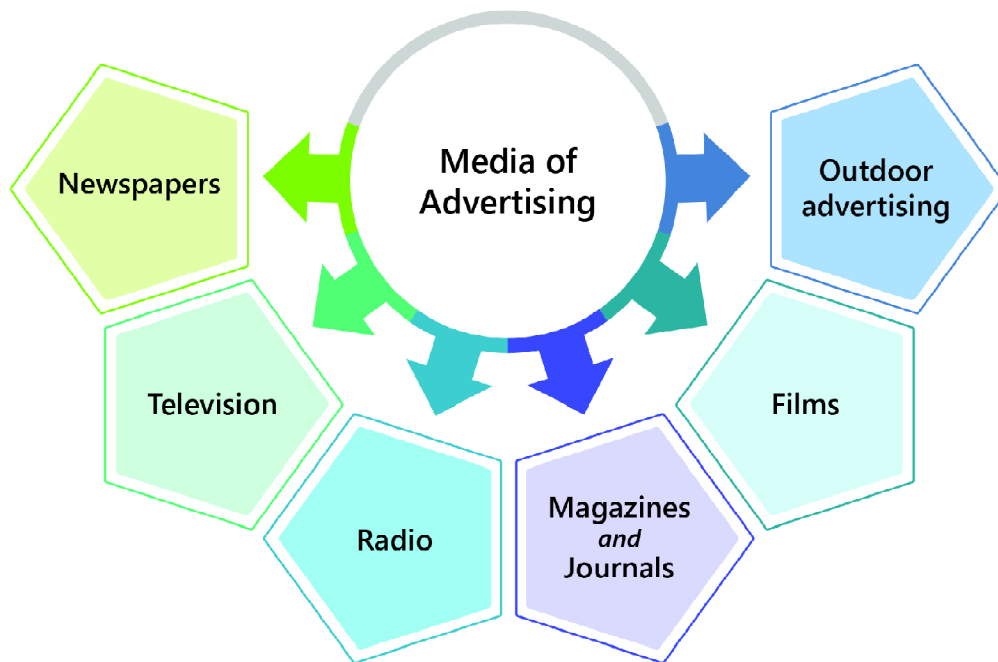


Fig. 16.2 Media of Advertising

- **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 a lot of advertising before and during the programme. Krishi Sandesh programme (for farmers) for example has advertisements on pesticides, fertilizers, 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. But now-a-days, advertisement on different FM Radio channel is again gaining popularity as you may listen to it during your journey in a car. Daily commuters do listen to the Radio while travelling from home to office and vice versa.
- **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



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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. These 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 company's own 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.



INTEXT QUESTIONS 16.3

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



Note

Medium	Products Advertised
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:
- (a) For advertising products of mass consumption for all strata of society. ()
 - (b) To reach a selective target group or a specific segment of readers. ()
 - (c) To catch the attention of people at traffic lights, in traffic jams or when they are travelling by train. ()
 - (d) To reach out to illiterate consumers as well as to use the visual medium effectively. ()
 - (e) To reach a wide range of the literate population of the country. ()
 - (f) For advertising to people in rural, semi-urban and the urban areas. ()

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16.2 SALESMANSHIP

Imagine one of your friends has gone to a readymade garment shop to buy a shirt for his younger brother. The salesperson has shown him the latest collection of garments. By the time the process of sale is concluded, he may also purchase one shirt for himself. The reason for such unplanned purchase is the effect of salesmanship. The salesperson at the counter may have first assessed his interest in the new fabric available and then tried to persuade him to buy another shirt for himself. This whole exercise of assessing the need, activating it and ultimately satisfying it by selling the product 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 by a salesman refers to identifying the prospective buyers in his area of operation. Having done this, he has to obtain the necessary information about the targeted customer, his capacity to pay, choice and preferences etc.

After this, in **pre-approach activity**, he approaches the customer to gain his attention, greets him and makes his presentation i.e., informs the customer

about the product, its quality, features, price etc. and demonstrates its use, if required.

Then he **handles the customer's 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 information about the necessary after-sales service. You must have also experienced the same while buying products like shoes, cosmetics, detergent at your doorstep, sunglasses in a market, etc.

16.2.1 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 concluding 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:

A. Benefits to Consumers:

- A salesperson acts as a friend and a 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 information about the necessary after-sales service to the customers. You must have also experienced it while buying a mobile phone or any electronic gadget in the recent past.

B. 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



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help the businessman in planning for the right type of products and introducing 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 precautions to be taken in its use. This ensures proper handling of the product, and boosts customer's confidence in his choice of the product.

C. 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.
- They help 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.

16.2.2 QUALITIES OF A GOOD SALESPERSON

There are a number of shops selling the same product in the market but you may prefer visiting a particular shop for buying a specific category of products. Why? This happens primarily because of the way the staff of the shop attends 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 product in such a way that it becomes easier for you to make a decision. So, besides the availability of the product, its price etc., it is the effort or behavior of the salesmanship towards you 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 friendly and the customer is ready to start a conversation.

- (b) **Mental Qualities:** A salesperson must have the quality of alertness, imagination, foresightedness, empathy etc. They 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.



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Fig. 16.3 Qualities of a Good Salesperson

- (c) **Good Behaviour:** A salesperson should be a well behaved person with ability to interact with people comfortably. should be cooperative so that they can help people in making up their minds by patiently answering all their questions. Patience and humility will help them 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

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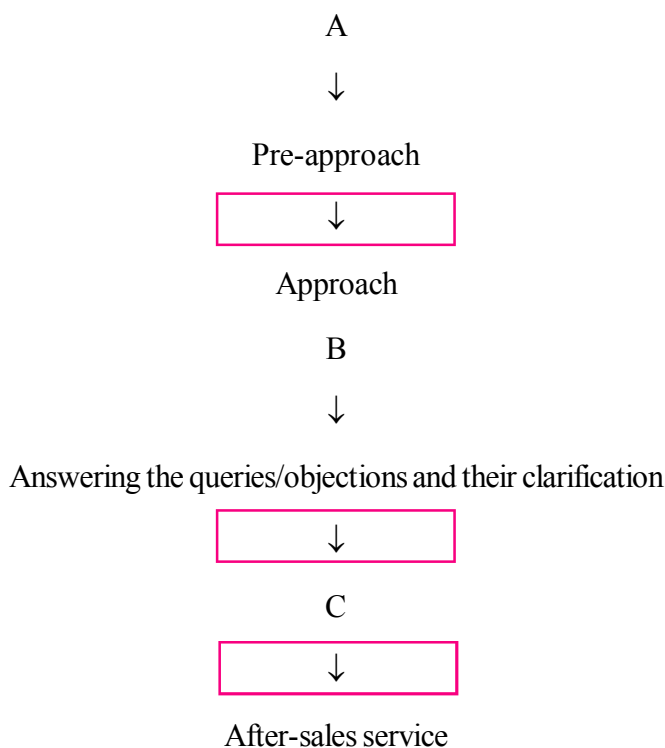
of the product. They should know every detail relating to the product and the company They are is representing. They should be able to explain the various features of the product, the way it is to be used and the precautions to be taken and so on. Knowledge about competitors' product is also a must so that the salesperson can explain the superiority of their product.

- (e) **Ability to Communicate and Persuade:** If a salesperson can communicate properly and effectively then they will be able to clear the biggest hurdle of making the prospective customer listen to them. 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 the product.
- (f) **Persistence:** The salesperson must know the art of persistence. It requires a sense of determination to convince the customers to buy. They 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 16.4

1. Complete the flow chart with correct steps in the selling process.



2. State briefly the benefits of salesmanship to:
 - (a) Consumers
 - (b) Business
 - (c) Society

2. The following sentences give the benefits of salesmanship. You are required to put 'B' for benefits provided to business, 'C' for benefits provided to Consumers and 'S' for benefits provided to the society in the boxes given against each sentence.
 - a. By giving the requisite information about the company and the product, provides confidence in accepting or rejecting the sale.
 - b. Helps in planning for the right type of products and introducing the necessary improvements therein.
 - c. Explains the uses and the operational aspects of a product.
 - d. Facilitates the process of production, distribution and consumption.
 - e. Ensures proper handling of the product.

3. List any two qualities of a good salesperson.



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16.3 SALES PROMOTION

In the market, sometimes we see few special offers like 'Buy one get one free offer'; 50 gm. extra in a 250 gm pack of a particular brand of tea, or one glass or bowl free with a pack of 500 gm. 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.

Promotional activities other than advertising, salesmanship and publicity which help in increasing the market demand of the product may be part of the sales promotion. It is a non-repetitive and one-time communication process. Advertising offers a reason to buy whereas sales promotion offers an incentive to buy. According to **American Marketing Association "Sales Promotion includes those marketing activities, other than personalselling, 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"**.

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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, cash refund offers, trade fairs, exhibitions, discount coupons, deferred payment plans, prizes, free trials, etc. These sales promotion tools are widely used these days and competing with advertisement as a tool for promoting the companies' offerings.

16.3.1 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 the same.**
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.**

16.3.2 DIFFERENCE BETWEEN ADVERTISING AND SALES PROMOTION

	Basis	Advertising	Sales Promotion
(a)	Objectives	Objective of advertising is to create a favourable consideration for the product.	The objective of salespromotion 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.
(d)	Approach	Advertising offers a reason to buy	Sales promotion offers an incentive to buy .
(e)	Result	Generally slow, can be seen over time.	Instant



Note

16.3.3 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

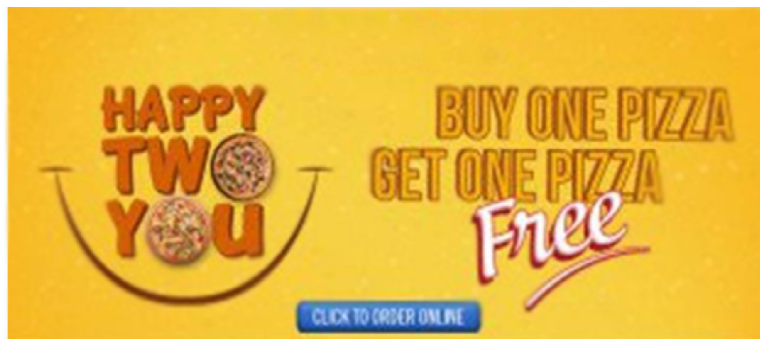


Fig. 16.4 Tools used in sales promotion

Marketing



Note

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 how they promote sales. Some of such **promotional tools** are given below:

1. **Distribution of Free Samples:** As mentioned above, distribution of free samples 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. Sometimes you may find free samples of shampoo, ketchup, deodorants, etc. along with the newspapers.
2. **Bonus Offer:** At times marketeers offer extra quantity with standard products without any additional charge to the customer.
3. **Price-off:** To increase sales, 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. You may found a deodorant with a reduced price as a promotional or introductory offer. This is generally common with the newly introduced products or variants of a product.
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 outlets of sales promotion. They provide a forum for demonstration and exhibition 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, Soap or hair oil free with a bottle of shampoo, etc.
7. **Money Refund Offer:** Of late, another method being used by marketeers 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 offers not only arouse 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 aspecified 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 a quiz related to the product or slogan writing. In case of quizzes, the questions are generally prepared in a way that consumer feels 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.
11. **Chance to meet a Movie Star/Sports Star:** You must have seen offers with some products where on the purchase you get a chance to meet a Movie Star or a Sports Star who is popular and promoting the product.



Note

Activity

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



INTEXT QUESTIONS 16.5

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

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TERMINAL EXERCISE



Note

Very Short Answer 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 Questions

1. What are the main objectives of advertising? Explain briefly.
2. How is publicity different from advertising?
3. Name four items each, which are best suited for advertisement in 'Magazines and Journals' and through 'Films'.
4. What are the limitations of advertising?
5. State the importance of personal selling for the society.

Long Answer Questions

1. "Advertising plays an important role in business and society". Discuss.
2. What is the right media for advertising consumer durable products? Discuss.
3. 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.
4. One reputed company wants to recruit salesmen for retail stores. Can you identify the qualities they should look for in the prospective candidates?
5. What are the objectives of Sales promotion? Explain in brief, giving a list of various popular sales promotion tools.



ANSWERS TO INTEXT QUESTIONS

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Note

16.1

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

16.2

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.

16.3

2.
 - (a) Films Advertising
 - (b) Magazines and Journals
 - (c) Outdoor advertising

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Note

16.4

- (d) Television
 - (e) Newspapers
 - (f) Radio
1.
 - (a) Prospecting
 - (b) Presentation and demonstration
 - (c) Action or closing the sale
 2.
 - (a) C
 - (b) B
 - (c) C
 - (d) S
 - (e) B
 3.
 - (a) Good personality
 - (b) Mental qualities

16.5

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) Freeoffer
 - (e) Fairs and exhibitions
 - (f) Price-off

DO AND LEARN

1. Visit any two retail shops selling the same type of goods (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 conclusions giving suitable reasons about the quality of salesmanship in both the retail shops.
2. 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 the marketeers to promote that product. Tabulate your findings as shown below.



Note

Name of Product Ball pen	Advertising Media Newspapers, Television	Sales Promotion tools used Fairs and Exhibitions
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

ROLE PLAY

Abhay has a small factory that manufactures biscuits while 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.

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Note

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's role.

WHAT HAVE YOU LEARNT

