**Semester II (UG)**

**Subject: Marketing Management**

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**Lecture Note 1**

**PROMOTION MIX**

Marketers use an array of tools for the purpose of communicating and promoting their products and services. These tools are used in different proportions by a company at a particular time period. We can define promotion as the total array of tools available to the communicator whose major role is persuasive communication. These are the tools normally classified under promotion. In our daily life we all are exposed to various tools of promotion by the companies aiming at communicating one thing or the other to us.

**For example**, at home we are exposed to various advertisements while reading a newspaper, watching a TV program, listening to radio or even examining the water, electricity or telephone bills. On our way to the office or home similar communications are present on bus panels, roadside hoardings, neon signs, posters and banners, etc. And, while at a retail shop these take the shape of traffic builders, product displays, etc., all sharing information relating to a specific product of a company.

**Components of Promotion Mix**

Each promotional tool has its own unique characteristics and costs. These promotional tools can be broadly classified as ***advertising, sales promotion, public relations and publicity, personal selling, and direct marketing***. There is no way that an individual activity, say advertising, can be managed fully without considering its relationship with the other elements. Therefore, companies normally adopt all these elements though the relative importance placed on each element of the promotion mix may differ from company to company. Historically, companies first made a separate function out of personal selling, followed by advertising, sales promotion, public relations and publicity, and finally with direct marketing. These major tools of promotion mix are defined and described briefly in the following.

**1. Advertising**: It is defined as any paid form of non-personal communication through mass media about a product, a service or an idea by an identified sponsor. Advertising can be used to build up a long-term image of a brand (Colgate advertising) or trigger quick sales (a departmental store's advertisement for sale). Advertising can reach geographically dispersed buyers efficiently. Certain forms of advertising (TV advertising) typically require a large budget, whereas other forms (newspaper advertising) can be done on a small budget. The media used could include magazines, newspapers, radio, television, billboards (hoardings), direct mail, etc. Sponsors may be non-profit organization (colleges, universities, and institutes), companies or individuals. Advertising has four distinctive characteristics. These are:

**a) Public Presentation**-unlike personal selling it is a highly public mode of communication. Its public nature confers a kind of legitimacy to the product. Because many persons receive the same message, buyers know that their motives for purchasing the product will be publicly understood.

**b) Pervasiveness**-advertising is a pervasive way of communicating the marketing messages. It permits the seller to repeat a message many times. It also allows the buyer to receive and compare messages of other competitors.

**c) Amplified Expressiveness**-it provides opportunities for dramatizing the company and its brands through the artful use of print, sound, and colour. Over dramatization sometimes dilutes or distracts from the message.

**d) Impersonality**-advertising despite being public, pervasive, and expressive in nature cannot be as compelling as personal selling and sales promotion. The audience does not feel obligated to pay attention or respond. Advertising is only able to carry on a monologue and not a dialogue with the audience.

**2. Sales Promotion**: It is defined as a variety of short-term incentives to encourage trial or purchase of a product or service. Although sales promotion tools-coupons, contests, premiums, and the like-are highly diverse, they offer three distinctive benefits to the consumers. These are:

**a) Communication**-attracts consumer attention and provides information that may lead the consumer to buy the product.

**b) Incentive**-incorporates some concessions or inducement that gives value to the consumer.

**c) Invitation**-includes a distinct invitation to engage in the transaction now.

Initially sales promotion was used as an adhoc collection of sales tools to stimulate short term demand. Now companies are using this promotion tool very often and its, budget has increased over a period of time. Sales promotion plays a vital role in the introduction and in the maturity stage of a product life cycle. The effects of sales promotion are often more immediate and measurable than those of advertising. The purpose of sales promotion many times is to supplement the advertising and personal selling effort carried by the company.

**3. Public Relations and Publicity**: It is defined as a variety of programs designed to promote or protect a company's image or its individual products. The appeal of public relations and publicity is based on three distinctive qualities:

**a) High Credibility**-news stories and features seems to most readers, to be authentic and credible than advertisements.

**b) Ability to catch buyers off guard**-publicity can reach to many potential buyers who otherwise avoid salespersons and advertisements. This is because the message is packaged in a way that gets to the buyers as news rather than sales directed communication.

**c) Dramatization**-like advertising, publicity has the potential of dramatizing a company or product.

Public relation and publicity are similar to advertising except that it involves an unpaid and unsigned message, even though it may use the same mass media as advertising. Publicity can either be positive (favourable) or negative (unfavourable) because the message is in the hands of media and not controlled by the company. Marketers spend a lot of time and effort in getting news items and articles placed in newspapers and broadcasts so that a favourable image of the company is created.

**4. Personal Selling**: It is defined as oral presentation in a conversation with one or more prospective buyers for the purpose of making sales. Personal selling is a person-to-person dialogue between buyer and seller, where the purpose of this face to face contact is to persuade the buyer to accept a point of view or to convince the buyer to take a specific course of action. In other words, personal selling is a person to person process by which the seller learns about the prospective buyer's wants and seeks to satisfy them by making a sale. Personal selling has three distinctive qualities which make it different from other promotion tools. These are:

**a) Personal Confrontation**-it involves an alive, immediate and interactive relationship between two or more persons. Each party is able to observe at close hand the characteristics and needs of other party and can make immediate adjustments. Each party has the potential to help or hurt the other party by his/ her interest or lack of interest.

**b) Cultivation**-it permits all kinds of relationships to spring up, ranging from a matter-of-fact selling relationship to a deep personal friendship. Salesmanship is an art and one should use this art to win the customers.

**c) Response**-in contrast with the advertising, personal selling makes the prospective buyer feel more under obligation to listen to the sales presentation of the salesperson as he is using up the salesperson's time. The response here is instantaneous.

**5. Direct Marketing**: It can be defined as the use of mail, telephone, fax, email or internet to communicate directly with or solicit response or dialogue from specific customers or prospects. Direct marketing has four distinct characteristics. They are:

**a) Non-public**-the message is normally addressed to a specific person.

**b) Customized**-the message can be prepared to appeal to the addressed individual.

**c) Up-to-date**-the message can be prepared quickly and can be changed according to the latest situation.

**d) Interactive**-the message can be changed depending on the buyer's response.