

Department of Commerce (CA)

Principles of Marketing 18BCA54C

Semester 5

III B.Com.(CA)

UNIT V

Advertising - Personal selling and
Sales promotion - Place mix - Important
Channels of distribution - Functions of
middlemen - Retailing - Concept - Importance -
Role of marketing - Bureau of Indian
Standards - Green Marketing.

Reference Book

Modern Marketing

Principles and Practices

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UNIT 5

Advertising

Meaning : Advertising is mass communication of information intended to persuade buyers as to maximise profits.

Basic features

- 1) Matter of record
- 2) Non-personal Communication
- 3) Persuasion of buyers
- 4) Paid form of Publicity
- 5) Identifiable with the Sponsor

Personal Selling

It occurs when a sales representative meets with a potential client for the purpose of transacting a sale. It is known as face to face selling.

Objectives

- ① Attracting the prospective customers
- ② Educating the prospective customers
- ③ Creating desire to buy
- ④ Concluding sales
- ⑤ Getting repeat orders

Features of Personal Selling

- ① It is a face to face communication
- ② It is a two way communication
- ③ It is a oral communication
- ④ It persuades customers instead of pressurising
- ⑤ It provides immediate feedback
- ⑥ It develops a deep personal relationship

Personal Selling process

- ① Prospecting and evaluating
- ② Preparing
- ③ Approach and presentation
- ④ Overcoming objections
- ⑤ closing the sales
- ⑥ Follow up

Place Mix

Place mix is concerned with physical distribution and channels of distribution. Marketing goals can be achieved only if the products reach the hand of consumers conveniently.

Components of place mix

It includes the channels of distribution, place of production and consumption, storage and warehousing and transportation.

Channels of distribution

Meaning: It is the combination of agencies through which the seller markets his products to ultimate users

Functions of channels of distribution

- | | | |
|----------------|--------------------------|--------------|
| 1) Research | 2) Promotion | 3) Contact |
| 4) Matching | 5) Negotiating | 6) Financing |
| 7) Risk taking | 8) Physical distribution | |

Important channels of distribution

1. Direct Sales
2. Retailer
3. Intensive distribution
4. Selective distribution
5. Exclusive distribution
6. Dual distribution
7. Wholesaler

RETAILING

Retailing consists of activities involved in selling directly to the ultimate consumer for personal and non-personal use

Retailer: He is a merchant or occasionally an agent whose main business is selling directly to the ultimate consumers

Functions of retailers

- 1) Provide personal services to all
- 2) Provide two-way communication
- 3) Facilitates standardisation and grading
- 4) Undertake physical movement of goods
- 5) Assemble goods from various sources
- 6) Stock goods for ready supply to buyers
- 7) Extend credit facility
- 8) Create demand by window display
- 9) Undertake sales promotion activities
- 10) Assume risk

Services of the retailer

1. Assemble goods
2. Create place utility
3. Keep varieties of goods
4. Provide storage facility

5. Create demand
6. Render service to customers
7. Provide information
8. Connecting link
9. Extend credit facilities
10. Marketing functions
11. Meet day to day demand

Essential requisites of retailers

1) selection of adequate stock of saleable goods

2) Location

3) Effective buying

4) Knowledge of merchandise

5) Service

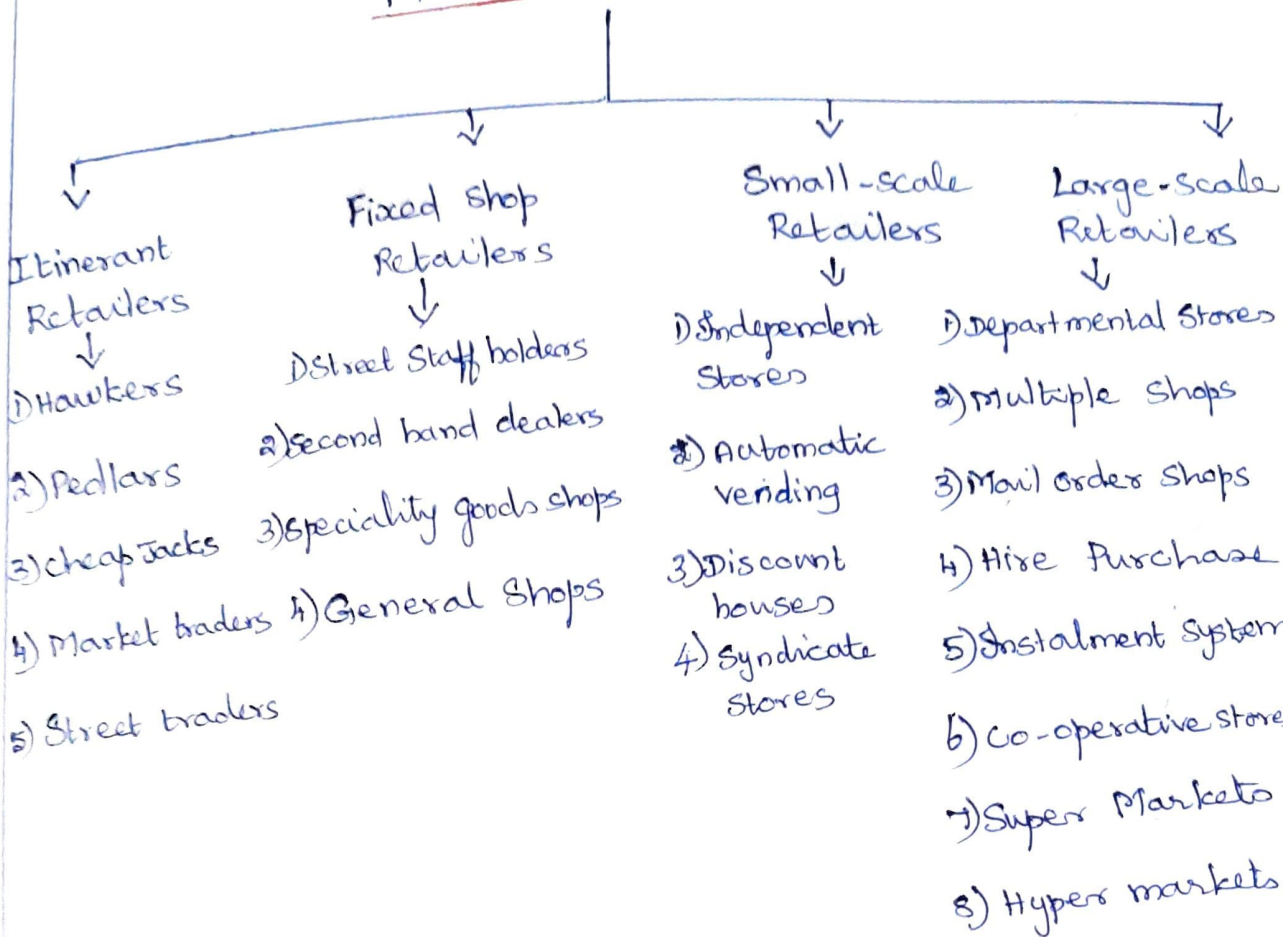
6) Competitive fixed price

7) Counter display and window display

8) Trained Salesman

9) efficient management

TYPES OF RETAILERS



Advantages of Retailers

1) Centralised location

2) Shopping convenience

3) Services to consumers

4) Mutual advertisement

5) Economy in publicity

6) Lower cost

7) Higher efficiency

Disadvantages

- 1) Higher cost of doing business
- 2) Need for higher capital
- 3) Lack of personal touch
- 4) Risk of loss
- 5) Excessive departmentalisation
- 6) Absence of local convenience

Role of Government in Marketing

- 1) Efficiency
- 2) Infrastructure
- 3) Equity
- 4) Economic growth and stability
- 5) Permission to form and operate
- 6) creating and enforcing contracts
- 7) Consumer protection and safety
- 8) Employee rights and protection
- 9) Environmental regulation and protection
- 10) Revenue and taxation
- 11) Investor rights and protection
- 12) Control of monopoly

BUREAU OF INDIAN STANDARD (BIS)

BIS is a national body of India established under BIS Act, 1986 for the harmonious development of the activities of standardisation, marketing and quality certification of goods.

Advantages

- ① Providing safe and reliable quality goods
- ② Minimising health hazards to consumers
- ③ Promoting export and import substitutes
- ④ Control over monopoly
- ⑤ Providing varieties of goods through certification
- ⑥ Testing the quality of goods
- ⑦ Minimising environmental risks
- ⑧ Lab testing and Quality Inspection

Disadvantages

- ① Costlier
- ② Limited scope of applicability
- ③ Less support from manufacturers

GREEN MARKETINGMeaning:

Marketing of environmentally friendly products and services
 Marketing of eco-friendly and organic products is also known as green marketing

Golden laws of green marketing

- 1) customer should be aware
- 2) Reassure the buyers
- 3) Transparency
- 4) consider pricing
- 5) customer participation

Methods of green marketing

① using eco-friendly paper and ink for print, marketing materials

② adopting electronic marketing

③ recycling program

④ responsible waste disposal program

⑤ Eco-friendly packaging

⑥ Eco-friendly power sources

Objects of Green Marketing

- ① Implementing Sustainable business practices
- ② Demonstrating Social responsibilities
- ③ Avoiding wastages
- ④ Reinventing products
- ⑤ Making green while being green
- ⑥ Changing processes
- ⑦ Creating eco-friendly messages

Benefits of green marketing

- ① Improves credibility
- ② An opportunity to enter a new market
- ③ Long-term growth
- ④ Offers a competitive edge
- ⑤ More room for innovation
- ⑥ More profit
- ⑦ Good for the environment

Disadvantages of green marketing

- ① Change leads to cost
- ② Costly green certification
- ③ Complex marketing campaign
- ④ Lot of resistance due to high price