

IV UNIT

Promotional methods-advertising-Publicity-personal selling-Sales promotion techniques.

Promotion means to promote the goods of the manufacturer. The word promotion has its origin in the Latin term *promovere* which means moving from one end to another.

In marketing promotion is done to move the products from the manufacturer to the consumer.

Promotion is defined as the co-ordinated self-initiated efforts to establish channel of information and persuasion to facilitate or foster the sale of goods or services, or the acceptance of ideas.

Promotion means “media and non-media marketing pressures applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand, or improve product quality.” – The American Marketing Association

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13. Promotion is probably the most visible element of the marketing mix to most people and is often seen as one of the more glamorous marketing functions. Promotional activities can, and do, have a significant impact on demand for a particular product or service.

Promotion also covers the various methods that an organisation uses to communicate with employees and other interest groups since effective marketing is crucially dependent on the establishment of a marketing orientation throughout the organisation as a whole.

Without understanding its importance, however, promotion is only one element of the overall marketing mix, and its impact on demand will only be short term if the product is not of the necessary quality, available in the appropriate outlets and acceptably priced.

The term ‘promotion’ refers to the range of methods used by an organisation in order to communicate with its customers, both actual and potential, and includes advertising, publicity, personal selling and sales promotion. The effective marketer recognises that each of the four elements of promotion-advertising, publicity and public relations, personal selling, and sales promotion-has certain strengths.

They seek to integrate and unite the appropriate elements to accomplish their promotional objectives. The combination of elements a marketer chooses is the marketer’s promotional mix.

Promotion refers to the coordination of all seller initiated efforts to set up channels of information and persuasion to facilitate the sale of a product or service.

Promotion is a process of communication with the potential buyers involving information, persuasion and influence. It includes all types of personal or impersonal communication with the customers and middlemen. According to the American Marketing Association, promotion is “the personal or impersonal process of assisting and/or persuading a prospective customer to buy a commodity or service or to act favourably upon an idea that has commercial significance to the seller.”

Promotion is a vital element of the marketing mix of a business enterprise. It is the spark plug of the marketing mix. No business enterprise can sell its goods and services without informing the people about the availability of products and without creating in them the desire to buy them. Customer demand is largely dormant. It must be awakened and stimulated through promotion.

The prospective customers have to be informed about the features, utility and availability of products. The purpose of promotion is to inform, persuade and influence the prospective customers. The need for promotion has increased due to stiff competition, widening market, rapid changes in consumers' tastes and technology and growing distance between producers and consumers.

Promotion – Meaning

Promotion – It refers to a process of informing, persuading and influencing a consumer to make choice of the product to be bought. Promotion is done through means of personal selling, advertising, publicity and sales promotion.

Promotion is the process of marketing communication involving information, persuasion and influence. Promotion has three specific purposes. It communicates marketing information to consumers, users and resellers. It is not enough to communicate ideas. Promotion persuades and convinces the buyer and enters into this consumer behavior.

Promotional efforts act as powerful tools of competition providing the cutting edge of its entire marketing programme. Promotion has been defined as “the coordinated self-initiated efforts to establish channels of information and persuasion to facilitate or foster the sale of goods or services, or the acceptance of ideas or point of view.” It is a form of non-price competition.

Essentially promotion is persuasive communication to inform potential customers of the existence of products, to persuade and convince them that those products have want satisfying capabilities. Consumers really speaking buy a bundle of expectations (a package of utilities) to satisfy their economic, psychosocial wants and desires. The promotion offers the message, viz., the communication of these benefits to consumers.

Hence, promotion message has two basic purposes- (1) persuasive communication, (2) tool of competition. Promotion is responsible for awakening and stimulating consumer demand for your product. It can create and stimulate demand, capture demand from rivals and maintain demand for you; products even against keen competition.

Of course, it is taken for granted that your product has the capacity to satisfy consumer expectations and can fill their wants and desires. It is a truism that nothing can be sold and nothing can make money (except mint) without some means of promotion.

Marketers have adopted a communication view of their firms' promotional activities. Receiver is now regarded as an active participant in the process of communication. All marketing communications must be planned as part of a total system, not as independent pieces.

The communication or promotion mix includes four ingredients, viz.:

1. Advertising,
2. Publicity,
3. Personal selling, and
4. All forms of sales promotion.

All marketing communications or forms of promotion try to influence consumer's attitudes, beliefs, ways of living or life style, values and preferences towards a company and its products, and thereby influence his/her behavior.

1. Advertising:

It is defined as any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor. It is impersonal salesmanship for mass selling, a means of mass communication.

2. Publicity:

It is non-personal stimulation of demand for a product, service or a business unit by placing commercial significant news about it in a publication or obtaining favorable presentation of it upon radio, television, or stage that is not paid for by the sponsor.

3. Personal Selling:

It is the best means of oral and face-to-face communication and presentation with the prospect for the purpose of making sales. There may be one prospect or a number of prospects in the personal conversation.

4. Sales Promotion:

It covers those marketing activities other than advertising, publicity and personal selling that stimulate consumer purchasing and dealer effectiveness. Such activities are displays, shows, exhibitions, demonstrations, and many other non-routine selling efforts at the point of purchase. Sales promotion tries to complement the other means of promotion.

All kinds of promotion play the role of communication channels between the marketer (the source and the sender of message) and the consumer (the receiver of the message). Promotion as an element cuff marketing mix has three broad objectives- (a) information, (b) persuasion, (c) reminding. The overall objectives of promotion is, of course, influencing the buyer behavior and his predispositions (needs, attitudes, goals, beliefs, values and preferences).

Promotion has following three specific purposes:

1. It communicates marketing information to consumers, users and resellers.
2. It persuades and convinces the buyer and influences his/her behaviour to take the desired action.
3. Promotional efforts act as powerful tools of competition providing the cutting edge of its entire marketing programme.

Promotion is persuasive communication and also is a tool of competition. It is a form of non-price competition.

Promotion is responsible for awakening and stimulating consumer demand for a product or service. It can create and stimulate demands, capture demand from rivals and maintain demand even against stiff competition.

While speaking in favour of promotion, it is taken for granted that the product has the capacity to satisfy consumer expectations and can fill their wants and desires.

The sales promotion is basically aimed at increasing sales. Sales can be increased mainly by attracting more customers. Promotion is successful only if the middlemen co-operate with the manufacturer.

However, the promotion offers the following advantages:

1. It attracts more customers to the product. The incentives like price off, premium etc., offered by the manufactures attracts people to the product
2. It encourages the middlemen to buy and store more- As a result of the incentives offered more people may go to the shops where the product will be available. If sufficient quantity is not stocked customers may shift to some other brands. Sometimes manufactures encourage middlemen through additional commission or allowances
3. It encourages the sales force by offering incentives to salesmen. This will influence salesmen to participate in the campaign wholeheartedly
4. It boosts sales in the short and long term
5. It reinforces the brand image with the customer

Important Characteristics

1. Reminding Act – When the target market has already been persuaded of the product's benefits, the marketing communication serves the purpose of reminding the consumer, so that while assessing the options for consumption, the consumer considers the product. Rewinding act of promotion helps to trigger the customer's memory.

2. Persuading Act – It is done to induce desired favourable behaviour from the consumer. Persuasion normally becomes the main promotion goal when the product enters the growth stage of life cycle. By this time the target market should have general product awareness and some knowledge of how the product is fulfilling wants. Hence, the promotional nature switches from informing consumers about the product category to persuading them to purchase.

3. Interpersonal Element – Marketing communication serves as a central element of the way in which people relate to and cooperate with each other and attending the interpersonal event which is the building block of society. Along with sending and receiving information in order to cooperate individuals are constantly communicating their self-images to all around them.

4. Human Skill – Marketing communication serves as a human skill as it is concerned with the state of mind of the communicator and with the state of mind of the person intended to receive the communication. Communications objectives are often specified as outcomes of attitude change.

5. Constant Activity – One of its important feature is that it is a constant activity. It is a universal and essential feature of human expression and organisation.

6. Information Transaction – It is information transaction as it is related with sending and receiving knowledge, ideas, facts, figures, goals, emotions and values, a ceaseless activity of all human beings, and therefore also of all human organisations.

7. Differentiating Act – Marketing communication try to keep out competing products from consumer decision-making by making promoted product more attractive and a closer match to their needs.

8. Informing Act – Providing data into the consumer’s mindful and appreciative thought processes to ensure that promoted product is considered as an attractive option in consumption. Marketing communication seeks to convert an existing need into want or to stimulate interest in a new product. As new product cannot establish itself against more mature products unless potential buyers do not have information about the product.

9. Marketing Tool – Communication can be viewed as neutral and compassionate, a form of human interaction which helps society and the organisations within it to work well, and which can only benefit those who take part in it. It is a selective art, as important for what it does not convey as for what it does convey.

10. Customer Oriented – The producer is responsible to perform the promotional activities and obtain all the required information about the present as well as prospective customers, so that products may be offered to the market as per their needs and wants, through marketing communication, the company tries to persuade and request the customers to purchase their goods or services

Promotion – 3 Specific Objectives

There are three specific objectives of promotion:

- (a) To Communicate,
- (b) To Convince, and
- (c) To Compete.

It has been pointed out that communication is the basis of all marketing effort. In fact, it involves much in addition to the stimulation of sales. Moreover, most marketing communications are promotional.

It is not enough merely to communicate. Ideas must be convincing so that action (purchase) would follow. In other words, distribution of information should be capable of producing marketing results.

A good product, an efficient channel, and appropriate price are not enough by themselves. Communication and convincing elements should supplement to offer contrasts to the efforts ‘of competitors. It may even be stated that the competitive characteristics of promotion defines its vital role in marketing strategy.

Communication is a necessary element in everyday and in every walk of life. People communicate for many reasons. A dynamic society cannot be there without sufficient modes of communication. Members of the society seek amusement, ask help, give help, provide information, all through some form of communication developed over centuries.

Promotion is the mode of communication adopted by business community for achieving certain specific objectives. From the point of view of a seller such communications may become necessary to modify consumer behaviour and thoughts and/or to reinforce existing behaviour of consumers.

Thus, the objectives of promotion are as under:

- (i) To provide information to prospective customers about the availability, features and uses of products.
- (ii) To stimulate demand by creating awareness and interest among customers,
- (iii) To differentiate a product from competitive products by creating brand loyalty,
- (iv) To stabilise sales by highlighting the utility of the product.

Promotion has often been the target of criticism. Some opine that “promotion contributes nothing to society”, and for some others “promotion forces consumers to buy products they cannot afford and do not need”, and so on. It may be true that promotion can certainly be criticised on many of its aggressive and compelling factors. But it should also be recognised

that it plays a crucial role in modern society, particularly in business, economic and social spheres of influence.

Promotion – Nature

1. Informative Process:

All promotions, essentially, are designed to inform the target market about the firm's offerings. It provides information to prospective consumers about the availability, features and uses of products. This will help the consumer in his intelligent buying

2. Persuasive Process:

The very purpose of promotion is to persuade people to buy. It is designed to stimulate purchase and to create a positive image in order to influence long-term buyer behavior.

3. Motivating Process:

Promotion aims at motivating distributors to provide more floor space to company's product and push them

4. Brand Switching:

Promotion aims at attracting customers using competitor's brands to its product or making consumers to switch brands.

5. Promotion is an Investment:

Promotional expenditure should not be seen as short-term effort to gain sales. It is an investment in the customers, hopefully creating positive attitude towards an organization or a product/service. A great deal of promotional investment is future orientated in exactly the same way as R&D and training.

6. Promotion is Directed Towards a Target Group:

A promotion strategy developed by company aims at a target group. Therefore, marketing communicators must start with a clear view of the target group. They should decide how comprehensively the group is to be covered and what type of message and media should be selected.

7. Promotion Calls for Economics:

Promotion involves huge amount of expenditure. It is suggested that promotional expenditure should be raised to the point where the marginal return matches marginal cost on promotional expenses.

8. It is an Intelligence Process:

Promotion decision involves lot of activities that are to be handled carefully. It includes identifying target audiences, determining sales-promotion objectives, deciding sales promotion vehicles, setting sales promotion budget etc.

Promotion is a form of communication with an additional element of persuasion to accept ideas, products, services and hence persuasive communication becomes the heart of promotion, the third element of marketing-mix.

Promotion is an important marketing strategy and is the spark-plug of the marketing-mix. Promotion helps people know that the right product at right price is available at the right place. In a competitive market, without promotion, practically no sale is effected. Promotion is the process of marketing communication to inform, persuade, remind and influence consumers in favor of a product or service.

Promotion – 4 Important Kinds of Promotion

1. Information Promotion:

All promotions, essentially, are designed to inform the target market about the firm's offerings. Informative promotion is more prevalent during early stages of product life cycle. It is a necessary ingredient for creating primary demand.

Such type of promotion is needed as the consumers make their purchases only if they are convinced about the product benefits. This could be done only with the help of communications and such communications are usually information-oriented and not sales-oriented. Naturally, this will help the consumer in this intelligent buying.

2. Buyer Behaviour Modifications:

The effect of promotion is measured through the modification in consumer behaviour. The repeated advertisements and constant personal selling methods are designed to achieve this goal.

3. Persuasive Promotion:

The basic purpose of promotion is to persuade people to buy. But many do not accept this goal, as it would involve high-pressure selling but essence of all promotion is persuasion. It is designed to stimulate purchase and to create a positive image in order to influence long-term buyer behaviour. Except on certain occasions promotion is not intended to create immediate response. Moreover, when the product enters growth stage persuasion becomes the primary goal of any kinds of promotion.

4. Reminder Promotion:

This goal is adopted when the product reaches maturity stage. Insisting and emphasising brand names and product features in competitive terms is the central aim of reminder promotion. It simply serves as a "memory jogger".

Promotion – Tool

Promotion refers to the process of informing and persuading the consumers to buy certain product. By using this process, the marketers convey persuasive message and information to its potential customers.

A firm uses different tools for its promotional activities which are as follows:

(i) Advertising:

Advertising is the most commonly used tool for informing the present and prospective consumers about the product, its quality, features, availability, etc. It is a paid form of non-personal communication through different media about a product, idea, a service or an organisation by an identified sponsor. It can be done through print media like newspapers, magazines, and electronic media like through radio, television, etc.

(ii) Publicity:

This is a non-paid process of generating wide range of communication to contribute a favourable attitude towards the product and the organisation, e.g., articles in newspapers about an organisation, its products and policies. The other tools of publicity are press conference, publication and news in the electronic media etc. It is published or broadcasted without charging any money from the firm.

(iii) Personal Selling:

When representatives of different companies try to persuade the customers personally it is called personal selling. It is a direct presentation of the product to the consumers or prospective buyers. It refers to the use of salespersons to persuade the buyers to act favorably and buy the product.

(iv) Sales Promotion:

This refers to short- term and temporary incentives to purchase or induce trials of new goods. The tool include contests, games, gifts, trade shows, discounts, etc.

All marketing communications must be planned as part of a total system and not as independent pieces. Promotional methods constitute the promotion-mix which has the following four ingredients.

All promotional methods try to influence consumer's attitude, beliefs, ways of living or life styles, values and preferences towards a company and its products, and thereby, influence his/her behaviors.

1. Advertising – It is defined as any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor. Advertising is impersonal salesmanship for mass selling, a means of mass communication.

2. Publicity – It is non-personal stimulation of demand for a product or service by placing commercially significant news about it in a publication or obtaining favourable presentation of it upon radio, TV, or stage that is not paid for by the sponsor.

3. Personal Selling – It is the best means of oral and face-to-face communication and presentation with the prospect for the purpose of making sales. It refers to oral face to face interaction between a sales person and prospective customer for the purpose of making sales.

4. Sales Promotion – It covers those marketing activities other than advertising, publicity and personal selling that stimulate consumer purchasing and dealer effectiveness. Such activities are displays, shows, exhibition, demonstration, and many other non-routine selling efforts at the point of purchase. Four promotional-mix elements have a definite role in all stages of the selling process. Publicity is effective in the awareness stage. Advertising gradually becomes less and less effective over a time span. Hence, reminder advertisement is necessary.

Personal selling becomes, more and more effective as inter-personal inter-action assumes increasing importance.

Today, promotion is not regarded as the sole tool of marketing communications. We have now the wider concept of the term "Marketing Communications."

In the communication mix of the firm we now include all the four components of marketing – mix (the 4 Ps).

(a) Total Product personality covering product quality and other features, brand name, company name, package and label.

(b) Price conveying quality, status, fair-charge, and unique technological features.

(c) Promotion-mix covering personal salesmanship, advertising, publicity and sales promotion.

(d) Place or point of sale indicating store-choice, store image, store display and store services. Thus, all 4 Ps (Product, Price, Promotion and Place of Distribution) communicate and act as senders of marketing messages.

Of course, promotion proper is the most substantial and most prominent component of marketing communication-mix.

Promotion – Main Purpose of Promotion

The overall purpose of promotion is to influence buyer behaviour and alter the location and shape of the consumer demand curve in favour of the product.

At Price P1 -Present Demand Q1, Increased demand Q2 due to promotion.

At same quantity Q1 sale-Present Price P1 increased price P2 due to promotion. Thus, Goal of Promotion –

a. Enhance demand at same price

b. Enhance Price at same demand.

The favourable change in the pattern of consumer demand is secured through commercial information, persuasion and influence with the help of personal selling, advertising, publicity and sales promotion devices.

Promotion – Social Aspects of Promotion

Promotional strategies may adversely influence the social and political environment. Marketers may succeed to bend demand to adapt itself with supply, i.e., product offering. But the marketing activities may aggravate the social problem e.g., media control, waste disposal, general welfare, deceptive advertising practices, high pressure salesmanship, misleading packaging and labeling, monopolistic or restrictive marketing practices, and so on.

When the product fulfills the needs of private consumption at the cost of general welfare, e.g., cigarettes or liquor, the criticism against promotion is greatest. Consumer advocates also point out that non-price competition through promotion involves additional waste of expenditure and ultimately the consumers have to bear the cost of promotion through higher prices. In the end consumers are forced to pay for all promotion expenses.

As long as promotion means right information and persuasion, it is tolerable and also justifiable. But when informing and persuading become deceiving, consumerism and government agencies can challenge such promotion. Consumerism has been pressing for more and more informative and less and less persuasive marketing communications.

The best example of misleading promotion is puffery in advertising? Superlative advertisements. Similarly, sexist advertisements are objected seriously by organizations of the fairer sex. Many sales promotion gimmicks are considered to demoralise the market.

Promotion devices should not mislead the average consumers, abuse the findings of research, manipulate consumer behaviour and market conditions. They must be accurate, credulous and fair in making comparisons with the products of rivals.

Promotion – Strategy

Strategy lays down the broad principles by which a company hopes to secure an advantage over competitors, exhibit attractiveness to buyers, and lead to full exploitation of company resources.

When marketers resort to promotion or persuasive communication in marketing, we have a kind of the promotion square.

It has four sides of equal importance, viz.:

- (a) The product described in the marketing communication.
- (b) The prospect to be converted into a customer through persuasion and influenced by promotion.
- (c) The seller or the sponsor who undertakes promotion, and
- (d) The channel or the route along which the product will move from the marketer to the buyer.

The promotion strategy will depend upon these four sides.

The promotion strategy deals with the following decisions:

- (i) The blend of promotional activities (advertising, publicity, personal selling and sales promotion),
- (ii) The amount allocated for the various forms of promotion particularly to the advertising media such as press, radio, television, and so on,
- (iii) The kind of promotion to be used.

Each kind of promotion has strengths and weaknesses as a communication medium. Each mode of promotion depends on the nature of the products, characteristics of the market, stage of market development and stage of the buyer's decision-making. These unique strengths and weaknesses must be duly recognised while designing the promotion (communication) mix.

Then again we have also interactions among the various forms of promotion. These interactions determine the total promotion effectiveness. The interdependences of all kinds of promotion demand an integrated approach to promotion or marketing communication strategy.

1. The Product:

The product is one of the factors determining the form of promotion. Toys are effectively shown on television. Press advertisements are unsuitable for children. Mass selling consumer goods can be easily promoted through radio and television advertising. Industrial and speciality goods should be promoted through technical journals and through sales engineers.

2. The Buyer:

If the marketers are to provide realistic solutions to the problem of buyers, they must know their customers, their needs and desires, their attitudes, values, aspirations and

expectations. Hence, marketers must have up-to-date information about consumer demand and consumer behaviour.

3. The Company:

The firm has a unique public image in the market. The firm's image must be closely associated with promotional strategy so that its goodwill can be exploited. Corporate advertisements usually emphasize more on the characters, reputation, reliability and responsibility of the marketing firm. Source credibility in promotion plays a very important role in making promotion believable to the receiver.

Effectiveness of communication depends upon the firm's image in the market. When the perceived risk in buying a product is higher, the source credibility is an important factor in purchase decisions. A credible or trustworthy source produces much greater change in buyer's predisposition than one that is not credible.

4. The Channel Choice:

The promotional strategy also depends on the channel or route through which products of the firm flow to consumers. There are pull and push strategies in promotion. Pull strategies depend upon mass communication. Products are literally pulled by buyers through the channels on the basis of mass promotional efforts. In a pull strategy the product is pulled through the channel by creating end-user demand.

Customers force retail shops to stock products from wholesalers. The firms have well-known brands that can exercise control over channels through pull promotion strategies. Personal salesmanship plays a secondary role in pull promotion. Marketers rely on intensive distribution. Dealer margins are also lower in pull promotion.

A pull strategy is also called a suction strategy. Extensive and heavy use of advertising and sales promotion would be necessary to generate consumer demand. There is less emphasis on personal selling at all stages of the marketing channel.

Small firms are unable to depend entirely on advertising and sales promotion, because large investment is involved due to emphasis on advertising and sales promotion. A push strategy is called a pressure strategy. It places heavy emphasis on personal selling.

Industrial marketing strategies are mostly the push type strategies relying primarily on personal selling. In the sale of medical products and in life insurance, marketers have to use large number of sales-people to call on physicians and prospects for life insurance. In push type promotion, personal selling expenses are considerable and dealer margin is also higher. In push type promotion, after sale service is also important. In push type promotion, marketers rely on selective distribution. Push strategy can be successfully used when- (1) we have a high quality product with unique selling points, (2) we have a high priced product, and (3) we can offer adequate incentives (financial) to middlemen and their salesmen.

Most consumer goods manufacturers generally employ a push pull (combination) strategy to sell their products. The ratio of pull to push may differ according to the requirements of market situation. Salesmen are used to push the goods through the marketing channel, while advertising and sales promotion will support personal selling to accelerate sales. Thus, all tools of promotion work together.

Promotion Strategies:

Various promotion strategies are:

1. Contests:

Contests are a frequently used promotional strategy. Many contests don't even require a purchase. The idea is to promote your brand and put your logo and name in front of the public rather than make money through a hard-sale campaign. People like to win prizes. Sponsoring contests can bring attention to your product without company overtness.

2. Social Media:

Social media websites such as Facebook and Google+ offer companies a way to promote products and services in a more relaxed environment. This is direct marketing at its best. Social networks connect with a world of potential customers that can view your company from a different perspective.

Rather than seeing your company as "trying to sell" something, the social network can see a company that is in touch with people on a more personal level. This can help lessen the divide between the company and the buyer, which in turn presents a more appealing and familiar image of the company.

3. Mail Order Marketing:

Customers who come into your business are not to be overlooked. These customers have already decided to purchase your product. What can be helpful is getting personal information from these customers. Offer a free product or service in exchange for the information. These are customers who are already familiar with your company and represent the target audience you want to market your new products to.

4. Product Giveaways:

Product giveaways and allowing potential customers to sample a product are methods used often by companies to introduce new food and household products. Many of these companies sponsor in store promotions, giving away product samples to entice the buying public into trying new products.

5. Point-of-Sale Promotion and End-Cap Marketing:

Point-of-sale and end-cap marketing are ways of selling product and promoting items in stores. The idea behind this promotional strategy is convenience and impulse. The end cap,

which sits at the end of aisles in grocery stores, features the products a store wants to promote or move quickly.

This product is positioned so it is easily accessible to the customer. Point-of-sale is a way to promote new products or products a store needs to move. These items are placed near the checkout in the store and are often purchased by consumers on impulse as they wait to be checked out.

6. Customer Referral Incentive Program:

The customer referral incentive program is a way to encourage current customers to refer new customers to the store. Free products, big discounts and cash rewards are some of the incentives it can use. This is a promotional strategy that leverages the customer base as a sales force.

7. Causes and Charity:

Promoting the products while supporting a cause can be an effective promotional strategy. Giving customers a sense of being a part of something larger simply by using products they might use anyway creates a win-win situation. To get the customers and the socially conscious image; customers get a product they can use and the sense of help a cause. One way to do this is to give a percentage of product profit to the cause the company has committed to helping.

8. Branded Promotional Gifts:

Giving away functional branded gifts can be a more effective promotional move than handing out simple business cards. Put the business card on a magnet, ink pen or key chain. These are gifts it can give your customers that they may use, which keeps the business in plain sight rather than in the trash or in a drawer with other business cards the customer may not look at.

9. Customer Appreciation Events:

An in-store customer appreciation event with free refreshments and door prizes will draw customers into the store. Emphasis on the appreciation part of the event, with no purchase of anything necessary, is an effective way to draw not only current customers but also potential customers through the door.

Pizza, hot dogs and soda are inexpensive food items that can be used to make the event more attractive. Setting up convenient product displays before the launch of the event will ensure the products you want to promote are highly visible when the customers arrive.

10. After-Sale Customer Surveys:

Contacting customers by telephone or through the mail after a sale is a promotional strategy that puts the importance of customer satisfaction first while leaving the door open for a promotional opportunity. Skilled salespeople make survey calls to customers to gather information that can later be used for marketing by asking questions relating to the way the customers feel about the products and services purchased. This serves the dual purpose of promoting your company as one that cares what the customer thinks and one that is always striving to provide the best service and product.

Push Strategy:

A push promotional strategy involves taking the product directly to the customer via whatever means, ensuring the customer is aware of your brand at the point of purchase.

The term 'push strategy' describes the work a manufacturer of a product needs to perform to get the product to the customer. This may involve setting up distribution channels and persuading middlemen and retailers to stock your product. The push technique can work particularly well for lower value items such as fast moving consumer goods (FMCGs), when customers are standing at the shelf ready to drop an item into their baskets and are ready to make their decision on the spot.

This term now broadly encompasses most direct promotional techniques such as encouraging retailers to stock your product, designing point of sale materials or even selling face to face. New businesses often adopt a push strategy for their products in order to generate exposure and a retail channel. Once your brand has been established, this can be integrated with a pull strategy.

Examples of Push Tactics:

- a) Trade show promotions to encourage retailer demand.
- b) Direct selling to customers in showrooms or face to face.
- c) Negotiation with retailers to stock your product.
- d) Efficient supply chain allowing retailers an efficient supply.
- e) Packaging design to encourage purchase.
- f) Point of sale displays.

Pull Strategy:

A pull strategy involves motivating customers to seek out your brand in an active process.

'Pull strategy' refers to the customer actively seeking out your product and retailers placing orders for stock due to direct consumer demand. A pull strategy requires a highly visible brand which can be developed through mass media advertising or similar tactics. If customers want a product, the retailers will stock it – supply and demand in its purest form, and this is the basis of a pull strategy. Create the demand and the supply channels will almost look after themselves.

Advertising:

Definition of Advertising:

Every day we come across hundreds of advertising messages, which tell us about various products such as soaps, detergent powder, soft drinks and services such as hotels, insurances policies etc. Advertising is perhaps the most commonly used tool of promotion by an organization. It is commonly understood as to communicate about a product or service. But it is not correct and complete to understand it as so.

Actually, advertising includes all the activities performed by the enterprise to present the goods and services to the consumer and to motivate them to buy these goods and services. It is non-personal form of communication, which is paid for by the marketer (sponsor) to promote his goods and services. The term "advertising" has been defined by many eminent authors as –

According to William J. Stanton, "Advertising consists of all the activities involved in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding a product or service or idea, this message is called advertisement, is disseminated through one or more media and is paid for, by the identified sponsor".

According to Wheeler, "Advertising is any form of paid non-personal presentation of ideas, goods and/or services for the purpose of inducing people to buy".

According to American Marketing Association, "Any paid form of non-personal presentation and promotion of ideas, goods and services, by an identified sponsor. The medium used are print broadcast, and direct".

Thus, advertising can be defined as a paid form of non-personal presentation of product or service or idea. In developing advertising programme, one must start with the identification of the needs and wants of the market and must take five major decisions regarding Mission, Money, Message, Media and Measurement of the advertisement programme as stated by Philip Kotler 'as 5 M's of advertising' in his book Marketing Management.

Basic Features of Advertising:

From the above explanation and definition of the authors, we can say that advertising has following distinguishing features:

- i. Paid Form – It is a paid form of communication i.e. the sponsor has to bear the cost of communication with the respondents.
- ii. Non-Personal – There is no direct face-to-face contact between the prospect and the advertiser. That is why it is referred as non-personal method of promotion.

iii. Identified Sponsor – Advertising is always undertaken by some identified individual or company, who makes advertising efforts and also bears the cost of undertaking such effort.

Elements of Advertising:

The elements of advertising are as follows:

i. Preparation or Homework:

Refers to the act of imagining and compiling all the possible advertisements by numerous mediums, which are as follows:

a. Taking references from the advertisements of competitors

b. Reading books on advertising to collect ideas

ii. Unique Selling Proposition (USP):

It refers to the singular benefits and advantages of a product that creates a favorable impression in the mind of customers. The advertisements should focus on USP of the product.

iii. Maintaining a Unique Image:

It indicates that an organization should stick to its own image and personality. The organization should not try to imitate its competitors rather should focus on the betterment of its own product or service.

iv. Teamwork:

It refers to the collective efforts of advertising specialists of an organization. These specialists work together towards the success of an advertisement. The collective efforts of specialists ensure that the product and its important aspects are well explained to customers through the advertisement.

v. Selecting an Efficient Advertising Medium:

It refers to the decisions taken to select the appropriate medium for advertising a product. The choice of a medium depends on the advertising budget of the organization, type of product, and targeted market. Few products do not require much explanation, thus, they can be advertised through a medium, such as radio. In this case, the target market comprises radio listeners who belong to lower-middle class families.

Few other products may require demonstrations or visual aids, for example, vacuum cleaners and water purification machines. Such products targets middle-class and high-class families and can be advertised through television.

vi. Retaining the Customers:

It indicates that an organization should not overlook its existing customers while trying to make new customers. It is important for the organization to keep producing numerous reminder advertisements to keep its existing customers updated about the existence of the product.

Objectives of Advertising:

The objective of advertising is nothing but to sale the product or idea or a service. The real objective of advertising is to increase awareness among the consumer about the sellers product. According to Huigy and Mitchell, “The pur-pose of advertising is to sell goods, services or ideas to a large group of prospective purchasers.”

R.S. Davar stated the advertising objective as, “Advertising aims at commencing the procedure, educating the consumer, supplementing the sales-man, connecting the dealer to eliminate the competitor but above all, it is a link between the producer and the consumer”.

In simple words the following are the main objectives of advertising:

1. Preparing Ground for Sale of New Products:

Whenever a new product is introduced in the market, advertising becomes necessary for informing potential consumers about the product. In this way, advertising can be used for preparing ground for sale of new product.

For achieving this objective, various mass media like radio, television and cinema are used by the advertisers.

2. Increasing Demand for the Product:

Another objective of the advertising is to increase the demand for the product. Advertising helps in creating a favourable atmosphere for maintain or improving sales of the product. By means of the advertising prospective customers may be induced to buy a particular product by informing them about comparative quality price and other attributes of the product. Thus, changing the habits of the consumers so as to shift from a rival product.

3. Educating the Consumers:

One of the basic objectives of every advertising is to educate the consumer and the users about the uses and utilities of the product. This helps the consumers and users in making good choice.

4. Building up Brand Image:

Another objective of advertising is to build up brand image and brand loyalty towards the product. This objective is achieved through constant and repeated advertising about the brand.

5. Facing the Competition:

One of the basic objectives of advertising is to help the marketer to face the existing competition effectively and efficiently. The marketers inform the consumer about the price, quality and availability of product through advertising.

6. Supplementing the Salesman:

The objective of advertising is also to assist the salesman's efforts in increasing the sales of the product. By means of educating customers about the product, advertising reduces the work load of the salesman for selling the product.

Mathew's, Buzzell and Frank had given the following objectives of the advertising:

- (a) To make an immediate sales.
- (b) To build primary market.
- (c) To introduce a price deal.
- (d) To inform about a product.
- (e) To build brand recognition or brand insistence.

- (f) To help salesmen by building an awareness of a product among retailers.
- (g) To create a reputation for services, reliability or research strength.
- (h) To increase market share.
- (i) To modify existing product appeals and buying motives.
- (j) To inform about the availability of new products or features or price.
- (k) To increase the frequency of use of a product,
- (l) To increase the number or quality of retail outlets,
- (m) To build overall company image,
- (n) To effect immediate buying action.
- (o) To reach new areas or new segments of population within existing areas, and
- (p) To develop overseas.

Types of Advertising:

Broadly speaking, advertising can be classified into two broad categories viz. product advertising and institutional advertising.

Product Advertising:

Product advertising is that advertising whose main purpose is to inform and stimulate the market about the advertiser's product or services. This advertising usually promote specific branded products in such a manner as to make it more desirable in the eyes of prospects than competitor's brand.

Product advertising on the basis of action can be further classified as Direct Action Advertising and Indirect Action Advertising —

(a) Direct-Action Advertising – Direct-action advertising are those advertisements which makes buyer to take action immediately. For example- Reduction in price during clearance sales.

(b) Indirect-Action Advertising – Indirect-action advertising is done to stimulate demand over a period of time and increase buyer's respect towards manufacturer's brand. Such advertising is a form of long-range promotion and is designed to create desires in the buyer's mind.

Product advertising on the basis of demand may be sub-divided into pioneer demand advertising and selective demand advertising.

(a) Pioneer Demand Advertising is used when a product is first introduced in the market. The main aim of such advertising is to inform about what the product is, what it does, how it is used and from where it can be purchased. For example – advertising of motor cars, electronic items etc., for first time.

(b) Selective advertising is made to meet the selective demand for a particular brand or type of product such as Ambassador Car. It is also known as competitive advertising as it point out features and advantages that a consumer get by using it and that may not be available in competing brand.

Product advertising can be also divided on the basis of product life cycle stage. It can be informative, persuasive and reminder advertising.

(a) Informative advertising is that advertising which is done for the promotion of the products. It seeks to develop initial demand for a product. These advertising ads are such that they appeals to the consumer's emotions as well as their rational motives. These are used at the introduction stage of the product life cycle.

(b) Persuasive product advertising is done at growth and maturity stage in the product life cycle. These advertisements aim at providing competitive advantage over the rivals' product.

(c) Reminder product advertising aims at reminding the prospects about the features and benefits of the products. It is generally used at the maturity as well as in decline phase of the product life cycle. It is also known as retentive advertising.

Functions of Advertising:

For many firms advertising is the dominant element of their promotion mix. It is particularly true in the case of producers producing convenience goods like – detergent, toilet soaps; soft drinks etc. However, in recent times the use of advertising is continuously increasing in case of shopping and speciality goods too, as we see in case of automobiles; home appliances etc. Huge advertising is done by the marketers to introduce a new product and show its features to the target audience.

Advertising can also be used to convince the potential buyers that firm's goods or services are superior to that of the competitor's goods or services in terms of quality, quantity or price. It also creates a brand image in the mind of the customer and make them loyal towards the firms goods or services.

Advertising generally performs the following functions:

- i. Promotion of firm's goods and services and thereby increasing sales of the firm.
- ii. Creating awareness in the potential buyer about the new product.
- iii. Creating a favourable public image and thereby brand image in the market.
- iv. Mass production facilities and thereby optimum utilization of resource of the firm.
- v. Providing supportive roles to other promotional measures.

Media of Advertising:

1. Mural Advertising:

Mural or outdoor advertising has long life. It has a general and wide appeal. It can attract attention of a large section of population. An advertiser has ample scope to use skill and art in advertising.

2. Press Advertising:

Newspapers have a general and wide appeal. Repeat advertising is possible. Periodical change in size and contents is also easy. Newspapers offer promotional assistance. They are the best source of market information.

However, newspapers have short span of life. We cannot have coloured and attractive advertisements. Waste in advertising is considerable. Illiteracy affects its utility.

3. Film Advertising:

It has a wide appeal. It can overcome language barriers. Audio visual technique has maximum impact on audience. Sound and sight both are employed for communicating the message.

4. Radio Advertisement:

Radio has the shortest closing times. Radio uses only an audio signal. Announcement can be made very quickly. It can secure dealer support, has a very wide appeal and suitable even for illiterate people. Repeat message is quite common.

5. Television Advertisement:

Television uses both video and audio signals. Television has all the advantages of radio, namely, sound and explanation, plus the additional advantage of sight. It can appeal through ear as well as eye.

Products can be demonstrated with explanation. Television reaches the audience almost like personal face to face contact. To that extent it is just like personal salesmanship.

6. Transit Advertising:

It consists of car-card advertising, which is located within buses, subways, railways and outside displays which appear on the front sides and backs of buses or other public transport and at transportation terminals. It is the lowest-cost media.

7. Direct Mail:

Direct mail is any advertising sent by mail, including sales letters, folders, pamphlets, booklets, catalogues and the like. Direct mail is the most personal and selective media. It reaches only the desired prospects. It has minimum waste in circulation.

Benefits of Advertising:

Advertising helps in spreading information about the advertising firm, its products, qualities and place of availability of its products, and so on. It helps to create a non-personal link between the advertiser and the receiver of the message.

The significance of advertising has increased in the modern era of large scale production and tough competition in the market. Advertising is needed not only by the manufacturers and traders but also for the customers and the society.

1. Benefits to Manufacturers and Traders:

It pays to advertise.

Advertising has become indispensable for the manufacturers and distributors because of the following advantages:

(i) Advertising helps in introducing new products. A business enterprise can introduce itself and its products to the public through advertising.

(ii) It can create new taste among the public and stimulate them to purchase the new product through effective advertisement.

(iii) Advertising assists to increase the sale of existing products by entering into new markets and attracting new customers.

(iv) Advertising helps to create steady demand of the products. For instance, a drink may be advertised during summer as a product necessary to fight tiredness caused by heat and during winter as an essential thing to resist cold.

(v) Advertising help in meeting the forces of competition in the market-place. If a product is not advertised continuously, the competitors may snatch its market through increased advertisements. Therefore, in certain cases, advertising is a necessity to remain in the market and remind the customer as done by soft drink companies.

(vi) Advertising is used to increase the goodwill of a firm by promising improved quality to the customers.

(vii) Advertisements increase the morale of the employees of the firm. The salesmen feel happier because their task becomes easier if the product is advertised and known to the public.

(viii) Advertising facilitates mass production of goods which enables the manufacturer to achieve lower cost per unit of product. Distribution costs are also lowered when the

manufacturer sells the product directly to the customers. Advertising facilitates direct distribution of the product through the retailers. Retailers are encouraged to purchase and sell the advertised products.

2. Benefits to Customers:

Advertising offers the following advantages to customers:

Advertising helps the customers to know about the existence of various products and their prices. They can choose from the various brands to satisfy their wants. Thus, they cannot be exploited by the sellers.

(ii) Advertising educates the people about new products and their diverse uses.

(iii) Advertising increased the utility of existing products for many people adds to the amount of satisfaction which they are already enjoying.

(iv) Advertising induces the manufacturers to improve the quality of their products through research and development. This ensures supply of the products of better quality to the consumers.

3. Benefits to Society:

The society at large is also benefited because of advertisement:

(i) Advertising provides employment to persons engaged in writing, designing and issuing advertisements. Increases employment brings additional income with the people which stimulates more demand. Employment is further generated to meet the increased demand.

(ii) Advertising promotes the standard of living of the people by increasing the variety and quality in consumption as a result of sustained research and development activities by the manufacturers.

(iii) Advertising educates the people about the various uses of different products and this increases their knowledge. Advertising also helps in find customers in the international market which is essential for earning foreign exchange.

(iv) Advertising sustains the press, and other media. It provides an important source of income to the press, radio and television network. The customers are also benefited because they get newspapers and magazines at cheaper rates. The publishers of newspapers and magazines are benefited because of increased circulation of their publications. Lastly, advertising also encourages commercial art.

Publicity

Publicity is also a way of mass communication. It is not a paid form of mass communication that involves getting favourable response of buyers by placing commercially significant news in mass media. Publicity is not paid for by the organisation. Publicity comes from reporters, columnists, and journalists. It can be considered as a part of public relations.

Publicity involves giving public speeches, giving interviews, conducting seminars, offering charitable donations, inaugurating mega events by film actors, cricketers, politicians, or popular personalities, arranging stage show, etc., that attract mass media to publish the news about them.

Publicity is undertaken for a wide range of purposes like promoting new products, increasing sales of existing product, etc. It also aimed at highlighting employees' achievements, company's civic activities, pollution control steps, research and development

successes, financial performance, its progress, any other missionary activities, or social contribution.

Definitions:

Publicity has been defined as:

1. William J. Stanton:

“Publicity is any promotional communication regarding an organisation and/or its products where the message is not paid for by the organisation benefiting from it.”

2. Philip Kotler:

“Non-personal stimulation of demand for the product or service, or business unit by placing commercially significant news about it in public medium or obtaining favourable presentation of it upon radio, television, or stage that is not paid for by the sponsor.”

Characteristics of Publicity:

Key characteristics of publicity have been briefly described in following part:

1. Meaning:

Publicity is not a paid form of mass communication that involves getting favourable response of buyers by placing commercially significant news in mass media. It involves obtaining favourable presentation upon radio, newspapers, television, or stage that is not paid for by the sponsor.

2. Non-paid Form:

Publicity is not a paid form of communication. It is not directly paid by producer. However, it involves various indirect costs. For example, a firm needs some amount for arranging function, calling press conference, inviting outstanding personalities, decorating of stage, other related costs, etc.

3. Various Media:

Mostly, publicity can be carried via newspapers, magazines, radio, or television. For example, in case a product is launched by popular personality in a grand function, the mass media like newspapers, television, radio, magazines, etc., will definitely publicize the event.

4. Objectives:

Sales promotion is undertaken for a wide variety of purposes. They may include promotion of new product, pollution control, special achievements of employees, publicizing new policies, or increase in sales. It is primarily concerns with publishing or highlighting company's activities and products. It is targeted to build company's image. In a long run, it can contribute to increase sales.

5. Control of Producer:

Company has no control over publicity in terms of message, time, frequency, information, and medium. It comes through mass media like radio, newspapers, television, etc. It is given independently by the third party. It is presented as a news rather than propaganda.

6. Credibility/Social Significance:

Publicity has high degree of credibility or reliability as it comes from mass media independently. It is given as news for social interest. It has more social significance compared to other means of market promotion.

7. Part of Public Relations:

Publicity is a part of broad public relations efforts and activities. Public relations includes improving, establishing, and maintaining direct relations with all publics. Publicity can help improve public relations.

8. Costs:

Publicity can be done at much lower cost than advertising. Company needs to spend a little amount to get the event or function publicized.

9. Effect:

Publicity message is more likely to be read, viewed, heard, and reacted by audience. It has a high degree of believability as it is given by the third party.

10. Repetition:

Frequency or repetition of publicity in mass media depends upon its social significance or the values for news. Mostly, it appears only once.

Importance of Publicity:

Like advertising and sales promotion, sales can be increased by publicity, too. Publicity carries more credibility compared to advertisement. Publicity is cost free; it doesn't involve direct cost. Publicity offers a lot of benefits to the producers and distributors.

Importance of publicity can be made clear from the below stated points:

1. Publicity is an effective medium to disseminate message to the mass with more credibility. People have more trust on news given by publicity.
2. The credibility level of publicity is much higher than advertising and other means of market promotion. People express more trust on what the third party independently says. It appears directly through newspapers, magazines, television, or radio by the third party. It is free from bias.
3. It provides more information as the valuable information is free from space and time constraints. Similarly, publicity takes place immediately. No need to wait for time or space in mass media. It enjoys priority.
4. The firm is not required to pay for publicity. The indirect costs related to publicity are much lower than other means of promotion.
5. It is a part of public relations. It is free from exaggeration; it carries more factual information about company. It is more trustable. It helps establish public relations.

6. Generally, publicity covers the varied information. It normally involves name of company, its goods and services, history, outstanding achievements, and other similar issues. The knowledge is more complete compared to advertisement.

7. Publicity directly helps middlemen and sale persons. Their tasks become easy. Publicity speaks a lot about products on behalf of middlemen and salesmen. Sellers are not required to provide more information to convince the buyers.

8. It is suitable to those companies which cannot effort the expensive ways to promote the product.

9. Publicity increases credit or fame of the company. Publicity on company's assistance in relief operations during flood, earthquake, draught, and other natural calamities highlights its name and social contribution in mass media. People hold high esteem to this company.

10. Publicity can be used by non-commercial organisations/institutes like universities, hospitals, associations of blinds or handicaps, and other social and missionary organisations. They can publicize their noble works by the medium of publicity.

Objectives of Publicity:

Publicity is aimed at a number of objectives.

The most common objectives of publicity have been discussed in brief as under:

1. Building Corporate Image:

Through publicity, a company can build or improve its corporate image. People trust more on what press reporters, columnists, or newsreaders say via mass media independently than what the company says. Publicity highlights the company's name and operations. It popularizes the name of the company.

2. Economy:

It is a cost saving medium. Here, a company is not required to pay for message preparation, buying space and time, etc. The cost involved is much lower than other means of market promotion. Financially poor companies may opt for publicity.

3. Assisting Middlemen and Salesmen:

Publicity can help middlemen and salesmen in performing the sales-related activities successfully. Information conveyed through publicity speaks a lot of things on behalf of sellers. publicity makes selling tasks much easier.

4. Information with High Creditability:

Sometimes, publicity is targeted to disseminate information more reliably. Customers do not express doubts on what publicity appeals. Customers assign more value to information supplied by mass media via publicity than by the advertisement.

5. Removing Misunderstanding or Bad Image:

Company can defend the product that has encountered public problems. In many cases, publicity is aimed at removing misunderstanding or bad impression. Whatever a publicity conveys is more likely to be believed.

6. Building Interest on Product Categories:

Publicity attracts attention of buyers. Due to more trusted news, people build interest in various products and activities.

7. Newsworthiness Information:

Publicity publicizes the fact in an interesting ways. Publicity is eye-catching in nature. People do not skip the news presented by publicity that more likely happens in case of advertising. For example, when a new product is launched by the distinguished personalities like film star, eminent artist, or cricketer in a grand function, the product becomes popular within no time.

Salesmanship: Definition, Importance, Duties and Types!

“The personal selling” and “salesmanship” are often used interchangeably, but there is an important difference. Personal selling is the broader concept. Salesmanship may or may not be an important part of personal selling and it is never ‘all of it. Along with other key marketing elements, such as pricing, advertising, product development and research, marketing channels and physical distribution, the personal selling is a means through which marketing programmes are implemented.

The broad purpose of marketing is to bring a firm’s products into contact with markets and to effect profitable exchanges of products for money. The purpose of personal selling is to bring the right products into contact with the right customers, and make ownership transfer.

Salesmanship is one of the skills used in personal selling, as defined by Stroh, “it is a direct, face-to-face, seller-to-buyer influence which can communicate the facts necessary for marketing a buying decision; or it can utilize the psychology of persuasion to encourage the formation of a buying decision”.

Salesmanship is seller-initiated effort that provides prospective buyers with information and motivates or persuades them to make favourable buying decisions concerning the seller’s products or service. The salesman of today has to react and interact in any different ways to many different people.

Apart from the knowledge of the product, a salesperson has to be a psychologist with one prospect, a human computer with another, an adviser with another, and at the same time a friend with some buyers. Salespersons must adjust their personalities on every call. Salesmanship may be implemented not only through personal selling but through advertising. Thus, advertising has been described as “salesmanship in print.”

“He who works with his hands is a labourer.

“He who works with his hands and his head is a craftsman.

“He who works with his hands, HEAD and heart is an artist.

“He who works with hands, his head, his heart and his feet is a salesman.”

Salesmanship is the ability to persuade people to want the things which they already need. Salesmanship is the ability to convert human needs into wants. The work of salesman is a service i.e., helping the consumer. The salesman gives a solution to the customer's problems. Salesmanship is the ability to handle the people and to handle the products.

Definition:

According to W.G Carter, "Salesmanship is in attempt to induce people to buy goods." According to the National Association of Marketing Teachers of America, "It is the ability to persuade people to buy goods or services at a profit to the seller and benefit to the buyer." Thus, salesmanship is the process of persuading a person to buy goods or services. It does not mean that salesmanship is applied only to personal selling; it can also be applied to advertising- printed salesmanship. Salesmanship in its broader meaning, includes all types of persuasion means, by a seller, viz., advertising, personal selling and other methods.

Modern Concept of Salesmanship:

In olden days, a salesman takes an order. He shows the goods. He waits for an order. Then he receives the payment. He never attempts to guide, or help or persuade the consumers. But the modern concept of salesmanship is entirely different from the old concept of salesmanship. Modern concept is creative in approach. He creates needs and converts them into wants. Customer satisfaction is the main problem of salesman. Mutual profit is essential both for the buyer and the seller. Salesman guides the customer to buy things which satisfy his want. Salesman motivates the feelings of the customers to act.

Importance of Salesmanship:

In the present day, salesmanship plays an important part. Salesman is the connecting link between sellers and buyers at every step., i.e" from the collection of raw materials to the finished products. , Of all, customers are the most benefited by salesmen. Present era is of large-scale production, which is in anticipation of demand. The market expands along with competition. This makes distribution a difficult and a complex factor in the face of still competition. The expansion of the market, growing competition etc., invite a better salesmanship.

1. Important to Producers:

Salesmanship is important to producers and manufacturers. For pushing products into the competitive market, salesmanship is necessary. To capture new markets also salesmanship is very important. Salesmen increase the sales volume. It brings larger profits to the manufacturers. Salesmen work as the "eye and ear" for the manufacturers.

They improve their products according to the taste of the consumers. They improve their sales policies by keeping in mind the suggestions, impressions and complaints of the consumers. He is the creator of demand. Hence it leads to increased production and increased business activity. As such it increases employment opportunity as well as personal incomes.

2. Important to Consumers:

Salesman educates and guides the consumers. He gives them more satisfaction. 'Consumers are right' in the marketing. As such, he gives more importance to them. Salesman helps the consumers in making the right decision and proper selection of the products which they want to buy. Salesmanship increases the rate of turnover, and hence reduces unsold stock. As such it minimizes the economic stagnation. Consumers can select the best products according to their requirements, taste and money.

Duties of a Salesman:

1. The principal duty is to make sales of products or services.
2. He has to do the assigned duty (travelling).
3. He has to make collection of bills relating to sale.
4. He has to make report-Sales made, Calls made, Services rendered, customers lost, competition and any other matters, relating to firm.
5. All complainants must be satisfied peacefully.
6. He has to attend sales meetings.
7. A salesman with his experience must supply information in order to solve problems relating to product or the firm.
8. He must maintain a good relation with the customers.
9. He must assist the customers to make good selection.
10. He must develop a goodwill for the firm and the products.
11. He must have cooperative habits.
- 12 He takes periodic inventories of the stocks.

Characteristics or the Qualities of a Successful Salesman:

1. Establishing good relationship with a variety of people.
2. Learning quickly and adapting smoothly.
3. Planning ahead and efficiently managing his time and efforts.
4. Working hard to achieve his goals, dedicating himself to provide long-term service, rather than having a get-rich-quick attitude.
5. Communicating clearly both in speech and in writing.
6. Thinking analytically and learning to break problems down to their basic components.
7. Producing constantly both in quality and quantity rather than performing erratically.
8. Persisting steadily his goal and not giving up easily.
9. Possessing and living up to high moral characteristics that enable people to admire,, respect and trust him.

"Personality is the personal distinction or dynamic force which is felt by everybody who comes within the radius." Personality is the sum total of the impressions made on people with whom one comes into contact. The impression is the result of many qualities that one possesses. There are a number of qualities which make a salesman successful.

To become a successful salesman, he must master all the traits. A number of evidences as given by RG Walters, J.W. Windate, Russel etc., divide the qualities of a successful salesman into the following major factors. They are: 1. Personality of a salesman, 2. Knowledge of the product and, 3. Knowledge of the customers and their buying motives.

Type of Salesmen:

1. Manufacturer's Salesmen:

(a) Missionary Salesmen:

They are also known as Creative Salesmen or Pioneer Salesmen. They are employed by manufacturers and do the work, of missionary nature. They create demand for the products. They usually develop goodwill. They call on distributors- wholesalers, retailers, customers, in order to educate, train and induce them to promote the products. Manufacturers of medical supplies use this type of salesmen to promote their products.

(b) Merchandising Salesmen:

They assist dealers by giving suggestions on display, store- layout, service facility etc. They arrange wide publicity and conduct demonstration for dealer salesmen, by even working along with them. They are largely involved in drugs, medicines, grocery etc. There is a wide scope for this category.

(c) Dealer-Servicing Salesman:

These salesmen call on retailers in their territory and visit them often. They bring samples of new products, take orders and make up window display.

(d) Sale Promotion Salesmen:

They are also known as Retail Salesman. They are specialised in promotional work. They are representatives of medical firms or publishers. They may not take spot orders but they try to convince people like doctors about the new drug, research work, testing, result etc. They create demand by calling on customers,

(e) Technical Salesmen:

They are trained technically. They provide technical assistance to company's customers on matter connected with the product, its quality, its design, its installation etc. Generally these types of salesmen deal with computers, equipment's, machinery items, chemical products etc.

2. Wholesaler's Salesmen:

Products reach the hands of customers through a number of channels, the main channel being wholesalers. They are the nerve-centres of distribution between manufacturers and retailers. These salesmen are mainly concerned with retailers through whom the products are to be marketed.

Their main concerns are:

1. To guide the wholesalers in giving credit transaction to retailers,
2. To collect bills from retailers and customers,
3. To collect information of the market trend,
4. To help retailers to improve sales and
5. To take orders from retailers.

3. Retail Salesmen:

They are of two types: 1. Indoor salesmen and 2. Outdoor Salesmen. Indoor salesmen work within the store—counter sales over the counter. They do not need training as they have to face only customers and not the prospects. They deal with regular buyers. They are order filling salesmen.

They receive orders and execute them. They must have good manners and a helpful attitude. They must be able to guide the customers and help them to make quick decisions.

They must also be knowledgeable and honest. Above all, they must maintain products in the shelves in an attractive manner.

Outdoor salesmen may also be called travelling salesmen. Their main job is to make regular travels, visit customers, canvass orders etc. They must possess all the qualities of ideal salesmen.

4. Speciality Salesmen:

They are to sell speciality products-expensive durable goods, furniture, books, house furnishings, washing machines, automobiles, refrigerators etc. People purchase these products only after a personal and careful selection, because they do not buy them frequently. Salesmen of this kind must be masters of the art of salesmanship. They are representatives of manufacturers, who produce special items.

Qualities of a Salesperson: 8 Major Qualities

To be successful, a salesperson must possess several qualities of head and heart. However, it is difficult to give a universal or exhaustive list of such qualities or traits because different situations require different qualities.

A person may make a good salesperson in one line of business and may fail in another line.

The qualities of a salesperson can be studied under the following heads:-

1. Physical Attributes 2. Mental Attributes 3. Social Attributes 4. Vocational Attributes 5. General Qualities.

The essential qualities are explained below:

1. Impressive personality – A salesman should have a good appearance. He should have good build and be well dressed. As soon as a salesman comes into contact with a potential customer, the latter will be impressed by the salesman's pleasing personality.

2. Sound health – A salesman has to work hard. He is to travel a lot. He should possess sound health.

3. Knowledge of the product and the company – A salesman should have full knowledge of the product and the company he is representing. He should be able to explain each and every aspect of the product i.e. its qualities, how to use it, what precautions to be taken, etc. He should be able to explain the business and service record of the company. He should also have knowledge of products of rival companies. So that he can put across the superiority of his own products.

4. Mental qualities – A good salesman should possess certain mental qualities like imagination, initiative, self-confidence, sharp memory, alertness etc. He should be able to understand the needs and preference of customer.

5. Integrity of character – A good salesman should possess the qualities of honesty and integrity. He is to gain the confidence of the customers. He should be able to understand their needs and guide them as how to satisfy those needs. His employer too should have faith in him. A salesman should be loyal both to the employer and to the consumer.

6. Good behaviour – A salesman should be co-operative and courteous. Good behaviour enables one to win the confidence of the customers. He should not feel irritated if the buyer puts up many questions even if the questions are irrelevant. It is also not necessary that the

person he is trying to convince buys the products. A salesman has to remain courteous in every case.

7. Ability to persuade – A salesman should be good in conversation so that he can engage the person he is attending in conversation. He should be able to convince him and create the desire in his mind to possess the commodity.

8. Flexibility of approach – He should interact with customers with a flexible approach, i.e., try to persuade different types of customers with different reasons.

Qualities of a Salesperson

Sales is the oldest profession in history and a great profession, it must remain buyer focused. Buyers now have an alternative as they can buy anything they want off of the internet, and not have their time wasted by sales people.

Now to be a success in sales you need to know how to train yourself to be a great salesperson.

- i. Carry out personal SWOT analysis for identifying the strength, weakness, opportunities and threats.
- ii. Set S.M.A.R.T., Specific, Measurable, Attainable, Relevant and Tractable goals and a supporting plan of action.
- iii. Dedicate one hour of your most productive time of the day to yourself, the most important person in the world.
- iv. Read newspapers, journals, company profile, books on non-traditional sales, motivation and personal leadership.
- v. Surround yourself with like-minded people, and become accountable to each other on actions to be taken. Meet regularly and share learning and experiences.
- vi. Apply what you learn, in the real world, as early as possible.
- vii. Allow yourself to fail, and when you fail, seek out the lesson learned and grow from the experience.

Qualities of a Salesperson – 6 Important Qualities

Salesmanship itself is a challenging task on the one hand and equally interesting and remunerative on the other hand.

Salesmen, to be effective should possess certain qualities as follows:

1. Knowledge of the Self:

A salesman should first of all understand himself-his strengths and weaknesses so that he develops confidence. He should develop certain personal qualities which are essential for effective salesmanship.

He should possess the following physical, mental, social and character related personality features – sound health, good posture, pleasant voice, good appearance, cheerfulness, imagination, alertness, resourcefulness, initiative, observation, self-confidence, memory, sociability, enthusiasm, tact, co-operation, courtesy, patience and tolerance, effective

speech, integrity, honesty, loyalty, industriousness, reliability, courage, sincerity, maturity and determination.

2. Knowledge of the Company:

Consumers always relate the products to the company. Therefore company's reputation is a very important factor for effective salesmanship. A salesman has to present his company in a very positive way. This requires that he knows the following facts about his own company- the origin, the present status, the technology, reputation, philosophy, capital, location of the factories, the facilities available etc.

3. Knowledge of the Product:

Customers are very curious about knowing about various aspects of the product. Therefore they would like to know various details about the product and the salesman should be able to provide them information about all the product aspects and clear their doubts. A salesman should know the following authentic details about the product- the raw materials, the manufacturing process, technological details, the durability, the content, the uses, tips for using, features, disposability after use etc.

4. Knowledge of the Competition:

The effective sales of a product depend a lot on the competition. A salesman must be in a position to project the products of his company as a superior and cost effective one as compared with the products of the competition. Therefore, he should possess a thorough knowledge about the competition and its products. He should be capable of giving a comparative analysis of his company's and the competitors' products. He should be able to convince the customers regarding the superiority of his company's products based on such a comparison.

5. Knowledge of Customers:

The success of a salesman depends on his ability to understand the customers and convince them. For this purpose a salesman should know customer well. He should be able to identify the following about his customers- wants and desires, expectations, buying motives, buying habits, buying behaviour, purchasing power etc.

6. Knowledge of the Selling Process:

Sale itself is a process and it involves several stages. Therefore, a salesman should be able to understand the stages and be able to go through all the stages such as prospecting, preparation, presentation and conclusion.

Qualities of Salesperson

It is difficult to describe the qualities of a good salesman because the duties and responsibilities of different types of salesmen are not the same. Nevertheless, there are some basic qualities which every salesperson should possess in order to be successful.

These qualities are given below:

1. Physical qualities – A salesman must have good health and a good personality. He should have attractive, cheerful and smart appearance. Appropriate dress, clean appearance and a good posture create a favourable impression on customers.

2. Mental qualities – A salesman should be intelligent. He should have a strong memory and keen observation skills in order to remember and understand his customers. He should also have complete knowledge of competitive products, customers and various selling techniques.

3. Social qualities – A salesman must have good manners and a courteous behaviour. He should be tactful. Strong will, self-confidence, ambition, sincerity, loyalty and honesty are important social attributes of a good salesman.

4. Vocational qualities – A salesman should have adequate educational and professional qualifications. He should possess sufficient and specialised knowledge about the product he is selling and the company he is representing.

Qualities of a Salesperson – General and Vocational Qualities

I. General Qualities:

1. Physical qualities
2. Mental qualities
3. Social qualities
4. Moral qualities

A brief description in each case is given below:

1. Physical Qualities:

It is essential for a good salesman to possess certain physical qualities so as to impress upon the customers and other. He should be well cautious about his physical appearance and to maintain it throughout his selling career. Physical attributes may include good appearance, sound health, cheerful disposition, stamina, postures, promptness; dress and cleanliness.

2. Mental Qualities:

A successful salesman must possess the mental qualities like mental alertness, far-sightedness and imagination, tactfulness, ability to observe and judge, capacity to make decisions, self-confidence, initiative, ambitious, tolerance, courtesy, sharp memory, maturity, determination, enthusiasm, sincerity and dependability. These qualities help him to be strong in his vision and promptness in selling.

3. Social Qualities:

A good salesman must feel that first of all he is a member of the society where he lives and therefore, must possess certain social qualities like honesty and trust-worthiness, good behaviour, cooperative nature, sweet speaking, tactfulness, courtesy, cheerful disposition, convincing conversation, patience and considerate, resourcefulness, loyal good character, social grace, poise, feeling of social responsibility, etc. These qualities will help him to make a society of friends and to create new relationship with the people he meets.

4. Moral Qualities:

Moral and ethical values that should be possessed by a good salesman include honesty, integrity, loyalty and high moral “Honesty is the best policy.” Therefore, he should be very honest in his practical way of life. Similarly, the salesman should be loyal to institution where he is employed; his profession and also to the customers.

Herbert N. Kessan has stated that most of the customers pay respect and praise to those salesmen who are loyal to them. Further, the salesmen must have high moral character to win over the will of people. Prof. Hawkins has written that a person of high moral character keeps him reflected in the minds of the people by his effective speech, good behaviour and by presentation of facts.

II. Specific or Vocational Qualities:

1. Product knowledge
2. Effective speaking
3. Ability to create and maintain sound customer relations.

1. Product Knowledge:

Ernest and Davall writes, "Nothing is important to the salesman than knowing his product." It appears to be correct that a salesman cannot give justice to his customers if he does not have the knowledge of the product he deal with, inspite of possessing all the general and vocational skills.

Aptitude for selling, education and training, knowledge about the history of the firm, communication skills, good knowledge about commercial and economic laws, are also equality important to a salesman, together with the product knowledge.

Importance of Product Knowledge:

The importance of having good knowledge about the product for a salesman, is based on a number of reasons.

(i) For Better Presentation of the Product:

Without having sufficient knowledge of the product, its quality, advantage of having the product, its main features, uses, etc., a salesman cannot be able to present his product or services in a good manner before the customers. The success in sales mainly depends no its effective presentation by the salesman.

This may be the reason that Alfred Gross has written that a producer will never be so dissatisfied with the lower sales record, than any other reason except that his customers have no knowledge about the special features of the product. In order to give sufficient product knowledge to the customers, the salesman must posses adequate knowledge about the product that he deals with.

(ii) Ensure Better Demonstration:

Demonstration of the product in front of prospective buyers can effectively be made possible, only when the salesman knows very well about the product characteristics. Alfred Gross has written that there will be no other matter which is so disturbing a salesman except a wrong demonstration.

(iii) Strengthens Self-Confidence:

Unless a salesman possesses good knowledge about his product, he will not be in a better position to satisfy his customers more confidently and more convincingly. An upto date knowledge about the product, therefore, will strengthen his self-confidence.

(iv) Makes Selling a Pleasant Task:

The more he knows about the product, the more he feels pleasant in his selling task. This is because that he will be able to satisfy the customers.

(v) Ensuring Satisfactorily Meeting Objections:

The buyers are always anxious to collect detailed information about the product in respect of quality, technical nature, size, method of operation, upkeep, maintenance, price, etc. so as to enable them to take a better decision towards purchasing of a product.

The buyers often raise objections/doubts about these aspects because of their having no proper knowledge about the product. In such a situation, it is very essential for the salesman to have detailed information about the product so as to meet the objections of the buyers and to ensure more sales.

(vi) To Face Competition Successfully:

In a competitive business situation where the product are frequently modified or new and improved products are introduced in the market by competing firms, it is very difficult to sell a product unless the salesman knows detailed information about the modification or improvement made in the quality, size features, uses, etc. of the product. A good salesman stands like a soldier in the world of selling and keeps diversified knowledge about the product so as to divert the attention of buyers to his own product, than of his competitors.

(vii) To Present Accurate Information about the Product:

Once cannot present a product to the satisfaction of customers unless he possesses the factual and accurate information about the characteristics of the product. In such a situation he can only create confusion among the customers by his inaccurate presentation of facts or with unfair information.

(viii) Increase in Income:

Good knowledge about the product may ensure satisfactory meeting of the customer objections and facing the competition successfully. These things will ensure more sales leading to increase in incomes of the firm.

(ix) To Justify the Higher Price Strategy:

Better quality and standard, and improvement in product suggest for higher prices because of higher production costs. Customers will be prepared to pay increased prices when they are fully satisfied with the quality/standard/improvements in the products. For the purpose of convincing the customers about increase in prices of the products, the salesman must know more about these aspects of the product.

(x) Assist the Buyers in their Buying Decisions:

Where the salesman possesses sufficient knowledge about the quality, price, standard and uses of the product, he will be in a better position to guide the buyers in having such a product, thus helping them in their buying decisions. The salesman will be able to compare his product better in quality, users and durability, than that of the competitors.

(xi) Vistas for Advancement in Career:

Sufficient knowledge about the product ensures more sales and brings larger profits to the firm. The product and producer image are increased by way of brand loyalty among the

customers. Ultimately this will open new vistas for the salesman towards advancement in his career.

It is important for the salesman to learn certain basic knowledge about the product, such as:

- (i) Innovation and development of the product.
- (ii) The attributes of the product, its color, form, design, etc.
- (iii) Ingredients/compositions of the product-knowledge about the proportion of raw material used, etc.
- (iv) Manufacturing process and the technology used.
- (v) Uses and advantages of the product.
- (vi) Durability of the product, services and warranty offered by the producer.
- (vii) Precautions in using/handling the product.
- (viii) Terms and conditions of sales; such as terms of payment/credit, delivery schedule, home delivery, return of unsold product, etc.
- (ix) Knowledge about competing products in the market (competitor knowledge about the nature, quality, drawback, price, composition of raw material used, etc. in order to compare the product)

Sources of Acquiring Product Knowledge:

(i) Personal Experience:

Personal experience of using the product by himself is an important source of gaining knowledge about a product. On the basis of personal experience, the salesman will be able to know the specific quality and standard of the product. He will be able to justify the customers on the basis of such experience.

(ii) From the Users/Customers:

The regular users of customers of the particular product can give the knowledge of the product, from their experience in using it. The salesman can seek their opinion about the product from time to time.

(iii) Consulting with Seniors and Fellow Salesmen:

This is another important source to acquire additional knowledge about the product. Usually, newly appointed salesman use this source by consulting with the sales managers, sales supervisors and fellow salesmen who have wide knowledge about the product.

(iv) Advertisements:

Advertisement copies are usually got prepared by experts in the field. As such, the copies of advertisements can be an important source for the salesman to have product knowledge, by studying these copies very carefully. In advertisements, all the characteristics about the product are described very clearly and effectively to attract the buyers. Copies of advertisements are made available to salesman so as to help them at the time of interviews with customers, who have been attracted by the advertisements.

(v) Sales Literature:

Sales literatures like sales manuals, sales bulletins, salesman's portfolios, motion pictures and visual aids, questionnaires, etc. are distributed to the salesmen so as to help them in their selling activities and to provide for more information about the product and services offered by the seller.

(vi) Trade Fairs, Seminars, Conferences, etc.:

Trade fairs, seminars and conferences, etc. are organized by the producers from time to time for dealers, middlemen international buyers and the salespersons to make them aware about the change in policies, introducing new product in the market, improvement or modification in the existing product, etc. They will provide better opportunity for the salesmen to improve the knowledge about the product.

(vii) Trade Journals:

Trade journals are regularly published by trade and industry, and also by the big business houses, containing detailed information about various products, use of technology and collaborative agreements, marketing opportunity for specific products in different regions of the country and overseas, justification for increase in the price of products, etc. which will be useful source for the salesmen to up-to-date their knowledge about products and services.

(viii) By Closely Observing the Production Process:

The salesmen can acquire detailed knowledge about the product including the composition of the raw material used, by closely observing the production process in factories or at the place of production.

(ix) Consulting with Technical Specialists:

Technical specialists appointed by the organization to advise the management on technical matters relating to pro Skip to content.

2. Effective Speaking:

Selling involves communication of skill. A person, who does not possess the communication ability and skill, cannot become a good salesman. A salesman expresses his knowledge, ideas and views through speaking. His sales strategy is effectively executed by discussion and sales presentation. Therefore, it is essential that he should be a good communicator/speaker.

In order to be effective in speaking the following facts are to be kept in mind:

- (i) Selection of proper vocabulary.
- (ii) The speaking words should create sweetness.
- (iii) Clear speaking by giving little.
- (iv) Stop a moment, between words spoken
- (v) Usual fluency in speaking.
- (vi) Voice should not be loud when speaking face to face.
- (vii) Use good words and phrases.
- (viii) Keep seriousness while speaking.
- (ix) Avoid the use of words which have dual meaning.
- (x) Doubtful matters/sentence spoken should be repeated.
- (xi) Attention be given to use correct language.
- (xii) Pronunciation of words should be accurate.
- (xiii) Speak in language in which one has good command.

3. Ability to Create and Maintain Good Customer Relations:

The main object of selling should be to create good customer relations and to maintain such relations for ever. Relationship management is a key skill of personal selling. A well-known American Managing Director once said, "Never forget a customer and never let a customer forget you." According to a management thought "business exists only for creating customers, more customers and many, many customers."

Major Sales Promotion Techniques

Companies use various sales promotion techniques to promote their products. The intention is to increase sales, make a large customer base, encourage trial, encourage repeat purchases to stimulate consumers' purchase. The types of sales promotion techniques used by the company depend upon the sales promotion objectives set by the company.

Consumer Promotion

Money Off

The brand is offered at a lower price than what it normally sells for. It provides direct value to consumers and is an unambiguous incentive to purchase. Money offs have a proven track record of stimulating short term sales increase. But price reductions can be easily matched by competition, and if used frequently can devalue brand image due to its association with low price for long periods of time.

If the brand sells at the lower price for a considerable period of time, customers will associate the brand with the lower price. And when the company terminates the sales promotion scheme, the original price will seem high as customers have got used to buying at the low price.

Bonus Packs

The company gives added value by giving consumers extra quantity at no additional cost. Because price is not lowered, there is lesser risk of devaluing a brand image. With some product groups, like cold drinks, it encourages buyers to consume more. Bonus packs are useful when the product is consumed over a period of time.

Customers notice when a pack of detergent powder which normally lasted ten days, lasts a few more days. And with such experiences build into them, they will go for the bigger packs because they know that it will be useful. But with products, like chocolates, which are consumed in one go, the consumer might not know the difference between consuming a normal pack and a slightly bigger one.

Bonus packs will be useful for such products if a separate pack containing the extra quantity is offered. Even for goods which are consumed over a period of time, a separate pack containing the extra quantity will be more useful than stuffing the extra quantity in the same pack.

Premiums

Premiums are any merchandise offered for free or at low cost as an incentive to purchase a brand. There are two major forms:

Free in or on Pack Gifts

They are given away free with brands. Occasionally the gift is a free sample of any new brand that is related to the brand so that consumers get a chance to use it. A free sample

may be a new variety or flavor which benefits by getting a trial. The purpose of the sales promotion scheme may actually be to induce consumption of the new brand so that consumers develop a good perception about it. But on unknown brand will not do much to increase the sale of the brand for which the sales promotion is ostensibly held. Some consumers may not even need the particular flavor or the product.

Free in the Mail Offers

The scheme involves collection of packet tops or labels by customers which are sent in the mail as proof of purchase to claim a free gift or money voucher. Redemption can be very low as consumers collect labels with a view to mailing but are never able to collect the requisite number.

Most customers are not patient enough to collect labels for the small financial benefit that the scheme may offer. For such schemes to really catch on the collecting of labels has to be projected as being "cool" or the thing to indulge in. The customers should be exchanging notes as to how many the other has been able to collect.

To create such a mass hysteria the company has to promote the scheme in a big way and big rewards should be offered. It will be useful if celebrities are associated in the promotion of the scheme. Such schemes for children can be very successful. A smart scheme which incorporates the latest cool possession of the children's world will be successful even without promotion.

Free Samples

Free samples may be delivered at home or given out in the store. The idea is that having tried the sample a proportion of consumers will begin to buy it. This is an expensive but effective way of getting consumer trial. But it may be ineffective if the brand has nothing extra to offer.

Coupons

A customer receives an item upon presenting a coupon. Coupons can be delivered to the house, appear in magazines and newspapers or appear on packs. Home coupons i.e. coupons delivered at home, is a good method to achieve trial for new brands. Magazine or newspaper coupons is cheaper than home delivery and can be used to stimulate trial but redemption rates are much lower. The purpose of an on-pack coupon is to encourage initial and repeat purchase of the same brand or trial of a different brand.

A brand carries an on-pack coupon redeemable against the consumer's next purchase usually for the same brand. Redemption rate is normally high. The coupon can offer a higher face value than the equivalent cost of a money-off pack since the effect of the coupon is on both initial and repeat sales. But it is usually less effective in raising initial sales than money-off because there is no immediate saving and its appeal is almost exclusively on existing consumers.

Competitions

Competitions require participants to exercise a certain degree of skill and judgement. They may be asked a few simple questions. Entry is usually dependent upon at least one purchase. Compared to premiums and money-offs, competitions offer a less immediate

incentive to buy and requires time and effort on the part of entrants. However, they can attract attention and interest in the brand.

Draws

Draws make no demands on skills or judgement. The result depends on chance. A store may run an out-of-the-hat draw where customers fill in their names and address on an entry card and on a certain day, a draw is made.

Media advertising can be used to communicate sales promotions. In fact the company should strive to make a splash with certain types of sales promotion schemes like competitions, collection of labels, and draws, and should have the twin objectives of making the sales promotion scheme successful and promoting the brand when it advertises its schemes.

Such forms of sales promotion, like competition, collection of labels, and draws can be advertised as they are not likely to devalue the brand as a scheme of price-offs can. In fact, a company should be circumspect in advertising sales promotion schemes like price-offs and free gifts as such schemes are normally considered as a signal of the fact that the company is not doing well and is desperate to sell.

Trade Promotions

Price Discounts

The traders i.e., retailers and wholesalers may be offered discounts in return for purchasing and keeping the manufacturer's brand. Concentration of buying into fewer outlets has made the retailers very powerful and this power is translated into discounts from manufacturers. The discount may be part of joint promotion whereby retailer agrees to devote extra shelf space, buy larger quantities and allow in-store promotions.