Product Promotion
CHAPTER – 7
PRODUCT PROMOTIONS

7.1 INTRODUCTION:

In the preceding chapter we have discussed about "Pricing strategy analysis". In this chapter we propose to discuss different aspect of product promotions. Promotion is the process of communicating to the market the company's products, services, prices, distributors and ultimately the company itself. It serves as the information flow from firm to customer. The communication is persuasive in nature, because the firm's promotion objective is to influence the purchasing behavior of consumers.

So this chapter has comprised of significance, promotional objectives, factor affecting. Element of promotional mix, types of promotional, measures of promotional efforts, & Promotional Budget.

7.2 SIGNIFICENCE AND PROMOTIONAL OBJECTIVES:

Promotion refers to communicating to inform, persuade & influences the prospective consumers to buy a product and patronize the firm. Tools of promotions are personal selling, advertising and publicity. Salesmanship or personal selling and advertising have their own suitability.

1 "Promotion Encompass all the tools in the marketing mix whose major role is persuasive communication" (Philips Kotlar: - Marketing Management. P - 640)
"Promotion consist of those activities that are designed to bring a company's goods or services to the favorable attention of customer's" (Mason & Rath : - Marketing & Distribution P. 368)
"Promotion is any method of informing, persuading or reminding consumers - wholesale, retailers, users. Of final consumers - about the marketing mix of product place, price which has been assembled by the marketing manager. (McCarthy: - Basic Marketing P. 280)
depending upon nature of product time, cost, market condition, competition etc.

The objective of the promotion strategy is to improve the demand of the product. The objectives of promotion are to inform, persuade or remind consumers of the company's marketing mix. McCarthy has signified the following promotion objectives:

1. To inform.
2. To remind.
3. To persuade.

The promotional objective's could be classified such as:

1. To introduce new product.
2. To attract new customer.
3. To increase use by present customer.
4. Reduce seasonal deceives.
5. To counter a competitive sales promotion device.
6. To make easier for sales man for sale.
7. To induce middleman to purchase more.

As for as H.M.T. is concern the promotion objective is such as:

1. To maintain its premium image.
2. To create awareness about their new ranges.
3. To communicate the features, attribute and the benefits of their watches.
4. To make easier for salesmen for sale H.M.T. watches.
5. To induce the middleman to purchase more watches.

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2 McCarthy : - Basic Marketing, P = 480.
7.3 FACTOR AFFECTING PROMOTIONAL MIX DECISION: -

Companies consider several factors in developing their promotional mixes. These factors are examined or vary following factors:

(1) Nature Of Product: -

Promotional mixes be diversified as per the nature of the product without standing the nature of the industrial goods & consumer goods totally be effecting the promote mixes in the different ways. Consumer goods companies normally devote most of their fund to advertisement followed by sales promotions, personal selling and finally publicity. Industrial goods companies denote most of their fund to personal selling, followed by sales promotions, advertising & publicity. Although advertising is less important than sales calls in Industrial markets, it still plays a significant roll. If the product is raw material goods, than personal selling is an important promotional tools, where as advertising & publicity promotional mix will be very nominal or less.

(2) Nature Of Market: -

The nature of the product market is not only affecting the promotional mix besides that affected the limitation of the promotion. This type of affecting factor are such as -

(a) Kind of Consumer: -

There are many types of consumer, some one are house consumer, some one industrial consumer, among them some one are high
class consumer, some one middle class & rest are low class consumer. So
for the above such type of consumer, companies made the different type of
promotion mix or promotion method.

(b) **Geographical Situation:**

Promotion mix are affected by the geographical situation of
any country, state & region. For the local area personal selling promotion
method is very effective. Where as national & international level
advertisement and other promotional mix are very effective.

(c) **Market Concentration:**

Any promotion mixes are affected by the market
concentration. If one product consumer are living a particular place than
personal selling method will be used or if consumer are scattered than
publicity and advertisement promotional mix will be used.

(3) **Product Life Cycle Stage:**

Promotional tools very in their effectiveness at different stages
of product life cycle. In the introduction stage advertisement & publicity
are cost effective in producing high awareness and sales promotion is
useful in promoting early trail. Where as personal selling is relatively
expensive, although it must be used to get the trade to carry the product.
In the growth stage it will continuous the previous mix. The monthly stage

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2. Ibid – P. 421.
3. Ibid P. 421.
sales promotion resumes its importance relative to advertising. This promotional mix used to remind the brand of the company. In the decline stage advertising method used in the high budget share parts. Publicity totally be eliminated sales promotion however might continue strongly.

(4) Availability Of Fund:

Any company promotional budget share is also an effective part of a trading the promotional mix. If a company have not much fund to advertise in the popular media. Than the company will be adopt the local promotional mix personal selling method.

7.4 ELEMENT OF PROMOTIONAL MIX:

A modern concern manages a complex marketing mix system. The company communicates with its middlemen, consumers and various publics. The marketing promotional mix which also known as communication mix consist of four major tools:

1. Personal selling.
2. Advertisement.
3. Sales promotional.
4. Publicity.

(1) Personal Selling:

Oral presentation is a conversion with one or more prospective customers for the purpose of making sales. It is the most effective tool at

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certain stages of the buying process particularly in building up buyers preferences, conviction and action following qualities of the personal selling are such as:

(a) **Personal Confrontation:**

Personal selling involves an alive, immediate and interactive relationship between two or more persons. Each party is able to observe each other's needs and characteristics at close hand and make immediate adjustments.

(b) **Cultivation:**

Personal selling permits all kinds of relationship to spring up, ranging from a matter of fact selling relationship to a deep personal friendship. Effective sales representative will normally keep their customer's interest at least if they want long run relationship.

(c) **Response:**

Personal setting makes the buyer feel under some obligation for having listened to the sales talk.

(2) **Advertising:**

Advertising is one of the four major tools that companies use to direct persuasive communication to target buyers and publics. It consist of Non-personal or one way forms of communication conducted through

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parlance it can be say such as — “Any paid form or Non-personal presentation and promotional idea goods or services by an identified sponsor.

Here some specific qualities can be noted:

(a) **Public Presentation:**

Advertising is a highly public mode of communication. Its public nature confers a kind of legitimacy on the product and also suggest a standardized offering. Because many person receive the same massage, buyers know that their motives for purchasing product — will be highly understood.

(b) **Pervasiveness:**

Advertising is a pervasive medium, it allows the seller to repeat the massage many times and as per the willingness of the consumer they could be receive the massage and compare it to the relevant competitors.

(c) **Impersonality:**

Advertising cannot be compelling as company sales repetitive. The audience does not feel obligate to pay attention or respond. Advertising is able to carry on only a monologue not a dialogue with the audience.

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(3) Sales Promotions: -

Companies use sales promotion tools to create a stronger and quicker response. Sales promotion can be used to dramatize product offers and to boost sagging sales. In the general parlance it can define such as - "Those marketing activities other than personal selling, advertising and publicity that & timeless consumer purchasing and dealer effectiveness, such as display shows and exhibition, demonstrations and various non-recurrent selling efforts not in the ordinary routine". Sales promotion qualities are such as:

(a) Communication:

They gain attention and usually provide information that may load the consumer to the product.

(b) Incentive:

They incorporate some concession, inducers or contribution that gives value to the consumer.

(c) Invitation:

They include a distinct invitation to engage in the transaction now.

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(3) Publicity: -

This is the fourth element of promotion mix. In it company/mediator comes out the qualities about product/services through different media. It is the impersonal in nature, for that no payment is made. The appeal of publicity is based on its three distinctive qualities:

(a) **High Credibility:**

News stories and features seen more authorities and credible to readers than ads do.

(b) **Off Guard:**

Publicity can reach many prospects that might avoid sales people and advertisements. The message gets to the buyer as news rather as a sales directed communication.

(d) **Dramatization:**

Publicity has like advertising a potential for dramatizing a company or product.

Above for element have shown as a Table 7.1. In this Tables has exhibited the different method could be used for different elements of promotion mix. As per the table, in the advertisement promotion mix have contain of following elements viz. print & broadcast and, packaging outer, packaging – inter, mailing, catalog, motion picture house magazine’s brochure – booklets, directories. Display sign, avoid –

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12 Ibid P – 608.
**PROMOTION MIX TOOLS**

<table>
<thead>
<tr>
<th>ADVERTISING</th>
<th>SALES PROMOTIONS</th>
<th>PUBLICITY</th>
<th>PERSONAL SELLING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prints &amp; Broadcast ads.</td>
<td>Contests. Games</td>
<td>Press kits</td>
<td>Sales presentation</td>
</tr>
<tr>
<td>Packaging - Outer</td>
<td>Sweepstakes, lotteries</td>
<td>Speeches</td>
<td>Sales meeting</td>
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<tr>
<td>Packaging - Inter</td>
<td>Premium &amp; gift</td>
<td>Seminars</td>
<td>Tele marketing</td>
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<td>Mailing</td>
<td>Sampling</td>
<td>Annual reports</td>
<td>Incentive program</td>
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<td>Catalogue</td>
<td>Fair and trade</td>
<td>Charitable</td>
<td>Salesmen &amp; angle</td>
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<td>Motion Picture</td>
<td>Exhibits</td>
<td>Donation</td>
<td>Fair &amp; trade</td>
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<td>Hours Magazines</td>
<td>Demonstration</td>
<td>Public relation</td>
<td>Show</td>
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<td>Brochures &amp; Booklets</td>
<td>Coping</td>
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<td>Directories</td>
<td>Rebates</td>
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<td>Reprint of ads.</td>
<td>Low interest financing</td>
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<td>Bill goad</td>
<td>Entertainment</td>
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<td>Display sign</td>
<td>Treading allowances</td>
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<tr>
<td>Audio - visual material</td>
<td>Trading stamp</td>
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<tr>
<td>Symbol &amp; logos.</td>
<td>Trade stamp</td>
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</table>

*(TABLE - 7.1)*

*(Marketing management - Philips Kotler - 1989. 6th Ed. P- 588.)*
video material etc. In the sales promotion have contains following elements viz – contests, games, sweep takes, lotteries, premium & gift, demonstration, coupon, rebates, fair-trade. Trade in allowances, etc. In the publicity save contains – press-kits, speeches, seminar, annual reports, charitable donation, public relation etc. In the personal selling have contains - sales presentation, sales meting, tool marketing, incentive programmer sales man stayed, fair & trade shows etc.

7.5 PROMOTIONAL EFFORTS MADE BY THE H.M.T. FOR SELLING OF WATCHES IN NATIVE AND FOREIGN COUNTRY:

Promotion consists of message to the market to inform about the product, pervades to buy it, develop positive attitudes towards the product and the company and induce changes in people’s behavior. Promotion takes on many forms: - Personal selling, advertising, sales promotions.

The decision made by marketing management on the overall strategy to be adopted in terms of product, price and distribution channel policies have a bearing on planning promotion. In planning promotion strategy, two fundamental questions confront management whom do we want to communicate will and what do we want our communication to comply?

As for the every concern H.M.T. have also adopted the promotion strategy. Before to discuss about promotional strategy elements.
It's necessary to know the following objective of the H.M.T. promotion strategy:

(i) To introduce new product.
(ii) To attract new customer.
(iii) To increase use by present customer.
(iv) To reduce seasonal decline.
(v) To counter a competitive sales promotion device.
(vi) To make easier for salesmen for sale.
(vii) To induce middlemen to purchase more.

H.M.T. have adopted following methods: - Advertisement, personal selling, personal relation, publicity, and sales promotion.

(I) Advertising:

Personal spellings non - personal presentation of marketing message through various media. H.M.T. uses the following media viz - Newspaper, magazine / journals, television, window dressing & display. Though the newspaper H.M.T. advertise the feature of H.M.T. watches and for a specific watch some times gives the slogan like for Shreyas as watches slogan is "Gets the most of time". Sign of good time and through television media H.M.T. gives the advertising through different channels viz - national D.D. channels, Star plus channel. In his advertising is gives the slogan "Samay ko apne 'Sath Raktiya H.M.T. Ghari kharidiya." Now the internet is a strong information media to get / advertising company product or about to know of the company. H.M.T. have also made it
website and through the website every customer could be know about the H.M.T. product / watch and about H.M.T. concern also. H.M.T.
have also adopt the cataloged and magazine’s for a strong media for advertising. H.M.T. gives the billboard & display sign to the dealer /mediator to advertising of H.M.T. watches on his / dealer area. Through this media H.M.T. tried to prove its advertising in the entire and interior area of the country and international level. Its also enticed people to entering the showrooms, resulting more sales. Its created positive attitude towards the advertising with its excellent execution of massages. This intern in for our able attitude towards H.M.T. watches and helped build a very high brand equity H.M.T. allocation of advertising budget is fixed to crore. So budget is not as for task wise of the advertising. This is a main problem of the H.M.T. concern. Due to lack of budget concern have wiped off many media for advertisement.

(11) Sales Promotions:

Sales production covers all sales activities that’s supplement of sample, coupon, money refundable, price off, premium, demonstration, trade & fair, comlists sweepstake, realist etc. H.M.T. concern have adopted the trade & fair, demonstration, price off, premium, rebates. H.M.T. participated in national / international. Trade exhibition is “Samay Bharati” & Basal fair. Demonstration is a strong sales promotion media through Bharati shop & franchise H.M.T. demonstrate watches to the customer.
(III) Publicity:

H.M.T. always tried to publicity of the watches through following media viz - seminars, annual reports, charitable donation, public relation etc. H.M.T. always arrange the seminar's along with his c&f, dealer in all over the country & international countries. Every time company made the different theme for every coming seminars, but the motive is some to improve the sales and increase the No of customer. H.M.T. does not behind in the charitable donation recently concern have made a biggest clock and fixed that clock in the Banglor for public. The company now working specially to cut social work. Its privatizing its hospitals at Banglore. The company is holding talks with Mallya hospital and Ramaiya hospital for this purpose. It has optimized its transport. Every year H.M.T. made his annual report. In his annual report company flash up the annual performance, management views for the future prospect, new product launch financial position of the concern. To make the public relation concern always call to the press conference and init press conference corer told about the consumer newly launch product element of sales promotion provided to the customer & dealer.

(IV) Personal Selling:

Personal selling uses salesmen to communicate face to face with prospective customers. Although salesmen may uses the different media's to send and receive message, the essence of personal selling is to full to face contact H.M.T. also uses personal
selling promotion strategy. As personal selling tools are uses viz - sales meeting Frachises, Bharti shop media.

Effectiveness of the promotional programme through measure any public option, dealer suggestions, competitive analyses of the stiff competitors who gives the tough competition to the covers.
Conclusion- In this chapter we have discussed about product promotion. In this part product promotion have afforded in to promotion mix, Types of promotion, Measures of promotional efforts and promotional Budget. Energy part conclusion in reference to HMT watches is such as:

It is well know that promotion means to exhortation to costumer to influence purchasing behavior so this part of 4 p’s (promotion) is much important for every concern. HMT promotion objective is to maintain the premium images, to create Awareness about there new ranges to communicate the feature, attribute and benefit of there watches, to induce middlemen to purchase more watches.

Has used all four promotion mix viz – advertisement, sales promotion, publicity, personal selling to develop the positive attitude regarding to prove to sales of H.M.T watches.

In this course of action HMT advertising its watches through different advertisement media viz news paper, television, (through different Govt. or private channel) window dressing, Display. In its different advertisement H.M.T. tries to given outstanding outlooks like slogan of watches for instance “samay ko Apne sath rakhiye” H.M.T. Ghari Kharidiye “like that and in different news paper concern given different ranges of watches feature and detail of that particular watches like price, quality, showroom. Ranges etc. in the modern communication tools, H M T. has given internet website to promote its watches.
In the sales promotion mix have adopted by the H.M.T. concern. In this regard concern consist of different method—viz demonstration through showroom, trade fair, Bharati Shop & franchise, price off sample, Coupon, money refundable tools etc. Energy tools are not only adjusted for national but for International level to beat the competition to its nearest competitions like Titan, Timex, Sakura, Citizen, etc. H.M.T. have tried to publicity of the watches through seminar’s annual report, charitable donations public relation etc. seminars are arranges national/International time to time: Every seminar have different theme’s. This publicity tools exhortation the selling of H.M.T. watches.

In the personal selling promotion tools also used by H.M.T. In it personal selling tools H.M.T consist face to face selling through franchise, time art, show room like Bharti shop etc. Its has also tries by the H.M.T. to measure the effectiveness of company performance of sales promotion for that. Company takes the public opinion, dealer opinion /suggestions etc. such type of advices gives the effective support to concern to enhance the H.M.T watches selling.