Chapter 3: Literature Review: Marketing and Marketing Mix

3.1: Marketing

3.2: Promotion

3.3: Sales Promotion
Chapter 3.1: Marketing

1. Introduction
2. Elements of Marketing Mix
3. Promotion or Marketing Communication
4. Definitions of Marketing Communication
5. Communication Process
6. Importance of Effective Communication
7. Benefits of Marketing Communication
1. Introduction

Every organisation works with certain objectives and these are to be achieved. To achieve the pre-decided objectives a number of activities are to be performed. It is not necessary that one all organisations would perform one type of activities. The activities may include production, marketing, human resource, finance, transportation, service, research, logistics, purchasing, and storage, trading, assembling, distribution and others. These activities are performed and these are related to each other so that the objectives can be fulfilled effectively. Similar way the marketing activities are performed in some of the company those are interested in marketing the products or services for use of customers. Marketing is one of the important activities of an organisation. It is through marketing the products or services of the company are reaching to the customers. The company gets the money back when the products are sold out in the market. So the business cycle keeps on going further. It is required to coordinate the marketing activities without activities also. It is necessary to work in close coordination with production. Production alone is not going to serve the purpose. Production without marketing become useless for the company and marketing without production is not possible. Similarly, marketing is related to other activities like finance, research and human resource activities. So the main concerned here is with the marketing activities.

Marketing is the process by which companies create customer interest in goods or services. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.

Marketing is used to identify the customer, to satisfy the customer, and to keep the customer. With the customer as the focus of its activities, it can be concluded that marketing management is one of the major components of business management. Marketing evolved to
meet the stasis in developing new markets caused by mature markets and overcapacities in the last centuries. The adoption of marketing strategies requires businesses to shift their focus from production to the perceived needs and wants of their customers as the means of staying profitable.

The term marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions. It proposes that in order to satisfy its organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors.

Marketing is a very important activity for the organisation. In marketing a lot of sub activities are performed. Marketing includes the activities like identification of demand, research, market segmentation, product development, launching of products, modification of products, deletion of products, product design, pricing, different types of pricing, promotion of products and services, sales promotion, personal selling, publicity, public relations, advertising, distribution of products and services, consumer behaviour, internal and international market coverage, branding, packaging, labelling and many other activities. It is very difficult to have clear idea regarding marketing activities. For easy understanding and proper planning of activities, the marketing activities are divided into four areas for products. These are product, pricing, promotion and placement. For services the groups include product, price, promotion, placement, people, process and physical evidence. In the research study the topic is related to promotion of products. The focus is there on promotional activities of the products in FMCG sector in India and mainly sales promotion strategies of the companies dealing in FMCG products in the markets. Every company is interested to market its products or services to earn its profit. For this promotion the awareness is to be created among the customers. Without creating awareness the customers would not come to know about the company existence in the markets, products and services they produced and features of their products and services. The messages regarding the products, company, features of their products and services are to be communicated by using different promotion methods. One of the methods is sales promotion and it covers the scope of the study.
2. Elements of Marketing Mix

Marketing mix is the combination of the elements of marketing and what roles each element plays in promoting products and services and delivering those products and services to the customers. The elements of the marketing mix are also referred to as the 5 P’s of marketing. In the beginning for years together marketers accepted the 4 P’s of marketing. The experts have added the fifth P recently and that is people. Now, there are five P’s of marketing mix. These Ps are called elements of marketing mix. These are elaborated further in the next paragraph. The original 4 P’s of marketing along with the fifth P added to marketing mix are:

(a) Product

The product is a combination of tangible and intangible aspects of the products offered by the manufacturer to the customers. It can be defined as a bundle of satisfaction and dissatisfactions offered by company to the customers at a point of time. Their physical attributes what they do, how they differ from your competitors and what benefits they provide. The products can be classified as durable and non durable, consumers and industrial goods, perishable and non perishable, finished and semi-finished etc.

(b) Price

Price means the monetary value of the product has been fixed for exchange purpose. The price is the amount a customer pays for the product. It is fixed after considering various factors such as market share, competition, material costs, product identity and the customer's perceived value of the product. The business may increase or decrease the price of product if other stores have the same product. It is through price the company gets its money back in business. It should be fixed in such a way the company is in position to recover the costs and earn profits also. If it is fixed very low then it may be difficult to come to the breakeven point and if fixed very high then it may have deterrent effect on the sale. The price decision is very sensitive and for that special care is to be taken so that you may get the competitive edge due
(c) Promotion

The promotion concept is applied for products or services and to the business. The promotion include all communications a marketer used in the market for his products of services to create awareness, persuade the customers to buy and retain in future also. For improvement in the position of sales or progress of business this method is used. The message is given to target group regarding the features and benefits of the products or services to the target customers. Without communication the features, benefits and schemes would not be known to the customers and objectives of in launching of products or services and increasing sates would not be completed. When communication creates awareness then only the interest would be created and customers would take the decision for buying. For promotion different methods of communication can be used.

(d) Placement

Place represents the point or location where the product is made available to purchase. It is required that the products and customer should be available at a point then only the sales would be possible. If not then the sale does not taken place. This term is used for distribution channel. It can include any physical store as well as virtual stores on the Internet. Place is not exactly a physical store where it is available Place is nothing but how the product takes place or create image in the mind of customers. It depends upon the perception of customers. The products or services should reach to the customer that channel is called distribution channel of placement.

These above mentioned elements of marketing mix are only for products. With the development of service sector in every economy, the marketing of services is also needed. Due to this the elements of marketing mix for service have been extended. The three more elements for service have been added. These are:
(e) People

The services are being provided with the help of employees and to the customers. There is direct contact for delivery of the services to the customers. The type of people providing the service matters a lot from business point of view. The people are to be selected, trained and motivated to keep the customers very happy. So the people are very important for service marketing. It is to be managed effectively.

(f) Process

For availing a service certain activities are to be performed. For that purpose procedure, mechanism and flow of activities by which services are delivered are to be decided. Without The service cannot be delivered properly with uniformity. That would maintain the standard format for availing the services. This is called process. For example, one wants saving account facility in a bank then he has to apply for opening an account. After this the pass book, cheque book and ATM card would be issued and service can be availed after this..

(g) Physical Evidence

There are essential conditions for providing the service. These are two types. One is internal and another is external. These create the environment in which the service or product is delivered. For example to provide the hotel service and external evidence required are building, parking place, gate and a long drive- way. Internal evidence required like counter, telephone, passbooks, reservation facilities, cigarettes etc. Without this providing hotel service, a question does not arise.

3. Promotion or Marketing Communication

Generally, promotion is communicating with the public in an attempt to create awareness and persuade them toward buying products and/or services. The word promotion is also used specifically to refer to a particular activity that is intended to promote the business, product or service. A store might advertise that it's having a big promotion on certain items, for instance, or a business person may refer to an ad as a promotion. Promotion means a method is used
for getting people to create awareness among people about products or services being offered by the company. Advertising, public relations, point-of-sale displays, and word-of-mouth promotion are all traditional ways for promotion. Promotion is the method for providing the link of information between the seller and prospects of the products or services. The choice of a promotional strategy will be dependent upon objectives, type of offers, budget, and availability of said promotional vehicle. The other concept used for promotion is called marketing communication. When any communication is given in the market with the help of any media is called marketing communication.

Communication is the process of sharing of messages, ideas; information between two or more parties is called communication. The communication given by the company relating to the business, products and services in the markets for customers or users directly or indirectly is called marketing communication. The communication in the market is given with the help of advertising. Those who use advertising, branding, direct marketing, packaging, promotion, publicity, sponsorship, public relations, sales, sales promotion and online marketing are termed marketing communicators or marketing communication managers.

The marketing messages may be with two objectives. First one is to communicate something regarding their products or services. The objective is to promote their products or services. The focus is on the products, features, benefits, price, place for purchasing and some comparison with others. It is different from corporate communication. In corporate communication the focus is on the company itself. Marketing communications is primarily concerned with demand generation, product/produce/service positioning while corporate communications deal with issue management, mergers and acquisitions, litigation etc. The scope of first type of communication is limited where as the scope of corporate communication is wider. The target group for which the communications are given differs. Integrated Marketing Communications is a simple concept. It ensures that all forms of communications and messages are carefully linked together. Integrated marketing communications means integrating all the promotional tools, so that they work together in harmony.
Promotion is one of the Ps in the marketing mix. Promotions have own mix of communications tools. All of these communications tools work better if they work together in harmony rather than in isolation. Their sum is greater than their parts - providing they speak consistently with one voice all the time, every time. The effectiveness of communication increased when they are integrated horizontal, vertical, internal, external and data integration. Here is how they help to strengthen integrated communications. Horizontal integration occurs when marketing mix is related with other business functions such as production, finance, distribution and communications and work together and make sure that their decisions and actions send messages to customers. While different departments such as sales, direct mail and advertising can help each other through data integration. This requires a marketing information system which collects and shares relevant data across different departments. Vertical integration means marketing and communications objectives must support the higher level corporate plan and objectives for moving towards the corporate missions. Meanwhile Internal Integration requires internal marketing - keeping all staff informed and motivated about any new developments from new advertisements, to new corporate identities, new service standards, new strategic partners and so on. The external agencies for advertising and public relations should be integrated so that they work together to serve the purposes of communication.

4. Definitions of Marketing Communication

Any business organization is a human group constituted for certain specified objectives. The achievement of these objectives largely depends upon the fact that all human efforts are properly co-ordinate and integrated. Individuals in the organization performing different activities are functionally interrelated. The working and maintaining of this relationship is possible only through communication which provides for exchange of information. No business organization can work without communication network. It is an important human skill. The ability to communicate effectively is one of the major skills of a manager. According to a research conducted by Paul Pigors and C. Mayers, an executive, supervisor or manager spends about 70% of his time in communication. This face-to-face communication plays a vital role in managerial decision-making. As Benjamin Balinsky said, "If there is any
short-cut of executive effectiveness, it is the mastery of the art of face-to-face communication." Communication is a word derived from the Latin word "communis", literally meaning to make common, to share, to impart, convey or transmit. Communication is the process through which two or more persons come to exchange ideas and understanding among themselves. The following are the definitions of communication:

(a) "Communication is an intercourse by words, letters, symbols or messages; and is a way that one organization member shares meaning and understanding with another." (Koontz and O'Donnell)

(b) "Communication is the sum of all the things one person does when he wants to create understanding in the mind of another. It involves a systematic and continuous Process of telling, listening and understanding." (Allen, Louis A.)

(c) "The word communication describes the process of conveying messages (facts, ideas, attitudes and opinions) from one person to another so that they are understood." (Commin, M.W.)

(d) "Communication is an exchange of facts, ideas opinions or emotion by two or more person." (Newman and Summer)

(e) Communication is a "process of meaningful interaction among human beings. More specifically, it is the process by which meanings are perceived and understandings are reached among human beings." (Dr. Mc Farland D.E.)

(f) "Communication is defined as intercourse by words, letters, symbols or messages, and a way that one organization member shares meaning and understanding with another." (Bellows, Gilson and Odiorne)

The above definitions indicate the following **characteristics:**

(a) It involves more than one person.

(b) It deals with transmission of both facts and feelings.

(c) There are various medium of communication.

(d) A business organization has continuity. Hence the process of communication is also a continuous one.
(e) The effectiveness of communication to a very large extent depends upon the required understanding of what is being received and then responded. Thus, the various expressions on communication emphasis the understanding of elements in the communication. The sharing of understanding is possible only when the person, for whom the message is meant understands it in the same sense in which the sender of the message wants him to understand. Thus communication involves something more than mere transmission of message and physical receipt thereof. The correct interpretation and understanding of the message is important from the point of view of organizational efficiency. As such, the greater than degree of understanding present in the communication, the more is the possibility that human action will proceed in the direction of achieving organizational objectives.

5. Communication Process

Communication has been defined as a process. The process is a concept of changing rather than static existence. The relationship events are seen as dynamic, continuous and flexible and are structured only in a relative sense. Communication process, as such, has to be viewed, as a whole, a continuous and dynamic interaction of variables both affecting and being affected by different variables.

![Diagram 3.1.1: Elements of Communication Process](image)
The above figure indicates the following elements:

(a) **Sender**
The person, who intends to make contact with objective of passing information and ideas to other persons, is known as sender. In market the advertisement given by the sponsor is called sender.

(b) **Ideas**
This is the subject matter of communication. This might be an opinion, attitude, feelings, views, order or suggestions, etc. The presentation of ideas regarding features, benefits and functions of products and services in advertising.

(c) **Encoding**
Since ideas in communication are intangible and their transmission requires the use of certain symbols such as words, actions or pictures. Conversion of the subject matter into these symbols is called process of encoding. The message in a particular language is an example of encoding.

(d) **Media or Channel**
When message is sent through TV, radio, newspapers, magazines etc. is called media or channel. The message cannot be transmitted of its own so it has to take help of media. As per requirement of the target group the media is selected.

(e) **Receiver**
It is the party for whom the message is meant. Receiver receives the message transmitted by sender. Though a particular medium the message is received at the other end and it is called receiver.

(f) **Decoding**
After receiving the message in symbols, it is converted into simple language so that it can be understood. Without decoding the meaning may not be conveyed to the parties properly.
(g) Feedback
Feedback is the process of ensuring that the receiver has received the message and has understood also, it is the conformation of the message understood. When the reply from the party has been received then it is called feedback. It is very important element of the communication process.

(h) Noise
During communication process when there is disturbance, it is called noise. The noise reduces the effectiveness of the communication. If the noise is very heavy the signal may be lost totally. The noise may be external or in channel itself. The best thing is that it should be within control only.

6. Importance of Effective Communication

Communication is passing of information and understanding among different members of an enterprise and is of fundamental importance to all functions of management, since the performance of all managerial functions involves exchange of correct and meaningful information. Moreover, every act of communication influences the organization in one way or another. Communication is the life blood of an organization and is vital for its survival. In fact, an organization cannot exist without effective communication. In the words of J.M. Black, “sound communication is a master key to a company's success." An effective and sound communication

(a) It facilitates effective planning: Sound planning requires participation of all those who are concerned with decision-making process and involves interaction and exchange of ideas, thoughts, opinions and views among them. Again, the plan cannot be effective and correct policies cannot be framed unless correct information and data are available. Moreover the decisions made and policies framed by the management need to be covered to the subordinates for their compliances. All these activities involve and require effective communication; otherwise they cannot be performed successfully and effectively. The framing of a plan and its successful implementation depends on sound and effective communication.
(b) Basis for decision-making: Proper decision-making depends on availability of right and reliable information and data, identification of real problem and consideration of pros and cons of various courses of action available. This also involves interaction among the members of the organization. It is through communication that the right information is available and other things can be considered for arriving at appropriate decisions. Communication plays an important role in decision-making process.

(c) Basis of coordination: In order to accomplish enterprise objectives, efforts of all the members need to be coordinated and integrated. It is through communication that this purpose can be achieved. It requires communication both downwards and upwards or even horizontally. Thus effective communication ensures coordination among different limbs of the organization and is essential for smooth functioning of the organization.

(d) It improves superior - subordinate relationship: An effective communication facilitates interaction among different members of the organization, results in clear understanding of the problems and issues involved and helps in finding the best way to get the work done to fulfill both individual and organizational goals. Thus communication helps in improving superior-subordinate relations by developing good human relations both formally and informally.

(e) Improves motivation and morale: A good communication is the foundation of high morale. A good sound communication between the members of the organization helps in developing better human relations, eliciting willing cooperation of all to work toward realizing the organization objectives and thus creating an environment suitable for all to work in. Good communication has a positive impact on employees' morale.

(f) Helps in performing properly staffing function: Staffing function comprises recruiting, selecting, training and developing right type of persons for various positions. All these activities require exchange of lot of information sharing of views and experience. It also involves coaching and guidance which are not possible without proper communication.
(g) Creates good industrial relations: Good communication leads to mutual understanding and helps in building better industrial relations between management and workers, thus making way for the growth and prosperity of the organization as a whole.

(h) Good communication leads to good public relations: Building good corporate image and keeping good and healthy relations with various agencies like the government, trade unions, customers, community and other agencies are important for the success of the enterprise. It is only through communication that good public relations can be maintained with them.

(i) Increases managerial efficiency: Communication is essential for quick and systematic performance of managerial functions. The management conveys through communication the goals and targets, issues instructions, allocates jobs and responsibilities and looks after performance of subordinates. As a matter of fact communication lubricates the entire organization and keeps the organization at work. In modern days the skill of communication has become a very essential quality of successful management.

7. Benefits of Marketing Communication

Marketing communication is a very important activity in marketing department of the company. In every business nearly half of the time of managers is used in communication only. It is very essential for coordinating the various activities being performed in the department and company. When the related activities are coordinated then only the tasks would be completed in time and more effectively. It may be related to all departments. Specially, in marketing department the activities are related to product, pricing, promotion, placement, people, physical evidence and process. To work and get the objectives fulfilled as per the planning of the company the strong need for communication is felt so that effectiveness of marketing department can improve. The benefits of promotion or marketing communication are following:

(a) Helpful in Creating Awareness
When communication is given to the customers, dealers and salesmen then it create the awareness among the target groups. Without communication the information are not known
to them. Without knowledge of any thing the work or job of any time cannot be performed. Before putting efforts for any activity the need for information is must. This need is fulfilled by marketing communication.

(b) Gives Reminders
It is through communication the information are repeated. It reminds to the customers, dealers, salesmen and other concerned person. Over a period of time if earlier communication is forgotten the it is to be repeated to remind. The communication is very essential to remind and follow up action of marketing department.

(c) Persuades Customers
When communication is given in the market through advertisement regarding products or services repeatedly, it starts creating interest among them. It would very difficult for the customers to avoid the communication given repeatedly. One day it would be in position to persuade the customers to buy the products. Further, it would help in retaining the existing customers also.

(d) Boosts Sales and Profits
When the advertising takes the message regarding the products, services and the company to the customers, they would buy the products. The buying may continue repeatedly in future also. The sales of the products and services would go high. That is the ultimate goal of the company. Through higher sales the profit of the company would increase. It would further contribute in sustaining the profits in future also.

(e) Develops Good Customers Relationship
Through marketing communication the all relevant information of products or services or company is shared with the concerned parties. The numbers of required information are given to them and these clarify doubts of them. This contributes in maintaining transparency in dealing of the company. Finally, it leads to maintain good customers’ relationship.
(f) Helpful in Creating Good Image
Through communication the customers, retailers, wholesalers, distributors, and salesmen are informed regarding their products, their features, benefits and weaknesses clearly. Whenever doubts are there then they contact to the concerned managers in the company. Through information regarding products or services and good customers’ relationship the reputation of the company would improve definitely.

(g) Contributes in Improving Overall Effectiveness
Through proper and timely communication in the markets the effectiveness of every employee, manager, team, department and company as a whole would improve. The communication gap would not be created at all. All parties would work very well without any difficulty. It would avoid extra efforts, time, work stress and efforts. The operating cost would decrease. Finally the total operating cost due to proper communication would go down.

(h) Company Gets Competitive Edge
With the help of proper marketing communication the customers, dealers, salesmen and all concerned parties are working properly. This leads to satisfaction of all of them. The company enjoys a good reputation in the market. The market share of the company improves. The company takes lead in the market. It provides a competitive edge to the company over other competitors.

In addition of above mentioned benefits of marketing communication there may be many more benefits. These benefits may be direct or indirect. In the long run the loyalty of customers towards the company develops. This advantage can be cashed for a long time without investment further. With a bond of loyalty with customers the company can protect them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage.
Chapter 3.2: Promotion

1. Introduction
2. Meaning of Promotion
3. Promotion Mix
4. Selection of Promotion Mix
Chapter 3.2: Promotion

1. Introduction

Generally, promotion is communicating with the public in an attempt to create awareness and persuade them toward buying products and/or services. The word promotion is also used specifically to refer to a particular activity that is intended to promote the business, product or service. A store might advertise that it's having a big promotion on certain items, for instance, or a business person may refer to an ad as a promotion. **Promotion means a method is used for getting people to create awareness among people about products or services being offered by the company.** Advertising, public relations, point-of-sale displays, and word-of-mouth promotion are all traditional ways for promotion. Promotion is the method for providing the link of information between the seller and prospects of the products or services. The choice of a promotional strategy will be dependent upon objectives, type of offers, budget, and availability of said promotional vehicle. The other concept used for promotion is called marketing communication. When any communication is given in the market with the help of any media is called marketing communication. The requirement of promotional activities in the market is increasing with increasing competition level. In past, the need for promotional efforts was not there at all. The demand for promotional efforts increased slowly and in present time without promotional efforts the business cannot be carried out effectively as per plans of the company. Especially care is to be taken. In some of the leading companies there are difference sections taking care of different tools for promotion separately. Further, the role of promotion relating activities would be increased. The importance of promotion would be very high in near future in the global scenario.

Promotion relating to products, services, branding and other activities undertaken by the company is needed. The different teams are involved. So there is need for coordination among different teams, sections, divisions, departments and locations of the company. The coordination is needed horizontally at same level, vertically from corporate plan to departmental plans, internal within the teams or departments, external with advertising and public relation agencies. The efforts for promotion purpose are to be integrated so that the
efforts would be in the right direction to achieve the objectively very efficiently and effectvely. Integration of all marketing tools, approaches, and resources within a company that maximizes impact on consumer mind and which results into maximum profit at minimum cost. Generally marketing starts from "Marketing Mix". Promotion is one element of marketing mix. Promotional activities include different promotional tools like advertising, personal selling, publicity, and sales promotion. It also includes the new tool those developed with the changing time like internet marketing, sponsorship marketing, direct marketing, database marketing and public relations. Relating to product life cycle of products or service or company an integration of all elements of marketing mix is needed get the competitive edge over other competitors is needed

2. Meaning of Promotion

The concept of promotion has been defined by experts as follows:

(a) Promotion is defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or promote an idea. Promotion is best viewed as the communication function of marketing. In short we can say that the strategy to get hike and to create awareness.

(b) It is not enough for a business to have good products sold at attractive prices. To generate sales and profits, the benefits of products have to be communicated to customers. In marketing, this is commonly known as "promotion".

(c) Promotional marketing is a business marketing strategy designed to stimulate a customer to take action towards a buying decision. Promotional marketing is a technique that includes various incentives to buy such as advertising, sales promotion, personal selling, publicity and packaging.

(d) Promotion, as a general term, includes all the ways available to make a product and/or service known to and purchased by customers and clients. The word promotion is also used
specifically to refer to a particular activity that is intended to promote the business, product or service.

3. Promotion Mix

For selling the products or service the marketing department is using a number of methods. The objective is to create awareness, remind the customers to persuade and buy the products. The company is interested to increase the sales and profits of the company in the markets. The markets may be different for different products and service.

Diagram 3.2.1: Elements of Promotion Mix

(a) Advertising
Advertising is a one method of presenting message to persuade an audience to purchase or take some action upon products, ideals, or services. Any paid form of non-personal presentation of ideas about products or services in the media by and identified sponsor. The advertisement is given by using the brand name of the products or services and their benefits
to users are highlighted. The media used for communication includes television radio, newspapers, magazines, billboard posters, periodicals, cinema etc. In one effort through advertisement the message reaches to a large number of customers or audience. Advertising is intended to persuade and to inform. In advertisement by the identified sponsor the message is designed and given to media for further communication. The sponsor may be company, dealers, or jointly given the company and dealers. For advertisement a huge amount is spent in a year. High cost is involved in advertising because the advertisements are given in different media and repeatedly. The message given in an advertisement is non personal. It is not related to any individual but it is related to the company, products or services. Advertising can be used for commercial and non commercial purposes depending upon the planning of the sponsors. The advertising was not used in the past much but it developed with mass production of products and increasing competition. To achieve the targets of the company nowadays it has been used mainly. No doubts it is also used for non commercial purposes also like political, social, religious etc. It can be placed by the company or advertising agency on behalf of the company.

(i) **Objectives of advertising:** Main objective of advertising are following:

- The advertisements are placed in the media targeting the audience mainly the prospects or customers with the objectives to communicate them. When a new advertisement is placed regarding the company has launched first time and customers do not know about this. The objective is to create awareness among them. It is through advertisement they would come to know.

- If the customers know then they can be reminded for the existing products or service so that they should not forget the products and services of the company.

- After repeated advertisement, the objective is to persuade them to take buying decision. The customers have to think when it is reminded repeatedly. One day they have to go for it whenever they are in need of such products of services.

- For existing customers, the further objective of advertisement is to retain them in future also. They should not think to change over to the new products of other companies. They are kept informed regarding the new features and benefits of the products time to time.
(ii) **Advantages:** The major advantages of advertising are following:

- Cost-effective with large audiences are covered in one effort on media. It reached to a large number of audiences through television, radio, newspaper etc. The amount spent in one advertisement is high but the cost calculated per head per advertisement is less.

- The coverage by the mass media is very wide. If we take example of one advertisement placed on national radio, in one attempt it covers the whole territory of India. It covers all direction, urban, sub urban and rural area. The coverage is very wide through advertisement.

- Effective method of presentation of ideas about the products or services through audio video feature. With both audio and video the message can be explained with very high degree of clarity. The objective of communication is served properly.

- It has the ability to create images and symbolic appeals to the target audience. It can be related to certain situations to explain the message effectively so image can be created in mind of audience.

- In advertisement the message is placed by the company or advertising agency on behalf of the company. Whenever they want to review the message it can be done easily. They have proper control over the message in advertising.

(iii) **Disadvantages:** There are many advantages of advertising but it does not mean that it does not have its limitations or disadvantages. The disadvantages of advertising are following:

- Costly, particularly television: When the cost per audience is calculated with radio, it is higher side. For repeated advertisements the budget for advertising is very high. Some of the medium companies may not like to go for this type of advertisements.

- Difficult to determine effectiveness: The advertisements are placed in different media for audience. On this a huge amount is spent but it has become difficult to measure the effectiveness that how much is the effect on sales, customers perception etc.

- Alone advertisement cannot sell the products to the customers without supply of products to the customers or dealers. It cannot work alone.
• It is bit difficult to trust because many times false advertisements are given by the unidentified sponsors. The false claims are done through advertisement and that misguide the customers. The credibility of advertising is not very high in the markets.

When the critical analysis of advertising is done on the basis of its advantages and disadvantage, then it can be said the advertising is very useful for promoting the products or services of the company in the markets. It can be concluded that despite of its limitations it is needed in the present time of competition.

(b) Sales Promotion
Sales promotion is one of the promotional mixes other than advertising, publicity/public relations and personal selling. The efforts are put to increase the sales by motivating everyone whoever in involved in the sales of the products. The major parties involved in the sales are salesmen, dealers and customers. The sales promotion efforts are targeting them to stimulate them to buy through different incentives or benefits. The objective of promotional efforts is short term. When the company is interested to increase the sales of the products or services the different methods are being used. When efforts are there other then advertising and personal selling is called sales promotion. Marketing efforts through which the targeted parties are stimulated to buy the products for extra value or incentive. These efforts can be targeted to salesmen, customers and dealers to increase sales in short term. The sales promotion activities can be divided as customer oriented, trader oriented and sales force oriented. Through sales promotion tool the extra benefits are provided to the targeted group so that they can be stimulated to buy the products and increase the sales and profits of the company.

The parties involved in sales promotion are customers, salesmen and traders of different types. They play different roles in sales. The customers are the end users and efforts are put to persuade them to buy and use the products for them or their family members. They are to be motivated by providing extra benefits so that the relative worth of their money is increased. The second party is sales force. They need to be motivated so that they put their best efforts
so they provide proper link between company and traders and customers and company. Timely information, support and supply of products are maintained so that the sales can be increased. When the products are sold through dealers they are needed to be motivated. When they get motivation then only they would sell the products of the company. All these parties are needed to give their best output. For their motivation purpose sales promotion is used. The different promotional tools are used separately for all parties. One method is not suitable for all the concerned parties. The promotional tools are separate for customers, dealers and salesmen.

(i) Objectives of sales promotion: Following are the objectives:

- To introduce new products: When the company is interested to introduce the new product in the market the sales promotion method like samples is used. The free samples of the products are given to the parties for introduction of the product. If the sample is liked by the customer then the product can be bought in future.

- To attract new customers and retain the existing ones: Sales promotion measures are used with the objectives to attract new customers and retain the existing one by providing extra benefits. The customers are attracted towards the products that offers price off, discount, gift, premium prize, etc on buying. There are many methods of promotion being used in market so that the existing customers can be retained and new can be added to the list of customers.

- To increase sales of seasonal products: There are some products like woolen clothes, rainwear, air conditioner, fan, refrigerator, cooler, room heater, sunscreen lotion, etc, these are used by the customers in particular season only. The demand of these products is not there is their off season. So the increase the sales of such products the sales promotion works wonderful. The customers are provided more and additional benefits to motivate the customers for buying. Thus the sales of seasonal products increase.

- To neutralize the competition effect: Nowadays the market situation is very competitive. It is very difficult to increase the sale of the product because every competitor is trying hard to increase the sales. Through sales promotion the extra benefits motivate the customers to buy the products. So to neutralize the competition effect the company has
to bring sales promotion scheme. If not the products of the other companies would be sold out more. The company may lose the opportunity for selling more would be lost.

- To push the sales of slow moving products: Some of the products are not in demand due to their old design, features or out of fashion. Such products are not moving and they are lying in the stores of the company. To increase the sales of such products the suitable measure for promotion are used. Due to these the sales of slow moving products increase. In this the benefits are given of higher value so that the customers are motivated to buy.

The company is using different types of sales promotional methods so that the objectives can be fulfilled. It is not necessary that at one time all type of methods would be used. For different parties for different objectives the promotional methods used may differ. It depends up to the strategy of the company.

(ii) Advantages of sales promotion: The main advantages of sales promotion are following:

- There is very useful for price sensitive customers. It can make good appeal to them. Such customers wait for sales promotion scheme to buy the products.
- Provides extra benefits to the customers through sales promotion schemes and create in customers to buy the products.
- Helps in increasing the sales of the current, seasonal, slow moving, out of use or fashion products.
- Neutralize the competition effects through sales promotion tools.
- The profits and sales of the company are increased with the sales promotion tools time to time.
- The effect of this method is direct and can be measured easily on sales after sales promotion scheme.
- It supports the push strategy of promotion. The products are pushed near to the customers to buy.
(iii) **Disadvantages:** In addition to advantages of sales promotion there are disadvantages also. These are following:

- It is focusing on short-run effect on sale. The sales are to be increased at a particular point of time of promotion efforts.
- The long term gains are sacrificed for short term gains and do not develop the brand image of the products and company in the market.
- It is suitable mainly for price sensitive customers and such customers become habitual to buy when sales incentives are given.
- Sales promotion competition adds costs to the selling budget of the company and profitability goes down.

(c) **Personal Selling**

Personal selling is one of the promotional methods used for increasing the sales of the products or services. In personal selling the salesmen of the company personally meet the customers, dealers relating to sales. They go directly to the concerned parties when the nature of the product is such that it cannot be distributed through wholesalers, retailers etc. The need for salesmen is felt depending upon the nature of the products, distribution network and policy of the company. In personal selling there is personal presentation by the firm’s sales force for the purpose of making sales and building customer relationships. Personal selling is paid personal communication that attempts to inform customers and persuade them to purchase products or services.

The salesmen approach the customers with all detail information regarding products, company management, features and benefits of the company, knowledge of customers profile, products of competitors and other related information. Before meeting the customers the salesmen prepare the list of prospects, details of prospects, job of salesmen, products features, management detail, company profile, competitors products etc. Home work is essential for the salesmen for effective selling. He explains all required information to the customers with the efforts to convince them to buy. If the customers agree then he takes the order from them. Later on follow up action is also done by the salesmen. During discussion
when demonstration of the products is required then it is also arranged by the salesmen. All doubts, fear, anxiety relating to products and company are clarified by the salesmen during his visits to the customers. The task given to the salesmen is very challenging.

Most effective tool for creating and building buyers’ preferences, convictions, and actions; through personal interaction between customers and salesmen feedback is possible. This feedback is helpful is problem handling and developing good customers’ relationship. No a days the buyers are more attentive; so to deal with them they expect long term commitment from salesmen. This method of promotion is the most expensive of the promotional tools but most effective also.

(i) Objectives of personal selling: The major objectives of personal selling are following:

- To create long term customers relationship with the customers. Through feedback, problem handling and assurance the company is interested to long term relationship,
- To meet the requirement of personal presentation through personal selling. When demonstration and doubt clarification are required the best suitable method of sales promotion is personal selling.
- To meet the requirement of industrial or heavy price products sales. This type of products cannot be sold out through dealers, wholesalers or retailers.

(ii) Advantages: Sales promotion is one of the methods of promotion and main advantages of it are following:

- Two way communications under personal selling is very effective.
- Face to face communication makes the things very clear and fears, doubts confusions are avoided on the spot.
- Demonstration of products performance is possible in personal selling. This helps in convincing the customers easily to buy the products.
- It gives long term impact on the customers because the assurance is given by the sales men.
- Contributes in developing good relationship and image of the company in markets.
(iii) **Disadvantages**: The disadvantages of personal selling are following:

- The coverage of sales force is very limited because there is involved of individual salesmen. So he can cover a limited number of customers in a time.
- It is a very expensive method of promotion because the cost involved per customer is very high in comparison with other methods of promotion.
- It is only suitable for high price products only and not for low price or FMCG products.
- Heavy budget is needed for personal selling activities. It is not suitable for small and medium size of the companies.

(d) **Public Relations / Publicity**

The fourth element of promotion mix is public relation/ publicity. In Public relations the efforts are put to create and maintaining good public image for products or services, businesses of the company, non-profit organizations, celebrities, leaders etc. Public relations is defined as building good relationships with the concerned parties of company out of public so to create good image regarding products, services and business of the company. The public should make positive publicity of the company so that adverse situation can be handled in future.

Public relations convey messages to the target public with the help of the media on behalf of a client, with the objective to influence the opinions and create favourable image for products, services and business of the company. The major parties involved in the public are employees, customers, dealers, bankers, suppliers, consultants and government. The different messages are given focusing on different target segments.

Public relations convey messages to the target public with the help of the media on behalf of a client, with the objective to influence the opinions and create favourable image for products, services and business of the company. The major parties involved in the public are employees, customers, dealers, bankers, suppliers, consultants and government. The different messages are given focusing on different target segments. It is very effective when it is supporting the goal of the organization. It is viewed as a strategic management function.
Publicity is one of the elements of promotional mix. The other components of promotions are advertising, sales promotion, and personal selling. Publicity is closely related to public relations. In public relations the communication between company and public are managed and the publicity is the management of product or brand related communications between the firm and the general public. It is primarily an informative activity and its ultimate goal is to promote the company’s products, services, or brands. Publicity can be called as a planned programme for obtaining favorable press coverage regarding company, products and services. The techniques used for creating publicity are press release, telephone press conferences, in-studio media tours, multi-component video news releases, newswire stories, and internet releases. These should be used for the interest of the public. For example, when opinion of a customer using car is taken and released in press. This press release in made in favour of the product of the company, the publicity is made by words of mouth gives very good impact on the mind of the other customers.

(i) The advantages of publicity are low cost, and credibility of publicity made is very high. It gives very good impact on the prospect customers. It spreads very fast.

(ii) The disadvantages of publicity are also there. It is very difficult to find out from where the publicity has originated. It lack of control over the message. If the adverse publicity is there then it is difficult to control it. It may damage the image of the company. In this case special care should be there so that the adverse publicity should be avoided.

4. Selection of Promotion Mix

There are four different methods of promotion methods and each method is having its own advantages and limitation. Considering strengths and weaknesses of each method and objectives of promotion the resources are applied to make the efforts of promotion successful. Out of these for promotion purpose any one or more are to be selected. There is no hard and fast rule that a particular method is to be selected. The selection is done by considering the requirement of promotion campaign. The promotion efforts should be very effective. For this purpose the following factors are to be considered:
(a) Type of products to be sold
(b) Time of selling the products.
(c) Objectives of the company
(d) Promotion budget
(e) Target customers and their locations
(f) Availability of promotion methods.
(g) Methods used by the competitors.
(h) Personal interest of top management.
(i) Product life cycle of the products or services

There may be other reasons for selection of particular methods of promotion. Generally the leading companies are using two or more or in combination of these methods so that their sales targets, customers relationship and image of the company etc, are maintained properly. The company is in position to maintain its position in the market. The selection of promotion mix must be in position to give the competitive edge to the company over other competitors.
Chapter 3.3: Sales promotion

1. Introduction
2. Sales Promotion
3. Definitions of Sales Promotion
4. Objectives of Sales Promotion
5. Parties Involved in Sales Promotion
6. Sales Promotion Methods
7. Sales Promotion Process
8. Sales Promotion Strategy
9. Organizing Consumer Contest
10. Reasons for Growth and Future of Sales Promotion
11. Problems Faced in Sales Promotion Management
12. Advertising and Sales promotion
Chapter 3.3: Sales promotion

1. Introduction

The company produces the products or provides the services for the customers. First of all it try to find out the profile of the customers. The features of the customers are identified such as location, education, income, family size, consumption pattern, availability of products or services in the market, interest or changes in their existing demand, preference, tastes and other features. The marketing research is carried out to collect the information regarding customers’ demand, what they are having and not having. The efforts are put to find out the gap between the demand and supply. They try to operate between that gap. The opportunities are find out through the research. The products or services are designed to fill the gap that is found by the researchers. The products are designed specifically for a segment of customers. Further efforts are put to manage very effectively that particular market segment. The company is putting its efforts in all these activities so that the customers must buy its products. For creating awareness, informing about the availability of products or services, features, benefits, price and availability of products at particular location. The main objective is to sell the products to the customers. On continuous basis the efforts are put to influence the customers to buy their products. The promotional efforts are put by the company. There are different methods used by different companies for promotion of their products or services. One of them is sales promotion method. It is explained in the following paragraphs.

2. Sales Promotion

Sales promotion is one of the promotional mixes other than advertising, publicity/public relations and personal selling. The efforts are put to increase the sales by motivating everyone whoever in involved in the sales of the products. The major parties involved in the sales are salesmen, dealers and customers. The sales promotion efforts are targeting them to stimulate them to buy through different incentives or benefits. The objective of promotional efforts is short term. When the company is interested to increase the sales of the products or services the different methods are being used. When efforts are there other then advertising and personal
selling is called sales promotion. Marketing efforts through which the targeted parties are stimulated to buy the products for extra value or incentive. These efforts can be targeted to salesmen, customers and dealers to increase sales in short term. The sales promotion activities can be divided as customer oriented, trader oriented and sales force oriented. Through sales promotion tool the extra benefits are provided to the targeted group so that they can be stimulated to buy the products and increase the sales and profits of the company.

The parties involved in sales promotion are customers, salesmen and traders of different types. They play different roles in sales. The customers are the end users and efforts are put to persuade them to buy and use the products for them or their family members. They are to be motivated by providing extra benefits so that the relative worth of their money is increased. The second party is sales force. They need to be motivated so that they put their best efforts so they provide proper link between company and traders and customers and company. Timely information, support and supply of products are maintained so that the sales can be increased. When the products are sold through dealers they are needed to be motivated. When they get motivation then only they would sell the products of the company. All these parties are needed to give their best output. For their motivation purpose sales promotion is used. The different promotional tools are used separately for all parties. One method is not suitable for all the concerned parties. The promotional tools are separate for customers, dealers and salesmen.

Sales promotion includes several methods that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate the customers to buy the products or avail the services. Examples of sales promotion methods are price or quantity off, coupons, discount, samples, premiums, point-of-purchase (POP) displays, contests, scratch cards, gifts, rebates etc.

The sales promotion methods are used for different products with different objectives. The objectives may be to increase the sales of current, obsolete, slow moving, seasonal products so that the profit and profitability can be increased. The company might be interested to sustain the sales and market shares of the company in the market. The competitors are using different methods for promotion of sale so to neutralize the competition effect the company is also using.
It entirely depend upon the strategy of the company which methods is to be used for a particular segment of customer and how much to spend on the promotional activities. All decisions are taken by the marketing team after considering many variables.

Sales promotion offers a direct inducement to act by providing extra worth over and above what is built into the product at its normal price. These temporary inducements are offered usually at a time and place where the buying decision is made. Not only are sales promotions very common in the current competitive market conditions, they are increasing at a fast pace. These promotions are direct inducements. In spite of the directness, sales promotions are fairly complicated and a rich tool of marketing with innumerable creative possibilities limited only by the imagination of promotion planners. Sales promotion is often referred to by the names of ‘extra purchase value’ and ‘below-the-line selling’.

Today we find companies in almost all sectors offering some sort of a promotion scheme. These sectors range from automobiles to beverages, from financial services to foods, from household durables to services, from household products to business products, from personal care to textiles and apparel. Sales promotions are used by a wide range of organizations in both the consumer and business markets, though the frequency and spending levels are much greater for consumer products marketers. One estimate by the Promotion Marketing Association suggests that in the US alone spending on sales promotion exceeds that of advertising.

3. Definitions of Sales Promotion

The concept of sales promotion has been defined as follows:

(a) Sales promotion - Sales promotions are short-term incentives to encourage the purchase or sale of a product or service.

(b) “Sales promotion includes incentive-offering and interest-creating activities which are generally short-term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioural responses of the firm’s customers.”
(c) Sales promotion is any initiative undertaken by an organisation to promote an increase in sales, usage or trial of a product or service (i.e. initiatives that are not covered by the other elements of the marketing communications or promotions mix). Sales promotions are varied.

(d) Sales promotions are non-personal promotional efforts that are designed to have an immediate impact on sales. Sales promotion is media and non-media marketing communications employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability.

(e) The American Marketing Association (AMA), in its Web-based "Dictionary of Marketing Terms," defines sales promotion as "media and nonmedia marketing pressure applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand, or improve product availability."

(f) W.J. Stanton defines sales promotion as all those activities other than advertising, personal selling, public relations and publicity that are intended to stimulate customer demand and improve the marketing performance of sellers.

(g) A definition of sales promotion becomes more difficult as the industry expands. At its most precise, it is any scheme designed to sell more product. In the broadest sense, it is everything in the marketing mix.

The above mentioned definitions have been studies and found certain characteristics. The summary of characteristics is as follows:

(a) It is the short term effort of the marketing team.
(b) The main objective of efforts is to increase the sales and profits.
(c) The different methods are used by companies for different products and target.
(d) The parties involved in sales promotion are customers, traders and sales force.
(e) The efforts are to induce the target group to motivate for sales.
(f) The stimulation to buy the products is by providing extra benefits or value.
(g) The impact of sales promotion methods is immediate and for short period.
4. Objectives of Sales Promotion

The promotion mixes are being used for the promotion of sales of products or services and may be to develop good image of the business and as a whole company. The different methods of sales promotion are used collectively. Out of that sales promotion is also used for these objectives. The objectives may differ from time to time and from product to product. There is not hard and fast rule that the sales promotion methods are used only for one objective for all products and every time.

(a) To introduce new products: When the company is interested to introduce the new product in the market the sales promotion method like samples is used. The free samples of the products are given to the parties for introduction of the product. If the sample is liked by the customer then the product can be bought in future.

(b) To attract new customers and retain the existing ones: Sales promotion measures are used with the objectives to attract new customers and retain the existing one by providing extra benefits. The customers are attracted towards the products that offers price off, discount, gift, premium prize, etc on buying. There are many methods of promotion being used in market so that the existing customers can be retained and new can be added to the list of customers.

(c) To Increase sales of seasonal products: There are some products like woolen clothes, rainwear, air conditioner, fan, refrigerator, cooler, room heater, sunscreen lotion, etc., these are used by the customers in particular season only. The demand of these products is not there is their off season. So the increase the sales of such products the sales promotion works wonderful. The customers are provided more and additional benefits to motivate the customers for buying. Thus the sales of seasonal products increase.

(d) To increase the repeat purchase: The company is interested that the products of the company should be bought by the existing customers repeatedly. The sales promotion methods are also used to stimulate them to buy by providing extra value or benefits. The existing
customers are retained by the company. They may make the positive publicity regarding products of the company to prospects. This may help in getting new customers also.

(e) To support other promotional methods drive: The company is interested for promotion of the products, services and business of the company. It is using different methods of promotion such as advertising, personal selling etc. These two methods alone may not get the objectives of the company fulfilled. To support these promotional methods for promotion purpose the sales promotion can be used. The combined efforts may give better result to the company.

(f) To neutralize the competition effect: Nowadays the market situation is very competitive. It is very difficult to increase the sale of the product because every competitor is trying hard to increase the sales. Through sales promotion the extra benefits motivate the customers to buy the products. So to neutralize the competition effect the company has to bring sales promotion scheme. If not the products of the other companies would be sold out more. The company may lose the opportunity for selling more would be lost.

(g) To push the sales of slow moving products: Some of the products are not in demand due to their old design, features or out of fashion. Such products are not moving and they are lying in the stores of the company. To increase the sales of such products the suitable measure for promotion are used. Due to these the sales of slow moving products increase. In this the benefits are given of higher value so that the customers are motivated to buy.

(h) To move surplus inventory: When demand of the product in the market shrank the production rate is not reduced, then the inventory in the store starts piling up. That situation is not favourable for the company. In that case to avoid the piling up the stock further the sales promotion are used exclusively with the objective to speed up the movement of inventory so that excess stock is sold in the market. This way the capital is avoided to get blocked.

(i) To increase market share: In present time there is tough competition due to local and international players. The company is facing an uphill task to maintain its position in the
market. Some of the companies have lost their position. To maintain the same position and market share the companies are using sales promotion methods also. The situation is prevailing in FMCG and automobile sector in India.

5. Parties Involved in Sales Promotion

When the companies are involved in marketing of products or services, take services from different parties. The products start from the manufacture and through sales men, distributors, dealers, wholesalers, retailers and finally reach to the end users or customers. The products are passed through these parties. It depends upon the involvement of these parties how the customers get the products. They may get in timely in proper condition or not. When the company is interested to serve their customers in a better way so that the sales can be increased, customers relationship get improved and image of the company goes high, the company needs the support of all concerned parties. They should their best services to the company. But it is not so easy to convince everyone. Without any benefits no one can be motivated in present time. Without any substantial benefits no one is interested to take extra pain. To make these people happy and contribute their efforts there is need to motivate them. For that purpose the company has to undertake sales promotion methods. When extra benefits are given to the salesmen, dealers and customers they would get motivated and do their work perfectly. If any one out of them is not interested the objectives of the company would not be fulfilled. Every one serves as an important link in the sales chain. The major parties involved in this sales promotion process are following:

(a) Salesmen

Selling is one of the important activities of marketing in any company. It is through selling the products from the manufacturers move to the customers through selling process. Through selling only the goods and products are exchanged for price in the market and company gets the revenue. This function of selling is performed by the salesmen in different capacity and different locations. The salesmen provide information to the dealers, distributors, wholesalers, retailers and customers. They explain all features and benefits of the products to the concerned parties for sale purpose. Whenever there is requirement of demonstration is needed that is given
by the salesmen. They clarify the doubts of customers and dealers. He gets the order from them and closes the sales. He is very important in maintaining customers’ relationship for the company. It can be said the role of sales men is very important. To get the best services from them they are to be motivated. Therefore, there is need for their motivation through sales promotion.

(b) Traders
The second important party involved in sales of the products or services is trader. Trader is a party that is involved in trading of the business. In traders we can include dealers, distributors, wholesalers and retailers mainly. Their job is to buy the products in larger quantity from manufacturer or from higher level in hierarchy in larger quantity and sell in smaller quantity to the lower level in hierarchy. They provide an important link between manufacturers and customers. All the products cannot be sold out to the customers directly by manufacturers due to location of customers and nature of products. The need for service of middlemen or traders is needed. The traders are known by different names. The company is interested to sell the products more and more to the customers. For this purpose the support of this party is needed. To get the support as per expectation of the company they are to be made happy and motivated. This can be done with the help of sales promotion methods. The sales promotion methods are to be selected trader oriented. The methods of promotion would provide extra benefits or value to the traders. This link would be strengthened to meet the sales target of the company.

(c) Customers
The third party involved is customers. This is the party that buys the products either for themselves or their family members. They are called the end users. This party is very important because they buy the products and the company gets the price in lieu of the products sold out to them. The customers understand the value of their money and they buy the products when they feel that is worth paid. They do a lot of comparison then only the taken the decision to buy the products. Every company is interested to keep their customers well informed, happy and wants to retain them for repeated sales. It is very easy to lose a customer but difficult to get a new customer and further it is more difficult to retain the existing customers. The company must
understand their customers’ profile. The customers vary in their income, education, status, preferences, taste, liking and disliking, family size and location. It is necessary to understand the customers profile through marketing research. To increase the sales the role of customers is most important. They should be encouraged to take the decision to buy the products. They would only get stimulated when they get extra value for their money or benefits. The company must take the decision regarding sale promotion methods suitable for customers depending upon the sales of particular products.

6. Sales Promotion Methods

For promotion of sales, profits, market shares and image of the company a variety of sales promotion methods are being used in the market by different company. The one sales promotion method is not suitable for all products and party involved in selling. The management has to think about it and many factors are to be considered before taking decision regarding promotion methods. One method may be suitable for one party or two party but may not be suitable for the third party. The variable factors like type of product, location of party, role of the party, strengths and weaknesses of particular method of sales promotion, objectives of sales promotion, and sales promotion budget are to be studied carefully for decision purpose. The sale promotion methods can be divided into following groups:

(a) Customers Oriented Promotion Methods
This is the well-known methods of sales promotion and it is targeting customers to appeal to buy the products. Consumers are exposed to sales promotions nearly everyday; due to this many have become habituated and looking for extra benefits from companies most of the time for purchase decisions. Different types of sales promotion methods are used by the company in the markets. There is a big list of these methods. The sales promotion methods for customers are following:

(i) Price off or discount: Price probably is the most commonly used promotional techniques. The concession or reduction in price is given to the customers and they save the money in the purchase. The customers get the products in lower price. The same features of the products are
offered to the customers at lower price. The value of the money of customers is increased. The concession is given in net amount then it is called price off and if it is given in percentage then it is called discount. These methods can be communicated through POP advertising, window displays, sales men, advertising, packaging etc. Such promotion methods work very well in gaining the attention of consumers, particularly at the point of purchase among similar brands. For example, the price of Colgate Total tooth paste is marked MRP as Rs. 100. When it is marked Rs.10 off, then it means the customer has to pay Rs. 90 only. When is it is mentioned on package 15 % discount then the percentage on MRP is to be calculated and deducted. Rs. 100-15= Rs. 85 is to be paid.

(ii) Premium: When the product is purchased the customers get additional items with the purchased item free of cost. This provides extra benefit or value to the customer. The customer saves money through this. Sometimes when extra item with the purchased item is given to the customers and they may not be in need that item. It may not motivate much to more customers in comparison with price off or discount. The premium may be of different types such as over the counter, packed premium, banded premium and loyalty premium.

- When a customer is purchasing items and on the counter itself an extra item is given that is called over the counter premium. For example. a customer purchased one pen and with pen a pencil is given free of cost on the counter itself it is an example of over the counter premium.

- When a product is packed inside the pack of the product purchased then it is called packed premium. For example a packet of pencils is purchased and inside the pack a scale and cutter are enclosed. This is called packed premium.

- When a product is banded with the tape or strip with the main product and sold to the customers. It is example of banded premium.

- When a customer repeatedly bought the products in past and giving proof of the purchase, then it is called loyalty premium. On producing evidence of the purchase the customers get additional item is example of loyalty premium.
(iii) **Quantity off:** Under this sales promotion method the additional benefit is given through the quantity of the product bought. Without payment an extra quantity of the product is packed in the pack itself or separately. It is called quantity off method. For example, in a pack of Rin detergent cake of 100 gms extra quantity of 20 gms is included and in total 120 gms is packed. The price of the packet is not changed but it is market on the package as 20 gms extra.

(iv) **Free samples:** In this sales promotion method small packs of the products are distributed to the customers during buying or without buying free of cost. In market the samples of shampoo, washing powder, tea and coffee powder medicines, etc. while purchasing various items from the market. Sometimes these free samples are distributed by the shopkeeper even without purchasing any item from his shop. The main objective of this method is to attract consumers to try out a new product and thereby create new customers. Some businessmen distribute samples among selected persons in order to popularize the product. For example, in the case of medicine free samples are distributed among physicians, in the case of textbooks, specimen copies are distributed among lecturers and teachers in schools and colleges.

(v) **Exchange schemes:** When the customers are going for purchase of the product they are offered to get exchanged their old item at a reasonable price. It refers to offering exchange of old product for a new product at a price less than the original price of the product. This is useful for drawing attention to product improvement. This is more suitable for the durable goods mainly. For example a colour TV set price is Rs 10000 and exchange offer is giving for black and while set of Rs 1000. It means the old set is to be given to the dealer and it price would be counted as Rs. 1000. Balance of Rs. 9000 is to be paid. This motivates the person those who are having less amount but want to purchase the costly item.

(vi) **Coupons:** Sometimes, the company issues coupons either in the packet of a product or through an advertisement printed in the newspaper or magazine or through mail. The presentation of the coupon accepts the benefits to the customers. A coupon authorizes the holder to get the discount of printed amount of coupon. These coupons can be presented to the retailer while buying the product. The holder of the coupon gets the product at a discounted
price. For example, if a packet of biscuit is purchased and inside its pack a coupon of Rs. 3 is found. The customer presents it to the retailer and get discount of Rs 3 when he buys another packet of biscuit.

(vii) **Fairs and exhibitions:** This is one of the methods of promotion for creating awareness of the new products and mainly durable and high price products. Fairs and exhibitions may be organized at local, regional, national or international level to introduce new products, demonstrate the products and to explain special features and usefulness of the products. Goods are displayed and demonstrated and their sale is also conducted at a reasonable discount. The fairs are conducted mainly for IT, engineering goods, automobiles, industrial goods etc. Every year trade fare is conducted at Pragati Maidan in New Delhi for this purpose.

(viii) **Trading stamps:** Another method of inducing the customers to buy the product is issue of trading stamps. In case of some specific products trading stamps are distributed by the companies as per the value of their purchase. The customers those who have collected and produced these stamps of sufficient value within a particular period gets benefits from the company. This method induces customers to purchase the product more and get benefits by collecting trading stamps.

(ix) **Scratch and win offer:** In this method the company provides the scratch facility on the pack itself. Those who buy the product can scratch the card and win the prize. In this way customers may get the benefits as per the scratch scheme whatever is mentioned on the scratch mark. This method also motivates the people to some extent but not very high.

(x) **Money back offer:** When the product is not known to the customer in the market. The customers are not sure about the benefits of the customers especially in case of new products. Under this scheme customers are given assurance that full value of the product will be returned to them if they are not satisfied after using the product. This creates confidence among the customers with regard to the quality of the product. Under assurance only the customers taken chance to buy the new products.
(xii) Contest or sweepstakes: To motivate the customers for purchase of the product another method of contest or sweepstakes can be used by the company. In contest for entry certain skills are needed but in sweepstakes no skill is required to participate. It may also motivate the customers in some of the cases also.

(b) Traders Oriented Promotion Methods

With the intention to get the best cooperation from the distribution channel members the companies are using different promotional methods. These methods directed at traders are called traders oriented promotional method. They traders provide the important link between the marketers and the customers. The traders may include dealers, wholesalers and retailers. The company cannot take chance to miss them. These types of methods are applied to strengthen the team work among all concerned parties of sales. Some of the methods for motivation of traders are following;

(i) Point of purchase display: This method is targeted at dealers or traders. It means the display facilities are provided by the manufacturers to the traders for display at their showrooms or shops. The types of products sold out at the outlet are displayed at the points. This gives the clear idea to the buyers that the particular type of products are sold at the store. Without display the idea regarding availability for buying would not be known to the customers. It supports the traders to improve the internal and external atmosphere of the store. By this the customers are attracted and traffic of customers increases. This creates the visibility of the products and further it supports the promotional methods like personal selling and advertising. The only difficult in this is that the traders are not maintaining the POP facilities and they all selling these also to get money. These facilities are provided free of cost to the traders. This improves the status of the store and motivates the traders.
(ii) Trade fair: The trade fair is also used for the traders. A large number of manufacturers display their wares and take orders at trade shows. In fact, companies spend a huge amount on this type of show. They also provide a chance to demonstrate products, share information, answer questions, and enable them to have critical comparison with the products of competitors. The participants may be the traders and customers. They are provided with all supports and orders can be taken from them. The traders get motivated to deal in those products displayed in trade shows.

(iii) Traders meeting: Time to time the company arranges meeting of traders so that the related issue of business can be discussed and shorted out easily. The participants are traders or their salesmen. The meeting can be sponsored by the company or jointly company and traders. These can be conducted at local, regional and national levels. The objective of the meetings is to discuss the difficulties, answer the confusions, and guide the salesmen for promotional campaign. The facilities are given to the traders to increase the sales and their earnings free of cost. This helps a lot to motivate the traders and they provide adequate support to the company to meet their objectives of sale.

(iv) Sales contests: The Company arranges the sales contests for the traders those who achieve the quota of sales within the stipulated period. Those who achieve the specified quota they participate in contests. They may win the prizes, free tours sponsored by the company and other benefits. This triggers to encourage them to put efforts for increasing the sales and providing the support.

(v) Training of staff: This type of method provides training to the technical staff for servicing and repairing of the durable goods like car, TV, computers, refrigerators etc. The engineers of the traders are not having much systematic knowledge of the products, to repair and replace the faulty parts of the products. They are trained by the experts of the company in their workshop free of cost. The training facility can be arranged at workshops of traders locally. This provides a lot of supports in increasing the sales.
(vi) **Push money:** This promotional method is used for the traders to increase the sail. This is targeted to meet a specified goal of the sales. Those who meet the goal are given extra money as push money. This may include the unfair practices also because they try to sell the products by fair or unfair way to get the push money. But somehow it is working well and motivating the traders.

(vii) **Buying allowances:** The traders are given allowances when they buy the specific quantity one time or with in the specified period. If they are buying quantity more then the specified quantity then only they get otherwise not. So to increase the sales of the company and benefits to the dealers this method of promotion is used by the companies.

(viii) **Profit margin:** The Company fixes the price in such way the profits of dealers, retailers and customers are included. The company provides to the traders their profit margin according to sales of the products. The profit margin in as per the quantity sold. They are not provided extra money to push the sale. This is considered as a fair practice in the market and it motivates the traders also.

(ix) **Slot allowance:** This type of promotional method is provided by the company to the wholesalers and retailers when the new products are not known to the customers. The slot or space is provided by the retailers to the manufacturer for new products display and allowance is paid by the manufacturer. The objective is to increase the visibility of the products to the customers who frequently visit to the stores.

(x) **Advertising allowance:** The advertising allowances are paid to the traders when they advertise the products of the manufacturers. What ever the facilities are available with the traders are used for advertising. The proof of the advertisement is to be given to the manufacturers for getting the allowances. Some time the advertisements are given jointly for the publicity of the products of the company and showrooms of the traders. This method also motivates the traders to support the company to increase the sales, profits and market shares of the company.
(c) Salesmen Oriented Sales Promotion
There are certain methods targeting salesmen of the company. The selling is the important activity in marketing. To perform selling function the role of salesmen are very important. They perform an important part of the sales activities. Without proper involvement of salesmen the tasks to achieve the objectives can not be fulfilled properly with satisfaction. A number of sales promotion methods are used by different companies in the market for motivating them are following:

(i) Sales contests: Most of the salesmen are competitive by nature. To perform their tasks they give their best output. Contests are great ways to create a sense of participation and to motivate salespeople to achieve success, especially when they are participating against each other. The objective of the sales contest is to motivate the salesmen to perform better and participate for extra benefits. It is for short term only. The salesmen those who achieve the sales target are given entry in the sales contest. During sales contest the prizes can be won by the sales men. This gives a trigger to work smartly and achieve the target. The desire for prize win motivates them to influence their behaviour and objectives of the sales promotion are fulfilled.

(ii) Sales commission: Another method of motivation of sales force is commission on sales. The managers fix the commission rates on the sales of the products. The commission can be of fix rate or it may be variable or in combination. Depending upon the situation and type of products the commission rates can be decided. For example, Fix rate of 5% as a commission is fixed on the net amount of sales. It means if a person sells products of Rs. 1000 per day then he gets Rs. 50 as fix commission per day. Further, up to sales of Rs 1000 the rate of commission is 5% and beyond this rate is 10% on the amount of sales. This is called combined rates of commission.

(iii) Trips: Next method to motivate the salesmen can be sponsorship of a trip of the sales man alone or with spouse. This shows the target to the salesman to work and achieve. The salesmen who achieve the target at the end of year or quarter or half year or annual, would be sponsored free trips to the tourist destination or to a city like Singapore, New York or London. This exciting offer keeps the salesmen motivated. They take the initiative to generate more and more
sales. The problems from salesmen side are overcome. The targets from motivated sales can be achieved to level of expectation. This practice is generally followed in many good companies. 

(iv) **Gifts:** The sales manager can use gift also as a method of motivation for their salesmen. The salesmen those who work as per the plan and achieve the targets can be offered gifts or merchandise. The gifts such as t-shirts, caps, bags, dinner set, tea set, DVD etc. This keeps the interest of the sales men on track and they do their work without any disturbance. They are benefited due to extra benefits given through gifts. The main thing is that the gifts should be given to those who actually achieve the targets and not to everybody. Otherwise it would not motivate the salesmen.

(v) **Work recognition:** The salesmen are assigned targets for a particular period of time to achieve. On completion to time duration of the target the work is measured. The salesmen those who achieve the performance standard or targets are shortlisted. Their achievements or success are accepted and appreciated. They are awarded in terms of medal, trophy or certificates. The can be awarded best sales man of the year or half year or month. They might be given certain amount also with medal or certificated. This keeps the feeling of the sales men very high in their group. The leading companies in the market are using this method for sales promotion also for salesmen.

(vi) **Training of salesmen:** The training is arranged for the salesmen. The training can be as basic, refreshing or technical training. The training provides knowledge regarding the products, their features, operating system and fault finding and repair etc. The training gives knowledge and skills to the trainees. The skills and knowledge give confidence and in return the confidence gives good performance and satisfaction at job. The salesmen are enabled to achieve the targets easily and it motivates the person. The job satisfaction becomes the major factor for motivation. It does not provide any monetary or physical gains directly but indirectly it contributes in achieving both types of gains.

(vii) **Promotion:** The major method of motivation of salesmen is promotion. The conditions are fixed in career planning and development that if the salesmen continuously perform very good in three successive years then the case of the candidate would be considered for promotion. With the hope of next promotion the salesmen put their best efforts those who are
interested to develop their career. This keeps the salesmen on the right track and they are motivated. Everyone is interested for promotion in their career for better and bright career. This is used is most of the leading companies worldwide.

(viii) Increments: Increment is also like promotion a method of motivation of employees. In increment method, the performance of employees is appraised and from appraisal review the good and bad performers are identified. One the basis of their performance they are permitted increments. The good performers are given higher and additional increments, average performers are given average increments and poor performers may not be given increments they may get wage cut also. This is one method of positive and negative motivation. D due to hope of good increments and wage cut the salesmen perform their tasks properly so that the objectives of sales can be fulfilled.

The above mentioned methods are some of the methods used by the companies in the markets. This is not the exhaustive list of sales promotion methods of salesmen. There may be more then that also. It entirely depends upon the sales management to select one, two or more in combination. The methods are selected as per objectives, promotion strategy, nature of products, and profit policy and competition level in the markets.

7. Sales Promotion Process

The selling is a very typical activity. Many factors are involved to complete the sales. Till the payment is received from the party and sales are closed completely it cannot be as complete sales. The involvement of customers, salesmen and traders all there of different category and vary in their features, make the sales promotion process very complicated. To motivate these parties separately and in combination is an uphill tasks. The management have to consider many variables for taking any decision. It is to be implemented with other methods of promotion so the objectives of the sales can be achieved. If proper can is not taken then the sales promotion efforts may misfire. Keeping in view certain steps are to be taken very carfully. These steps are arranged in a logical order. These are to be followed in proper sequence and if not the process of sales promotion would be fruitless. The following steps are involved in sales promotion process:
(a) Analysis of Market
In sales promotion process first the study of the market is to be carried. The markets in which we are interested start the sales promotion process. The knowledge of the market is very essential. The sales manager should have knowledge regarding location, size, type of market, level of competition, competitors profile, products of the competitors, market trends etc. This would make the position of sales manager very clear for taking sales promotion decision. It would work effectively and chances of misfire of methods of promotion would be minimized. The first step provides the base for further steps in sales promotion process.

(b) Identification of Target Groups
After analysis of the market the next step is to identify the target groups in the markets. If is not possible for the company to serve all types of markets and all locations. The markets are to be identified for promotion purpose. It entirely depends upon the company policy that what markets it want to serve. Further in markets the sales promotion is to be planned and implemented for target groups. The main target groups are customers, salesmen and traders in the market. The study of these parties is to be carried out and according plan of promotion these are to be selected very carefully. The sales promotion can be for one or more parties at a time. They are to be pin pointed for better planning and implementation so the required results can be achieved.

(c) Set Sales Promotion Objectives
The sales management is interested to increase the sales of the company through sales promotion. The objectives are to set before taking further steps. The objectives of the sales may vary party to party and product to product. The objectives may be to motivate the traders, salesmen and customers. The objectives may be related to current products, obsolete products, slow moving, seasonal and defective products. It should be decided in advance what actually management is interested to achieve through sales promotion. This would give the clear guideline for further plan and action.

(d) Fixing Sales Promotion Budget
After deciding the target groups and objectives for sales promotion the next step would be fixing the budget. The budge is the statement of fund from when the fund would be taken and
where and how much would be spent. It is the summary of revenue and expenditure. To carry out the sales promotional activities there is need for fund. That amount is to be decided. The promotion budget figure can be decided by considering various factors such and competition parity, capacity of the company, percentage of sales, zero base and in combination. These factors are very important for consideration. The budget figure would be in line with the requirement of the company and markets to achieve the targets. If the amount is less then some of the activities may not be fulfilled or achieved. If amount is in excess then the effectiveness of the promotion efforts may be less due to heavy promotional costs.

(e) Select Sales Promotion Mix
After selection of market, target groups, objectives and budget the next step is decision of sales promotion mix. Some of the promotion methods are suitable for customers and may not be suitable for salesmen and traders and vice versa. The features of each method are to be studies and utility of each one is to be identified. After the sales promotion methods are to be selected for different parties. These are to be selected and implemented in combination. At one point one method may be suitable and another may be suitable at different point of time for different party. The selection of methods is to be done very carefully. This is called selection of sales promotion methods.

(f) Implementation
The sales promotion methods as per the plan are to be implemented. The sales promotion methods should be made available for concerned parties. These are to be made available as per communication or advertisement. If not done so it may not supplement the other methods of promotion like personal selling and advertising. The timely arrangement should be made an in required number or quantity. The responsibility of implementation should be fixed on the shoulder of one responsible person then only effective implementation is possible. The action plan should be in time and strongly implemented.

(g) Review and Measuring Effectiveness
The sales promotion mix plan is implemented for the selected parties and in selected market for required products. It is to be implemented for a particular period of time and after that it is to be reviewed. The efforts should be there to find out whether it is doing the work as per the plan
not. The deviation in plan and implementation of plan is to be found out. On the basis of deviation identification only the remedial action can be taken so that it can be tuned as per planning to get desired results. The effectiveness of the sales promotion campaign is to be measure. The total sales before implementation of promotion campaign and immediately after completion of promotion campaign are to be measured correctly. This would show the effect of these efforts on the sales. If the sales have increased to a very good extent then it can be said the promotional efforts were very effective. If sales are increased very less or there is no substantial increment in the sale then it can be said the effectiveness of the efforts is not there at all. On the basis of this the further action can be adjusted.

Diagram 3.3.1: Sales Promotion Process

Analysis of Market

Identification of Target Groups

Set Sales Promotion Objectives

Fixing Sales Promotion Budget

Select Sales Promotion Mix

Implementation

Review and Measuring Effectiveness
8. Sales Promotion Strategy

The concept of strategy was not known in the past. It has been developed in the last few decades in the market. The main concept was known was policy. Policy means the guidelines to perform a particular activity so that uniformity in performance can be maintained. The market situations changed a lot and now it is very turbulent, uncertain and risky. There is high degree of competition from local and international players in the markets. The situation is not favourable to perform the tasks easily. There is high degree of aggressiveness is required in action so that the need of the situation can be fulfilled. The word strategy was used first time in military services to direct and control them. The tasks were to be completed without fail and there was no other option other than do or die. A high degree of aggressiveness needed to accomplish the tasks in that situation at time. Due to competition now the similar situation has been felt in the market also. So now in business also the term strategy has been used. The concept of strategy has been applied in different areas of management and sales promotion is also no exception.

Strategy differs from policy and it means policy plus aggressiveness. The policy is to be implemented aggressively so that the tasks are completed without fail and in time very effectively. If not done so someone else would do before and better than you. You would be defected at your own game in that case. All efforts put for that purpose would be fruitless. So it can be said the term strategy is very important in present time. It can be defined as a game plan to achieve the targets very effectively and efficiently. It is like a weapon in the hand of the company that protects it and defeats the competitor. It provides a competitive edge to the company over its arch rivals in the market. So the management cannot forget the importance of strategy in its different areas of operation such as production, marketing, human resource, finance, research and development, transportation etc.

The sales manager may have three types of strategies for sales promotion purpose. It may include push, pull and combination strategies. A push strategy the company communicates to the traders regarding the products, their features and benefits so that that can convince the customers to buy those products. They are communicating though advertising and personal selling. The objective is to motivate the dealers, wholesalers and retailers so that products are
purchased by the customers. The products are pushed near to the customers and they are made to buy by providing different methods of sale promotion which have been explained earlier. This strategy is called push strategy because the information and products all are pushed near to the customers.

Diagram 3.3.2: Push and Pull Strategy

A pull strategy is self explanatory because it pulls the customers towards the products. The manufacturers use advertising and personal setting for explaining the products, feature and their advantages and benefits to the customers. The efforts are put to create interest among customers. Due to this they start inquiring from dealers. This situation may be due to lack of interests in dealers to deal with that product, new products launched by the company, benefits provided by the company lure the customers and the products are manufactured on order basis or short supply of the products in the markets. Typical methods applied by the company in pull
strategy can be samples, coupons, cash discount and rebates, premiums, rewards, contests, and point-of-purchase (POP) displays. These can be used in combination time to time.

Some of the companies are using these two above mentioned strategies and that is called combination strategy. Depending upon the situation, market, target groups and products this strategy can be applied. For example in automobiles industry the car dealers often provide a good example of a combination strategy. The leading car manufacturers and dealers are using this type strategy to attract more and more customers for buying the products.

9. Organizing Consumer Contest

This is one of the customer oriented promotion methods, It is targeting the customer. The objective is to motivate the person the purchase the products as per the plan of the company. Consumer contests are competitions wherein individuals are invited to compete on the basis of creative skills. These contests are generally open for a period of month and more. The aim is to create awareness among the sponsors. There are certain objectives for which consumer contests are more suitable. These objectives are

(a) Stimulating interest in the consumers regarding a brand
(b) Increasing sales and usage of the products by customers.
(c) Launching of the new product
(d) Creating awareness regarding features, functions and benefits of products.
(e) Generating mailing list for database preparation and marketing
(f) Providing incentives, increasing profitability and image of the company in public.

The contests can be of two types. One on the basis of skills and another without any skills required to contests. Where skills are not required then anyone can participate. When skills are required only the consumers possessing the skills can participate. For example, contest for stitching, knitting, drawing, painting, dancing etc. Without skills the participants can not participate in the contents. Regarding the contest programme is to be finalised in advance. It should be communicated to the target consumers so that they can prepare and participate in time properly. The date for application is to be fixed. The entries are to be accepted up to that
date only. The advertisement relating to that should be placed in leading newspapers, TV channels etc. Without proper communication it is not possible to attract more number of participants. The objectives of the contest might be defeated.

The decision regarding prizes should be taken in time and communicated. It would create clear awareness regarding the prizes. In prizes only the branded products are to be selected. That would motivate the contestants more. The rules regarding participation should be prepared in advance and informed to the participants. If not they would have a number of doubts and objectives of conducting contest may not be fulfilled. The list of judges is to be prepared and communicated to all concerned. At the scheduled time the contest is to be conducted. It should be conducted very fairly without any favour or fear. Relating to the contest if any dispute is there then the area of jurisdiction is to be decided in advance. All legal implications are to be avoided. The prizes declared during the contests are to be given at the specified time. The articles given in prizes should have good quality.

10. Reasons for Growth and Future of Sales Promotion

Sales promotion has grown substantially with increasing competition level especially after liberalization of economies world wide. To neutralise the effect of competition the companies have adopted different promotion methods for different parties. The interest is to motivate them so that they contribute their best services in achieving the sales objectives. There are different reasons for growth of sales promotion methods in the market and these are explained below:

(a) Customers are all well educated and understand the importance of their money value. They are not going to spend without getting good benefits from the products directly or indirectly. They understand if not one then second competitor is going to offer benefits through sales promotion methods. The customers have become habitual in taking purchase decision with extra benefits from promotional methods.

(b) The companies are interested to achieve their sales objectives. They want to increase their sales in long and short term. For supporting the long term objectives the short term objectives are also developed. The objectives can be fulfilled when the promotional methods are working
in proper combination. The sales promotion methods boost the sales immediately. That is why
the sales promotion methods also have been used in present time.

(c) Due to development of informational technology the management is in position to get the
feedback from the parties on sales promotion results rapidly. The managers get immediate
results and further situation can be reviewed if not working well. If it gives result then a
particular methods might be continued. The communication of methods and impact are known
very fast to the concerned parties. The objectives of promotion are fulfilled.

(d) The sales promotion methods are used by the companies to differentiate their products from
products of other competitors. The customers can differentiate the brands where they get the
benefits and where they do not get. They take the decision to buy where they get extra benefits.
The sales promotion methods are used by the companies to maintain uniqueness in the sales
approach through sales promotion methods.

(e) The purchasing and storage capacity of the traders also increased with the time. With their
increasing power they started demanding sales promotion benefits so that they can sell the
products of the manufacturers. The traders are only interested to provide space and sell the
products of the company that provide them extra benefits. They do not hesitate to refuse the
manufacturers on one or the other pretext. The business is lost. To keep them with the company
the incentives are given.

(f) In past the power was in hand of manufacturer and the market was seller market. Nowadays
the market is buyer market and demands of the buyers are to be fulfilled. If not the sales
business will not be done in a better way. The power of different parties in the market involved
in sales cannot be ignored. The company has to think about offering incentives to them.

(g) The sales are of the company are having certain expectation from their jobs. If the company
wants better sales from them then they also expect more benefits. If the company is not
providing then the salesmen do not mind in changing the job. Nowadays the loyalty of
employees is not there. They are loyal to company providing them good salary and extra
benefits.
The growth of sales promotion has taken place in the present time and future of these would be bright with increasing level of competition, demand of customers, expectations of traders and salesmen. On reason cannot be made responsible for grown of sales promotion methods. There are many reasons and some of them are mentioned above. The management of the companies are to review these methods time to time so that they stay tuned in requirement of the parties involved in sales so that the objectives of sales promotion are achieved effectively and efficiently.

11. Problems Faced in Sales Promotion Management

The sales promotion management is a very complicated process. The sales management for promotion purpose take number of steps very carefully. The major tasks performed by sale promotion management are analysis of market selection of target groups for promotion, selection of promotion mix, deciding the budget for promotion, implementation and review of promotion schemes and efforts to know the effectiveness of all efforts put for this purpose. There is involvement of other parties also like customers, advertisers, traders and salesmen of the company. The coordinated efforts are needed from all the parties. That is an uphill task to get desired level of performance from all of them. The following problems are faced in sales promotion management;

(a) The Wrong Analysis of the Markets
It is very difficult because every market is a complex one and it is difficult to understand the emerging issues in the market. The thorough knowledge is required regarding customers, demands, business environment, competition level, availability of competitors and features of products of competitors. The mistakes are likely to take place.

(b) Improper Selection of Target Groups
The problem faced in sales promotion. The promotion schemes for increasing sales are to be targeted on the parties. Before putting these efforts the major difficulty is selection of target group. Managers having through knowledge of concerned parties only can handle this situation properly. If the target groups selected are wrong then all efforts for sales promotion would misfire and unnecessary costs would be added.
(c) Wrong Selection of Promotion Methods
The sales promotion tools should be selected as per the target groups. The features, expectation and market situation prevailing are to be considered for selection of the sales promotion methods. Many times the common sales promotion methods are used for different parties and that does not give effective result. The all efforts go in vain. The experienced person may handle this situation in a better way.

(d) Lack of Support from Other Promotion Methods
The sales promotion methods alone can not bring the expected results in sales. It is to be supplemented by other methods of promotion like personal selling and advertising. The methods implemented must be known to the customers through advertising, personal selling, fairs and exhibition, and show rooms display. If not done so the result is definitely going to be very poor.

(e) Improper Supply of Sales Promotion Tools
The information are given to the target parties through advertisement, personal selling and POP display but these benefits are not supplied to the traders and salesmen for motivation of customers. The customers start demanding because they got the information but the items of sales promotion are not made available at the point of purchase. If supplied then the quantity may not be sufficient to meet the requirements of increasing customers. The items may not be supplied in time or in required quantity. It affects the result adversely.

(f) Misappropriation of Promotional Goods
The items supplied by the company to the trades and salesmen are misappropriated. The goods are not reaching to the customers. In this case there would be no effect on sales of the products. The misappropriation of items take place due to improper communication, information not printed on the package, illiteracy of customers, excuses of not supplied by the company made by traders and salesmen, goods sold out by the traders etc. The all efforts go in vain and result is not as per the plan.
(g) Location of Customers
The location of customers also becomes a problem in sales promotion management. The information and benefits are not reaching to the customers. They are residing in a remote areas where the media and transportation facilities are not available. The vast areas in many markets are uncovered. The effectiveness in sales promotion management achieved is very low.

(h) Insufficient Sales Promotion Budget
The sales department of the company is interested to increase the sales of the company but the fund available with the company is not sufficient in the beginning or in between. The works is disturbed from starting or during promotional campaign. It should be ensured due to lack of fund the purpose of sales promotion should not be defeated.
The above mentioned reasons are responsible for poor results from sales promotion efforts. These problems can be faced individually or collectively. The manager should take care of these problems in the beginning and efforts should be there so the adverse effects on sales can be avoided. Timely actions are taken on these problems the result definitely will be better.

12. Advertising and Sales promotion

For promotion purpose and the combination of promotional method is called promotion mix. The promotional mix is defined as the basic tools or elements that are used to accomplish an organization’s objectives. A business' total marketing communications programme is called the "promotional mix" and consists of a blend of advertising, personal selling, sales promotion and public relations tools. Advertising and sales promotions are parts of the promotion mix. The purpose of using these two methods of promotion is same to increase sales and profits but the major differences are:

(a) Advertising is a one method of presenting message to persuade an audience to purchase or take some action upon products, ideals, or services. Any paid form of non-personal presentation of ideas about products or services in the media by and identified sponsor. The advertisement is given by using the brand name of the products or services and their benefits to users are highlighted. The media used for communication includes television radio, newspapers,
magazines, billboard posters, periodicals, cinema etc. Advertising is intended to inform and persuade. The message given in an advertisement is non personal. It is not related to any individual but it is related to the company, products or services. Advertising can be used for commercial and non commercial purposes depending upon the planning of the sponsors. It can be placed by the company or advertising agency on behalf of the company.

(b) Sales promotion is one of the promotional mixes other than advertising, publicity/public relations and personal selling. The efforts are put to increase the sales by motivating everyone whoever in involved in the sales of the products. The major parties involved in the sales are salesmen, dealers and customers. The sales promotion efforts are targeting them to stimulate them to buy through different incentives or benefits. Marketing efforts through which the targeted parties are stimulated to buy the products for extra value or incentive. These efforts can be targeted to salesmen, customers and dealers to increase sales in short term. The sales promotion activities can be divided as customer oriented, trader oriented and sales force oriented.

(c) Advertising objective is long term and it performs the functions of creating awareness, reminding repeatedly, persuading to buy and retaining the existing customers. Its objective is to develop brand image of products and services. Sales promotion objective is short term and performs the functions of providing extra benefits and stimulating the customers to buy the products. Its main goal is to increase the sales immediately.

(d) In advertisement the information are given on different media for attracting customers or potential customers to stores. The advertising is used as an external vehicle to drive customers to the point of purchase. The show rooms are using television, radio, and print media for advertising and to build an image for a brand, and to attract potential customers and clients. Sales Promotion provides incentives or benefits to the customers through sales promotion method and drives them Inside of stores for purchase Sale promotion is used to increase sales inside of stores and businesses. Sales promotions are mainly used as a tactic inside of a store or place of business to promote and heighten interest in products or services.
(e) Advertising uses external media to create awareness of products and services and to build a preference for a company or brand. Companies use television, radio, newspaper, magazine, direct mail and online websites as media to place their advertising. Sales promotions often focus on internal media vehicles that are often used in the stores. These may include POP display, premium, gifts, discount, contests etc.

(f) Repeated advertising makes the customers to thing and create interest. It persuades the customers for purchase and develop brand image. When repeated advertising are placed the customers have the perception about product of higher quality. Heavy Sales Promotion efforts of the company no doubt increase the sales but product being perceived as having lower quality and cheaper brand image.

(g) The objectives, media, functions, and effects are different of advertising and sales promotion. These two are no doubt used for increasing the sales and profits of the company. But the best business practices often include the use of advertising and sales promotions together. Advertising provides the information and create awareness and sales promotion supports the message given in advertising. When the customers enter the stores then they are reminded. Both works in close coordination then only the result will be effective. Both separately cannot meet the requirement of promotion of products, services and business.