Promotional Mix –
An Over View
CHAPTER II

PROMOTIONAL MIX – AN OVER VIEW

2.1 Introduction

Promotional activities are an important component of marketing strategy, and marketers must take special care to see that they mesh with the long-term objectives.

Formulating the marketing strategy is a dynamic process as continuous planning is required amid intensive competition. An important element of marketing strategy is the promotional plan and marketers have to carefully plan promotional activities taking into consideration the objective of advertising at a given point of time, synergy of advertising with other promotional elements such as sales promotion, point-of-purchase posters, event triggers and even personal selling (wherever it is appropriate). While advertising receives a considerable degree of attention, a brand’s managers also have to focus on what the brand aims to achieve through a campaign over a specific time period. Lack of attention to promotional linkages may affect the brand in the long run. In a number of product categories such as soft drinks, cosmetics, soaps, two-wheelers, apparel and durables continuous visibility is required, through bouts of intensive advertising may be required during specific periods to keep the brand in the consideration set of consumers.

2.2 Promotional Objectives and Brands

While there are a number of research methods available to measure the effectiveness of advertisements, there has to be a certain conceptual direction that
would enable marketers to formulate the objectives of advertising (for a given campaign).

An established brand with a large base of consumers should ensure that the brand is kept within the ‘consideration set’ of current users, make sure that non-users of the brand try the brand and also that there are trials from consumers who use competing brands. There are three objectives in this situation and it may not be worth while having three campaigns running simultaneously. Besides the cost aspect, too much diversity in the execution of the campaigns may confuse consumers. An important point to note in a situation of this kind is that the brand in question is an established one and is likely to carry certain associations that need to be preserved whatever be the promotional linkages.

2.3 Promotion -The Promotional Mix

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”.

2.4 Promotion is all about companies communicating with customers.

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. In this revision note, we describe the four key elements of the promotional mix in more detail. It is helpful to define the four main elements of the promotional mix before considering their strengths and limitations.
2.4.1 Advertising

Advertising is any paid form of non-personal communication of ideas or products in the “prime media” : i.e television, newspapers, magazines, billboard posters, radio, cinema etc. Advertising is intended to persuade and to inform.

The two basic aspects of advertising are the message (what you want your communication to say) and the medium (how you get your message across).

2.4.2 Personal Selling

Personal selling refers to oral communication with potential buyers of a product with the intention of making a sale. The personal selling may focus initially on developing a relationship with the potential buyer, but will always ultimately end with an attempt to “close the sale”

2.4.3 Sales Promotion

Sales promotion refers to the provision of incentives to customers or to the distribution channel to stimulate demand for a product.

2.4.4 Publicity

The communication of a product, brand or business by placing information about it in the media without paying for the time or media space directly. Otherwise known as “public relation” or PR.

2.4.5 Point of purchase display

It is a silent salesman that attracts the buyers attention to the product and makes them decide to buy. Promotion at the point of purchase is more effective. Manufacturer does proper display of the product or distributor does proper display of product in promotion of products.
2.4.6 Packaging

It differentiates and protects a product. It plays two critical promotional roles. First it calls the attention of the customer to the product in retail stores. Packaging provides product protection, ease of handling.

2.4.7 Direct mail

Newspapers advertisement reaches lakhs of people, while direct mail is sent to the selective customers. It will attract the customers to buy the goods. It helps the product awareness or acceptance. It increases the purchase decision.
### 2.5 Advantages and Disadvantages of Each Element of the Promotional Mix

<table>
<thead>
<tr>
<th>Mix Element</th>
<th>Advantages</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td><strong>Advertising</strong></td>
<td>Good for building awareness Effective at reaching a wide audience</td>
<td>Impersonal-cannot answer all a customer’s questions</td>
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<tr>
<td></td>
<td>Repetition of main brand and product positioning helps build customer trust</td>
<td>Not good at getting customers to make a final purchasing decision</td>
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<tr>
<td><strong>Personal Selling</strong></td>
<td>Highly interactive - lots of communication between the buyer and seller</td>
<td>Costly – employing a sales force has many hidden costs in addition to wages.</td>
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<tr>
<td></td>
<td>Excellent for communicating complex/detailed product information and features</td>
<td>Not suitable if there are thousands of important buyers</td>
</tr>
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<td></td>
<td>Relationships can be built up important if closing the sale makes take a long time.</td>
<td></td>
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<tr>
<td><strong>Sales Promotion</strong></td>
<td>Can stimulate quick increases in sales by targeting promotional incentives on particular products</td>
<td>If used over the long-term, customers may get used to the effect</td>
</tr>
<tr>
<td></td>
<td>Good short term tactical tool.</td>
<td>Too much promotion may damage the brand image.</td>
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<tr>
<td><strong>Public Relations</strong></td>
<td>Often seen as more &quot;credible&quot; - since the message seems to be coming from a third party (e.g. magazine, newspaper)</td>
<td>Risk of losing control – cannot always control what other people write or say about your product.</td>
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2.6 Factors that determine the Type of Promotional Tools Used

Each of the above components of the promotional mix has strengths and weaknesses. There are several factors that should be taken into account in deciding which, and how much of each tools to use in a promotional marketing campaign.

2.6.1 Resource Availability and the Cost of Each promotional Tool

Advertising (particularly on television and in the national newspapers can be very expensive). The overall resource budget for the promotional campaign will often determine which tools the business can afford to use.

2.6.2 Market size and Concentration

If a market size is small and the number of potential buyers is small, the personal selling may be the most cost-effective promotional tool.

A good example of this would be businesses selling software systems designed for supermarket retailers. On the other hand, where markets are geographically dispersed or, where there are substantial numbers of potential customers, advertising is usually the most effective.

2.6.3 Customer Information Needs

Some potential customers need to be provided with detailed, complex information to help them evaluate a purchase (e.g. buyers of equipment for nuclear power stations, or health service managers investing in the latest medical technology). In this situation, personal selling is almost always required – often using selling teams rather than just one individual.
By contrast, few consumers need much information about products such as baked beans or bread. Promotional tools such as brand advertising and sales promotion are much more effective in this case.

2.7 IMPACT ON PROMOTIONAL MIX IN MARKETING

There are various factors that are considered for the promotion of the product that was considered by the marketing manager for the promotion of the products.

There is a greater impact in the promotion of the product. They are

1. **Target of Promotion**

   The type of persons also affects the use of the promotion mix. Promotion may be directed at four different groups – wholesalers, retailers, industrial goods and the final consumers. The right choice of the promotion blend for the each groups is different due to the levels of the promotional mix of the products.

2. **Promotion to the Wholesaler**

   As the wholesaler are less in the number and more conscious to demand and costs, they respond to economic arguments. Any type of the promotion which the producer is intended to direct at the retailers and the final consumers will be sufficient promotion for the wholesalers but they are more conscious about the personal selling, representatives who connect the relationship between the producers and wholesalers.

3. **Promotion to the retailers**

   If a number of retailers are less, the personal selling may be feasible to the manufacturers and the wholesalers. Incase the number of retailers are more in the
advertising and newspaper are valuable. Sales promotion activities such as the discount on sales or gifts on the bulk purchase etc. are also valuable in marketing the goods. The promotion efforts is to serve the retailers through the sales personnel. Personal selling are also important for the promotion of the product after the sales services of due to that there is a high level of the promotion of products of that promotional mix is considered as a greater impact on the promotion of a product.

4. Promotion to the final consumers

The large number of the ultimate consumers practically force retailers, wholesalers and the manufacturers to use the mass selling technique in their promotional blends. Advertising is also a form which may even supply the necessary information to those who are interested in the seeking them, of that the various promotional mix plays a vital role in the marketing activities of the business.

5. Size of the budget

The amount allocated for the promotional efforts is an obvious limitation on the choice of the promotion channels. If the budget is small, a firm cannot spend more on the promotional activities because it cannot buy enough mass media advertising worth count for the promotion of the product at the various level of account.

The size of the promotion may have an impact on the composition of the various promotional mix of the product at the different levels on account of its impact in the marketing activities of the product.
Thus the size of the budget leads the management to use the methods which would not be employed otherwise, even though they are also less effective on the impact of the promotional mix of the product.

2.8 PROMOTIONAL MIX AND MARKETING

Communication is the must in the marketing process to come in to contact with the consumers. For this purpose, manufacturer adopts the mass communications techniques advertising, personal selling, sales promotion and publicity in order to create demand for the product. This is invariably called as promotion. In a marketing campaign, these four methods of the mass communications are used, mixed and co-ordinated with each other in an appropriate proportions in such a manner to produce an effective result. These mixes are decided by the marketing manager for each campaign.

Marketing process is therefore necessary and it extents more than the physical movement of the goods, transportation and ware housing. It also involves other marketing functions such as the buying, selling risk bearing, financing and gathering of marketing information’s.

For marketing of the product, the promotional mix of the products are complementary in the marketing, for the production. These are the two keys of catching the market to boost up the sales of the product. The traditional concept of the marketing is “product orientation” so the business man focus the main attention in the product side, but in the modern marketing it is switched over to the consumer orientation where the customer satisfactions is the primary concept. The successful marketing means satisfying of the consumer needs and wants.
2.9 Impact on Promotional Mix in Marketing Decision

Promotional mix is considered as an important element in the promotion of the product and it is considered as the life blood of the business and the strategies of the promotional mix are different at the various levels.

There are various level of promotion at the introduction stage, growth, saturation and decline stages of the product in the promotional mix, at the various level of promotion of the product at these periods. That is high level of advertising, personal selling, sales promotional and publicity. In the period of growth stage, promotion along with the promotion efforts like reduced prices, free samples etc., is required. In the maturity stage, advertising and personal selling are necessary to survive in the market. In saturation stage balanced promotional mix is essential.

2.10 Advertising as Promotional Mix

Prof. Sandage has said, “Advertising has itself the task of interpreting the qualities of the product in terms of consumers needs and wants”. Briefly stated advertising is the art of influencing the human action; the awakening of the desire to possess; and ones product. It is a mass persuasion and it is any form of publicity given to products or services at the expense of the person who wants such publicity for bringing his product and services to the notice of general public.

1 Prof. Sandage C: Advertising theory and practice, Richard, Irwin, 1975, PP251

2 Edward DC. “Advertising and Competition"
The purpose of advertising may include, “conveyance of information and persuasion of logic, or cajolery, or by touching such emotional triggers as pride, envy, affection or share. The persuasion may seek either to change tastes and habits in ways advantageous to the advertisers or to create new taste and habits for this benefits”.

2.11 Effectiveness of the advertisement in the promotional mix

Advertising is aimed at improving the sales volume of a concern, so its effectiveness measured can be evaluated by its impact on the sales of a product. Most of the manager believe that the advertisement directly affects the sales volume. Although it is not correct to anticipate that the advertisement is the only factor to influence the sales of the product. There are many other factors influence the measures of promotional effectiveness, yet it is good measure where the management believes that advertising is the most important factor influences on the sales. However where advertising objective are thus defined in the terms of sales it is very essential to measure the effectiveness of the advertising campaign.

Advertisement defined by Littlefield “advertisement is a mass communication of information intendeds to persuade the buyer as to maximize the profits”. Promotional mix mainly concentrates on the advertising, sales promotion, personal selling and publicity. Mainly the advertisement plays a vital role.
Effectiveness according to Forester probably not more than 1/5 of one percentage of total advertising expenditure is used to achieve an enduring understanding of how to spend the other 99.8%. The advertisement helps to measure the advertisement sales effective. Thus effectiveness are as follows.

A) Commercial effect research

It seeks to determine whether the advertisement is communicated effectively.

- (Attention) How well does the advertisement catch the reader attention? = 20
- (Read through) How well does the advertisement read the reader to read further? = 20
- (Cognitive): How clear the central message are benefit? = 20
- (Affective) : How effective is particular appeal? = 20
- (Behavior) : How well does the advertisements suggest follow through action? = 20

Total = 100

- 0 to 20 = poor advertisement
- 20 to 40 = Mediocre advertisement
- 40 to 60 = Average advertisement
- 60 to 80 = Good advertisement

Thus the advertisement plays a vital role in the promotion and it is the first factor to be considered for the promotion of the product at a wider scope.
2.12 Role of Sales Promotion for the Promotion of the LG products

Sales are the lifeblood of business, the ultimate aim of the production is the sales. Sales revenue is the important source of the income. In general, all the efforts made by a firm to increase its sales are included in the sales promotion. In the words of George W Hopkins “Sales promotion is the organized effort applied to the selling job to secure the greatest effectiveness for the Advertising and the Leadership”

According to the American Marketing Association, sales promotion is “Those marketing activities other than personal selling, advertising and publicity that stimulate the consumer. Purchasing and delivering effectiveness on such as displays shows exposition, demonstration and various non-recurrent selling effects not in ordinary routine”.

The major function of sales promotion is to serve, as a connecting link between the advertisement and personal selling which are the two wings of promotion. Consumer is more selective in their buying choices and good promotional program is needed in order reach them.

In recent years, the importance of sales promotion has increased. The amount spent of the sales promotion now equal to the amount spent on the advertising. It is a part of marketing strategy. It is essential for the survival of the manufacturer. In India crores and crores of rupees are being spent on sales promotional activities. Now days it has become a necessity and it is not a luxury.
All the marketing devices by which the demand for the product is stimulated and re-stimulated are known as sales promotion. The sales promotion satisfies the need at these levels:

1. Consumer sales promotion
2. Dealer sales promotion

They are explained as follows

1. CONSUMER SALES PROMOTION

a. Sampling

Free samples are given to the consumer to increase their interest in the product, they are also given to introduce a new product and expand the market. It increases the sales volume when the product is a new one to the customer for example: Soap, Detergent, Tea or coffee etc.

b. Coupons

Coupons are supplied along with the product. It is certificate that reduces the prices. Coupons can be mailed, enclosed in the packets are printed in the advertisement. The purpose is to attract the customer and bring them to particular shop to increase the sales of a particular brand.

c. Demonstration

It is the instruction to educate the consumer the manner of using the products. It is a promotional tool to attract the attention of the consumers. When products are complex and of a technical nature. Demonstration is necessary. E.g. computer, filed machinery, Electrical pumping set etc.
d. **Money refund offer**

If the purchaser is not satisfied with the product, a part or all of the
purchases money will be refunded. It is stated on the package. It will create new
users and strengthen the brand loyalty.

e. **Premium offer**

It is a temporary price reduction, which increase the instinct of the buyers.
Products are offered free or at a reduced cost as an inducement for purchasing.
E.g. Consumer’s goods like soap, brush etc.

f. **Buy back allowances**

Allowances is given following a previous trade deal, that is trade deal
offers a certain amount of money for new purchases based on the purchased
quantity.

g. **Free trials**

It consists of inviting prospective purchases to try the product without cost,
in the hope that the will buy the product.

Thus, buyers are encouraged by free trial to stimulated purchase interest.

**2.13 ROLE OF PERSONAL SELLING IN MARKET**

Management first duty is to decide just what role the personal selling
should play in the Promotional Mix of the product. Some companies shift their
full personal selling activity to the Middleman like selling agents but this is not
common. It has the long term aims very little over the time considered. Personal
selling plays a considerable role in the dependence of the Promotional strategy
and the Nature of the Promotional Mix of product.
➢ To do the entire job
➢ To serve existing accounts
➢ To search out and obtain New customers stocking and promoting the product’s lines.
➢ To keep the customers informed on the changes in product line and other aspects of the Marketing Strategy.
➢ To keep the customer in the selling product line
➢ To give Technical details and advice to the customers
➢ To assist with or handle the training of the Middleman
➢ To provide the assistance and advice to middle man on the case of different management problems
➢ To collect and report Market information of interest and use to the company management

Thus these illustrates about the aims and their role to personal
➢ Selling, the other quantities may be these.
➢ To obtain certain sales volume
➢ To keep the personal selling expenses within certain limits’
➢ To secure and retain a share in the market

Thus Personal selling is considered as a third tool in the Promotional Mix of the product at a great level of Extent.

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2.14 ROLE OF PACKAGING IN PROMOTIONAL MIX

Packaging may be defined as the general group of activities in the planning of a product. These activities concentrate on formulating a design of the packaging and producing an appropriate and attractive container and wrapper for a product.

In the present age of consumer-oriented Marketing approach (i.e. Buyers market) packaging has gained unique importance. The utility reason for packaging, viz. protection, identification and convenience are exploited themselves in selling.

2.15 FUNCTIONS OF PACKAGING IN PROMOTIONAL MIX

1. PACKAGING IS A SALES TOOL FOR PROMOTIONAL MIX

   It identifies the maker as well as the product and it carries the brand name. The package label informs the buyer about inner contents and how to use them. It is the biggest Advertisement Media for the Promotional Mix of a Product. It moves the product at the point of Purchases. It establishes a product image.

2. PROTECTION

   This is the fundamental function of packaging. Package prevents loss or damage during transports and warehousing. Foreign trade without sound packaging is impossible. It is the second important step in promotional mix of a product.
3. **DEPENDABLE**

Truthfulness and honest representation is the most important function and quality of the packaging. Consumers rely on the package itself for the quality of the product inside the packaging.

4. **HANDLING**

Modern packaging facilitates easy handling and movement during the process of distribution. It thus paves the way for the promotion of the products.

A package must have some of the important characteristic for customer goods – it should have the following factors.

- Attract attention
- Immediately establish identity
- Developed and sustain interest
- Create the desire to possess the product
- Compel action to purchase the product
- Instill itself in the memory of the product
- Enhance the performance, character and total image of the brand.

5. **PACKAGING DESIGN**

Packaging design gives comparative strength, cost of materials and shape. It must attract the customer, hold their interest and build their desire to buy. Its colour, size and shape also helps the promotion of the product.