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Managing Products Product Lines and Brands (G4)

1.1 Definition of a Product

A product is an object or system made available for consumer use; it is anything that can be offered to a market to satisfy the desire or need of a customer. An article or substance that is manufactured or refined for sale. A thing or person that is the result of an action or process. A product is the item offered for sale. A product is anything that is offered to a market to satisfy customer wants and needs. Then product includes both tangible and intangible items available for sale in the market. A company sells a variety of products at a time. For example, PepsiCo sells hundreds of products under the product lines of beverages, food, and nutritional products

1.2 Five Levels of a Product

1. Core Product

This is the product that adds the fundamental value to the consumer. Think of it as the benefit the consumer is buying. One way to recognize the core product is to ask about the main reason why someone wants it. To understand it, let's ask why a lady buys a makeup set. The straight answer to it is that she wants to enhance her beauty. So here the core product is actually the enhancement. Someone who has a habit of wearing makeup can see this core product as need. This is what makes this level different from the rest. Its keyword is need. But there are tons of companies offering a wide variety of makeup sets and because of this, consumers now want more than what the core offers.

2. Basic Product

All the ingredients and other items which enable the product to satisfy the core are together known as the basic product. If asked what is in the makeup kit the basic product would be listed as eye shadow trays, lipsticks, mascara and so on. The ingredients that made them also fall within this level. So to identify this level, just ask what the product is made up of. The keyword here is tangible.

3. Expected Product

The expected product is the set of features the consumer wishes to have from the bought product. Quality is one of the main examples. In our makeup set case, the color of the eye shadows must have good pigmentation. Everything included must be able to stay on for hours. The consumer can also expect some kind of applicator to be included in the set, for most are now normally sold separately. Therefore, to extract expected product, we have to direct ourselves to the keyword, want.

4. Augmented Product

This can be defined as the product going beyond what the consumer imagines to achieve from the purchase. For a company, this means adding extra features to the product. Such objective tends to be expensive, but the benefits are worthwhile and one of them is praise from customers. Such event significantly contributes to the improvement of the company's reputation, and sometimes customer loyalty. In the market also it can be helpful, for it facilitates product differentiation and achievement of competitive advantage. In some cases, it can trigger the sales to increase. The examples of augmented product for a makeup kit can be a surprise gift, samples, coupon for the next purchase, or adding an extra cosmetic inside not offered by other brands.

5. Potential Product

This is about the new development of the same product. In this, anything is possible. The next version of it may contain some improvement. Other times, downgrade can pop up. But since potential is included in it we are to expect such elements in the future. This level, thus, is connected to the keyword, change. Above you can see the levels within the circles. They represent layers. If the examples of the makeup set are arranged within them this is how they would look: Now if you are asked to identify the 5 product levels from any other example work through it by using the keywords discussed earlier. One of the toughest would be chips.

1.3 Product Classifications

There are four types of product classification:-

1. Convenience Goods

Like the Crest toothpaste example, convenience goods are products that consumers' purchase repeatedly and without much thought. Once consumers choose their convenience goods' brand-of-choice, they typically stick to it unless they see a reason to switch — such as an interesting advertisement that compels them to try it, or mere convenience at the checkout aisle. These products include toilet paper, soap, toothpaste, shampoo, milk, and other necessities that people buy over and over again. To market a convenience good, you want to consider that most people will impulse buy these products. Since most convenience goods are low-price, pricing and discounting isn't a major factor. I won't switch my toilet paper brand just to save a few cents. For convenience goods, brand recognition is key, so you'll want to implement wide-spread campaigns to spread awareness of your company.

2. Shopping Goods

Shopping goods are commodities you likely think of when you hear the word "shopping". They might be higher-end items like cars or houses, or smaller items like clothing and electronics.

Consumers typically spend more time conducting research, comparing prices, and chatting with salespeople when they're looking to purchase shopping goods. These are more one-off purchases, and are typically more important and higher economic-impact products compared to toilet paper or soap. For instance, while you will buy toilet paper over and over again for the rest of your life, you'll likely only purchase a house a few times at most. This will vary depending on your industry and product, but ultimately, marketing shopping goods entails helping consumers understand why they should choose your product over others in the marketplace.

3. Specialty Goods

A specialty good is the only product of its kind on the market, which means consumers typically don't feel the need to compare-and-contrast or deliberate as much as they would with other products. A good example of this? iPhones. I've been purchasing new iPhones for years, and I haven't paused to consider other smartphone models — not because an iPhone is an "impulse" buy, but because of the brand recognition and unique quality I feel I'm getting from an iPhone. It's the same reason people buy Mercedes. There isn't anything else on the market like it. For this reason, if you're marketing a specialty good, you don't necessarily need to spend too much time convincing consumers that your product is different from competitors. They already know it's different. Instead, your company should focus on constantly innovating on its previous products and producing the "next best thing". This will ensure your customers will remain loyal to your brand. For instance, if Apple stopped making impressive improvements on their iPhones and promoting new features, I might consider switching brands. But since they've continued to impress me over the years, I've continued to purchase from them.

4. Unsought Goods

Finally, unsought goods — a product that people aren't typically excited to buy, and also don't buy on impulse. Good examples of unsought goods include fire extinguishers, batteries, or life insurance. People will typically buy an unsought good out of a sense of fear or danger. For instance, you wouldn't go on the market looking for the "new and best" fire extinguisher. You'd only purchase one due to the fear of a potential fire. Alternatively, some unsought goods, like batteries, are bought simply because the old ones ran out. When marketing an unsought good, you'll want to focus on reminding consumers of the existence of your product, and convincing consumers that purchasing your product will leave them with a better sense of security.

1.4 Product Mix

Product mix, also known as product assortment, refers to the total number of product lines a company offers to its customers. For example, your company may sell multiple lines of products. ... Or your product lines may be vastly different, such as Product mix, also known as product assortment, refers to the total number of product lines a company offers to its customers. For example, your company may sell multiple lines of products. ... Or your product lines may be vastly different, such as diapers and razors. Product mix, also known as product assortment, refers to the total number of product lines that a company offers to its customers. The product lines may range from one to many and the company may have many products under the same product line as well. All of these product lines when grouped together form the product mix of the company. The product mix is a subset of the marketing mix and is an important part of the business model of a company. The product mix has the following dimensions Product Mix Example Coca-Cola has product brands like Minute Maid, Sprite, Fanta, Thumbs up, etc.

The product mix is an essential element of the marketing mix because the other elements will work if there is a product or service to offer in the market. It is known as the central part of all marketing activities. Width – Number of Product lines, Depth – Product Variation, Length – Total Products and Product mix consistency is the close relationship between different product line.

1.5 Product-Line Length

Product Line length refers to the number of products/brands that come under a single product category/line. Marketers must make a major trade-off. Having too many brands/products under a single product category or having one or two effective & revenue-generating brands? Say you have too many brands. Your target audience might overlap which would lead to cannibalization (eating up sales of company's existing products) Product Length: refers to total number of products sold within a product line. ... Product Width: refers to number of separate product lines offered by a

company. One of the key decisions that a firm needs to make is the length of its product line. That means, how many products varieties should the firm offer. Generally, firms look to increase the product line length – the number of similar products offered.

1.6 Branding

Branding was defined as a name, slogan, sign, symbol or design, or a combination of these elements, that distinguish one company, product, or service from another. Today, branding is more complex and even more important. Branding is the marketing practice of creating a name, symbol or design that identifies and differentiates a product from other similar products in industry. Branding is often a creative process that involves creating an overall image and name for a specific product or service that a business is trying to sell. Branding is the marketing practice of creating a name, symbol or design that identifies and differentiates a product from other similar products in industry. Branding is often a creative process that involves creating an overall image and name for a specific product or service that a business is trying to sell. These are the elements of branding that you'll need to create in order to cultivate how your business is perceived by customers: Mission statement and brand Values, Logo.

1.7 Packaging

Packaging is the science, art and technology of enclosing or protecting products for distribution, storage, sale, and use. Packaging also refers to the process of designing, evaluating, and producing packages. ... Packaging contains, protects, preserves, transports, informs, and sells. In short, Packaging can be described as a coordinated system of preparing goods for transport, warehousing, logistics, sale, and end use. Packaging contains, protects, preserves, transports, informs, and sells, in many countries it is fully integrated into government, business, and institutional, industrial, and personal use. Packaging means the wrapping or bottling of products to make them safe from damages during transportation and storage. It keeps a product safe and marketable and helps in identifying, describing, and

promoting the product. "Packing is the preparation of product or commodity for proper storage and/or transportation. It may entail blocking, bracing, cushioning, marking, sealing, strapping, weather proofing, wrapping, etc."

1.7 Labeling

Labeling or using a label is describing someone or something in a word or short phrase. For example, describing someone who has broken a law as a criminal. Labeling theory is a theory in sociology which ascribes labeling of people to control and identification of deviant behavior. Labeling is a part of branding and enables product identification. It is a printed information that is bonded to the product for recognition and provides detailed information about the product. Customers make the decision easily at the point of purchase seeing the labeling of the product. Brand label: It plays an important role in labeling as it gives information about the brand. It can be removable or non-removable. Descriptive label: It specifies product usage. Grade label: It describes the aspect and features of the product.

2. Pricing (G3)

Pricing is the process whereby a business sets the price at which it will sell its products and services, and may be part of the business's marketing plan. The needs of the consumer can be converted into demand only if the consumer has the willingness and capacity to buy the product. Pricing refers to the decision-making process that goes into establishing a value for a product or service. The price that's set during the pricing process is what the customer will pay for that product or service. Pricing is important since it defines the value that your product is worth for you to make and for your customers to use. It is the tangible price point to let customers know whether it is worth their time and investment.

2.1 Definition and Importance of Pricing

Pricing is an important decision-making aspect after the product is manufactured. Price determines the future of the product, acceptability

return and profitability from the product. It is a tool of competition .The importance of pricing can be studied under the following heads:-

1. Most Flexible Marketing Mix Variable
2. Setting the Right Price
3. Trigger of First Impression
4. Important Part of Sales Promotion
5. Influences Demand Level
6. Determine the Profitability
7. Means of Comparison.

Pricing is important due to the following factors:

Factor # 1. Flexible Element of Marketing Mix:

Price is the most adjustable aspect of the marketing mix. Prices can be changed rapidly, as compared to other elements like product, place or promotion. But price is very flexible and can be changed according to the needs of the situation. Therefore it is a very important component of marketing mix.

Factor # 2. Right Level Pricing:

The wrong price decision can bring about the downfall of a company. It is extremely significant to fix prices at the right level after sufficient market research and evaluation of factors like competitors' strategies, market conditions, cost of production, etc. Low prices may attract customers in the initial stages, but it would be very hard for the company to raise prices on a future date. Similarly, a very high price will ensure more profit margins, but lesser sales. So in order to maintain balance between profitability and volume of sales, it is important to fix the right price.

Factor # 3. Price Creates First Impression:

Often price is the first factor a customer notices about a product. While the customer may base his final buying decision on the overall benefits offered by the product, he is likely to compare the price with the perceived value of the product to evaluate it. If a product is priced too high, then the customer may lose interest in knowing more. But if he thinks that a product is

affordable, then he would try to get more information about it. Therefore price is a critical factor that influences a buyer's decision.

Factor # 4. Vital Element of Sale Promotion:

Being the most flexible component of marketing mix, price is the most important part of the sales promotion. In order to encourage more sales, the marketing manager may reduce the price. In case of goods whose demand is price sensitive, even a small reduction in price will lead to higher sales volume. However prices should not be fluctuated too frequently to stimulate sales.

2.2 Setting the Price

When setting the price of a new product, marketers must consider the competition's prices, estimated consumer demand, costs, and expenses, as well as the firm's pricing objectives and strategies. Here are the steps on how to set a price products:

Step 1: Selecting the Pricing Objective The company first decides where it wants to position its market offering. The clearer a firm's objectives, the easier it is to set price. Five major objectives are:

- ✓ Survival
- ✓ Maximum current profit
- ✓ Maximum market share
- ✓ Maximum market skimming
- ✓ Product-quality leadership

Step 2: Determining Demand Each price will lead to a different level of demand and have a different impact on a company's marketing objectives. The normally inverse relationship between price and demand is captured in a demand curve. The higher the price, the lower the demand. Most companies attempt to measure their demand curves using several different methods.

Step 3: Estimating Costs For determination the price of product company should estimate the cost of product. Variable and Fixed Cost :- Price must cover variable & fixed costs and as production increases costs may decrease.

The firm gains experience, obtains raw materials at lower prices, etc., so costs should be estimated at different production levels. Differential Cost in Differential Market

Step 4: Analyzing Competitors' Costs, Prices, and Offers The firm should benchmark its price against competitors, learn about the quality of competitors offering, & learn about competitor's costs.

Step 5: Selecting a Pricing Method Various pricing methods are available to give various alternatives for pricing. Markup Pricing: a 20% markup Target Return Pricing: this is based on ROI Perceived-Value.

Step 6: Selecting the Final Price

Pricing methods narrow the range from which the company must select its final price. In selecting that price, the company must consider additional factors.

Impact of other marketing activities Company pricing policies, Gain-and-risk-sharing pricing and Impact of price on other parties.

2.3. Factor to consider When Setting Price

If you are thinking of introducing a new product/service, or just making price changes on the existing ones, here are the factors to consider when creating a pricing strategy.

1. Identify your Business Goals:- A company without a business goal can't succeed. The first step is to be clear about what you want to achieve with your pricing strategy — is it maximizing profits or maximizing market share with your products and so on.
2. . Know your Costs
Before setting a price for your products or services you need to know the costs of running your business. The first thing that you need to think of when developing a pricing strategy is the following — you must cover your costs and then consider a profit.
3. Know your Customers another important aspect to consider when setting the pricing strategy is the customers. It is vital to investigate what the customers want from your product or service.

4. Positioning:- Understanding your customers is also important when it comes to deciding what should be your market position. You need to make a decision do you want to be the most expensive, luxurious, high-end brand in your industry, or maybe the cheapest one. Of course, you can always choose to be somewhere in the middle.

5.Value:- What is your product worth to your customers? Does it save them money or time? If that is the case, then you can base the price more on the value that it has for customers instead of minimally exceeding its production price.

6. Do your Market Research Market research is necessary in order to decide how much you are going to charge for your product or service. On top of that, for products and services already available, market research can tell companies whether they are meeting success criteria or not.

2.3 Select an Appropriate Level

Consider these five common strategies that many new businesses use to attract customers. Price skimming. Skimming involves setting high prices when a product is introduced and then gradually lowering the price as more competitors enter the market. ...

Market penetration pricing. ...

Premium pricing. ...

Economy pricing. ...

Bundle pricing.

Pricing a product is one of the most important aspects of your marketing strategy . Generally, pricing strategies include the following five strategies.

1. Competitive pricing—setting a price based on what the competition charges
2. Value-based pricing—setting a price based on how much the customer believes what you're selling is worth

3. Price skimming—setting a high price and lowering it as the market evolves
4. Penetration pricing—setting a low price to enter a competitive market and raising it later
5. Cost-plus pricing —simply calculating your costs and adding a mark-up

2.4 Legal and Regulatory Aspect of Pricing

When regulations make it harder or more expensive to make a product, consumers might look for alternatives, rather than paying higher prices . This causes sales volumes to fall, so pricing strategies have to reflect these new sales levels. Regulations may limit businesses from trying out convinced pricing strategies. Government can state a product as necessary product and control its price. Governments make the rules and frameworks in which businesses are capable to struggle against each other. From time to time the government will modify these regulations and frameworks forcing businesses to change the way they function. Regulations Offer Perceived Value Opportunities Regulations Can Decrease Sales Volumes, Regulation Can Decrease or increase Businesses worldwide operate within systems of laws in setting prices for products and services.

These legal frameworks, made up of laws, court decisions, and administrative regulations, are focused on preserving competition and preventing restraints of trade, as well as regulating competitive actions that may result in unfairness and deception on the part of the seller. In England, for example, the common-law rule is that all interference with individual liberty in trading and all restraints in and of themselves are contrary to public opinion and therefore void unless justified by special circumstances. From the passage of the original statutes such as the Sherman Antitrust Act in the USA a century ago the scope and interpretation of these legal frameworks have been expanded and redefined to include much of what businesses view today as the essence of competition. It should come as no surprise that much of the legal attention has been and continues to be on pricing, the setting of prices, and the uses of prices in competitive actions.

3. Marketing Channels (G2)

3.1 Marketing Channel Function and Flows

A marketing channel performs the work of moving goods from producers to consumers. It overcomes the time, place, and possession gaps that separate goods and services from those who need or want them. Channel flows refer to the marketing functions performed by manufacturers, wholesalers, retailers, and other channel members within the channel . Eight universal channel flows have been identified:- Most Important Functions of Marketing Channel

1) Information Provider: Middlemen have a role in providing information about the market to the manufacturer. ...

2) Price Stability: ...

3) Promotion: ...

4) Financing: ...

5) Title: ...

6) Help in Production Function: ...

7) Matching Demand and Supply: ...

8) Pricing:

The flow of physical goods and services, title, promotion, information and payment along a channel of distribution. Financing is the most important of these flows; at any one time, when stocks are being held by one member of the channel, financing is in operation. When a wholesaler takes ownership and physical possession of a portion of the output of a manufacturer, the wholesaler is essentially financing the manufacturer.

3.2 Channel Structure

channel structure is a means of reaching your customer with your products and services. This is essentially a high level view of your sales and

distribution channels that outlines the architecture of your business. Direct Selling directly to the customer using channels such as personal selling , retail or ecommerce. For example, a fashion brand that has its own shops and ecommerce site.

producer → customer—Retail Selling to retailers who sell to the end-customer.

producer → retail → customer

Ecommerce

Selling to ecommerce partners who manage the relationship with customers.

producer → ecommerce → customer

Value Added Reseller

Selling to firms that add value to your products or services before selling them. For example, a firm that sells components that are used in mobile devices.

producer → value added reseller → customer

Wholesale

Selling to wholesalers who distribute the product to retailers or ecommerce sellers. producer → wholesaler → retail → customer

Agents

Using agents or brokers to manage your sales to wholesalers, retail and/or ecommerce sellers.

producer → agent → wholesaler → retail → customer Complex

It is common for organizations to have many channel structures for different products and regions. For example, a fashion brand that sells direct in Germany but uses agents, wholesalers and retailers in other countries. There are two types of Channel structures –

- ✓ The Industrial channel structure and the
- ✓ Consumer channel structure.

Both of these are discussed in this article.1) The Consumer Channel Structure. The consumer channel structure is generally used in FMCG

markets or consumer durable markets. This channel structure is known for the various kinds of elements it has in its distribution network.

- A) The manufacturer
- B) The retailer
- C) The Wholesaler
- D) The Agent or Broker
- E) Consumer

2, The Industrial Channel Structure..

Almost the same players as the consumer channel structure exist in the industrial channel. Here the manufacturer is producing industrial goods and is dealing in B2B sales (such as ball bearings or lubricants or metal parts & equipment's)

F) The Industrial Distributor – The Industrial distributor is like the wholesaler in the consumer channel. The distributor takes care of sales, stocking and providing the product to the end customer. Mostly in the Industrial channel, the distributor also takes care of service and is known to be technically sound about the product. Here the sales are in huge volumes and repeat buying is more than individual purchases. The flow is as follows.

3.3 Variable Affecting Channel Structure

The key intermediary variables related to channel structure are

- (A)availability,
- (B) costs, and
- (C)The services offered.

The availability (number of and competencies of) adequate intermediaries will influence channel structure. (A) size, (B) financial capacity, (C) managerial expertise (D) objectives and strategies. In general, the range of options for different channel structures is a positive function of a firm's size. Product, Company, Competitive, Market and Environment Related Factors. Deciding or selecting channels of distribution is a strategic decision for any manufacturing or trading concern

3.4 Channel Management Decisions

The success of any marketing channel lies in the foundation of right channel decision. But channel decision is just the planning part; it needs right implementation to be successful. The implementation can be taken care of, with the help of channel management decisions, it includes right from, selecting a channel member to training them to motivating them and to evaluating them on their performance. In case, the performance is not as expected, the modifications are done by the company in the channel arrangements.

Step # 1. Selecting Channel Members:

The first priority for any company is choosing the right channel members. As the business is dependent upon the marketing channel partners, it becomes crucial for the success of any company to select the best channel partner. All the companies whether it's a product manufacturing company like Colgate or Onida or a service company like IMS or Career Launcher, needs a good channel partner to succeed. Generally all the companies advertise through newspapers and trade magazines to look out for channel partners. If the company is known and successful, it becomes quite easy for the company to find them.

Step # 2. Training Channel Partners:

Once the channel partner is selected, they need to be trained as they are the face of the company. All the companies have intensive training programmes for its dealers to tell them about their sales and service capabilities, product knowledge, expected service quality and operational procedures to follow. For example, LG Electronics India regularly trains its sub-dealers, direct dealers and service franchisees. The training tries to facilitate performance, improve knowledge, skills and attitude of its dealers and sales staff. The training is given both through online and offline methods, which covers functional, technical and behavioural aspects.

Step # 3. Motivating Channel Members:

As the channel members are as important as your customers, a company needs to make them happy. Just like anybody, channel members are also needs to be motivated. On the one hand, the company tries to train them for their better performance and on the other hand, the company provides them incentives, higher margins, premiums, display allowances, advertising allowances and special deals. While managing the relationship with the channel members, a company can use coercive power or it can use reward power or legitimate power. A company can also use expert power or referent power. In the case of coercive and legitimate power, the relationship can turn sour and it may not be productive in the long run. But the widely used reward power works the best to get the cooperation from the channel members.

Step # 4. Evaluating Channel Members:

Channel members are evaluated on the basis of their sales, inventory level, service support, delivery time performance, complaint redressal, promotional program implementation and training performance. If the performance of the channel member is satisfactory, then it is rewarded for its efforts and if the performance falls below mark, it is advised to make necessary changes in the processes

Step # 5. Modifying Channel Arrangements:

With the changing times, the company needs to modify its channel arrangements. The product line can expand, the consumers buying pattern can change, the new competition can come up, a new distribution channel can emerge or the demand of the product can change by getting into the later stages of product life cycle. All these factors can lead the company to change its channel arrangement.

4. Promotion (G1)

4.1 Promotion Mix

In marketing, the promotional mix describes a blend of promotional variables chosen by marketers to help a firm reach its goals. ... Sales Promotion is

media and non-media marketing communication used for a pre-determined limited time to increase consumer demand, stimulate market demand or improve product availability. The Promotion Mix refers to the blend of several promotional tools used by the business to create, maintain and increase the demand for goods and services.

Elements of promotion mix..

1. **Advertising:** The advertising is any paid form of non-personal presentation and promotion of goods and services by the identified sponsor in the exchange of a fee. Through advertising, the marketer tries to build a pull strategy; wherein the customer is instigated to try the product at least once. The complete information along with the attractive graphics of the product or service can be shown to the customers that grab their attention and influences the purchase decision.

2. **Personal Selling:** This is one of the traditional forms of promotional tool wherein the salesman interacts with the customer directly by visiting them. It is a face to face interaction between the company representative and the customer with the objective to influence the customer to purchase the product or services.

3. **Sales Promotion:** The sales promotion is the short term incentives given to the customers to have an increased sale for a given period. Generally, the sales promotion schemes are floated in the market at the time of festivals or the end of the season. Discounts, Coupons, Payback offers, Freebies, etc. are some of the sales promotion schemes. With the sales promotion, the company focuses on the increased short-term profits, by attracting both the existing and the new customers.

4. **Public Relations:** The marketers try to build a favorable image in the market by creating relations with the general public. The companies carry out several public relations campaigns with the objective to have a support of all the people associated with it either directly or indirectly. The public

comprises of the customers, employees, suppliers, distributors, shareholders, government and the society as a whole. The publicity is one of the form of public relations that the company may use with the intention to bring newsworthy information to the public. E.g. Large Corporates such as Dabur, L&T, Tata Consultancy, Bharti Enterprises, Services, Unhitch and PSU's such as Indian Oil, GAIL, and NTPC have joined hands with Government to clean up their surroundings, build toilets and support the swach Bharat Mission.

5. Direct Marketing: With the intent of technology, companies reach customers directly without any intermediaries or any paid medium. The e-mails, text messages, Fax, are some of the tools of direct marketing. The companies can send emails and messages to the customers if they need to be informed about the new offerings or the sales promotion schemes

4.2 Advertising

Advertising is a means of communication with the users of a product or service. Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them, as defined by the Advertising Association of the UK. Advertising is a marketing communication that employs an openly sponsored, non- personal message to promote or sell a product, service or idea. The Purpose of Advertising has three primary objectives: to inform, to persuade, and to remind. Informative Advertising creates awareness of brands, products, services, and ideas. It announces new products and programs and can educate people about the attributes and benefits of new or established products. What are the 4 types of Advertising?

- 📌 Display Advertising.
- 📌 Video Advertising.
- 📌 Mobile Advertising.
- 📌 Native Advertising.

4.3 Sales Promotion

Sales promotion is a short-term incentive to initiate trial or purchase. Sales promotion includes several communications activities that attempt to

provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. Sales promotion is a marketing strategy where the product is promoted using short-term attractive initiatives to stimulate its demand and increase its sales. This strategy is usually brought to use in the following cases – To introduce new products, To sell out existing inventories, To attract more customers, and.

promotions: consumer and trade. A consumer sales promotion targets the consumer or end-user buying the product, while a trade promotion focuses on organizational customers that can stimulate immediate sales. Types of Sales Promotion – Consumer Promotion, Trade Promotion and Sales Force Promotion. Sales promotion may take any or all of the three forms – consumer promotion, trade promotion and sales force promotion . These forms of sales promotion are also known as tools or methods of sales promotion .

4.4. Personal Selling

Personal selling is also known as face-to-face selling in which one person who is the salesman tries to convince the customer in buying a product. It is a promotional method by which the salesperson uses his or her skills and abilities in an attempt to make a sale. According to David Jobber, there are three types of personal selling : order-takers, order-creators, and order-getters. Personal selling is a strategy that salespeople use to convince customers to purchase a product. The salesperson uses a personalized approach, tailored to meet the individual needs of the customer, to demonstrate the ways that the product will benefit him. Personal selling occurs when a sales representative meets with a potential client for the purpose of transacting a sale . Many sales representatives rely on a sequential sales process that typically includes nine steps. Some sales representatives develop scripts for all or part of the sales process. The sales process can be used in face-to-face encounters and in telemarketing .

...Personal selling can be defined as "the process of person-to-person communication between a salesperson and a prospective customer, in which the former learns about the customer's needs and seeks to satisfy those needs by offering the customer the opportunity to buy something of value, such as a good or service."

4.5 Direct Marketing

Direct marketing consists of any marketing that relies on direct communication or distribution to individual consumers, rather than through a third party such as mass media. Mail, email, social media, and texting campaigns are among the delivery systems used. Direct marketing consists of any marketing that relies on direct communication or distribution to individual consumers, rather than through a third party such as mass media. Mail, email, social media, and texting campaigns are among the delivery systems used. It is called direct marketing because it generally eliminates the middleman, such as advertising media. Direct marketing consists of any marketing that relies on direct communication or distribution to individual consumers, rather than through a third party such as mass media.

The call to action is a common factor in much of direct marketing. The effectiveness of direct marketing is easier to measure than media advertising. Types of direct marketing

- ❖ Direct mail. Direct mail is posted mail that advertises your business and its products and services
- ❖ Tele marketing
- ❖ Email marketing
- ❖ Text (SMS) marketing
- ❖ Leaflet marketing using letterbox
- ❖ drops and handouts
- ❖ Social media marketing

- ❖ Direct selling

- ❖ Also consider

The first 3, and most critical, elements are the list, the offer and the copy. The additional 2 elements, of secondary importance, are layout and timing.

4.6 Public Relations

Public relations are a strategic communication process that builds mutually beneficial relationships between organizations and their publics.” Public relations professionals shape an organization's image. They build the brand, spread the organization's message and minimize the effect of negative publicity. At a small company, the PR person may have to handle all the roles – cheerleader, media contact person, the deflector of criticism – themselves. Public relations (PR) is the practice of deliberately managing the release and spread of information between an individual or an organization (such as a business, government agency, or a nonprofit organization) and the public in order to affect the public perception. Public relations (PR) and publicity differ in that PR is controlled internally, whereas publicity is not controlled and contributed by external parties. [1] Public relations may include an organization or individual gaining exposure to their audiences using topics of public interest and news items that do not require direct payment. [2] This differentiates it from advertising as a form of marketing communications. Public relations aims to create or obtain coverage for clients for free, also known as earned media , rather than paying for marketing or advertising. But in the early 21st century, advertising is also a part of broader PR activities.

4.7 Factors in Setting the Promotion Mix

The Promotion Mix is the blend of several promotional activities (Advertising, personal selling, sales promotion, public relations, direct marketing) used by business to create, maintain and increase the demand for a product.

1. Nature of Product: The different type of product requires different promotional tools. Such as, for the industrial products Viz. Machinery, equipment or land personal selling is more appropriate as a great deal of pre-sale and after-sale services is required to sell and install such products. On the other hand, advertising and publicity are more suitable for the consumer goods, especially the convenience goods.

2. Nature of Market: The number and location of customers greatly influence the promotion mix. In case the group of potential customers is small and are concentrated in a particular locality, then personal selling is more likely to be effective. Whereas, if the customer base is large and widespread, then the blend of advertising, personal selling, and the sales promotion is required to sell the product. Also, the type of customers influences the managerial decisions of the promotion mix. The type of promotion for the urban, educated and institutional customers would be different as compared to the rural, illiterate and household customers.

3. Stage of Product's Life: The promotion mix changes as the product moves along its life cycle. During the introduction stage, the principal objective of the promotion is to create the primary demand by emphasizing the product's features, utility, etc. therefore, the blend of advertising and publicity is required. As the product reaches its maturity stage the advertising and personal selling is required to maintain the demand of the customers. And finally, during the decline stage the expenses on other promotional activities are cut, and more emphasis is laid on sales promotion with the intent to push up the declining sales.

4. Availability of Funds: The marketing budget also decides the promotion mix. If the funds available for the promotion are large, then the

blend of promotional tools can be used, whereas in the case the funds are limited then the management must choose the promotional tool wisely.

5. Nature of Technique: Each element of the promotional mix has unique features that significantly influences the purpose of promotion. Such as, the advertising is an impersonal mode of communication that reaches a large group of customers. Its expression can be amplified with the use of colors and sound that helps in developing the long lasting brand image in the minds of the customer. The Personal selling involves face to face interaction that helps in developing cordial and personal relations with the customers. Likewise, the sales promotion is short-term incentives given to the customers with the intent to boost sales for a shorter period of time.

6. Promotional Strategy: The promotion mix largely depends on the company's promotional strategy, i.e. whether it accepts the Push Strategy or a Pull Strategy. In a Push strategy, the manufacturer forces the dealers to carry the product and promote it to the customer, i.e. convince the potential buyers to buy it. Here, personal selling and trade promotion are likely to be more effective. In the case of a Pull Strategy, the consumers ask the dealers to carry the product, i.e. customers themselves purchase the product. Here, advertising and consumer promotion are more appropriate.

7. Readiness of Buyer: Different promotional tools are required at different stages of buyer readiness. Such as, at the comprehension stage, the blend of advertising and personal selling plays a vital role. Whereas at the conviction stage, personal selling is more effective. At the time of sales closure, the blend of sales promotion and personal selling is likely to be more effective. Hence, the advertising and publicity are more effective at the early stages of buying decision process while the sales promotion and personal selling are more effective during the later stages.

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General Directions

- ✓ Prepare a neat Term Paper on the given topics provided to you
- ✓ Use font size 12 for main body and 13 or 14 for titles
- ✓ Use Arial or century Gothic
- ✓ Try to refer at least 5 books or reference materials
- ✓ use justify and 1.5 Line spacing
- ✓ Use proper citation and reference methods.
- ✓ Use Harvard style of citation and reference methods