

**SOS POLITICAL SCIENCE AND PUBLIC
ADMINISTRATION**

MBA FA – 406(C) Optional Paper
SUBJECT NAME: MARKETING
SERVICES

UNIT-II

TOPIC NAME-PROMOTION MIX

Meaning of Promotion-Mix:

Promotion-mix refers to an optimum combination of different promotional tools and techniques; with a view to maximizing sales and profits.

The need for promotion-mix arises because all promotional tools and techniques are not equally effective and appealing. Promotion mix imparts a variety to the promotional efforts of the marketing manager.

The main elements of promotion-mix are:

1. **Personal Selling:-**
2. **Direct Marketing:-**
3. **Sales Promotions:-**
4. **Advertising:-**
5. **Public Relations:-**

1. Personal Selling

This is usually the most costly tool but is one of the most effective tools in the **promotional mix**. It is effective since it builds a long-term relationship between the client and employee that will continue coming back. This is of great benefit especially when dealing with clients that spend large amount of cash. The client could want a hotel for fifty people or he or she might be buying vehicles for each of his 30 businesses. Cultivating this relationship will increase the chances of future opportunities if his or her expectations are met.

However, this method does involve some risks. The client might decide that he or she does not need the services or products anymore thus causing the company to lose money. Companies invest heavily in this method take on greater risk since they depend on the cultivation of a relationship with a client that could falter eventually. Direct Marketing is comparable to personal selling.

2.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. E.g. The Shopper stop send SMS to its members informing about the season end sales and extra benefits to the golden card holders.

Thus, the companies can use any tool of the promotion mix depending on the nature of a product as well as the overall objective of the firm.

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.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.

5.Public Relations:

The marketers try to build a favourable 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, Unitech 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 swachh Bharat Mission.

Factor Influencing Promotion-Mix:

Some important factors which have an influence on the formulation of promotion-mix are described below:

(i) Type of Product:

(ii) Age of the Product:

(iii) Number of Consumers and Their Spread:

(iv) Promotion Budget:

(v) Stage of the Product Life Cycle:

(vi) Strategies Used by Competitors

(vii) Appeal to Prospects:

(i) Type of Product:

In case of industrial goods and consumer durables, where demonstration of the product is required to explain their manner of handling, instructions for safety etc.; personal selling must be emphasized more than advertising and sales promotion. Standardized popular goods require more of advertising than personal selling to maintain and extend their demand.

In fact, products of different nature and varieties require different promotional devices; and there are no standard rules in this regard governing the choice among elements of promotion-mix.

(ii) Age of the Product:

For new and innovative products, personal selling is better; as salespersons can easily educate and convince prospects about the nature and utility of such products. Alongside, aggressive advertising is also necessary to prepare a base for demand creation.

For older products, whose popularity may be declining due to intense competition; sales promotion techniques might be better able to push demand by creating an interest in products, on the part of general publics.

(iii) Number of Consumers and Their Spread:

If the number of consumers is small and they are concentrated in particular geographical regions; personal selling might be more effective and cheaper. If, however, consumers are large in number and are widely spread; advertising might produce better results in terms of creating awareness about the product. An added aspect here may be the type of consumers – ladies, gents, children, elderly persons etc. For developing popularity of the product e.g. among ladies or children, sales promotion techniques might better meet the expectations of the manufacturer in producing quick sales.

(iv) Promotion Budget:

Different elements of promotion-mix have different financial implications. The size of the promotion budget i.e. funds available for promotional purposes might have a decisive say, in the formulation of the promotion-mix.

(v) Stage of the Product Life Cycle:

Stage of the life cycle which a product is passing through, has an important influence on promotion-mix. During introduction stage e.g. there might be a need for emphasis on all aspects of promotion-mix to create maximum awareness about the product. At the saturation stage, aggressive advertising might better meet promotional requirements.

In the declining stage, there may be a need cut down expenditure and efforts on all elements of promotion-mix and so on. However, there is no standard formula for formulation of promotion-mix, in view of the product life cycle stage; as different products have different implications of promotional efforts at different stages of their life cycles.

(vi) Strategies Used by Competitors:

An ideal promotion-mix of a company must be formulated against the background of the promotional strategies of competitors. In fact, it is desirable that the promotion-mix of a manufacturer must be in tune with the promotion-mix of leading competitors, in order to better face the challenges posed by them.

(vii) Appeal to Prospects:

- 1. Urban or rural**
- 2. Educated or uneducated (or less educated)**
- 3. Service-class people or business class people**
- 4. Rich, poor or average, in financial terms, and so on.**

Just to give one example in this context, we may say that busy people of business class never like the sight of salespersons and would always like to avoid meetings with them; as their attention, all the time, may lie in business matters. To influence such persons, advertising is a better promotional technique, which does not involve their busy time.