**Dr. K. Punithavathi**

**HOD of Business Administration,**

**Vivekananda College of Arts & Science for women,**

**Sirkali.**

**MARKETING MANAGEMENT**

**SUBJECT CODE: 16CCBB3**

**NOTES - UNCOVERED PORTION**

**V UNIT**

**Advertising – objectives - types, Sales promotion- objectives – Methods.**

**Advertising:**

**Meaning:**

Advertising is the promotion of a company’s products and services though different mediums to increase the sales of the product and services.

**Definition:**

According to Wheeler, “Advertising is any form of paid non-personal pre­sentation of ideas, goods and/or services for the purpose of inducing people to buy”.

**OBJECTIVES OF ADVERTISING:**

The fundamental purpose of advertising is to sell something a product, a service of an idea. For achieving this objective, various mass media like radio, television and cinema are used by the advertisers.

**1. Preparing Ground for Sale of New Products:**

Whenever a new product is introduced in the market, advertising becomes necessary for informing potential consumers about the product. In this way, advertising can be used for preparing ground for sale of new product.

**2. Increasing Demand for the Product:**

Advertising helps increasing a favourable atmosphere for maintain or improving sales of the product. By means of the advertising prospective customers may be induced to buy a particular product by informing them about comparative quality price and other attributes of the product.

**3. Educating the Consumers:**

Every advertising is to educate the consumer and the users about the uses and utilities of the product. This helps the consumers and users in making good choice.

**4. Building up Brand Image:**

Advertising is to build up brand image and brand loyalty towards the product. To enhance the goodwill of the enterprise by promotion better quality products and services.

**5. Facing the Competition:**

It is help the marketer to face the existing competition effectively and efficiently. The marketers inform the consumer about the price, quality and availability of product through advertising.

**6. Supplementing the Salesman:**

It is also to assist the salesman’s efforts in increasing the sales of the product. By means of educating customers about the product, advertising reduces the work load of the salesman for selling the product. To reach the people inaccessible to salesman.

**TYPES OF ADVERTISING**

Advertising works by making the customer aware of the product and by focusing on customer’s needs to buy the product. Globally, Advertising has become an essential part of the corporate world.

There are several types of advertising which can be used by the companies

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Print Broad cast Outdoor covert Public Service Surrogate

Advertising Advertising Advertising Advertising Advertising Advertising

**Print Advertising:**

The Print media has been used for advertising since long. The newspapers, magazines, Brochures are quite popular medias of advertising for different companies all over the world.

**Broad cast Advertising:**

This type of advertising is very popular all around the world. It consists of television, radio or Internet. The ads on the television have a large audience and are very popular. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (prime time/peak time). The radio might have lost its charm owing to the new age media however the radio remains to be the choice of small-scale advertisers.

**Outdoor Advertising**

Outdoor advertising is also a very popular form of advertising, which makes use of several tools and techniques to gain the customers attention. Billboards, Kiosks, Tradeshows and Events are an effective way to convey the message of the company. The kiosks not only provide an easy outlet for the company products but also make for an effective advertising tool to promote the company’s products.

**Covert Advertising:**

Covert advertising is a unique way of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports. There is no commercial in the entertainment but the brand or the product is subtly ( or sometimes evidently) showcased in the entertainment show.

**Public Service Advertising**

There are a host of important matters such as AIDS, Political integrity, energy conservation, deforestation, illiteracy, poverty and so on. All of which need more awareness as far as general public is concerned. It makes use of advertising as an effective communication medium to convey socially relevant messaged about important matters and social welfare causes.

**Surrogate Advertising**

Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisement for products like cigarettes or alcohol which are injurious to health are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name and indirectly remind people.

**Sales Promotion**

Sales promotion is a vital bridge or a connecting link between personal selling and advertising.

A sales promotion is any activity that a business undertakes to promote sales of its products or services. Sales promotions can be targeted to a particular product or may include multiple products and services offered under a brand name. Companies aim to get new customers interested in their offerings through the use of promotional activities such as discounts, contests and freebies, just to name a few.

**Objectives of Sales Promotion:**

Sales promotions can have multiple objectives. These can be classified under the following heads:

**To Introduce New Products Or Services**

One of the primary objectives of sales promotions is to motivate customers to try out new products or services. This is usually done through free product give aways and discounts. Dealers can also be incentivized to sell the new products.

**Exploring New Markets**

Sales promotions can prove to be an important tool for businesses which want to branch out to new markets and attract a steady customer flow.

**Gaining New Customers**

It also aim to attract new customers. By offering attractive discounts and conducting contests, companies hope to add new patrons to their existing customer base.

**Increasing Sales During Off**–**Seasons**

Certain products or services have seasonal demands. In order to maintain a steady demand during off-seasons businesses undertake sales promotions to entice customers for making purchases.

**Increasing Brand Loyalty and Awareness**

Companies strive to increase awareness of their brands in the minds of customer through sales promotion. Customer loyalty can prove to be a deciding factor in the success of a business.

**To Remain Competitive in the Market:**

Finally, sales promotions help a company to remain competitive. If you are not attracting customers through promotions, then you risk losing them out to your competitors.

**Types Of Sales Promotions**

Broadly, sales promotions can be classified into two types they are

**Consumer Sales Promotion**

Consumer Sales Promotion covers any sales promotional activity targeting the end-user. The purpose of such a sales promotion may be to spread awareness about the product, or to nudge the customer into making a purchase. Discounts, sample offerings and contests are some common forms of this type.

**Trade Sales Promotions**

This type of sales promotion is geared towards business stakeholders such as dealers and distributors. By providing incentives, usually in the form of discounts for increased product sales, companies motivate dealers to move a greater amount of stock and thus increase revenue.

The various sales promotion techniques that businesses use to improve sales and achieve profitability.

**Consumer Sales Promotion Techniques**

Consumer Sales Promotion Techniques are geared to target the end-customers specifically. Some common techniques are

Big discount and special Prices.

Free Gifts and Giveaways

Buy one Get one Free

Reward Points

Shipping schemes

Financing games

Holiday promotions

Seasonal promotions

**Trade Sales Promotion Techniques:**

Trade sales promotion Techniques are obviously directed towards the dealers and retailers. Some techniques are

Trade Allowances

Dealer Loader

Trade Contests

Points of Purchase Display

Training Programs

Push Money

Retail employees to push or promote the sales of particular products. When it comes to sales promotions, a business is only limited by its imaginations and innovative ideas.

**These methods may be as follows:**

(i) Distribution of Free Samples: Under this **method**, the producer distributes free samples of the product to consumers. ...

(ii) Coupons: ...

(iii) Price Reduction or Price off **Promotion**: ...

(iv) Contests: ...

(v) Demonstration: ...

(vi) Premium: ...

(vii) Money Refund Offers: ...

(viii) Fairs and Exhibitions: