

PHYSICAL DISTRIBUTION ELEMENTS OF PHYSICAL DISTRIBUTION

1. Materials Handling:

It involves moving products in and out of a stock. It consists of routine tasks that can be performed through mechanisation and standardisation. Material handling and packaging services have also speeded up the order processing and movement of consignments.

2. Inventory Planning And Control:

Inventory refers to the stock of products a firm has on hand and ready for sale to customers. Inventories are kept to meet market demands promptly. Inventory is the link interconnecting the customer's orders and the company's production activity.

3. Order Processing:

Order-processing and inventory control are related to each other. Order processing is considered as the key to customer service and satisfaction. It includes receiving, recording, filling, and assembling of products for dispatch. The amount of time required from the dates of receipt of an order up to the date of dispatch of goods must be reasonable and as short as possible.

4. Transportation:

It is an essential element of physical distribution. It involves integrating the advantages of each transportation method by adopting containers and physical handling producers to permit transfers among different types of carriers.

5. Communications:

It is a process of passing information and understanding from one person to another. This includes the information system which should link producers, intermediaries, and customers. Computers, memory systems, display equipment and other communication technology facilitate the flow of information among other members in the channel.

UNIT – 5

PROMOTION MIX

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

4. **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.

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.

PERSONAL SELLING

MEANING OF PERSONAL SELLING :

Personal Selling is also known as the door to door selling which is face to face communication between the buyer and the seller. In simple words, It is an art of persuasion in which the salesperson tries to win the confidence of the customer and also tries to know the importance of marketing strategies.

DEFINITION OF PERSONAL SELLING:

According to **Philip Kotler** says, "Personal selling is a type of personal or local presentation by the firm's sales force for the motive of making sales and building customer relationship."

PERSONAL SELLING PROCESS

1. IDENTIFYING THE PROSPECTIVE BUYER (PROSPECTING AND QUALIFYING):

The first stage of personal selling process involves identifying potential customers. All

prospects identified may not turn out to be actual customers. Hence identifying the right prospect is essential as it determines the future selling process. Marketers tap different sources to identify the prospective customers. After identifying the prospect the sales person qualifies the prospects on the basis of their financial ability, needs, taste and preferences.

2. PRE-APPROACH:

The next step to prospecting and qualifying is pre-approach. At this stage the salesperson needs to decide as to how to approach the prospective customer. The salesperson may make a personal visit, a phone call or send a letter, based on the convenience of the prospects.

3. APPROACH:

At this stage the salesperson should properly approach the prospects. He should properly greet the buyer and give a good start to the conversation. The salesperson's attitude, appearance, way of speaking matters most at this stage.

4. PRESENTATION AND DEMONSTRATION:

At this stage the salesperson provides detailed information about the product and benefits of the product. The salesperson narrates the features of the product, explains the benefit and the worth of the product in terms of money.

5. OVERCOMING OBJECTIONS:

After presentation and demonstration, when customers are asked to place order, they are reluctant to buy and raise objection. Customer may raise objection with regard to price, delivery schedule; product or company characteristics, etc. Salesperson handles such objections skillfully by clarifying their objections and convinces the customer to make purchase.

6. CLOSING:

After handling objections and convincing customers to buy the product, the salesperson requests the customer to place order. The salesperson assists the buyer to place order.

7. FOLLOW-UP AND MAINTENANCE:

Immediately after closing the sale, the salesperson should take some follow up measures. The sales person assures about delivery at right time, proper installation, after sales service. This ensures customer satisfaction and repeat purchase.

ADVERTISING

DEFINITIONS OF ADVERTISING

“Advertising consists of all activities involved in presenting to a group a non-personal, oral or visual, openly sponsored identified message regarding a product, service, or idea. The message, called an advertisement, is disseminated through one or more media and is paid for by the identified sponsor”

-William Stanton.

objectives of advertising:

- i. To promote new products.
- ii. To build long-term relations.
- iii. To remove misunderstanding.
- iv. To expand of market.
- v. To gain confidence of buyers.
- vi. To request customers to compromise with unavoidable circumstances.
- vii. To seek apology of the buyers for any undesirable events, etc.

MEANING OF SALES PROMOTION:

Sales promotion refers to the activities which supplement and co-ordinate personal selling and advertising to attract customers to buy a product.

DEFINITION OF SALES PROMOTION:

According to Philip Kotler – “Sales promotion consists of a diverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of particular product/services by consumers or the trade.”

OBJECTIVES OF SALES PROMOTION:

1. To increase sales by publicity through the media which are complementary to press and poster advertising.

2. To disseminate information through salesmen, dealers etc., so as to ensure the product getting into satisfactory use by the ultimate consumers.
3. To stimulate customers to make purchases at the point of purchase.
4. To prompt existing customers to buy more.
5. To introduce new products.
6. To attract new customers.
7. To meet competition from others effectively.
8. To check seasonal decline in the volume of sales.

SALES PROMOTION METHODS:



Figure 1: Sales Promotion Methods

Consumer Level Sales Promotion:

To stay and grow in competitive market situation, producers offer several incentives to attract new consumers and maintain existing consumers.

Most popular tools of consumer level sales promotion include:

1. Free samples
2. Gift articles like balls, stickers, pens, cards, diaries, calendars, manuals, and other literature

3. Coupons
4. Credit facilities
5. Guarantee and warrantee
6. Exchange offer
7. Price discount and rebate or temporary price-cut
8. Seasonal discount
9. Loan facility
10. Display – arranging products in articulative and attractive manner
11. Free trial – permitting consumers to use product for short time
12. Money refund offer
13. Contests and prizes
14. Free home delivery and installation, instructions and other services.

Dealer/Channel Level Sales Promotion:

Some companies offer short-term incentives to middlemen to make them active and interested. These incentives may be financial or non-financial. Such incentives encourage them to make more efforts to sell particular brands.

Most common dealer level sales promotion tools are as below:

1. Bonus
2. Training to staff
3. Trade discount and cash discount

4. Credit facility
5. Gifts on excess sales
6. Parties and meetings
7. Gifts on special social occasions and festivals
8. Financial assistance during difficulties
9. Storage facilities
10. Free transportation and insurance

Salesman Level Sales Promotion:

In this type of sales promotion, salesmen are offered certain incentives to encourage them to make more sincere efforts. Such incentives are not offered in regular course. The incentives are offered for a short-period of time. These incentives may be financial or non-financial.

They include:

1. Extra commission – high rate or more amounts
2. Free training
3. Sales materials and samples for customers
4. Gifts articles
5. Offering products at free-of-costs or at concessional rate
6. Bonus – extra payment for extra and/or excellent performance
7. Profit sharing (exceptionally, not regularly)

8. Special allowances and commissions

9. Free holiday-home

10. Customer entertainment allowances

Publicity

Definitions:

“Publicity is any promotional communication regarding an organisation and/or its products where the message is not paid for by the organisation benefiting from it.”

William

J. Stanton

Importance of Publicity:

1. Publicity is an effective medium to disseminate message to the mass with more credibility. People have more trust on news given by publicity.
2. The credibility level of publicity is much higher than advertising and other means of market promotion. People express more trust on what the third party independently says. It appears directly through newspapers, magazines, television, or radio by the third party. It is free from bias.
3. It provides more information as the valuable information is free from space and time constraints. Similarly, publicity takes place immediately. No need to wait for time or space in mass media. It enjoys priority.
4. The firm is not required to pay for publicity. The indirect costs related to publicity are much lower than other means of promotion.
5. It is a part of public relations. It is free from exaggeration; it carries more factual information about company. It is more trustable. It helps establish public relations.
6. Generally, publicity covers the varied information. It normally involves name of company,

its goods and services, history, outstanding achievements, and other similar issues. The knowledge is more complete compared to advertisement.

7. Publicity directly helps middlemen and sale persons. Their tasks become easy. Publicity speaks a lot about products on behalf of middlemen and salesmen. Sellers are not required to provide more information to convince the buyers.

8. It is suitable to those companies which cannot effort the expensive ways to promote the product.

Objectives of Publicity:

1. Building Corporate Image:

Through publicity, a company can build or improve its corporate image. Publicity highlights the company's name and operations. It popularizes the name of the company.

2. Economy:

It is a cost saving medium. Here, a company is not required to pay for message preparation, buying space and time, etc. The cost involved is much lower than other means of market promotion. Financially poor companies may opt for publicity.

3. Assisting Middlemen and Salesmen:

Publicity can help middlemen and salesmen in performing the sales-related activities successfully. Information conveyed through publicity speaks a lot of things on behalf of sellers. Publicity makes selling tasks much easier.

4. Information with High Creditability:

Sometimes, publicity is targeted to disseminate information more reliably. Customers do not express doubts on what publicity appeals. Customers assign more value to information supplied by mass media via publicity than by the advertisement.

5. Removing Misunderstanding or Bad Image:

Company can defend the product that has encountered public problems. In many cases, publicity is aimed at removing misunderstanding or bad impression. Whatever a publicity conveys is more likely to be believed.

PUBLIC RELATION

MEANING OF PUBLIC RELATION

Public relations consists number of programme to protect company's image and its particular product image. Public relation is an important element in the promotion mix. The most of the multinational companies make concrete efforts to manage and maintain its relationships with its customers.

DEFINITION OF PUBLIC RELATION

According to Indian institute of Public Relations, "Public relation practice is the planned and sustained effort to establish and maintain goodwill and mutual understanding between the organisation and its public".

Objectives of Public Relation:

1. Building Product Awareness:

When introducing a new product or re-launching an existing product, marketers can use a public relation element that generates consumer attention and awareness through media placements and special events.

2. Providing Information:

Public relation can be used to provide customers with more in depth information about products and services. newsletters and websites, public relation delivers information to customers that can help them gain understanding of the product.

3. Stimulating Demand:

A positive article in a newspaper, on TV news show or mentioned on the Internet, often results in a discernable increase in product sales.

4. Reinforcing the Brand:

In many companies the public relations function is also involved with brand reinforcement by maintaining positive relationships with key audiences, and thereby aiding in building a strong image

DIFFERENCE BETWEEN PUBLICITY AND PUBLIC RELATION

BASIS FOR COMPARISON	PUBLICITY	PUBLIC RELATIONS
Meaning	Publicity refers to a public relation function, that uses any communication channel to convey news or information about someone or something, through media.	Public Relations is a marketing tool, that is used to maintain goodwill and reputation of the company and its product among people.
Control	It is not under the control of	It is controlled by the

BASIS FOR COMPARISON	PUBLICITY	PUBLIC RELATIONS
	company.	company
Nature	Positive or Negative	Positive
Form of communication	Non-paid Communication	Paid Communication
Intends	Public awareness	Public attention