ADVERTISING, SALES AND PROMOTION MANAGEMENT
We are in an ICE age, i.e., the age of Internet, Communication and Entertainment. There is great convergence of media and communication now. Advertising so far used the traditional mass media and was called mass communication. We are slowly shifting to digital advertising on internet sites where advertisements are related to customer likes and dislikes, his surfing habits, search habits and shopping habits. The matching is done by an algorithm. This is personalised communication. We have covered these changes in this book. At the same time, the other elements of communication mix such as Direct Marketing, PR, word-of-mouth and SP are also covered. We have covered in detail personal selling and sales management. Kindly read the blog www.marketingganga.com for further improvement of your concepts. All suggestions and comments are welcome.

— Author
India can proudly boast of world-class business schools such as IIMs, but is woefully short of world-class study material in different areas of management relevant to Indian conditions. This book is a bold attempt to present first-rate literature on Advertising, Sales and Promotion Management in crisp and concise manner without sacrificing the significant contents while doing so. Since the first edition of the book met with spectacular success, there was an opportunity to revise the text for the second edition. The contents have been enriched, especially the media-related material which now carries a small lexicon of media-specific terms.

The book is replete with suitable caselets and examples to facilitate the understanding of the subject.

Several academic institutions have found the book very useful, and have provided valuable feedback to improve the book, which we gratefully acknowledge.

The book is an integrated approach covering the elements of promotion mix such as advertising, sales promotion, publicity and PR. The ultimate aim is to market the product to the target audience. Sales is the end-product of marketing; and is a neglected functional area in the curriculum. The essential aspects of sales management are treated adequately in this book.

Readers are requested to communicate their comments to the author at chunawalla@yahoo.com.

— Author
1. Basic Concepts of Promotion and Communication 1 - 12
2. Fundamentals of Advertising 13 - 24
3. Advertising as a Career 25 - 32
4. Advertising Research 33 - 38
5. Marketing and Advertising Planning 39 - 56
6. Advertising Agency 57 - 65
7. Market Analysis: Segmentation and Targeting 66 - 79
8. Creativity, Creative Strategy and Copywriting 80 - 109
9. Art Direction 110 - 122
10. Media Planning 123 - 131
11. Print Media 132 - 136
14. Outdoor and Transit Media 162 - 169
15. Media of the New Millennium — Internet 170 - 178
16. Advertising Regulation 179 - 183
17. Word-of-Mouth Advertising 184 - 186
18. Direct Marketing 187 - 202
19. Sales Promotion 203 - 214
20. Public Relations 215 - 237
22. Sales Management, Personal Selling and Salesmanship 242 - 255
23. Personal Selling Objectives 256 - 264
24. Personal Selling Strategy 265 - 270
25. The Job of a Sales Manager 271 - 274
26. Sales Organisation .......................... 275 - 280
27. Personnel Management in the Selling Field .......................... 281 - 285
28. Recruiting Sales Personnel ............................................. 286 - 288
29. Selecting Sales Personnel ............................................... 289 - 306
30. Sales Training ......................................................... 307 - 312
31. Execution and Evaluation of Sales Training Programmes ........... 313 - 316
32. Motivation and Morale of Salespersons ............................... 317 - 325
33. Compensating Salespersons ............................................. 326 - 341
34. Management of Sales Expenses ........................................ 342 - 346
35. Sales Meetings and Sales Contests .................................... 347 - 354
36. Controlling Salespeople — Evaluation and Supervision .......... 355 - 360
37. Sales Budget .......................................................... 361 - 364
38. Sales Quotas .................................................................. 365 - 368
39. Sales Territories .......................................................... 369 - 372
40. Sales Control and Cost Analysis ......................................... 373 - 375
A marketer manages a marketing mix of four variables – products, price, promotion and place. In this book, we shall examine the element of promotion in detail. Mostly, people equate promotion with advertising but it is just one promotional tool used by a marketer.

What is promotion? It is the communication package in marketing which aims to exchange information between buyers and sellers. Beyond informing, it also accomplishes the task of reminding and persuading the consumers so that they respond to the product or service being offered.

The whole field of promotion management is quite interesting and challenging. Just put yourself in the position of a promotional manager of Pfizer in the process of developing a campaign of advertising – addressing the doctors to promote their new antibiotic. Alternatively, imagine yourself as the sales manager of Hindustan Unilever who has to decide about recruiting and selecting the salesmen for their diverse products, training them and evaluating them. Perhaps, you can also consider how you as a general manager of Shoppers’ Stop would design a sales promotion campaign for your customers by which they will be induced to buy and buy more. Promotion as you will appreciate is a dynamic activity. In this book, the whole gamut of the promotional process has been covered.

COMPONENTS OF PROMOTION

There are four broad promotional tools available to a marketer:

- **Advertising** which is any paid form of non-personal presentation of ideas, goods or services by an identified sponsor in a media-mix.
- **Personal-selling** is an oral presentation made to prospective customers so as to generate sales. It is just a conversation with a purpose.
- **Sales Promotion** are those marketing activities excluding advertising, personal selling and publicity which stimulate consumer purchasing, dealer and salesperson’s effectiveness. It is a short-term activity.
- **Publicity and Public Relations** stimulate demand in a non-personal way. Public relations maintain effective relations of the organisation with different publics like employees, customers, shareholders, suppliers, dealers, government, media and so on. Public relations put commercially significant news in media or gets a favourable coverage on radio, television or stage. As media costs of this promotion are not paid for by the sponsor, it is called publicity. James Engel, Hugh Wales and Martin Warshaw define publicity as “any form of non-paid commercially significant news or editorial comment about ideas, products and institutions”. (*Promotional Strategy*, Homewood R.D. Irwin, 1971, p.3). Public relations is extremely effective in influencing a target audience by building credibility.
The combination of these four methods of promotion is called promotional mix of an organisation. The ultimate aim is to communicate a message to an audience so as to get a response – either an attitude change or purchase.

Apart from the above promotional mix, a new discipline has emerged. It is called direct marketing which uses the above promotional components in a special manner. We have also covered the principles of direct marketing in this book.

**Advertising – A Tool of Communication**

Advertising has evolved since the Industrial Revolution as a tool of marketing communication. It transmits an effective message from the marketer to a group of individuals. The marketer, as we have observed already, pays for sponsoring the advertising activity. Advertising unlike salesmanship which interacts with the buyer face-to-face, is non-personal. It is directed at a mass audience, and not at an individual, as in personal selling.

Though marketers use advertising to promote products and services, it is a communication tool. The advertiser is the source transmitting the message. The message is conveyed through an appropriate medium such as the press, TV, or the Net. The message is decoded by the target audience who receives it. The ultimate aim of advertising is to make the target audience favourably inclined towards the product or service. In this sense advertising is marketing communication. As it is received by a large number of people, through the mass media, it is called mass communication.

Advertising aims at drawing attention to a product. It seeks to create an awareness about the existence of the advertised product. It passes on information about the product in such a way that interest is created in the mind if the prospective consumer about the product. Then there is a growing desire to possess the product. There are convincing arguments in favour of the product. All this leads us to a buying inclination or buying action.

Let us first understand the total communication plan of an organisation.

**COMMUNICATION PLAN**

Mostly organisations treat advertising, sales promotion, public relations, publicity and direct marketing as separate activities. However, we must integrate them together and the whole communication package that emerges must be integrated to other elements of the marketing mix and personal selling. Strategic business plan is the starting point which generates a strategic marketing plan. Communication plan or promotional plan is subservient to the marketing plan.

The figure 1.1 explains this in a schematic fashion.

![Figure 1.1: Communication Planning](image-url)
COMMUNICATION MIX

Let us now be clear about the relationship of advertising with other elements of communication mix.

Advertising and Personal Selling

Advertising communicates with a large number of consumers through the mass media such as press and TV. Advertising is mass communication and is non-personal. We address the buyers through the media by putting paid for messages. There is no face-to-face conversation. Personal selling, on the other hand, is personal communication. Here the salesman talks with a prospective buyer – it is a person-to-person talk. Personal selling is thus individual communication and not mass communication. These days there is mass production and it is meant for mass consumption. It is costlier and difficult to contact each individual buyer. Advertising is an economical mass communication tool available to a marketer. However, there are products which can be sold better by personal selling, e.g., complex machinery, capital goods. The salesman is in a better position to explain the features of the product to the buyer for industrial products. Even for simpler products, salespeople can supplement advertising effort. Salespeople can tailor their sales talk to the needs and personality of each buyer. It is very difficult to measure the effectiveness of advertising. However, a salesman receives immediate feedback from the buyer. The salesman can tune his message to the buyer accordingly.

Personal selling is very intense. An advertisement can be skipped, but it is difficult to dismiss a salesman summarily. It is very inefficient for mass market products. Advertising scores over personal selling for such products.

Advertising and Sales Promotion (SP)

Advertising makes people favourably inclined towards a product or service or idea. This may lead to its buying later. Sales promotion takes over from this point. It provides a direct inducement to the consumer to go in for the buy – a discount, price off, coupon, etc. Advertising informs people, reminds them and persuades them to buy. Its approach is indirect. It attempts to build the brand in the long-term. Sales promotion (SP) is a direct short-term approach and expects immediate response in terms of buying action. Sales promotion is not a continuous activity. Advertising, in comparison, is more frequent and repetitive. Sales promotion supplements advertising and personal selling. At the point of sale, sales promotion works out better and fast. Displays and contests are effective tools of sales promotion.

Advertising and Publicity

Publicity is also non-personal like advertising. It also stimulates demand for the product/service/organisation. It consists of planting commercially significant news in print media, or obtaining favourable presentation on air or stage. Publicity is not paid for by the sponsor. There are two important distinctions — publicity is not openly paid for and the presentation is not programmed. Marketers have less control over publicity than they have on advertising. Publicity is left to the discretion of the media. It could be negative or positive.

Advertising and Public Relations (PR)

Public relations have one ultimate aim – to develop a favourable image of the organisation and its offerings in the eyes of the public. The various sections of the public are customers, suppliers, employees, governments, local bodies, pressure groups, media, society at large. PR can be formal or informal. Unlike advertising, it is personal. PR aims at establishing and maintaining understanding between an organisation and its public. PR is low-cost as compared to advertising. One of the important functions of PR is media management. PR is also of great help in crisis management. PR indirectly helps the company to sell its products by building a good corporate image of the company. But PR cannot replace advertising. PR does the groundwork for advertising. Product and service must support the PR effort. Advertising has a greater role in selling tangible products. PR has a greater role in selling intangible products like services. PR is slowly evolving into an integrated approach called corporate communications. Corporate communications cover corporate identity programmes, re-imaging, media relations, corporate advertising, sponsorships, communications during takeovers, communications prior to an IPO, corporate philanthropy and crisis management.
DEFINITION OF ADVERTISING

Advertising is defined as the paid, non-personal form of communication about products or ideas by an identified sponsor through the mass media so as to inform, persuade or influence the behaviour of the target audience.

Advertising is directed to a large number of people and not to one individual. That is why we call it non-personal. Advertising is communication about products or ideas. It may inform us about the features of iPod or new smart phone or spell out the need to have a cancer check-up. An identified sponsor is the advertising company or an NGO soliciting donations. The mass media channels are the newspapers, magazines, radio, TV which carry the advertised message so that it reaches the people at once. The advertising message either informs about the product or persuades people to buy it. It may influence them to vote for a specific candidate. Sometimes, the message may influence us not to do certain things, say drug abuse or wastage of fossil fuels.

The simplest definition of an advertisement is that it is a ‘public announcement’. In earlier times to ‘advertise’ was merely to announce or inform. Some ads such as the ‘classifieds’ still do the same – announce the birth, death, engagements with little or no intention to persuade. Gradually, advertising evolved as a form of persuasive communication with the public. In a free market economy, such communication is required to make intelligent choices. John E Kennedy, Lord and Thomas Ad Agency, described advertising as ‘salesmanship in print’. Albert Lasker endorses the same definition. Till the term ‘salesmanship in print’ was coined, advertising was, viewed as information dissemination. Salesmanship added a new dimension to the advertising process – that of persuasive skills of a salesman. It introduced the art of persuasion and made advertising a force to reckon with. Sidney Bernstein (1990) reinforces Kennedy’s definition by describing ‘advertising as a substitute for the human salesman’. Chris Jacques, chairman, BBDO Asia-Pacific thinks that advertising is the business of creative thinking for commercial advantage.

The following two definitions of advertising are also interesting:

Advertising is the foot on the accelerator, the hand on the throttle, the spur on the flank that keeps our economy surging forward.

– Rober W. Sarnoff (1956)

Prasoon Joshi, Creative Director, South and South-east Asia, McCann Erickson asserts that as advertisers, we are in the communication business. Clients come to advertising agencies, though they can give a technical brief, to communicate their message in a consumer-friendly manner. The crux of advertising is effective communication. People who cannot communicate should not get into this business.

Advertising is one of the important forces which serve the public interest. It is a form of open communication between those who sell and those who buy. It is a form of advocacy – open to any company or cause that wants to argue its case. The jury is the public. Every purchase is a vote.

– Burt Manning, JWT

MARKETING COMMUNICATIONS

Broadly speaking, marketing communication is a continuous interaction between the buyers and sellers in a marketplace. Thus, any gesture or act that helps to attract buyers and satisfy their needs is marketing communication. However, to a marketer, marketing communication is the process of presenting an integrated set of stimuli to a target with an intent of evoking a desired set of responses within that target market and setting up channels to receive, interpret and act upon messages and identifying new communication opportunities.

Let us now examine the communication process.

COMMUNICATION PROCESS

In communication process, there is a transmission of message from a sender to the receiver. The end result of the communication process is the understanding of the message. The message is transmitted through media or certain channels. The response to the message is known through the feedback from the receiver of the message. The communication sometimes fails to accomplish its purpose — creation of an appropriate response or understanding when the message is distorted by ‘noise’ elements. A sender encodes the message, whereas the receiver decodes the message. The whole process can be illustrated with the help of a diagram.
The sender is called the source of the message. The encoding could be in the form of a letter or advertising copy. The message is carried by the media, e.g., post and telegraphs department or TV or press. The message is received by the receiver who responds to it, which is then communicated back to the source. The message must arrest the attention of the receiver, be understood and stimulate the needs of the receiver and suggest methods to satisfy these needs.

It is important for the senders to know the receivers or audiences they would like to reach and the responses they expect. The skill lines in the proper encoding of the message. It should anticipate how the message would be decoded at the receiving end. As the ultimate success of communication is the understanding of the message to know as much as possible about the receiver. The media chosen too must be efficient. The feedback channels are established it is necessary for the sender to know the response. In this process noise variables may distort the effectiveness of the communication. Noise includes poor planning of the message, busy audience members or careless feedback mechanism.

The common field of experience and reference makes the communication possible. It there is no such overlap, communication may be poor or impossible. The feedback comes as marketing research inputs or sales reports. The noise elements are the competitive promotional messages. Communication can be made more effective by understanding the audience and the market properly. Marketing communication is a major chunk of the total corporate communications. Advertising is an important element of the marketing.

**MARKETING COMMUNICATION**

After examining the basic communication process, we shall understand the marketing communication concept. Marketing is the process which brings the products and services to the consumers to satisfy their needs and wants. Modern marketing manages the four Ps of product, promotion, price and place or the channel of distribution. The whole marketing process in a sense has a large communication content. For instance, the product communicates prestige youthfulness, speed, care, etc. The brand name communicates the product attributes, e.g., Dreamflower talc. The package communicates convenience coupled with aesthetics. The price communicates the quality of the product. The marketer and distributor communicate between them. Thus each elements of the marketing mix either facilitates or hinders communication process. These element greatly influence the selling process. Marketing communication is thus a broader term. However, in a narrow sense, sense, marketing communication is the promotional or strategy. It is planned promotional communication with a mix of five major tools —

**Advertising:** Any paid form of non-personal communication of products, services and ideas by an identified sponsor.

**Sales Promotion:** Short-term direct inducements to the consumers, salespeople distributors to stimulate the sales of products and services.

**Publicity:** Putting commercially significant news in the media, it is not directly paid for.

**Personal Selling:** A sales force is maintained to approach the prospects, interact with them, make a sales presentation and close the sale. It is one-to-one communication.

**Public Relations:** Public relations project a favorable image of the organisation in the public.
Marketing Communication Process

The marketing communication process is illustrated in the following diagram.

![Diagram of marketing communication process]

The sender of the message is the marketer. The message is encoded as advertising copy, publicity material, sales displays or sales talk. The media to deliver the message could be print media such as press/magazines, or electronic such as radio/TV/films or a salesman making a sales talk. The decoding involves the interpretation of the message by the consumers. This is the most challenging part of the marketing communication, as the consumer may not always interpret the message as the marketer desires it to do. The fundamental difficulty arises in communication at the stage of coding and decoding. This results from the differences in interpreting the meanings of different words/symbols. There may be different frames of references and field of experience between the sender and the receiver. This is illustrated in the following diagram.

Marketing Communication Advertising has certain unique features, which distinguish it from other forms of marketing communication such as personal selling, sales promotion (SP) publicity and public relations (PR).

We give a table 1.1 below to make you understand the role played by each player in the process of communication:

<table>
<thead>
<tr>
<th>Player</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sender</td>
<td>He is the originator of communication.</td>
</tr>
<tr>
<td>(Source)</td>
<td>His communication objectives must be clear.</td>
</tr>
<tr>
<td></td>
<td>He must understand the field of experience and frame of references of his receiver.</td>
</tr>
<tr>
<td></td>
<td>He has to consider the readiness of the receiver to receive the communication. He could be a salesperson, advertisement or coupon.</td>
</tr>
<tr>
<td>Message</td>
<td>It should be true to the contents of the communication emerging from the sender. It must be so worded that the receiver is able to decode it. The process of arranging the message, in words and pictures is called encoding.</td>
</tr>
<tr>
<td>Message</td>
<td>Once there is a choice, a channel or a channel mix that is most effective must be chosen. The channel can be the spoken word (personal selling) or the mass media (advertising).</td>
</tr>
<tr>
<td>channels</td>
<td></td>
</tr>
<tr>
<td>Receiver</td>
<td>The communication must reach him. He must be prepared to receive the message. He is the target of communication. On the delivery of message, the receiver attempts to interpret the message. It is called decoding.</td>
</tr>
<tr>
<td>Feedback</td>
<td>It completes the cycle of communication. It establishes for the sender that the message has been received and understood the way he wanted it to be received and understood. It is the part of the overall response that is measured by the sender.</td>
</tr>
</tbody>
</table>

To facilitate communication, the source and the receiver must share a common background, social influences and needs. When these overlap, it is called overlapping of psychological fields. The larger the mutually shared field, the greater the chance of effective communication.

After understanding the message, the receiver responds to it. This response could be a positive or negative attitude, a physical gesture or a purchase.

**AIDA COMMUNICATION MODEL**

Marketing communication especially, advertising is directed towards a group of users of the products/services. This group is called the target audience of the product services. A marketer has to identify its target audience, and the response he expects from it. The ultimate response is of course, the buying of the product/service. We must learn the stages through which the target audience passes before the readiness-to-buy stage is reached.
Basic Concepts of Promotion and Communication

The effectiveness of advertising depends upon the extent to which the advertising message is received and accepted by the target audience. Effective advertising goes through the stages of: (i) attracting attention, (ii) arousing interest, (iii) creating desire for the products, (iv) and finally leading to action on the part of the audience. All advertisement do not succeed on all these counts. This is one reason behind the great divergence between the number of people exposed to the advertisement and those who ultimately decide to buy the product. At the buying-readiness stage, other elements of marketing mix, especially distribution become crucial.

The AIDA model describes the sequence of events which must take place between the receipt of the message and desired action.

In AIDA model, A stands for attracting attention, I for arousing interest, D for creating a desire and A for obtaining action.

Advertising as a communication medium in most cases-effective perform the first three functions. In case of direct action advertising, it also translates desire into action unaided by other promotional instruments. In case of indirect-action advertising, however, the action of buying is facilitated by two-way communication between the intending buyer and the sales staff.

Let use examine the attention, interest, desire and action components in more detail.

Attention: Advertisement attract attention to them mainly on account of their layout. The typography and colours used in the copy do attract us. The size too does matter. A larger-sized ad commands attention. White-space is used strategically to get attention. Movement in the copy is also vital to rivet attention. The place where ad is placed in the media has a role to play. The other elements which contribute to attention value are celebrity endorsements models, employed, illustrations and photographs used.

Interest: Ad seen does not necessarily mean ad read. People may look at the ad, but many not read it. Illustrations have to work harder. Along with the copy, they must stimulate reading. Copy format too plays a role — some take fancy to a scientific copy, whereas some others like the humorous copy. It is very challenging for a copywriter to find a common denominator of interest for the maximum number of people.

Desire: An ad must create a desire for the product/service being advertised. Several rational and emotional appeals are used to motivate people. Vivid descriptions and graphical copy do help. People buy to satisfy their physiological and psychological needs. The copy must provoke.

AIDA is an acronym given to the stages a consumer passes before he buys a product. The stages are:
1. Attention: to get the attention of the consumer or to create an awareness about the product.
2. Interest: to arouse interest in the product and hold it.
3. Desire: to create desire for the product.
4. Action: to motivate a consumer to buy the product.

This model is further elaborated to cover a number of more steps: awareness, knowledge, liking, preference, conviction and purchase. It is called hierarchy of effects. AIDA and hierarchy of effect models are inter-related as illustrated in the following diagram.
While relating them, we have put the stages into three broad psychological stages – cognitive, affective and behavioural. Cognitive refers to awareness and knowledge. It also refers to attention. Affective refers to liking and preference corresponding to interest and desire of AIDA model. Behavioural refers to conviction and purchase corresponding to the action of the AIDA model. The additional stage of outcome shows the response to the model. These models help us understand the tasks that promotion must perform.

Advertising has the capacity to generate highest awareness. It is also higher in arousing interest. However, it is not so effective in leading the consumer to action. Personal selling works exactly the opposite way. It is highest in making people buy and creating a desire for the product. It is, however, low in generating awareness. Sales promotion is highest in inducing action. Public relations and publicity are confined to creating awareness and a low level of interest.

**INTERPERSONAL Vs. MASS COMMUNICATION**

Marketing deals with interpersonal and mass communication. Personal selling makes use of interpersonal communication whereas advertising, sales promotion and public relations are mass communication techniques. The following table 1.2 summarizes the merits and demerits of both these modes.

Mass communication, as the name itself indicates, takes the message to a large audience with a great speed. Advertising is mass communication. A sales presentation of a salesman is interpersonal communication. Each time a salesman can adapt the message to his prospective buyer.

![Figure 1.3: Relationship of Response Models](image)

<table>
<thead>
<tr>
<th>Stage</th>
<th>Response</th>
<th>Hierarchy and Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive</td>
<td>Attention</td>
<td>Awareness</td>
</tr>
<tr>
<td>Affective</td>
<td>Interest</td>
<td>Knowledge</td>
</tr>
<tr>
<td>Behavioural</td>
<td>Desire</td>
<td>Liking</td>
</tr>
<tr>
<td></td>
<td>Action</td>
<td>Preference</td>
</tr>
<tr>
<td>Outcome</td>
<td>Satisfaction Level</td>
<td>Satisfaction Level</td>
</tr>
</tbody>
</table>

**Table 1.2: Comparison Between Interpersonal and Mass Communication**

<table>
<thead>
<tr>
<th>Factor Communication</th>
<th>Interpersonal Communication</th>
<th>Mass</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed with which a large audience is reached</td>
<td>Slow</td>
<td>Fast</td>
</tr>
<tr>
<td>Cost of reaching a large audience</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Attention arresting capability</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Content clarity</td>
<td>High</td>
<td>Moderate to low</td>
</tr>
<tr>
<td>Accuracy of message</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Message flow traffic</td>
<td>Two-way</td>
<td>One-way</td>
</tr>
<tr>
<td>Feedback</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

*Source: Adapted from Promotional Strategy by Engel, Warshaw and Kinnear (Irwin, 1987).*
Mass communication is cost-effective. However, it is a one-way communication. The feedback is not reliable many a time. Interpersonal communication provides immediate and accurate feedback. A buyer can ask questions and raise objections. He gets immediate response from the salesperson. It is much more effective than mass communication. But this communication is painfully slow when a large number of customers are to be contacted. It is very expensive.

Though mass communication has some demerits, it enables us to reach a large market economically. This leads us to a paradox that advertising is efficient promotion but inefficient communication.

Suddenly, companies are turning to sales promotions and direct marketing probably because mass communication based advertising is not working. These are called below the line activities. It simply means all communications which is not mass media based or is not in the press or on TV. It includes everything from Point of Purchase (PoP) material like danglers, posters and stickers to exhibitions and roadshows. It also includes media demonstrations, displays, sampling and couponing. Below-the-line as a marketing tool is older than advertising. Indian companies spend 15 per cent of their total marketing budget on below-the-line activities. International ratio of below-the line to a mainstream advertising is 30:70.

The table 1.3 outlines the communication process for each component of promotional mix.

<table>
<thead>
<tr>
<th>Promotional Mix Element</th>
<th>Source</th>
<th>Encoding</th>
<th>Media</th>
<th>Receiver</th>
<th>Decoding</th>
<th>Feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>P&amp;G ad for Ariel</td>
<td>Audio and Video in colour</td>
<td>TV Commercial</td>
<td>Housewives</td>
<td>Consumers learn about the product’s stain removing capacity.</td>
<td>Purchase of Ariel Sales rise up</td>
</tr>
<tr>
<td>Personal Selling</td>
<td>Eros Pharmaceuticals anti-inflammatory Diclofenac Shoppers Stop</td>
<td>Words, body language, personal appearance Discount offer at a sales festival</td>
<td>Personal visit</td>
<td>Doctors</td>
<td>Safe, anti-inflammatory properties of Diclofenac Consumers judge the benefits</td>
<td>Prescription flow Consumer avail of offer</td>
</tr>
<tr>
<td>Sales Promotion</td>
<td>Interview of the chairman of Hindustan Unilever</td>
<td>Words, gestures, appearance Discount offer at a sales festival</td>
<td>Local newspaper Direct mailings</td>
<td>Women, Children, Men of middle and upper-class</td>
<td>Viewers understand how Lever brings useful products for the consumers</td>
<td>Viewer’s favourable image about Lever</td>
</tr>
</tbody>
</table>

| Publicity               | Interview of the chairman of Hindustan Unilever | Words, gestures, appearance | TV show | Viewers | Viewers understand how Lever brings useful products for the consumers | |

**ADVERTISING AND COMMUNICATION**

Though advertising is used as a part of marketing mix, basically it is a communication process. Here, the advertiser has got a message to be communicated. The aim of this communication is to improve sales or make the customers aware of our product. There can be so many objectives of this communication. Ultimately, it aims to influence the behaviour of our target audience. The message is put by the advertiser who is the source into appropriate media. The target audience has to understand the message by interpreting it. The process of putting the message across in copy and visuals is **encoding** and the process of interpretation is **decoding**. The customers for whom the message is meant are the **receivers**. As advertising makes the receivers favourably inclined towards the product, it is called **marketing communication**. Since the message is put through the mass media for a large number of people, it is **mass communication**.

An advertiser has to identify exactly who his customers are, where they are and why they behave the way they do. He has to understand his target audience to be effective. The way the target audience reacts to the message is **feedback**. The message may be distorted on account of a number of factors called **noise** variables. Perhaps, you have to answer the doorbell as soon as your favourite bungee jumping commercial of Thums Up is on air on TV. This interferes with our viewing the commercial. It is thus a noise variable. You might have seen a large number of ads precede or follow or are interspersed in
a popular TV programme. It is called clutter. Just as a pretty girl has to have an extraordinary outfit to stand out amongst a large crowd coming out of busy Churchgate station in the morning, an ad has to be quite outstanding to rise above the clutter.

The following diagram illustrates the communication process in advertising:

![Figure 1.4: Communication Process in Advertising](image)

**FLOW OF COMMUNICATION**

The product and its distribution tell upon the mode of communication used. In house-to-house selling, a direct communication link is established between the buyer and the seller. There is lesser need for mass communication. On the other hand, a packaged brand being distributed very widely all over the country needs advertising which communicates with the prospective buyers.

**PUSH Vs. PULL Strategies**

These are two broad promotional strategies directed at either dealers or customers. The first strategy is called a pull strategy. Promotional activities like advertising or sales promotion are directed to the end consumers. The ultimate aim is to create a demand for the product. The customer is motivated to approach a retailer asking about the availability of a product. When several such enquiries come, the retailer is compelled to approach the wholesaler for the stock of the demanded product. Here, the product has been sold because of the pull exercised by the customer or the distribution system. The following diagram illustrates this strategy:

![Figure 1.5: Pull Strategy of Promotion](image)

Push strategy is an alternative to pull strategy. Here, the product is pushed through the channel, instead of being pulled. In push strategy, the promotional effort is directed at channel members. Such promotional efforts could be personal selling, dealer promotion and advertising. The producer promotes the product to the closest level. The channel member then promotes the product to the next level. The process goes on till the final consumer is reached. Many industrial products and clothing are promoted by push method. The following diagram illustrates this strategy:

![Figure 1.6: Push Strategy of Promotion](image)

It should be noted that both these strategies are extremes and in practice, both these strategies are used for all products. Thus, a gear manufacturing company may advertise to the end-users, though personal selling is a major tool of promotion. Intel advertisement is cheap to all the consumers, when computer manufacturers use it in their computers. Even the most advertised brand does need a push in the market. Manufacturers promote their products to the distributors who in turn promote them to the consumers.
UNCONTROLLED COMMUNICATION

Out of the four major elements of promotion, personal selling, advertising and sales promotion are within the control of a marketer who pays for all these. The only element that is outside his control is publicity which is not paid for directly by him. Media coverage may generate both positive and negative publicity. Aspirin received negative publicity for its side effects. It is sometimes out of control of the marketer.

Another communication that is beyond the control of a marketer is word-of-mouth communication. Here, the consumers talk about their experiences with the products or services they have used to other consumers. Do we not tell our friends about the shopping malls we like, the movies that we dislike, and the CDs that we like to listen to? Sometimes, there are runouts of the product and these must be fought actively by the company.

PROMOTION AND PRODUCT LIFE CYCLE (PLC)

A product passes through several stages. It is developed first in an R&D lab. It is introduced in the market. The sales grow after the distribution and promotional efforts are consolidated. A stage comes when the sales attain a plateau. The product is said to be in maturity stage. The product then shows a decline in sales as it becomes outdated. Product life cycle thus, traces the growth in sales over a period of time. The promotional objectives at each stage of the life cycle are different. Consequently, the promotional activities are also different at each stage of life cycle. The following diagram illustrates this.
DETERMINING THE PROMOTIONAL MIX

How much emphasis should be placed on each tool of promotion? The exact combination of each of the elements of promotion is called the promotional mix or blend. There is no one right mix of any company. The factors that guide a marketer while deciding the mix are:

(i) the promotional budget available
(ii) the nature of the product
(iii) the nature of the target audience
(iv) the product life cycle stage
(v) the company policy

The budget is the most valid constraint on promotional activity. A small firm may not afford national advertising. It may put ads in local papers. A small firm may push the product by offering more incentives to its dealers. A small pharmaceutical company would be able to hire a medical representative for a year for the cost of a few seconds commercial on national network at prime time. Personal selling is a suitable method for high value products that need to be demonstrated. If our target audience is scattered all over the country, advertising is the best method to put across our message economically. A few customers concentrated in a limited geographic area rules out advertising and calls for personal selling. Promotional activity directed to trade channels is also mostly personal selling. We have already considered the varying promotional methods for each stage of product life cycle.

INTEGRATED MARKETING COMMUNICATION (IMC)

Many a times we find that marketing communication gives the customers a fragmented and hazy picture. It happens because there is no integration amongst marketing efforts on one hand and the communication efforts on the other. IMC makes a single-minded focussed communication. Its consistency and cost effectiveness are its main merits. The IMC concept is difficult to implement because communications are handled by different organisations. Personal selling is thus handled by the sales department, whereas advertising is handled by an ad agency. There are separate direct marketing and PR functionaries. Switching over to IMC needs some reorganisation.

Integrated Marketing Communication is not just a jargon used by academicians and practitioners of communication package consisting of advertising, personal selling, database marketing, public relations and sales promotions. It involves two major dimensions – consistency of positioning, message and tone across these different media and simultaneous achievement of several specific communication goals leading to behavioural action. In other words, marketing communications must have one voice and must not restrict to just one or two goals like raising awareness or building image. Integrated communications achieve major communication goals at one and the same time. Thus, a sales promotion campaign that leads to a short-term rise in sales but dilutes brand equity in the long-term is not the practice of integrated communications.

DRAMATIC CHANGES IN BRAND COMMUNICATION

In recent years, there are dramatic changes in brand communication. We have already seen the model of marketing communication which is mostly a one-way traffic. The company as a sender tells the consumer good things about the brand (message). The consumer as a receiver accepts this message gratefully. He then expresses his gratitude by being a loyal brand user for a long, long time. The medium of the message is TV these days which has a vast reach.

This model is highly simplistic. Even in such one way communication, we have to consider the element of consumer participation. Consumers do not meekly accept everything directed towards them; they challenge the proposition and sometimes, even dispute it. They can interpret, modify or reject brand messages.

The whole model has been affected by a variety of factors. The media stands fragmented. Internet has emerged as a big interactive medium. Attitudes of the consumers have changed. A TV commercial of a few seconds cannot become a primary medium of brand communication.

The consumers also form their opinions about the brands in number of ways. Though companies distinguish between the different media such as main media, Public Relations, Internet, sponsorships, sales promotions, there is no such distinction made in the consumer mind. A consumer forms his image of the brand through every conceivable encounter with the brand – it is a paid for brand communication or just a chance encounter that hardly matters. According to Fitzgerald of Unilever, a consumer may read a disturbing report about a company in the newspapers or see its vehicles being driven recklessly or be irritated by the shoddy quality of its pack inserts or be annoyed about the way the officers interact with him on helplines. Each such encounter has the potential to damage the reputation of the brand.
ABOUT THE AUTHOR

S.A. Chunawalla is a management thinker and author for more than a quarter of a century. He has taught management subjects and guided research projects of the students. His other popular books are Foundations of Advertising, Product Management and Compendium of Brand Management.