



## SYLLABUS

### Class – B.Com. III Year

#### Subject – Principle of Marketing

<b>Unit-I</b>	Marketing: Introduction, Nature and Scope of marketing, importance of marketing, marketing concept: Traditional and modern, selling vs. marketing, marketing mix, marketing environment.
<b>Unit-II</b>	Consumer behavior and marketing segmentation: Nature, scope and significance of consumer behavior, Market segmentation concept and importance. Bases for market segmentation.
<b>Unit-III</b>	Product: Concept of product, consumer and industrial goods; product planning and development, packaging role and functions, brand name and trade mark; after sales service; product life cycle concept.
<b>Unit-IV</b>	Price: Importance of price in the marketing mix, factors affecting price of a product/service, Discounts and rebates. Distribution channels and physical distribution: Distribution channels-concept and role; types of distribution channel; factors affecting choice of a distribution channel; retailer and wholesaler; physical distribution of goods; transportation, warehousing.
<b>Unit-V</b>	Sales promotion: Methods of promotion; optimum promotion mix; advertising media-their relative merits and limitations; characteristics of an effective advertisement; personal selling; selling as a career; qualities of a successful sales person, functions of salesman.



UNIT-I

A market is one of the many varieties of systems, institutions, procedures, social relations and infrastructures whereby parties engage in exchange. While parties may exchange goods and services by barter, most markets rely on sellers offering their goods or services (including labor) in exchange for money from buyers. It can be said that a market is the process by which the prices of goods and services are established.

DEFINITION OF MARKETING

Product-oriented Definition- Marketing may be narrowly defined as a process by which goods and services are exchanged and the value determined in terms of money prices.

Customer-oriented Definition - According to Cardiff and Still. "Marketing is the business process by which products are matched with the markets and through which transfers of ownership are effected."

System-Oriented Definition - William J. Stanton has given a system oriented definition of marketing. "Marketing is a total system of interacting business activities designed to plan, price, promote and distribute wants satisfying products to target markets to achieve organisational objectives.

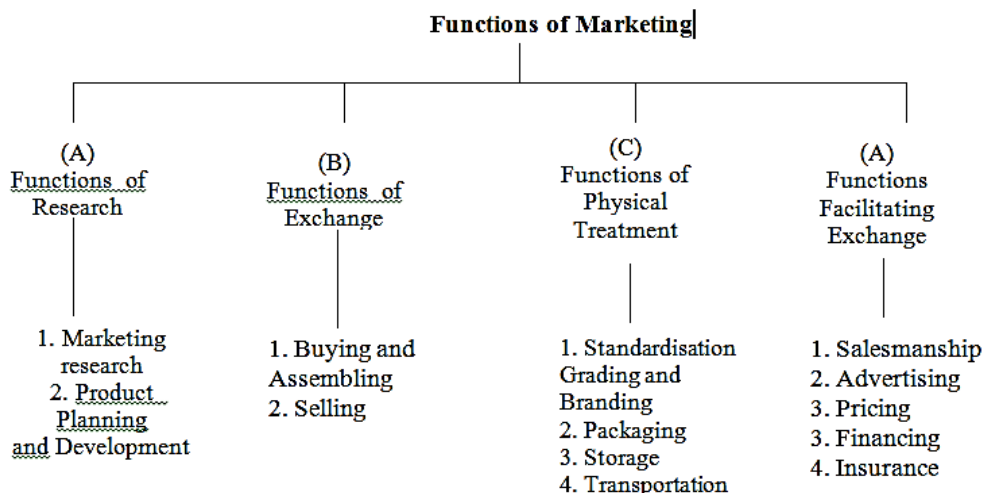
Kotler's Definition- Kotler has defined marketing as a social and managerial process by which individuals and groups obtain what need and want through creating, offering and exchanging products of value with others.

NATURE OF MARKETING

- 1. Marketing is Customer-focused.
2. Marketing must Deliver Value.
3. Marketing is Business.
4. Marketing is Surrounded by Customer Needs.
5. Marketing is a Part of Total Environment.
6. Marketing Systems Affect Company Strategy.
7. Marketing as a Discipline.
8. Marketing Creates Mutually-beneficial Relationships.

Customer Value = Benefits / Cost

SCOPE AND FUNCTIONS OF MARKETING



The business by selling want satisfying goods and services to the customers. In order to achieve this purpose, the Marketing Manager performs the following functions:

- (i) Marketing research. (iii) Buying and assembling.
(ii) Product planning and development. (iv) Selling



- |  |                   |
|--|-------------------|
| (v) Standardisation, grading and branding. | (ix) Salesmanship |
| (vi) Packaging.                            | (x) Advertising   |
| (vii) Storage                              | (xi) Pricing      |
| (viii) Transportation                      | (xii) Financing   |
|  | (xiii) Insurance  |

Making management is an important operative function (as distinct from managerial function) of management. It performs all managerial functions in the field of marketing. It is responsible for planning, organising, directing and controlling the marketing activities.

### OBJECTIVE OF MARKETING MANAGEMENT

A business aims at earning reasonable long-term profits by satisfying the needs of customers.

1. To create customers for the business.
2. To satisfy the needs of the customers.
3. to determine marketing-mix that will satisfy the needs of the customers.
4. To generate adequate profits for the business.
5. To earn goodwill for the business.
6. To raise standard of living of the people.

### PHILOSOPHY OF MARKETING

1. **PRODUCTION CONCEPT:** Managers of production oriented organizations concentrate on achieving high production efficiency and wide distribution coverage.
2. **PRODUCT CONCEPT:** The product concept holds that consumers will favour those products that offer the best quality, performance or innovative features.
3. **THE SELLING CONCEPT:** The selling concept holds that consumers, if left alone, will ordinarily not buy enough of the organisation's products.
4. **THE MARKETING CONCEPT:** This is a customer oriented approach which points out that the primary task of a basis of latest and accurate knowledge of market demand, the enterprise must produce and offer the products which will give the desired satisfaction and services to the customer.

It involves the following orientation →

- (a) Customer orientation.
- (B) Integrated approach.-
- (C) Marketing information system
- (D) Profitability.
- (E) Societal marketing concept

### *What is the difference between a customer and a consumer?*

The following distinction should help:

- **A customer** – purchases and pays for a product or service
- **A consumer** – is the ultimate user of the product or service; the consumer may not have paid for the product or service



## Unit – II

### Consumer Behavior and Market Segmentation

#### Consumer Behavior:

##### Meaning and scope-

Consumer behavior is the process whereby individuals decide whether, what, when, where, how and from whom to purchase goods and service.

Under the modern marketing 'Consumer' is the fulcrum; he is the life blood; he is very purpose of the business and hence the business firms have to listen consumer voices, understand his concerns. His needs have to be focused and his respect has to be earned. He has to be closely followed – what he wants..... when, where and how. The new business philosophy is that the economic and social justification of firm's existence lies in satisfaction of consumer wants. Charles G Mortimer has rightly pointed out that, 'instead of trying what is easiest for us to make, we must find out much more about what the consumer is willing to buy..... we must apply our creativeness more intelligently to people and their wants and needs rather than to products". To achieve consumer satisfactions, the marketer should know, understand consumer behaviour – their characteristics, needs, attitudes and so on.

##### Importance of Consumer Behavior –

Consumer behavior has assumed great importance in customer oriented marketing planning and management. A marketing manager must understand the social and psychological determinants of consumer behavior to enable him to plan his marketing strategy. Consumer behavior is dynamic. Therefore, it is necessary to continuously study, analyse and understand it and monitor this understanding for the marketing management so that the effective decisions be taken i In the following respect –

1. Production Policies
2. Price Polices
3. Decision regarding channels of distribution
4. Decision regarding sales promotion

##### Theories on Models in Regard to Buying Behaviors

A number of models have been developed for the study of consumer behavior. Important models are as follows :

##### I. Inherent and learned Buying Motives :

Inherent buying motives are the motives which come from basic needs of the consumer, such as – hunger, thirst, sex, comfort, safety etc. These are the motives for the satisfaction of which, a consumer makes his best efforts and if these motives are not satisfied, he feels mental tension.

Learned buying motives are acquired or learned by a consumer from the environment and education. These motives are social status, social acceptance, economic, social and political achievement, fear and security etc.

##### II. Emotional and rational Buying Motive :

This is a classical approach. According to this approach, motives are of two types- Emotional and Rational. Emotional buying motives are the motives which are affected by the feeling of heart. Where as in rational buying motives a consumer takes the decision of purchasing a product by his head and mind.

##### III. Psychological and social Buying Motives :

Social psychology assumes that buying behavior of a consumer is greatly affected by his social environment and that he is always anxious to confirm to the standard of his environment.

##### IV. Self- Image as a consumer behavior determinant:

The concept of self-image is a psychological and social feeling about oneself. A successful marketer is one, who understand self-image of his consumers and divides them on basis of their self image.



## MARKET SEGMENTATION

**According to Kotler,** “ Market Segmentation is the subdividing of a market into homogeneous sub-set of customers, where any sub-set may conceivably be selected as a market target to be achieved with distinct marketing mix.”

### FEATURES OR CHARACTERISTICS OF MARKET SEGMENTATION -

1. It consists of a group of customers who share a similar set of wants.
2. The marketer does not create the segments, but identify the segments and decide which one to target.
3. Market segmentation is the result of 'modern marketing concept' and micro marketing .
4. Varied and complex buyer behaviour is the root cause of market segmentation.
5. It is a method for achieving maximum market response from limited marketing resources by recognising differences in the response characteristics of various parts of the market.
7. It is being used as strategy of '**divide and conquer**'.
8. It enables the marketers to give better alternatives to the selection of customers and offer an appropriate marketing-mix .
9. To divide customers in homogeneous groups on the basis of their attributes and nature so that suitable marketing programmes may be prepared for each segment (group).
- 10 To find out customers' preferences, their interests and buying habits so that it may be decided whether homogeneous marketing efforts would be suitable for all customers or not.
11. To find out areas where new customers may be made while making proper marketing efforts.
12. To find out purchase potential of different customer groups.
13. To make organisation customer-oriented so that profit may be earned through customer satisfaction.
14. Market segmentation provides a basis for improved performance through correct application of selected marketing concepts and techniques.

### Importance of Market Segmentation -

1. Better Position to locate Marketing Opportunities
2. Effective Utilization of resources
3. Facing the Competition Effectively
4. Marketing Programme
5. Effective Advertising Appeals
6. Adjusted in Product
7. Enhance Marketing Efficiency

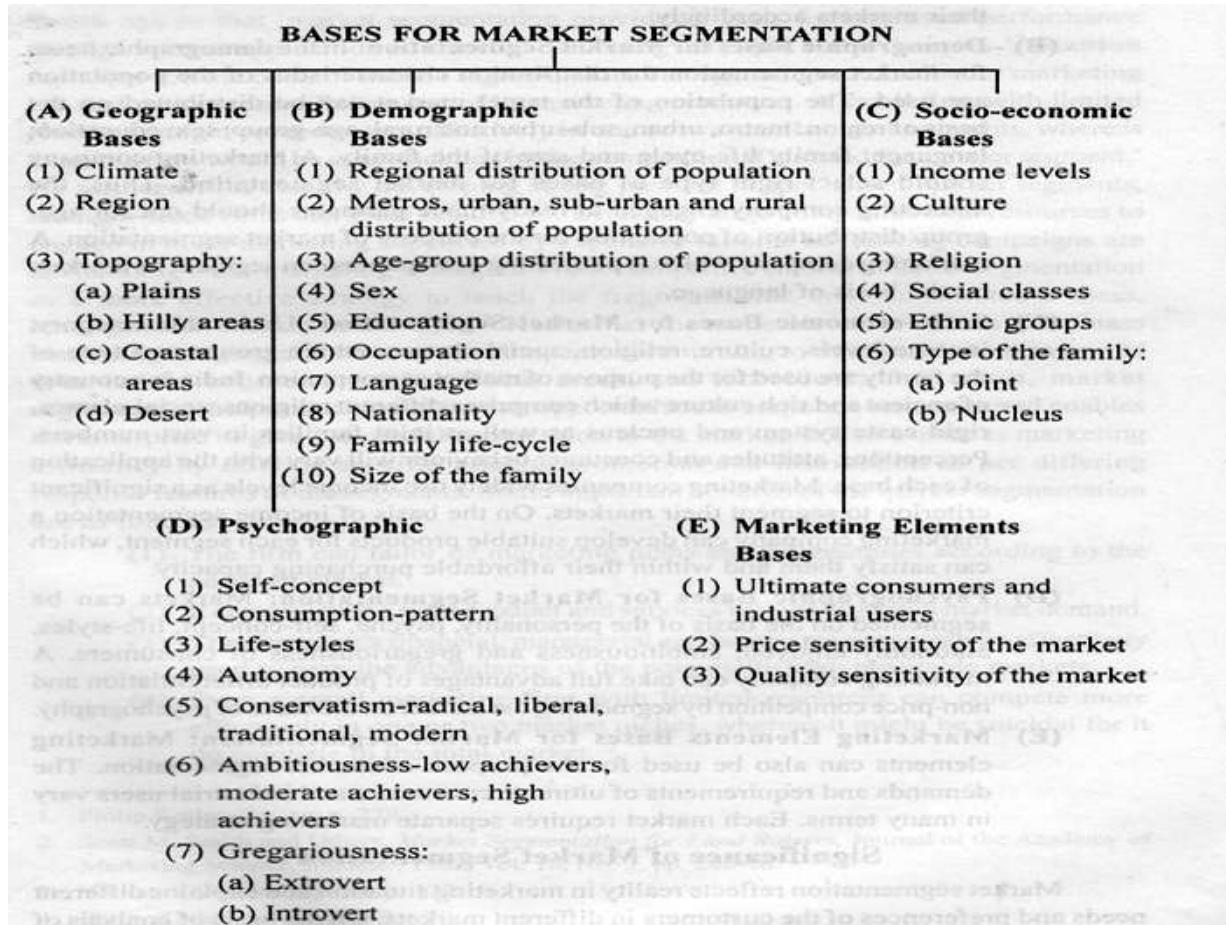
### FAVORABLE CONDITIONS FOR EFFECTIVE MARKET SEGMENTATION

The use of the concept of market segmentation will be more useful in the following conditions:

- (1) The number of potential customers of the **target** market must be measurable.
- (2) The various required information and **data about** the target market must be accessible.
- (3) There must **be consumers in** sufficient number to provide profitable **sales volume to the company**.
- (4) The prospective target segment must be accessible itself through the existing channels of distribution of the company, the advertising media and sales-force to minimise cost and unnecessary wastage of efforts.



**BASES FOR MARKET SEGMENTATION**





## Unit - III Product

### Product Concept-

According to Philip Kotler a product is a package of physical service and symbolic particulars expected to yield satisfaction or benefit to the buyer.

### Characteristics of Product :

Tangible Attributes

1. Intangible Attributes
3. Exchange value
4. Utility Benefits
5. Differential Features
6. Consumer satisfaction
7. Business need satisfaction

### Importance of Product -

1. Product is the centre of all Marketing Activities
2. Starting point of Marketing Planning
3. Product is the key to Market Success
4. Centre of consumption and satisfaction
5. Importance from social viewpoint
6. Corporate Need satisfaction
7. A competitive weapon

### Classification of product



**I. consumer Goods** – consumer products are those which are used by the ultimate consumers or households. It can be further classified as under –

1. Convince Goods
2. Shopping Goods
3. Specialty Goods

**II Industrial Goods** – Industrial Goods are those which are destined to be sold primarily for use in producing other goods on rendering services as contrasted with goods destined to be sold primarily to the ultimate consumers. It may further be classified as ahead :

1. Raw material
2. Equipments
3. Fabricated Material
4. Operating supplies

### Product Planning and Development

#### Meaning and Elements of Product Planning :

Product planning determines the characteristics of product best meeting the consumers numerous desires, characteristics that add salability to product and incorporate these characteristics into the finished products.

#### Elements of Product Planning :

- (1) Research before production
- (2) Possibility of the production of product
- (3) Decision for the change in the product line



- (4) Decision for the improvement in product
- (5) Elimination of unprofitable product
- (6) Determination of production capacity
- (7) Price determination

### **Importance of product planning :**

1. Starting point for Marketing Programme
2. Symbol of Managerial Ability
3. To meet social Responsibilities
4. Helpful in facing the competition
5. Wide scope

### **Product Development**

#### **Meaning and Elements:**

According to William J. Stanton, "product development encompasses the technical activities of product research, engineering and design."

#### **Elements of product development :**

1. To discover the feasibility of the production of product
2. To develop the qualities and characteristics of products
3. To develop different models and designs of products
4. To select the best model
5. To decide the packing, color, size, form etc. of the product
6. Expansion and contraction of product mix
7. Discontinuation of unprofitable product
8. Improvement in products

#### **Advantages of Product Development**

1. Helps in producing the goods and services of best Quality
2. Provides maximum possible satisfaction to the consumers
3. Helps in achieving stability in the demand
4. Expands the market
5. It minimizes the possibilities of obsolescence of products
6. Helps in facing the competition successfully and effectively
7. Increase the goodwill of the enterprises
8. Increases profit earning possibilities of the enterprise

### **Packing : Role and Function**

#### **Meaning of objectives of Packing**

Packing is the use of containers and wrapping materials plus decoration and labeling to protect the product to help and promote its sales, and to make it convenient for the customers to use the product.

Objectives of packing may be described as under :

1. To protect the product
2. To identify the product
3. To assemble and arrange the product
4. To facilitate the functions of wholesalers and retailers
5. To provide necessary information to the consumers
6. To make the product attractive
7. To facilitate product diversification
8. To facilitate the advertisement and sales promotion of product





### Function of Packaging:

1. Protection
2. Convenience
3. Economy
4. Promotional Function of Packaging:
  - a. Self service
  - b. Consumer affluence
  - c. Integrated marketing concept
  - d. Innovational opportunities

### Brand Name and Trade Mark

#### Brand and Brand Name -

A brand is a 'name, term, symbol or design to identity the goods or services and to differentiate them from those of the competitors.

According to the American Marketing Association " Brand name is a part of a brand consisting of a word, letters, group of words on letters comprising a name which is intended to identity goods or services of sellers and to differentiate them from those of competitors".

**Trade Mark** - Trade Mark is defined as "a brand as part of a brand that is given legal protection because it is capable of exclusive appropriation".

When a brand name or brand mark is registered it becomes a trade mark. In that sense, all trade marks are brands but not all brands are trade marks.

#### Features of goods Brand Name -

1. Short and simple
2. Appropriate for the product
3. Should be helpful in advertising and identifying
4. Should be versatile
5. Can be easily registered and legally protectable
6. Clean attractive
7. Economical to reproduce.
8. Should be unique and distinctive.

#### Advantages of Branding -

##### I Advantages to the consumers -

- a. Easy to Identify
- b. Assurance of Quality
- c. Fixed Price
- d. Satisfaction of Prestige and Status
- e. Easy Selection
- f. Easy to lodge complaint and make claims

##### II Advantages to Manufactures -

- a. Builds up Reputation and Image
- b. Builds up Loyalty
- c. Discourages price competition
- d. Assists Advertising and sales promotion
- e. Facilitates the Introduction of new product

##### III advantages to the Distributers :

- a. Ease the selling process
- b. Reduces Bargaining and price Flexibility
- c. Helps Advertising and sales promotion
- d. Increase in sales
- e. Increase in profits



### After Sales Service

After self service includes repairs, spare parts and smooth maintenance of the product of reasonable change after the product has been sold and is being used by the customer.

Different ways/methods of providing after sales service –

1. By sending the staff for repairs and maintenance
2. Making arrangements with distributors and dealers
3. By opening service centers
4. take feedback
5. ask customers to sign AMC
6. by providing service coupons

### Product Life Cycle

**Meaning and stages-** The product life-cycle is an attempt to recognize distinct stages in the sales history of the product.

Every product has its life. Industrial goods may have a longer life than consumer goods. When a product idea is commercialised, the product enters into the market and competes with the rivals, for making sales and earning profits. Product like human being, have length of life. This has been described as life-cycle in human beings, and when applied to products, it is called as product life-cycle. The product life-cycle is generally termed as product market life-cycle, because it is related to particular market. Every product passes through certain stages, collectively known as product life-cycle stages. These stages include:

1. Introduction – sales are starting-infant stage
2. Growth – Rising sales at increasing rate
3. Maturity – Rising sales at decreasing rate
4. Saturation – stable sales
5. Decline – Falling sales decay and exit.



## Unit – IV PRICE

### Meaning and importance of price or price policy –

Price policies provide the guidelines within which pricing strategy is formulated and implemented. Price is a matter of vital importance to both the seller and the buyer in the market place. Price is the prime regulator of production, distribution and consumption of goods Economics revolves around pricing of resources. Price influences consumer purchase decisions. It reflects purchasing power of currency. It can determine the general living standards.

Pricing decisions interconnect marketing actions with the financial objectives of the enterprise. Among the most important marketing variables influenced by pricing decisions are –

- 1) Sales revenue
- 2) Profit Margins
- 3) Rate of return on investment
- 4) Trade margins
- 5) Advt. and Sales Promotion
- 6) Product image
- 7) New product development

Therefore pricing decisions play a very important role in the design of the marketing mix. Pricing strategy determines the firm's position in the market vis-à-vis its rivals.

### Factors Affecting Price –

The factors that might influence price may be grouped under the following two major heads.

- A) **Internal factors** – Internal factors are those which are well within the control of the company. They include –
  - a. Objectives
  - b. Product cost
- B) **External factors** – External factors are those which are beyond the control of the company. The main external factors are as follows –
  - a. The utility and demand
  - b. Extent of competition in the market
  - c. Distribution channels
  - d. Government policy
  - e. Buying pattern of the consumer
  - f. Economic environment
  - g. Market position of the company

### Discount and Rebate

#### Discount –

Discounts are price concessions offered to traders or buyers in the form of deductions from the list price. They are forms of indirect price competition. The common forms of discounts are Trade discount, cash discount, Quantity discount, seasonal discount etc.

#### Rebate –

Rebate means offering products at special prices to clear off excess inventory. E.g. a car manufacturer's offer to sell a particular brand of car at a discount of Rs. 10000 for a limited period.

### Distributions Channels and Physical Distribution

Channels of distribution – A channel of distribution for a product is the route taken by the title to the goods as they move from the producer to the ultimate consumer or industrial user.

The main characteristics or elements of channel of distribution may be summarized as under –



- 1) Route or Pathway
- 2) Composition
- 3) Flow
- 4) Functions
- 5) Remuneration

**Function of Channels of distribution -**

- 1) Helpful in price determination
- 2) To manage finance
- 3) To make the process of distribution easy
- 4) Promotional activities
- 5) Helpful in communication
- 6) Matching of demand and supply

**Types of Channels of distribution -**

- A) **Direct channel** - The most simple and the shortest mode of distribution is direct distribution, where in the goods are made directly available by the manufacturer to customers, without involving any intermediary. This is also called zero level channel.
- B) **Indirect channels** - When a manufacturer employs one or more intermediary to move goods from the point of production to the point of consumption, the distribution network is called indirect. This may take any of the following forms -
  - a. Producer → Retailer → Ultimate consumers
  - b. Producer → Wholesaler → Retailer → Ultimate Consumer
  - c. Producer → Agent → Wholesaler → Retailer
  - d. Producer → Wholesaler → Ultimate Consumer

**Factors determining choice of channels -**

**A) Factors relating to product characteristics**

- a. Industrial/consumer product
- b. Perishability
- c. Unit value
- d. Style Obsolescence
- e. Weight and technicality
- f. Standardized products
- g. Purchase frequency
- h. Newness and market acceptance
- i. Seasonality
- j. Product breadth

**B) Factors relating to company's characteristics -**

- a. Financial strength
- b. Marketing policies
- c. Size of the company
- d. Past channel experience
- e. Product mix
- f. Reputation

**C) Factors relating to market or consumer's characteristics -**

- a. Consumer's buying habits
- b. Location of the market
- c. Number of customer
- d. Size of order

**D) Factors relating to Middleman considerations -**

- a. Sales volume potential



- b. Availability of middleman
- c. Middlemen's attitude
- d. Services provided by Middlemen
- e. Cost of channel

**E) Factors relating to environmental characteristics -**

- a. Economic conditions
- b. Legal restrictions
- c. Competitors' channel
- d. Fiscal structure

### RETAILER AND WHOLESALERS

#### Meaning characteristics of wholesalers -

Wholesaler is an important chain of the channel of distribution because it is an agent between a manufacturer and retailers. A wholesaler purchases the goods from manufacturers in bulk quantity and resells it to retailers in small quantity.

Some of the important characteristics of wholesalers are as follows -

- 1) Buys goods direct from the manufactures
- 2) Purchase goods in large quantities
- 3) Purchases the goods generally for cash
- 4) Deals in a single product on limited products
- 5) Deal in the products of a single manufacturer or some limited manufacturers
- 6) Maintain warehouses and godowns at different places
- 7) Sometimes make grading of the goods under their own name or brand.

#### Services of wholesalers -

**I) Services to the Manufacturers -**

- a. Facilities of distribution
- b. Helpful in concentrating upon production
- c. Helpful in large scale production
- d. Benefit of advertisement
- e. Helpful in standardization and grading
- f. Helpful in expanding the market
- g. Helpful in price determination
- h. Facility of storage
- i. Financial help

**II) Services of Retailers -**

- a. Financial assistance
- b. Valuable consultation
- c. Stability in prices
- d. Facility of packaging
- e. Facility of sorting, grading and standardization
- f. Facility of transportation
- g. Helpful in making selection

**Retailers** - Retail trader is a trader who purchases goods from manufacturers or wholesalers in small quantities and sells these goods to their ultimate consumers in small quantities according to their needs.

#### Main characteristics of retailers may be explained as under -

- 1) Retailers purchase goods from wholesalers on manufactures for small quantities.
- 2) They sell goods to the ultimate consumers
- 3) Provide many other services like - home delivery, after sales services etc.



- 4) Retailers deal with a number of goods
- 5) Retailers are in direct touch with the consumers.

### Services of Retailers -

#### I) Services to wholesalers

- a. Arrangements to sell the goods
- b. Close touch with the habits, taste or latest trend of consumers.
- c. Advertisement of new products
- d. Feed back of customers

#### II) Service to consumers -

- a. Facility of credit
- b. Direct contact with customers
- c. Facility of home delivery
- d. Convenient in making selection
- e. Facility of repair and maintenance
- f. Creation of demand
- g. Helpful in increasing the knowledge of consumers.

### Transportation and Warehousing

**Transportation** - Modern trade and industry transportation depend largely on transport. It comprises moving of goods from the warehouse or plant of the seller to the buyer.

Transportation is necessary function of marketing because markets geographically are located far from the areas of production. Important functions of transport are as follows -

- 1) Widening of the market
- 2) It helps the growth of industries
- 3) It increases the demand for goods
- 4) It creates place utility
- 5) Stabilising the prices
- 6) Increases the mobility of labour and capital
- 7) Intensifying competition
- 8) Creating the time utility

**Warehousing** - The place where the goods are stored is known as a warehouse. Storage is one of the physical distribution functions of marketing and warehouse is the tool with which their functions are performed.

### Features of warehousing -

- 1) Storage
- 2) Safety of goods
- 3) Price stabilization
- 4) Packaging
- 5) Regular supply
- 6) Payment of duties

### Advantages of Warehousing -

- 1) Safeguard the stock
- 2) Provision for the unloading of incoming articles.
- 3) Financial assistance
- 4) Help in determining the channel of distribution
- 5) Stabilize the prices
- 6) Assist in maintaining continuous sales
- 7) It enables the merchants to provide better services to their customers most economically.



**Kinds of warehouses –**

**A) On the basis of place of necessity**

- a. Inplant warehousing
- b. Field warehousing
- c. Bonded warehouses

**B) On the basis of ownership –**

- a. Private warehouses
- b. Public warehouses
- c. Co-operative warehouses

**C) Specialty warehouses-**

- a. General merchandise warehouse
- b. Special commodity warehouses
- c. Refrigerated warehouses
- d. Household warehouse
- e. Yard and ground storages

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## Unit - V Promotion

### Promotion Mix

Promotion is the process of marketing communication involving information, persuasion and influence.

Marketers have adopted a communication view of their firm's promotional activities. Receiver is now regarded as an active participant in the process of communication. All marketing communications must be planned as part of a total system, not as independent pieces. The promotion mix includes four ingredients -

1. Advertising
2. Publicity
3. Personal selling
4. Sales promotion

### Sales Promotions Methods -

The various sales promotion devices (other than advertising, personal selling and publicity) can be classified as follows -

#### A. Consumer Promotions

- a. Sampling
- b. Coupons
- c. Bonus offers
- d. Money Refund offer
- e. Price off
- f. Contests
- g. Bonus stamps
- h. Demonstrations

#### B. Trade or Dealers Promotion

- a. Buying Allowances discount
- b. Buy back Allowance
- c. Free goods
- d. Display and advertising Allowance
- e. Dealer Listed Promotion
- f. Push Money
- g. Sales contests

#### C. Sales Force Promotions -

- a. Bonus to sales force
- b. Sales force contest
- c. Sales meeting, salesman's conventions and conferences

### Forms of Promotion

1. Personal selling
2. Advertising
3. Point of purchase display
4. Packaging
5. Direct Mail

### Advertising

Advertising is the art of influencing human action, the awakening for the desire of possess and possess your product.

### Advantages of Advertisement

#### A. Advantages to procedures

- a. Creation of demand for new products





- b. Increase in demand for existing products
- c. Stability
- d. Increase in sales
- e. Increase in profits
- f. Increase in Goodwill
- g. advantages of large sales operation
- h. Helpful in facing competition

**B. Advantages to Middlemen -**

- a. Convenient in selling
- b. Increase in sales
- c. Stability in sales and profits
- d. Increase in goodwill
- e. Economy in selling

**C. Advantages to consumers**

- a. Knowledge of new products
- b. Convenient in purchasing
- c. Saving of time and labour
- d. No possibility of cheating by sellers
- e. Knowledge of alternative uses of products
- f. Elimination of middlemen

**D. Advantages to society**

- a. Employment opportunity
- b. Increase in standard of living
- c. Encouragement to research and development
- d. Healthy competition
- e. Educative

**Disadvantages of Advertisement**

1. Advertising is not productive
2. Increase cost of goods
3. Misrepresentation of Facts
4. Advertising Encourages wastes
5. Advertising multiplies the needs of consumers
6. Birth to social evils
7. Moral degrading

**Essentials of Good Advertising**

A good advertisement must have the right message communicated through a right media. The task assigned to the advertisement can be successfully fulfilled when -

1. It is seen by the desired prospects,
2. It is read by them with interest.
3. It is properly understood by them exactly as the advertiser wants.
4. It is believed by them and it wins their confidence and trust and above all it succeeds in igniting their desire to purchase the product or service offered for sale.

Effective advertisement takes the prospect near about the point of closing the sale so that actual sale may be easily completed by the sales force.

**Factors to be kept in mind while selecting Advertising Media -**

Selection of a right type of advertising media is a difficult task. Any media that is selected must be capable of accomplishing at least the three main objectives -

1. It must reach the largest number of people possible



2. It must be economical

### **Advertising Media – Their relative merits and limitations**

An advertising media is a means or vehicle of delivering a definite message. Media is subject to intensive buying and selling activity. Examples of media are newspapers, magazines, radio, television, films etc.

#### ❖ **Newspaper –**

##### **Merits –**

1. High coverage
2. Flexibility
3. Cheapest
4. Strong repetitive value
5. Quick public response
6. Effectiveness can be tested quite easily
7. Visual appeals may be created
8. Provided geographic selectivity

##### **Demerits –**

1. Life of newspaper is very short
2. Waste of circulation
3. May be ineffective and costly
4. Lack of uniformity
5. Less popular in underdeveloped countries

#### ❖ **Magazines and Journals**

##### **Merits –**

1. Life is considerably longer than that of newspaper
2. Better reproduction of advertisement than newspaper
3. Highly selective
4. Creates prestige's and reputation
5. Multiplicity of readership
6. Ideals for introducing new ideas
7. More attractive

##### **Demerits –**

1. Low flexibility
2. High cost
3. Limited circulation
4. takes time in printing

#### ❖ **Outdoor Advertising Media**

##### **Merits –**

1. Wide coverage
2. Gains more attention of the public
3. More useful for local dealers
4. More effective in big cities and high traffic areas
5. More flexible
6. Greater selectivity
7. Quite economical
8. Long life



**Demerits -**

1. Subject to adverse reaction
2. Too brief message
3. Difficult to measure the exact effect
4. Usually defective language used

❖ **Direct Mail Advertising**

**Merits -**

1. Selectivity
2. Economical
3. Flexibility
4. Secrecy
5. Personal contact
6. Detailed information
7. Universal Approach
8. Effectiveness

**Demerits -**

1. Limited Approach
2. Preparation of Mailing list is difficult
3. Chances of Fraud
4. Suitable for certain commodities only
5. costly

❖ **Radio Advertising**

**Merits -**

1. Wide coverage
2. Flexible
3. Easily catches the attention
4. Major source of income
5. Advantages of memorizing value
6. Human touch

**Demerits -**

1. Short lived
2. Costly
3. Does not portray visually a picture of the product
4. Not suitable for all kind of products
5. Very brief
6. Listener may forget the name of product
7. Can't demonstrate
8. Selective media

❖ **Television Advertising**

**Merits -**

1. Most powerful audio-visual media
2. Attractive and impressive
3. Demonstration
4. Source of major income to Doordarshan
5. Geographical selectivity
6. Wide coverage



**Demerits -**

1. Very expensive
2. Short lived
3. The range is limited
4. Very brief
5. Required long time planning

**PERSONAL SELLING**

Personal selling involves oral conversation between seller and buyer. The seller wants to convince the buyer of the goods and services which he wants to sell. When the buyer is convinced, he purchases these goods and services.

**Qualities of successful salesman -**

**A. Physical Attributes -**

- a. Personality
- b. Sound health
- c. Stamina

**B. Mental Attributes -**

- a. Alertness
- b. Presence of mind
- c. Imaginative and tactful
- d. Imaginative to appreciate
- e. Persuasive
- f. Self confident
- g. Initiative
- h. Sharp memory
- i. Intelligent

**C. Moral and social Attributes -**

- a. Tactful of deal with the people
- b. Honesty
- c. Sound character
- d. Cooperative and helpfulness
- e. Likable disposition

**D. Vocational Attributes -**

- a. Enthusiasm
- b. Discipline
- c. trained
- d. Creative

**Functions of salesman**

1. Pre-sale Preparation
2. Prospecting or locating the prospective Buyers
3. Approaching
4. Presentation
5. Demonstration
6. Handling objections
7. Closing the sale
8. Follow up