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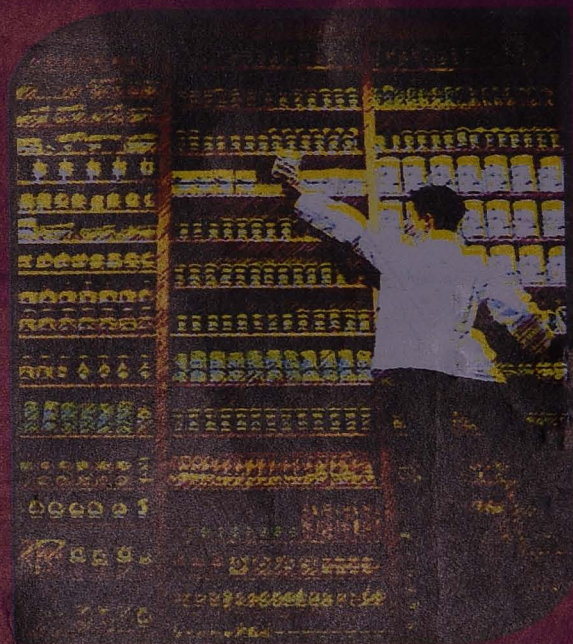
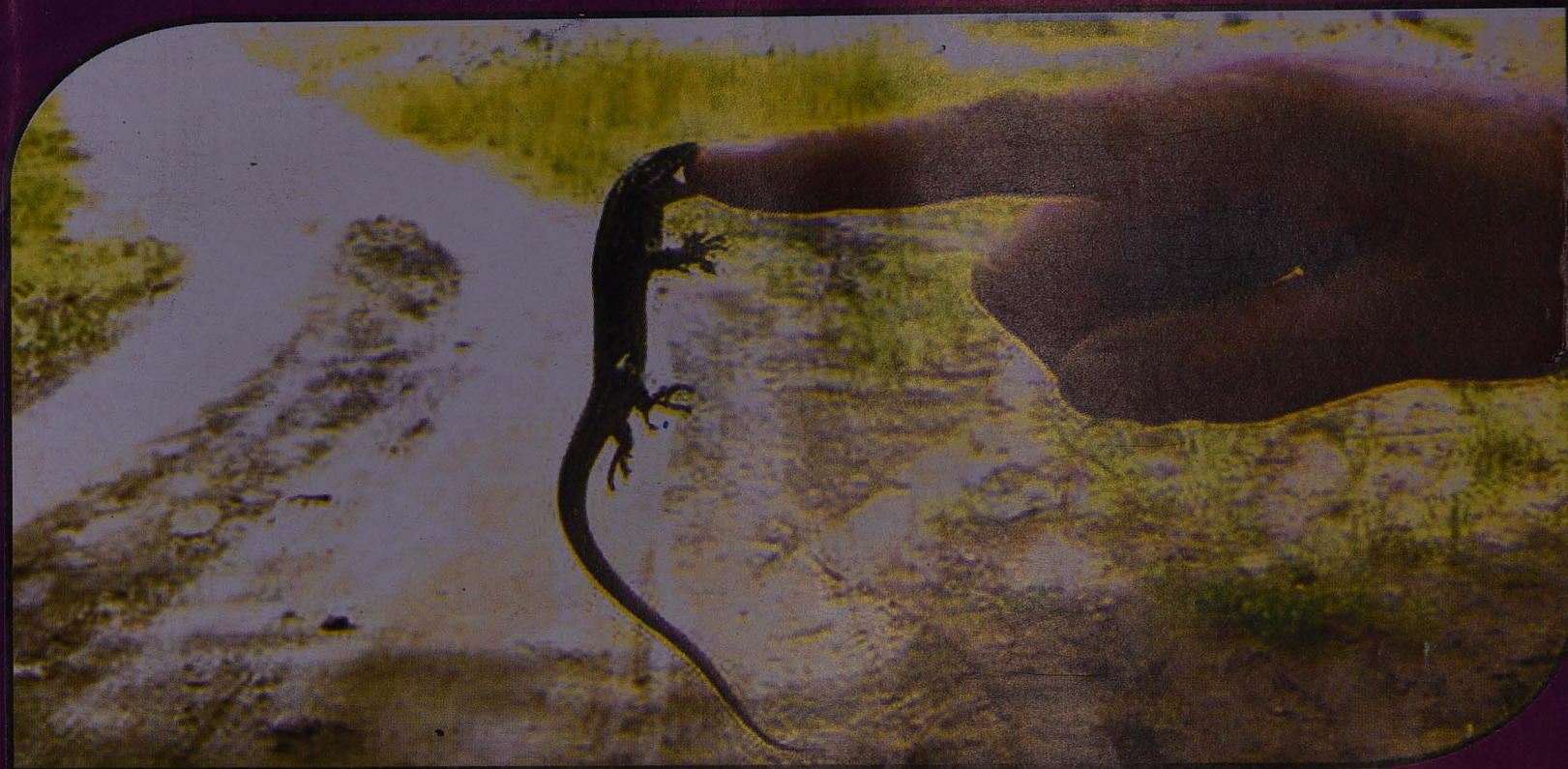


Madurai Kamaraj University

(University with Potential for Excellence)

DIRECTORATE OF DISTANCE EDUCATION

www.mkudde.org



Master of Commerce
Second Year

GROUP B

ADVERTISEMENT & SALESMENSHIP

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MADURAI KAMARAJ UNIVERSITY



(UNIVERSITY WITH POTENTIAL FOR EXCELLENCE)

**DIRECTORATE OF
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M.COM., SECOND YEAR

(Group 'B')

**ADVERTISEMENT AND
SALESMANSHIP**

**MADURAI KAMARAJ UNIVERSITY
MADURAI - 625 021**

Dear Student,

It gives us immense pleasure in welcoming you to the second year of M.Com., course through Distance Education Programme. While extending our warm welcome. We also take this opportunity to wish you bright future.

We have not seen ask to come in touch with you as frequently as you desire. However, besides our printed lessons, we meet you in conduct seminars and give you a bird's life view of the subject matter and clean your doubts in the lessons. You should try to set as many banks as possible that ask recommended and other available books on the subject and you will have to work harder than regular course students. If you start intense preparation from the beginning you will definitely come out in flying colours.

The book form of this contains the syllabus of Advertisement and Salesmanship a list of lessons, a list of recommended books and the subject matter of all the lessons.

WISH YOU GOOD LUCK

Yours sincerely,
Staff

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ADVERTISEMENT AND SALESMANSHIP.

SYLLABUS

- Unit I : Evolution of Advertising - Definition of Advertising - Advertising and Publicity - Advertising and Salesmanship - Advertising and Sales promotion - Objectives - Functions and importance of advertising
- Unit II : Types of advertising - Commercial, Non-Commercial, comparative advertising Primary, selective, display, cooperative etc.,
- Unit III : Setting of advertising budget - Factors affecting the advertising expenditure in a company.
- Unit IV : Advertising Message - preparation of advertising copy - Elements of a print copy : Headlines, illustration, Body Copy - Slogan, Seal of Approval.
- Unit V : Advertising Message-Elements of broadcast copy - copy for direct mail.
- Unit VI : Advertising media - types of media - print media : News papers, magazines, pamphlets, posters, brochures, Electronic media : Radio, television, Audio visuals, Cassettes, other media : Direct mail, outdoor mail, media scene in India, exhibition, melas, festival, press conference.
- Unit VII : Media Planning - Selection of media category-their needs, frequencies and impact - cost and other factors influencing the choice of media.
- Unit VIII : Importance of the sales force and its management - functions of sales manager - Recruitment and selection-Training and directories
- Unit IX : Appraisal of performance - Sales force size, organisation of the Sales Department, geographic product wise, market based - sales forecasting, planning and control.
- Unit X : Sales Budget - Sales quota - sales and cost analysis - methods and their uses.

BOOKS FOR REFERENCE:

1. GOVONI & CUNDIFF - SALES MANAGEMENT
2. CHUNAWALLA - ADVERTISING AND SALES MANAGEMENT
3. MARKETING MANAGEMENT - PHILIP KOTLER
4. CASE IN ADVERTISING AND COMMUNICATION MANAGEMENT IN INDIA - SUBROTO & SEN GUPTA
5. J.S.K. PATEL - SALESMANSHIP AND PUBLICITY

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Lesson - 1 ADVERTISING - AN INTRODUCTION

NOTES

STRUCTURE

- 1.0 Introduction
- 1.1 Unit objective
- 1.2 Evolution of Advertising
- 1.3 Role of Advertising in Modern Business world
- 1.4 Objectives of Advertising
- 1.5 Definitions
- 1.6 Functions of Advertisement
- 1.7 Importance of Advertisement
- 1.8 Key terms
- 1.9 Summary
- 1.10 Model Questions

1.0 INTRODUCTION:

An average Indian is continuously exposed to some form of advertising in his waking hours. At the start of the day, the newspaper that we read contains advertisements on such diverse subjects as machinery, cosmetics, films and regulars screened in different cinema halls. Whether we listen to the music on the radio, or view a TV programme of our choice, we shall not be left without a liberal serving of advertisement messages of all sorts. We use many products in office offered as complimentary gifts, think of the glossy calendar, the sleek ballpoint pen or an imposing paperweight. The magazines that we read or the films, which we see, too, contain their share of advertising messages. It is a continual bombardment of the prospects to win them over. Advertising is an all-pervasive, ubiquitous force. It is the least expensive method communication with a large and geographically diverse market.

Today we are exposed to a larger number of commercial messages than at any time in the past. Not only has the quantity increased, even the quality of advertisements has improved considerably over the past 25 years. Other means of advertising, such as the radio, television, the cinema and billboards, etc., have also amply contributed to the growth of this industry.

1.1. UNIT OBJECTIVES:

After reading this unit you should be able to:

- * Understand the Evolution of Advertising

- * Understand the Functions and Importance of the Advertising
- * Understand role of Advertising in modern business world.

1.2 EVOLUTION OF ADVERTISING:

Advertising is as old as man. There were fruits, flora and fauna all advertising themselves even before man existed. Advertising informally is interwoven with nature and the evolution of the world.

Advertising as a function of advertising was not used until about 200 years ago. The form of advertising for the transmission of information dates back to ancient Greece and Rome. Criers and signs were used to carry information for advertising goods and services well before the development of printing. Even during the middle ages, advertising signs were very extensively used. These signs generally consisted of illustrations of symbols of the products advertised. The upsurge in advertising came after the development of printing. When printing techniques were perfected. And as this industry developed, the signs were replaced by written words or messages.

During the 17th century, when newspapers started appearing in various parts of the world, newspaper advertising began to develop. This was an important phase in the history of advertising. During this century, newspapers appeared throughout Europe. The first newspapers had a larger number of ads. Advertising became the main source of revenue for newspapers and space selling came into existence. Around 1840, several people were selling space in newspapers in New York, Philadelphia and other metropolitan centers. Most early newspaper advertisements were in the form of announcements. Those early advertisers were mostly importers of products that were new to England. For example, the first ad offering coffee was made in a newspaper in England in 1652. Chocolates and tea were first introduced through newspaper ads in 1657 and 1658 respectively in England. Printed advertising in newspapers and magazines were in general use towards the middle of the 18th century in England and America.

Although Americans are the forerunners of modern advertising, it had its roots in England. The industrial Revolution led to the expansion of mass manufactured goods in Europe and America, making markets larger and larger.

By the end of the 1920s, advertising had grown into a major industry in the USA. This led to the expansion of the advertising agency business, where the talents of writer, artists, psychologists and marketing experts were combined to offer a range of services to advertisers. It was in 1948 that the advertising volume crossed \$1 million level in America, which was higher than the level

achieved in 1929. It was also at this time that the new medium of television became increasingly popular. During the next 5 to 7 years, it was considered to be an important advertising medium.

Indian advertising has had many, changing faces. The pre-independence ads were mostly about ladies goods gents clothes traveling, eating places and entertainment for the Britishers in India. Motorcars, electricity and lift in houses were luxuries in those years. The Maharajas and princely families were the prized customers. These early ads were for hotels, four-wheelers, tea, gramophones, cotton goods, tailoring shops, and their target audience was the Britishers in India, the princely families and the rich strat of society. It is only after independence and the abolition of the princely order that a newborn middle class received the attention of advertisers.

Post independence advertisements shifted from prestigious and luxury products mainly bought by status conscious people to consumer and consumer durable products bought mainly for time and labour-saving purposes. The middle class people are mostly employed in offices, factories or are engaged in trading activities. They all work against the hands of the clock and do not have much spare time. Readymade garments, items for indoor amusement, convenience goods, new fashion products have created their own demand. That is why there was a virtual deluge of advertisements for such goods in the decades that followed independence.

1.3 ROLE OF ADVERTISING IN MODERN BUSINESS WORLD

1. Advertising is a Big Business. It is bigger in the developed rich countries of the west. In India, the advertising industry has seen phenomenal growth.
2. Advertising is a Marketing Tool. Advertising does not end with the flow of information from the seller to the buyer; it goes further to influence and persuades people to action or belief. This is only the communication point of view of advertising function. There is another way of viewing the advertising function, and that is the marketing point of view.
3. Advertising is a Profession. Advertising is the product of these two distinct approaches. The business approach comes from the business mind, whereas the creative approach comes from the operation of the creative mind applied to the advertising function. The business mind is concerned with sales and profits, whereas the creative mind is concerned with the artistic and intangible field of communication.

4. Advertising is a Necessity. Think about the number of advertisements you come across in a metropolitan city every day, seeking to influence your buying decisions. Advertising is such a visible and inescapable part of daily life for us urbanites that it is almost omnipresent. Even semi-urbanites and rural folk are receiving more and more exposure to advertisements these days.
5. Advertising if for Socially Relevant causes. Advertising for socially relevant causes-promotion of family planning fighting social evils; ads released by the petroleum conservation research association urging people to avoid wastage of oil, for oil reseves are not going to last for ever and moreover. it puts a strain on the nations scarce foreign exchange; a series of ads released by the loss prevention association of India, urging people to prevent losses avoid accidents; ads released by the cancer society of India and several other ads of a similar nature- does play a useful role in society.
6. Advertising Makes Possible Free Choice. Advertisements of the products and brands manufactured by competing firms give a choice to consumers; they give them product information as well.
7. Advertising is informative. Advertising is an equally effective tool for informing sellers of the purchasing intents and specifications of the buyers. It gives active buyers more control over the market instead of making them passive acceptors or rejecters of the advertising messages issued by the sellers.
8. Advertising Builds Up Repeat Sales. Organisations have to have repeat sales by advertising. One can fool some people for some time but not all the people for all times.
9. Advertising Contributes to Cost Reduction and Product improvement. Furthermore, advertising claims to have contributed to cost reduction to consumers in respect of a large number of products and services.
10. Advertising Creates Demand. Advertising is, after all, for the marketer, a powerful persuasive tool for creating a demand for his product, building up his sales and improveing his market share.
11. Advertising is a Tool for Consumer Welfare. Masrtin Mayer, in his book Madison Avenue, USA, has stated that advertising adds perceptional utility as manufacturing adds form utility, transportation adds place utility and warehousing adds time utility.

12. Advertising Benefits of Consumers, Manufactures and Retailers. Advertising is primarily a means by which sellers communicate to prospective buyers the worth of their goods and services.

Meaning:-

Advertising is a function, which involves a form of presentation, may be a sign, a symbol, a picture or an oral message in a magazine, newspaper or any other media addressed to the mass. The purpose of such activity is to influence the general public in order to make them attracted towards the goods or services of the advertiser. It is paid by the advertiser/seller. Advertising persuade people to buy more, creates disire for new products. The success of this advertising function manly depends upon the effectiveness of advertising programme. Effectiveness can be measured by the response made by the public. As a result of that production will increase nad there by unit cost will be reduced. Finally the consumer gets the goods at a low price.

1.4 OBJECTIVES OF ADVERTISING

The different objectives or goals of advertising are

- i) To stimulate exchange sell goods and seviles and create more consumption.
- ii) To make consumers aware of the brand or product and create an inten tion to buy.
- iii) To change the attitude of the consumers from disinterest in a product to a state of interest and desire to buy.
- iv) To inform the market of a new product or an improved product or of an existing product and its new uses or entirely a new idea to have a larger market share.
- v) To Build an image of the product in the market and create a permanent market for the product.
- vi) Help personal selling through non-personal communication.
- vii) Combat or fight aganist competitors in the market by convincing non-users and customers of the product, quality etc.
- viii) Support other sales promotion efforts.
- ix) Remind users to buy the product. It is reinforcing the product name or brand in the minds of the buyers.

- x) Force middlemen to handle the product.
- xi) Publicise some change in the marketing strategy.
- xii) To enter a new geographic market or attract a new group of customers. Advertising supports a salesman's calls or uncover potential customers.
- xiii) To reach people inaccessible to salesmen.
- xiv) To counter act prejudice or substitution.

The long-term objectives of advertising are to increase the sales volume and profits of the business. The short-term objectives are calculated towards proving support for personal selling and other sales promotion methods. Advertising serves as an effective source of communication of needed and relevant information to the public.

1.5 DEFINITIONS:-

Advertising may be defined as any paid form of non-personal presentation of products, services and ideas by an identified sponsor.

"Advertising is non-personal communication at target audience through various media in order to present and promote products, services and ideas" - G.B.Giles.

"Advertising consists of non-personal form of communication conducted through paid media under clear sponsorship." - Philip Kotler.

"Advertising as any paid form of non-personal presentation and promotion of goods and services or ideas by an identified sponsor." - The American Marketing Association.

"Advertising consists of all the activities involved in presenting to a group a non-personal, oral or visual, openly sponsored messenger regarding a product, service or idea." - William J.Stanton.

Advertising is a communication to attract and hold the attention of target audience. It can be said as communication of message, explicitly or implicitly of a product or brand to favourably effect attitudes or people towards brand.

"Advertising which is impersonal communication paid for by a sponsorship company or organisation and which uses mass media is communication both informs and persuades." - C.D.Shave and R.M. Smith.

National Association of Marketing Teachers of America defined advertising as "any form of non-personal presentation of goods, services or ideas to a group. Such presentation may or may not be sponsored openly by the one responsible for it and it may not be paid for."

Generally advertising is sponsored by a responsible person of the organisation with a view to present message on goods service or idea. The media for communication of the message is paid. The media for communication of the message intended for the market.

"Advertising is any paid form of non-personal presentation and promotion of ideas goods and services by an identified sponsor." - Marwin A.Jolson.

Advertising is a paid non-personal or impersonal communication sponsored by an organisation or individual to convey message on a product or service or idea with a view to stimulate and increase sales. It is a one-way communication in contrast to two ways communication established in the case of personal selling. Advertising is a versatile communication tool.

1.6 FUNCTIONS OF ADVERTISEMENT

Every human thought and action has an objective, so also advertising or publicity has its own purpose to support its existence and paramount role. To pinpoint, following are the functions.

1) Communication of information:

The knowledge of latest arrivals must be conveyed to the consumers. Advertising falls successfully, if information is restricted for example in airports, the announcers announce in megaphones about the

Time schedule to the arrivals and departure of aeroplanes. Such an announcement helps the passengers a lot.

2) It imprints the 'Image' of values:

Every piece of publicity tries and succeeds in establishing 'image' of the product by giving distinctive feature of the product. It is an opportunity to consumer to have a comparative account of similar products. Any practical example of advertisement will make it, as clear as will noted on later pages.

3) Education the public:

Education implies the process of learning or understanding or acquiring the knowledge, good or bad, pertaining to the phenomena of this universe. Whenever an individual does something, he is expected to think about the pros and

the cons of such doings. Thus, if a man is to drink wine or to eat a plate of ice cream he is expected to know what wine and ice creams do for him. In what way they are conducive to health? How they can be harmful and detrimental to the human health? Advertising does the job of education the customer about a product or a service, if an advertisement is given about a shampoo, such an advertisement gives the use a through knowledge as to what 'shampoo' is and tells how it cleans the stumpy hair, kills lice and keeps hair very silky and glossy. Such a piece of advertisement tells how it is economical, as compared to other similar products, how it is to be used for the best results. Thus, enlightenment is the second purpose.

4) Creation, direction and extension of demand:

Advertising has a magic of creativity. An effectively advertisement is capable of creating demand for a product which is yet to see the light of the day, in the market. Publicity provokes and invokes the latent wishes and desires of a man or a woman. A good and well-planned advertisement conveys, convinces and demonstrates the product of the company. There are people in villages of India who still go in for a stick to brush their teeth. They are not aware of modern facilities of toothpaste and a nylon brush. They are not using not because they are not made known such arrivals. Just ten year back plastic wares were novelties; but today every family is familiar with plastic products that have entered kitchen, bathroom, garden and human body. Plastic has been playing constructive role in surgery.

Again, the real worth of an Advertising campaign is judged purely on its ability to divert and expand for a particular commodity. Depending on the force and vigor of a publicity appeal, demand pattern changes. For instance, a few years back, towels of Madras area were quite popular; today a sweeping advertisement has smashed that demand structure and alike are going in for 'Bombay dyeing' towels. It whitewashes the post picture and a new pattern is designed. Further, there is much fun, if demand to created is maintained or perpetuated. It is the powerful publicity that keeps the demad alive, as it is a must in these days.

5) Builds sound edifice of goodwill:

Perhaps, the more responsible job of advertising is that of establishing individuality of business house, whether a small store or a departmental house. A business house wins prestige in exactly the same way that a man wins good reputaion by doing something different better than others. Likewise, a business unit may distinguish by handling with special success, one or several lines of

success and one or several lines of merchandise; by winning a name for itself, as an authority on fashion; by being first to present new product. adhering consistently to a policy of quality merchandise. by offering wider assortments than others; by selling at lower price; by tendering liberal credit terms; by selling for each only, by selling at lower price; by tendering liberal credit terms; by selling for each only, lby extending numerous helpful customers services. Therefore the mission of advertising is to give prospective buyers, sound reasons as to why, they should patronize the advertisers; unit, in preference to the numerous or dealer is sold the good are sold automatically. This crucial and delicate work is that of advertising.

FUNCTIONS OF ADVERTISEMENT:

- 1) Communication of information.
- 2) It imprints the 'Image' of values.
- 3) Education the public.
- 4) Creation, direction and extension of demand.
- 5) Builds sound edifice of goodwill.

1.7 IMPORTANCE OF ADVERTISEMENT:

The importance of advertising may be expressed in terms of the benefits that accrue to the manufacturer, customer and the middlemen/sales force engaged in the marketing task as well as by analysis of the issue as will happen in the absence of advertising.

Advertising in one form or the other is used by manufactures and middleman in the country.

(i) Creates Demand and Response for the product

To the manufacturer, advertising is a sales effort to stimulate demand, change the attitude, interest and behavior of consumers from disinterest to one of the positive response; inform the customer of the new product, its used and builds an image of the product; invites attention of the consumer to the product, Advertising creates interest in the product and a desire and need and leads the prospect to buy the product. Ultimately the manufacturer expects that in the long run advertising must create more sales and large number of customers.

Advertising as a communication or message to the market builds up the demand for the product.

(ii) Increase Sales and obtains Qualitative Benefit

Some measure the importance of the advertising in terms of

Quantitative benefits in the form of increase in sales and qualitative benefits i.e., the cost of advertising is less comparison with that of personal selling costs. Accordingly it may be said advertising increases sales, creates sales, stimulates demand and creates demand for the product.

NOTES

True or False:

1. Advertising is a small Business.
True/False
2. Advertising is a tool for consumer welfare.
True/False
3. Advertising Benefit the consumers, Manufactures and Retailers.
True/False
4. Advertising is a personal communication.
True/False
5. Advertising keep the customer always sold.
True/False

Answer:

1. False 2. True
3. True 4. False
5. True

(iii) Gives Product Information

To the consumer, advertising helps them with product information, the new products in the market, its uses, price and other needed information to decide buying- A product awareness is created in the minds of the customer. The customer bestows interest on the product and sale is made ultimately leading to increase in the standard of living and search for better comforts in life.

(iv) Builds Brand Loyalty

The potential customers are informed of the product, its uses and the old customers are re-informed of the product name and brand. A brand loyalty is built up.

(v) Keeps the Customer Sold and Supports Sales

Advertising keeps the customer always sold. The customer always feels proud of the product purchased by him whenever an advertisement of the product appears. A favourable attitude towards the organization its products/ services/policies are created.

To the salesman, advertising is a support to sales-task approach.

(vi) Wider Communication Approach

Advertising will reach where salesman cannot approach. It is mass communication process. To the middlemen, Advertising enters the geographic market, potential buyers and creates new customers. This pre-selling effort makes the middlemen job easy.

The middlemen come forward to undertake the work of distribution of the product.

(vii) Helps Industrial Expansion

Advertising thus helps industrial expansion by creating. New markets and new customer.

(viii) Creates Awareness of the product

The social aspect of advertising is it increases the standard of living by creating an awareness of new products and attitude in the minds of the public to buy them.

(ix) Potential for Employment

Besides large number of people are employed in advertising profession it supplements the income of newspapers. Newspapers in turn educate people. Advertising also has an educative value as a mass communication media.

(x) Preserves Social and Economic Benefits

Perhaps in the absence of advertising the social and economic benefits to the public will be lost, Salesman may find no pre-selling sales promotion efforts, some customers may be left unaware of the product because they are inaccessible to salesman. All the more, the manufacturer may have to struggle hard in the market to push his product. There will be no communication to induce people to buy, keep the brand or product in conscious awareness in the market place and project a favourable image of the firm, "Salesmen put product on shelves and advertising take them off."

Some claim that advertising leads to increased demand for product, increased production of goods, less cost of production and finally reduced price offer to the consumer.

NOTES

IMPORTANCE OF ADVERTISEMENT:

- 1) Creates Demand and Response for the product,
- 2) Increase Sales and obtains Qualitative Benefit,
- 3) Gives Product Information,
- 4) Builds Brand Loyalty,
- 5) Keeps the Customer Sold and Supports Sales,
- 6) Wider Communication Approach,
- 7) Helps Industrial Expansion,
- 8) Creates Awareness of the product,
- 9) Potential for Employment,
- 10) Preserves Social and Economic Benefits

1.8 KEY TERMS

- * Advertiship
- * Creativity
- * Brand Loyalty
- * Versatile

1.9 SUMMARY

Advertising, Role of Advertising in business world, Evolution, Objectives, Importance, basic functions, one dealt with in detail in this chapter.

1.10 MODEL QUESTIONS

SECTION - A

- 1) Briefly Explain Role of Advertising in Modern Business world.
- 2) What are the objectives of advertising and Evolution of Advertising?
- 3) What are the importance of Advertising?

SECTION - B

- 1) What are the definitions of Advertising?
- 2) What are in function of advertisement?

Lesson 2 ADVERTISING, PUBLICITY - PROPAGANDS

STRUCTURE

- 2.0. Introduction
 - 2.1 Unit Objectives
 - 2.2 Advertising and or propaganda
 - 2.3 Advertising and salesmanship
 - 2.4 Key terms
 - 2.5 Summary
 - 2.6 Model Questions
-

2.0 INTROCUCTION

The general imprssion is that everything we see in the media is advertising; but this is not really so. For any message in the media to become advertising it shoul necessarily be a paid non-personal communiucation about the demand for, and the supply of, persons, places, ideas, goods, services or causes of business, government agencies, non-profit organizations and individuals, who are identified in the message. If any message does not conform to all these requirements, we can straightaway say that it is not advertising.

It has to be viewed, as a separate concept, it is nothing but publicity. Publicity means material published free of charge, because of its newsworthy content and its impotents to public at large. e.g. A news or a message about presidents, Prime Ministers, social digintaries and film artistes is publicity. It is true that some non-profit organizations advertise and do not pay for it.

2.1 UNIT OBJECTIVES

After reading this unit you should be able to understand:

- * the advertising and publicity
 - * uses of sales promotion activities
 - * the activity of advertisting and salesmanship and propaganda.
-

2.2 ADVERTISING AND OR PROPAGANDA

Propaganda is communication without and identifiable source or sponsor. The identifiable sponsor is necessary as far as the influence on the audience is concerned, because the acceptance of a message depends upon the reputation of the source. Even so, propaganda is effectively used by politicians and governments to influence the public by repeated messages through the controlled media.

2.3 ADVERTISING AND SALESMANSHIP:

Salesmanship and advertising have many things in common. Both aim at the ultimate object of increasing the sales and creating market for the product.

They meet in common the criteria of informing, persuading and reminding the people of the product. Both are sales promotion efforts.

However, they differ in many ways in the words of Kenneth A. Longman- when a persuasive communication is directed towards a single individual it is an act of salesmanship; when it is directed towards a large group of individuals, it is called advertising.

Salesmanship is an approach to an individual. It involves personal communication. The communication is a two-way communication between the salesman and the buyer. The immediate objective of salesmanship is to match the product with the needs of the buyer close the sale and satisfy the wants of individual buyer. Salesmanship is concerned with specific target customers. Advertising is a non-personal communication. It reaches people inaccessible to salesman. It is a one-way communication. The organization merely conveys information or message to the potential buyers. It is a mass communication process. Advertising is less costly than salesmanship. The short run goal of advertising is to support salesmanship and increase sales.

It is to be noted that advertising is far more limited than salesmanship in influencing the thought process of the buyer; small number of ideas can be conveyed through advertising.

Salesmanship can be tailored with information and ideas to the understanding of the prospect or customer.

In case of complex products and services advertising can keep the prospect with some information but he will be waiting for much more information from salesman. Salesmanship can clear such doubts and the prospect's appetite for information will cease. Salesman can employ suggestions or reasonings in his interview process with customer.

Advertising permits the firm far less control over the ultimate buying decision than salesmanship. On the other hand the salesman can convert the mood and feelings of the customer, enter his domain of feeling, present facts in a reasonable depends on salesmanship. If the mood of the customer cannot be changed he can walk out and gain entry at some other time and make full presentation of the sales message. Differences between advertising and salesmanship can be counted in terms of communication, perception, thought process, feelings and degree of control.

Sales or promotion

True or False:

1. Salesmanship and Advertising have many things in common.

True/False

2. Propaganda is a communication with an identifiable source or sponsor.

True/False

3. Salesmanship is an approach to an individual.

True/False

4. Advertising permits the firm for more control over the ultimate buying decision than salesmanship.

True/False

5. Sales promotion is used at infrequent intervals throughout a product life cycle.

True/False

Answer:

- 1. True 2. False
- 3. True 4. False
- 5. True

Sales promotion is one special type of promotional activity.

The American Marketing Association defines sales promotion as "those marketing activities other than personal selling, advertising and publicity, that stimulate consumer purchasing and dealer effectiveness such as display, shows and expositions, demonstrations and various non-recurrent selling efforts not in the ordinary motive."

Different uses of sales promotion activities

Sales promotion activities are usually carried on with advertising or personal selling. Effective sales promotion can create action in the minds of the consumer for buying.

Sales promotion is used at infrequent intervals throughout a product life cycle.

Sales promotion activities are to infrequent intervals sales over a short period of time. The activities are directed towards customers. They are also used to develop sales to intermediaries or middlemen and industrial buyers.

Sales activities supplement both personal selling and advertising.

The following table conveys the difference between advertising and sales promotion.

Advertising	Sales Promotion
1. It is long term as well as short term process to create and maintain the image of the company.	1. It is only a short term. It creates a image for the product only.
2. Effectiveness need not be visible	2. Effectiveness is seen with aggressive sales.
3. It is cumulative in nature	3. It is for a specific marketing objective.
4. Media like press, radio, T.V. etc. are involved.	4. Sampling consumer contest premiums, trading stamps are involved.
5. It can act independently without sales promotion	5. It can act effectively only with advertisement.

6. It can be the beginning advertisement and not as a beginning step.

6. It should be a continuous process along with.

NOTES

2.4 KEY TERMS

- * Communication
- * Propaganda
- * Sales Promotion

ADVERTISING
AND

SALESMANSHIP:

- 1) Sales or promotion.
- 2) Different uses of sales promotion activities

2.5 SUMMARY

Advertising, Publicity, Advertising and Salesmanship, Sales and promotion, different use of sales promotion one dealt in detail in this chapter.

2.6 MODEL QUESTIONS

SECTION - A

- 1) Define Advertising and sales promotion?
- 2) Define Advertising and Salesmanship?

SECTION - B

- 1) Difference between advertising and sales promotion?
- 2) Explain uses of sales promotion activities?

Lesson 3 - TYPES OF ADVERTISING

STRUCTURE

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Advertising on the basis of extent of geographical coverage
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3.0. INTROCUCTION

"Advertising nourishes the consuming power of man, it sets before a man the goat of a better home, better clothing better food for himself and his family. It spurs individual exertion and greater production." - Sir Winston Churchill

Advertising is a very popular word in the modern business world. It is selling in print or pressing a commodity in print to the consumers in such a way that they may be pursued to buy the product. It is a selling techniques or popularising a product. The American Marketing Association defines advertising as "Any paid form of non-personal presentaion of ideas, goods and services by an indentified sponsor." Advertising has been classified on various ground by various authors. Different authors have given a different classifications. Some authors have classified it on the basis of different behavioural varibales, some on the basis of functions it performs, some others have classified on the basis of geographical area, some on prospects, results and appeal in this unit, we are giving a broad classification of advertising on various grounds. They are:

1. Advertising on the basis of extent of geographical coverage
2. Advertising on the basis of message advertised
3. Advertising according to medium used
4. Advertising based on format of reproduction
5. Advertising on the basis of audience to which it is directed
6. Advertising on the basis of producing unit
7. Advertising on the basis of Timings of response
8. Advertising based on demand influence level
9. Advertising on the basis of Appeal
10. Politics Advertising
11. Public Service Advertising

3.1 UNIT OBJECTIVES

After reading this unit you should be able to understand:

- * Extent of geographical coverage
- * Advertising based format of reproduction
- * Advertising on the basis of timings of response

3.2 ADVERTISING ON THE BASIS OF EXTENT OF GEOGRAPHICAL COVERAGE

The advertising may be classified as international National, Regional and Local on the basis of geographical coverage.

International Advertising

Many large firms, either export their products to other countries for which they require local promotion and advertising or they have their own subsidiaries in other countries where they manufacture and promote the product on a local basis. When a company markets the same product internationally, as it does domestically, it has to decide whether to use the same advertising message and technique internationally as it does in the domestic market, specially when the domestic advertising campaign has been highly successful. Wright and others (1982) have defined international advertising as "advertising sponsored by a producer of a product or service who is located in one nation but whose advertising message is aimed at potential buyers residing in one or more countries foreign to the advertiser's homeland." Multinational firms treat the world as their market. Firms such as National, IBM or Sony or Ford advertise globally in periodicals like Times, Reader's Digest.

National Advertising

As the producer or manufacturer sells his product of the brand of the product wherever he finds a market, he uses national advertising. It is generally done by the manufacturers throughout the country that they will benefit from the purchase and use of the product. There are many firms of products in our country who advertise their products with a view to encourage the customers to buy their products wherever they are sold. A few of Hindustan Machine Tools, Life Insurance Corporation etc. Such firms have national distribution network. When a new manufacturing firm appears on the business scene, it usually does not seek immediate national distribution because of paucity of funds, limited distribution know-how and low production capacity. Gradually, as circumstances warrant, they extend the market coverage to appear on national scene.

Regional Advertising

This is another geographical based classification. Newly started manufacturer tries to sell his product in regional market where he minds the market. Even well established national firms often introduce new products on a limited regional basis through a plan of test markets. Thus, the advertising strategy is to embark upon an advertising campaign the media serving the geographical area to be tapped.

Local Advertising

Local advertising is generally done by retailers and service firms rather than manufacturers. The local advertiser (retailer) emphasises upon the purchase of products (of any make or brand) from his store. His advertising message says 'Buy X brand at our store' rather than 'Buy X brand' as emphasised in national advertising. Retailer advertisements usually carry specific information of the consumer. Retail or local advertisements do not necessarily feature nationally advertised brands, they also advertise unbranded merchandise or merchandise developed by themselves. Large scale retailer also stock private level goods that are promoted in fashion similar to naturally advertised brands i.e. messages for these products appear in the mass media.

3.3 ADVERTISING ON THE BASIS OF MESSAGE

The Advertisements can be classified on the basis of message advertised such as 1) Product advertising ii) Institutional advertising.

Product Advertising

Product advertising as the name suggests, deals with the non-personal selling of a particular good or service. Most advertising is of this type and designed to promote the sale or reputation of particular product or brand or service. This type of advertising may be done by manufacturers, middlemen, or a retailer-dealer and it may emphasise the product itself or some of its features such as price, service or quality directly associated with it.

The objective of product advertising is to promote particular products or services that the organisations sell. The marketer may use such promotion to generate exposure attention comprehension, attitude change or action for an offering. Product advertising may be primary demand and selective demand advertising. In primary demand advertising, appeals are directed to create demand for a particular type of product rather than for specific brand. For example, demand for scooters in general rather than demand for a particular make of scooter is generated. In contrast to this in selective demand advertising appeals are directed to promote the sale of a specific make of the product, for example of Bajaj Scooters rather than promoting the demand of scooters in general.

Types of Product Advertisement

Product advertising may again be classified as informative product advertising, Persuasive product advertising and Reminder-oriented product advertising.

Informative Product Advertising seeks to develop initial demand of the product. The form of advertising lends to characterise the promotion of a new type of product or service as the objective of this type of advertising is only to announce its birth and the availability of the product. It is generally and widely used in the introductory stage of the product like-cycle. Persuasive product advertising aims at developing demand for a product or brand already in use. It is competitive type of promotion generally used in the growth period and to some extent in the maturity period of the product life-cycle. Remainder Oriented Advertising seeks to reinforce previous promotional activity. The goal of this type of advertising is to remind the public for the use of the product brand by keeping the brand name before them. It is used in the maturity period as well as throughout the declining phase of the product life cycle.

Institutional Advertising

It is also known as 'Prestige' or Corporate advertising. The main objective of this type of advertising is to create a favourable attitude or image towards the institution or business in the eyes of shareholders, employees,

suppliers, legislators or the general public. Institutional advertising does not attempt to sell a particular product but its main aim is to generate a public image of the organisation as a whole. It notifies the consumers and the general public that the company is a responsible business entity and it patriotic; that its management takes ecologically responsible action, is an affirmative-action employer, supports the socialistic pattern of society. This type of advertising is very often closely related to the public relation function of the enterprise. Institutional advertising may be designed to

- i) Enhance or maintain the company's reputation or good will among specific public or business audiences.
- ii) Enhance company's image by promoting good causes such as award winning advertisements by D.C.M.
- iii) Establish or maintain a level of awareness of the company's name and nature of business.
- iv) Provide a unified and supportive marketing approach for a combination of present and future products and services.
- v) Educate the audience on subjects of importance to the company's future (for example, profits, economics, prices, government controls etc.,)
- vi) Establish the company's concern for environmental or social issues.
- vii) Bring about a change in specific attitude of the audience towards the company or its products.

Institutional advertising is also a useful of introducing sales personnels and new products to consumers. When Indian Oil Corporation in its advertisements describes the general activities of the corporation as regards public service work, this may be referred to as institutional advertising because it intends to build an overall favourable attitude of the consumers towards the company and its family or product. Institutional advertising also may be informative, persuasive or reminder oriented in character.

3.4 ADVERTISING ACCORDING TO MEDIUM USED

It is the most common classification of advertising on the basis of medium used. Advertising may be T.V, Radio, magazine, outdoor, periodicals, newspapers and direct mail advertising. Media is an essential component of advertising industry engaging more people than any other division of the industry. Furthermore, of all the amount spent an advertising programmes and compaigns, approximately more than half goes to media. There are different media of advertising. Print media, broadcast media, direct mail, outdoor and many other media seve the public by communication the message of advertiser to masses. The advertiser has to select the media which is not suitable to him keeping in mind the various economic and social consideration such as cost of

media, site and nature of business, funds allocation, coverage of the media and the number and class of the audience. Sometimes advertisers use more than one media at a time in the same market or different media in different markets.

Media of Advertisements

There are various forms of media of publicity and can group them under the following heads:

1. Print Media : Newspaper and Magazines
2. Electronic Media : Radio, Television, Films and Video
3. Outdoor Media : Posters, Boards, Electric Display, Vehicular advertising, Sandwich Boards and skywriting
4. Direct Mail : Circular, Business Reply, Envelops and Cards, Price lists, Catalogues, Leaflets and folders. Book lists, Gift novelties and personal letters.

We can discuss the advertisements on the basis of media and their nature and scope. First we discuss about the print media briefly.

Print Media

Press advertising remains the most popular and effective method of publicity today. Newspaper and Magazines have become the part of the culture and political life of people today. It plays a very important part in advertising. Press publicity takes two forms - Newspaper and Magazines.

Newspapers

Newspapers are bought largely for their news value and are widely read by the people in cities. In India there are a number of newspapers both in English and many regional languages. Many newspapers in English and Hindi have nationwide circulation. Hence a message given in newspapers, may have a better impression on the minds of the people and it may be more specific, clear, complex and lengthy. By advertising in a local or regional newspaper, the marketer may reach particular markets and therefore, selectivity is easily available. The marketer's choice of newspaper for printing advertisement depends upon many factors such as its area of circulation, type of newspaper, acceptability of advertisements by the newspaper printers, time to be taken by the publisher in printing the advertisements etc.

The advertiser or his agency has to enter into an agreement with the publisher for the space specifically made available by the publisher.

Magazines

Another medium under press publicity is magazines and journals published periodically at regular intervals i.e., weekly, monthly, quarterly or annually. It is common experience that a newspaper is not only read casually but a reader very rarely goes through its pages again and again. On the other hand, magazines and journals are read at leisure and with care when the reader is mentally prepared to receive the advertisements. A magazine or journal has a long effective life. Besides, the same copy is usually read by a number of people and thus has a value greater than its circulation.

From the advertiser's point of view, magazines are classified as General Magazines, Specialised Magazines and Special Issues. General Magazines are meant only for general appeal. The Week, Fontine, The Illustrated Weekly of India, The Bitz, Dharmyug, Sarita are few examples for general Magazines. Such magazines are read by all irrespective of their sex, age, profession or class. Specialised Magazines are meant only for specialised group. They cater to a readership with clearly defined interest. For example 'Femina' for woman community, 'Commerce' for business community, 'Cinema Express' for Cinema fans and Gnana Boomi for Devotees. Special Issues, Special numbers of Annual number of journals also cover varied interests. Directories are special types of publications which may or may not have wide coverage of varied interests. Telephone Directories are the best example.

ELECTRONIC MEDIA

Radio

Electronic Media such as Radio, Television, Film and Video reach almost every nook and corner of the country. As far as Radio concerned, almost every house in India has radio. Over the years, radio has become a very popular and effective medium of advertising products in our country. Radio advertising is a new advertising media having a history of about 50 years to its credit. The BBC, The Voice of America, Radio Ceylon and Radio France accept advertisements to broadcast them on the Radio. Radio advertising or Commercial Radio in India was started in November 1967 when Vivith Bharati was started. Commercial broadcasting is now undertaken by Delhi, Calcutta, Madras, Bombay, Poona, Nagpur and Bangalore Stations of All India Radio. Moreover starting of more than 100 Local Radio stations all over India paved the way to start radio commercial available to rural areas also. Radio advertising may be described as word of mouth advertising on a whole scale. It is only because the advertiser delivers the message orally and not visually. It is quite different with other media because it makes appeal to the ear and not to the eye. With the effect that message is conveyed to the mass whether literate or

illiterate. The transistor revolution coupled with a number of radio stations in India having these broadcasts, has made the advertising over radio a success. Advertiser using the Radio as the medium of advertising may national, regional or local. It serves local rather than national or regional markets, because of many factors such as language problems or the appeal to the listeners may be different from region to region. Some large organisations and many small advertisers use the Radio as a powerful medium of advertising.

With the advent of television medium in the advertising scene, some observers felt that radio advertising might become obsolete or insignificant or even disappear. But the view was totally discarded as the radio operators have responded to the challenge by offering programmes that feature music etc. which appeal to local audiences. Consumers have responded very favourably to this approach.

Radio timings for commercial advertisements are called as 'Radio Spots'. Depending on the message content the timing or slot can be chosen. It can be for general audience during the broadcast of film and dramas or special audience during the Farm and Home, Women's programmes and Children's programmes. In the commercial service of the broadcasting organisations, the advertisements can be inserted in any one of the spots.

In America an advertiser buys time on an individual station, the usage is called spot radio. The program originates at the station from which it is broadcast; it is not relayed from a network broadcast. As in TV, when a national advertiser uses spot radio, it is, strictly speaking, national spot radio. Similarly, when a local advertiser uses spot radio, it is, strictly speaking, 'local spot radio' but it is referred to as local radio. Spot radio represents the height or radio flexibility. An advertiser has over 8000 stations from which to tailor a choice to fit the market, for as long or short a flight as desired. The schedule can be pinpointed to the weather (for suntan lotion) or to house paint or holiday seasons (for gift suggestions). Spot radio often is used to build the frequency of a campaign running locally in other media or to reach specific demographic segments. An advertiser can move fast with spot radio. Although some stations ask for two weeks 'closing, most specify seventy-two hours' closing for broadcast materials. When asked his closing time, one can find station manager replied. 'Thirty minutes before broadcast'.

Television

Television is a very attractive medium for advertising. When the Television broadcast started in India, it got more popular. The position of radio publicity now being gradually taken by TV advertising. TV provides a scientific

features of sound, sight, motion and immediateness that no other medium has been able to provide so far. That is why TV is the best selling method ever invented. A variety of techniques are available to the advertiser for the production of commercial spots to the advertiser for the production of commercial messages like line action, puppet show, cartoons, documentary films and stop motion.

In India, TV has to play a promising role in Indian marketing system. But unfortunately in India, commercial advertising is severely limited because broadcast timings are only in the evening. This media is particularly advantageous for those advertisers whose products require demonstration. In our country not everyone has a TV set, therefore, it cannot reach everyone. In villages where 80 percent of the people lives hardly have any TV set except in community centers and that too only at that places where electricity is available. Moreover the transmission is limited and many centres do not have TV towers. Now facilities are gradually being extended for commercials on TV in India. The timings have been now extended to the midnight. Sponsored programmes have also been started on TV. The recent addition to the electronic media-satellite channel have been the competitor to the government controlled TV-Doordharsan, Satellite channels like Star, Sun, Udaya, Jemini, Asianet, Zee and Jain have to share the advertising amount which is allocated to the medium by the advertisers.

Film Advertising

Film advertising is an excellent medium of advertising since it is a popular medium of entertainment in today's world. It has advantages of sound, motion, visually and timeliness. It can be regarded as a TV programme extended and expanded to a larger screen. Film of different kinds serve a media of audio-visual appeal. Generally there are three kinds of motion pictures used as the medium of advertisements i) Documentary, ii) Advertising Film and iii) Sponsored Advertising Film. Among them, a documentary film is probably used for publicity aspect and in most cases is educative in character. It has a broad aim and generally describes the various aspects of an industry, process or product as whole avoiding the brand name or firm's names as far as possible. Such advertisements are generally made by manufacturer's association or government. Advertising films are short publicity films which are generally shown in the cinema halls before the start of feature film. They are short time carrying the sales message of a particular manufacturer or brand. They generally put the sales message into a short story to interest the audience but without containing entertainment elements. Such films have a short life and

have generally to be replaced by new shorts presenting the message in a manner that will sustain public interests. Sponsored films are a combination of advertisements and entertainment. Such films are not of short duration. Cartoon films fall under this category.

Video Advertising

The Video advertising is one of the better mediums of advertising in recent times. Most of the entertainment based video records are produced with advertisements. Most of the film based Video records carry a larger number of product advertisements to catch the consumers. This type of advertisements are very short duration for example 10 or 20 seconds durations. Besides film based video programmes. Other news worthy cassettes also carry a particular type of advertisements meant for the specific audience.

OUTDOOR ADVERTISING

Outdoor advertisement is the oldest form of advertising and remains the most common medium even today. Press publicity is basically indoor advertising as newspapers and magazines are generally read indoors. Outdoor advertising projects the message to a large number of people of various interests and as such the products that need a wide appeal use this method of advertising. Outdoor advertising is meant for the moving public and provides the advantage of reminding the people frequently of the products and their specialities. These advertisements are successful ones and they have various forms.

Mural Poster advertising refers to posters which are often pasted on walls. They bring big content pictures etc. Advertising for a film is done in this method. The advertisement on posters is either lithographed or painted by hand on a sheet of paper and may be pasted on walls.

Advertising Boards are also posters to be kept at certain fixed places especially at points where people frequently assemble such as bus stop, railway station. These boards are made of metallic sheet enclosed in a wooden frame and fixed with a panel having a specified height at main junction. In big cities, there are corporations which provide space especially for pasting posters. Electric Display is the newest and the most attractive form of outdoor display. It attracts attention easily and acts as a memorizer even when it is dark all around. Transport advertising refers to moving advertisements. The advertisements on moving vehicles such as trains, buses, trams, taxis, offer good examples of this type of advertising. Such type of advertisements may appear on the inside or outside of the vehicle. Marketers may use this type of advertising to attain high

exposure to particular groups as commuters on their way to and from work and tourists. Repeat exposure is possible in this form of advertising, for majority of people in our country use public transport on recurring basis. This is very useful in reaching consumers at a very advantageous point in time, while they are embarking on a shopping trip. This method is low cost medium and is considered to be very effective. Sandwich Board advertisements hire persons who move in procession with boards and notices in their hands and also playing musical instruments to attract the attention of the general public. The cinema theatres usually arrange this kind of advertising whenever new pictures are released. Sky advertising is one of the recent form of outdoor advertising. In this form an aeroplane writes the name of the product or the producer in the sky. Notices and other advertisement material such as printer balloons etc., are large balloon is floated from which a board hangs down depicting the name of the circus.

DIRECT MAIL ADVERTISING

Direct Mail advertising is direct in its approach and hence referred to as "Directing Advertising". In this advertisements message is sent direct to the customers or prospective customers by mail. It is one of the most important and the oldest form of advertising. In sending the message by post, the advertiser takes help of press advertising because something in print is to be sent to the customers. So it retains some of the characteristics of press advertising. It may take various forms according to the method in which advertisements copy is prepared as:

Leaflets are simple sheets of paper printed on one or both sides. Sales letters or post cards may be handwritten or types communicated to customers. When are a number of customers, they are got printed. Folders are also simple sheets of papers folded in an attractive manner. Catalogue is an exhaustive list of the products of a manufacturer indicating the price of each product and quality. Booklets consist a number of paper sheets bound in the form of a small book containing all the necessary information in detail. Brouchures is also a booklet containing a detailed history of the manufacturer and of the product, explaining each and every aspect of the product with or without the help of pictures of photographs.

3.5 ADVERTISING BASED ON FORMAT OF REPRODUCTION

Based on format of reproduction. Newspaper advertisements may be classified as Display and Classified advertisements.

Display Advertisement

Display advertisements are the large advertisements often spread across several columns or whole pages. National Newspapers tend to obtain a predominance of display advertisements. Display advertisements occupy more than half of the total available space of the magazine or newspaper. It is called as display because the size of the advertisements are large and have an illustration with bold type faces telling an information and running matter called copy detailing the message. The emblem or the logo of the sponsor will be on display in the advertisement and it may be multi-colour in special supplements of the leading newspapers. Two types of Display advertisements: We know that most non-classified newspaper advertising is display advertising which has two different categories called: 1) Local Display advertisements and 2) National Display advertisements. Local display advertisements refer to all non-classified advertising placed by local businessmen, organisation and individuals. A list of the leading newspaper advertisers demonstrates the importance of retail advertising. National display advertisements are given by the big national concerns which give more advertising money to the newspapers. Hence most of the big newspapers try to bring more national display advertisements revenue to the medium.

Classified Advertising

Classified advertisements appear on a specific page and position. Small advertisement or classified advertisements are the few line of small type announcing births, marriages and deaths, house and car sales, personal announcements and the like. Provincial or Regional papers often thrive on small type of this advertisements. This type of advertisements provide valuable information in a dry matter-of-fact manner. Useful information about the employment, market, about births, deaths, engagements and marriages, about change of names, about accommodation and housing about the availability of various services such as tuitions and about various items on sale. Matrimonial advertisements are frequently downright casteist, racist and sexist, but they fill the weekend papers. The rate is determined by the number of words in the insertion. The message is told in least number of words with clarity and simplicity. It reaches special audience, the newspaper readers and is effective.

Classified advertisements are regularly published at the some page of the newspaper or journal. Advertisement published on the fourth page of the INDIAN EXPRESS under the captions 'situations vacant', 'Educational', 'Court Notices' etc. are examples of classified advertisements. Classifieds are telegram like advertisements, in a few lines, using an introducing opening to catch the reader's eye, squeezing as such abbreviating but intelligibly copy into

as few lines as possible. This class of advertising is a very important source of revenue to the publishers. Newspapers sometimes carry advertisements with illustration in the classified section. These are called as classified display advertisements and normally run in the automotive and estate section. All fall under the heading of classified advertising.

In America, according to Kleppner Classified advertising is very popular and it is concentrated in a few categories. Automotive advertisements accounts for 43 percent of all classifieds, followed by employment and real estate with 18 percent each. In fact, classified advertising is considered an excellent barometer of the nations economic health. In particular, economists watch the employment notices to see the ratio of help wanted to 'positions sought' advertisements.

3.6 ADVERTISING ON THE BASIS OF AUDIENCE TO WHICH IT IS DIRECTED

On the basis of audience to which it is intended, advertising may be classified as consumer advertising, business advertising and firm advertising.

Consumer Advertising

In consumer advertising, appeals are directed to consumers who ultimately purchase the product for consumption. The producers who are engage in the production of consumer goods generally utilize this type of advertising because they are to sell their goods to them through various agencies such as whole-salers, retailers, chain stores, departmental stores etc. Obviously this type of advertising is aimed at creating the demand for various kinds of consumer's items is much because such items are used almost by everybody and during the whole of the year. So there is much competition in this area. Each advertiser of consumer product wants to sell his product at an earliest, they compete with one another in order to establish an advantage for their particular brand.

3.7 BUSINESS ADVERTISEMENTS

Advertisements which means for business purpose are called as business advertisements. Business advertisements generally are published through Newspapers, Radio and Television stations which have national level consumption. It can be classified as Industrial Advertisement, Trade advertisement and professional advertisement.

i. Industrial Advertising

The producers of industrial goods use such advertising in which appeals are directed to create demand for their industrial goods by urging industrial users to purchase the product advertised or to extend patronage to advertiser. As the users of industrial goods are innumerable, the industrial executives have the confidence in advertising. They rely more on personal selling.

They seem to rely on this form of promotion mainly out of fear that their competitors may benefit, if they stop advertising.

The objectives of industrial advertising vary according to the firm and the situation. The following are most common and most important:

- a. To inform the users of the industrial products technological and other developments.
- b. to speed up sales industrial product's by announcing several concessions and discounts on large purchases and thus, bringing in large orders;
- c. to induce enquiries about the quality, price, etc. of the product from the users;
- d. to get the advertiser's name on the buyer's approved list by ensuring him about the quality of the product through advertisements.
- e. to communicate to influential persons in the buyers firm whom the salesmen cannot reach;
- f. to provide support to the salesmen and reduce the cost of personal selling.
- g. to establish recognition for the firm or its products;
- h. to motivate distributors;
- i. to create or change a company's image or a buyer's attitude.

Industrial advertising, the basic appeal should be rational largely factual. The claim made in the advertisements should be specific and provable. Trade journals are most commonly use media-followed by catalogues, direct mail communication,exhibitons, general management publications and distributor's helps. Samples are especially useful in introducing new products as a means of describing the quality of the goods or as an aid to the salesmen to collect orders from the users. The advertiser should take great care in the planning of their distribution as they are expensive. Though industrial advertising is generally planned for those who generally convert the raw materials, components and

services into finished products and in some cases, it is not known by the final user or consumer a new car has a certain make of battery or tyres etc. and the buyer has no say what shall be under the bonnet or the shells. It is only at the replacement, stage that the car owner exercises a choice and then he may decide to fit his own choice of tyres. So the advertiser should be careful enough to communicate or inform the final users also the qualities or technical developments of his product.

ii. Trade Advertising

Trade advertising is addressed to distribution - agents, wholesalers, retailers, mail order houses, servicing firms - by the manufacturers. The purpose of trade advertising is therefore to secure distribution, that is to 'sell in' to the trade. Its appeal is to the distributor's desire to sell more and make more profits.

Manufacturers use trade advertising to persuade retailers or distributors to stock their products to feature them in their store by offering introducing discounts, display materials, co-operative advertising schemes, and telling them about the consumer advertising support. The retailers or distributors stock only those items which are demanded by customers. Moreover, they are to stock goods of several producers to satisfy their customers, though they are limited in shelf-space and short of funds for inventory. Therefore, retailers must be convinced that stocking the produces of individual manufacturers is to their advantage. Personal selling, by the manufacturer's sales force or by shareholders, often carries the major responsibility of this job, but it makes the tasks of personal selling easier.

Direct mail specialised business publications and exhibitions are the most commonly used media for trade advertising. Trade advertising may also be directed to the operators of service organisations and to wholesalers. Some advertisements when placed in mass consumer media may be directed to retailers or other special groups in order to get the attention of the retailers industrial users, wholesalers or professional persons when in a relaxed mood.

Professional Advertising

Professional advertising refers to the advertisements aimed at professional person like doctors, lawyers etc. by any other person. It is generally made by the manufacturers who sell their products either to such professional or to consumers on their advice of prescriptions.

Professional advertising in many ways is similar to trade advertising except that professionals do not purchase goods for the purpose of reselling them to clients. They simply recommend or prescribe to the client, the purchase of certain products. For example, a physician recommends specific drugs to the client to be purchased from a pharmacist or the dentist recommends a certain toothpaste.

In professional advertising personal selling plays a very important role because the appointed salesmen go to such professionals and convince them with the qualities of the product, their company has manufactured so that they may recommend that product to their clients. Advertising of such type is printed in professional journals. Direct mail and product samples also are important in the promotional mix of such manufactures. Because the professional's career success depends upon the client's satisfaction and does not result from the sale of specific goods. It is beneficial and advisable to keep abreast of the newest developments in the field.

Farm Advertisements

Farm advertising falls in the unique category of being both the consumer as well as business advertising. The farm is both producing as well as consuming unit. As a business operation it produces grain, livestock, poultry etc. and as a household it needs all household items. This duality also led to the development of specialised media designed to reach farmers and their families. Agriculture is the main occupation in India. The economy of the nation will be affected, if there is no development in agriculture. Some specific journals of agriculture accept firm advertisements. This advertisement explains how the crops should be maintained and water management and other aspects of the crops including pest management. Generally this type of advertisements are published through the agriculture based journals. This type of advertisements are very specific in nature. Because of higher literacy they are popular in the west. In India and other emerging nations language journals or rural papers serve this purpose. Cattle feed, fertilizers as well as household items are advertised in these magazines, besides in other mass media like radio and TV.

ADVERTISING ON THE BASIS OF PRODUCING UNIT

On the basis of production, advertisements may be classified as Company departmental advertising, Agency Advertising, Retail advertising and Media department advertising.

Company Departmental Advertising

Most of the big companies, have created separate departments for their advertising with separate managers. This department decides that which medium should be chosen and when the advertisements have to be given. This advertisement is called as company departmental advertising.

Agency Advertising

Instead of creating a separate department, some companies, most of the small companies, need Advertising Agencies for their advertisements. This type of advertisements are called as Agency Advertising.

Retailer Advertising

Retail sellers, place their advertisements through various type of media to increase their sale. Generally big sellers only create separate advertising departments. But small sellers need advertising media through their workers whenever there is need. This type of advertising can be called as Retail Advertising.

3.8. ADVERTISING ON THE BASIS OF TIMINGS OF RESPONSE

On the basis of timings of response, advertising may be direct or indirect action advertising or direct-indirect advertising.

Direct Action Advertising

Direct action advertising stresses and persuades immediate buying of the product is known as direct action advertising. Advertising for consumer items requires immediate action and attention. It aims of generating immediate response from the customers in the form of sending orders for the goods advertised or requests for further information. Such advertising contains the sales technique of offering coupons along with the product and request customers to redeem them at once or the advertiser arranges a draw at a fixed date offering certain prizes. Numerous mail order marketers attempt to induce consumers to order at once in order to avail a limited time offer valid upto a certain date. Direct action advertisements generate behaviour directly through exposure and attention.

Indirect Action Advertising

Indirect Action Advertising is against direct advertising, does not attempt to bring about an immediate behaviour response. Rather it attempts to create favourable attitudes towards the sponsor and his products or services.

The main objective of such type of advertising is to build up the reputation of the brand advertised and to enhance necessity of the branded products offered through building mental associations relating to them. It has long-run objectives. Such advertisements include exposure, attention, comprehension attitude change and behaviour. The main aim of the advertiser in this type of advertising is the same to strive to bring about sales of product and services, but not necessarily at once in the immediate future. However advertiser expects that the advertisement will change the attitude favourable towards the company's product. Attitude improvement brightens the future of the product in the market.

Direct-Indirect Action Advertising

In most of the cases, manufacturers combine the two types of advertising- direct action and indirect action advertising. Such advertising has double objective, one being to present a message which will help build desired mental associations about a brand and the second being to get immediate response of some kind, in the form of an order or request for a receipt booklet or perhaps the submission of top-flap of the carton or money in order to receive a premium. The forms for seeking direct action are legion. Thus a combined direct-indirect action advertising offers both types of appeal to consumers. Durable consumer items such as TV, Refrigerator, Scooter, Motor cars etc., require a combined action advertising.

3.9 DEMAND INFLUENCE LEVEL

On the basis of demand influence level, advertising may be primary demand advertising and selective demand advertising.

Primary Demand Advertising

By primary demand we mean the demand of a class of product or service in question and not the demand of a particular brand in the class of product. Simply stated, primary demand advertising is intended to affect the demand for a type of produce and not of a particular brand of that product. For example, advertising for Refrigerator for housewives without mentioning any particular brand of machine is a primary demand advertising. The main purpose of primary demand advertising is to stimulate the overall demand of the product and is most useful when a new type of product is invented and introduced in the market of advertising is to inculcate the habit for the product among people in general and to get a favour for it so that a permanent demand be created in the newer future.

NOTES

BUSINESS

ADVERTISEMENTS:

- 1) Industrial Advertising
- 2) Trade Advertising,
- 3) Professional Advertising,
- 4) Farm Advertisements,

ADVERTISING ON THE BASIS OF PRODUCING UNIT:

- 1) Company Departmental Advertising,
- 2) Agency Advertising,
- 3) Retailer Advertising

Ordinarily, the sponsor of such advertising is either the first to introduce a new product or is an organised group such as trade association. The main objective of this type of advertising before the sponsor is to inform the existence of such product in the market and convince them of the benefits flowing from its use. Later, when primary demand has materialised and competitors enter the field, the advertising strategy may be called to stimulate selective demand.

Selective Demand Advertising

As contrast to primary demand advertising, selective demand advertising is aimed at stimulation the demand for a particular brand in a class of product. For example, advertising for stimulating or creating demand for 'Wills Cigarettes' or 'Rin Detergent Powder'. 'Rath Vanaspati' and 'Vimal Fabrics' etc. The advertisers involved in selective demand advertising attempt to establish a differential advantage and to acquire an accountable share in the marketing of the product.

The advertiser in an attempt to stimulate the demand for the brand differentiates his brand from the brands of other competitors featuring superior characteristics of the brand being advertised. Such appeals are designed to establish ideas regarding the product quality or performance which will induce ready acceptance or even preference for the brand. It should not be forgotten that most selective demand advertising is likely to have an effect upon the total demand for the product class in which the advertised brand falls.

3.10 ADVERTISING ON THE BASIS OF APPEAL

Advertising may be classified differently on the basis of advertising appeals. An advertising appeal according to William M. Weibacher "is the device by which specific consumer-response is solicited in the advertisement." There are various types of appeals that can be used in influencing consumer attitudes towards a product or a service. This type of appeal would depend upon the type of product or service and the type of audiences it is supposed to serve. On the basis of appeals, the advertisements are classified as follows:

Rational Appeal Advertisement

This type of Advertisements are based upon the premise that the buyer is a rational, economic buyer and his buying decision is entirely based upon the utility of the product. He is interested in maximising such utility. Thus the message would rationally and logically emphasise the product features that are need satisfying. Additionally a price advantage will be looked at favourably by a rational buyer. The service support set up which is efficient and cost conscious would have a positive influence on the buyer.

Emotional Appeal Advertisement

In this type, the emotional appeals are designed to evoke and satisfy the psychological needs of the buyers. These needs are generally 'wants' rather than "need". These appeals are in the area of love, friendship, to be considered important by others, to be a responsible parent, to look better etc. Diamonds and jewelery are sold on the basis of love for the wife and life insurances sold on the basis of providing for the loved ones.

Cosmetic and perfumes a luxury car, make one socially more important. This type of advertisements touch the emotions and feelings rather than the sense of logic and reasoning.

Positive Appeal Advertisement

The positive appeal emphasises what the product will do to satisfy consumer needs. The product may be advertised as the best in the market and the company may advertise itself as number one. Some special and unique features of the product may be strongly stressed. Positive appeal advertisements convey some repeat message and create confidence and assetiveness in the buyer. They emphasise that the product or service will change the lifestyle of a consumer from good to better.

Negative Appeal Advertisement

The Negative Appeal Advertisement is generally putting ones own product down so that people are impressed by the honesty and straight forwardness and therefore buy the product. For example, the second largest car rental agency in America Avis Corporation put out advertisements saying "We are only number 2" or "We are not number 1" and this caught the attention of the reader. Then the copy of advertisement explained that because of the position the company has to serve the customer better in order to move to number 1 position. This negative appeal generated by an honest admission of product and service deficiencies in fact increased the consumer confidence and worked favourable for the company.

Fear Appeal Advertisement

Fear appeal advertisements use scare tactics and portray a threatening situation for which the advertised product offers the best solution. These threatening situations may concern economic losses or physical losses. Insurance companies often capitalise on the fear of most families who are scared to think of what would happen if the head of the household and the bread-earner

passes away. In addition to insurance companies, fear appeals have been successfully used by the American Cancer Society in its anti-smoking campaigns; by nutritional experts against gaining weight; automobile repair companies against bad brakes in cars and so on. Advertisements such as AIDS, Cancer, Smoking and other Contagious Diseases can be cited as good examples. Doordarshan often telecasts the advertisements which show the smoking hand becoming skeleton. Few advertisements on AIDS also belong to this appeal.

Humorous Appeal Advertisement

This type is an attention getter and even though some advertising campaigns have been highly successful using humorous appeals such as those for Halls Cough tablets and Uncle's chips, most often these appeals are not taken seriously as far as the purpose of inducing brand awareness and comprehension of the message are concerned. Repetitive humorous appeals reduce even the attention getting aspect drastically. The Biscuits advertisements such as Britannia Marie is a good example for this type.

Sex Appeal Advertisement

Beautiful girls are used as a model for advertising many types of products and services. These appeals are highly successful when the products and services can be related to the models such as cosmetic, Jewellery and fashion clothing. Most of the Alcoholic drinks (Wines, Rum, Beer and Brandy) advertisements are produced with this appeal. In USA and many European countries nudes are used for their products. Ogilvy have pointed out (1983; 29) that there is a functional reason to show nudes in these advertisements for beauty products. Nudes have become common place in European advertising and are beginning to appear in American advertising too.

3.11 POLITICAL ADVERTISING

Political advertising is a new marketing communication technology applicable to political canvassing or the publicizing of political issues. In modern elections, this type of advertising has assumed importance in canvassing. It differs from the normal advertising, which floods the newspapers or dominates the TV programmes. Advertising Citizen watches of Japan or Lux soap is brand advertising. Selling the President or the Prime Minister or conducting an election campaign through advertising is called political advertising. As far as political advertising is concerned, it is popular and a multi-million dollar industry in America. Most of the political advertisers use various media that

comprises computer mailing lists that can send a candidate's tailored letters to millions homes, extensive use of TV and Radio advertising and any number of staged events designed to give a political figure visibility. TV permits political candidates to address a large number of people at one time and allows millions of people to see as well hear candidates through advertisements, talks, shows and debates.

It is said that the use of media advertising in the political process enable people to become involved more easily in political affairs and to become more informed about the choices available to them. The role of media advertising in developed countries more important in political campaigns as more and more electoral candidates becoming skilled in addressing their constituents by electronic media such as TV and Radio and in presenting their views on controversial issues. Wright and others pointed out that "political advertising has led to a best seller, the selling of a President. Since 1952, the victories of Dwight Eisenhower, John F.Kennedy, Ronald REagan and George Bush have been greatly supported by their well versed in this art." The emphasis on TV advertising has now trickled down to elections for State and local candidates in America. In most of the democratic countries too, this brand of advertising in gaining momentum.

In India, Swantantra Party was the pioneer in using the political advertising which used stills that were shown in cinema halls in 1967. Thereafter it continued sporadically. It however, caught the fancy in 1980 elections when the Congress (I) utilised the services of Graphics Advertisements in spreading the main election message through advertisements and posters. The other political parties in that election used marketing technology only marginally. In 1984 elections, political advertising had come a long way. The high tick eted political advertising game was shared by various parties. Having caught on political advertising was used later in the Congress election campaigns in Tamil Nadu, West Bengal, Karnataka and Jammu and Kashmir.

As far as Radio and Television based political advertising, the ruling party is having high priority in India. Both All India Radio and Doordarshan had been used as ruling party's propagandist upto 1977. According to G.N.S. Raghavan "along with Radio, Doordarshan is being utilised unabashedly as an instrument of political advertising of the party in power at the centre and in particular of the Prime Minister and of commercial advertising. The misuse of Doordarshan is more blatant than of All India Radio because television is the

ADVERTISING ON THE BASIS OF APPEAL:

- 1) Rational Appeal Advertisement.
- 2) Emotional Appeal Advertisement.
- 3) Positive Appeal Advertisement.
- 4) Negative Appeal Advertisement.
- 5) Fear Appeal Advertisement.
- 6) Humorous Appeal Advertisement.
- 7) Sex Appeal Advertisement

more potent medium. Since political advertising aims at maximising audience size, it is enormously utilized by the ruling party. Party political broadcasting on Radio and Television is also one of the attractive political advertising. Party political broadcasts in India were arranged both on AIR and Doordarshan during election to a large number of state legislatures during the summer of 1977.

During the recent Lok Sabha and Assembly elections 1989 and 1990 have opened new dimensions for political advertising formats and techniques. Besides using brochures, press advertisements, direct mail letters, big painted posters, wall painting, buntings, leaflets, helicopters jeeps, trains and pad yatras and rallies, the strategists also resorted to audio-visual technology including the use of taped music, video films, mobile video vans and mikes, jingles, television and audio cassettes. In Tamil Nadu, the DMK party is the pioneer in using audio cassettes to popularise the party's propagandas. During the Rajiv Gandhi's term, he had utilized more video vans to popularise the election manifesto nook and corner of India. Political advertising Newspaper and Magazines were more extensively used than ever before. For example the Chief Minister of Tamil Nadu Mr. Jayalalitha use the newspaper advertisements for popularising her image and her party AIADMK. Most of her party men spent lot of money by Newspaper advertisements by giving full-page advertisements in both English and Tamil dailies. Moreover, participation of some film stars added to glamour and film dialogue to rhetoric of canvassing. In Tamil Nadu, both ruling and opposition parties use film stars for canvassing in election campaign. The former Chief Minister of Tamil Nadu Dr. M. G. R had used the service of Ms. Jayalalitha as party secretary who then become the Chief Minister of Tamil Nadu.

The advertising and marketing experts are conscious of the fact that advertising bits campaign by themselves can't produce waves or influence significantly the voting behaviours, they confess that political advertising can play only a supplementary role. They admit that the major thrust in the election campaign have to come from the political process or human activists and contacts. The advertising campaigns can provide only vehicles of slick presentation of messages during a short time frame or have some effect on the negative and vacillating voters. Political advertising is done based on market research. The political advertiser say that political advertising provides sales messages more loudly and clearly, more adroitly and cogently, based on market research and the proper understanding of the socio-economic and perceptual characteristics of the segmented or general audiences. Though political advertising is used as a channel of communication information, the responsibility of how political advertising works, ultimately lies on the receivers or voters. Advertising does not force anybody to buy a product or vote for anybody. The people have power to vote. The real power of political

advertising is in the excellence of the craft, that is creativity in scripting or slogan making and the careful selection and scheduling of media which is more appropriate in reach and financially cost effective. The role of advertising agencies is same. They do not find any difference whether they are asked to sell goods or services or parties and personalities. The significance of their contribution is in providing innovativeness and professional acumen in projection interestingly and boosting the achievements and programmes of the political parties or their ministries or departments and in illuminating their otherwise dull records. There lies the professional and ethical justification of political advertising.

3.12 PUBLIC SERVICE ADVERTISEMENTS

This type of advertisements highlight social issues such as dowry, alcoholism, communalism, linguistic chauvinism, sati, national integration, family planning, pollution, care for aged and the disabled, campaigns against drugs and smoking and cautious driving. Their main purpose is public education through hard-hitting didactic messages. They do not sell any products or services but "messages" and "ideas". Moreover, these advertisements are introduced by enlightened corporations and public bodies. These could not bring the desired results because these were not actionable.

Public Service advertising is concerned with social issues that affect the community. This type of advertising may be sponsored by either a business organisation or a non-profit charitable organisation who may ask for contributions for the service of a good community cause such as child abuse or health hazards of smoking. Whereas social advertising is "Communications presented in the conventional formats of advertising... which urges its audience to implement or support some kind of social or economic cause deemed beneficial by the consensus of the broad general public.. Almost always, a public service advertisement will specifically urge some kind of action." Such advertising is primarily focused on sustaining or improving our health, moral, environment, institutions, heritage, culture, etc., The intention is to increase the probability that those reached by social advertising messages will behave or believe as the advertiser wishes them to behave or believe.

Because the cause in social advertising is public cause. It is quite common for the media to donate media space or radio and TV time free to such advertisers. In public service the advertising costs are absorbed by the sponsoring organisations. Another form of public service advertising is non-profit advertising. It differs from social advertising in the sense that while social advertising tries to change the basic beliefs, habits, attitudes or behaviour

NOTES

regarding a public issue, non-profit institutions so that ultimate goals are not stated in terms of profit but some measures other than income. Some such institutions includes hospitals, churches, colleges and universities, foundations, consumer groups, etc. The non-profit institutions are between for the donors and recipients.

Since the funds for social causes are provided by private donors, their goals must be consistent with the goals of recipients. For example, some donors may resent their money spent on drug rehabilitation centres, in the belief that the drug problem is a self-inflicted problem of must be dealt with by the individuals themselves or by the government and not by charitable organisations. Similarly, some donors may not want their money spent on the poor, for they may believe that the society does not own anybody his living and being poor is person's own fault for the may not want hard for his living. Therefore, the goals of the donors and recipients must be matched as such as possible.

One more form of public service advertising is "cause advertising" or "advocacy advertising" in which the advertising is directed at an issue which is controversial and the purpose of advertising is to gain favourable following or to mold public opinion in accordance to the advertiser's point of view. Often the objective of cause advertising is to influence legislation so that unfavourable laws are not passed. A case in point is the issue of "gun control" in America. Whenever stricter laws for fire-arms control are proposed, the American Rifle Association and their lobbyists take a stand against it and advertise in favour of the "right to bear arms" for self-defense purposes. Cause advertising has been defined as "any kind of paid public communication or message, from an identified source and in a conventional medium of public advertising, which presents information or a point of view bearing on a publicly recognised controversial issue." Cause advertising is seldom directed towards people who vehemently disagree with or oppose the view point offered by the advertiser. Since cause advertising is entirely one-sided and highly opinionated, it is very difficult to change the viewpoints of those who oppose it simply by putting in an advertisement. Hence cause advertising is primarily placed to reach:

1. Those people who are likely to support the cause
2. Those people who are sufficiently open minded so as to accept a view point if it is logically and objectively presented; and
3. The opinion leaders.

The opinion leaders may be journalists, TV personalities, well-known educators or scientists whose opinions are respected by the general public. (Film stars are giving advice for drug abuse on polio immunisation and other relevant topics.) These opinion leaders, if convinced about the cause would be very helpful in convincing others, pollution, reforestation, conservation, environment protection, all these need to be publicized and advertised well. A striking advertisement for Business Week in the US focuses on the rising costs of energy and suggests garbage as a constantly replenishable energy resource, for a ton of waste can be converted into the equivalent of 1.44 barrels of oil. Municipalities in 37 states of the US are planning projects to convert discarded newspapers, plastic and other garbage into usable energy. A powerful ad, full of interest and wholly convincing. It is all too easy to say that it is all right for America, there can launch on new ideas like recycling - but... why don't we every by? With simple problems around us - and I don't remember half page ads announcing the CM's programme to end the parthenium menace once and for all, starting with the CM pulling out and burning the first weed with his own fair hands and the programme never heard of subsequently while parthenium swarms over Bangalore - why don't we start with basics like conserving water resources? The Petroleum Conservation Research Association currently has good campaign to conserve kerosene and gas "because it isn't going to last forever" and the Indian Oil Hoardings remind us that every drop of oil is precious - steps in the right direction.

Public service advertising are also called as social advertising. This term encompasses the use of one more of the elements of the marketing mix in promoting the adoption of socially desired ideas, behaviours and programmes or in changing the thinking processes of people rooted in superstition and prejudices to a rational or modern outlook. Advertising is one of the most potent means of doing it as it is in the marketing of products. Today many public interest causes therefore employ advertising to reach the public with their messages, such as the planned parenthood schemes. Now UNICEF, Family Welfare Department and Philanthropic institutions resort to this type of advertising to persuade the people to adopt a particular point of view.

According to Chandan and others the marketing of social causes too has four P's: Product can be material items like contraceptive or interactive radio educational programmes or issues like immunisation, ban dowry, drive carefully, Run for Africa, etc. Price can be psychological effort and in certain cases monetary too. Promotion implies tools like social advertising and communication. The fourth P refers to the Place of the product distribution. The process of social marketing is however a more challenging and exacting job to achieve satisfactory because it has its financial and other constraints.

In America, the the advertising Council of America spearheads public service campaigns. It is a non-profit organisation. It monitors request for public service campaigns from accredited organisation, scrutinises them minutely and gives the green signal to those moves which it deems as non-commercial, non-political and material in scope. Once a campaign is accepted a voluntary advertising agency and a voluntary coordinator oversee its development. So far it is estimated to have generated more than \$725 million worth of media time and space for public service advertising from 22,000 media outlets that consistently print, broadcast or display messages. In India also, the Lok Deva Sanchar Praishad has been set up bring together private enterprises, advertiser agencies and government social departments in an effort to create public awareness on important social issues. Among the media organisation, Doordarshan has taken the initiative by giving four minutes, free, of prime time for the telecasting of messages on social, health and development themes or copsumer and social awareness. During the telecast of News programmes, Doordashan telecast a few public service advertisement such as the need for immunisation, prevent of AIDS, evils of Child Labours, drug addiction and smoking and etc. Very few National Dailies also publish this kind of advertisement for the cause of people. The Times of India is leading English has promoted the movement for social awareness through advertising.

Some of the social advertisements get the important place whenever the soical service campaigns are discussed. According to an American Creative Director the following five campaigns were considered to be excellent examples of professional excellence and creatively. They are 1. Antilitter, Children copy, Japan, 2. Family Planning, The Surprise, Sweden, 3. Hospital Benefits, Punch and Judy, Austraila, 4. Bublin Water conservation, Goldfish, Ireland, 5. GLC Road Safety, Video game, UK. In India the most successful campaign related to the family planning symol of the Inverted Red Triangle in the 70s. In the eighties some other notable campaigns pertained to the early detection of cancer, leprosy being curable, and breast feeding. Since 1987 TV spot campaigns have been sponsored by various welfare departments and organisations and their impact was studied. The themes covered various important issues social, health, cultural, national and family welfare. Most of studies on this type of advertisements have shown that TV sports on the whole were quite effective and the respondents wanted more of such advertisements to be produced in the interest of social and human development. Most of the social advertisements are into that popular because of two reasons; 1. Human nature, 2. The difficulty of applying marketing techniques to the promotion of

social issues. Some campaigns like "keep your parks clean", "avoid littering", "keep your railway platform clean", the social benefit is large but here too the difficulty is how to make this general benefit look to be important to an individual also. If the social advertisements have some marketing punch, it will definitely work. For example, that worked well in respect of the drunken driving campaign in Australia which was launched with a slogan 'Under 05 or Under Arrest'. In 1982 the Australian Government initiated random breath testing. Any driver found guilty was arrested and punished. If the social advertising is made useful directly towards the public, it will also get the success. For example the public service advertisements on Polio immunisation campaign 1995-96 received a great public attraction when it was done through mass media because it was directly used by the majority of the public.

Though most of the Government and non-government agencies use the public service advertisements widely with various reasons, it is still relatively a new venture, it needs more of research, innovative approaches, formats and designs besides requiring commitment of the part of persons involved in them.

3.13 KEY TERMS

- * Linguistic
- * Co-operative Advertising
- * Humours
- * Television

3.14 SUMMARY

Advertising, geographical coverage, message advertised, uses of advertising, format and reproduction, business advertisements, levels, political and public advertisement dealt with in detail in this unit.

3.15 MODEL QUESTIONS

SECTION - A

- 1) Explain various types of advertising. What are the various popular types of advertising?
- 2) Explain outdoor advertising and direct mail advertising with few examples.
- 3) Describe the nature of public advertisement with some examples.
- 4) Explain and categories various type of advertising. What are the various popular types of advertising?

NOTES

True or False:

1. Advertising nourishes the consuming power of man.
True/False
2. The local advertiser emphasises upon the purchase of products.
True/False
3. Product advertising, as the name suggests, of a particular good or service.
True/False
4. Institutional advertising known as prestige or corporate advertising.
True/False
5. Newspaper and magazines is a Electronic Media.
True/False

Answer:

1. True 2. True
3. False 4. True
5. False

- 5) Describe the advertising based on medium used and contrast Newspaper advertising and Magazine advertising.

SECTION - B

- 1) Write short notes on:
 - i) Form of advertising.
 - ii) Professional advertising.
 - iii) Co-operative advertising.
- 2) What are differences between International and Local advertising?
- 3) What is pull and push strategies in advertising?

Questions for Discussion

- 1) What are differences between International and Local advertising?
- 2) What are the difference between Radia and Television advertising?
- 3) Explain Outdoor advertising and Direct Mail advertising with some examples.
- 4) Compare and contrast display advertising and classified advertising.
- 5) Write short note on:
 - 1) Farm advertising
 - 2) Professional advertising
 - 3) Co-operative advertising
- 6) What is pull and push strategies in advertising? Give few examples.
- 7) What do you know about the appeals in Advertising? Describe various appeals with few examples.
- 8) Write in detail about the political advertising in India.
- 9) Describe the nature of public service advertisements with few examples

Lesson 4 - ADVERTISING BUDGET AND EXPENDITURE

STRUCTURE

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Advertising budget process
- 4.3 Method of determining advertising appropriation
- 4.4 Administering the budget
- 4.5 Advertising expenditure
- 4.6 Key terms
- 4.7 Summary
- 4.8 Model Questions

4.0 INTRODUCTION

For many companies, advertising is an extremely vital force in the success of their marketing endeavors. Not only by business, but also even by the government and social welfare organizations, the useful role of advertising has been recognized. Advertising is a powerful marketing tool; but it is highly expensive too. Companies spend huge sums of money on advertising alone.

If any company, for a given marketing programme, an adequate advertising input is necessary. Media plan alone can achieve the advertising objective of appropriately supporting the overall marketing efforts. For this purpose, it is essential to purchase media time and space when they are needed.

Budgeting is a form of a plan; and in the very nature of budgeting, the advertiser is protected from an unbalanced situation highlighted above, wherein he may find that he has either spent more or less than he should have. While preparing the advertising budget, he is compelled to consider how much he will spend on each of his products or product-line, on each of his markets, on each of the advertising media, and on what schedule during the year.

4.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Determining the appropriation and budget process.
- * The advertising budget and expenditure.

Budgeting is a plan

Because the advertising budget is a plan for the company's future advertising it can make a useful contribution to a profitable operation. Before we consider the advertising budget process, a few doubts about advertising should be clarified. We often hear advertisers groaning, that they are compelled to advertise because their competitors spend large sums on it.

4.2 ADVERTISING BUDGET PROCESS

Since advertising is an investment, it should be budgeted like any other investment. There are no simple methods of preparing budgets. Only customary arbitrary and conventional practices can be followed; but these do not make the process a budgeting.

The optimum media schedule is the best programme of advertising chosen from among a large number of the alternatives available to an ad man. This fund allocation, of course, has to take into account the market potential within various segments, the time period, and the geographical areas over which advertising will be spread in accordance with the overall advertising strategy.

4.3 METHOD OF DETERMINING ADVERTISING APPROPRIATION

There are no scientific methods, which can be employed in determining the amount of the advertising fund to be spent during the year. Two major considerations are discussed here which form the basis of the various approaches to determining budget appropriations for advertising. They are;

1. Per cent of sales concept; and
2. The advertising task or objectives.

1. Percentage - of - Sales Method

In the percentage-of-sales method, advertisers use one of the two things in arriving at how much to be spent on advertising. The first one is to select a factor or multiplier, such as 3, 5 or 7 per cent, then multiply this by the sales figures in rupees, and the sum so arrived at is the answer to the question of how much to spend. For example, if the sales are worth Rs.300 lakhs, taking 3 per cent of this, the advertiser should spend about Rs.9 lakhs on advertising. By this method, the advertisers determine how much of their sales rupees should be spent on advertising. The other method of determining the advertising funds to

be spent, depends upon the number of machines sold or units of product sold. For example an automobile firm selling 500 cars in a year will decide to spend Rs.200 for each car sold as advertising expenses. Thus a total Rs.1 lakh will be the advertising budget. The number of cars sold may be determined on the basis of immediate past sales or the expected future sales.

2. Advertising Objective-and-Task method

The objective-and-task approach to advertising budget is based on establishing advertising objectives and the tasks to be accomplished and then determining the required size of the budget. For example, a company decides to increase the awareness of its brand in a certain market segment to 50 per cent. The required tasks to achieve this awareness are detailed, and a suitable campaign programme is chalked out.

Other Methods of Budgeting

All you Can Afford; The what-can-be-afforded method is yet another decisive rule on which many firms base their advertising budgets, particularly firms with limited resources. When fund availability is a constraint, a limited fund is only allocated after other unavoidable expenditures have been met.

A variation of what can be afforded method is yet another subjective method by which the budget is arbitrarily set without any relationally and analysis of the task of advertising. This is referred to as the arbitrary method. Some advertisers decide that they will spend x rupees on advertising next year. They claim that because of their first hand knowledge of business they have acquired a sort of gut feeling about how much advertising expenses would be appropriate, this is a human method.

Competitive Parity Method

Another common method is to frame the advertising budget in such a way that you are on par with competitors. Spend as much as the competitors do. The logic behind this is that the collective thinking of various firms in the industry cannot be too far from the optimal figure.

4.4 ADMINISTERING THE BUDGET

After the budget has been decided upon, the next logical step is to distribute it on various products product lines, media markets (segments and geographical territories) etc., Some expenses are to be apportioned to the

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METHOD OF DETERMINING ADVERTISING APPROPRIATION:

- 1) Percentage - of - Sales Method,
- 2) Other Methods of Budgeting
- 3) Competitive Parity Method

advertising department in the company and to advertising research. After this detailed allocation of the fund it is essential to have an adequate monitoring and control. The budget should have flexibility enough to accommodate the sudden changes occurring in the market the competitive structure etc., It is continuous process and therefore continuity is an important aspect of the advertising budget.

4.5 ADVERTISING EXPENDITURE:

Advertising expenditure is no longer expenditure; it is now widely considered to be an investment. More and more firms are now thinking of advertising as an investment because of the great returns that are likely result in future from increased sales through advertising. The preparation of an advertising budget generally determines the size of advertising expenditure. How much should be spent on advertising? To determine this is the purpose of the advertising budget.

The advertising budget is the translation of an advertising plan into rupees; and this fact informs the top management of the amount of the proposed advertising expenditure and its apportionment on the various advertising activities of the company. The advertising budget thus serves as a decision-making tool for the top management, in addition to its control function of such expenses.

The advertising budget is prepared by the advertising manager of the company. However ad agencies do help him in this planning work. Logically the starting point of any advertising budget process is the determination of the size of advertising appropriation. Once the total expenditure is arrived at, the next step is the apportionment of this fund among various advertising units over a period. By an advertising unit, we mean a specific ad delivered through various media vehicles.

The advertising budget thus prepared by the advertising manager is finally presented to the top management through the chief of the marketing division for approval. In some organizations, there is a budget committee, comprising the representatives of the financial and other functional areas. The budget committee, or, for that matter, the higher management which finally approves the budgeted expenditure, evaluates such proposed expenditure to

achieve the targeted sales in a given budget period, since advertising is employed to increase in sales, the budget must be compatible with the sales goals. Besides an increase in sales, advertising should be adequate enough for the new product to make a successful entry in the chosen segmented markets.

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4.6 KEY TERMS

- * Segments
- * Flexibility
- * Conventional
- * Adequate Advertising

4.7 SUMMARY

Budgeting plan, process, administering the budget, expenditure, competitive method one dealt with in detail in this chapter.

4.8 MODEL QUESTIONS

SECTION - A

- 1) Explain Advertising Expenditure:
- 2) Describe the Method of Determining Advertising Appropriation.

SECTION - B

- 1) What is advertising budget?
- 2) What are the methods of budget?
- 3) What are the other methods of budget?

True or False:

1. Determining advertising appropriation are scientific methods.
True/False
2. Advertising expenditure is longer expenditure.
True/False
3. The advertising budget is the translation of an advertising plan into rupees.
True/False
4. The advertising budget thus serves as a decision making tool for the top management.
True/False
5. The advertising budget is prepared by the advertising of the company.
True/False

Answer:

1. False 2. False
3. True 4. True
5. True

Lesson 5 - ADVERTISEMENT COPY

STRUCTURE

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Advertisement Copy
- 5.3 Steps in preparation of advertisement copy
- 5.4 Appeals in advertisement copy
- 5.5 Kinds of advertising copy
- 5.6 Key terms
- 5.7 Summary
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5.0 INTRODUCTION

The word copy is used for the simple reason that earlier ads contained only the advertising message in words to be printed suitably. Copy included all the written or spoken elements of the message including headlines.

5.1 UNIT OBJECTIVES

After reading this unit you should be able to understand:

- * the preparation of advertisement copy
- * the appeals and kinds of advertisement copy
- * the layout preparation.

5.2 ADVERTISEMENT COPY?

There were hardly any pictures; and if at pictures were shown, those were of the products of the automobile, the gramophone the actual photograph of the hotel building etc. Copy in its present day meaning, includes all the elements of an advertising message, whether printed or broadcast. In ads for the print media, it includes the heading, sub-heads, picture captions, slogans and body copy.

5.3 STEPS IN PREPARATION OF ADVERTISEMENT COPY

Processes in the preparation of advertising copy:

Advertisement copy is the written or spoken material, including the headline, coupons, advertiser's name and address and main body of the message

contained in it. In the words of Schew and Smith "copy includes all the written or spoken elements of the message including headlines, the advertiser's name and address, coupons and the message itself."

The following are the processes involved in preparation of an advertisement copy:

1. The development of a campaign theme "an idea or concept that will provide continuity over time and result in significant impact upon target market segments."
2. The development of language or visual messages illustrating the theme:

The illustration may be photographic, drawing, reproduction of painting, cartoon or any other kind of visual devices that accompany the copy. Such devices can be used to gain attention, arouse interest and desire and even lead to direct action.

Advertising messages may be aimed direct for instant sales results or deferred.

The message must be

1. appealing
2. attract attention of the receiver
3. clear and free from confusion
4. understandable
5. believable
6. informative on products

3. Layout Preparation:

Layout is the position assigned to various elements of the copy and illustrations as well as the amount of free space in the copy. A proper layout creates an impact on the receiver of the message.

Advertising copy must attract attention, hold interest to stimulate desire for a product and move the prospect for action. AIDA formula gets importance in advertising copy. Before preparation of the advertisement copy the sponsor must decide as to

1. Whom the message is intended for?
2. What is the objective of conveying this message?
3. What should be the theme of the message?

4. What appeals are to be stressed in the light of the above decisions and the consumer habits and motives?

Advertisement copies have the following physical features:

1. Description-Details of the product
2. Narration-analysis of details of the product
3. Exposition-convincing of the product use
4. Argumentation-substantiating the facts.

5.4 APPEALS IN ADVERTISEMNET COPY:

The kind of appeal that are carried on in an advertising copy contains the following values:

1. Attention value
2. Suggestion value
3. Conviction value
4. Memory value
5. Sentimental value
6. Educational value
7. Instinct value
8. Action value

Attention value is to make advertisement attractive and capable of the retention of the attention of the audience. This is done by the use of pictures and drawings, attractive headlines and slogans, artistic layout and introducing contests and reply coupons.

Suggest value-advertising copy informs the buyer of the advantages of buying the product and suggests buying.

Conviction value makes one to believe. The message is to be substantiated by proof through illustrations.

Memory value must leave a permanent impression in the minds of the receiver of the message. It is for this purpose that advertisements are repeated.

Sentimental value respects the feelings and emotions the people rot whom it meant. Most arc meant for people who "are educated and those who are the higher strata of the society.

Educational value is to educate people on the use values' off products. It must be capable of bringing a clang instinct of the people.

These instincts are pride, beauty, lath, fear etc. Advertisements must touch the instincts and: ate the attitude to buy.

Action value is oriented to induce a person to buy. When buyer sees a vell- known symbol of a manufacturer the sales distance in him is removed. This goodwill is built up through overtiring from a long time.

5.5 KINDS OF ADVERISING COPY:

The advertising copy may be of any of the following

1. Announcement form
2. Descriptive form
3. Dramatization form
4. Reminder form
5. Inducement form

Announcement form is used to introduce new product or new uses of the product or changes in the product or price changes or changes in the policies of the firm.

The purpose is informing the public

Descriptive form is intended to give detailed information the product and create a desire to buy the product. Such descriptive forms are used when the decision of the buyers are based on their lives and life styles.

Dramatizaion form is meant to bold attention of the audience to the advertisement. The copy carries much of inactive, creative and artistic skills and will have much of attention value.

Reminder form has a memory advertising value. The message remains permanently in the minds of the prospect customer. The message is conveyed in a form to be deeply set be minds of the audience. Slogans and appealing phrases or words are used to create memory value.

Inducement form stresses on personal appeals. Insurance companies and banks adopt this form.

Then the task of writing copy may be assigned to a special or advertising agency or can be prepared by advertising agreement the organization.

APPEALS IN ADVERTISEMNET COPY:

1. Attention value
2. Suggestion value
3. Conviction value
4. Memory value
5. Sentimental value
6. Educational value
7. Instinct value
8. Action value

NOTES

True or False:

1. Advertising copy is the written or spoken material.
True/False
2. AIDA formula get not importance in advertising copy.
True/False
3. Educational value is to educate people on the use values off products
True/False
4. Reminder form has not a memory advertising value.
True/False
5. The preparation of copy requires imaginative psychological and artistic skill.
True/False

Answer:

1. True 2. False
3. False 4. True
5. True

The preparation of copy requires imaginative psychological and artistic skill. The copywriter must have knowledge of the product, image of the firm, and the motivational aspects.

5.6 KEY TERMS:

- * Dramatization
- * Appeals
- * Symbol
- * Pride

5.7 SUMMARY

Advertisement copy, steps in preparation of advertisement copy, layout, appeals, kinds of advertising, purpose of advertising within details in this chapter.

5.8 MODEL QUESTIONS

SECTION - A

- 1) What are the Steps in Preparation of Advertisement copy?
- 2) What is mean by advertisement copy?

SECTION - B

- 1) What are the steps in preparation of advertisement copy?
- 2) Describe Appeals in Advertisemnet Copy:
- 3) Explain kinds of advertisement copy?

STRUCTURE

- 6.0 Introduction
- 6.1 Unit Objectives
- 6.2 Classification of media of Advertisement
- 6.3 Indoor Advertising
- 6.4 Radio Advertising
- 6.5 Television Advertising
- 6.6 Cinema Film Advertising
- 6.7 Outdoor Advertising
- 6.8 Key Terms
- 6.9 Summary
- 6.10 Questions/Exercises

6.0 INTRODUCTION

An advertising medium is a delivering a sales message. It is a means through which advertising information is passed on to the consumers. Each and every producer or dealer seeks through advertisement media to keep in touch with old consumers as well as to attract the new ones. They resort to advertising medium to bridge the widening gap between their customers and themselves. There are number of media open for him to select.

6.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * The media of advertisement
- * Indoor and outdoor advertising
- * To study about ration, cinema and televidion advertising

6.2 CLASSIFICATION OF MEDIA OF ADVERTISEMENT

Following classificatioin given is more comprehensive and meanigful.

(A) INDOOR ADVERTISING

1. Press Media;
 - (a) Newspapers
 - (b) Magazines
2. Radio (Broadcasting) advertising
3. Television advertising
4. Film advertising

(B) OUTDOOR ADVERTISING;

1. posters
2. painted displays
3. travelling displays
4. electric signs
5. sky writing
6. sandwichmen

(c) DIRECT ADVERTISING

1. sales letters
2. envelop enclosures
 - (a) circulars
 - (b) stuffers
 - (c) folders
3. Broad-sides
4. Booklets and catalogues
5. Gift novelties
6. Store Publications
7. Package inserts.

6.3 (A) INDOOR ADVERTISING

Where a prospect sitting at home gets the message through newspapers, magazines or hears a radio or engrossed in TV programmes or witnessing a picture in cinema halls, the advertisement programme is indoor one.

(i) PRESS MEDIA:

(A) Newspapers:

All though many media are availbale to advertisers the newspaper continues to remain the most powerful selling force. A newspaper contains news internatioinal national state and local opinions service information and entertainment messages.

Merits of newspaper:

The superiority of the newspapers over other media is evidenced by the following merits:

(i) Low cost per reader:

The newspaper reaches the public at lower cost to the advertiser per individual than does any other medium.

(ii) Assured readership:

Due to wide range of interests covered by the present day paper it reaches the widest audience of any medium

(iii) Quick response:

The selling message reaches the public while it is fresh. It pinpoints the shopping opportunities and thus makes quick results.

(iv) Makes possible frequent and regular advertising:

This is of special significance to large-scale retailers.

(v) It has flexibility and speed:

The advertiser can approach the publishers previous night it at all they want the publicity next morning.

Demerits of newspaper:**(i) Shortest life:**

The life of a newspaper compared with that of magazines is relatively shorter.

(ii) Quality of reproduction

From the advertisers point of view the coarse paper on which publicity is printed is a distince limitation.

(iii) Waste of circulation:

Each newspaper has a certain amount of circulation restricted to certain group of readers only.

(iv) Possibility if duplication

In big cities of our nation and those of other countries one finds morning and evening papers. Such overlaps and cdelicacies reduce the esteem of publicity.

(b) Magazines:

Magazines are the periodicals published monthly or quarterly to be read normally in easy chairs. It provides light and leisure's reading. These journals are designed and devoted to varied subjects like industry banking politics religion agriculture insurance transport literature medicine etc.

Merits of journals and magazines:

(i) Longer life

From the advertisers point of view magazine is medium that commands enough of prospects time to register a complete selling impression.

(ii) Visual display

The net worth of magazine goes to the consumers of a product in addition to the reproduction of photographs that are life like.

It is penetrating and alluring due to colour.

The finer paper stock and the superior printing methods of magazine and unmatched facilities available in magazine for the use of colours make it loveable and with lasting impression.

(iii) Uniformity of coverage

Magazines as a medium guarantees uniformity of coverage as it is simultaneous uniform and under vicinity

(iv) It is selective in approach:

The rich class goes in for costly magazines with fashion middle class with medium requirements both in price and requirements.

Demerits of magazines:

(i) Inflexibility

Readers do not have a choice. Thus a gentleman curious enough to read the astrology column is forced to buy the total else he is to go without it.

(ii) High cost per reader:

Superior paper colours and other printing materials are used and latest technology has got to be applied in reproducing the message.

(iii) Introduction of a new products is ineffective

It is unsuitable for small unit

For a small retailer locating in a small city or town magazines as a medium of advertisement goes futile.

(iv) It is time consuming

Preparation of journals magazines is a long drawn procedure. In spite of the speedy presses it takes its own time to print bind them and distribute them to the subscribers.

6.4 RADIO ADVERTISING

Radio advertising can be aptly described as word of mouth advertising on a wholesale scale. Radio advertising in India was allowed only in the year 1967.

Merits of radio advertising:

(i) It has human appeal:

Radio broadcasting has a human touch that is unequalled by any other medium.

(ii) Variety of programmes:

Radio advertising affords variety of programmes that facilitate the selection that are keen and of special interest to the members of family appropriate to the selling house the products or services.

(iii) Message reaches people at home:

With a wise selection of programmes and hours of listening and advertiser can contact women children or men separately to address his message.

(iv) Little effort on the part of listeners:

As the ears are less selective than eyes, listeners must lend their ears at least partially.

(v) Flexible and timely:

The programmes, that are to be launched to reach the customers, can be typed as to season day and even hour.

Demerits:

Radio advertising has several demerits that discourage the use of radio programmes as message carriers.

(i) No pictorial presentation:

At present such a limitation of radio is overcome by TV.

(ii) Perish ability of radio message:

It is highly perishable as compared with press media

(iii) High cost of time and talent:

Some business people say that the high cost of time and talent discourage radio programmes as advertising medium.

(iv) It is not all covering:

Radio medium is most suitable for advertising the products and services that are common in daily usage all goods are not suitable for this medium.

(v) It is wasteful:

Like newspapers it involves great deal of waste of circulation for many advertisers.

6.5 TELEVISION ADVERTISING:

Radio ruled the region as a powerful medium over a period of 50 years in other nations. TV advertising the youngest takes its position glamorous and highly specialized. TV is probably the most significant single new thing that has happened to advertising in 20th century. TV provides a scientific synchrony of features of sound sight motion and immediate eye that no other medium has been able to provide so far.

Merits of TV advertising:

As it provides sound TV affords all the merits of radio as it gives sight and motion TV entails the merits of sound motion pictures. It has overcome one of the major limitations of radio that is pictorial presentation of merchandise. Today it has been able to provide colour visibility another crest in the feather of TV programmes.

Demerits

(i) It is costlier:

TV programmes that are thickly interwoven in the fabric of western marketing systems so scientifically and usefully utilized cost heavily.

(ii) Time taxing:

Radio being a medium of sound it helps the people or listeners to do other jobs simultaneously whereas TV programmes with all the four features of sound pictorial presentation and motion require the onlooker to concentrate on TV programmes.

6.6 CINEMA FILM ADVERTISING

This is another effective medium of publicity has sound motion visually and timeliness. It can be said as TV programmes extended to larger expanded screen. Film advertising has a wide range starting from an ordinary slide

presentation to getting the films produced for specific purposes, it has a demonstration effect that catches the psychology of audience who are supposed to imitate in the due course. It is heartening to note that India's cinema industry is the first largest in the world.

Merits of cinema advertising

(i) Dramatic impact:

The advertising message is presented in such scientific details that have deep or long standing impact on the minds of prospects it combines music practical presentation and convincing along with colourful sales background.

(ii) Appeal to selected audiences:

Cinema publicity has this merit in the sense that audience is consisting of all the segments of community like rich middle and lower classes.

(iii) Mass publicity:

If one takes the individual capacity of a modern theatre it is in the range of 1000 to 2500.

(iv) Reliable means of communication:

Cinema is the sole means of entertainment in countries like India therefore provides one of the most significant means of mass communication.

Demerits:

(i) It is costlier:

To get designed a short film depicting a story of a product or a service calls for heavy investment on the part of the advertiser.

(ii) It is thrust upon:

Though audience is consisting of selected groups the advertisements are thrust upon the visitors whether they like them or not.

(iii) Limited coverage:

Even though film advertising is considered as a mass medium the total coverage is quite limited.

RADIO ADVERTISING:

Merits of radio advertising:

- 1) It has human appeal,
- 2) Variety of programmes.
- 3) Message reaches people at home,
- 4) Little effort on the part of listeners,
- 5) Flexible and timely,

Demerits:

- 1) No pictorial presentation,
- 2) Perish ability of radio message,
- 3) High cost of time and talent,
- 4) It is not all covering,
- 5) It is wasteful

6.7 OUTDOOR ADVERTISING:

It is only one of its kinds that countless generations have been able to read the message via outdoor advertising. Outdoor advertising is clothed with those advertising media, which reach the people out of doors. The advertisements

NOTES

CINEMA FILM ADVERTISING:

Merits of cinema advertising:

- 1) Dramatic impact.
- 2) Appeal to selected audiences.
- 3) Mass publicity.
- 4) Reliable means of communication.

Demerits:

- 1) It is costlier.
- 2) It is thrust upon.
- 3) Limited coverage.

are located as to catch the eyes of passers by within a split second time. It is mainly meant for moving audience without any cost on their part. It is estimated that out of total population 97% of adult population moves out of doors every week. This speaks of its strength of publicity.

A. Posters:

A poster is a sheet of paper depicting a message to be pasted on walls specially expected wooden or metal boards in the areas of frequent get together. Thus one finds the posters of films shown in theatres along city streets projecting of bus stops railway stations and market places posters are the most flexible of all out door media as they can be changes frequently.

B. Painted Display:

Painted displays refer to painted bulletins wall paintings. These are hand paintings by panel of artists. A painted bulletin is nothing but a metal sheet of rectangular size crested at height to command visibility from a distance. Messages cannot have either seasonal or special occasion timeliness although repainting can be undertaken at times. In fact the size of the investment discourages frequent changes. If one goest through the streets within the city area in vehicles on high ways he finds usually such painted bulletins.

C. Travelling Displays:

Travelling displays are the pieces of display that are painted by hands or printed on metal sheet that are affixed in and outside the vehicles like buses trucks taxies vans trams etc. Colours and pictures may be utilized to good advantage in causing the advertisement to stand out from competing cards in making the selling message more realistic. Again the cards that are fixed outside the vehicles either at backside or above the passenger windows adjusted to the carrier at top. These outside advertisements are not effective as passengers hardly look in them.

D. Electrical Signs:

Neon signs are the glass tubes with electric wiring designed in terms of letters or figures to illuminate the message. These are very common in cities like Bombay, Bangalore, Delhi, Madras and Calcutta. One is made to stop and look to such advertisements in the evenings and nights where they look more bright colorful and alluring.

E. Skywriting:

There have been efforts to not to leave even the sky free from the sway of publicity different forms of advertising have come to stay making a novelty especially air advertising. Skywriting is a kind of publicity where the pilots through their aeroplanes write the image either in the form of smoke or by illumination. Kites are used by film producers to popularize their products. Perhaps very common form of skywriting is that of revolving searchlight to focus the attention of general public over a distance of 9 to 10 miles. All circus companies have this as common feature.

F. Sandwich Men:

This is an older kind of outdoor advertising sandwich men are the persons who are hired by advertisers. They are to walk down the busy streets of a particular locality dressed peculiarly. They go on shouting or singing slogans of the company its products brand names etc.

MERITS OF OUTDOORS ADVERTISING:

External advertising has certain merits of its own.

(i) It has widest appeal:

The effectiveness of outdoor advertising lies in its reminder value it maintains a continued appeal for a longer period of time open to all the classes of society.

(ii) It helps to cover the ugliness:

Outdoor advertising must be given special thanks as it covers bad damaged walls into painted areas.

(iii) It enjoys flexibility:

It possesses geographic flexibility permitting the promotion of products in defined areas or in markets particularly fitted for selling specific products.

(iv) It is durable and economical:

As the painted display last for longer period of time it adds the quality of durability it repeats the same thing to the peoples eyes for a pretty longer period.

(v) Best local advertising:

Outdoor advertising is substantially universal in coverage especially in hometown.

NOTES

True/False

1. An advertising medium is a delivering a sales message.
True/False
2. The life of a newspaper compared with that of magazines is relatively shorter
True/False.
3. Preparation of journals magazines is not long drawn procedure.
True/False
4. Radio advertising in India was allowed only in the year 1967.
True/False
5. Inflexibility readers do have a choice.
True/False

Answer:

1. True 2. True
3. False 4. True
5. False

DEMERITS:

There are limitations in case of external advertising

(i) It is only reminder publicity:

It cannot make full use of a given argument. Within limited space it cannot make the message deeper rooted.

(ii) It qualifies the areas:

Sticking of bills becomes ugly spot certain areas give such a bad smell that one hates advertising itself.

(iii) It lacks novelty:

A poster of prototype and painted display area of same common sizes that are hardly changed over years.

(iv) It is costlier:

The media like sky writing sandwich men use of balloons and kites though novel in nature tax heavily the financial budget.

6.8 KEY TERMS:

- * Stuffers
- * Speed
- * Leisure's
- * Pictorial

6.9 SUMMARY

Advertising media and indoor outdoor advertising, direct advertising, radio, television, cinema and film. Posters, sky writing are dealt with in detail in this chapter.

6.10 MODEL QUESTIONS

SECTION - A

- 1) What is advertisements? Define Various classification of media of advertisement
- 2) Explain Indoor Advertising. What are the merits and demerits?
- 3) Explain Outdoor Advertising.

SECTION - B

- 1) Define Radio Advertising.
- 2) Define Television Advertising.
- 3) Explain Cinema Film Advertising.

STRUCTURE

- 7.0 Introduction
- 7.1 Unit objectives
- 7.2 Direct mail advertising
- 7.3 Envelop Enclosures
- 7.4 Booklets and catalogues
- 7.5 Sales letter
- 7.6 Gift Novelities
- 7.7 Display shop advertising
- 7.8 Key Terms
- 7.9 Summary
- 7.10 Model Questions

7.0 INTRODUCTION

Direct mail advertising is a way of passing the information relating to goods or service for sale, direct to potential customers through the medium of post. It is the medium employed by the advertiser to bring personal delivery.

7.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Direct mail and envelop enclosures advertising
- * The booklets, catalogues and sales letter
- * Display shop advertising

7.2 DIRECT MAIL ADVERTISING:

Direct mail advertising is a kind of medium where the readers are not expected to buy such advertisements are normally read indoors, as they sent to their personal or official addresses.

Direct advertising takes many shapes and hence different methods are introduced as follows.

7.3 ENVELOP ENCLOSURES:

The phrase envelop enclosure is quite likely to be misled where the reader takes it as any piece of paper attached to main letter. These enclosures are posted separately.

Envelope enclosure includes circulars stuffers and folders.

(i) Circulars

It is quite effective medium in producing immediate sales because it may be cut sufficiently in large size to enable the advertiser to tell the essential facts about one or more articles or products.

(ii) Stuffers

It is also an enclosure that proves a means to deliver brief sales and goodwill message.

(iii) Folders:

Folder is bigger than ordinary card or letter that is conveniently and impressively folded.

(iv) Broad sides

The broad sides are giant in size folders designed to impress by their physical and by their striking topographical and illustrative display. It may contain number of pages to continue the sales story culminated into a single larger sheet of paper.

7.4. BOOKLETS AND CATALOGUES:

Booklets and catalogues are sent to those consumers who have shown their inclination, interest in the products or service of an undertaking.

Booklet is very small book consisting of eight or more pages that are fastened with staples stitching or Glue to allow it to open as a book these can be produced in any suitable size and colors either for mailing or for easy handling by the customer.

Catalogue is quite to the booklet in physical make up, except the fact that it is larger and presents wider variety of items. It is more substantial in containing material and it can be kept for a longer period of time and, as such, it serves as a reference.

7.5 SALES LETTER

Sales letters pinpoint continues attempts to induce the prospective buyer to buy the given product or avail himself of a given service. These letters are based on "A-I-D-A" principles where A-attention -I-interest-D desire and a-action.

In order to win the hearts consumers and to build the image of the firm for a longer period, novel gifts are given to the customers.

The best examples of this kind are paperweights, blotters calenders, pens, pencils, glasses and leman sets, and piastic containers.

Store Publications:

The firms with sufficiently strong financial background publish special magazines or periodicals depicting the actual progress of the aims and targets.

Such publications are commonly known as "house organs" that are supplied by manufactures to wholesalers, retailers and large sized customers free of costs.

As compared to other forms of mail advertising these are costlier as they are to be supplied at regular intervals.

Package Inserts:

At present, all companies producing main and by products, use small leaflets which are calles as "package inserts" to encourage repeated purchases of the allied products or to invite new business for other merchandise.

The customer takes greater pride in the commodity; he or she told of the source and quality of its ingredients, of the construction and workmanship of, guarantee accompanying the product.

Merits and demerits of mail advertising:

Direct mail advertising has the merits of its own.

Merits

(i) It is highly selective

The advertiser has a wider horizon to single out those persons who are logical prospects for his products and is able to focus his advertisement matter to them alone.

(ii) It is elastic

Elasticity has a reference to the choice that an advertiser has in case of such mail advertising.

(iii) It maintains privacy:

The advertiser can maintain secrets of his success in the time, as it is not possible in case of periodicals or radio advertising except the persons to whom it is addressed.

(iv) It is personal and specific:

However direct mail publicity is personal and specific as they are addressed to individual prospects for instance, letters provide the first opportunity of taking solidly and directly to the known prospective buyers.

(v) It is punctual:

The letters are sent at home and such letters are so timed to reach the recipient at opportune moments.

Demerits**(i) It is costlier:**

A study conducted, reveals that the cost per recipient is much heavier in case of direct mails, as compared to newspaper.

(ii) It is too much selective:

As direct mailing, a special purpose medium, it works an ineffective and uneconomical, especially for a going concern:

(iii) It is less effective:

Direct mail material is cast aside impatiently, as the readers do not pay for them.

(iv) It warrants a specialized skill:

Many of the advertisers are discouraged to use this medium, as it requires a specialized skill both in preparation and handling.

7.7 DISPLAY SHOP ADVERTISING

Display shop advertising covers a wide range, of efforts on the part of advertisers that are made in and out of the shop, these efforts are hinged round the concept of display, show cases, showrooms and exhibition.

Exterior display or window display:

Windows are the face of the shop. They are of special significance, as they constitute the first impression that the establishment is to make on the clientele.

Merits of window display:

Window display has certain merits over other media of publicity, which are worthwhile to note.

- (1) It provides "at the point of purchase" impact:
- (2) Light and color touch
- (3) Direct life size presentation
- (4) It acts as a beauty mask

Interior display

Interior display is noted as one of the most significant branches of sales promotion programme in case of large-scale retail organizations.

It has caught fancy of all dealers. Glass cupboards and sunglasses show cases are arranged inside the shops.

The interior display problems differ widely, certain basic types can be visualized in case of internal displays such as open displays, close displays, top of counter displays, and miscellaneous displays like isolated and ledge displays.

Merits of Interior Displays:

- (1) it makes easier to find and buy products
- (2) it helps to sell allied products
- (3) it makes the selling house bright and attractive
- (4) it regularizes the occasional customer
- (5) it enables the store to be flexible

Show rooms and Cases

Even though the sophisticated marketing atmosphere with the latest methods of selling like sale by grades and description, still sale by inspection predominant in case of certain products-where the customers are not satisfied with newspaper or periodical publicity. They consistently insist on prior inspection. In cases of products like cars, refrigerators, furniture etc.

Show rooms are specially of the designed rooms either owned or rented to have a display of the products of a concern.

Big railway stations airports, bus stand; one finds showcases of various products.

NOTES

True or False:

1. It is the medium employed by the advertiser to bring personal delivery.

True/False

2. Elasticity has a reference to the choice that an advertiser has in case of such mail advertising.

True/False

3. It works an effective and economical, especially for a going concern.

True/False

4. Windows are the face of the shop.

True/False

5. Interior display is noted as one of the most significant branches of sales promotion programme in case of small scale retail organisations.

True/False

Answer:

1. True 2. True

3. False 4. True

5. False

NOTES

GIFT NOVELTIES:

- 1) Store Publications,
- 2) Package Inserts,

Merits:

- 1) It is highly selective,
- 2) It is elastic,
- 3) It maintains privacy,
- 4) It is personal and specific,
- 5) It is punctual,

Demerits:

- 1) It is costlier,
- 2) It is too much selective,
- 3) It is less effective,
- 4) It warrants a specialized skill

DISPLAY SHOP ADVERTISING:

- 1) Exterior display or window display,
- 2) Merits of window display:
- 3) Interior display, Merits of Interior Displays:
- 4) Show rooms and Cases,
- 5) Exhibition, Merits of Exhibitions

Merits of Show Rooms and Showcases

- (1) It acts as a place to get orders
- (2) It serves as attaining ground
- (3) It meets after sale services

Exhibition

In the modern world of business, the significance of exhibition is swinging up. An exhibition is huge fair, where many producers get together to display and portray their product to the dealers and consumers.

Exhibitions are organized by groups of producers or association of manufacturers.

Merits of Exhibitions

- (1) Display of goods
- (2) It is instructive and interesting
- (3) Unity in diversity
- (4) It is a ready market

7.8 KEY TERMS

- * Direct mail
- * Interior
- * Catalogues

7.9 SUMMARY

Direct and advertising, envelop enclosures, booklets and catalogues, sales letter, gift novelties, display shop advertising are dealt with in details in this chapter.

7.10 MODEL QUESTIONS

SECTION - A

- 1) Explain Envelop Enclosures, Booklets and Catalogues.
- 2) Explain Display shop Advertising.

SECTION - B

- 1) What is the meaning of direct mail advertising?
- 2) Discuss the merits and demerits of mail advertising?
Define Gift novelties.

STRUCTURE

- 8.0 Introduction
- 8.1 Unit objectives
- 8.2 Media information and selection
- 8.3 Media selection
- 8.4 Frame work (marketing media-vehicle choices)
- 8.5 Determining the size and timing of insertion
- 8.6 Creativing in media planning
- 8.7 Key terms
- 8.8 Summary
- 8.9 Model Questions

8.0 Introduction

Media Planning begins with effective research in media. The result of media research allow the management to make strategic decisions in media objectives, media appropriatiions and coordination with other marketing efforts. These decisions are further translated into practical areas such as budgeting, copywriting, media vehicles and scheduling. Then, they are executed. Finally, feedback helps the management to measure the effectiveness of the media vehicles.

The most important decision in developing media strategy is the selection of the media to the employed. A mistake at this point can cost a company literally millions of rupees in ineffective. Hence, care should be given while selecting the media. Media strategy must also achieve the communication goals set earlier.

8.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Media information and selection
- * The frame work and frequency
- * Determining the size and timing of insertion
- * Media scheduling and patterns of scheduling

Research

Media research is the systematic gathering recording and analysing of data about problems relating to the different media vehicles. Media manager's main task is decision-making. They have to make effective decisions and

enable their firms to solve problems as they arise. Media research involves the following five steps: 1. Problem definition 2. Research design 3. Field work 4. Data analysis and 5. Report presentation.

A research in media should identify the market target and determine its size and characteristics. Then, the market target should be matched with the audience and the effectiveness of the available media. The objective of media research is to achieve adequate media coverage without advertising beyond the identifiable limits of the potential market. Finally, alternative cost should be compared to determine the best possible media purchases. Thus, media research presents important facts, analyses them and suggests possible action in media vehicles.

Frequency and continuity

Media research is an important consumer marketing area in which most of the marketing researchers are involved in these days. The purpose of this research is to make the company's product and other messages worthy of effective reception at the consumer end so that consumers are induced to act in the manner desired by the company.

The areas of media research broadly include:

1. Determining the media coverage in the light of consumer research findings.
2. Comparing the probable effectiveness of the alternative media vehicles.
3. Selecting the media vehicles and
4. evaluating the effectiveness of the selected media vehicles.

The effectiveness of the media selected should be evaluated continuously and frequently and if necessary alternative effective media can be identified for future use. This in turn, will reduce the cost unnecessarily spent in ineffective media selected. Media research, thus, becomes essential and continuous process.

8.2 MEDIA INFORMATION AND SELECTION

Advertising media are vehicles or channels through which advertising messages are transmitted to target consumers so that the desired action may be induced at the consumer level. This necessitates a proper planning and selection of advertising media. The major managerial task in media planning and selection is to identify the kinds of media available to a business firm. It involves scanning the media market and gathering relevant information for decision-making. In India, the following major advertising media are available to a business concern.

1. Press:

Press an advertising medium, carries the advertising message in print to be read by target consumers. It includes daily newspapers and periodicals. In India, this medium is commonly used for advertisement currently, 1173 daily newspapers and 5280 weekly newspapers are published in India. These newspapers charge companies on the basis of column centimetre space used by them, they also charge premium for special positions and provide concession for space booking on contract. However these rates vary from newspaper to newspaper, Indian companies use press as an advertising medium because it offers intensive coverage and geographic selectivity. It provides flexibility to the latest development and is less expensive relative to other media.

2. Radio:

Radio provides considerable benefits as an advertising medium. In 1980, there were nearly 179 lakh radio receiving sets in India. Radio transmission is State controlled one. It consists of 86 transmitting stations out of which 31 stations broadcast the popular 'Vividh Bharati' programme of light music and songs on which commercial advertising was introduced in 1967. Radio plays an important advertising role in rural markets where print could not make a break through owing to illiteracy. It cannot illustrate the product. There are greater possibilities of waste in transmission owing to neglect by audience.

3. Cinema:

Cinema is an audio-visual medium of communication. It offers opportunities to advertisers to screen commercial films and slides produced by them. In India, there are nearly 7000 cinema houses and 3500 touring cinemas. In cinema, the audience is sure to see the commercial advertising and is not left loose. This offers selectivity and flexibility and reaches all the district headquarters and rural areas. It is relevant for advertising consumer products and farm inputs.

4. Television:

Television is of recent origin and is known as 'Doordarshan' in India. It is state-controlled one. In Delhi, the first television centre was set up in 1959. Commercial Advertising was introduced from January 1 1976 onwards. Television makes full use of sight, sound and motion and thereby maximises

impact on audience. Like radio, it also offers both selectivity and flexibility in programme timings, themes and choice of geographic areas. It holds great advantage despite its heavy cost.

5. Outdoor:

Outdoor advertisements consist of posters and displays-painted, printed and electric. Among these, poster is commonly used. The media used in outdoor category also includes streamers, growers dispensers, transfers, stickers or hangers. Neon signs and other electric displays are used by companies. It offers considerable selectivity and flexibility in terms of market coverage and appeals to suit the unique needs of a company.

6. Folk-media:

It provides an excellent way of transmitting advertising messages. Folk-media includes fairs, music shows, puppet shows, mobile or stationery theatre groups. Fairs are periodic gathering of people at a place to celebrate an occasion may be social, religious or cultural where goods and services are purchased and sold. These fairs are normally organised in the first four months of the year (Jan- April). During this period, rural people are relatively free from agricultural activity and have sufficient money to spend. These fairs provide an opportunity to screen films or demonstrate products so as to induce the desired action at the consumer level. Because people visiting fairs are more receptive to different messages owing to their relaxed mood. While using this media, the product range advertised will have to be narrow and with low unit value.

Music shows are used to advertise products. It creates awareness of the existence of the products. Puppet shows are being used to propagate concepts such as family planning, life insurance and fertilizer use etc.

7. Direct-Mail Advertising:

The advertiser sends advertising messages direct to target consumers by mail. The messages are in variety of forms, say letters, circulars, catalogues, folders, brochures etc. The messages given are to be informative, persuasive, reminding or utility oriented, identification of prospectus and preparation of the mailing list are the jobs on which its success or failure depends, it is comparatively expensive medium.

8.3 MEDIA SELECTION

The selection of the major media categories will be examined first and then the selection of specific media vehicles within this categories. The extent to which the firm should use the major media depends on at least three factors.

Media habits:

The target audiences media habits are the first factor to consider in the media selection example; a company producing toys for preschoolers can make more effective advertisements in Television than in newspapers, magazines and radio.

Product:

The product is another important factor. The major medias have different potentialities for demonstration, visualisation, explanation, believability and colour.

Cost:

The cost of the different media is a third factor. Television is a very expensive medium, whereas newspaper advertising is less expensive. The cost of using a full page of magazine space is calculated as follows.

$$\text{Cost per 1000} = \frac{\text{Page rate} \times 1000}{\text{Circulation of magazine}}$$

The cost of reaching 1 million readers with one agate line of advertising is calculated as follows:

$$\text{Million Rate} = \frac{\text{Again Line Rate} \times 1000}{\text{Circulation of Newspaper}}$$

Agate Line - There are 14 in space one column wide and one inch deep.

Media Plan

The Management should consider the following factors for the planning of media choices.

1. Product:

The product nature determines the media choices. Cinema, Television and colour periodicals would be the choice for fabric products. Radio and television are not available for cigarettes and liquor. The management therefore should develop a product media while making media decisions.

2. Market:

While selecting advertising media, the company's market requirements should be considered. For example, specialised, high fashion, colour magazines

NOTES

**MEDIA
INFORMATION
AND
SELECTION:**

- 1) Press,
- 2) Radio,
- 3) Cinema,
- 4) Television,
- 5) Outdoor,
- 6) Folk-media,
- 7) Direct-Mail Advertising

would be the proper medium for consumers with high income levels. Similarly, outdoor media would be appropriate, when consumer action is to be induced at the point of purchase.

3. Distribution strategy:

The advertising media should be agreeing with the distribution strategy adopted by the company. For example, if the company is selling through dealers, then outdoor advertising duly supplemented by cinema and radio may be helpful to pull the product out of channel.

4. Advertising objectives:

The advertising objectives determine the type of media to be selected. For example, press is a preferred medium to expose corporate image and radio and television are proper for product advertising.

5. Advertising Message and Appeals:

The nature of advertising message and appeal determine the advertising media for a company. For example, when colour is an essential element of the advertisement copy, the choice is magazine, cinema and colour TV whereas if times is the essence of communication, daily press and radio may be relevant.

6. Budget:

There can be proper media selection unless the resource constraint is taken into account. Management of a company cannot forget the fact that advertising appropriation is always given and all media choices have to be within its limits.

7. Industry choices:

A company should take into account the wisdom of competitors' media choices inspite of differences in advertising objectives and appropriations.

8. Media availability:

The question of media availability is quite relevant while considering media alternatives because not all media are available to a company whenever required. Space availability in national dailies was a real problem in 1973 and 1974 owing to acute newsprint shortage. The future is no brighter even today. Radio is nearing saturation and cinema cannot in the short term increase its

capacity beyond a certain limit. Media planners in the advertising business face a new challenge owing to the paucity of media availability. A company has to contend with what is available.

8.4 FRAME WORK [MARKETING MEDIA - VEHICLE CHOICES]

Having identified the relevant advertising media of a company, the subsequent managerial task is to evaluate each media vehicles against certain criteria so that the vehicle is appropriate. Media vehicle means member of the medium's family. Indian express is a vehicle; a member of the family of national press in India. Some of the major vehicle evaluation criteria include the following:

•
1. Coverage:

Coverage refers to the number of message outlets provides by the media vehicles. When the media vehicle provides larger coverages, the chances of message exposure to consumers is also greater. A vehicle which provides larger coverage should be more acceptable.

2. Reach:

Reach refers to the media vehicle's access to different homes or individuals over a given period of time. In case of press it is indicated by readership which is arrived at by multiplying circulation of the paper with the average number of readers per copy. Reach is a better measure of a vehicle's effectiveness because it indicates the actual potential of consumer exposure to the advertising message.

3. Consumer confidence:

Consumer confidence refers to the credibility of media in the mind of target consumers. It is a relevant criteria for evaluating a vehicle since the credibility of advertising message is positively related to the media vehicle's credibility. As there paucity of data and information about this criterion, it is difficult to apply it. However, in India, a recent study revealed that newspapers and magazines are considered to be the most credible of all media, scoring high on usefulness and information.

4. Cost:

Cost refers to the money spent on using a particular vehicles. In case of press, the rates are quoted by newspapers and magazines in terms of column centimetres and page respectively, while in the case of radio and TV, the rates are quoted in terms of time consumed.

Media Mix

The market diversities in terms of consumer preferences, competitive pressures, media availability etc., often necessitate the development of a media-mix so as to match these diversities and maximise the message impact. It is called 'multi-media strategy'.

The company's total advertising appropriation should be so distributed among different media choices that the marginal returns from each type are all equal. It means that the last rupee spent on any selected vehicle should produce the same rupee return as the last rupee spent on any other media vehicle. This concept may be specified by the following three steps:

1. Media-wise collection of past expenditure data;
2. Analysis of data, together with data on sales results so as to obtain accurate representations of the net returns curves for each type of medium and
3. Successive adjustment of budget allocation to different media so that the slopes of the several net returns curves tend to equalise.

The last step indicates the repeated trial approach in which one starts with a given feasible allocation, tests it to discover profitable changes and makes changes leading to a rise in the net returns. When the possibility of further profitable changes ceases, one arrives at the optimum allocation of funds representing the optimum media-mix.

Computerised Media-selection

Advertising agencies use computers for a programming and developing their advertising media plan. There are three different types of computer programme models in use.

Linear Programming

Linear programming appears like a natural format for analysing the media-selection problem. It is used to discover the media-mix and maximise the number of effective exposures subject to a set of constraints.

Linear programming is a mathematical solution technique used to find the precise optimum solution to the problems. The problems unfortunately contains a number of artificialities. There are four limitations in linear programming.

1. It assumes that repeat exposures have a constant marginal effect.
2. It assumes constant media costs and no discounts.

3. It cannot handle the problem of audience duplication, and
4. It fails, to say anything about the schedule of advertisement.

Heuristic Programming

The basic idea of this programme is to start with the media available in the first week of the year and select the single best buy. After the selection, the remaining media choices are re-evaluated to take into account audience duplication and potential media discounts. A second selection is made for the same week if the achieved exposure rate for the week is below the optimal rate. This continues until the optimal exposure rate for the week is reached at which point new media choices are considered for the following week. This cycling process continues until the year's schedule is completed.

This sequential procedure has four advantages:

1. It develops a schedule simultaneously with the selection of media.
2. It handles the audience-duplication problem.
3. It handles the media-discount problem and
4. It incorporates theoretically important variable such as brand-switching rates multiple exposure coefficients.

Simulation Model

This model estimates the exposure value of any given media plan. Under this model, each 'individuals' media choices are determined probabilistically as a function of his socio-economic characteristics. A particular media schedule is exposed to all the persons in this hypothetical population. The computer tabulates the number and type of people being exposed. Summary graphs and tables are prepared at the end of the hypothetical year's run and they supply a multidimensional picture of the schedule's probable impact. The advertiser examines these tabulations and decides whether the audience profile and the reach and frequency characteristics of the proposed media schedule are satisfactory.

Its major limitations are 1. Simulation normally does not include an overall effectiveness function 2. It lacks a procedure for finding better schedules and 3. The representatives of the hypothetical population is always suspect.

8.5 DETERMINING THE SIZE AND TIMING OF INSERTION

Each year the firm must decide how much to spend on advertising. The four common methods are described below.

**FRAME WORK
[MARKETING
MEDIA - VEHICLE
CHOICES]:**

- 1) Coverage,
- 2) Reach,
- 3) Consumer confidence.
- 4) Cost,
- 5) Media Mix,
- 6) Computerised Media-selection,
- 7) Linear Programming,
- 8) Heuristic Programming.
- 9) Simulation Model

Affordable method:

Many companies set the advertising budget on the basis of what they think the company can afford. Setting budget in this manner is equivalent to say that the relationship between advertising expenditure and sales turnover is at best tenuous. If the company has enough funds, it should spend them on advertising as a form of insurance. The weakness of this method is that leads to a flouting advertising budget makes it difficult to plan for long-range market development.

Percentage of sales method:

Many companies set their advertising expenditures at a specified percentage of sales or of the sales price. This method encourages management to think in terms of the relationship between advertising cost, selling price and profit per unit. This method also encourages competitive stability to the extent that competing firms spend approximately the same percentage of their sales on advertising.

Competitive-Parity method:

Some companies set their advertising budgets specifically to match competitors outlays- i.e., to maintain competitive parity. Advertising reputations, resources and objectives are likely to differ among companies that their budgets are hardly a guide for another firm to follow.

Objective and task method

Under this method, the advertiser develops his budget by

1. defining his advertising objectives and specifically as possible.
2. determining the task must be performed to achieve these objectives and
3. estimating the costs of performing these tasks.

The sum of these costs is the proposed advertising budget. This method has strong appeal and popularity among advertisers. The limitation is that it does not indicate how the objectives themselves should be chosen and whether they are worth the cost of attaining them.

Timing of insertion

A major advertising decision involves the timings of advertising expenditures throughout the year. We shall distinguish between the macroscheduling problem and the microscheduling problem.

Macro Scheduling Problem:

The problem involves describing how to allocate advertising expenditures over the year in response to the seasonal pattern of industry sales. The vast majority of the firms tend to pursue a policy of seasonal rather than constant advertising. The firm faces options. It has to decide whether its advertising expenditures should lead or coincide with seasonal sales. It has to decide whether its advertising expenditures should be more intense, proportional or less intense than the seasonal amplitude of sales. It would be better to 'time' advertising to lead the sales curve. The peak in advertising expenditures should come before the expected peak in sales, and the trough in advertising expenditures should come before the trough sales. This is also insisted by Forrester and Kuehn.

Microscheduling Problem:

This problem involves how to allocate a set of advertising exposures over a short period of time to obtain the maximum impact. The timing pattern should take into account three general factors, buyer turnover, purchase frequency and forgetting rate. When these items fetch high counts, the advertising should be continuous. When it is low, the advertising need not be continuous or repetitive.

A high number of repetitions may be a waste if they do not bring about any further increase in awareness, message familiarity. It is harmful if they bring about boredom or irritation.

Determining the reach and frequency

Good planning and control of advertising depend critically on measures of advertising effectiveness. Most of the measurement of advertising effectiveness is of an applied nature dealing with specific advertisement and campaigns. Of the applied part, most of the money is spent by agencies on pretesting the given advertisement before launching it into national circulation. Relatively less amount is spent on post testing the effect of given advertisements and campaigns. There are two ways of measuring advertising effectiveness.

Communication-effect research: It seeks to discover whether the advertising is achieving the intended communication effects. There are various ways to evaluate the communication effectiveness of an individual advertising. Copy testing can be done before an advertising is put into actual media and after it has been printed or broadcast. The purpose of advertising pretesting is to make improvements in the advertising copy to the fullest extent possible prior to its release. There are three major methods of advertising pretesting.

1. Direct ratings:

A panel of target consumers/advertising experts examine alternative advertisements and fill out rating questionnaires. Here the person evaluates the advertising's attention strength, read-through strength, cognitive strength, affective strength and behavioural strength, assigning a number of points up to a maximum in each case. The underlying theory is that an effective advertising must score high on all these properties if it is ultimately to stimulate buying action. This method helps to screen out poor advertisements and is less reliable.

2. Portfolio tests:

Here respondents are given a dummy portfolio of advertisements and asked to take them as much time as they want to read them. After putting them down, the respondents are asked to recall the advertisements they saw. The results are taken to indicate an advertisement's ability to stand out and its intended message to be understood.

3. Laboratory tests:

Some researchers assess the potential effect of an advertising through measuring physiological reactions - heart beat, blood pressure, pupil dilation, perspiration. These physiological tests at best measure the attention-getting and arousing power of an advertisement.

There are two popular advertising post testing methods. The purpose of advertising post testing is to assess the actual communication impact of the advertising after it has appeared in media:

1. Recall tests:

Recall tests involve finding persons who are regular users of media vehicle and asking them to recall advertisers and products contained in the issue under study. They are asked to recall everything they can remember. Recall scores are prepared on the basis of their responses and are used to indicate the power of advertisements to be noticed and retained.

2. Recognition tests:

Recognition tests call for sampling the readers of a given issue of a magazine, asking to point out what they recognise as having seen and or read.

It should be noted that most of these efforts rate the attention rate the attention and comprehension of the advertisements and not necessarily its impact on attitude or behaviour.

Sales - effect research:

Efforts to measure the sales impact of advertising usually follow one of two approaches.

The historical approach involves the researcher in fitting past company sales to past company advertising expenditures on a current data basis using least-squares regression. Simply regression usually leads to unsatisfactory or suspect results and the researcher tries to introduce additional variables that might explain the behaviour of past sales.

Under the experimental design approach, the company chooses a set of matched markets which normally receive the same advertising expenditure rate. During the experimental period, the company spends, certain percentage more than the normal amount in some areas, the above said percentages less in another set of areas, and the normal amount in the remaining set of areas. At the end of the experimental period, the company determines the average sales gains and losses due to additional versus reduced advertising spending.

8.6 CREATIVITY IN MEDIA PLANNING

The actual preparation of the media planning demands creativity of a high order, it is difficult to evaluate creativity quantitatively. The actual advertisements are produced by advertising creative people - the copy writers and artists - but the overall qualitative evaluation and approval of their media are the responsibilities of the advertiser's marketing and advertising executives.

Creativity comes out of a combination of inspiration, perspiration and method. Several scientific techniques have been developed to help individuals and groups generate better ideas.

Attribute listing:

This technique involves listing the attributes of media and then modifying different attributes in the search for a new combination that will improve the media.

Forced relationships:

This techniques relies upon listing a lot of ideas and then considering each one in relation to every other one as a means of speaking new ideas.

Morphological analysis:

This method consists of singling out the most important dimensions of a problem and then examing all the relationships between them.

Brainstorming:

Persons can be stimulated to greater creativity through certain forms of organised group exercise. This is called Brainstorming. A brainstorming session is held for the sole purpose of producing a lot of ideas in media planning. Generally, the group size is limited to between six and ten. It is not good idea to include too many experts in the group, because they look at the problem in a stereotyped way. The problem should be made as specific as possible and there should be only one problem. The session should last about an hour and may be held during morning time.

Media Scheduling and patterns of scheduling

A media schedule is a time bound detail of advertisements with reference of the media chosen. It reflects the total audience coverage, the frequency with which the target consumers view the advertising message and the continuity or the period of time over which an opportunity for exposure is available. All these factors are interrelated and are to be considered and weighted while developing the media schedule.

Wave theory:

The advertiser purchases time and space in various media for a relatively short time and moves in and out of these media in waves in the hope that the impact of his advertising will carry over from the periods of heavy concentration to those of no advertising. This theory sacrifices continuity and builds up coverage and frequency.

Media dominance theory

The advertiser buys an unusually large amount of space in one medium after having built up the coverage in that medium, he shifts to another medium for a short period. Thus at a given time, the advertiser saturates one medium.

Media concentration theory

This theory concentrates on one medium rather than spending funds on more media for a short period.

8.7 KEY TERMS

- * Heuristic
- * Simulation
- * Folk-media
- * Affordable

8.8 SUMMARY

Media planning, media selection, frame work, size and timing insertion, creativity in media planning one dealt with in detail in this chapter.

8.9 MODEL QUESTIONS

SECTION - A

- 1) Explain the factors to be considered for selecting a best media.
- 2) Define Frame Work.
- 3) Explain: Determining the size and timing of insertion.

SECTUION - B

- 1) Explain the various steps involved in media.
- 2) Explain the various advertising media available to a business concern?
- 3) Explain the various advertising media available to a business concern.
- 4) What do you know about the computerised media selection?

NOTES

True/False

1. Media research is the systematic gathering recording and analysing of data about problems relating to the different media vehicles.
True/False
2. Comparing the probable effectiveness of the alternative media vehicles.
True/False
3. It provides flexibility to the latest development and is less expensive relative to other media.
True/False
4. Ratio plays an important advertising role in rural markets where print could make a break through owing to interacy.
True/False
5. Product magic shows are used to advertise products.
True/False

Answer:

1. True 2. True
3. True 4. False
5. True

Lesson 9 - SALES FORCE

STRUCTURE

- 9.0 Introduction
- 9.1 Unit objectives
- 9.2 Sales force
- 9.3 Significance of sales force
- 9.4 Key terms
- 9.5 Summary
- 9.6 Model Questions

9.0 INTRODUCTION

Sales are part and parcel of the general business organization of the firm. It cannot be regarded as a separate unit itself. Sales are that framework of relations wherein the functions related with profitable sales are carefully and consciously planned and co-ordinate as to place the products in the hands of final users.

9.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * The need for management of sales force.
- * Significance of sales force.

9.2 SALES FORCE

Sales is one that covers within its folds, human beings working together for the effective marketing of products manufactured by the under taking or the products purchased for resale.

9.3 SIGNIFICANCE OF SALES FORCE

A wise professor has expressed sales are the lifeblood of business. One must agree over this, as it is true on the following grounds.

Sales are the Avenues of Revenue

The sales price is inclusive of the amount of profit, therefore, larger the extent of sales, more would be the amount of profits for panting and pains taking organization.

Sales are the symbol of efficiency

Just as circulating blood keeps the body active and vivid, it shows whether the activities of the body are going on well or ill.

SALES ARE SELF-GENERATING ONE

Blood is not imported into the body, it generates out of the autonomous working of the system. Sales are self-generating in the sense that the original sales efforts make or mar the future sales tempo.

The need for management of sale force.

(i) To plan the purchases:

The sales are depending on the needs and moods of market i.e., people. Product planning and development is almost a necessity. To plan the purchases or fabrication in terms of different assortments, an organization or group of people is needed.

(ii) To create demand pattern for products:

Goods are not sold themselves, somebody must be there to push them from the shelves of shops to the bags of consumers. Salesman can do it directly; so it is indirectly the process of publicity.

(iii) To handle the others received:

Sales routine or selling routine calls for specialized tasks of receiving enquiries, entertaining them with latest quotations-appealing for orders-receiving the valuable orders-packing the goods as per requirement- preparing invoice dispatching them as per the instruction of buyign houses.

(iv) To collect the dues:

Credit sales warnat careful handling because, selling house is to collect the dues but keep the customers as they are finally referred as milking cows.

(v) To reconcile the complaints:

Complaints are to be heard, analyzed and are to be adjusted. It is of importance because, public relations are to create good image of the firm in the hearts of consumers.

(vi) To handle the tasks of personnel management:

Management of sales force demands first of all building of sales force that is geared to the needs of the organization. These responsible tasks call for entailed procedure for selection training promotions-remuneration controlling of sales force.

There are many ways, by which the goods can be pushed into the hands of consumers-personal selling, advertising, sales promotion at tools etc. Of these, personal selling has many advantages in reaching aimed goal the word 'salesman' applies to all persons who are engaged in the field of setting, a sales-man has to carry out the following duties.

NOTES

True/False

1. It can be regarded as a separate unit itself.

True/False

2. Blood is imported into the body.

True/False

3. Searching for customers is one of his duties.

True/False

4. Management of sales force demands fires of all building of sales force that is geared to the needs of the organisation.

True/False

5. Successful salesman cannot satisfy both the customers and sales management.

True/False

Answer:

1. False 2. True
3. True 4. True
5. False

NOTES

SIGNIFICANCE OF SALES FORCE:

- 1) Sales are the
Avenues of
Revenue.
 - 2) Sales are the symbol
of efficiency.
- ### SALES ARE SELF- GENERATING ONE:
- 1) To plan the purchases,
 - 2) To create demand
pattern for products,
 - 3) To handle the others
received.
 - 4) To collect the dues,
 - 5) To reconcile the
complaints.
 - 6) To handle the tasks
of personnel
management.

1. He must acquire the knowledge of the basic needs to be satisfied through products or services.
2. Prospecting i.e., searching for customers is one of his duties.
3. He provides information to the producer and consumers co-ordination.
4. He must hold enough stocks to resell.
5. He must arrange for the display of products.
6. He has to maintain the purchase and sales account.
7. He must prepare sales slips.
8. He takes periodic stock inventories.
9. He assists customers in the selection of products.
10. He handles complaints

In modern marketing, it is the main job of the sales management to recruit effective and efficient personnel to serve the customers and the firm i.e. he must be prospect minded and sales minded. A successful salesman can satisfy both the customers and sales management.

9.4 KEY TERMS

- * Sales routine
- * Complaints
- * Circulating

9.5 SUMMARY

Sales force, significance of sales force, need for management of sales force, handle the tasks of personnel management one dealt within details in this chapter.

9.6 MODEL QUESTIONS

SECTION - A

- 1) Discuss the significants and need for management of Sales force.

SECTION - B

- 1) How to handle the tasks of personnel management.

STRUCTURE

- 10.0 Introduction
- 10.1 Unit objectives
- 10.2 Essential qualities of an efficient sales manager
- 10.3 Functions of a sales managers
- 10.4 Key terms
- 10.5 Summary
- 10.6 Model Questions

10.0 INTRODUCTION

Sales manager is the hub of sales administrative set up. He occupies a place of pivotal importance. He is a member of chamber of executives. He is a person who steers the wheels of sales organization. Manager is that person who manages or gets the work done through others. Management is the crucial task comprising of functions of planning, directing, organizing, co-ordination, controlling, motivating and communicating. Therefore, sales manager is that personality that embraces all those functions, so far as.

Sales organization is concerned.

10.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Essential qualities of an efficient sales manager
- * Functions of a sales manager
- * Determining selection and placement of salesmen

10.2 ESSENTIAL QUALITIES OF AN EFFICIENT SALES MANAGER

Being a responsible officer, he must be true to his profession, guaranteed by his ability, guarded by business acumen and with a grappling of knowledge of propulsive type. Experts have explained certain qualities to be possessed by such a sales manager to shine in this line; to make his sales career colourful and gleaming one. Accordingly, he should possess the essential qualities or traits that can be broadly divided into four categories such as, physical, mental, character and intellectual

A. PHYSICAL TRAITS**(i) Sound-Health**

Sound health is the base of his physical appearance or personality. He is a man of vision, thought and action, and he is to discharge heavy duties and responsibilities.

(ii) Vitality and endurance:

Vitality is the active strength and effective energy that helps a good deal in having and developing resistance. Sales manager is essentially a hard worker, even though his intellectual is not questioned.

B. PSYCHOLOGICAL OR MENTAL QUALITIES**(i) Personal magnetism:**

Personal magnetism is the power to attract others and to win their confidence and command respect than demanding. A sales manager is capable of attracting others, because of his department or temperament.

(ii) Co-operation:

If at all, he is a good sales manager, spirit of co-operation is spontaneous in him. He is to plan direct communicate control motivate his task men resources whose success depends on mutual co-operation from others.

(iii) Ability to Inspire:

Employees left alone with products, and techniques of selling they will not do best. Sales force is to be motivated or stimulated to new heights to better their performance.

(iv) Forcefulness:

It is the power of effective action of dashing nature. His earing and fortitude type of stand is one that is liked by others and as such he becomes an apple of eye.

(v) Tact:

Tact is the mental awareness as to avoid disappointment and dissatisfaction. It is something that he is recognizing his employees without a pride of superiority complex.

(vi) Humanism:

Humanism is that quality that stands for understanding others as meaningful and important. Sales manager elevates himself to a height of command and respect, as he always believes in you attitude than I attitude.

(vii) Self-Discipline

Organization is the structure of relations between men, materials divisions and warrants a strict discipline to have group activities.

C. INTELLECTUAL QUALITIES:**(i) Mental capacity:**

An individual has a strong mental capacity, when he enjoys an original bent of comprehension and application of knowledge. He has a sound knowledge of salesmanship and management psychology public speaking market research statistics economics finance accounting and the like.

(ii) Sound-judgment:

Correct assessment of variables well in advance of their occurrence to arrive at a sound decision is considered to be the trait of sound judgment.

(iii) Receptiveness:

Sales manager is not a boss. He is not to dictate or control recklessly his subordinates. He receives or welcomes the idea of his men and later unfolds his impressions.

(iv) Ability to teach:

Teaching or communicating his ideas will depend on his style, ability, mastery over language, depth of knowledge, clarity of thoughts, expression etc.

10.3 FUNCTIONS OF A SALES MANAGERS:

The functions of a sales manager differ widely, from company to company depending on the size and nature of business conducted.

(i) Planning for future:

To plan is to look ahead. Setting of targets or objectives is the crux of planning that involves much thinking foresight and sound judgment. He is to plan for the long-range sales operations in consultation with top sales executives. It involves decisions regarding the area of marketing nature and number of products to be distributed and the sales policy to be adopted. Sales budgeting are the instrument of planning that gives item wise product wise territory wise sales for the years to come.

NOTES

ESSENTIAL QUALITIES OF AN EFFICIENT SALES MANAGER:

A. PHYSICAL

TRAITS:

- 1) Sound-Health.
- 2) Vitality and endurance.

B. PSYCHOLOGICAL

OR MENTAL

QUALITIES:

- 1) Personal magnetism.
- 2) Co-operation.
- 3) Ability to Inspire.
- 4) Forcefulness.
- 5) Tact.
- 6) Humanism.
- 7) Self-Discipline.

C. INTELLECTUAL

QUALITIES:

- 1) Mental capacity.
- 2) Sound-judgment.
- 3) Receptiveness.
- 4) Ability to teach:

(ii) Advising the top management:

He is to account for closing of branches that are not doing well and recommending the cases of those branches, which are doing well. Opening of new branched involves the detailed study about layout of branch, location, staff pattern likely sales extent of competitive strength of rivals etc. he is to give ideas about expansion programming and his contributions as to how to make the programme a success.

(iii) Selection and placement of salesmen:

Successful sales organization warrants the selection of men Scientific selection is a rigorous process or a hurdle race designed by a sales manager, which is to be won by the salesmen. Selection procedure embraces minute elements like calling for applications, sorting them calling the candidates for interview, testing them conducting medical examination and a final interview and appointment.

(iv) Training the sales force:

Motivation and morale are the basic purposes of training. Training increases employee's productivity, standardizes working procedure for the sales force reduces personnel turnover and provides with a reservoir of trained and experienced men. A good plan of training embraces management supervising sales and service personnel in sales organization.

(v) Compensating the sales personnel:

Sound employer and employee relation act as the basement for total triumph of sales organization. Sales manager is to decide the compensation policy that is attractive and workable. Promotions, transfers, from the part of this compensation programme.

(vi) Organizing the sales organization:

In involves a critical study of actual requirements of organization, division of it into a viable department designing the lines of authority and responsibility and delegation of authorities to the subordinates to get going he is expected to draw an organization chart which explains clearly as to vertical horizontal intra and inter department relations.

(vii) Direction and co-ordination

Sales manager has a selected band of sales executives, assistants, salesmen clerical staff who may not do well in absence of direction. Direction makes the performance an exceptional success as latent talents are properly channelized it is the function of bettering the performance.

(viii) Controlling the activities of employees:

When sales force is provided with the quality products equipments properly compensated one expects the best results. Control of sales activities occupies a central place in the programme of sales management.

(ix) Designing viable sales policy:

Sales policies are nothing but a line of action followed over a period of time to maximize the sales at minimum cost. It is the foundation for marketing of goods. A sales policy should take into account discount price terms of payment way of distribution and extent of publicity types of products types of customers, extent of competition etc. as they are responsible for its effective implementation.

(x) To meet challenging tasks of publicity and display:

Publicity and sales promotion activities are of paramount importance in assisting the sales force. Sales promotion calls for display both interior and exterior and other aspects of it are services to dealers, sales correspondence, giving of incentive to dealers and consumers are to be studied, analyzed to have a comprehensive and viable approach.

10.4 KEY TERMS

- * Intellectual
- * Receptiveness
- * Ability
- * Sound-health

10.5 SUMMARY

Sales managers, essentials, qualities, efficient of sales managers, physical traits, intellectual qualities, functions of a sales managers, one dealt with in detail in this chapter.

10.6 MODEL QUESTIONS

SECTION-A

- 1) What are the qualities of a good sales manager?
- 2) Explain functions of sales manager.

SECTION - B

- 1) What are the various physical traits?

NOTES

True or False:

1. Sound health is the base of his physical appearance or personality.
True/False
2. Sales manager is essentially a hard worker, even though his intellectual is questioned.
True/False
3. Sales force is to be motivated or stimulated to new heights to better their performance.
True/False
4. He is to dictate or control recklessly his subordinates.
True/False
5. Publicity and sales promotion activities are of paramount importance in assisting.
True/False

Answer:

1. True 2. False
3. True 4. False
5. True

Lesson 11 - RECRUITMENT AND SELECTION OF SALESMAN

STRUCTURE

- 11.0 Introduction
- 11.1 Unit objectives
- 11.2 Importance of sound recruitments policy
- 11.3 Steps in recruitment
- 11.4 Selections of candidates
- 11.5 Key terms
- 11.6 Summary
- 11.7 Model Questions

11.0 INTRODUCTION

Recruitment and selection are closely related terms. Recruitment is the process by which prospective candidates are found out and encouraged to apply; on the other hand selection is the process of choosing some out of the total large reserve so provided by recruitment selection is the process of veering out or rejecting unfits or misfits.

Recruitment or hiring of salesman is an endless job. Continuous recruitment is essential, because a sales manager with foresight and imagination does not desire to catch napping for any kind of depletion in sales army to take place.

11.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Importance of sound recruitment policy
- * Procedure of recruitment is based on sound principles
- * Selection of candidates

A. To replace the gaps created:

With the passage of time salesmen resigns retires or get promoted and therefore they create vacancies after their departure from the firm. These vacancies are to be filled in with immediate effect.

B. To match the expansion programmes:

The future may make such an atmosphere where expansion programme will mean opening of number of branches over a larger sales territory, which involves employment of salesmen in hundreds.

11.2 IMPORTANCE OF SOUND RECRUITMENT POLICY:

Unsound recruitment leads to unsound hiring of salesmen and ultimately it results into a high cost for a concern indirectly. If recruitment policy goes off the purpose right man for right post unfits unsatisfactory salesmen replace the good one. Such salesmen make unfortunate and hence costly decision, as they have to be delegated by certain authorities. Unsatisfactory sales force leads to lower sales volume discouraging profits. This harms the interests of the salesmen and sales manager.

11.3 STEPS IN RECRUITMENT

The whole procedure of recruitment is based on sound principles it comprises of the essential steps namely (A) job analysis, (B) personnel analysis, (C) character recruitment, (D) scientific selection-out of the large reservoir provided by recruitment and (E) giving appointment order.

A. Job Analysis:

Job analysis is the study of what the salesman is to do how he is to do. It is to decide or determine the duties the responsibilities the activities and the assignments under which a salesman is called upon to work.

B. Man analysis or personnel analysis:

If job analysis leads to job description the latter is followed by job specification job description tells what is expected of him. If the expected work is to be turned out he should have certain qualification characteristic of his own that guarantee the success. Human characteristics influence the success or the failure in performing a particular job because certain qualities are essential to execute the work most satisfactorily job specification that decides his qualifications and qualities as required on an average will normally relate to physical mental environmental experience and personality of standard salesmen.

C. Tapping the sources of recruitment:

Sales manager is expected to identify quite a good number of sources, to make the selection of men based on right man for the right post. The recruitment sources that he identifies and taps are of two types namely internal external.

(a) Internal sources:

The promising youngsters can be selected from departments of accounts correspondence warehousing etc. Such a policy has merits such as reliable, loyal staff and improved performance as their abilities are recognized. There are two internal sources open.

(i) Employment by promotion:

When the employees are rendering honest and sincere in a particular line of the organization they feel enlightened elevated recognized if they are promoted to some lucrative line activity.

(ii) Re-employment of former employee:

It is another source of excellence. In case of those candidates whose past records are clean and sound can be called back to original work atmosphere, in case they are willing. Employment of such persons reduces the heavy and in tangible cost of training labour turnover etc.

(b) External Sources:

External sources are wide spread to meet the needs of recruitment and selection.

(i) Recommended cases:

When an employee tries to introduce and recommend the cases of his friends, it is assumed that he is providing the appropriate person. As he is likely to be blamed in case the candidate does not fit in well for the vacancy.

(ii) College or school:

It is almost an accepted practice in refined countries like America. The heads of schools, colleges and university departments are better placed to recommend the cases of students whose record has been sound and that are promising.

(iii) Competing firms:

The salesmen employed by competitors are tempted by the needy selling house, by offering higher start in scale and other amenities that the competitors fail to provide.

(iv) Non-competing firms:

An employee has basic foundations of an efficient salesmanship and he finds no difficulty in switching over to other lines. With wise contacts established with customers.

(v) Advertisement:

Advertisements given in newspapers and trade journals can be considered as assured source of manpower supply. The advertisement specifies requirements and requisite qualifications needed. Companies fall back upon this medium in case of acute shortages.

(vi) Self offers:

A reputed concern may receive voluntary applications appealing to the employers to consider their cases based on qualifications and past experience.

(vii) Employment exchange:

Employment exchange is the agency between the employers and employees may be public or privately managed. Employment agencies play a pivotal part in advanced nations, as they undertake the crucial work of assessing the real worth and as such, the employer can absorb them directly trusting the standard agencies.

(viii) Company customers:

On certain occasions even the customers of the firm may be recruited as salesman. There are certain persons gifted with talents, but have no opportunity to exhibit such extra-ordinary possessions. These customers who have greater and deeper knowledge about products as they have been using, will be able to accept the challenging job of a salesman.

11.4 SELECTION OF CANDIDATES:

It is that set of selection activities that divide the total candidates into two classes as those who are likely to be approved and those who are to be rejected being unable to fit in well in the plan of a sales manager. Selection that has its own merits if done on certain principles requires a procedure such procedure changes from concern depending on the internal policies. The steps of selection procedure are as follows.

(1) Application blank, (2) References, (3) Personal interview, (4) Psychological tests, (5) Medical examination and (6) Final interview.

STEPS IN RECRUITMENT:

- 1) Job Analysis.
- 2) Man analysis or personnel analysis.
- 3) Tapping the sources of recruitment:
 - (a) Internal sources:
 - 1) Employment by promotion.
 - 2) Re-employment of former employee.
 - (b) External Sources:
 - 1) Recommended cases.
 - 2) College or school.
 - 3) Competing firms.
 - 4) Non-competing firms.
 - 5) Advertisement.
 - 6) Self offers.
 - 7) Employment exchange.
 - 8) Company customers

(1) Application blank:

The first step in a standard selection procedure is to get candidates qualifications on paper. The application blank is a written formal application submitted by the person in quest of a job. The application that is a set of specially designed question showers round five important points, namely health character industry knowledge and previous sales records. The object of this application blank is to get the candidate introduced to the interview so that the interviewer is in a position to prepare him as to what kinds of questions he is to ask to size up the candidate.

(2) References:

It is the common practice followed to ask the applicant to give a number of references to understand the integrity of the candidate. Reference relates to his character his educational career or his past service or experience. The sales manager is to get the confidential reports about the candidate and is to check and compare the statements made by the candidate and referees.

(3) Personal Interview (Preliminary)

The interview is by far the most important part of the selection procedure. The panel of experts decides the number of candidates to be called for interview and cards are to be sent to the candidates to attend the required interview. The purpose of interview is to form the opinion of applicants appearance bearing poise voice resorcefulness and philosophy of selling.

(4) Psychological testing:

Testing represents an additional tool in the kit bag of selection panel. The test creates a situation in which the applicant reacts; such reactions are considered as useful samples of his behavior in the work for which he is applying. The fundamentals of testing salesmen are commonly consiedred under two heads as personality tests and sales aptitude tests. Personality tests are devised to find out whether the candidate has a good sales personality sales aptitude tests consider the aptitudes that he is having in the field of selling.

(5) Medical Examination:

Confirmation of physical fitness demands that every promising or likely to be selected candidate is to undergo a medical examination by a doctor. A candidate suffering of high blood pressure foot affliction kidney and heart troubles tuberculosis, cancer etc., is not to be selected.

(6) Final interview:

The selection committee has at its disposal all the detailed information in terms of qualifications references physical tests psychological tests etc. that helps to come to final decision. During such interview normal but crucial questions are asked such as his willingness to accept the job and working with right earnest; his reliability as to continuance.

APPOINTMENT ORDER

Successful candidates are given appointment order. The letter of appointment specifies the salary commission allowances to be given to him on the one hand and nature of work expected from him obligations of him period of notice for termination of his service his authority and the like.

11.5 KEY TERMS

- * Job Analysis
- * Satisfaction
- * Employment by promotion

11.6 SUMMARY

Recruitment and selection of sales man, importance of sound, recruitment policy, steps in recruitment and selection of recruitment and candidates one dealt with in detail in this chapter.

11.7 MODEL QUESTIONS

SECTION - A

- 1) What are the steps in recruitment.
- 2) Explain the steps of selection procedure for selection of candidates.

SECTION - B

- 1) Discuss the recruitment policy.
- 2) What are the steps in recruitment policy?

NOTES

True or False:

1. Recruitment and selection are closely related terms.
True/False
2. Sound recruitment leads to sound hiring of sales men and ultimately it results into a high cost for a concern indirectly.
True/False
3. Satisfactory sales force leads to lower sales volume discouraging profits.
True/False
4. The promising youngsters cannot be selected from departments of accounts correspondence warehousing.
True/False
5. Employment of such persons reduces the heavy and in tangible costs of training labour turnover.
True/False

Answer:

1. True 2. False
3. False 4. False
5. True

Lesson 12 - TRAINING OF SALESMAN

STRUCTURE

- 12.0 Introduction
- 12.1 Unit objectives
- 12.2 Sales Training meaning
- 12.3 Importance of Sales training
- 12.4 Contents of the training programme
- 12.5 Key terms
- 12.6 Summary
- 12.7 Model Questions

12.0 INTRODUCTION

Training is one of the basic dire needs of growing organization; it is thickly inter woven in the fabric of unit, irrespective of its nature and size. Training is the process of perfecting the performance by plugging the pitfalls, if any, in the fields of doing a given task.

12.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Contents of the training programme
- * Importance of sales training
- * Knowledge about publicity

12.2 SALES TRAINING MEANING:

Training is that continuous process which has four elements viz., telling the salesmen, showing them, letting them to do it and checking their doing and making sure that they are up to the expectations. It is an attitude of mind that believes firmly in "there is scope for improvement" by struggling and striving. Sales training is that responsibility of a sales manager that eats away the laxities of a potential salesman and gives finishing touch, to make him more supple and suitable for sales line.

12.3 IMPORTANCE OF SALES TRAINING:

In today's world of marketing, where there is a constant breeze of cut-throat competition, modern marketing management is constantly devising the ways and means to train the army of salesmen that the company forges ahead with raised head well above the existing crowd. The need for sales training arises mainly out of the following reasons.

(1) To better the performance

The sales training betters the performance of salesmen. Better performance implies increase in sales. Sales of the company cannot be increased, generally, by introducing only up-to-date products, advertising, sales promotion or public-relations expenditures. The company's constantly confronted with the problems of reaching the higher sales targets, without multiplying the marketing budget in a competitive market. The success of sales unit depends on improving these marginal salesmen, which is possible by effective sales training. It is so because, good salesmen are hardly in need of exhaustive training programme.

(2) It gives the best way of influencing people:

Sales training teaches the best way of influencing people, dealing with difficult customers, handling complaints, opening new accounts, negotiating at top and obtaining sales appointments, planning the growing and diversifying work, preparing quotations, answering objections and closing orders by satisfactory execution. Such activates, on the part of salesmen, guarantee the fight of competition from rival selling houses. It matches and equips the salesmen with latest techniques; that stimulate the demand, emulate the profits of the company where satisfactory service is the base for sound reputation of the concern. Sales training is capable of turning down the intangible losses that are disguised, in case of untrained and inexperienced salesmen.

(3) It provides expert knowledge:

There is no substitute for actual experience that is gained over a period of number of years, by a particular candidates. It is the sales training that briefs the novice to acquire essential knowledge about products, people, himself so that he can come up in his line, with confidence and certainty. This training very well establishes that salesmen are "made" than born. With the introduction of new product arrival of new customers, and new methods of selling, the selling job is getting sophisticated that warrants the better training and training facilities.

(4) It curbs wastages in the unit:

A trained salesmen is likely to cause least amount of waste, as he is to handle the goods with utmost care, and such, damage or spoilages lesser. Sufficiently efficient salesmen, being guaranteed by sales training, will need lesser supervision. The wastes of efforts, time, products and reputation are nipped well in the bud, by a comprehensive training programme that irons out such unwanted creases in the sales line.

(5) It guarantees sound employer - employees relations:

Intensively trained group of salesmen, will bring in larger volume of sales, and hence, greater income to the selling house. As they are performance minded, they reduce direct selling expenses with the rise in the income of selling house, hence, they are contented, happy and satisfied army of salesman will mean lesser or no resignations, dismissals, drop in labour turnover.

12.4 CONTENTS OF THE TRAINING PROGRAMME

The new sales training programme content are the sales training programme focuses the attention of the salesmen on

1. product information
2. sales techniques, and
3. general information

1. Product information consists

- a) Characteristics of the product
- b) Uses of the product
- c) How to use it?
- d) Quality of the product
- e) Special product features -a comparison with competitor's product in the market.
- f) Brands under which they are sold
- g) The type of packing
- h) Price of the product-price to the distributor, direct consumer.

The above informative will help the trainee salesmen to convince the consumers and potential users in the market of the product.

2. Sales techniques

Sales techniques are those needed to sell the product in the market and customers for the product. Some of the techniques are:

- a) Method of meeting, convincing and presenting product information to the customer;
- b) How to face their objections and convince the customer and create desire for the product etc.

Trainees are also taught as how to close sale.

3. General information includes

- a) Information about the history of the firm, organizational set up, goodwill of the firm.
- b) Information about customers-types of customers, their probable behaviours potential and present customers for the product.
- c) Competitors in the market names of competitors, their products, policies of selling and how to have an edge over them.
- d) Other tasks of salesmen-reporting to the firm on sales, marketing conditions, servicing the customers, reply of correspondence, communication of orders of customers, complaints, treatment of middlemen, maintenance of accounts, reimbursement of expenses, display and demonstration of products etc.

III. Objects of Training

The objects of the training programmes are:

1. To provide information to salesman on product data
2. Impact sales technique and techniques of evaluation of market conditions familiarize him with
3. The firms polices, strategies, organizational structure and goats
4. Equip the salesman with necessary abilities are techniques to carry on his sales duties with more efforts
5. Achieve the sales targets
6. Acquaint him with the laws, regulations relating to sale of goods
7. Keep him informed of the market conditions, and
8. Increase his efficiency for sales.

KNOWLEDGE OF HIS JOB:

The knowledge of his job is related with such relevant facts as services to the customers, services to the company, his activities consisting of planning of tour programme, visits, meeting customers, sales talk, selling activities like prospecting, securing orders, demonstrating, presenting goods, selling routine tasks, collection of dues; he is to handle complaints and entertaining them, to have good public relations, with the fact that disgruntled customers must go out with light and gay heart, praising the selling house.

KNOWLEDGE ABOUT PUBLICITY:

Publicity work undertaken by the concern of salesman is the profusive source of information. The advertisement copies drafted, are designed by experts in the field. They are so tailored as to appeal to the instincts and minds of people. Such information, rich and varied will help the salesman to plan his chain of sales talk as selling points and points portrayed by the publicity copy. To that extent, he is to minimize sales resistance.

IV. Tools of Training:

In order to impart the required doses of knowledge to the sales force, the sales executives are to be selective, where their wisdom must allow having those techniques that are less expensive and more effective. That is why, Mr. Douglas W. Smallbone, an authority on sales management from England, says "the method of training used will often determine the effectiveness of the training staff. It is essential, to note, here that each training method must be evaluated in relation to the set objectives of the programmes. These techniques or methods differ widely. We have selected the only significant ones. These methods may be "individual" or "group" in their approach. The usual methods of training are: (1) On the job Training, (2) Lectures, (3) Correspondence Training, (4) Internship Training, (5) Role playing, (6) Sales meetings and conferences, (7) Brain storming and (8) Visual Training.

(1) On the job Training:

On the job training is that method where the salesman is given the chance of not only observing, but also of performing the activities of a typical salesman. Keen observation and active participation are the tenets of learning on the job. It is imparted to give practical instruction to the people both experienced and inexperienced and is admired as effective.

(2) Lectures:

It is one of the best methods to teach factual information to number of trainees at stretch; if properly planned, diligently delivered and variably validated. The greater hurdle of lecturing is that of communicating. It is difficult for the lecturer to put himself in the position of trainees and see the world through their eyes. However, he should try his best.

(3) Correspondence Training:

Where the salesman are widely scattered and training is not that important, the companies that cannot afford to spend large sums, resort to this correspondence course. A separate training section is designed to look to the needs of the trainees. If the trainees have any doubts, misunderstanding or difficulties, solutions, classifications are sent back by the department.

(4) Internship training:

The aim of modern sales training is to match the theoretical knowledge with that of practical type. To bring into play, this novel requirement, the colleges and technical institutions are giving helping hand in joining collaboration. Salesmanship is one such specialized course. At present, these subjects are introduced at degree level in India that provide only the theoretical knowledge. Such courses that are provided by technical training school are longer; as such that may not be liked by the trainees. Trainees require, training for a shorter period, as longer training acts as a stumbling block in the path of their progress and job security.

(5) Role Playing:

Any type of training that is given to be successful must provide such a training model that stimulates to the real life situation, Such an attempt implies deep interest is to be shown by the trainees, where they can learn lessons based on reality.

(6) Sales meetings and conferences:

Sales meetings are get-together of employees of a faculty, may be weekly or fortnightly or monthly. Sales meetings or conferences are designed to educate the employees about various aspects of sales. Meetings or conferences, are having motivating effect, as the participants are given chances of creative thinking, expression of their opinions. The vital subjects like selling policies, complaint, entertainment and reconciliation of complaints, improvements in product, competitors and extent of competition, plans of publicity etc. It must be noted that this method is a costly affair.

(7) Brain storming:

Brain storming is another version of sales conference mehtod. The group to be trained would be smaller, consisting of, say, five to seven members. Each trainee is given paper pencils, and pens across the table. The chairman states

NOTES

True or False:

1. The sales training better the performance of salesman.
True/False
2. The success of sales unit depends on improving these marginal salesman, which is impossible by effective sales training.
True/False
3. Publicity work undertaken by the concern of salesman, is the profusive source of information.
True/False
4. On the job training is that method where the salesman is given the chance of only observing but also of performing the activities of a typical salesman.
True/False
5. A separate training section is designed to look to the needs of the trainees.
True/False

Answer:

1. True 2. False
3. True 4. False
5. True

the problem for discussion. Each one is to think over it, and give his impression as solution. That is, whatever their brain throws out, they give out as the ideas, A steno collects the information, sends to 'policy markers' or panel of experts. The ideas given by them hardly reflect as clicked ideas. It is estimated that roughly 6 to 10% will be correct and remaining answers are safely sent to waste basket.

(8) Visual Training:

Visual aids include-slides, strips, shorts, as a part of motion pictures that tells a sales story or a of it; it also includes items like black-boards, charts, graphs, diagrams, easels etc. Audio-visual aids include. sound slides, films, pictures taking of a particular aspect of sales problems. Audio-aids comprise of gadgets and machines like tape-recorders, record players, to improve the speech, the styles of speaking of a salesman. Even though, these are having profound impact upon the sales trainees, these aids are costly, and hence, cannot be expected in case of companies or concerns with moderate means.

12.5 KEY TERMS

- * Techniques
- * Employees relation
- * General information

12.6 SUMMARY

Training of salesman, importance of sales training, contents objects of training, knowledge of job, knowledge about publicity.

12.7 MODEL QUESTIONS

SECTION - A

- 1) What are the Contents of the Training Programme?

SECTION - B

- 1) Discuss the importance of training.

Lesson 13 - ORGANISATION OF SALES DEPARTEMENT

STRUCTURE

- 13.0 Introduction
- 13.1 Unit objectives
- 13.2 Methods of performance appraisal
- 13.3 Importance of sales organisation
- 13.4 Factors influencing a sales forecasting
- 13.5 Types of sales forecasting
- 13.6 Control of salesmen
- 13.7 Key terms
- 13.8 Summary
- 13.9 Model Questions

13.0 INTRODUCTION

A good organization must be in line with the philosophy of marketing department and co-ordinated towards the objective of putting the produce in the hands of the consumers - the whole effort being efficiency supervised and managed so that each function is carried out in the desired manner.

13.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Factor influencing the sales forecasting
- * Importance of the sales organization
- * Methods and types of sales forecasting and control of salesmen

13.2 METHODS OF PERFORMANCE APPRAISAL

Performance appraisal is essential in order to secure optimum performance from salesmen. Sales managers effect controls, by common methods, through personal contacts, correspondence and report.

1) Personal contact:

Personal contacts are more effective than other methods. Sales manager himself or through branch managers or field supervisors, exercises controls over the salesmen. Salesmen can be assisted and inspired and corrective steps can be taken.

2) Correspondence:

This method is commonly accepted and is economical. Through correspondence, instructions are passed on to the salesmen and replies received from the salesmen. The salesmen are supervised or controlled through letters.

3) Reports:

They are not in the form of letters. Printed report forms are used by the salesmen to make reports to the sales manager. In certain cases, the report may be oral.

Sales-Force Size:

A firm must carefully assess the size of the salesforce, as it will increase the budget of the business. A sales force may be very small or large. Increasing sales and or customer complaints about lack of service are indications of the fact that the sales force is small. Decline in sales or salesmen occupied with less than full work are indications of large sales force.

The sales force for the organization is required for the following purposes.

1. To promote and sell a new product
2. To replace the existing salesmen
3. To add to the existing sales force to intensify the promotional programme and sales services.
4. To fill in the vacancies caused by the retirement, death, resignation or removal or termination of services of salesmen.

1. Sales cost analysis:

Annual plan as well as control require making sure that the concerned is not over spending to achieve its sales, goals, management needs to monitor the various components of the cost related to sales such as personal selling, advertising and sales promotion. These can be measured by the following methods, which are in the form of ratios.

1. Sales force to sales
2. Advertising to sales
3. Sales promotion to sales
4. Marketing research to sales
5. Sales administration to sales

All the above five methods can be simply calculated with the help of following formulae.

- 1) Annual budget for the sales force/Annual sales
- 2) Annual cost of advertising/Annual sales
- 3) Annual cost for sales promotion/Annual sales
- 4) Annual cost for marketing research/Annual sales
- 5) Annual budget for sales administration/Annual sales

The above components may be reviewed periodically in order to measure the function in each ratio and they can be tracked on a control chart. Out of experience each ratio can be estimated as a target and they may be compared with the actual performance. These ratios may be revised and refixed according to the changes in the sales forecast and according to the requirement of the product's sales.

In the process of sales cost analysis it is necessary to investigate whether the environment has changed. The risk involved in this investigation is very high. It will uncover the chances of wast of time and effort. A continuous and successive effort is suggested for an effective result. If there is any continuous increase in the ratio it should be watched thoroughly.

When an expense to sales ratio goes out of control an aggressive data collection is needed to track down the problem. Cost to sales deviation chart will be highly useful for this purpose.

Sales quota, level of advertisement etc. for different products for different areas can be fixed and controlled easily by this analyses.

2. Organisation of Sales Department:

Sales organization of a firm is a wing or department of the organization of the firm. The sales organization is for the purpose of directing and controlling the sales operations. The organizational structure depends on the objects of the business. A sales organization is built up of human beings working together for the sale of the product of the firm or products meant for resale.

A sales organization must be in line with the philosophy of marketing concept "A good sales organization is one wherein the functions of the departments have each been carefully planned and co-ordinated towards the

objective of putting the product in the hands of the consumers-the whole effort being efficiently supervised and managed so that each function is carried out in the desired manner."

The structure of the sales organization is to be decided after taking into consideration the following factors;

METHODS OF PERFORMANCE APPRAISAL:

- 1) Personal contact.
- 2) Correspondence.
- 3) Reports. Sales - Force Size:
 - a) Sales cost analysis.
 - b) Organisation of Sales Department:

- i. Nature and size of the firm
- ii. Objectives of marketing
- iii. Product to be sold
- iv. Selling policies and marketing strategies to be adopted
- v. Channels of distribution planned for selling the products
- vi. The market coverage of the product
- vii. Expertise needed to sell and serve the customers
- viii. Financial conditions of the firm
- ix. Sales personnel abilities

13.3 IMPORTANCE OF SALES ORGANISATION

- i. Sales organization groups the skills and talents in the business for accomplishing the marketing objectives.
- ii. In a large sized business, it will not be feasible to control and supervise the activities by one man. Hence, the whole of the marketing activities can be divided for effective supervision, control of the task and fulfillment of the different marketing assignments by the personnel appointed for the purpose.
- iii. The division of the marketing activities into different segments in an organizational structure enables evaluation of actual performance by each segment and analyses the causes for decline in sales.
- iv. The salesmen will be allocated tasks according to his abilities and potential of the market. Proper directions can be given to the sales force. Better attention towards service of customers can be given.
- v. The cost of marketing becomes less because of appropriate assignments of work supervision and control.

B. Product wise

The product wise organizational structure may have number of marketing managers for each product of group of products in the product line. Each will have their own organization to perform the various sales

tasks-Exhibit-E product types common when a firm markets different types of goods. The product manager can focus his attention to his product sales and to the marketing strategies to be followed for the purpose.

Product division is considered when:

- i. Product differences are greater
- ii. Different methods of selling are to be used
- iii. Technical knowledge of different content is needed for selling of each product.
- iv. Special efforts are needed to sell the products.

However, maintenance of separate salesforce for each product is expensive.

Advantages:

- i. The salesmen can render better customer service as they will have intimate contact.
- ii. The profitability of each product can be found out easily.
- iii. A new product introduced may be placed in the market without affecting the marketing structure.
- iv. The top executive can have detailed information on the marketing conditions of each product.
- v. The organizational structure is more suitable when there are product differences when the product lines are complex and diverse and when specialized knowledge for selling each product is necessary.

Disadvantages

- i. Many salesmen of the firm will be visiting customer each representing a product. This may cause confusion to the customer.
- ii. Such an arrangement is only expensive and waste of time of salespersonnel. This involves only duplication of effects.

B. Geographical wise

The sales organization will be structured on area or geographical basis for those products having a wide market area. The total marketing area will be divided into territories. Each territory will be under the control of separate

executive Manager of Director. He will be assisted a with separate set of sales-force. There will be division of authority on territorial basis. Each territory is sub-divided according to the nature of market or consumers or both. The sales territories may be called zones, regions, district or divisions.

Advantages

- i. The Regional Manager will have complete knowledge of his territory and of his customers. This will help him to direct the salesforce to tap the potentials left untapped and improve sales.
- ii. A comparison of sales among territories is possible. Such a comparison will help to analyse the performance of salesforce in each territory and find out the reasons for short comings.
- iii. A competitive spirit among salesforce of different territories can be built up. This will ultimately lead to effective utilization of the skills of the salesmen and maximization of products.

Disadvantages

- i. The division of the total marketing area into territories require huge salesforce and number oif executives to cover the marketing area. This will increase the adminstrative and selling overhead costs.
- ii. It is difficult to co-ordinate the activities of the various territorial salesforces from the head office.
- iii. Territories differ in the case of sales potentials. Even in the case of territories having less potential for sales, the marketing efferts will have to be the same as of fertile territories. So much so the profit earned in one territory will get absorbed by way of sales on cost in the less potential territory.

Market based

Sales organization may be organized on market basis. Many firms may sell their commodities to a highly diverse set of markets, such as customer, industrial and government markets. In these cases the customer may fall into distinct groups in terms of buying poractices or product preferences. Market specialization will be needed in dealing with these customers in the organization.

The sales organizational structure will consist of market managers along with functional specialists reporting to General Managers. Each market manager supervises a sales force. The functional specialist will concentrate on the problems of marketing.

In this type of marketing structure there is expertise in each market. The sales force and researchers will know of the preferences of buyers, competitive forces at work, buying practices and so on. This results in better overall marketing effort to boost sales and serve the customers according to their varying needs. This kind of marketing structure presents some difficulties. Some firms may sell to homogenous group of customers. They may exhibit individual differences but they may not be sympathetic to group differences.

The customers may fall into distinct groups. Hence it may be too costly to specialize the sales force or other marketing conditions.

In case the customer group is widespread the salesmen have to cross the country increasing the expense over travel and selling.

Customer-oriented organization is most consonant with marketing concept but it is not desirable in all circumstances.

A firm may choose its marketing organization around functions, products or regions and still attend to customers needs.

Advantages

- i. The customers can be paid special attention and service according to their varying needs effectively.
- ii. The potentials could be completely tapped as marketing programmes are drawn for each group of customers separately.

Disadvantages

- i. The salesforce may remain idle as there may not be much of sales work.
- ii. Equal services may not be rendered for all customers. This may foster unequal development of customer groups and relationships.
- iii. The co-ordination of departments becomes difficult as each group of customer is to be served according to their schedules to maintain better customer relationship. The long-sized customers may try to influence the sales policies of the organization.

5. SALES FORECAST

According to American Marketing Association, "Sales forecast is an estimate of sales, in monetary or physical units, for a specified future period economic and other forces outside the unit for which the forecast is made." A

sales forecast is an estimation of sales volume that a company can expect to attain within the plan period. A sales forecast is not just sales predicting. It is the act of matching opportunities with the marketing efforts.

13.4 FACTORS INFLUENCING A SALES FORECASTING

The following factors are considered carefully.

i. General Economic Condition:

It is essential to consider all economic conditions relating to the firm and the consumers. The forecaster must see the general economic trend- inflation or deflation, which affect the business favourably or adversely.

ii. Consumers:

Products like, wearing apparel, luxurious goods, furniture, vehicles; the size of population by its composition-customers by age, sex, type, economic condition etc., have an important role. And trend of fashions, religious habits, social group influence etc., also carry weights.

iii. Industrial Behaviour:

Markets are full of similar products manufactured by different firms, which compete among themselves to increase the sales. As such, the pricing policy, design, advanced technological improvements; promotional activities etc., of similar industries must be carefully observed.

iv. Changes Within Firm:

Future sales are greatly affected by the change in pricing, advertising policy, quality of products etc. A careful study in relation to the changes on the sales volume may be studied carefully.

v. Period

The required information must be collected on the basis of period-short run, medium run or long run forecasts.

B. Importance of Sales Forecasting

- i. Supply and demand for the products can easily be adjusted, by overcoming temporary demand in the light of the anticipated estimate; and regular supply is facilitated.
- ii. A good inventory control is advantageously benefited by avoiding the weakness of under stocking and overstocking.
- iii. Allocation and reallocation of sales territories are facilitated.

- iv. It is a forward planner as all other requirements of raw materials, labour plant lay out, financial needs, warehousing, transport facility etc., depend in accordance with the sales volume expected in advance.
- v. Sales opportunities are searched out on the basis of forecast, and thus discovery of selling success is made.
- vi. It is a gear, by which all other activities are controlled as a basis of forecasting
- vii. Advertisement programmes are beneficially adjusted with full advantage to the firm.

C. Methods of Sales Forecasting

The following are the various methods of sales forecasting;

- i. Jury of executive opinion
- ii. Sales force opinion
- iii. Test marketing result
- iv. Consumer's buying plan
- v. Market factor analysis
- vi. Expert opinion
- vii. Econometric model building
- viii. Past sales (historical method)
- ix. Other factors

13.5 TYPES OF SALES FORECASTING

i. The economic forecast:

This type of forecast is important to understand the general economic trend through a careful study of five year plans, Gross national products, National income, Government expenditure, unemployment, consumer spending etc.

ii. The industry forecast:

The future market demand is calculated through industrial forecast or market forecast. Market demand may be affected by controllable-price, distribution, promotion etc and uncontrollable-demographic, economic, political, technological development.

**FACTORS
INFLUENCING
A SALES
FORECASTING:**

- 1) General Economic Condition,
- 2) Consumers,
- 3) Industrial Behaviour.
- 4) Changes Within Firm..
- 5) Period,
- 6) Importance of Sales Forecasting.
- 7) Methods of Sales Forecasting.

iii. The company forecast:

The third step goes to the firm concerned to take into the market share, for which forecast is to be made.

E. Limitations of Sales Forecast

i. Fashion:

It is difficult to say as to when a new fashion will be adopted by the customers and how long it will be accepted by the buyers. If our products are not in accordance with the fashion, then sales will be affected.

ii. Lack of sales history:

A sales history or past records are essential for a sound forecast plan. A new product has no sales history and forecast made on guess may be a failure.

iii. Psychological factors:

Consumers' attitude may change at any time. The forecaster may not be able to predict exactly the behavior of consumers. Certain market environments are quick in action. Even rumours can affect market variables.

6. Planning and Control of Salesmen

Supervision of salesmen is the expression of the firm's natural and continuous interest in the activities of salesman. It can be a method of training and a device to make sure that the firm's policies and practices are followed. It affords a two-way communication between the firm and the sales force. A co-ordination between the sales promotion methods and salesmen efforts is possible.

Supervision of the activities may be done by field supervisors, home office sales executives or branch managers. Supervision can be carried out by use of correspondence, calling for reports and sales meetings. However, personal supervision is better and it creates a relationship between the firm and the sales force.

Management must guide and direct salesmen's efforts to achieve the firm's marketing objectives. The most important of the directions are:

- i. assignment of territories to salesmen
- ii. routing and scheduling of salesmen's calls
- iii. assignment of performance goals.

i. Assignment of sales territories

Each salesman is assigned a sales territory or an area for marketing of goods. The assignments are made carefully on a rational basis. The allocation of territories match selling efforts with sales opportunities. A sales territory represents a segment of the market. Sales territory is one of the factors to be considered for sales planning. The division of the market of a firm into territories will help to find out the area where sales have declined or increased during a particular period.

Sales territories are established from various points of view:

- a. The market of the firm will be fully covered. Even areas not represented earlier by salesman will have coverage.
- b. The competition can be faced effectively.
- c. The efficiency of the salesmen can be measured.
- d. The causes for decline in sales in a particular territory can be analyzed.
- e. There can be an effective control over the activities of the salesmen.
- f. The salesmen efforts can be utilized fully as the territory for each salesman is based on his potential and the potential of the territory.
- g. The cost of selling can be reduced through effective control of salesmen's activities and fuller utilization of salesman's efforts.
- h. The firm can achieve a balance in the selling of the product lines of the firm.

ii. Routing and Scheduling Salesmen's Calls

A plan to avoid the wastage of time, backtracking and making calls at convenient times suitable to the customer and to use the time of the salesmen effectively and to their advantage is prepared.

Sometimes the management leaves the whole issue to the salesman, as he is the best judge of the situation. That apart it is difficult to predict the time that will be consumed by a salesman on a consumer. However a formal routing

and scheduling of work will help the salesman to carry on his job in an orderly manner. The management also will be in a position to keep in touch with the salesman and pass on current information and policies of the same to adjust his selling behaviors.

iii. Assignment of performance goals

Firms assign quotas of sales to each salesmen of the territory. Such quotas are prescribed on the basis of salesmen's past performance or potentials of the territory. Quotas may be fixed in terms of unit sales volume, or rupees gross margin, net profit, expenses, calls, number of new accounts or other measurable units.

In quota fixation there are certain difficulties:

- a. The present efforts of the salesmen may not yield immediate results but will materialize in future.
- b. The differences in competition, purchase potentials of the territory and physical differences among territories may come in the way of prescribing quotas perfectly.
- c. The working conditions of the salesman in each territory differ resulting in varying influences on sales.

In view of the above difficulties often quotas are fixed on the basis of sales forecasts.

13.6 CONTROL OF SALESMEN

In general control is necessary for achieving the goals of the business. Salesmen need to be controlled for effecting and increase of sales. The sales efforts of the sales force are to be productive. A control over salesmen will avoid wastage of the skills of the salesmen. An effective and economical performance to maximize profit and sales can be achieved and economical performance to maximize profit and sales can be achieved by proper direction and control of salesmen's efforts.

Moreover, the salesmen are often away from the head quarters of the business. It is necessary to find out whether they work regularly according to the direction of the sales manager/office and co-ordinate the salesmen's efforts with other sales promotion programmes.

Essential pre-requisites for effective planning and control

NOTES

An effective control and supervision of salesmen requires the following:

- i. Sales manager should know exactly that the salesmen should do and what is expected of them. This can be achieved through fixing of quotas of sales and territorial targets.
- ii. The salesmen should also know their work and what the organization expects of them. During the period training of through circular the salesmen can be made to know of the expectations of the management.
- iii. A system of reporting the work of the salesmen should be established.
- iv. Proper directions to the salesman if there is any deviation in the technique method of programme of working of the salesmen.
- v. The salesman must know that his work is watched, reviewed and will be appreciated or reprimanded as the case may be.

13.7 KEY TERMS

- * Cost analysis
- * Economic condition
- * Government Expenditure
- * Econometric

13.8 SUMMARY

Organisation of sales department, methods of performance appraisal, sales cost analysis, importance of sales organisation, sales, forecasting, factors influencing a sales forecasting, importance methods and types one dealt with in details in this chapter.

13.9 QUESTIONS FOR DISCUSSION

SECTION - A

- 1) Define organisation. What are the significance of sales organisation?
- 2) What is sales forecasting? What are the factors influencing a sales forecasting?

SECTION - B

- 1) Explain various methods of sales forecasting.
- 2) Explain various types of sales forecasting.
- 3) Discuss the methods of organisation of sales department.

True or False:

1. Performance appraisal is essential in order to secure optimum performance from salesman.
True/False
2. They are in the form of letters.
True/False
3. To add to the existing sales force to intensify the promotional programme and sales services.
True/False
4. Annual plan as well as control require making sure that the concerned is over spending to achieve its sales goals.
True/False
5. The risk involved in this investment is very high.
True/False

Answer:

1. True 2. False
3. True 4. False
5. True

Lesson 14 - SALES QUOTA

STRUCTURE

- 14.0 Introduction
- 14.1 Unit objectives
- 14.2 Advantages of sales quota
- 14.3 Weaknesses
- 14.4 Bases necessary for fixing quota
- 14.5 Types of quota
- 14.6 Key terms
- 14.7 Summary
- 14.8 Model Questions

14.0 INTRODUCTION

Sales quota, may defined as the estimated volume of sales that a company expects to secure within a definite period of time. Quota is the amount of business, in terms of value or in terms of units of sales, which is fixed for every salesman. It may be fixed for a geographical area to be achieved within a definite period of time, a month or a year. A sales quota, to be effective, practical and successful, should satisfy the following:-

- 1 Sales quota must be attainable and fair.
2. It must be scientifically calculated. It should not be too small or too big.
3. It must provide definite incentive to salesman.
4. It must be flexible.
5. It must be simple and must be fixed in consultaion with salesman.

14.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Bases necessary for fixing quota
- * Advantages of sales quota and weaknesses
- * Types of quotas and fixing the sales quotas

14.2 ADVANTAGES OF SALES QUOTA

1. The sales quota can be used as yardstick to assess the performance of the salesmen.
2. It is a measuring rod with which the operations are directed and controlled to more profitable channels.

3. It is possible and easier to locate strong markets and weak markets.
4. It is a device to adopt more effective compensation plans.

14.3 WEAKNESSES

1. In many cases the sales quota is fixed arbitrarily.
2. If situations are changed, the quota fixed may become ineffective.
3. If the quota is too small, the salesman will relax and if the quota fixed is too large or unattainable, the salesman loses initiative.
4. It is difficult to set an accurate quota.

14.4 BASES NECESSARY FOR FIXING QUOTA

1. Purchasing power of the prospects.
2. Past sales figures compared by analysis.
3. Demand trend for the products.
4. Position and degree of competition prevailing.

14.5 TYPES OF QUOTAS

1. Sales volume, in value or units by product line, consumer type etc.
2. Salesman activity, such as calls, new accounts, demonstrations, display arranged etc.
3. Expenses quota, either in value or percentage of sales obtained.
4. Gross Margin from sales obtained etc.

Fixing sales quotas:

Sales territory implies a geographical area assigned to a salesman for the purpose of marketing the products of given concern. Usually, sales territories are set up on the basis of potential demand for products in that area. In addition, other factors like transport facilities, topography and climate, nature of product, change in the quality of a product, competition policy of cultivating the market, sales expense ratio, channel of distribution, conditions of business, assignment and capacity of salesmen, types of customers served, etc.

Allocation of sales territories is often followed by the planning of routes that each salesman should follow within his own territory. It calls for the

determination of place to be visited, the number of customers to be interviewed and the number of calls to be made each day.

Objectives of Establishing Sales Territories and

(a) To perform contractual function:

Sales territories are established to attain a thorough coverage of potential market for products. The objective of contacting the prospects and old customers can hardly be achieved, unless such a sales territory is assigned to a salesman. Personal solicitation facilitated.

(b) To compare the individual performance:

Allocation of sales territories provide an excellent opportunity to compare the performance of salesmen. Such a study of a particular territory reveals the potentiality of the market; the actual sales volume secured by an individual salesman is compared with this potentiality. In fact his standard of performance is gauged. Again, individuals are compared.

(c) To fix the responsibility:

The responsibilities of salesmen and their tasks are clearly defined through territorial assignments. This has an effect of developing a sense of responsibility towards his job. The tries to fulfil his commitments. That is, the activities of each salesman can be evaluated and controlled.

(d) To minimize sales expenses:

Such territorial assignments are made in order to minimize the sales expenses and maximize the sales efforts. It is so because, wastage of time and energy is avoided by defining the sales tasks. Effective routing will mean closer and better contacts with customers that ensure increased sales.

(e) To motivate salesmen:

Fixing a sales territory, allows full freedom to the salesman, to use his ability, acumen and skills to maximize sales turnover, as there is no meddling and mudding in his usual smooth flow of work. There is no scope to pass on the responsibility. He is to become agile to work hard to reach his target, which will mean devotion to duty, fair play of trust and loyalty.

Sales quota is the estimated volume of sales that a company expects to secure within a definite period of time. It is the target that salesman is to attain, it is a standard of performance for each salesmen, fixed by each salesman. Fixation of sales quota for a salesmen may be for a day, or a week or a month,

in terms of volume and value. The objectives for sales quota are; to provide a basis for remuneration of sales force; to establish performance standards for each salesman; to plan and control the selling activities and to infuse the spirit of competition amongst the salesmen.

NOTES

14.6 KEY TERMS

- * Geographical
- * Yardstick
- * Weakness

14.7 SUMMARY

Sales quota, advantages of sales quota, weakness, basic necessary for fixing quota, types of quotas and fixing sales quotas one dealt with detail in this chapter.

14.8 MODEL QUESTIONS

SECTION - A

- 1) Explain various types of quotas?.

SECTION - B

- 1) What is mean by sales quota?
- 2) What are the advantages of the sales quota?
- 3) Explain What are the objectives of sales quota?

True or False:

1. It may be fixed for a geographical area to be achieved within a definite period of time.

True/False

2. The sales quota cannot be used as practice to assess the performance of the salesmen.

True/False

3. Position and degree of competition prevailing.

True/False

4. The actual sales volume secured by an individual/salesman is compared with his potentiality.

True/False

5. There is scope to pass on the responsibility.

True/False

Answer:

1. True 2. False
3. True 4. True
5. False

Lesson 15 - SALES BUDGET

STRUCTURE

- 15.0 Introduction
- 15.1 Unit objectives
- 15.2 Meaning
- 15.3 Importance of sales budgets
- 15.4 Problems of sales budget
- 15.5 Key terms
- 15.6 Summary
- 15.7 Model Questions

15.0 INTRODUCTION

The sales Budget generally form the fundamental basis on which all budgets are built up. The budget is essentially a forecast of sales to be achieved in a budget period. The sales department/manager is directly responsible for the preparation and execution of this budget.

15.1 UNIT OBJECTIVES

After reading this unit should be able to understand:

- * Importance of sales budget
- * Factors influencing of the sales budget
- * Availability of materials and supply
- * Problems of the sales budget.

15.2 MEANING

The budget forecasts total sales in terms of quantity value, items, periods, areas etc.

He should take into consideration the following factors while preparing the sales budget.

(a) Past sales figures and trend:

The record of previous experience from the most reliable guide as to future sales as the past performance is related to actual business conditons. However, the other factor such as seasonal fluctuations, growth of market, trade cycle etd. should not be missed.

(b) Salesman's estimates:

Salesmen are in a position to estimate the potential demand of the customers more accurately because they come in direct contact with them. Proper discount should be made for over optimistic or too conservative estimates of the salesman depending upon their temperament.

(c) Plant capacity:

It should be the endeavor of the business to ensure proper utilization of plant facility and that the sales budget provides an economic and balanced production in the factory.

(d) General Trade Prospects:

The general trade prospects considerably affect the sales. Valuable information can be gathered in this connection from trade papers and magazines.

(e) Orders in Hand:

In case of industries where production is a quite lengthy process, orders on hand also have a considerable influence on the amount of sales.

(f) Proposed Expansion/Discontinuance products:

If it affects sales and therefore it should also be considered.

(g) Seasonal Fluctuation:

Past experience will be the guide in this respect. However, efforts should be made to minimize the effects of seasonal fluctuations by giving special concessions or off-season discounts thus increasing the volume of sales.

(h) Potential market:

Market research should be carried out for ascertaining the potential market for the company's products. Such an estimate is made on the basis of expected population growth, purchasing power of consumers and buying habits of the people.

(i) Availability of materials and supply:

Adequate supply of raw materials and other supplies must be ensured before drafting the sales programme.

(j) Financial aspect:

Expansion of sales usually require increase in capital outlay also, therefore sales budget must be kept. Within the bounds of financial capacity.

(k) Other factors:

- (i) The nature and degree of competition with the industry.
- (ii) Cost of distributing goods.
- (iii) Government controls, rules, regulations related to industry.
- (iv) Political situations (national and international) as it may have any influence upon the market.

The sales managers after taking into consideration all these factors, will prepare the sales budget in terms of quantities and money for different products, periods and areas of sales.

15.3 IMPORTANCE OF SALES BUDGETS

- 1. Brings company in working
- 2. Buck passing avoided
- 3. Co-ordination established
- 4. Acts as a safety signal
- 5. Adoption of uniform policy
- 6. Optimum mix
- 7. Favour with credit agencies
- 8. Optimum capitalisation

15.4 PROBLEMS OF SALES BUDGETS

- 1. Based on uncertain future.
- 2. Being a base budget, for any pittance in the other budgets, then will easily pass the responsibility.
- 3. Co-ordination of the past as well as all future activities of different departments.

4. Controlling is necessary periodically.
5. All the limits of 'forecasts' are applicable for sales budget also.
6. Passive resistance to this budget as it points out the efficiency in efficiency of individuals.

15.5 KEY TERMS

- * Plant capacity
- * Fluctuation
- * Financial aspect
- * Capitalization

15.6 SUMMARY

Sales budget meaning, importance of sales budget, other factors, types and problems of sales budget one dealt with details in this chapter.

15.7 MODEL QUESTIONS

SECTION - A

- 1) What is the meaning of Sales Budget?

SECTION - B

- 1) Explain importance of Sales Budget.
- 2) What are the problems of sales budget?

True or False:

1. The budget is essentially a forecast of sales to be achieved in a budget period.
True/False
2. Valuable information cannot be gathered in this connection from grade papers and magazines.
True/False
3. The general trade prospects considerably affect the sales.
True/False
4. If affects sales and therefore it should also be considered.
True/False
5. The nature and degree of competition with the industry.
True/False

Answer:

1. True	2. False
3. True	4. True
5. False	

