

# Advertising and Sales Promotion

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One will not be wrong in saying that what distinguishes the present times from olden times is beating one's own drum which perhaps sums up the essence of advertising. People of the older generation remember the time before the war when Dr. B. R. Ambedkar announced that he would advise the Harijans to leave Hindustan and embrace some other religion. Immediately, every religion in India came out with "prospectuses" showing what it has to offer in this world and the next. Today also religions resort to various ways to advertise their wares. It only shows to what extent advertising has become the way of life.

Modern marketing is highly promotional oriented. The objective is to push the sales and market standing of the individual firm's products and services on a sustained basis in a profitable manner under conditions of complex competitive situation—both direct and indirect. The firm's promotional effort is an important input to its marketing function. Promotion is at once a communication process, a persuasion process and a 'conditioning' process. Through its communicative promotional activities, the firm transmits information on its products and services to the consuming public. Information consists of the product features, design aspects, functional aspects, etc. as also the firm's claims on the uniqueness superiority of its products. Information may be objective or subjective, vague or specific, technical or general. Communication is an attempt at bridging the gap in understanding between the firm and the consumer fraternity. By means of persuasion, the firm seeks to reinforce the positive perceptions and attitudes and alter the negative or indifferent perceptions and attitude to the consumer towards the firm's products. It also consists of stimulating the desires and aspirations of the consumers, producing conviction, directing action and

reassurance to the consumers in ways that are beneficial to the firm. The aim is to make the consumers accept the credibility of the firm, its standing, profession and its products. The conditioning process involves building image in the minds and hearts of the consumers on the positive aspects of the firm and its products and structuring the relationship between the firm and its customers in terms of loyalty, goodwill and faith.

The physical and psychological distance between the manufacturing firm and the ultimate consumer has increased because of large-scale, mass-mechanised production at few places (in place of dispersed cottage and village industries), the proliferation of middlemen, the diffusion of buying habits throughout the several strata of society and the sophisticated 'halo' associated with many urban-oriented business enterprises and managers. The need for traversing this distance is translated into an active and sometimes 'frantic' promotional effort. Pervasive motives associated with profit making, market standing and dominance, prestige, and power are the prime movers for entering into the business world and for offering competition. Competition exerts tremendous pressure on the firm to act either defensively or aggressively in maintaining their relative position in the market.

There are at least four major direct promotional methods or tools: (a) personal selling, (b) advertising, (c) publicity and (d) sales promotion. All the four methods are used by most of the firms. They form the 'promotional mix' or the promotional sub-system indicating significant interaction among the methods.

Personal selling is important in all cases—it is vital to reinforce, and gather the fruits from, advertising. But here it need not be discussed.

### **Advertising**

Advertising is a highly flexible and dynamic promotional method. The media for advertisements are several—newspapers, periodicals, radio and TV, outdoor hoardings (posters, signs, etc.), direct mailing, calendars, catalogues, etc. Choice of media for advertisements is an important element in the effectiveness of the message. The media may be local, regional or national general or technical. The space used for advertisements is also flexible. The type of message, copy, illustration and so on can be a matter of choice and creativity. Advertising can be directed for promotion of the general product idea, or firm's image or the firm's product or product lines. The message and the theme may be kept direct or subtle. It may be directed to consumers, middlemen or opinion leaders. Advertising may be launched for a short duration or may be sustained over a period of time. The timing of advertisement is also a matter of importance. It may be entrusted to an outside advertising agency or the firm may establish its own advertising cell. Policy decisions are to be made in the above areas, apart from the basic decision on whether to advertise at all and what should be the advertising budget.

Advertising is likely to be effective for promoting the sales of the firm's products and services but the degree of its effectiveness *vis-a-vis* the amount spent on advertising cannot be measured directly. Only rough, indirect evaluation can be made. The effectiveness of advertising is a function of several variables—some controllable by the firm and some beyond its control. But the problem is that the firm cannot hold even the controllable variables constant at a time and measure the impact of one variable. Also, the sales volume itself is a function of several factors out of which advertising is only one. To isolate the impact of advertising is rather problematic.

Advertising reinforces the firm's personal selling efforts; the message can reach even to places and consumers inaccessible otherwise; it can boost the morale and motivation of middlemen of firm's product; it can be effectively employed to introduce a new product; it is the only way to 'service' the mass market; new groups of customers can be netted through advertising; it is a good medium to transmit information and to cut through prejudices of customers. No one denies its success in these areas.

As a promotional tool, advertising is exposed to a great deal of criticism on substantive and moral grounds. Much advertising is alleged to be misleading, false and deceptive and has no relation to reality. There is also a charge that the price of the products tends to be high because of high incidence of advertising cost. The individual firm's advertising in a competitive setting is sometimes aimed at undermining the reputation and products of rival firms and this is considered to be unfair. Another complaint against advertising is that it manipulates the emotional side of the consumer psychology, pre-empts rational consumer choice, and treats the consuming public as sentiment-ridden ignorant, malleable lot. Competitive advertising adds little to society's economic welfare and well-being and is thus wasteful of society's resources. Advertising has the deleterious effect of diverting the consumers' or society's scarce resources from essential necessities to non-essential luxuries and snob value products. Advertising is aimed at managing the 'manufacturing the demand' for the product, where none exists. The counter-arguments are stated as follows :

- (i) Firms spending huge sums on advertising divert less money towards personal selling, publicity and sales promotions. The overall budget is to be compared with the sales volume. The absolute sums spent on advertising may be high, but as a percentage of total sales or total cost of the product, it is quite low and almost negligible in many cases.
- (ii) In any large scale activity, certain abuses and lapses are bound to be there because it is a human activity and humanity is a heterogeneous mass consisting of mortals ranging from highly virtuous to highly vile and vicious, the latter cannot be ruled out of existence. Advertising has not monopolised all abuses; no activity is an exception and above board.

- (iii) When perceptions are as important as facts, the attempt of advertising to influence consumer perceptions of the firm's products is not a crime. Persuasive advertising is much more than informative advertising. Also, persuasion is not to be mistaken as coercion. Consumers are also rational and calculating. They don't go in for a product if it is not satisfactory to them from several angles. Mere advertising is not enough.
- (iv) Massive advertising is an instrument for creating mass markets. In the absence of promotional tools like advertising, demand for most products would have been limited and economics of large scale production and distribution would not have been available. Product costs and prices would have been higher. Thus advertising has the effect of cost and price reduction. This is in rebuttal of the charge that advertising increases the cost and price of the product.
- (v) Competitive advertising may be aimed at shifting demand and clientele from one firm to the other but it has also the effect of enlarging the total demand for the product—i.e., spreading the utility of the products far and wide thereby increasing the total society welfare and satisfaction.

### **Publicity**

Publicity is the third mode of promotion and is non-personal like advertising. The firm skilfully seeks or promote itself and its product without payment. It may prepare interesting literature of stories on its products or on its production processes in such a way as to induce the media like newspapers and TV to consider them as newsworthy or telecast-worthy.

In U. S. publicity is 'free advertising'. Professional PR men are commissioned for the purpose of promoting the firm and its products through publicity. In the Indian context publicity is almost synonymous with advertising and sales promotion. It includes sales literature distributed free of cost at several busy population movement points, free demonstration of the product's performance, free samples, free supply of calendars and other minor 'complimentaries', free maintenance of small gardens and lawns at public places, free construction of passenger shelters and so on. All these activities are of a general nature, devoid of much persuasive content as such. The objective is to publicise and popularise the firm and its product among the general public.

### **Sales Promotion**

'Sales Promotion' is an omnibus term which includes all activities which are not specifically grouped under personal selling, advertising and publicity. Activities like money-

refund offers, contests, special price discounts, exhibitions and fairs, exclusive show rooms, easy instalment payment plans and so on form part of sales promotion. All these are meant to give periodical boosts to the sales of the firm's products and a series of such periodical boosts may add up significantly to a sizeable market share. Sales promotional devices are employed for a few days or months at a time. That way they are not continuous features. Nor are they as indispensable as personal selling and advertising. They can form part of the firm's overall promotional strategy to stimulate consumers demand.

The term 'sales promotion' has other meanings also. At the retail level it is synonymous with the total promotional mix including advertising, personal selling and publicity. Anything done to promote sales is 'sales promotion'. Even some manufacturers subscribe to this conception. Sales promotion also refers to the 'back room' work done by the sales promotion department—preparation of sales manual, demonstration kits, and other selling aids for the use of dealers and salesmen.