

Major Tools of Promotion i.e Advertising, Personal Selling & Sales Promotion

4/5 Marks Questions

1. What is meant by advertising? State the role of advertising in marketing. (Compartment 2014)

Ans. Advertising It is an impersonal form of communication, which is paid for by the marketers (sponsors) to promote some goods or services. Most common modes of advertising are newspaper, television and radio. –

Advantages to manufacturers are as follows:

(i) Provides economies of scale Large and steady demand enables a manufacturer to sell more and to produce goods on large scale. Mass production on regular basis helps to reduce the costs of production and distribution.

(ii) Reduces dependence on middlemen Advertising helps to establish a direct contact between manufacturers and consumers. It is easy to find consumers, as they are made aware of the availability and usefulness of goods.

2. Describe the role of public relations in the promotion of products and services. (Compartment 2014)

or

Explain the role of 'public relations' in marketing management. (All India 2013)

Ans. Public relations The concept of public relations involves a variety of programmes to promote and protect a company's image or its products. It is the sustained and planned effort to influence public opinion and to establish and maintain mutual understanding between an organisation and the public.

Role of Public Relations

The public relations department performs the following functions :

- Press relations, in order to present true facts and a correct picture about the company.
- Product publicity, by organising events like seminars and exhibitions.
- Corporate communication, by communicating with the public and employees of the organisation.
- Lobbying, by maintaining healthy relationship with the government, ministers, associations of commerce etc.
- Counselling, by advising the management on building goodwill by contributing to causes like environment, wildlife etc.

3. Though advertising is one of the most frequently used media of promotion of goods and services, yet it attracts lot of objections.' Explain any four such objections.(Compartment 2014)

or

'Advertisement is a social waste as it adds to cost, undermines social values and confuses the buyer'. Explain how? (All India 2008)

or

'Advertisement is unnecessary and wasteful'. Do you agree? Give reasons in support of your answer. (Delhi 2008 C)

Ans. Objections of advertising are as follows: (Any four)

(i) **Undermines social values** Advertisement sometimes compels to use those commodities which we do not require. In this way, our wants are unnecessarily increased. If wants remain unsatisfied, we feel discontented. Desire to have more and more things is multiplying and life style is badly affected. Some advertisements show new life styles, which cannot be socially approved.

(ii) **Encourage sale of inferior goods** Advertisement generally speaks very high of the products. Sometimes products advertised are defective and adulterated. In this way, consumers are misled and suffer losses with the use of commodities instead of benefits.

(iii) **Adds to cost** Advertising adds to the cost of product and the price of the commodity unnecessarily increases. The consumers pay for advertised commodity more than what they would have paid for the same unadvertised commodity.

(iv) **Confuses the buyer** There are so many advertisements of certain products such as TV, detergents, etc which confuses the consumer as which products should be purchased and which is better.

(v) **Some advertisements are bad in taste** Some advertisements show something which is not approved by the society. They may cause something objectionable and may cause distortion of certain relationships.

4. Differentiate between advertising and personal selling on any five basis.(All India 2012)

Basis	Advertising	Personal Selling
Form	Advertising is a means of indirect and impersonal communication.	Personal selling is a means of direct or face to face communication.
Message	There is uniformity of message which means that the message is the same for all the customers.	The message has no uniformity which means it can be changed, keeping in view the behaviour of the customers.
Time	It takes a little time in conveying any information to the customers.	It takes more time in conveying information to the customers.
Feedback	This gives no information about the reactions of the customers.	The reaction of the customers becomes immediately known or clear.
Media	TV, radio, newspapers and magazines.	Through salesmen.

6 Marks Questions

5. Explain the concept of personal selling and any four qualities of a good salesman.(Delhi 2013)

Ans. Personal selling refers to the oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales. Quality of good salesman are as follows:

- (i) **Physical qualities** Good looking, healthy.
- (ii) **Psychological qualities** Should be sweet natured, possess good behaviour, should be mentally healthy, intelligent and creative.
- (iii) **Technical quality** Should be fully conversant with technical knowledge of the product.
- (iv) **Communication skills** Should be pleasing, polite and courteous. He should have good oratory skills and he should also be a good listener.

6. Explain the role of 'advertising' in marketing management. (All India 2013)

Ans. Advertising is an impersonal form of communication, which is paid for by the marketers (sponsors) to promote some goods or services. Most common modes of advertising are newspaper, television and radio.

Advantages to manufacturers are as follows:

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(ii) **Reduces dependence on middlemen** Advertising helps to establish a direct contact between manufacturers and consumers. It is easy to find consumers, as they are made aware of the availability and usefulness of goods. Advantages to consumers are as follows:

(i) **Educates consumers** Advertising provides useful information to consumers about products and their uses. It helps them to develop better habits and good lifestyle, e.g. advertisements remind children to regularly brush their teeth, housewives to use better detergents and managers to use personal computers.

(ii) **Consumer's surplus** Advertising makes goods available to consumers at lower prices by expanding sales and production. It also helps to eliminate cost of middlemen. In order to support advertising, manufacturers maintain quality of their products. Consumers get surplus in the form of lower prices and better quality. Advantages to society are as follows:

(i) **Generates employment** Advertising provides direct employment to a large number of people engaged in designing, writing and issuing advertisements. Indirectly, advertising creates employment opportunities by increasing the volume of sales and production.

(ii) **Improves standard of living** Advertising helps people in improving their lifestyles. It provides knowledge about new and better things. Such education facilitates progress of civilisation

7. Identify and explain the promotional tool of marketing mix which plays a persuasive, service and informative role and thereby link a business firm to its customers. Also explain by giving any four reasons how this tool helps in increasing the sales of businessmen. (Delhi 2011)

Ans. Personal selling Personal selling refers to the oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales. Companies appoint sales persons to contact prospective buyers and create awareness about the product and develop product preferences with the aim of making sale.

Importance of personal selling to a business Personal selling is an effective tool of promotion mix. Its importance to business is judged by the following factors:

(i) **Flexible tool** It is personal in nature and offers the sales person an advantage of adjusting as per the needs of the customer.

(ii) **Link with customers** There is a direct contact between the salesman and the prospects, which reduces chances of diffusion and distortion in the desired message.

(iii) **Feedback** It enables the businesses to obtain the feedback from the customers and



accordingly prepare the strategies for the future.

(iv) **Role in introduction stage** It is an effective tool to launch products in the introductory stage of a product life cycle.

8. Identify and explain the promotional tool of marketing mix which is an impersonal form of communication and is paid for by the marketer. Also explain any three benefits of this tool. (Delhi 2011C; All India 2011)

Ans. Advertising is an impersonal form of communication, which is paid for, by the marketers (sponsors) to promote some goods or service. The most common modes of advertising are 'newspapers', 'magazines', 'television' and 'radio'. As it is an impersonal method, it creates monologue and not a dialogue. Advertising can be easily identified by its sponsor. Benefits of advertising are as follows:

(i) **Mass communication** Advertising is a medium of mass communication. It reaches a large number of people spread over a large geographical area.

(ii) **Helps in building the image of the firm** Advertising helps to build the image of the firm and its products in the minds of buyers who begin to patronise the products. It also helps in building confidence among the prospective buyers about the quality of the products.

(iii) **Creation of demand** Advertising helps in introducing new products and new uses of existing articles or services to create and maintain demand. Demand for the product is created through arising interest and awareness among the prospective buyers, and thereby increasing sales and profits of the organisation.

9. Identify and explain the promotional tool of marketing mix which involves oral presentation of message with one or more prospective customers for the purpose of making sales. Also explain any three benefits of this tool in the economic progress of a society. (Delhi 2011 c)

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Benefits of personal selling in the economic progress of a society are as follows:

(i) **Converts latest demand** Personal selling converts latest demand into effective demand, which leads to economic activity in the society, leading to more jobs, more income and higher production. This cycle leads to economic progress of the society.

(ii) **Employment opportunities** Personal selling offers employment opportunities to the unemployed youth in the society.

(iii) **Product standardisation** Personal selling increases product standardisation and uniformity in consumption pattern in a diverse society.

10. Describe any three points of importance of personal selling each to businessmen and society. (All India 2011)

Ans. Importance of Personal Selling for Businessmen Personal selling refers to the oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales. Companies appoint sales persons to contact prospective buyers and create awareness about the product and develop product preferences with the aim of making sale.

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Importance of Personal Selling to Society

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11. Explain the following sales promotion activities

(i) **Discount**

(ii) **Product combination**

(iii) **Financing**

(iv) **Lucky draw (Delhi 2009)**

Ans. (i) **Discount** It refers to offering products at less than the list price e.g. a shoe company's offer discount @ 50%.

(ii) **Product combination** It refers to offering another product along with the purchase of a product, say offer of a pack of half kilogram of rice with the purchase of a bag of aatta. (wheat flour).

(iii) **Financing** It refers to offering easy financing schemes, e.g. 24 easy instalments or the amount to be paid as post dated cheques.

(iv) **Lucky draw** It refers to taking out a draw on purchase of product and giving gift to the winner, e.g. lucky draw coupon for free petrol on purchase of certain quantity of

petrol from given petrol pump.

12. Explain the following sales promotion activities

(i) Refund

(ii) Instant draw and assigned gifts

(iii) Full finance at 0%

(iv) Sampling (All India 2009)

Ans. (i) Refund Refunding is a part of price paid by customer on some proof of purchase, say return of empty foils or wrapper. This is commonly used by food product companies to boost their sales.

(ii) **Instant draw and assigned gifts** The customer may get a gift on scratching a card or drawing a number carrying the assured prize.

(iii) **Full finance at 0%** Many marketers offer 0% interest on financing of consumer durable products like washing machine, TV, etc., e.g. 24 instalments in which 6 paid as first payment (down payment) and remaining 18 with postdated cheques. In these types of schemes, customer should be careful about the file charges, rate of interest, etc.

(iv) **Sampling** It refers to distribution of free samples of the product to the customers. These are distributed when the seller wants the customers to try the product. Generally, when a new product is launched such samples are distributed.

13. A salesman approaches you to promote the sales of a 'water purifier'. Which communication tool the marketer is using by sending a salesman at your door step? Explain the role of this tool to a businessman. (Delhi 2009 C; All India 2009)

Ans. The marketer is using the tools of personal form of communication or personal selling or salesmanship. It involves face to face communication between a seller and a buyer. In this technique of promotion, sales person can make oral presentation to one or more customers for the purpose of making sales.

Importance to businessman are as follows: (Any five)

(i) **Effective promotion tool** Personal selling is an effective tool to increase the sale of product. Salesman explains the merits of products to customers.

(ii) **Flexible tool** Personal selling efforts can be changed according to the type of customer that the salesmen are attending.

(iii) **Consumer attention** Through personal selling, it is easy to get the attention of customer, as there is face to face interaction between customers and salesman.

(iv) **Relationship** Personal selling helps to create lasting relationship between customers and sellers, which helps in increasing sale.



(v) **Minimum wastage of efforts** As compared to other methods of promotion in personal selling, the wastage of efforts is minimum.

(vi) **Personal rapport** Through personal selling, salesman can create personal rapport with the customers.

14. 'Explain the concept of personal selling'. How does it act as a powerful tool for creating demand and increasing sale of a firm's products? (Delhi 2009)

Ans. Concept and importance of personal selling

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15. 'Money spent on advertisement is not a waste but an investment'. Do you agree with this view? Give reasons in support of your answer. (HOTS; All India 2008)

Ans. It is true that money spent on advertisement is not a waste but an investment. The benefits of advertising to the manufacturers or producers are as follows:

(i) **Increasing sales** A good advertisement campaign keeps the existence of a product alive in the market. It helps in generating more sales for the manufacturer. It expands the market by influencing more people to buy the products and services.

(ii) **Creating demand for new product** It helps in launching a new product by introducing it to the people.

(iii) **Reducing cost of production** Advertisement promotes increased sales. It reduces the cost of producing by making large scale production possible through the creation of



demand.

(iv) **Increase in profit** Increase in sale and reduction in cost enhances the profitability of the organisation.

(v) **Goodwill** Frequent advertisement and good marketing improves the goodwill of the organisation. It boosts the image of the organisation in the business world.

(vi) **Steady market** Customer's confidence is created by regular advertisement about the quality, use and availability of the product.