

PRINCIPLES AND PRACTICE OF MARKETING

UNIT 4: PROMOTION AND DISTRIBUTION

31. Promotion – Meaning and Objectives

Promotion refers to all the activities a company undertakes to inform, persuade, and remind customers about its products or services.

Kotler's Definition:

“Promotion encompasses all the tools in the marketing mix whose major role is persuasive communication.”

Objectives of Promotion:

1. **Inform** customers about new/existing products
2. **Persuade** them to prefer your product over competitors
3. **Remind** them to repurchase
4. **Build Brand Image**
5. **Create product awareness and interest**
6. **Encourage action (purchase)**

32. Promotion Mix

The **Promotion Mix** is the combination of promotional tools used to achieve marketing objectives.

Main Elements of Promotion Mix:

1. **Advertising** – Paid form of non-personal communication
2. **Sales Promotion** – Short-term incentives to boost sales
3. **Personal Selling** – Face-to-face interaction
4. **Public Relations (PR)** – Creating a favorable image
5. **Direct Marketing** – Personalized communication (email, SMS)
6. **Online/Digital Marketing** – Social media, SEO, content marketing

33. Methods of Promotion

1. **Advertising**
2. **Personal Selling**
3. **Sales Promotion** – Coupons, contests, discounts
4. **Public Relations** – Press releases, events
5. **Direct Marketing** – Catalogs, telemarketing
6. **Online Promotion** – Influencer marketing, Google ads

34. Advertising – Meaning and Objectives

Advertising is any **paid, non-personal** form of communication by an identified sponsor to promote products or services.

Objectives:

- Create awareness
- Stimulate demand
- Build brand preference
- Support sales force
- Inform about new products or offers

Example: TV ads, newspaper ads, YouTube banners

35. Advertising – Merits

1. **Wide reach** – Covers a large audience
2. **Brand building** – Enhances image and recognition
3. **Product awareness** – Educates the public
4. **Control over message** – Marketer decides what to say
5. **Supports other promotion tools**

36. Advertising – Limitations

1. **Costly** – High investment for mass media
2. **Impersonal** – No direct feedback from customer
3. **Cluttered space** – Too many ads, less attention
4. **May be misleading**
5. **Less effective for niche markets**

37. Characteristics of an Effective Advertisement

1. **Attractive and attention-grabbing**
2. **Clear message**
3. **Relevant to the target audience**
4. **Memorable (tagline, jingle)**
5. **Call to action (buy now, visit website)**
6. **Truthful and ethical**

7. Consistent with brand image

38. Personal Selling

Personal selling is face-to-face communication between a salesperson and a potential buyer to make a sale and build a relationship.

Features:

- Personal interaction
- Immediate feedback
- Builds trust
- Customizes presentation

Importance:

- Useful for high-value or complex products
- Helps answer customer queries
- Builds long-term customer relationships

Example: Real estate, insurance, B2B sales

39. Channels of Distribution and Physical Distribution

Distribution Channels refer to the path through which goods and services travel from producers to consumers.

Physical Distribution involves the logistics of getting products to the right place at the right time.

40. Distribution Channels – Concept and Role

Concept:

A **distribution channel** is a set of intermediaries involved in making a product or service available.

Role:

- Ensures product availability
- Reduces transaction costs
- Provides customer service
- Handles storage, transport, and risk

Example: Manufacturer → Wholesaler → Retailer → Consumer

41. Types of Distribution Channels; Factors Affecting Choice

Types of Channels:

1. **Direct Channel (Zero-level):**
 - No intermediaries
 - Producer → Consumer
 - Example: D2C websites, factory outlets
2. **Indirect Channels:**
 - **One-level:** Producer → Retailer → Consumer
 - **Two-level:** Producer → Wholesaler → Retailer → Consumer
 - **Three-level:** With agents/brokers added in between

Factors Affecting Channel Choice:

1. **Nature of Product** (perishable, technical)
2. **Market Size and Location**
3. **Cost of Distribution**
4. **Desired Control over Channel**
5. **Competitor Strategy**
6. **Customer Buying Habits**

42. Retailer and Wholesaler; Physical Distribution of Goods

Retailer:

- Sells goods directly to final consumers.
- Example: Kirana store, Big Bazaar, Amazon

Wholesaler:

- Buys in bulk from producers and sells in smaller quantities to retailers.
- Example: Grain mandi traders

Physical Distribution:

- Refers to handling, movement, and delivery of goods.
- Components:
 - Transportation
 - Warehousing
 - Inventory control
 - Order processing

43. Transportation and Warehousing

Transportation:

- Physical movement of goods.
- Modes: Road, Rail, Air, Water, Pipeline
- Key for timely delivery, cost control

Warehousing:

- Storage of goods before sale
- Types: Public, Private, Bonded, Cold storage
- Functions: Stabilizes prices, ensures continuous supply

44. Inventory Control and Order Processing

Inventory Control:

- Managing stock levels to meet demand without overstocking
- Objectives:
 - Reduce holding costs
 - Avoid stockouts
 - Ensure smooth production and delivery

Order Processing:

- Series of steps to complete a customer order
- Includes:
 - Order receipt
 - Checking availability
 - Invoicing
 - Packing and shipping

Efficient order processing improves customer satisfaction and loyalty.