

**SOS POLITICAL SCIENCE AND PUBLIC  
ADMINISTRATION**

**MBA FA – 406(C) Optional Paper**

**SUBJECT NAME: MARKETING  
SERVICES**

**UNIT-II**

**TOPIC NAME-PROMOTION MIX**

## **Meaning of Promotion-Mix:**

Promotion-mix refers to an optimum combination of different promotional tools and techniques; with a view to maximizing sales and profits.

The need for promotion-mix arises because all promotional tools and techniques are not equally effective and appealing. Promotion mix imparts a variety to the promotional efforts of the marketing manager.

## **Definition**

A specific combination of promotional methods used for one product or a family of products. Elements of a promotion mix may include print or broadcast advertising, direct marketing, personal selling, point of sale displays.

## **Concept Of Promotion Mix-**

Imagine you are an organization trying to go global or expand. You have carefully planned how your business will enter the new market, have developed the right product or service, and believe you can offer it for a price that will be profitable. However, until you actually get to the real action and start selling your product, you need to take care of one important part of your business without which your business would not actually function, namely, your customers.

In the process of creating the marketing plan, managers usually use the 4p's model (which can also be found as the 5p's model). The 4P's model includes price, place, product and promotion (later on the model developed in order to also include people). So you have set the price, you have the product and the place where you want to sell it, but what about promotion?

How an organization chooses to promote their products and services can have a direct and substantial impact on sales. There is much thought and consideration that needs to go into how dollars spent on advertising and promotions will convert into revenue for the company.

# **The promotional mix generally involves 5 components such as:-**

1. Personal selling
2. Advertising
3. Direct marketing
4. Sales promotions
5. Public relations

## Components of promotion mix

### **1) Personal selling**

It is a part of the promotional mix which involves a one to one communication between buyers and customers (either potential or already customers). As it is a one-to-one communication, it generates direct contact with prospects and customers. Even though it is considered to be one of the most expensive forms of promotion, it is also considered to be the most successful as a seller-buyer relationship can be created and developed.

### **2) Advertising**

One of the key factors in the promotional mix, which contributes to brand building and also how the market perceives the company, is advertising. It is always a big part of the promotional mix because of the far and wide reach of advertising and the message that you can send to your existing and potential customers. Good advertising can build a solid brand for the company. On the other hand, bad advertising with a wrong message, can cause the brand or product to fail.

## Components of promotion mix

### **3) Direct marketing**

While advertising targets a mass-audience, direct marketing targets prospects and customers. Social media marketing, Email marketing, Internet marketing are all types of direct marketing used by companies. They have become important in the promotional mix lately because people are using internet far more than they used to a decade back. Company's employ direct marketing in order to engage in one-way communication with its customers, about product announcements, special promotions, order confirmations as well as customer inquiries.

### **4) Sales promotions**

Sales promotions are one of the most common types of promotion used by companies. Their main purpose is to stimulate purchasing and sales. While it has the potential of increasing sales, it is also beneficial for informing prospects about new products on the market or just to recapture old or lost customers. Such examples include: coupons, product samples, etc.

## Components of promotion mix

### **5) Public relations**

Lastly, public relations enable an organization to influence a target audience and through this, create a favorable and positive image for the company. The company tries to connect with the audience by sharing information with them about the company and about the product. If anything goes wrong on the information front, the public relations department has to step forward and rebuild the public image.

While establishing your own promotional mix, you need to consider and decide upon several factors:

- Determine which is your target market – in terms of which customers' needs you are going to fulfill through your products while understanding the attitudes and behaviors of your targeted customers
- Determine your objective – more precisely, what are you expecting to get once your promotion mix is implemented.
- Design your message in terms of content and format.
- Select your promotional channels.
- Determine your budget.
- Determine your promotional mix.

## **Factor Influencing Promotion-Mix:**

**Some important factors which have an influence on the formulation of promotion-mix are described below:**

### **(i) Type of Product:**

In case of industrial goods and consumer durables, where demonstration of the product is required to explain their manner of handling, instructions for safety etc.; personal selling must be emphasized more than advertising and sales promotion. Standardized popular goods require more of advertising than personal selling to maintain and extend their demand.

In fact, products of different nature and varieties require different promotional devices; and there are no standard rules in this regard governing the choice among elements of promotion-mix.



**(ii) Age of the Product:**

For new and innovative products, personal selling is better; as salespersons can easily educate and convince prospects about the nature and utility of such products. Alongside, aggressive advertising is also necessary to prepare a base for demand creation.

For older products, whose popularity may be declining due to intense competition; sales promotion techniques might be better able to push demand by creating an interest in products, on the part of general publics.

**(iii) Number of Consumers and Their Spread:**

If the number of consumers is small and they are concentrated in particular geographical regions; personal selling might be more effective and cheaper. If, however, consumers are large in number and are widely spread; advertising might produce better results in terms of creating awareness about the product.

An added aspect here may be the type of consumers – ladies, gents, children, elderly persons etc. For developing popularity of the product e.g. among ladies or children, sales promotion techniques might better meet the expectations of the manufacturer in producing quick sales.

#### **(iv) Promotion Budget:**

Different elements of promotion-mix have different financial implications. The size of the promotion budget i.e. funds available for promotional purposes might have a decisive say, in the formulation of the promotion-mix.

#### **(v) Stage of the Product Life Cycle:**

Stage of the life cycle which a product is passing through, has an important influence on promotion-mix. During introduction stage e.g. there might be a need for emphasis on all aspects of promotion-mix to create maximum awareness about the product. At the saturation stage, aggressive advertising might better meet promotional requirements.

In the declining stage, there may be a need cut down expenditure and efforts on all elements of promotion-mix and so on. However, there is no standard formula for formulation of promotion-mix, in view of the product life cycle stage; as different products have different implications of promotional efforts at different stages of their life cycles.

**(vi) Strategies Used by Competitors:**

An ideal promotion-mix of a company must be formulated against the background of the promotional strategies of competitors. In fact, it is desirable that the promotion-mix of a manufacturer must be in tune with the promotion-mix of leading competitors, in order to better face the challenges posed by them.

**(vii) Appeal to Prospects:**

**Different promotional techniques have different influences on prospects, depending on whether they are:**

1. Urban or rural
2. Educated or uneducated (or less educated)
3. Service-class people or business class people
4. Rich, poor or average, in financial terms, and so on.

Just to give one example in this context, we may say that busy people of business class never like the sight of salespersons and would always like to avoid meetings with them; as their attention, all the time, may lie in business matters. To influence such persons, advertising is a better promotional technique, which does not involve their busy time.

## **Promotion mix important:**

- Improves the effectiveness of promotional campaigns
- Helps segment the audience
- Improves communication with clients
- Informs subscribers
- Stands out from the crowd

## Promotion mix important:1

### Improves the effectiveness of promotional campaigns:-

Promotion is a crucial part of any business, so companies develop a promotion mix, putting all efforts to make promotions at the right place, at the right time, and to the right audience. It helps one get the most out of their marketing resources by optimizing their budget and saving time.

### Helps segment the audience:-

To develop a compelling promotion mix, a company needs to identify its target audience. Potential subscribers may include various groups of people who have something in common, for example, age, gender, preferences, etc., and they all require an individual approach. A promotion mix is a key method for delivering a relevant promotion message via the most suitable channel for each segment.

## Promotion mix important:2

### Improves communication with clients:-

Companies develop a promotion mix trying to speak their consumers' language. If prepared correctly, it helps build trust between the brand and its customers. This is a crucial factor in lead nurturing and customer retention. For example, automated email campaigns help achieve these goals by responding to people's actions instantly.

### Informs subscribers:-

Some promotions, on Instagram for example, aim to show the product from the best angle, and others, like SMS, emphasize the advantages of local services. When using a promotion mix, companies define the best ways to educate people about the products and services they provide.

### Stands out from the crowd:-

People are bombarded with all sorts of advertising at every turn. With a promotion mix, it is possible to stand out from the crowd without creating chaos in your customers' heads. Successful companies make quality prevail over quantity, promoting their product or service at the right place and right time.