



UNIT-6

Promotion Mix

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Explain the importance of promotion in any successful marketing effort
- ✓ Explain the factors that influence the development of the promotion mix.

Unit 6

Promotion Mix

Producing a good product does not mean it will be successful in the market. Until the intended customer is aware that the product exists, what its characteristics are, the price etc. he will not purchase it. Hence, the manufacturer has to organize a complex system of communication. That is why some mode of promotion is required to make customers, middlemen and the general public knowledgeable about the existence of the product. Marketers call the form of communication aimed at target audience, promotion. Methods of promotion include advertising, publicity, selling and sales. This unit will explore the meaning and importance of promotion, process of communication, the idea and various factors of promotion mix and the different components affecting promotion mix.

Meaning and Importance of Promotion



Fig: 6.1

Communication occupies a critical spot in marketing. It is the function of marketing which is given the duty of enlightening the target consumer of the type and nature of the company's goods and services, benefits it offers, its feature and uses along with the price and the types of locations at which it will be available in the market. Since it is the purpose of the marketing communications is to influence the consumer's attitude in favour of the company's products, they are of persuasive character. Such persuasive interactions are commonly referred to as 'Promotions' and make up one of the four Ps of the marketing mix. So, in the framework of marketing, promotion points to the functional communiqué utilized by marketers to trade convincing messages and information between an organization and its different publics.

Marketing communication study is then, the study of the promotion utility of marketing. Regardless of the endless debate over promotion being the first or the final element of marketing mix, the fact stands that solid management of the marketing function relies on successful administration of its promotional role.

With increasing competition in the market place, in addition to the consumer becoming increasingly more informed and selective, it is now critical that marketing communications of only the precise kind are carried out to the exact group of aimed at buyers. Now we will identify the value and function of promotion:

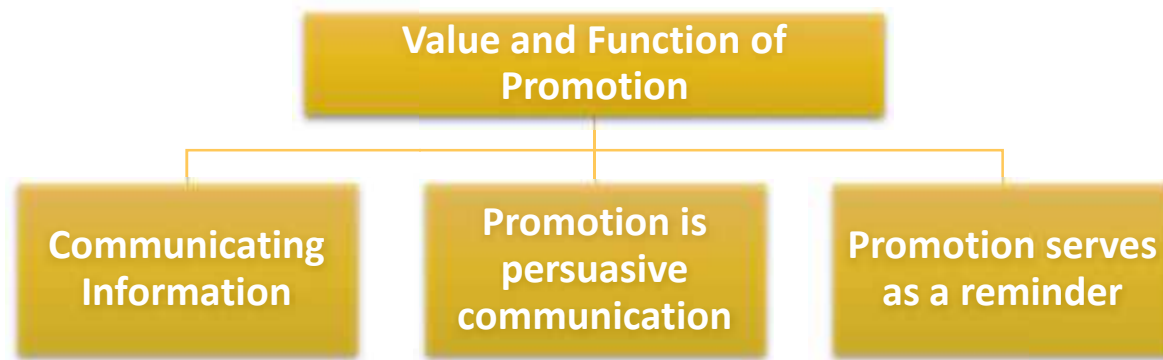


Fig: 6.2

- A. Communicating information:** As we have learned, the marketer's job is to pin point what the consumer wants and then comply with these desires by producing the right types of products, at the correct location and the appropriate price. The objective of promotion in marketing is to communicate to consumers the features of the product and explain how it will fulfil their wants, and provide any other relevant information that will promote sales. For instance, a firm manufacturing refrigerators is planning to tender an off-season price cut, it becomes imperative to inform the potential buyer about the amount of the discount, when it can be availed, and where it will be available etc. If all this data is not made available to the perspective consumers, the price cut will not be of any value to either the consumer nor the customer. In this way, promotion is as critical a part of marketing function as it is communicating.
- B. Promotion is persuasive communication:** In every free enterprise system in which organizations create and make available wide ranging new and improved products, there are going to be communications and distractions of all kinds. Consumers must choose a product from the large selection of competing products available. Not all customers have the time and vigour to compare the rival products physically, so they rely on advertisements for information about the product. With the existing business environment being extremely competitive, every manufacturer wants the consumer to buy their brand. So, convincing the consumer is another aim of promotion and this is why promotion is recognized as convincing communication.
- C. Promotion serves as a reminder:** Take the example of a customer who habitually buys Colgate Toothpaste or Lux Soap. Do the manufacturers of these products advertise to attract such customers? Naturally the answer is yes, because even the devoted customers have to be repeatedly reminded how a product has over the years provided good service and what makes it attractive. This holds true more in the environment where competition organizations attempt to continuously attract consumers with their own competing brand's persuasive and informative

messages. So, besides informing and persuading, another vital function of promotion is to keep reminding consumers. This is the reason for the firmly established product manufacturers like Colgate, Lux, Surf, Nescafe etc. to advertise considerably, to maintain consumers' fondness for these items.

The Communication Process

Communication is described as *"the process of influencing others behaviour by sharing ideas, information or feelings with them."* Its main function is to comprehend the meaning of intel being expressed. To put it differently, the individual getting the information should comprehend as nearly as possible the meaning that the sender intends to give. It is the duty of the message giver to make certain that this function is achieved.

Elements of Communication Process

Communication has been explained as **"who says what to whom through which channels with what effect"**. We observe that there are two major groups taking part in the process, the sender (who) and the receiver (whom). The tools employed by the sender are called messages and channels or (media). In this way communication takes place when: 1) a message is transmitted by the sender 2) the receiver gets the message, and 3) both parties, sending and receiving share the meaning.

The process of communications in itself makes use of functions like encoding, decoding, response and feedback. We will now consider each element in the process of communication individually.

- **Sender:** is also known as the source. Sender is the group that initiates the message for the other party called the receiver or destination. The sender engages in the intellectual process of placing an idea into a shape in which it can be communicated.
- **Receiver:** The individual or group for whom the message is proposed and is an operational player in the process of communication. The way meaning is given to a message by the recipient is determined by his attitudes, previous experience, values, requirements and the message's timing.
- **Encoding:** this is the procedure of deciphering the thought that has to be communicated into a emblematic message made up of pictures, words, gestures, numbers etc. This has to be done because it is not possible to send an idea from one person's head into another in the raw form.
- **Message:** This is made up of a collection of symbols that stand for objects or experiences which the sending party transmits to encourage a change in the receiving party's behaviour. Because a majority of the symbols (words, numbers, pictures etc.) mean more than one thing, the selected symbols should be simple and recognizable by the receivers.
- **Medium:** It is the tool used by the sender to transmit the message to the receiver. Generally there exist two kinds of media: 1) inter-personal media and 2) mass media. The sender and

receiver establish a direct in inter-personal medium. An example would be in situations where the salespeople would contact the customers and communicate directly about the product. In this scenario there is a two-way flow of information and the salesperson gets immediate and direct feedback. This allows the salesperson to gain total control over the process of communicating. Mass media communication is non-personal media that allows contact between a large number of receivers concurrently and the sender. Radio, television, magazines, newspapers, hoardings, billboards etc. are all examples of the various types of mass media.

- **Decoding:** Just the way in which the sender encoded a message, the receiver has to decode it. Decoding is the method in which the receiver tries to change the symbols sent into a message. Receivers can 'decode or deduce in various ways based on their individual experiences, backgrounds and characteristics. For instance, a well regarded airline a onetime advertised "if you fly with us you will never walk again". Even though the airline meant to deliver to the receiver (i.e. potential passengers) that the airline makes available excellent services that the passengers would forever want to fly with them. It could easily have been misunderstood by many receivers as a warning of harm that might come to the flyers' limbs.
- **Response:** The receiver reacts in different ways to the sender's message, such as asking questions, purchasing the product, or staying away from it, and even seeking more information etc. Hence, a response is a group of reactions the receiver displays after exposure to the message.
- **Feedback:** This is the communiqué the receiver gives to the sender about their understanding of the message and the reaction to it. This is backward flow of communication in which receivers encode their messages and return them to the original sender. The sender now sets about decoding the feedback message. The more time the sender takes to receive and decode the feedback, the less useful it gets. Interpersonal communication (sales personnel) channel feedback is more direct, immediate, and more frequent. Salespeople good at their jobs receive feedback directly and instantly from their prospects, and alter their presentations to accommodate the prospect's needs. Feedback is normally slow, indirect and difficult to collect with communication through mass media. In reality it may only be obtained if the sender actually makes plans to get that feedback. The sender can also carry out research to find out if the receivers have gotten the message, the number of times and if they remember it or not etc.
- **Noise:** this is anything the disrupts the communication progress in a way such that the receiver gets a message which is not the same as the one sent by the sender or does not get the message at all. Noise can interfere with any or all segments of the process of communication. One example would be excessive number of advertisements of the same product (varying brands) in one newspaper or magazine, it causes distraction. The earlier example of the airline saying would be a case of noise.

Look at Figure 6.3 carefully for a diagrammatic presentation of the communication Process:

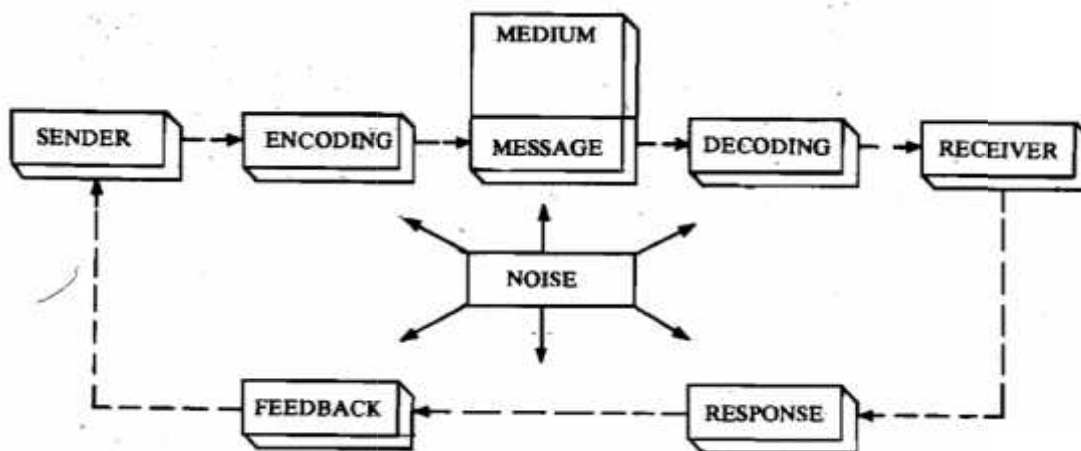


Fig: 6.3 communication process

Step in Communication Process

For effective communication, some factors tend to be very important. These would be: 1) identification of target audience, 2) Figuring out the required response, 3) Selecting the message, 4) choosing source attributes, and 5) gathering feedback.

Identifying the Target Audience

The target audience is identified as the group of people for whom the promotional message is meant and it is inclusive of the existing and potential customers. So, to reach this group with a message that has value, the sender has to pin point the target receivers and their characteristic (like sex, age, income, occupation, education, life style etc.), past experience, attitude values buying habits, and decisions after which the product is actually purchased. With an understanding of target consumer, it is easier for the sender to complement the message to the target audience. With greater overlap between sender's 'field of experience' (values, background, attitudes, education, social status, experience etc.) and the receiver's scope of experience, the greater the effect of the communication.

Determining the Response Sought

After the target audience has been identified, the sender resolves what reaction he is anticipating from the receiver. For example, the sender may wish the receiver to seek out more information regarding a service or item, or he may wish for the receiver to actually physically look at the product and then purchase it. The crucial response is the actual purchase. As we have seen, the decision making progression of the customer, heading to the purchase, is itself complex and drawn out. Thus, the sender has to know how to get the target viewers from the existing point to a point which will take them closer

to the actual buying of the product or a service. With the message, a sender will want to implant something in the receiver's mind or alter their attitude or induce them to take a specified action.

Message Content: It points to the main or pivotal concept of the promotional message. So if the pivotal idea or plea is the catchphrase of Bush Colour TV 'feel the picture' is excellent quality in the form of perfectly reproduced pictures that yield as close to life effect as possible. Likewise, Philips advertisements have the jingle 'when it is Philips you're sure'. Here the pivotal idea is the assertion of quality. When the same plea or main idea is maintained for a long duration, it lends reliability to the succession of promotional messages, and becomes known as Theme. The Philips slogan spoken of above is a good case in point of a theme. The plea or theme in majority of the promotional messages associates with the features and claims of the product.

This brings to another fascinating notion known as U.S.P. or 'Unique Selling Proposition'. In USP, the characteristics or attributes (selling points) of the item are coordinated with benefits for the customer exclusively.

Marketers make use of three main types of appeals:

- a) **Rational appeals:** These types of pleas tend to demonstrate that the product delivers the advantages claimed. These pleas also convey a product's quality, cost effectiveness (price), value or functioning. As a matter of fact, a majority of the consumer products like refrigerators, cars, air conditioners, washing machines and other main appliances and industrial goods utilize such pleas.
- b) **Emotional appeals:** These types of pleas make use of either negative feelings (such as fear, guilt, shame) or positive feelings (like joy, love, pride, joy, humour) to encourage action or buying. The fear factor is utilized by Life Insurance Corporation to motivate individuals to purchase insurance. Emotional appeals are employed for sale of garments, fabrics, cosmetics, perfumes, etc. Advertisements related to tourism use pleasure and joy as arousing factors.

Message Format: The sender has to figure how to send a message to the aimed at spectators. A superior quality format for the message has to be developed. So, if the message is to be delivered through newspapers or magazines, the sender has to resolve what type of headline length, illustrations (or photographs), the text (written portion of the advertisement, besides the headline), colour etc. Marketers frequently make use of leading visuals (illustrations), benefits, emotions, demonstrations, and music to gain notice. If the plea is to be broadcast over radio, the words have to be selected with care, voice quality (speech speed and pitch etc.) have to be guarded. When the plea is to be aired on television, all factors important for radio still hold true in addition to facial expressions, dress, gestures, posture etc. If the plea is carried on the product itself, or packaging, the sender needs to be attentive to size, colour, texture, shape and scent e.g. toile soaps and perfumes.

Message Source: The way the aimed at spectators perceive the sender (or source) can have major bearing on communication usefulness. 'Source Credibility' points to aimed at audience's perception of the sender's credibility (i.e. how authentic the source or sender is). Source authenticity has bearing on

how the aimed at spectators will assess and respond to the message. Expertise, trustworthiness and likability are the three points that affect source credibility.

- I. **Expertise:** is the focused wisdom that the sender is supposed to have due to his occupation, profession or experience. Doctors, scientists, engineers, professors and other technical experts for example, are all highly rated or considered experts in their fields. Thus, to promote a health product a renowned sports figure is more believable than a professional model delivering the plea.
- II. **Trustworthiness:** This deals with how unbiased or honest the source (sender) appears to be. Relatives and friends are normally more easily trusted as compared to stranger or salespeople. In truth then, trustworthiness is linked to expertise. If a renowned expert sponsors a product, his declarations will be more trustworthy. Additionally, if a company with a proven track record of putting out good quality goods unveils a new product, its claims about the product will most probably will be trusted more than those of some unknown company with the same product line.
- III. **Like ability:** this points to the source's overall magnetism to the spectators (receivers). Merits like good looks (appearance), humour, straight-forwardness, naturalness, good voice etc. make an individual more appealing. The source with the greatest credibility will be the one with a mixture of all three qualities mentioned above.

Collecting Feedback

Collecting feedback has to do with the receiver's response to the message being conveyed back to the source. This point has already been covered at length while covering the 'feedback' factor in the current unit.

Concept of Promotion Mix

In our daily routines we all encounter a large variety of tools of promotion with the function of communicating different types of information to us. To exemplify, at home we run into advertisements while watching TV, reading the newspaper, listening to the radio or even browsing through the water, electricity or telephone bills. On route to the office similar communications are shown on bus sides, hoardings on roadsides, neon signs, banners and posters etc. While visiting a retail shop communication takes the shape of traffic builders, displays of products, hangers, streamers, bins etc. all forms of communication share information about a certain product of some company.

All of the above are just a sample of the different types of promotion tools a marketer can use. Before going any further, let us examine the definitions of the four main mechanisms of promotion. These include: advertising, personal selling, publicity and promotion. It is not possible for any single activity say advertising, to be administered totally without taking into account its links with other elements. That is why business enterprises usually implement all four of the elements. The relative significance of varying elements of the promotion mix differs from business to business.

Components of Promotion Mix

As mentioned earlier, the four components of promotion mix are: 1) advertising, 2) personal selling, 3) publicity, and 4) sales promotion.



Fig: 6.4

- 1) **Advertising:** is any type of paid, non-personal communication carried out through mass media about a product, service or a thought by a recognized sponsor. It is made up of messages that are paid for by recognized sponsors through channels (media) that are non-personal. Advertising carries a signature by the way of a company or brand name. The media employed may be made up of magazines, newspapers, radio, bill-boards (hoardings), television, direct mail etc. Sponsors can be not for profit organizations (universities, colleges, and institutes), businesses or individuals.
- 2) **Personal Selling:** Face to face communication between a buyer and seller is personal selling. The purpose of this person-to-person interaction is to convince the buyer to agree to a point of view or to persuade the buyer to take some course of action. To put it simply, personal selling is a face-to-face process in which the seller finds out about the potential buyer's requirements and aims to fulfil them by making a sale. A salesperson has to be appropriately trained to build up and deliver a message to the potential buyer. Personal selling frequently requires a lot of travel by the salespeople and stays outside the usual habitation. Thus, personal selling tends to become very costly. However, the high cost of personal sales is offset by its elasticity. The salespeople can adjust and adapt the presentation to fulfil the precise needs of the prospect (customer). The salespeople can deal with the customer's protests as they come up. In personal selling, direct and nearly instantaneous feedback can be collected from the customers.
- 3) **Publicity:** inspiration of demand for a product, service or business unit that is not personal, by producing commercially important news related to it in published medium or getting positive

presentation of it on radio, television, or stage. Differing from advertising, this type of promotion is not financially rewarded by the sponsor.

Hence, publicity is news circulating in the mass media regarding an organization, its products, policies, actions or personnel. It can be started by the media or the marketer, and is published or broadcast without cost for the media time and space, to the business. Publicity is analogous to advertising except that it is not paid for and delivers an unsigned message, even though it may be using the same mass media as advertising. When information regarding a company or a product is thought to be newsworthy, mass media generally relay it free of charge. So the company being publicised does not pay nor does it sign the message.

Publicity may be positive (favourable) or it can be negative (unfavourable), as the message at the disposal of the media and not in control of the organization (or firm).

- 4) Sales Promotion:** This is one way of interacting with the aimed at audience using a method that is not possible in other factors of the promotion mix. Sales promotion can be described as “those promotional activities other than personal selling, advertising and publicity that are intended to stimulate buyer purchases or dealer effectiveness in a specific time period.” Hence, sales endorsement is any action that makes available a motivation for a designated period of time to get a desired reaction from the aimed at audience or intermediaries (wholesalers and retailers). Some examples of endorsements include special offers, discounts, gifts, coupon deals, trade shows, demonstrations, contests etc. The aim of sales endorsement programmes is to adjunct advertising and personal selling messages made available by an organization.

Comparison of the Components of Promotion Mix

This endorsement efforts fall into two main types made up of 1) face-to-face communication, and 2) indirect communication via a mass medium, such as television, radio, newspapers etc. At times a mix of personal (direct) and non-personal (indirect) endorsements can be used, as we will see in the case of sales promotion. The character of the message and the circumstance in which it is conveyed, affect the method that is to be used. For example, an industrial purchaser will not decide to buy apparatus just on the foundations of advertisements or direct mail. More emphasis will be assigned to personal selling in this case. Conversely, someone buying toothpaste or soap will not have much contact with company salespersons, and so will more likely be influenced by advertisements.

An amalgamation of all the elements of promotion mix is essential to unite the information needs of all the aimed at customers. This merely means that promotion mix is not intended to fulfil the needs of only potential buyers and nor is it only designed to meet the needs of recurrent buyer. Various elements of the mix may be geared at the aimed customer who is not aware of the product, whereas others may be pointed at potential customers who are absolutely conscious of the product and will probably buy it. Assuming you are interested in the purchase of a personal computer. Due to the interest in the product, you start being attentive to computer advertisements in magazines, and newspapers. You might even read the reports in the media regarding personal computers by experts (publicity). You may additionally

start to take part in training programmes or demonstrations. You may even contact the salespersons of various computers to learn about the features and relative-virtues. Based on all the collective information, you may finally buy a specific brand. Now you are ready to answer the query, which angle of the promotional mix helped you to decide to purchase the brand you selected at last? You might say that the salesperson's expertise was the main swaying factor, but the fact remains that all elements of the mix delivered their role in producing a sale. That is why, to receive a better reaction from the targeted customers, you have to use all four factors of the promotion mix. However you should understand that the factors of the promotion mix have to be synchronized and incorporated so that they emphasize and balance each other to create a blend that works well together.

Table below summarises the traits of the different factors of the promotion mix.

S.#	Factor	Advertising	Personal Selling	Sales Promotion	Publicity
1.	Mode of Communication	Indirect and non-personal	Direct and Face-to-face	Indirect and non-personal	Indirect and non-personal
2.	Regularity	Regular and on-going	Regular and recurring	Not regular only short term stimulation	Not regular. Only news-worth information
3.	Message Flexibility	Generally uniform and unvarying	Personalised and adopted to the prospect	Generally uniform and unvarying	Beyond the marketer's control
4.	Feedback	Indirect, if any	Direct Feedback from prospect	No feedback. Indirect, if any	No feedback. Indirect, if any
5.	Control Over Message Content	High control	High Control	High control	No control
6.	Sponsor	Has identified sponsor	Has Identified Sponsor	Has indetified sponsor	Has no sponsor
7.	Cost per Contact	Low to moderate	High	Variable	None
8.	Scope	Mass	Personal	Mass	Mass
9.	Advantages	Allows expressiveness & control over message	Permits flexible presentation and gains immediate response	Gains attention and has immediate effect	Has high degree of credibility
10.	Disadvantages	Hard to measure results	Costs more than all other forms per contact	Easy for others to imitate	Not as easily controlled as other forms

Table: 6.1

Factors Affecting the Promotion Mix

A number of different features impact the choice of factors in a promotion mix and the comparative importance of each feature. All factors that impact the promotion mix can be assembled into four groups as follows: 1) product related factors, 2) customer related factors, 3) organisation related factors, and 4) situation related factors.

Product Related Factors

Factors related to products include: 1) the quantity and intricacy of product information to be communicated, 2) the stage of the product in the product's life cycle, and 3) product type and unit price.

1. **Amount and complexity of product information:** Generally stress is put on advertising to pass on a simple idea or to make consumers aware of a product whose characteristics are observed easily. Advertising is also employed for products that customers are familiar with. Personal selling and sales promotion are thought to be more beneficial to reveal complicated ideas. For instance, in the case of consumer goods like television sets, mixers, music systems, computers, etc. personal dealings allow consumers to try the product and make inquiries.
2. **Stage of the product in the product life cycle (PLC):** During the introductory stage of PLC, the main promotion purpose is to generate awareness and curiosity in the product. Wide-ranging advertising, sales promotions and publicity, aid in connecting with potential consumers and encourage trial buying. Personal-selling is helpful in reaching intermediaries (wholesalers and retailers). When competition begins to build, in the growth stage, focus of endorsements is on discriminating the product (brand) by showing its benefits over competing brands.

Promotion at this point becomes increasingly convincing to build up and sustain brand loyalty and to guarantee repeated buying. Since a greater number of individuals are giving the product a try and using it, advertising is more cost effective way of reaching the aimed at customers. As competition becomes more intense in the mature stage of PLC, promotion efforts are at the greatest levels at that point. Messages of promotion turn more aggressive and advertising becomes more important compared to other elements of promotion mix. Product is modified to discourage the entry of new competitors in the market. This can bring on a new promotion efforts. Promotion is normally cut to the minimum in the decreasing stage. Whatever small promotional activities are conducted at this point are generally carried out by intermediaries.

3. **Product type and unit price:** There appears to be a link between the promotion and the kind of product and its unit cost. There is more stress on advertising for less costly, frequently purchased consumer products like soaps, toothpastes, razor blades, potato wafers etc. While the more complicated goods (industrial products like large generators etc.) that come with greater unit price need more personal selling effort.

Customer Related Factors

Two kinds of consumer related issues that have an effect on the promotion mix:

- ✓ Traits of the target market
- ✓ kind of purchasing decision.

Characteristics of the target market: Normally, non-personal endorsements (advertising and publicity) are more appropriate for eventual consumers, and personal selling is comparatively more valuable for organisational buyers. With increasing size of target market, non-personal type of promotion takes on a more relevant form. However, as the size goes up, the market becomes more assorted (i.e. it becomes more assorted in terms of sex, income, age, occupation, lifestyles etc.). So the marketer has to partition his markets and create different promotional messages to tempt different market segments.

Type of buying decision: Buying decisions are of two kinds: customary decisions and complex decisions. Normally, consumers making regular, routine decisions do not pay much heed to marketing information. If they go about buying routine items of a specific brand, promotion concentrates on reminding customers that the brand is better than other brands.

With complicated decisions, like in the case of purchasing major durables and domestic devices like cars etc. the endorsement has to include messages that are loaded with relevant information. Also it has to be modified for the consumer's prime requirements and desires; at the same time the promotions of competitor's effects have also to be considered. Once the purchase is made, the consumer has to be reassured that he made the right purchase, by following through with letters, and salespeople's personal visits.

Organisation Related Factors

There are two types of organizational factors: 1) marketing channel and promotion strategies, and 2) Branding strategies.

Marketing channel and promotion Strategy:

Marketing channel and promotion strategy is associated with the marketer's choice of tactics to build sales. He must decide between (i) a push strategy and (ii) a pull strategy.

- **A push strategy** is where the manufacturer vigorously endorses his goods to intermediaries, and intermediaries in turn actively endorse them to the final buyers. To put it simply, each channel member (including the manufacturer) conducts his own endorsements to the next channel member in line. This strategy demands major emphasis on personal selling at the manufacturer's level and different kinds of sales endorsements techniques aimed at company salespeople and intermediaries.



Fig: 6.5

- **In pull strategy** the manufacturer concentrates endorsement efforts on the final buyer directly instead of on intermediaries. Take the case of a consumer product for example, the aim is to get customers to request retail outlets for the item, retailers then turn and ask wholesalers, who in turn ask the producer for the given product. In this way consumers “pull” the product through the marketing channel. A pull strategy demands a high level of promotions and different types of sales pleas directed towards final buyers. Examples would be coupons and premiums (free gifts) Pull strategy is well suited when producer is looking to build a tough company image. This needs total knowledge about target markets so the right kinds of design and development can be put in place for such markets.



Fig: 6.6

In a majority of the circumstances, marketers employ different combinations of push and pull strategies. Cosmetics industry for instance, company representatives make calls on departmental stores, retailers and supermarkets to ‘push’ their goods through intermediaries by demonstrating products, putting up displays, etc. Manufacturers spend a lot of money on advertising and sales pleas (coupons, free samples etc.) to ‘pull’ customers through the marketing channels.

Branding strategy: An organization that takes on an individual branding policy depends greatly on endorsements to introduce latest brand. An impression has to be fashioned for recognition by the customers as well as intermediaries. An amalgamation of personalized selling, advertising and sales endorsements will be required to craft the image and institute the brand. Family branding conversely, needs comparatively lesser struggle to launch a new brand.

Budget: This is associated with finances (money) the company has for endorsement. Naturally, the selection of endorsement component or components will be determined on the comparative expenses of reaching the desired customers with the type of promotional tool. Personalized sales for instance,

tend to be more costly for each contact than advertising. Sales endorsements can be costly or relatively cheap depending on which type is utilized. Marketers make every effort to select most advantageous combination based on per £ contribution of the endorsement. Hence, the promotion combination selected is determined by the comparative cost and effectiveness of each of the elements in the chosen mix and the amount of funds available with the organization for this purpose.

Situation Related Factors

Two factors related to circumstances affect the promotion mix: 1) how noticeable the firm is and its legal, political and social surroundings and 2) effect of competition.

Visibility of the firm and environment factors: Certain organizations are better recognized in the public domain due to their goods, the position they hold in the industry (i.e. large vs. Small) and the bearing they have on the economic, physical or social existence of the people. Firms like these prefer to project themselves as receptive to the needs of the environment. To succeed in this goal, such firms support activities that are of significance to wide-ranging public (e.g. World Boxing Championship). Due to the massive number of people being apprehensive with the activities of these exceedingly visible organizations, these organizations put up a great deal of money on civic dealings and publicity, above and beyond the funds and efforts used on endorsing their goods and services.

Impact of competition: Quiet often firms have to equal or offset the endorsement activities of their opposition to sustain or enhance their own market share. In this way the endorsement activities of these highly recognized organizations are affected and swayed by the activities of their adversaries.

Further Reading:

- ✓ *International Marketing Mix Management: Theoretical Framework, Contingency, (2012) By Tobias Richter*
- ✓ *Market Response and Marketing Mix Models: Trends and Research Opportunities,(2010), By Douglas Bowman, Hubert Gatignon*