

## **A Study on Advertising and Sales Promotion**

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### **ABSTRACT**

This study seeks to demonstrate the impact of sales promotion and advertising simultaneously on consumer's purchasing behavior. It requires several months to accumulate data and information through questionnaire, surveys, site visits and walk-through investigations which are the primary basis of this study work. This study found out that sales promotion is most effective on the consumers who travel through the peripheral route and it can lead the consumer's mind to brand switching. This study also found that sales promotion and advertising is much more effective in low involvement category products where a simple promotional signal can lead the consumers to buy a product. This study also suggests to the marketers to be aware of the new or unknown product, as sales promotion could have strong negative effects on consumers' internal price reference and perceived quality. This work also highlights the importance of integrating the advertising with different promotional activities to improve the growth of sales of a product.

### **INTRODUCTION**

Advertising is only one element of the promotion mix, but it is often considered prominent in the overall marketing mix design. Its high visibility and pervasiveness made it an important social and economic topic in Indian society. Promotion may be defined as "the co-ordination of all seller initiated efforts to set up channels of information and persuasion to facilitate the sale of a good or service." Promotion is most often intended to be a supporting component in a marketing mix. Promotion decision must be integrated and co-ordinate with the rest of the marketing mix, particularly product/brand decisions, so that it may effectively support an entire marketing mix strategy. The promotion mix consists of four basic elements. They are:-

1. Advertising is the dissemination of information by non-personal means through paid media where the source is the sponsoring organization.
2. Personal selling is the dissemination of information by non-personal methods, like face-to-face, contacts between audience and employees of the sponsoring organization. The source of information is the sponsoring organization.
3. Sales promotion is the dissemination of information through a wide variety of activities other than personal selling, advertising and publicity which stimulate consumer purchasing and dealer effectiveness.
4. Publicity is the disseminating of information by personal or non-personal means and is not directly paid by the organization and the organization is not the source.

## **ORIGIN AND DEVELOPMENT OF ADVERTISING**

It has been wrongly assumed that the advertising function is of recent origin. Evidences suggest that the Romans practiced advertising; but the earliest indication of its use in this country dates back to the Middle Ages, when the use of the surname indicated a mans occupation. The next stage in the evolution of advertising was the use of signs as a visual expression of the tradesmans function and a means of locating the source of goods. This method is still in common use. The seller in primitive times relied upon his loud voice to attract attention and inform consumers of the availability of his services. If there were many competitors, he relied upon his own personal magnetism to attract attention to his merchandise. Often it became necessary for him to resort to persuasion to pinpoint the advantages of his products. Thus, the seller was doing the complete promotion job himself.

Development of retail stores, made the traders to be more concerned about attracting business. Informing customers of the availability of supplies was highly important. Some types of outside promotion were necessary. Signs on stores and in prominent places around the city and notices in printed matters were sometimes used. When customers were finally attracted to the store and satisfied with the service at least once, they were still subjected to competitive influences; therefore, the merchant signs and advertisements reminded customers of the continuing availability of his services. Sometimes traders would talk to present and former customers in the streets, or join social organizations in order to have continuing contacts with present and potential customers.

As the markets grew larger and the number of customers increased, the importance of attracting them also grew. Increasing reliance was placed on advertising methods of informing about the availability of the products. These advertising methods were more economical in reaching large numbers of consumers. While these advertising methods were useful for informing and reminding and reminding, they could not do the whole promotional job. They were used only to reach each consumer personally. The merchant still used personal persuasion once the customers were attracted to his store.

The invention of hand press increased the potentialities of advertising. By Shakespeare times, posters had made their appearance, and assumed the function of fostering demand for existing products. Another important event was the emergence of the pamphlet as an advertising medium. The early examples of these pamphlets disclose their sponsorship by companies want to generate goodwill for their activities. The low cost of posters and handbills encouraged a number of publishers to experiment with other methods.

## **DEFINITION OF ADVERTISING**

The word advertising originates from a Latin word advertise, which means to turn to. The dictionary meaning of the term is “to give public notice or to announce publicly”

Advertising may be defined as the process of buying sponsor-identified media space or time in order to promote a product or an idea.

The American Marketing Association, Chicago, has defined advertising as “any form of non-personal presentation or promotion of ideas, goods or services, by an identified sponsor.

What Advertisement Is?

Advertisement is a mass communicating of information intended to persuade buyers to by products with a view to maximizing a company’s profits. The elements of advertising are:

- (i) It is a mass communication reaching a large group of consumers.
- (ii) It makes mass production possible.
- (iii) It is non-personal communication, for it is not delivered by an actual person, nor is it addressed to a specific person.

(iv) It is a commercial communication because it is used to help assure the advertiser of a long business life with profitable sales.

(v) Advertising can be economical, for it reaches large groups of people. This keeps the cost per message low.

(vi) The communication is speedy, permitting an advertiser to speak to millions of buyers in a matter of a few hours.

(vii) Advertising is identified communication. The advertiser signs his name to his advertisement for the purpose of publicizing his identity

## **RESEARCH METHODOLOGY**

### **DATA COLLECTION :-**

There are two main sources for collecting data. These are :-

1. Primary Data.
2. Secondary Data.

### **1. PRIMARY DATA :**

It is the data that is collected for the first time. It is fresh and the originally collected by the surveyor.

In this Project - Sales Promotion Schemes, the researcher contacted 250 customers and situated on the various points of the Sonapat, Panipat, Karnal & nearby areas.

The responses were collected personally by the research through a structural questionnaire, consisting of 20 questions.

### **2. SECONDARY DATA :**

Secondary data is the one which is collected by the someone else and already used in some or the other form. Here the secondary data used was the theoretical aspects of promotional tools and the statistical method made use of.

### **SAMPLE :-**

A sample of 250 customers was chosen from Sonapat, Panipat, Karnal & nearby areas. The sample chosen was fully on the basis of convincing of the researcher. It was a non-probability sample.

Analysis and interpretation:-

The total data was presented in simple tables, graphs and percentage method was used for interpretation.

### **LIMITATION :-**

Due to time and money constrains the present study was confined only to a sample of 250 customers and that too of Sonapat, Panipat, Karnal & nearby areas.

## **ADVERTISEMENT - AN INTRODUCTION:**

Advertising is a powerful communication force, highly visible, and one of the most important tools of marketing communications that helps to sell products, services, ideas and images, etc. Many believe that advertising reflects the needs of the times. One may like it or not but play advertisements are everywhere. Advertisements are seen in newspapers, magazines, on television and internet and are heard on radio. The average consumer is exposed to a very large number of advertisements everyday, particularly the urban and semi-urban population.

It seems almost impossible to remain totally neutral and not take any notice of modern day advertising. The most visible part of the advertising process is the advertisements that we see, read,

or hear and praise or criticize. Many suitable adjectives are used to describe advertising, depending on how an individual is reacting, such as great, dynamic, alluring, fascinating, annoying, boring, intrusive, irritating, offensive, etc.

Advertising is an indicator of the growth, betterment and perfection of civilization. It is part of our social, cultural and business environment. It is not at all surprising that advertising is one of the most closely scrutinized of all business institutions. In today's environment, not only are advertisers closely examined by the target audience for whom those advertisements are meant, but by society in general.

## **BRIEF HISTORY OF ADVERTISING:**

Modern advertising is largely a product of the twentieth century; however, communication has been a part of the selling process ever since the exchange of goods between people started. The development of technology and research has led to increased sophistication in advertising in recent decades. During ancient and medieval times, advertising was crude if measured by present day standards; however, the basic reason for using advertising was the same then as it is now.

Institutions come into existence only when a need for them develops. A variety of external forces support and nourish the growth and development of an institution. To survive, the institution must be dynamic, flexible and adaptable to meet the needs in the changing conditions of the environment.

The recorded history of advertising goes back to about 5000 years including the modern satellite and internet age. Our knowledge of advertising in ancient times is quite fragmented. Nevertheless, it seems that the urge to advertise is a part of human nature since ancient times. The diggings by archaeologists, in countries rimming the Mediterranean sea, has unearthed a Babylonian Clay tablet of about 3000BC, bearing inscription for an ointment dealer, a scribe, and a shoe mark, Romans and their predecessor knew that "it pays to advertise". Papyri found in the ruins of Thebes (Egypt) show announcements offering rewards for the return of runaway slaves about 3000 BC.

## **DEVELOPMENT OF MODERN ADVERTISING:**

It is a fact that advertising as we know it really had its beginnings in mid 19th century. Volney B Palmer was the first advertising agent who established an office in Philadelphia. For a fee, he worked as an agent for newspapers numbering about 1400. He sold space to advertisers throughout the country. He did not provide any creative or planning services to clients, except the media selection. In the late 1880s, John E Powers emerged as great copywriter. He had a simple approach-he believed in "printing the news of store...no catchy headings...no brag, no pressure." J Walter Thompson, a young advertising executive, signed an exclusive contract with twenty-five of the best American magazines and had an impressive list of advertisers. He is also known as the inventor of the modern advertising agency.

Albert Lasker and Claude C. Hopkins got together in the last decade of the 19th century. Claude C Hopkins developed the „reason why“ approach to advertising copy. Albert Lasker made the ad agency a professional business that included the "records of results." This was the counterpart of today's research department.

The dominant approach to copy writing was “reason why” during this time. However, a famous copywriter, Theodore F McManus of General Motors, challenged this style. He believed in producing impressionistic copy by incorporating original art, striking layouts and elegant writing, to create a positive image of the company and its products. An agency, Lord and Thomas, had two remarkable copywriters, John E Kennedy (joined Lord and Thomas in 1898) and Claude C

Hopkins, and enjoyed a reputation for creative work. Hopkins had joined Lord and Thomas in 1907 and was regarded by many as the greatest creator of advertising who ever practiced the art. Hopkins was particularly good at understanding the consumer and how advertising should be integrated in the total marketing effort. John E Kennedy believed that advertising was “salesmanship in print.” He tried to provide a reason why customers should buy the advertised products.

During the 1920s, modern marketing research entered the world of advertising. As a result of this new development, advertising in this period started stressing on the outcomes of consumer purchases such as health, happiness, status, love, etc. Advertisements contained a bold headline, artwork, photography and plenty of color. Before the severe depression of the 1920s, radio was not being used for advertising. Strange though it seems, during this period of depression, commercial radio emerged, though it was not really a good period for advertising

## **ADVERTISING IN THE 21ST CENTURY:**

The past decade has witnessed a remarkable impact on advertising due to rapid strides in technology. It is difficult to determine exactly what the coming decades in this new century will bring, however, what looks certain is that there will be much greater consumer involvement and control and some degree of two-way communication. With the opening up of economies, mass marketers will continue to increase their operations on a worldwide basis. More and more global players will increasingly adjust their strategies to a local market; country-based or region-based; and advertising will increasingly acquire a local color. In this regard we are already witnessing some interesting advertising campaigns by Coca-Cola and Pepsi.

Further progress in artificial intelligence will add a totally new dimension to advertising and its planning. There will be major career opportunities for talented people in the electronic media. There will be a number of challenges unique to the coming generations and with these challenges there will be opportunities, responsibilities, and rewards that advertise of the past could not have imagined.

## **STRATEGIC ADVERTISING DECISIONS**

### **SETTING ADVERTISING OBJECTIVES:**

The advertising objectives are determines on the following basis:

Message About Product – Details about the product play a prominent role in advertising for new and existing products. In fact, a very large percentage of product-oriented advertising includes some mention of features and benefits offered by the marketers product. Advertising can be used to inform customers of changes that take place in existing products. For instance, if a beverage company has purchased the brands of another company resulting in a brand name change, an advertising message may stress “New Name but Same Great Taste”.

Message About Price – Companies that regularly engage in price• adjustments, such as running short term sales (i.e., price markdown), can use advertising to let the market know of price reductions. Alternatively, advertising can be used to encourage customers to purchase now before a scheduled price increase takes place.

Message About Other Promotions – Advertising often works hand-in-hand• with other promotional mix items. For instance, special sales promotions, such as contests, may be announced within an advertisement. Also, advertising can help salespeople gain access to new accounts if the advertising precedes the salesperson’s attempts to gain an appointment with a prospective buyer. This may be especially effective for a company entering a new market where advertising may help reduce the uncertainty a buyer has about a new company.

## CONCLUSION:

From the discussion and penetrating study of the data analysis, it is finally concluded that more than half respondents are of the opinion that they were not influenced by any advertisement during the course of buying their mobile service. However, advertisements through electronic media play an important role (about thirty eight percent) in the popularity of mobile phone services. Indeed, electronic and print media has its own some say. In urban segment an abnormal trend has been seen where hundred percent respondents in the age group of 15-20 years agree that advertisements in media affects the customers' buying behavior for the sale of mobile phone service.

Overall analysis opinion goes against the version that promotion schemes launched by the various companies have an impact on the customer's buying behavior. More than three-fifth respondents like/very much like to go through deeply into the advertisements while reading newspapers/magazines and also while seeing television. One significant analysis has emerged that source through advertisements in electronic media plays a guiding role for the rural and urban respondents both.

Appearance of celebrities in advertisements contributes to affect the minds of the customers in making choice. Rural 207 respondents are comparatively more responsive in this behalf. The liking of brand ambassadors and the advertisements presented through them also contribute to change the customers buying behaviour, the only question is to what extent? In our present society, our actions and attitudes are motivated, to some extent. If advertising has indirect impact, sales promotion has direct impact, may be less or more.

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