

Sales Promotion – A Changing Trend from Expensiveness to Effectiveness

Prof. Kavleen Bharej

S.D.College, Ambala, K.U. India.

Abstract:

Though the concept of sales promotion has been evolving for decades, as one of the most vital tool of marketing, still its efficiency is doubtful. This paper seeks to explore the interrelationship between sales and promotion in Indian context. The paper argues about the implication of these concepts in Indian businesses. The first part of the paper states the increased focus of marketers on promotional activities, and its linkage with business practices. The second part states the recent transformation in the strategies followed by corporate houses, highlighting the essential of effectiveness. The third part of the paper discusses the prospects and challenges faced by the organization following sales promotion as its tool.

The methodology used for the research is secondary and the main objective is to outline the shift from the expensive promotional tools towards effectiveness. This paper can provide an insight about

the current promotional practices being carried out in this competitive era, especially in Indian corporate scenario.

Keywords: *Promotion mix, sales promotion, advertisement, stakeholders.*

Introduction:

*“A type of trade sales promotion in which the retailer is allowed to buy a certain amount of product from the manufacturer and then pay for that product over a prolonged period of time”.- **American Marketing Association.***

In today's dynamic world sales promotion is the emerging area of interest for marketers, entrepreneurs, practitioners and academics. A key ingredient in marketing campaigns is sales promotion i.e. the need to promote a product, service or an idea. (Obi, 2002) described sales promotion as an activity that becomes necessary as a supplement to personal selling. Sales promotion is the part of promotion mix,

which is used to influence and persuade the customers to buy the goods. It consists of free samples, free gifts, exhibitions, trade fair, demonstrations, rebates, cents off etc. It is the function of marketing which is concerned with persuasion component of communication towards the target audience with intent to exchange between the marketer and the customer.

Sales promotion is the part of promotional mix which consists of advertising, personal selling, publicity and direct marketing. It has been observed now that sales promotion includes those activities which not only develop the interest of the consumers but also enhance and support mass selling and personal selling. Which in turn help and compete and make the process of promotional activities more effective? It helps in offering something extra to the customers, which built the worth of the product over and above its normal cost.

Literature Review:

In this competitive era, it becomes essential for the businesses to communicate to the consumers what they have to offer. (Jobber & Lancaster, 2006) .Dwyer & Tanner (2006) states that Business consumers are huge in number as compared to individual consumers; In the

scientific papers of the(journal of knowledge management and IT), states that the consumers are essential and are effected by the economic environment. There are many literatures written on the promotional activities. Consumer promotions are promotions offered by manufacturer directly to consumers (Blattberg and Neslin 1990). Some studies also showed that it is one of the integral parts of marketing mix for the consumer products. (Huff and Alden 1998, Chandon et al. 2000).

Objectives:

- ❖ To understand the theoretical and practical perspective of promotion.
- ❖ To understand the essentials of moving beyond expensiveness.
- ❖ To determine the convergence between effective and expensive.
- ❖ To highlight the changing developments in promotion and its implication in Indian context.
- ❖ To determine the prospects and exposed challenges faced by marketers following sales promotion.

Methodology:

A comprehensive review of the professional and academic literature on promotional mix and sales promotion was

carried out. An analytical approach was followed to review the trends and identify the current perspective and drivers formulating and implementing the promotional practices in India. Reliable secondary sources were used to understand the integration of customers and products.

Finding and Analysis:

As, we have seen that the theoretical and practical implications of the concept of sales promotion have achieved a very high status in the marketing concept. The concept which was considered expensive once has shifted its stature towards effectiveness. The companies in today's time are moving beyond advertisement that is a paid form of promotional which has a wider coverage towards a mix blend of other form of promotional mix. The changing trend has taken place because of globalisation and the availability of product width and line.

It is highly essential for the Indian businesses to compete not only with the domestic players but also to stand in their own country and against the international players. Advertisement and personal selling are considered to be expensive form of activities which are helpful only at the time of introductory phase of products.

With the advent of new technologies and rapid development, companies are trying to converge the expensive methods with the effective ones. Consumers have become really intelligent in buying and it is difficult to fool them. The advertisements at the latter stages of product life cycle also includes the sales promotion techniques such as free gifts, cents off, rebates, coupons etc. A rational consumer tries to compare the products on the basis of what extra value is it adding to their purchases.



As in this diagram it is evident how the mix of all the promotional activities is carried out. At the introductory phase informative advertisement are clubbed with free sample or buy one get the new one free offer, so that the consumers can use and know about the same. Similarly at the growth stage persuasive advertisement is carried out with increased brand loyalty. And at the maturity and decline phase the percentage off schemes are given to the consumers.

As the tastes and preferences of the customer changes so is the problem which is faced by the marketer. The advertisement world has become quite expensive and its duration is also short, for all the small budget companies it becomes a challenge to compete with the same impact as the big business houses.

Conclusion:

At the end it might be said that there is a changing trend that can be seen between the companies which are shifting towards

more effectiveness that is efficient utilisation of the limited resources than to follow the expensive ways as ultimately the consumers have to bear the expenses and they refuse as they have alternatives available at reasonable prices.

Bibliography:

Alpert, Frank (1993), "Consumer Market Beliefs and Their Managerial Implications: An Empirical Examination", *Journal of Consumer Marketing*, 10(2) pp.26-70.

Blattberg, Robert C. and Scott A. Neslin (1990), *Sales Promotion, Concepts, Methods and Strategies*, Englewood Cliffs, New Jersey: Prentice Hall

Brassington, F. and Pettitt, S. (2000), *Sales Promotion*. In: *Principles of Marketing*, 2nd ed., FT Prentice Hall, Harlow, pp. 642-685

Hellman Karel (2005), *Strategy-driven B2B Promotion*, *Journal of Business & Industrial Marketing*, Volume : 20, 4-11