Marketing Mix

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix – Price, Product, Promotion and Place. However, nowadays, the marketing mix increasingly includes several other Ps like Packaging, Positioning, People and even Politics as vital mix elements.

4P's of marketing Mix

(i) Price

It refers to the value that is put for a product. It depends on costs of production, segment targeted, ability of the market to pay, supply – demand and a host of other direct and indirect factors. There can be several types of pricing strategies, each tied in with an overall business plan. Pricing can also be used a demarcation, to differentiate and enhance the image of a product.

(ii) Product

It refers to the item actually being sold. The product must deliver a minimum level of performance; otherwise even the best work on the other elements of the marketing mix won't do any good.

(iii) Place

It refers to the point of sale. In every industry, catching the eye of the consumer and making it easy for her to buy it is the main aim of a good distribution or 'place' strategy. Retailers pay a premium for the right location. In fact, the mantra of a successful retail business is 'location, location, location'.

(iv) Promotion

It refers to all the activities undertaken to make the product or service known to the user and trade. This can include advertising, word of mouth, press reports, incentives, commissions and awards to the trade. It can also include consumer schemes, direct marketing, contests and prizes.

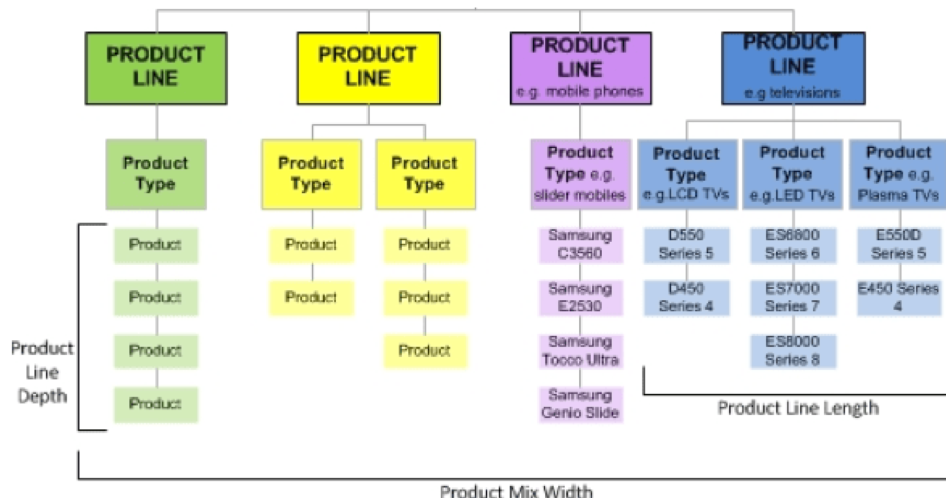
Importance

All the elements of the marketing mix influence each other. They make up the business plan for a company and handled right, can give it great success. But handled wrong and the business could take years to recover. The marketing mix needs a lot of understanding, market research and consultation with several people, from users to trade to manufacturing and several others.

Product Mix

The complete range of products present within a company is known as the product mix. In any multi brand organizations, there are numerous products present. None of the organizations wants to take the risk of being present in the market with a single product.

If a company has only a single product, than it is understood that the demand of the product is very high or the company does not have the resources to expand the number of products it has. Generally, most companies nowadays realize the importance of product diversification.



Product mix

As explained, product mix is a combination of total product lines within a company. A company like HUL has numerous product lines like Shampoos, detergents, Soaps etc. The combination of all these product lines is the product mix.

Product line

The product line is a subset of the product mix. The product line generally refers to a type of product within an organization. As the organization can have a number of different types of products, it will have similar number of product lines. Thus, in Nestle, there are milk based products like milkmaid, Food products like Maggi, chocolate products like Kitkat and other such product lines. Thus, Nestle's product mix will be a combination of the all the product lines within the company.

Product line length

If a company has 4 product lines, and 10 products within the product line, than the length of the product mix is 40. Thus, the total number of products against the total number of product lines forms the length of the product mix. This equation is also known as product line length.

Product line width

The width of the product mix is equal to the number of product lines within a company. Thus, taking the above example, if there are 4 product lines within the company, and 10 products within each product line, than the product line width is 4 only. Thus, product line width is a depiction of the number of product lines which a company has.

Product line depth

It is fairly easy to understand what depth of the product mix will mean. Where length and width were a function of the number of product lines, the depth of the product mix is the total number of products within a product line. Thus if a company has 4 product lines and 10 products in each product line, than the product mix depth is 10. It can have any variations within the product for form the product line depth.

Product line consistency

The lesser the variations between the products, the more is the product line consistency. For example, Amul has various product lines which are all dairy related. So that product mix consistency is high. But Samsung as a company has many product lines which are completely independent of each other. Like Air conditioners, televisions, smart phones, home appliances, so on and so forth. Thus the product mix consistency is low in Samsung.

Example of Product line and Product mix

Let us take an example of P&G as a company and understand product mix. This will be not be a precise example and all products of P&G might not be taken into consideration.

But the example will help you understand product mix within an organization.

Detergents – Arial, Arial oxyblue, Ariel bar, Tide, Tide naturals, Tide bleach, Tide plus.
Shampoos – Head and shoulders, Head and shoulders anti dandruff, Pantene, Pantene damage repair, Pantene pro-v
In the above example the following can be learned about the product mix of P&G

Product mix Length – 12
Product mix Width – 2
Product mix Depth – 7 in detergents and 5 in shampoos
Product mix consistency – High as both are bathroom products.

New Product Developments

New product development is a task taken by the company to introduce newer products in the market. Regularly there will arise a need in the business for new product development.

Your existing products may be technologically outdated, you have different segments to target or you want to cannibalize an existing product. In such cases, New product development is the answer for the company.

New product development (NPD) is the process of bringing a new product to the marketplace. Your business may need to engage in this process due to changes in consumer preferences, increasing competition and advances in technology or to capitalise on a new opportunity. Innovative businesses thrive by understanding what their market wants, making smart product improvements, and developing new products that meet and exceed their customers' expectations.

'New products' can be:

- Products that your business has never made or sold before but have been taken to market by others
- Product innovations created and brought to the market for the first time. They may be completely original products, or existing products that you have modified and improved.

There are 7 stages of new product development and they are as follows:-

1. Idea Generation

In this you are basically involved in the systematic search for new product Ideas. A company has to generate many ideas in order to find one that is worth pursuing. The Major sources of new product ideas include internal sources, customers, competitors, distributors and suppliers.

Almost 55% of all new product ideas come from internal sources according to one study. Companies like 3M and Toyota have put in special incentive programs or their employees to come up with workable ideas.

Almost 28% of new product ideas come from watching and listening to customers. Customers: even create new products on their own, and companies can benefit by finding these products and putting them on the market.

Example – Pillsbury gets promising new products from its annual Bake-off. One of Pillsbury's four cake mix lines and several variations of another came directly from Bake-Off winners' recipes.

2. Idea Screening

The second step in New product development is Idea screening. The purpose of idea generation is to create a large pool of ideas. The purpose of this stage is to pare these down to those that are genuinely worth pursuing. Companies have different methods for doing this from product review committees to formal market research.

It, is helpful at this stage to have a checklist that can be used to rate each idea based on the factors required for successfully launching the product in the marketplace and their relative importance.

Against these, management can assess how well the idea fits with the company's marketing skills and experience and other capabilities. Finally, the management can obtain an overall rating of the company's ability to launch the product successfully.

3. Concept Development and Testing

The third step in New product development is Concept Development and Testing. An attractive idea has to be developed into a Product concept. As opposed to a product idea that is an idea for a product that the company can see itself marketing to customers, a product concept is a detailed version of the idea stated in meaningful consumer terms.

This is different again from a product image, which is the consumers' perception of an actual or potential product. Once the concepts are developed, these need to be tested with consumers either symbolically or physically. For some concept tests, a word or a picture may be sufficient, however, a physical presentation will increase the reliability of the concept test.

After being exposed to the concept, consumers are asked to respond to it by answering a set of questions designed to help the company decide which concept has the strongest appeal. The company can then project these findings to the full market to estimate sales volume.

4. Marketing Strategy Development

This is the next step in new product development. The strategy statement consists of three parts: the first part describes the target market, the planned product positioning and the sales, market share and profit goals for the first few years.

The second part outlines the product's planned price, distribution, and marketing budget for the first year. The third part of the marketing strategy statement describes the planned long-run sales, profit goals, and the marketing mix strategy.

Business Analysis – Once the management has decided on the marketing strategy, it can evaluate the attractiveness of the business proposal.

Business analysis involves the review of projected sales, costs and profits to find out whether they satisfy a company's objectives. If they do, the product can move to the product development stage.

5. Product Development

Here, R&D or engineering develops the product concept into a physical product. This step calls for a large investment. It will show whether the product idea can be developed into a full-fledged workable product.

First, R&D will develop prototypes that will satisfy and excite customers and that can be produced quickly and at budgeted costs. When the prototypes are ready, they must be tested. Functional tests are then conducted under laboratory and field conditions to ascertain whether the product performs safely and effectively.

6. Test Marketing

If the product passes the functional tests, the next step is test marketing: the stage at which the product and the marketing program are introduced to a more realistic market settings. Test marketing gives the marketer an opportunity to tweak the marketing mix before the going into the expense of a product launch.

The amount of test marketing varies with the type of product. Costs of test marketing can be enormous and it can also allow competitors to launch a "me-too" product or even sabotage the testing so that the marketer gets skewed results. Hence, at times, management may decide to do away with this stage and proceed straight to the next one:

7. Commercialization

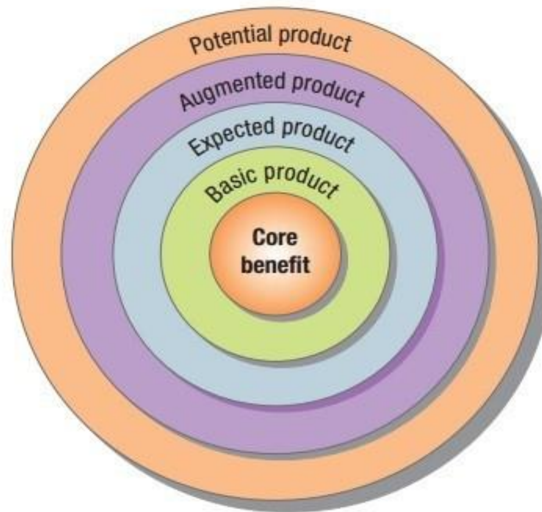
The final step in new product development is Commercialization. Introducing the product to the market – it will face high costs for manufacturing and advertising and promotion. The company will have to decide on the timing of the launch (seasonality) and the location (whether regional, national or international). This depends a lot on the ability of the company to bear risk and the reach of its distribution network.

Today, in order to increase speed to market, many companies are dropping this sequential approach to development and are adopting the faster, more flexible, simultaneous development approach. Under this approach, many company departments work closely together, overlapping the steps in the product development process to save time and increase effectiveness.

Product Levels

- Need: a lack of a basic requirement.
- Want: a specific requirement of products to satisfy a need.
- Demand: a set of wants plus the desire and ability to pay for the product.

Customers will choose a product based on their perceived value of it. Satisfaction is the degree to which the actual use of a product matches the perceived value at the time of the purchase. A customer is satisfied only if the actual value is the same or exceeds the perceived value. Kotler attributed five levels to products:



The five product levels are:

Core benefit:

The fundamental need or want that consumers satisfy by consuming the product or service. For example, the need to process digital images.

Generic product:

A version of the product containing only those attributes or characteristics absolutely necessary for it to function. For example, the need to process digital images could be satisfied by a generic, low-end, personal computer using free image processing software or a processing laboratory.

Expected product:

The set of attributes or characteristics that buyers normally expect and agree to when they purchase a product. For example, the computer is specified to deliver fast image processing and has a high-resolution, accurate colour screen.

Augmented product:

The inclusion of additional features, benefits, attributes or related services that serve to differentiate the product from its competitors. For example, the computer comes pre-loaded with a high-end image processing software for no extra cost or at a deeply discounted, incremental cost.

Potential product:

This includes all the augmentations and transformations a product might undergo in the future. To ensure future customer loyalty, a business must aim to surprise and delight customers in the future by continuing to augment products. For example, the customer receives ongoing image processing software upgrades with new and useful features.

What benefits does the model provide?

Kotler’s Five Product Level model provides businesses with a proven method for structuring their product portfolio to target various customer segments. This enables them to analyse product and customer profitability (sales and costs) in a structured way. By organising products according to this model, a business’ sales processes can be aligned to its customer needs and help focus other operational processes around its customers – such as design and engineering, procurement, production planning, costing and pricing, logistics, and sales and marketing.Grouping products into product families that align with customer segments helps modelling and planning sales, as well as production and new product planning.

Types of Product

4 Types of Consumer Products

Firstly, what specifically is a consumer product? A consumer product is a product bought by final consumers for personal consumption. But not every consumer product is the same. There are four different types of consumer products. Marketers usually classify consumer products into these 4 types of consumer products:

- Convenience products
- Shopping products
- Speciality products
- Unsought products.

These 4 types of consumer products all have different characteristics and involve a different consumer purchasing behaviour. Thus, the types of consumer products differ in the way consumers buy them and, for that reason, in the way they should be marketed.

1. Convenience Products

Among the four types of consumer products, the convenience product is bought most frequently. A convenience product is a consumer product or service that customers normally buy frequently, immediately and without great comparison or buying effort. Examples include articles such as laundry detergents, fast food, sugar and magazines. As you can see, convenience products are those types of consumer products that are usually low-priced and placed in many locations to make them readily available when consumers need or want them.

2. Shopping Products

The second one of the 4 types of consumer products is the shopping product. Shopping products are a consumer product that the customer usually compares on attributes such as quality, price and style in the process of selecting and purchasing. Thus, a difference between the two types of consumer products presented so far is that the shopping product is usually less frequently purchased and more carefully compared. Therefore, consumers spend much more time and effort in gathering information and comparing alternatives. Types of consumer products that fall within the category of shopping products are: furniture, clothing, used cars, airline services etc. As a matter of fact marketers usually distribute these types of consumer products through fewer outlets, but provide deeper sales support in order to help customers in the comparison effort.

3. **Speciality Products**

Number three of the types of consumer products is the speciality product. Speciality products are consumer products and services with unique characteristics or brand identification for which a significant group of consumers is willing to make a special purchase effort. As you can see, the types of consumer products involve different levels of effort in the purchasing process: the speciality product requires a special purchase effort, but applies only to certain consumers.

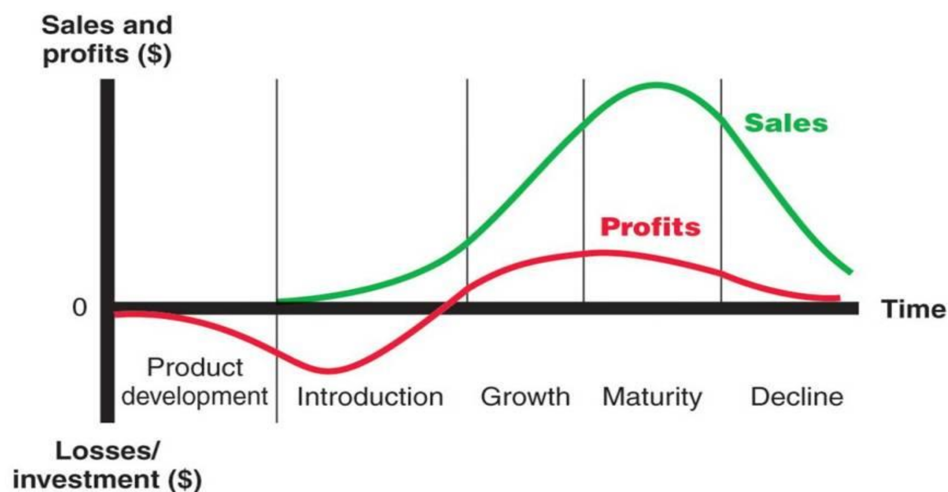
Examples include specific cars, professional and high-prices photographic equipment, designer clothes etc. A perfect example for these types of consumer products is a Lamborghini. In order to buy one, a certain group of buyers would make a special effort, for instance by travelling great distances to buy one. However, speciality products are usually less compared against each other. Rather, the effort must be understood in terms of other factors: Buyers invest for example the time needed to reach dealers that carry the wanted products. To illustrate this, look at the Lamborghini example: the one who wants one is immediately convinced of the choice for a Lamborghini and would not compare it that much against 10 other brands.

4. **Unsought products**

The 4 types of consumer products also include unsought products. Unsought products are those consumer products that a consumer either does not know about or knows about but does not consider buying under normal conditions. Thus, these types of consumer products consumers do not think about normally, at least not until they need them. Most new innovations are unsought until consumers become aware of them. Other examples of these types of consumer products are life insurance, pre-planned funeral services etc. As a consequence of their nature, unsought products require much more advertising, selling and marketing efforts than other types of consumer products.

Product Life Cycle (PLC)

The Product Life Cycle contains mainly four distinct stages. For the four stages introduction, growth, maturity and decline, we can identify specific product life cycle strategies. These are based on the characteristics of each PLC stage. Which product life cycle strategies should be applied in each stage is crucial to know in order to manage the PLC properly.



Product-Life-Cycle-Stages

1. Introduction stage

The introduction stage is the stage in which a new product is first distributed and made available for purchase, after having been developed in the product development stage. Therefore, the introduction stage starts when the product is first launched. But introduction can take a lot of time, and sales growth tends to be rather slow. Nowadays successful products such as frozen foods and HDTVs lingered for many years before entering a stage of more rapid growth.

Furthermore, profits in the introduction stage are negative or low due to the low sales on the one hand and high-distribution and promotion expenses on the other hand. Obviously, much money is needed to attract distributors and build their stocks. Also, promotion spending is quite high to inform consumers of the new product and get them to try it.

In the introduction stage, the focus is on selling to those buyers who are the most ready to buy (innovators).

Concerning the product life cycle strategies we can identify the proper launch strategy: the company must choose a launch strategy that is consistent with the intended product positioning. Without doubt, this initial strategy can be considered to be the first step in a grander marketing plan for the product's entire life cycle.

The main objective should be to create product awareness and trial.

To be more precise, since the market is normally not ready for product improvements or refinements at this stage, the company produces basic versions of the product. Cost-plus pricing should be used to recover the costs incurred. Selective distribution in the beginning helps to focus efforts on the most important distributors. Advertising should aim at building product awareness among innovators and early adopters. To entice trial, heavy sales promotion is necessary. Following these product life cycle strategies for the first PLC stage, the company and the new product are ready for the next stages.

2. Growth stage

The growth stage is the stage in which the product's sales start climbing quickly. The reason is that early adopters will continue to buy, and later buyers will start following their lead, in particular if they hear favourable word of mouth. This rise in sales also attracts more competitors that enter the market. Since these will introduce new product features, competition is fierce and the market will expand. As a consequence of the increase in competitors, there is an increase in the number of distribution outlets and sales are augmented due to the fact that resellers build inventories. Since promotion costs are now spread over a larger volume and because of the decrease in unit manufacturing costs, profits increase during the growth stage.

The main objective in the growth stage is to maximize the market share.

Several product life cycle strategies for the growth stage can be used to sustain rapid market growth as long as possible. Product quality should be improved and new product features and models added. The firm can also enter new market segments and new distribution channels with

the product. Prices remain where they are or decrease to penetrate the market. The company should keep the promotion spending at the same or an even higher level. Now, there is more than one main goal: educating the market is still important, but meeting the competition is likewise important. At the same time, some advertising must be shifted from building product awareness to building product conviction and purchase.

The growth stage is a good example to demonstrate how product life cycle strategies are interrelated. In the growth stage, the firm must choose between a high market share and high current profits. By spending a lot of money on product improvements promotion and distribution, the firm can reach a dominant position. However, for that it needs to give up maximum current profits, hoping to make them up in the next stage.

3. Maturity stage

The maturity stage is the stage in which the product's sales growth slows down or levels off after reaching a peak. This will happen at some point, since the market becomes saturated. Generally, the maturity stage lasts longer than the two preceding stages. Consequently, it poses strong challenges to marketing management and needs a careful selection of product life cycle strategies. Most products on the market are, indeed, in the maturity stage.

The slowdown in sales growth is due to many producers with many products to sell. Likewise, this overcapacity results in greater competition. Since competitors start to mark down prices, increase their advertising and sales promotions and increase their product development budgets to find better versions of the product, a drop in profit occurs. Also, some of the weaker competitors drop out, eventually leaving only well-established competitors in the industry.

The company's main objective should be to maximize profit while defending the market share.

To reach this objective, several product life cycle strategies are available. Although many products in the maturity stage seem to remain unchanged for long periods, most successful ones are actually adapted constantly to meet changing consumer needs. The reason is that the company cannot just ride along with or defend the mature product – a good offence is the best defense. Therefore, the firm should consider to modify the market, product and marketing mix. Modifying the market means trying to increase consumption by finding new users and new market segments for the product. Also, usage among present customers can be increased. Modifying the product refers to changing characteristics such as quality, features, style or packaging to attract new users and inspire more usage. And finally, modifying the marketing mix involves improving sales by changing one or more marketing mix elements. For instance, prices could be cut to attract new users or competitors' customers. The firm could also launch a better advertising campaigns or rely on aggressive sales promotion.

4. Decline stage

Finally, product life cycle strategies for the decline stage must be chosen. The decline stage is the stage in which the product's sales decline. This happens to most product forms and brands at a certain moment. The decline can either be slow, such as in the case of postage stamps, or rapid, as has been the case with VHS tapes. Sales may plummet to zero, or they may drop to a low level where they continue for many years.

Reasons for the decline in sales can be of various natures. For instance, technological advances, shifts in consumer tastes and increased competition can play a key role. As sales and profits decline, some competitors will withdraw from the market.

Also for the decline stage, careful selection of product life cycle strategies is required. The reason is that carrying a weak product can be very costly to the firm, not just in profit terms. There are also many hidden costs. For instance, a weak product may take up too much of management's time. It requires advertising and sales-force efforts that could better be used for other, more profitable products in other stages. Most important may be the fact that carrying a weak product delays the search for replacements and creates a lopsided product mix. It also hurts current profits and weakens the company's foothold on the future.

Therefore, proper product life cycle strategies are critical. The company needs to pay more attention to its aging products to identify products in the decline stage early. Then, the firm must take a decision: maintain, harvest or drop the declining product.

The main objective in the decline stage should be to reduce expenditure. General strategies for the decline stage include cutting prices, choosing a selective distribution by phasing out unprofitable outlets and reduce advertising as well as sales promotion to the level needed to retain only the most loyal customers.

If management decides to maintain the product or brand, repositioning or reinvigorating it may be an option. The purpose behind these options is to move the product back into the growth stage of the PLC. If management decides to harvest the product, costs need to be reduced and only the last sales need to be harvested. However, this can only increase the company's profits in the short-term. Dropping the product from the product line may involve selling it to another firm or simply liquidate it at salvage value.

In the following, all characteristics of the four product life cycle stages discussed are listed. For each, product life cycle strategies with regard to product, price, and distribution, advertising and sales promotion are identified. Choosing the right product life cycle strategies is crucial for the company's success in the long-term.

Branding and Packaging

Branding

Brand advertising is a form of advertising used to establish connections and build strong, long-term relationships with consumers over time.

Companies that use brand advertising aim to get long-term positive recognition by establishing brand identity, credibility, and loyalty, and connecting with prospects intellectually and emotionally to motivate them to take action in the future.

A strong brand creates a positive association between consumers and a business, product or service. Branding is important because it helps the public remember a company and its products and feel good about using

them. The elements used to create a brand can include name, logo, tagline, color, music or jingle, and the message or feelings that the company wishes to associate with itself. Developing a brand for a product or service allows a company to differentiate an offering from other similar products in the same category, and to position the product or service relative to the current market.

Branding is absolutely critical to a business because of the overall impact it makes on your company. Branding can change how people perceive your brand, it can drive new business and increase brand awareness.

Importance of branding in Advertising

(i) Branding Gets Recognition

The most important reason branding is important to a business is because it is how a company gets recognition and becomes known to the consumers. The logo is the most important element of branding, especially where this factor is concerned, as it is essentially the face of the company. This is why a professional logo design should be powerful and easily memorable, making an impression on a person at first glance. Printed promotional products are a way of getting this across.

(ii) Branding Increases Business Value

Branding is important when trying to generate future business, and a strongly established brand can increase a business' value by giving the company more leverage in the industry. This makes it a more appealing investment opportunity because of its firmly established place in the marketplace.

(iii) Branding Generates New Customers

A good brand will have no trouble drumming up referral business. Strong branding generally means there is a positive impression of the company amongst consumers, and they are likely to do business with you because of the familiarity and assumed dependability of using a name they can trust. Once a brand has been well-established, word of mouth will be the company's best and most effective advertising technique.

(iv) Improves Employee Pride and Satisfaction

When an employee works for a strongly branded company and truly stands behind the brand, they will be more satisfied with their job and have a higher degree of pride in the work that they do. Working for a brand that is reputable and help in high regard amongst the public makes working for that company more enjoyable and fulfilling. Having a branded office, which can

often help employees feel more satisfied and have a sense of belonging to the company, can be achieved through using promotional merchandise for your desktop.

(v) Creates Trust within the Marketplace

A professional appearance and well-strategised branding will help the company build trust with consumers, potential clients and customers. People are more likely to do business with a company that has a polished and professional portrayal. Being properly branded gives the impression of being industry experts and makes the public feel as though they can trust your company, the products and services it offers and the way it handles its business.

(vi) Branding Supports Advertising

Advertising is another component to branding, and advertising strategies will directly reflect the brand and its desired portrayal. Advertising techniques such as the use of promotional products from trusted companies such as Outstanding Branding make it easy to create a cohesive and appealing advertising strategy that plays well into your branding goals.

Packaging

The Packaging refers to all those activities related to designing, evaluating and producing the container for a product. Simply, the box-like container, wherein the product is stored to protect it from any physical damage and at the same time attracting the customer through its appeal is called as packaging.

The product might have three layers of packaging, such as, a toothpaste come in the plastic tube (primary package), then it is packed in a cardboard box (secondary package) and then finally is packed in a corrugated box (shipping or third package). Nowadays, the packaging is not limited to the protection of a product alone, but it has been used as a marketing tool for building the brand equity and boosting sales.

In today’s scenario, most of the companies use packaging as an important marketing tool because of the following factors:

- The packaging enables the self-service, as in the case of purchases done in the supermarkets and retail mart the customers select the products on their own without any assistance from the retailers. Thus, the company must design its product package in such a way, that it is capable enough to draw customer’s attention towards it.

- It helps in increasing the consumer affluence, which means the customers are willing to pay even more for the convenience, appearance, dependability of the better packages.
- The packages help in increasing the brand recognition among the customers. As soon as the customers see the package, they can instantly relate it to the company or brand. For example, the Brooke Bond's Taj Mahal Tea comes in the blue pack with an image of a Taj Mahal on its box; this gives an identity to the brand.
- The innovative packaging also helps in bringing huge profits and benefits for the firm. Here, the company gives a unique design to its product package with the intent to grab customer's attention. For example, the calcium Sandoz bottles targeted at children and women have been designed to make them attractive to the target segment (A dog shaped bottle for kids, while a lady-shaped bottle for women).

Thus, the packaging is capable of influencing a buyer to initiate sales since the buyer comes in contact with the package first and then after with the product.

Role of Packaging

1. To protect a product from damage or contamination by microorganisms and air, moisture and toxins.
2. To keep the product together, to contain it (i.e. So that it does not spill).
3. To identify the product.
4. Protection during Transport and Ease of Transport.
5. Stacking and Storage.
6. Printed Information.

Functions of Packaging

(i) Product Identification

Packaging serves as an identification of the product. A product is packed in special sized, coloured and shaped container for keeping its difference from the products of competitors. For example, the yellow and black coloured pack of KODAK ROLL tells itself of its producer.

(ii) Product Protection

The main function of packaging is to provide protection to the product from dirt, insects, dampness and breakage. For example, the products like biscuit, jam, chips, etc., need to be protected from environmental contact. That is why they are tightly packed.

(iii) Convenience

Packaging provides convenience in the carriage of the product from one place to another, in stocking and in consuming. For example, the new pet bottles of COKE makes the carriage and stocking easier. Similarly, the pack of FROOTI provides convenience in its consumption.

(iv) Product Promotion

Packaging simplifies the work of sales promotion. Packing material in the house reminds the consumers constantly about the product. In this way, the packaging performs the role of a passive salesman. Consequently, it increases the sales.

Branding	**Packaging**
Branding is Process of creating a unique name or image of a product or service to differentiate it from other similar products and attract customers.	Packaging means to design, evaluate create a unique cover or container for a product.
The main purpose is to help the product stand out among its competitors.	The main purpose is to protect the original product and present it in an eye-catching manner.
It helps increase and retain customers.	It helps grab customer’s attention.
It integrates components like colour, sign, visual imagery etc.	Packaging tools include colour, font, descriptions and logos printed on the container or wrapper of the product.
Active Branding and Passive Branding	Primary packaging, secondary packaging, and tertiary or transit packaging

Distribution: Concept and Importance

Distribution means to spread the product throughout the marketplace such that a large number of people can buy it.

Distribution can make or break a company. A good distribution system quite simply means the company has greater chance of selling its products more than its competitors. The company that spreads its products wider and faster into the market place at lower costs than its competitors will make greater margins absorb raw material price rise better and last longer in tough market conditions. Distribution is critical for any type of industry or service. The best price product, promotion and people come to nothing if the product is not available for sale at the points at which consumers can buy.

In the FMCG industry in India, specially, companies distribute their low-value, high volume products to over 1 million retail outlets, or points of sale. The most successful FMCG companies have the biggest networks, made of factories, stock points, distributors or C&F (Carrying and forwarding agents), wholesalers, retailers and consumers. Nowadays, even direct marketing is considered a feasible distribution channel.

Distribution involves doing the following things:

1. A good transport system to take the goods into different geographical areas.
2. A good tracking system so that the right goods reach at the right time in the right quantity.
3. A good packaging, which takes the wear and tear of transport.
4. Tracking the places where the product can be placed such that there is a maximum opportunity to buy it.
5. It also involves a system to take back goods from the trade.

Importance of Distribution

Distribution is one of the important mix among marketing mixes. Delivery of satisfaction, standard of living, value addition, communication, employment, efficiency and finance are the major role and importance of distribution.

The role and importance of distribution in marketing and in the whole economy can be discussed as follows:-

1. **Delivery of satisfaction**

Marketing concept emphasizes on earning profit through satisfaction of the customers. Besides market research for the development and sales of goods according to need and wants of consumers, the participants of distribution channel also help producers in production of new goods.

2. **Standard of living**

Distribution function helps to improve living standard of the consumers in the society. Proper distribution of necessary goods and services to the consumers easily at right time does not only satisfy them but also brings change in their living standard. Distribution brings improvement in living standard of consumers through generation of employment, increase in income and transfer of ownership. Hence, it brings positive effect in the society.

3. **Value addition**

The functions of distribution such as transportation, warehousing, inventory management etc. increase the importance of products by creating place utility, time utility and quantity utility. Distribution mix plays an important role to increase the value of the products through delivery of goods in right quantity, at right place and right time.

4. **Communication**

Distribution serves as link between producers and consumers. Producers can make flow of information and messages to consumers about their products, price, promotion etc. through channel members. Similarly, they receive information about customers, competitors and environmental changes from channel members.

5. **Employment**

The function of distribution creates employment opportunities in society. Market intermediaries work as direct and indirect sources of employment. Different producers need to supply their innumerable products to consumers. Thousands of distributors, agents, wholesalers, retailers, brokers etc. involve in supplying the products to the consumers. Similarly, many persons of the society can get job in the transport and warehouses sectors, etc.

6. **Efficiency**

Producers produce limited types of goods in mass quantity. but the consumers demand different types of goods in small quantity. When goods are produced in a mass quantity, they can be obtained at lower price. Distribution helps to satisfy the needs of consumers by supplying assortment of different products of different producers. From this, efficiency can be achieved in both production and distribution.

7. **Financing**

Intermediaries themselves make arrangement to keep reserve and stock of goods. The producers need not make arrangement and management of distribution centers and warehouse. The producers need not do anything except remaining busy in production, the timely payment by intermediaries and financial helps become more important for smooth operation of production. Similarly, the role of finance is also decisive in mobilizing other means of production.

Different Types of Distribution Channels

A distribution channel is a chain of businesses or intermediaries through which a good or service passes until it reaches the final buyer or the end consumer. Distribution channels can include wholesalers, retailers, distributors, and even the Internet.

Distribution channels are part of the downstream process, answering the question “How do we get our product to the consumer?” This is in contrast to the upstream process, also known as the supply chain, which answers the question “Who are our suppliers?”

A distribution channel is the path by which all goods and services must travel to arrive at the intended consumer. Conversely, it also describes the pathway payments make from the end consumer to the original vendor. Distribution channels can be short or long, and depend on the amount of intermediaries required to deliver a product or service.

Goods and services sometimes make their way to consumers through multiple channels—a combination of short and long. Increasing the number of ways a consumer is able to find a good

can increase sales. But it can also create a complex system that sometimes makes distribution management difficult. Longer distribution channels can also mean less profit each intermediary charges a manufacturer for its service.

Channels are broken into two different forms—direct and indirect. A direct channel allows the consumer to make purchases from the manufacturer while an indirect channel allows the consumer to buy the good from a wholesaler or retailer. Indirect channels are typical for goods that are sold in traditional brick-and-mortar stores.

Generally, if there are more intermediaries involved in the distribution channel, the price for a good may increase. Conversely, a direct or short channel may mean lower costs for consumers because they are buying directly from the manufacturer.

Different types of channel of distribution are as follows:

Manufacturers and consumers are two major components of the market. Intermediaries perform the duty of eliminating the distance between the two. There is no standardised level which proves that the distance between the two is eliminated.

Based on necessity the help of one or more intermediaries could be taken and even this is possible that there happens to be no intermediary. Their description is as follows:

(A) Direct Channel or Zero Level Channels

When the manufacturer instead of selling the goods to the intermediary sells it directly to the consumer then this is known as Zero Level Channel. Retail outlets, mail order selling, internet selling and selling

(B) Indirect Channels

When a manufacturer gets the help of one or more middlemen to move goods from the production place to the place of consumption, the distribution channel is called indirect channel. Following are the main types of it:

1. One Level Channel

In this method an intermediary is used. Here a manufacturer sells the goods directly to the retailer instead of selling it to agents or wholesalers. This method is used for expensive watches and other like products. This method is also useful for selling FMCG (Fast Moving Consumer Goods).

2. Two Level Channel

In this method a manufacturer sells the material to a wholesaler, the wholesaler to the retailer and then the retailer to the consumer. Here, the wholesaler after purchasing the material in large quantity from the manufacturer sells it in small quantity to the retailer.

Then the retailers make the products available to the consumers. This medium is mainly used to sell soap, tea, salt, cigarette, sugar, ghee etc.

3. Three Level Channel

Under this one more level is added to Two Level Channel in the form of agent. An agent facilitates to reduce the distance between the manufacturer and the wholesaler. Some big companies who cannot directly contact the wholesaler, they take the help of agents. Such companies appoint their agents in every region and sell the material to them.

Then the agents sell the material to the wholesalers, the wholesaler to the retailer and in the end the retailer sells the material to the consumers.

Price Meaning and Objectives

Pricing is the method of determining the value a producer will get in the exchange of goods and services. Simply, pricing method is used to set the price of producer's offerings relevant to both the producer and the customer.

Every business operates with the primary objective of earning profits, and the same can be realized through the Pricing methods adopted by the firms.

Pricing is a process to determine what manufactures receive in exchange of the product. Pricing depends on various factors like manufacturing cost, raw material cost, profit margin etc.

Objectives of Pricing

The main objectives of pricing can be learnt from the following points:

- Maximization of profit in short run
- Optimization of profit in the long run
- Maximum return on investment
- Decreasing sales turnover
- Fulfill sales target value
- Obtain target market share
- Penetration in market
- Introduction in new markets
- Obtain profit in whole product line irrespective of individual product profit targets
- Tackle competition
- Recover investments faster
- Stable product price
- Affordable pricing to target larger consumer group
- Pricing product or services that simulate economic development

Factors Influencing Pricing

- Pricing of a product is influenced by various factors as price involves many variables. Factors can be categorized into two, depending on the variables influencing the price.
- An enormous number of factors affect pricing decisions. A marketing manager should identify and study the relevant factors affecting the pricing. Some factors are internal to

organization and, hence, controllable while other factors are external or environmental and are uncontrollable.

1. Internal Factors

- Internal factors are internal to organization and, hence, are controllable. These factors play vital role in pricing decisions. They are also known as organizational factors. Manager, who is responsible to set price and formulae pricing policies and strategies, is required to know adequately about these factors.

(i) Top Level Management

Top-level management has a full authority over the issues related to pricing. Marketing manager's role is administrative. The philosophy of top-level management is reflected in forms of pricing also. How does top management perceive the price?

How far is pricing considered as a tool for earning profits, and what is importance of price for overall performance? In short, overall management philosophy and practice have a direct impact on pricing decision. Price of the product may be high or low; may be fixed or variable; or may be equal or discriminative depends on top-level management.

(ii) Elements of Marketing Mix

Price is one of the important elements of marketing mix. Therefore, it must be integrated to other elements (promotion, product, and distribution) of marketing mix. So, pricing decisions must be linked with these elements so as to consider the effect of price on promotion, product and distribution, and effect of these three elements on price.

For example, high quality product should be sold at a high price. When a company spends heavily on advertising, sales promotion, personal selling and publicity, the selling costs will go up, and consequently, price of the product will be high. In the same way, high distribution costs are also reflected in forms of high selling price.

(iii) Degree of Product Differentiation

Product differentiation is an important guideline in pricing decisions. Product differentiation can be defined as the degree to which company's product is perceived different as against the products offered by the close competitors, or to what extent the product is superior to that of competitors' in terms of competitive advantages. The theory is, the higher the product differentiation, the more will be freedom to set the price, and the higher the price will be.

(iv) Costs

Costs and profits are two dominant factors having direct impact on selling price. Here, costs include product development costs, production costs, and marketing costs. It is very simple that costs and price have direct positive correlation. However, production and marketing costs are more important in determining price.

(v) Objectives of Company

Company's objectives affect price of the product. Price is set in accordance with general and marketing objectives. Pricing policies must the company's objectives. There are many objectives, and price is set to achieve them.

(vi) Stages of Product Life Cycle

Each stage of product life cycle needs different marketing strategies, including pricing strategies. Pricing depends upon the stage in which company's product is passing through. Price is kept high or low, allowances or discounts are allowed or not, etc., depend on the stage of product life cycle.

(vii) Product Quality

Quality affects price level. Mostly, a high-quality-product is sold at a high price and vice versa. Customers are also ready to pay high price for a quality product.

(viii) Brand Image and Reputation in Market

Price doesn't include only costs and profits. Brand image and reputation of the company are also added in the value of product. Generally, the company with reputed and established brand charges high price for its products.

(ix) Category of Product

Over and above costs, profits, brand image, objectives and other variables, the product category must be considered. Product may be imitative, luxury, novel, perishable, fashionable, consumable, durable, etc. Similarly, product may be reflective of status, position, and prestige. Buyers pay price not only for the basic contents, but also for psychological and social implications.

(x) Market Share

Market share is the desired proportion of sales a company wants to achieve from the total sales in an industry. Market share may be absolute or relative. Relative market share can be calculated with reference to close competitors. If company is not satisfied with the current market share, price may be reduced, discounts may be offered, or credit facility may be provided to attract more buyers.

2. External Factors

External factors are also known as environmental or uncontrollable factors. Compared to internal factors, they are more powerful.

Pricing decisions should be taken after analyzing following external factors:

(i) Demand for the Product

Demand is the single most important factor affecting price of product and pricing policies. Demand creation or demand management is the prime task of marketing management. So, price is set at a level at which there is the desired impact on the product demand. Company must set price according to purchase capacity of its buyers.

Here, there is reciprocal effect between demand and price, i.e., price affects demand and demand affects price level. However, demand is more powerful than price. So, marketer takes decision as per demand. Price is kept high when demand is high, and price is kept low when demand of the product is low. Price is constantly adjusted to create and/or maintain the expected level of demand.

(ii) Competition

A marketer has to work in a competitive situation. To face competitors, defeat them, or prevent their entry by effective marketing strategies is one of the basic objective organizations. Therefore, pricing decision is taken accordingly.

A marketer formulates pricing policies and strategies to respond competitors, or, sometimes, to misguide competitors. When all the marketing decisions are taken with reference to competition, how can price be an exception?

Sometimes, a company follows a strong competitor's pricing policies assuming that the leader is right. Price level, allowances, discount, credit facility, and other related decisions are largely imitated.

(iii) Price of Raw Materials and other Inputs

The price of raw materials and other inputs affect pricing decisions. Change in price of needed inputs has direct positive effect on the price of finished product. For example, if price of raw materials increases, company has to raise its selling price to offset increased costs.

(iv) Buyers Behaviour

It is essential to consider buyer behaviour while taking pricing decision. Marketer should analyze consumer behaviour to set effective pricing policies. Consumer behaviour includes the study of social, cultural, personal, and economic factors related to consumers. The key characteristics of consumers provide a clue to set an appropriate price for the product.

(v) Government Rules and Restrictions

A company cannot set its pricing policies against rules and regulations prescribed by the governments. Governments have formulated at least 30 Acts to protect the interest of customers.

Out of them, certain Acts are directly related to pricing aspects. Marketing manager must set pricing within limit of the legal framework to avoid unnecessary interference from the outside. Adequate knowledge of these legal provisions is considered to be very important for the manager.

(vi) Ethical Consideration or Codes of Conduct

Ethics play a vital role in price determination. Ethics may be said as moral values or ethical code that govern managerial actions. If a company wants to fulfill its social obligations and when it believes to work within limits of the ethics prescribed, it always charges reasonable price for its products. Moral values restrict managerial behaviour.

(vii) Seasonal Effect

Certain products have seasonal demand. In peak season, demand is high; while in slack season, demand reduces considerably. To balance the demand or to minimize the seasonal-demand fluctuations, the company changes its price level and pricing policies. For example, during a peak season, price may be kept high and vice versa. Discount, credit sales, and price allowances are important issues related to seasonal factor.

(viii) Economic Condition

This is an important factor affecting pricing decisions. Inflationary or deflationary condition, depression, recovery or prosperity condition influences the demand to a great extent. The overall health of economy has tremendous impact on price level and degree of variation in price of the product. For example, price is kept high during inflationary conditions. A manager should keep in mind the macro picture of economy while setting price for the product.

Pricing Methods

The different pricing methods are discussed below;

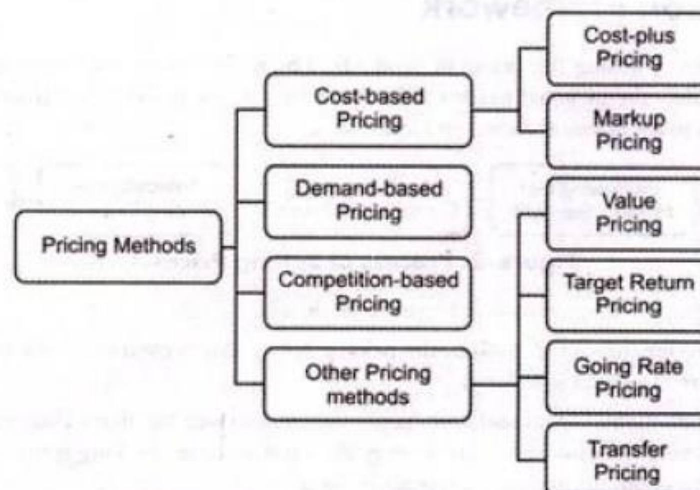


Figure-4: Various Pricing Methods

1. Cost-based Pricing

Cost-based pricing refers to a pricing method in which some percentage of desired profit margins is added to the cost of the product to obtain the final price. In other words, cost-based pricing can be defined as a pricing method in which a certain percentage of the total cost of production is added to the cost of the product to determine its selling price. Cost-based pricing can be of two types, namely, cost-plus pricing and markup pricing.

These two types of cost-based pricing are as follows:

(i) Cost-plus Pricing

Refers to the simplest method of determining the price of a product. In cost-plus pricing method, a fixed percentage, also called mark-up percentage, of the total cost (as a profit) is added to the total cost to set the price. For example, XYZ organization bears the total cost of Rs. 100 per unit for producing a product. It adds Rs. 50 per unit to the price of product as' profit. In such a case, the final price of a product of the organization would be Rs. 150.

Cost-plus pricing is also known as average cost pricing. This is the most commonly used method in manufacturing organizations.

In economics, the general formula given for setting price in case of cost-plus pricing is as follows:

P = AVC + AVC (M)

AVC= Average Variable Cost

M = Mark-up percentage

AVC (m) = Gross profit margin

Mark-up percentage (M) is fixed in which AFC and net profit margin (NPM) are covered.

AVC (m) = AFC+ NPM

For determining average variable cost, the first step is to fix prices. This is done by estimating the volume of the output for a given period of time. The planned output or normal level of production is taken into account to estimate the output.

The second step is to calculate Total Variable Cost (TVC) of the output. TVC includes direct costs, such as cost incurred in labor, electricity, and transportation. Once TVC is calculated, AVC is obtained by dividing TVC by output, Q. [AVC= TVC/Q]. The price is then fixed by adding the mark-up of some percentage of AVC to the profit [P = AVC + AVC (m)].

The advantages of cost-plus pricing method are as follows:

- Requires minimum information
- Involves simplicity of calculation

- Insures sellers against the unexpected changes in costs

The disadvantages of cost-plus pricing method are as follows:

- Ignores price strategies of competitors
- Ignores the role of customers

(ii) Markup Pricing

Refers to a pricing method in which the fixed amount or the percentage of cost of the product is added to product's price to get the selling price of the product. Markup pricing is more common in retailing in which a retailer sells the product to earn profit. For example, if a retailer has taken a product from the wholesaler for Rs. 100, then he/she might add up a markup of Rs. 20 to gain profit.

It is mostly expressed by the following formula:

- Markup as the percentage of cost= (Markup/Cost) *100
- Markup as the percentage of selling price= (Markup/ Selling Price)*100
- For example, the product is sold for Rs. 500 whose cost was Rs. 400. The mark up as a percentage to cost is equal to (100/400)*100 =25. The mark up as a percentage of the selling price equals (100/500)*100= 20.

2. Demand-based Pricing

Demand-based pricing refers to a pricing method in which the price of a product is finalized according to its demand. If the demand of a product is more, an organization prefers to set high prices for products to gain profit; whereas, if the demand of a product is less, the low prices are charged to attract the customers.

The success of demand-based pricing depends on the ability of marketers to analyze the demand. This type of pricing can be seen in the hospitality and travel industries. For instance, airlines during the period of low demand charge less rates as compared to the period of high demand. Demand-based pricing helps the organization to earn more profit if the customers accept the product at the price more than its cost.

3. Competition-based Pricing

Competition-based pricing refers to a method in which an organization considers the prices of competitors' products to set the prices of its own products. The organization may charge higher, lower, or equal prices as compared to the prices of its competitors.

The aviation industry is the best example of competition-based pricing where airlines charge the same or fewer prices for same routes as charged by their competitors. In addition, the introductory prices charged by publishing organizations for textbooks are determined according to the competitors' prices.

4. Other Pricing Methods

In addition to the pricing methods, there are other methods that are discussed as follows:

(i) Value Pricing

Implies a method in which an organization tries to win loyal customers by charging low prices for their high- quality products. The organization aims to become a low cost producer without sacrificing the quality. It can deliver high- quality products at low prices by improving its research and development process. Value pricing is also called value-optimized pricing.

(ii) Target Return Pricing

Helps in achieving the required rate of return on investment done for a product. In other words, the price of a product is fixed on the basis of expected profit.

(iii) Going Rate Pricing

Implies a method in which an organization sets the price of a product according to the prevailing price trends in the market. Thus, the pricing strategy adopted by the organization can be same or similar to other organizations. However, in this type of pricing, the prices set by the market leaders are followed by all the organizations in the industry.

(iv) Transfer Pricing

Involves selling of goods and services within the departments of the organization. It is done to manage the profit and loss ratios of different departments within the organization. One department of an organization can sell its products to other departments at low prices. Sometimes, transfer pricing is used to show higher profits in the organization by showing fake sales of products within departments.

Promotion: Promotional Mix and Tools of Promotional Mix

Promotion

In marketing, promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand or issue. The aim of promotion is to increase awareness, create interest, generate sales or create brand loyalty. It is one of the basic elements of the market mix, which includes the four Ps, i.e., product, price, place, and promotion.

Promotion is also one of the elements in the promotional mix or promotional plan. These are personal selling, advertising, sales promotion, direct marketing publicity and may also include event marketing, exhibitions and trade shows. A promotional plan specifies how much attention to pay to each of the elements in the promotional mix, and what proportion of the budget should be allocated to each element.

Promotional Mix

The Promotion Mix refers to the blend of several promotional tools used by the business to create, maintain and increase the demand for goods and services.

The fourth element of the 4 P's of Marketing Mix is the promotion; that focuses on creating the awareness and persuading the customers to initiate the purchase. The several tools that facilitate the promotion objective of a firm are collectively known as the Promotion Mix.

The Promotion Mix is the integration of Advertising, Personal Selling, Sales Promotion, Public Relations and Direct Marketing. The marketers need to view the following questions in order to have a balanced blend of these promotional tools.

- What is the most effective way to inform the customers?
- Which marketing methods to be used?
- To whom the promotion efforts be directed?
- What is the marketing budget? How is it to be allocated to the promotional tools?

Tools (Elements) of Promotion Mix

1. **Advertising**

The advertising is any paid form of non-personal presentation and promotion of goods and services by the identified sponsor in the exchange of a fee. Through advertising, the marketer tries to build a pull strategy; wherein the customer is instigated to try the product at least once. The complete information along with the attractive graphics of the product or service can be shown to the customers that grab their attention and influences the purchase decision.

2. **Personal Selling**

This is one of the traditional forms of promotional tool wherein the salesman interacts with the customer directly by visiting them. It is a face to face interaction between the company representative and the customer with the objective to influence the customer to purchase the product or services.

3. **Sales Promotion**

The sales promotion is the short term incentives given to the customers to have an increased sale for a given period. Generally, the sales promotion schemes are floated in the market at the time of festivals or the end of the season. Discounts, Coupons, Payback offers, Freebies, etc. are some of the sales promotion schemes. With the sales promotion, the company focuses on the increased short-term profits, by attracting both the existing and the new customers.

4. **Public Relations**

The marketers try to build a favourable image in the market by creating relations with the general public. The companies carry out several public relations campaigns with the objective to have a support of all the people associated with it either directly or indirectly. The public comprises of the customers, employees, suppliers, distributors, shareholders, government and the society as a

whole. The publicity is one of the form of public relations that the company may use with the intention to bring newsworthy information to the public.

E.g. Large Corporates such as Dabur, L&T, Tata Consultancy, Bharti Enterprises, Services, Unitech and PSU's such as Indian Oil, GAIL, and NTPC have joined hands with Government to clean up their surroundings, build toilets and support the swachh Bharat Mission.

5. **Direct Marketing**

With the intent of technology, companies reach customers directly without any intermediaries or any paid medium. The e-mails, text messages, Fax, are some of the tools of direct marketing. The companies can send emails and messages to the customers if they need to be informed about the new offerings or the sales promotion schemes.

E.g. The Shopper stop send SMS to its members informing about the season end sales and extra benefits to the golden card holders.

Thus, the companies can use any tool of the promotion mix depending on the nature of a product as well as the overall objective of the firm.

Objectives of Market Promotion

Market promotion is an integral part of marketing strategy. It is a powerful weapon used excessively by today's' marketers to achieve marketing goals in a competitive environment. Market promotion is essentially a way to communicate with the target market. Since the modern market is characterized by over-informed consumers, over-flooded products, cut-throat competition, and rapid changes, the market promotion has a crucial role to play.

In nutshell, main objectives of market promotion can be described with reference to below stated points:

1. **To Stimulate Demand**

It is the primary objective of market promotion. Through the use of appropriate means of market promotion, such as advertising, sales promotion, personal selling, and so forth, the company can stimulate demand for the product. Market promotion efforts convert potential buyers into actual buyers. Company, by highlighting product benefits, tries to match the product with needs, wants, and expectations of buyers. As per need, various means of market promotion are used to establish the information link with the target customers.

2. **To Inform Consumers**

Promotion is aimed at informing consumers about features, qualities, performance, price, and availability of firm's products. Market promotion is also a valuable means to inform consumers the changes made in the existing products and introduction of new products. In the same way, market promotion, by various tools of market communication, is used for communicating the special offers, price concession, utility of products, and incentives offered by the company.

3. **To Persuade Consumers**

Market promotion is an effective way to persuade consumers the superiority of product over competitors. A firm can communicate competitive advantages the product offers to distinguish it from competitors' products. Obviously, market promotion can assist the firm to convince buyers that the firm's product is the best solution to their unmet needs and wants. Advertising is one of the most effective tools to distinguish the product from competitors' products.

4. **To Promote a New Product**

In a large and decentralized market, market promotion is an inevitable medium to promote a new product. By suitable promotional strategies, a company can successfully introduce a new product in the market as against existing products. Company can inform about availability, distinct features, and price of newly launched product. In every stage of consumer adoption of a new product, market promotion has critical role to play.

5. **To Face Competition**

Market promotion enables the firm to face competition effectively. In today's market situation, it is difficult to stand without the suitable promotional efforts. In short, it can be said that marketer can fight with competitors effectively, can prevent their entry, or can throw the competitor away from the market by formulating and implementing effective market promotion strategies.

6. **To Create or Improve Image**

Advertising, personal selling, and publicity and public relations – all promotional tools – are capable to create or improve image and reputation of the firm. Many companies have become popular in the market due to effective market promotion. Company can reach the customers at every corner of the world through market promotion.

Brand image is purely an outcome of promotional efforts. For example, Hindustan Unilever, Colgate Palmolive, Sony, Philips, Hero Honda, Ambuja Cement, and many national and multinational companies have made their permanent place in the market due to successfully launching of market promotion programmes.

Thus, market promotion can help company realize various objectives. Company can increase sales, improve its image, and maintain close and live contact with the market by suitable promotional efforts. A company's survival, growth, and development are based on how effectively it communicates with the market.

Media Selection and Management

A highly creative ad copy may not be able to deliver results if there is an improper selection of media or a poor media plan and strategy .In evolving a media plan, decisions have to be taken in respect to the following media factors

1. **Media class**

This refers to the type of medium which is most appropriate to the product and ad copy. This includes newspaper, magazines ,television ,radio, billboards and direct mail.

2. **Media vehicles**

They provide the immediate environment for the advertisement .For example ,within the newspaper, the Times of India is a media vehicle; in television Zee TV Antakshari is the vehicle.

3. **Media Option**

This refers to the size(full or half page),length (30seconds or 60 seconds)color or location(like front page bottom right or prime time 9.00 p.m.) of the ad in the media vehicle.

4. **Scheduling and timing**

This refers to how media options are scheduled over a period of time the strategic options here are

(i) Flighting: i.e periods of total inactivity.

(ii) Continuous: i.e even distribution of advertising during a time period.

(iii) Pulsing: a continuous base augmented by intermittent bursts of heavy advertising.

(i) Flighting

Flighting is useful in products whose demand is seasonal. After the season ,the demand for these products ceases to exist .A typical example is that of desert coolers in North Indian States like Uttar Pradesh ,Madhya Pradesh ,Rajasthan ,Haryana ,Punjab, Bihar and Delhi. The demand for such coolers emerge during the summer months April to July and declines soon after the monsoon sets in .Hence it pays to advertise desert coolers or its components like exhaust fans and pumps etc. during the summer months only and then discontinue until the subsequent year .So for products whose demand is seasonal, the flighting strategy works well.

(ii) Continuous advertising

It is a good strategy for products like textile .toiletries, etc .whose demand is not limited to specific seasons .Here the objectives of the firm is to retain its brand/s at the top of the customers mind and hence continuous visibility through reminder ads and other such tactics.

(iii) Pulsing

It works in products like soft drinks and ice creams whose demand is high during summer months and after that the demand does decline but not to zero sales level .The demand goes down to the minimum level which is between no demand to the peak demand. The objective advertising is to ensure higher sales volume and market share.