

SAMPLE QUESTIONS FOR ADVERTISING AND SALES PROMOTION SEM -1 (As per NEP 2020)

Group B: IRC 5 (Commerce)

Full Marks: 75

Time: 3 hrs

Answer the questions as per instruction given. The figures in the right hand side indicate marks. Candidates are required to give answer in their own words as far as practicable.

दिए गए निर्देश के अनुसार प्रश्नों के उत्तर दें। दाहिने हाथ की ओर के अंक अंकों को दर्शाते हैं। जहां तक संभव हो, उम्मीदवारों को अपने शब्दों में उत्तर देना होगा।

GROUP – A

(Short Answer Type Question लघु उत्तरीय प्रश्न)

(Answer all the following questions निम्नलिखित सभी प्रश्नों के उत्तर दीजिए)

1. Answer the following questions in few words or maximum in one sentences. (5*1=5)

निम्नलिखित प्रश्नों के उत्तर कुछ शब्दों में या अधिकतम एक वाक्य में दीजिए।

- a. What is the full form of AIDA Model? AIDA का फुल फॉर्म क्या होता है

Ans. A = Attention, I= Interest, D= Desire, A=Action

- b. What are the 4 key components of a Communication Process? संचार प्रक्रिया के 4 प्रमुख घटक क्या हैं?

Ans.1 . Encoding, 2. medium of trasmission, 3. decoding, 4. Feedback

- c. What is included in Promotional Mix? प्रचार मिश्रण में क्या शामिल है

Ans. 1. Advertising, 2. Sales, 3. Public relation, 4. Direct marketing

- d. Write four examples of Outdoor advertising?

Ans. 1. Billboards, 2. Bus-stop ,3.Interior & exterior of buses 4. Taxis & business vehicles

- e. Mention 3 types of salesperson.

Ans. 1. The commodity Salesperson, 2. The Price Salesperson, 3. The solution value salesperson.

2. Enumerate the objectives of Advertising. (5)

विज्ञापन के उद्देश्यों को गिनाइए

Ans. Objectives of Advertising

1) Introduce a product

The most common reason Advertising is used is to introduce a new product in the market. This can be done by existing brands as well as new brands. Have a look at the latest iPhone in the market or a Samsung smartphone and you will find a lot of advertisement for these new products. The objective of advertising here is to tell customers – “Here is the new product we have launched”

2) Introduce a brand

There are many startups in the market today and many of them are services. Services are generally marketed as a brand rather than marketing their individual service product. Thus, Uber will market its own brand and introduce that Uber has started servicing customers in a new market. Same goes for Oracle or Accenture – Companies which market their brand and their presence in the market rather than marketing an individual product.

3) Awareness creation

According to the AIDA model, the most important job of advertising is to get attention which is nothing but Awareness creation. Advertising needs to capture the attention of people and make them aware of the products or their features in the market.

4) Acquiring customers or Brand switching

One of the major objectives of advertising and the first objective of many advertising campaigns is to acquire more customers. This is also known as making the customers switch brands. This can happen by passing on a strong message so that the potential customer leaves the brand which he is tied up with and comes to your brand.

5) Differentiation and value creation

A most important aspect of Advertising is to differentiate the product or the service from those of the competitor. A customer can only differentiate between services based on the value the firms provides over that of competitors.

If a competitor is just advertising the features, whereas your firm advertises the promises and commitments that it will keep, naturally more customers will “trust” your brand over others. This is the reason that advertising is used commonly to create value and to differentiate one brand from another.

6) Increase sales

With so many steps being taken to advertise the product, it is no doubt that one of the objectives of advertising is to increase sales. Many a times this objective is achieved via advertising. However, if the campaign is improper or the audience is not targeted properly, then advertising can fail in its objective.

7) Increase profits

With the value being communicated and the brand being differentiated as well as sales being increased, there is no doubt that advertising can contribute a lot to increasing profits. Advertising should never be looked at as an expense or a liability. In fact, it is an investment for a firm just like a brand is an investment.

8) Create Desire

Referring to the AIDA model, one of the key factors in advertising is to create a desire for the product so that the customer wants the product.

3. Explain Print Advertisement

(5)

प्रिंट विज्ञापन को समझाइए

Ans. Print advertising means **advertisements that are printed in hard copy in publications (newspapers, magazines, journals) likely to be read by your target audience.**

In other words, Print advertising uses printed media such as newspapers, magazines, direct mail and billboards to advertise services and attract more customers to a business. This form of advertising aims to capture an audience's attention when they read particular publications or receive something in the mail. The purpose of print advertising is to influence a reader to buy an advertised product either physically in a store or digitally on a company's website. Companies even use print advertising to link with a digital strategy, such as adding a quick response (QR) code to a flyer or magazine ad. These links often open an interactive element through a smartphone or take you to a webpage with additional information.

Elements of Print Advertising

- **Headline:** The headline is the most important part of the advert because it's what will first capture the attention of readers. It needs to be clear, direct, and engaging enough to make people want to read more.
- **Body:** The body is the copy of the advert that elaborates on the headline. It's where businesses can include more information about their offering. It needs to be well-written, persuasive, and not too long. Otherwise, people will lose interest and move on to the next thing.
- **Images:** An image is worth a thousand words, and this is especially true in advertising. The right image can help businesses convey their message more effectively. It also makes the advert more visually appealing and easier to remember.
- **Call-To-Action (CTA):** The CTA is a statement that tells readers what they need to do next, such as "Visit our website for more information." It needs to be clear and direct so people will know exactly what to do.

There are several types of Print Advertising:

1. **Newspapers:** Newspapers provide print advertising opportunities on a local and national level. These ads allow you to choose which section of the paper features your ad and how large your advertisement appears to readers.
2. **Magazines:** It offers you the freedom to create advertisements that reflect your brand and visually appeal to a niche audience. Choose to advertise with national or regional magazines.
3. **Direct mail:** It can effectively reach a chosen audience using brochures, letters or flyers you send through the postal service. It's important first to research who you want to target and rent a mailing list from a specialist firm that can mail your letters.
4. **Posters and Billboards:** **These are** common in cities, train stations and airports, billboards usually target consumers who are either driving or walking. They often capture the attention of a large number of consumers travelling or leaving for work.

Hence, Print advertising is a form of outbound marketing where businesses create adverts and place them in printed publications. The advert can be in the form of a text-based article, an image, or a mix of both. The goal is to capture readers' attention so they can learn more about the brand and what it has to offer.

Group- B

Long/ Descriptive answer type questions

Answer any four of the following questions.

4. What do you understand by Salesmanship? Mention the various types of salesperson and what are the qualities of a good salesperson? (5+5+5=15)
विक्रय कला से आप क्या समझते हैं? विभिन्न प्रकार के विक्रेता का उल्लेख करें और एक अच्छे विक्रेता के गुण क्या हैं?

Ans. Definition of Salesmanship:

According to W.G Carter, "Salesmanship is in attempt to induce people to buy goods." According to the National Association of Marketing Teachers of America, "It is the ability to persuade people to buy goods or services at a profit to the seller and benefit to the buyer."

According to Knox, "Salesmanship is the power or ability to influence people to buy at a mutual profit, that which we have to sell, but which they may not have thought of buying until call their attention to it. Salesmanship is the ability to persuade people to want they already need."

Thus, salesmanship is the process of persuading a person to buy goods or services. It does not mean that salesmanship is applied only to personal selling; it can also be applied to advertising- printed salesmanship. Salesmanship in its broader meaning, includes all types of persuasion means, by a seller, viz., advertising, personal selling and other methods.

Meaning of Salesmanship

Salesmanship is the ability to persuade people to want the things which they already need. Salesmanship is the ability to convert human needs into wants. The work of salesman is a service i.e., helping the consumer. The salesman gives a solution to the customer's problems. Salesmanship is the ability to handle the people and to handle the products.

In the present day, salesmanship plays an important part. Salesman is the connecting link between sellers and buyers at every step., i.e" from the collection of raw materials to the finished products. , Of all, customers are the most benefited by salesmen. Present era is of large-scale production, which is in anticipation of demand. The market expands along with competition. This makes distribution a difficult and a complex factor in the face of still competition. The expansion of the market, growing competition etc., invite a better salesmanship.

Type of Salesmen:

1. Manufacturer's Salesmen:

(a) Missionary Salesmen:

They are also known as Creative Salesmen or Pioneer Salesmen. They are employed by manufacturers and do the work, of missionary nature. They create demand for the products. They usually develop goodwill. They call on distributors- wholesalers, retailers, customers, in order to educate, train and induce them to promote the products. Manufacturers of medical supplies use this type of salesmen to promote their products.

(b) Merchandising Salesmen:

They assist dealers by giving suggestions on display, store- layout, service facility etc. They arrange wide publicity and conduct demonstration for dealer salesmen, by even working along with them. They are largely involved in drugs, medicines, grocery etc. There is a wide scope for this category.

(c) Dealer-Servicing Salesman:

These salesmen call on retailers in their territory and visit them often. They bring samples of new products, take orders and make up window display.

(d) Sale Promotion Salesmen:

They are also known as Retail Salesman. They are specialised in promotional work. They are representatives of medical firms or publishers. They may not take spot orders but they try to convince people like doctors about the new drug, research work, testing, result etc. They create demand by calling on customers,

(e) Technical Salesmen:

They are trained technically. They provide technical assistance to company's customers on matter connected with the product, its quality, its design, its installation etc. Generally these types of salesmen deal with computers, equipment's, machinery items, chemical products etc.

2. Wholesaler's Salesmen:

Products reach the hands of customers through a number of channels, the main channel being wholesalers. They are the nerve-centres of distribution between manufacturers and retailers. These salesmen are mainly concerned with retailers through whom the products are to be marketed.

3. Retail Salesmen:

They are of two types: 1. Indoor salesmen and 2. Outdoor Salesmen. Indoor salesmen work within the store—counter sales over the counter. They do not need training as they have to face only customers and not the prospects. They deal with regular buyers. They are order filling salesmen.

They receive orders and execute them. They must have good manners and a helpful attitude. They must be able to guide the customers and help them to make quick decisions. They must also be knowledgeable and honest. Above all, they must maintain products in the shelves in an attractive manner.

Outdoor salesmen may also be called travelling salesmen. Their main job is to make regular travels, visit customers, canvass orders etc. They must possess all the qualities of ideal salesmen.

4. Speciality Salesmen:

They are to sell speciality products-expensive durable goods, furniture, books, house furnishings, washing machines, automobiles, refrigerators etc. People purchase these products only after a personal and careful selection, because they do not buy them frequently. Salesmen of this kind must be masters of the art of salesmanship. They are representatives of manufacturers, who produce special items.

Qualities of a Successful Salesman:**Reid gives the following characteristics of a good salesman:**

1. Establishing good relationship with a variety of people.
2. Learning quickly and adapting smoothly.
3. Planning ahead and efficiently managing his time and efforts.
4. Working hard to achieve his goals, dedicating himself to provide long-term service, rather than having a get-rich-quick attitude.
5. Communicating clearly both in speech and in writing.
6. Thinking analytically and learning to break problems down to their basic components.
7. Producing constantly both in quality and quantity rather than performing erratically.
8. Persisting steadily his goal and not giving up easily.
9. Possessing and living up to high moral characteristics that enable people to admire,, respect and trust him.

“Personality is the personal distinction or dynamic force which is felt by everybody who comes within the radius.” Personality is the sum total of the impressions made on people with whom one comes into contact. The impression is the result of many qualities that one possesses. There are a number of qualities which make a salesman successful.

5. Explain DAGMAR Approach.

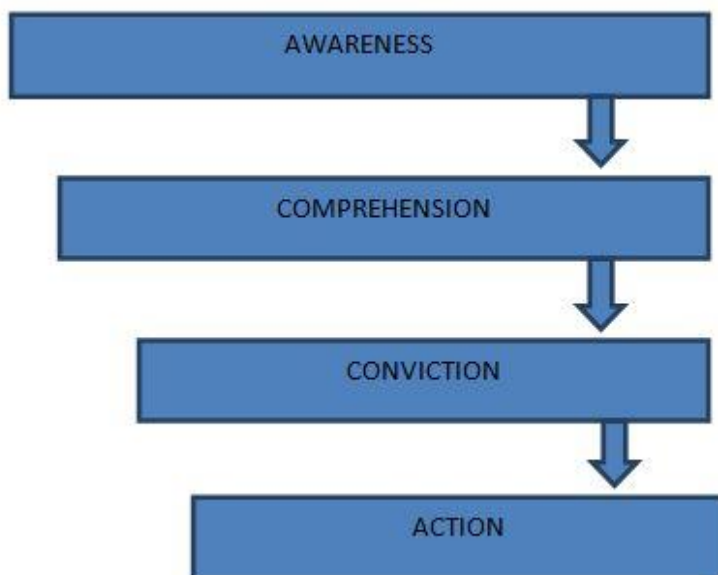
(15)

DAGMAR दृष्टिकोण की व्याख्या करें

Ans. DAGMAR is a marketing expression that stands for “**Defining Advertising Goals for Measured Advertising Results**”. It is a marketing tool to compute the results of an advertising campaign. DAGMAR attempts to guide customers through ACCA model. According to this approach, every purchase encounters **four steps; Awareness, Comprehension, Conviction, and Action.**

DAGMAR is an advertising model proposed by Russell Colley in 1961. Russell Colley advocated that effective advertising seeks to communicate rather than to sell. Advertisers discover whether their message conveyed enough information and understanding of a product to their consumers and also its respective benefits from clear objectives.

The DAGMAR Model



1. AWARENESS

- Awareness of the existence of a product or a service is needful before the purchase behaviour is expected. The fundamental task of advertising activity is to improve the consumer awareness of the product.
- Once the consumer awareness has been provided to the target audience, it should not be forsaken. The target audience tends to get distracted by other competing messages if they are ignored.
- Awareness has to be created, developed, refined and maintained according to the characteristics of the market and the scenario of the organization at any given point of time.
- The objective is to create awareness about the product amongst the target audience.

2. COMPREHENSION

- Awareness on its own is not sufficient to stimulate a purchase. Information and understanding about the product and the organisation are essential. This can be achieved by providing information about the brand features.

- Example: In an attempt to persuade people to budge for a new toothpaste brand, it may be necessary to compare the product with other toothpaste brands, and provide an additional usage benefit, such as more effective than other toothpaste because it contains salt or that this particular toothpaste is a vegetarian toothpaste, which will, in turn, attract more customers.
- The objective is to provide all the information about the product.

3. CONVICTION

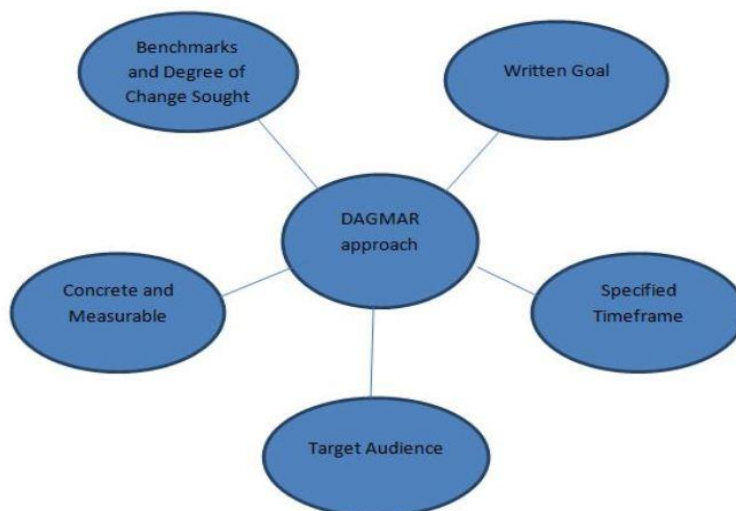
- Conviction is the next step where the customer evaluates different products and plans to buy the product. At this stage, a sense of conviction is established, and by creating interests and preferences, customers are convinced that a certain product should be tried at the next purchase.
- At this step, the job of the advertising activity is to mould the audience's beliefs and persuade them to buy it. This is often achieved through messages that convey the superiority of the products over the others by flaunting the rewards or incentives for using the product.
- Example: Thumbs up featured the incentive of social acceptance as "grown up". It implied that those who preferred other soft drinks were kids.
- The objective is to create a positive mental disposition to buy a product.

4. ACTION

- This is the final step which involves the final purchase of the product. The objective is to motivate the customer to buy the product.

Advantages of DAGMAR Approach

A major contribution of Colley's DAGMAR approach was a specification of what constitutes a good objective.



According to Russell Colley, there are various advantages of well-founded objectives. These are:

- Be concrete and measurable
- Have a well-defined target audience or market
- Identify the benchmark and the degree of change
- Specify a timeframe to accomplish the objective

TARGET AUDIENCE

- DAGMAR claims the target audience is well defined. A group of potential customers, who have the highest likelihood of purchasing the product, is the target market. Identifying the target market includes the process of demographic, geographic, and psychological segmentation. Target markets can be segmented into **Primary** and **secondary groups**.
- **Primary markets** are the main target audience, on whom the marketing efforts are mainly focused.
- **Secondary markets** are the target audience on whom the marketing efforts will focus after the primary market goals are achieved. After identifying the target audience, the organization devises objectives for advertising and later the objectives for communication.

CONCRETE AND MEASURABLE

- The objective of communication should be a precise and clear statement of whatever message the advertiser wants to communicate to the target audience.
- The specification must include all the details and descriptions of the measurement procedure.

SPECIFIED TIMEFRAME AND BENCHMARKS

- A good objective has a specified time frame, during which the objective is to be achieved. Understanding the specifications enables advertisers to define goals that will yield the best result.
- Setting a specific timeframe assures effective evaluation of results. The timeframe should be realistic to prohibit skewed results from static marketing.
- Creating the benchmark is essential for an appropriate measurement of the effectiveness of the advertisement.

WRITTEN GOAL

- The goal should be committed on a paper. When the goals are clearly written, basic shortfalls and flaws are exposed, it becomes eventually easy to determine whether the goal contains the crucial aspects of the DAGMAR approach.

OBJECTIVES OF DAGMAR APPROACH

- Persuade a prospect to visit the showroom.
- Growth in market share.
- Improve sales turnover.
- Perform complete selling function.
- Advertise a special reason to buy.
- Stimulate impulse sales.
- Remind people to buy.
- Create awareness about the product and brand existence.
- Create favourable emotional disposition towards the product.
- Impart information regarding benefits and distinctive features of the product.
- Combat and offset competitive claims.
- Correct false impressions, wrong information and other hindrances to sales.
- Aid sales force with sales promotion and selling activities and boost their morale.
- Establish brand recognition and acceptance.

6. Explain the current trends in advertisement.

(15)

विज्ञापन में मौजूदा रुझानों की व्याख्या करें।

Ans. Advertising trends have evolved from the quintessentially traditional print ads and TV spots to new marketing strategies that include QR codes, co-branding, content marketing and online advertising. While print and TV are steadfast in the ad industry, new technology is opening new

avenues to reach consumers. For businesses that want to stay ahead of the curve with interactive advertising, these trends can do just the trick.

Even the modern global market increasingly turns information into the most critical strategic commodity and communication tool. Advertising is one of the active forms of interaction between the masses and the external environment. It is currently dynamically changing under the influence of trends such as globalization and digitalization. This, in turn, determines a new level of advertising depth and the range of its impact on a potential audience.

As the world and its diversities change, so do human relationships. People's lifestyles are evolving to meet the growing demands of an increasingly mobile-first society. Our understanding of consumer relations has evolved from the relationship between a brand and its customers to those based on one-on-one, omnichannel, immersive, personalized communications.

The following are the top current advertising trend that attracts more and more customers:

1. Targeted Personalized Ads

This is not a new marketing trend per se but it's one of the advertising trends that have become more popular in recent times.

In personalized advertising, businesses collect and analyze data about customers and use the information to target ads. The result is increased conversion potential and overall, lower advertisement costs.

The fast growth of personalized ad targeting is fueled by the increased availability of data capture and analysis tools and acceptability. According to a survey, seven out of 10 consumers prefer fewer and more personalized ads.

Targeted marketing is not restricted only to one form of advertisement. It is applicable to several other forms of advertising, including video, TV, social media, display, and so forth. This gives marketers an array of ad channels, increasing the chances of reaching the target audience with the right message. Knowledge of what advert to display to which people and the precise time to show them is vital in **targeted advertising**. Fortunately, innovative marketing tools now make it easy to both create the right content and deliver it at the perfect time. These tools include database marketing, geofencing, and display targeting among others.

2. Multi-Channel Advertising

The majority of shoppers made purchase decisions at the store. If you wanted to buy a TV, you would visit a retail store in town and decide which brand to buy and the amount to spend while inside the store. Because there was no way to research these factors before entering the store. Only once inside the store would you compare things like prices and size.

Not anymore. With the advent of digital media, you can now research a product way in advance. Before heading to the store, shoppers already know even the color of the item they want to buy. Often, shoppers research multiple devices (smart home devices, mobile phones, PCs, etc.) and channels (websites, social media, forums, price comparison engines, etc.).

The next logical step for marketers is to make a conscious effort to align all the channels they use to make the purchase journey even more convenient. This practice is known as omnichannel marketing.

In omnichannel, marketers use coordinated brand messaging and effects to guide the customer from discovery through decision making to purchase.

3. QR Codes

A QR code, or a “quick response” code, is a two-dimensional symbol akin to the UPC (Universal Product Code, or “bar code”). A QR code elicits a digital action when scanned by a QR code reader. In advertising, it has gained traction as an interactive tool in which consumers can scan the code to retrieve additional information about the product or promotion. When scanned by a smartphone, a QR code can initiate several actions, such as opening a website, making a phone call or sending an SMS message. Make a free QR code online using the QR Code Generator (see Resources) and place the symbol on your company’s business cards, brochures, coupons, print ads and even TV spots.

4. Co-Branding

1. Co-branding is a joint venture that combines the advertising efforts of two or more brands to create a new consumer product. Recent examples of co-branding include Isaac Mizrahi and Target, Crest Plus Scope, Ford F150 trucks and Harley Davidson motorcycles, and Apple and Nike. These brands have worked together to create new consumer products that elevate brand awareness while creating heightened consumer interest in newly launched products. Small businesses can take a cue from national brands by launching a co-branded ad campaign with another recognized, locally-owned company. For example, a car service center can partner with a detail shop to create mutual coupons for use at both businesses. This maximizes the use of advertising dollars while simultaneously creating a stronger promotion for the consumer.

5. Content Marketing

Content marketing is a term that began gaining popularity around 2003 with the birth of social media websites such as Facebook and Twitter. Content marketing includes advertorials (newspaper or magazine articles that are written editorially to promote your product), blogs or any other kind of content that is published on the web for promotional purposes. As a form of advertising, content marketing is effective at creating awareness when it comes to brand storytelling. Since the rise of social media, content marketing has strengthened connections between consumers and brands while creating a new advertising vehicle. Small businesses can capitalize on the power of content marketing by running advertorials or hosting a blog on their Web site.

6. Online Advertising

Consumers use the web to find many things, including businesses and brands. When it comes to capitalizing on reaching consumers, advertisers are using tools such as Google AdWords to create online advertising campaigns. AdWords is a Google product that allows small businesses to create online advertisements with keyword and budget parameters to target their primary customers. Other trends in online advertising include marketing efforts such as search engine optimization (SEO -- the process of using keywords to get a website to rank higher in results as opposed to using AdWords); social media; mobile devices such as iPads and other handhelds; display ads; and website banner ads.

7. What do you understand by Advertising Agency, discuss its role and types? (7+3+5=15)
विज्ञापन एजेंसी से आप क्या समझते हैं, इसकी भूमिका एवं प्रकारों की विवेचना कीजिए

Ans. An **advertising agency**, often referred to as a **creative agency** or an **ad agency**, is a business dedicated to creating, planning, and handling advertising and sometimes other forms of promotion and marketing for its clients. An ad agency is generally independent of the client; it may be an internal department or agency that provides an outside point of view to the effort of selling the client's products or services, or an outside firm. An agency can also handle overall marketing and branding strategies promotions for its clients, which may include sales as well.

In other words, An advertising agency is composed of creative and business people – the writers and artists, showmen and market analysts, merchandising and research people, advertising specialists of all sorts.

But with all this, they are business people, running an independent business, financially responsible, applying their creative skills to the business of helping to make their clients advertising succeed.

Definition of Advertising Agency

According to Philip Kotler , “Advertising agency is a marketing service firm that assists its clients in planning, preparing, implementing and evaluating various activities of advertising campaign.”

According to Rozer and Borton , “Advertising agency is a group of persons who have a specialization in advertising. It includes ad copywriters, ad designers, media selectors and advisors for various advertising issues”.

Features of Advertising Agency are as follows:

1. Advertising agency is an independent business organization.
2. Agency provides services to its clients who are searching customers for their goods and services.
3. Agency employs the experts, researchers etc.
4. Agency performs the functions like planning, implementation of campaign, research, follow up advertisement, measuring effectiveness of various media for its clients.
5. It charges fees, service charges and commission from its clients.

It is emphasized that an advertising agency is an independent business organization independently owned, and not owned by advertisers or media or suppliers—which brings to the clients' problems an outside objective point of view made more valuable by experience with other clients' sales problems in other fields. It is independent of the clients so as to be always an advocate of advertising (seeking to apply advertising to help clients grow and prosper); it is independent of media and suppliers so as to be unbiased in serving its clients (the sellers of goods and services).

An advertising agency is composed of creative and business people—the writers and artists, showmen and market analysts, media analysts, merchandising and research people, advertising specialists of all sorts. But with all this, they are business people, running an independent business, financially responsible, applying their creative skills to the business of helping to make their clients' advertising succeed.

These people develop, prepare, and place advertising in advertising media, seeking in every way they can to apply advertising to advance their clients' business. Everything that goes before and everything that comes after the advertisement is preparation of advertising follow up to help make it succeed.

The agency does this, not for itself, but for sellers' goods and services. To prepare and place advertising—successful advertising for the advertiser—is the primary purpose of the advertising agency.

Role of Advertising Agencies

1. Creating an advertise on the basis of information gathered about product
2. Doing research on the company and the product and reactions of the customers.

3. Planning for type of media to be used, when and where to be used, and for how much time to be used.
4. Taking the feedbacks from the clients as well as the customers and then deciding the further line of action

All companies can do this work by themselves. They can make ads, print or advertise them on televisions or other media places; they can manage the accounts also. Then why do they need advertising agencies? The reasons behind hiring the advertising agencies by the companies are:

- The agencies are expert in this field. They have a team of different people for different functions like copywriters, art directors, planners, etc.
- The agencies make optimum use of these people, their experience and their knowledge.
- They work with an objective and are very professionals.
- Hiring them leads in saving the costs up to some extent.

There are mainly two types of agencies based on the type of services offered by them.

1. Full Service Agencies:

These are the medium or large sized agencies capable of conducting complete advertising campaign. The main agency may be assisted by many subsidiaries engaged in various other related activities like market research, sales promotion, advertising, public relation, media buying, film production etc. Thus, these agencies are capable of handling all the various related activities of advertisement from beginning to end.

2. Specialized Agencies:

These are the agencies which provide only one or selected services out of the entire range services. Those agencies do not have specialization in all services or not supported by other specialized subsidiaries. The firms willing to get only a part of whole range of services may go in for specialized agencies. For instance, creative Boutiques and Media Buying Agencies.

These agencies get their charges in any form of – (i) Commission – A fixed rate of commission (ii) Fees – In addition to commission, it may insist for payment of fees, (iii) Percentage charges – agency charges some percentages of charges as mark up when agency buys some services from outsiders, (iv) Incentives based system – The fees here are based on how best the agency performs in achieving the pre-determined goals.

8. State the advantages and limitations of Advertising. (8+7=15)
विज्ञापन के लाभ एवं सीमाएँ बताइए।

Ans. Advertising is directed to a large number of people and not to one individual. That is why it is called non-personal. Advertising is communication about products or ideas. It may inform us about the features new smart phone etc.

Advantages of Advertising:

1. From Viewpoint of Manufacturers:

A well-advertised product is easier to be sold by the salesman in the market. If a brand is popular and well-known, people respond favourably to the salesman's efforts. It provides a support to salesmanship, as the audience understands the product and its uses more clearly through the advertisement and the salesman's effort is reduced to convince the buyers.

(a) Increase in Sales:

The main object of the manufacturer in advertising his products is to promote the sale of his products. Goods produced on a mass scale are marketed by the method of mass persuasion through advertising.

Repetition of advertisements, the manufacturers are not only able to retain existing markets but are also able to expand the markets both by attracting more people to their products and also by suggesting new uses for them. Advertising is a helping hand to selling.

(c) Lower Costs:

Sales turnover and encourage mass production of goods are enhanced by advertising that results in large scale production, average cost of production reduces and results in higher profits. At the same time, when the cost of advertising and selling costs gets distributed over a larger volume of sales, the average cost of selling also lowers down.

(d) Greater Dealer Interest:

Advertising creates demand by which every retailer gets an opportunity to share with others. Hence, the retailers who deal in advertised goods are materially assisted by advertising in the performance of their functions. The retailers have not to bother much about pushing-up the sale of such products. Therefore, they evidence more interest in advertised products.

(e) Quick Turnover and Smaller Inventories:

A highly responsive market is created by well-organised advertisement campaign thereby facilitating quick turnover of the goods. Resulting, in lower inventories in relation to sales and being carried-on by the manufacturers.

(f) Steady Demand:

Seasonal fluctuations on demands for products are smoothened by advertising generally the manufacturers tries to discover and advertise new possible uses of which a seasonal product maybe put. The innovation of cold tea and cold coffee for the use during summer has helped in increasing the demand for these beverages even in that season. The same maybe said for refrigeration.

(ii) From Viewpoint of Consumers:

(a) Improvement in Quality:

Usually, goods are advertised under brand names. When a person is moved by the advertisement to use the product, they proceeds on the hope that the contents of the particular brand will be better than the other brands of the same goods.

When his experience confirms his expectation, a repeat order can be expected. Or else, the sales may rise very high once but may drop down very low subsequently when the consumer's confidence in the quality of the product fails.

(b) Facility of Purchasing:

Purchasing becomes easy for the consumers after advertising. Generally, the re-sale prices (prices at which the goods are to be sold by the retailers) are fixed and advertised. Thus, advertising offers a definite and positive assurance to the consumer that they will not be overcharged for the advertised product. The consumer can make his purchases with utmost ease and confidence.

(c) Consumer's Surplus:

The utility of given commodities is increased by advertising for many people. It points-out and pays even more for certain products which appear to have higher utility to them. If these products are available at the original lower prices, there will naturally be a certain amount of consumer's surplus in terms of increased satisfaction or pleasure derived from these products.

(d) Education of Consumers:

Being an educational and dynamic principle, the prime objective of advertising is to inform and educate the customers about new products, their features, prices and uses. It also convinces them to adopt new ways of life, giving up their old habits and inertia and have a better standard of living.

(iii) From the Viewpoint of Middleman:

(a) Retail Price Maintenance becomes Possible:

The consumers are quite keen on getting quality products at stable prices over a period of time. Each consumer has his or her own family budget where he or she tries hard to match the expenditure to the disposable income for a socially acceptable decent living.

In case the prices go on changing abruptly, these individual budgets are likely to be distorted to such an extent that the consumers will have to think of substitutes for the products they are enjoying at present.

(b) Acts as a Salesman:

What a travelling salesman does for this organisation is done by the advertising at least cost. This is the reason that most of the retail organisations do not employ large army of travelling salesman, rather they are willing to spend on advertising which attracts consumers to the stores where the counter salesmen cater to their needs.

(c) Ensures Quick Sales:

Every retailer having the stock of different producers needs a quick turnover. By bringing the wide range of these products to the notice of the consumers, advertising boosts up of sales.

Faster sales imply the specific advantages such as reduced capital lock-up, reduction in losses of holding stock over longer period, increased profits even by reducing the profit margin per unit. Further, advertising gives much leeway and freedom to better serve the needs of the consumers.

(iv) From the Viewpoint of Society:

(a) Change in Motivation:

Radically advertising has changed the basis of human motivation. While people of earlier generations lived and worked mainly for bare necessities of life, the modern generation works harder to supply itself with the luxuries and semi-luxuries of life.

(b) Sustaining the Press:

For support and sustenance the newspapers, periodicals, journals, look for advertisers, press, look to advertisements. In the absence of income from advertising, the newspapers have to be produced at a higher cost and may not be able to keep themselves free from its competitors.

(c) Encouragement to Artists:

Designing artists, writers to do creative work. They earn their living from preparing advertisements.

(d) Encouragement to Research:

When manufacturers are assured of sufficient profits. They undertake research and discover new products or new uses for existing products. Advertising puts forward this assurance and thereby encouraging industrial research with all its advantages.

Disadvantages of Advertising:

Advertising too have its own limitations. In some case it's being misused by few people over looking their business interests.

The main Limitations of advertising are discussed below:

i. Deferred Revenue Expenditure:

It is a deferred revenue expenditure, as the results are not immediate. As advertising occupies a substantial portion of the total budget of the organisation. Hence, investing a large sum in it does not necessarily yield immediate results thus limiting its utility.

ii. Misrepresentation of Facts:

A major drawback of advertising is misrepresentation of facts regarding products and services. Advertisers usually misrepresent unreal/false benefits of a product and make tall claims to excite people to indulge in actions leading to their benefit, but opposed to consumer's self-interest.

iii. Consumer's Deficit:

Advertising creates desires as consumers have low purchasing power. It leads to discontentment. Such discontent is obviously not very desirable from the point of view of society, particularly if it affects a large majority of people. But it is important if it acts as a spur to social change.

iv. Barriers to Entry:

Advertisements promote industrial concentration to a greater or lesser degree. The extent of such concentration may vary with the character of the individual trade, the advertisability of the product and the technical conditions of its production. Although, studies on this subject are not conclusive. The evidence of positive association between advertising and concentration is weaker than can be expected.

v. Wastage of National Resources:

It is objected that advertisement is that it is used to destroy the utility of goods before the end of their normal period of usefulness. Now models of automobiles with nominal improvements are, for example, advertised at such high pressure that the old models have to be discarded long before they become useless, not that merely, the most-advertised products are delicate, fragile, and brittle.

vi. Increased Cost:

It is much debated whether advertising induces additional cost upon a product which the community has to pay. In a sense, it is true since expenses on it form a part of the total cost of the product. But at the same time, it would be unjust to infer that if the advertising costs were cut down the goods would necessarily be cheaper. Advertising is, one of the items of costs but it is a cost which brings savings in its wake on the distribution side.

vii. Product Proliferation:

Critics state that advertising encourages unnecessary product proliferation. As it leads to the multiplication of products that are almost identical, resulting in wastage of resources which could otherwise have been used to produce other products.

viii. Multiplication of Needs:

Advertising compels people to buy things they do not need as it is human instincts, to possess, to be recognized in the society, etc., are provoked by advertiser in order to sell products. At times, various types of appeals are advanced to arouse interest in the product. Sentiments and emotions are played with to gain customers.

9. Explain the concept and process of Personal Selling.

(7+8=15)

वैयक्तिक विक्रय की अवधारणा और प्रक्रिया की व्याख्या कीजिए।

Ans. Personal selling is a part of promotional- mix and it is an art of person-to-person communication for persuading prospects or consumers in the sales process.

For introducing effective marketing system, balancing of other marketing elements like, product development, pricing, distribution system, advertising etc. should be organised along with implementation of personal selling methodology.

According to Phillip Kotler, "Personal selling is an ancient art. Effective sales persons have more than instinct; they are trained in a method of analysis and customer management. Selling today is a profession that involves mastering and applying a whole set of principles".

In modern marketing philosophy, a long term relationship and understanding with the consumer should be developed through consultative selling process. Personal selling helps consumers to realise the suitable benefits of the product and services offered to satisfy their needs.

A situation in which two people interact is known as "dyad". In a 'buyer-seller dyad' the consumer shall have more opportunity to know about the sales person and the company. Through researches it was observed that the possibility of positive results are high when the characteristics and nature of the sales persons and prospects are alike. Sales persons' behaviour shall influence the purchase process and satisfaction of the consumers.

To analyse the diversified personal selling situations, distinction should be made between service and developmental selling. Service selling is targeted to the existing customers whose behavioural and purchase pattern are already known to the sales people. For example, in the course of delivery of necessary products like, bread, milk, fuel or gas, the delivery person and the consumer are known to each other. The other form of personal selling is known as developmental selling.

Developmental selling shall aim at converting the prospects into customers. In this process, the people who do not currently view the company's product or services favourably, and purchasing similar product from other sources, should be convinced and changed favourably.

It is the creative aspect of sales persons to offer the satisfactory services. Developmental selling may be organised for tangible products like, automobiles, vacuum cleaners, washing machines etc. and also for intangible products like, insurance, bank-schemes, advertising services etc.

The objectives of Personal selling are as follows:

1. To enhance the sales volume of the different products of the company
2. To ensure there is a proper mix of products in the total sales volume
3. To ensure that the market share of the company is increased
4. To ensure that the profits of the company have improved
5. To bring down or reduce the overall selling expenses of the company
6. To gain new accounts and ensure that there is growth of the business
7. It helps in the appointment of dealers and expansion of the distribution channel.

8. To secure channel members co-operation in stocking as well as selling the products of the company.
9. To achieve the desired proportion of cash and credit sales.
10. To provide pre-sale and after-sale services.
11. To train the dealers and customers.
12. To assist and support other promotional measures.
13. To help in collecting the amounts due from the market.
14. To help in gathering and reporting marketing intelligence.

Some of the important functions of personal selling are as under:

- (i) To sell the goods to new and old customers;
- (ii) To demonstrate the goods before customers;
- (iii) To remove the doubts and confusions of customers about products;
- (iv) To provide after-sale-services to the customers;
- (v) To instruct the customers for the use of product;
- (vi) To advise the customers on certain matters;
- (vii) To maintain the record of sales;
- (viii) To prepare long-term and short-term marketing programmes;
- (ix) To train new salesman;
- (x) To solve the problems of selling force.

Process of Personal Selling is as follows:

The process in retail selling begins from the moment the customer enters the store. The first step involves connecting with the customer and then sailing through different steps until the sale is successfully closed. Conservative processes have predefined greeting methods but an innovative and result oriented-method would be to naturally connect with the customer, gauge his/ her needs, present merchandise properly, handle objections, look for buying signals, conduct a trial close, suggest add-ons and then close the sale.

1. Connect with the Customer:

Go beyond the technique of smiling, making eye contact and small talk. The salesperson can't connect with the consumer if he or she has a premeditated opening. A salesperson with a smooth automatic opening that has had a positive response in the past will have a hard time doing this. But to bring passion into the sale later on, even the most successful salespeople need to learn how to connect on a different level, and with a few more customers.

To achieve this, one must bring a bit of his/her personality to the sales floor. There's no substitute for this genuine approach. The salesperson has to be humorous, sweet, shy or confident while interacting with customers. He/she should help the customer open up and be able to look for signs that would trigger the desire to buy.

2. Probe Needs Subtly:

By communicating freely with the customer and striking a harmonious note, the needs of the customers can be understood even if they are not spelt out clearly.

3. Presenting Merchandise:

The merchandise has to be presented properly without loss of time. The salesperson should initiate the trial of the product by the customer and give truthful opinions. As far as personal products are

concerned, salespersons need to be subtle and allow for the kind of personal space that the customer needs while trying out such products.

4. Handling Objections and Indecision:

The customer's doubts ought to be clarified by the salesperson to his/her satisfaction. Sometimes the price of a product may be compared with those of competitors; a clear rationale for the price needs to be given in such cases. Trade journals, product hangtags, information booklets can be referred to while handling objections, if the merchandise involves high involvement.

5. Recognize Buying Signals:

The salesperson must respond quickly to buying signals, which may come in the form of certain positive statements by the customer. This is the opportune time to 'ask' for the sale. Most of the time, salespeople fail to 'ask' for the sale and hence run the risk of losing it.

6. Trial Close and Add-ons:

The trial close follows the process of 'asking' for the sale and add-ons (complementary) for the merchandise selected by the customer.

7. Closing the Sale:

The salesperson initiates the process of preparation of the cash memo for the customer and leads him or her to the cash counter for making payment. Closing the sale would also mean thanking the customer for the sale and for the opportunity to serve while extending an invitation to come again to the store.

Customer service is key in the entire sales process and salespersons must be trained thoroughly. If required, re-training should be done so that the role the salesperson plays in a retail organisation is fruitful.