



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

EFFECTIVENESS OF PROMOTION SCHEME

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ABSTRACT

Promotion is the act of providing the information about the product or service by the marketing manager n, manufacturers or else to the customers or buyers so that they can become aware about the product. It is kind of communication process. The study throws light on the concept of promotion, promotion schemes, why promotion schemes are important for the organization or company. The study also describes various types of promotion schemes which are used by many companies, The focus of the paper is to study the meaning of promotion schemes band its effectiveness.

Keywords: Promotion, Promotion Scheme, Promotion Mix, Awareness, Pull and Push Strategy.

INTRODUCTION

In this paper we are trying to give our opinions like how a company promotes its product and what is the importance of promoting a product or service. A there is need for the marketing manager to give the customers, the information about the product which is produced so that the unique qualities and different features of the product and service as well should be communicate to them. A company can use many promotion schemes to communicate, to persuade a buyer about the product so that the buyer will be attracted and finally becomes ready to buy the product. Many schemes are there so that more and more customers will become aware of that product and they are influence to purchase that product.

PROMOTION

Promotion is very important in the marketing. The producer make his many of best efforts for producing a product, packaging it, giving a reasonable price and giving proper quality but all these efforts are incomplete if customer are not properly communicated about the product.

In words of Philip Kotler, “Promotion encompasses all the tools in the marketing mix whose major role is persuasive communication.”

Promotion aims at informing, persuading and reminding. Promotion is a communication process, a communication process basically consist of sender, message, media and receiver and also noise which plays a great role and affects the communication process while delivering the message from sender to receiver. Success of a message depends on how well a message is encoded and how easily and clearly it is decoded. The feedback, the responses by the receiver is a kind of measure of how effective a communication has been.

In order to protect the consumer in a society, there are number of federal laws and agencies regulating promotion. Promotion practices are also regulated by state and local legislation by private organization and by industry.

PUSH AND PULL STRATEGY OF PROMOTION

A promotion which target middlemen is known as Push strategy and a promotion describes at end users are called a Pull Strategy.

PUSH STRATEGY: Push Strategy means a channel member directs its promotion primarily at the middlemen that are the next link to them. The product is pushed through the channel. Like hardware producer sells its tools an replacement parts to household consumers through wholesaler and retailer.

PULL STRATEGY: Pull Strategy is the promotion strategy is intended at end user, the consumer. The consumers are motivated to ask the retailer about the product, who will in turn ask the wholesaler and wholesaler will order it from producer.

PROMOTION SCHEMES

Companies use various types of schemes so that people will become aware of new products of the manufacturer and understand its new features and advantages. Manufacturers provide his full efforts to make his product unique and different from competitor's product, but he needs to communicate the unique features of his product so that people become aware and attracted towards the product.

Basically promotion is one of the elements of marketing mix. In words of William. J. Stanton, "Promotion includes advertising, personal selling, sales promotion and other selling tools."

It Is tool without which all the efforts will become useless or vain. If public is not aware about the product and they are equipped with the knowledge of new product he will not attracted towards and in turn will not purchase a that product. There are various tools or elements like advertising, sales promotion, publicity, personal selling, etc. as which are used by many of the companies in fact all the companies so that they can reach the maximum customers and the target customers as well. So companies focus on only single or combination of two or more elements of promotion mix.

WHY PROMOTION SCHEMES

Promotion scheme are necessary so that people will become aware about the new product in the market and efforts are made to create the desire among the customers so that they can become successful in persuading them to finally purchase the product.

To face the cut throat competition there is need for the manufacturers of that product to promote it perfect fully. Along with the customers, wholesalers and retailers as well also become aware about the product so that they will act as intermediary between manufacturers and final customers .The middlemen can also contributed by in turn providing the information about the new product to the customers.

Sales can be increased, in turn which help the manufacturers the advantage of the large scale production. To attract customers towards unique features of the product that are not available in competitor's product and telling them that how their products are different from others and beneficial to them. People must know that the right product which they want is available at the right place and at the right price.

The promotion schemes sometimes become a tool to persuade the customers to purchase the product being offered. The type of promotional efforts depends on the willingness and readiness stage of a buyer.

A Bird's eye view at these stages and the promotion desired is given below:

<u>Stage of Buyers</u> <u>Readiness</u>	<u>Sales Promotion</u>	<u>Personal Selling</u>	<u>Advertising & Publicity</u>
Awareness	Low	Very Low	Very high
Comprehension	Low	Low	High
Conviction	Medium	High	Medium
Ordering	Very High	Very high	Low
Reordering	High	Very high	Medium

(**Source:** Marketing Management, T.N.Chhabra, S.K. Grover, Published by Dhanpat Rai & Co. Ltd)

From above it is easily we can understand that customer conviction is highly influenced by personal selling and less by advertising and sales promotion. Advertising and publicity are most effective at the early stages of customer decision process. Sales promotion and personal selling are more effective in closing the sales and reordering.

PROMOTION SCHEMES

There are various types of promotion schemes as explained below

1. COUPONS

Coupons are given along with the products to customers. It is a kind of certificate that price reduction to consumers or exchange of product. It can given to consumer along with the product or inside the product it can be given through mail or even e mail, it can also be printed in magazines, newspapers etc. coupons are given so that customers will attract towards the product and buy the same. Coupons are way of creating awareness and excitement among the customers. Coupons are also given to promote in the market.

2. PREMIUM/FREE OFFERS

Premium is the straight forward offering of some quantity of the same product or giving extra product absolutely free. Premium is another way of promoting the product when the product is given at the price below the printed price, the reduced Price is called premium.

3. Bonus

Bonus belongs to the category of premium or free offers. Sometimes company provides the extra quantity of the product with no additional cost. They offer special price for two or group of products. Like Godrej provides bonus as buy 3 soaps and Get one free, Vishal Mega Mart is giving bonus like buy 4 shirts get 2 free.

4. SPONSOR AN EVENT OR SHOW

Companies to promote their product and brand, sponsors an event, show or functions so that consumers will become aware of the product. As the event or show mention the brand or product in many times during the show. Like Bigboss show give the ads of oppo mobile, various award functions are also sponsored by many of brands.

5. EXCHANGE SCHEMES

Sometimes company use the exchange scheme for the promotion. A new version of existing product which have new and latest features than the existing one. This offer is given so that consumer will get exchange the old product with the new model. Like Onida gave offer with the 'Perfect retirement plan for your not flat TV', Samsung mobile also gave an exchange offer "Get yourself a brand new Samsung mobile in exchange of any old handsets".

6. DEMONSTRATIONS

In this scheme free demonstrations are given of the product, like Pureit water purifier give free demo to customers.

7. CONTESTS

Some contests are also organized by the company to promote its products. Like Microsoft Imagine Cup Contest.

8. JOINT PROMOTION

Sometimes joint promotion is also adopted by the company by giving a new Products with the existing products to the customers. Like Fair and Lovely face wash is given with Fair and Lovely Cream.

9. DISPLAY BANNERS AND PROVIDE PAMPHLETS

Providing pamphlets to the public and displaying is one of the promotion scheme of product as people will watch them while walking, travelling, etc. like restaurants give the pamphlets to the nearby public mentioning the place of restaurants and the food it offer.

10. ADS ON TV,NEWS PAPERS, MAGAZINES ETC

Company also promote its products by giving advertisements on televisions, Newspapers and magazines, which is very common these days.

11. PROMOTION THROUGH INTERNET

Now days internet has become the famous way of promoting the product or service. Like we sometime find while opening an application or site as well. Some ads or motioned pictures of products pop up on the screen the interested customers may click on that to view the details of the advertisement..

SOME EXAMPLES OF COMPANIES WHO HAVE SUCCESS THROUGH PROMOTION SCHEMES

PROMOTION SCHEMES BY LIFEBOUY

Lifebuoy Company uses really creative and attractive promotional concepts so that people will attract toward s their products. It is a company who is making bath soaps, hand sanitizers, hand wash etc. some of promotion scheme by lifebuoy are as follows:

- Swasthya Chetna, which means health awareness. The soaps were distributed in rural areas and washing hands regularly was promoted for hygiene.
- Global Hand wash Day, Lifebuoy started practice of global hand wash day on October 16 to bring the awareness benefits of washing hands regularly.
- Lifebuoy soaps were distributed in Gurudwaras for free
- Maha Kumbh Mela, the occasion was used to create awareness among the people About benefits of washing hands regularly.
- And many more.

PROMOTION SCHEMES BY AIRTEL

Airtel is world's one of the largest mobile telecommunication India MNC.it spends a lot in promotion. The company promotes its product by using almost all the elements of promotion mix. Like advertising on T.V, magazines, banners, newspapers, etc. The company offers special discount offer to its subscribers

PROMOTION SCHEMES BY LAKME

Lakme is associated with Fast Moving Consumer Goods (FMGC) industry and it deals with personal care products like face cream, body lotion, etc. It occupies the first position as a leading brand for cosmetics industry and somewhere promotional schemes have contributed for this achievement. It uses various attractive promotion schemes. It promotes its products to every corner through T.V, newspapers, magazines, billboards, on social media, various offers, etc. As it also offers sales promotion like rebates discounts on products having less sales.

OBJECTIVE OF THE STUDY

Objective of the study is to understand the meaning of Promotion which is an important task for Company and Marketing Manager, without the promotion all the other Marketing efforts are useless. Objective of the study is also to understand the promotion scheme used by the company like bonus, free offers, exchange scheme, join promotion etc. so efforts are made to clarify the concepts of Promotion and Promotion Schemes

CONCLUSION

So in conclusion I can say that promotion is a communicating the information or knowledge about the existing or new products by the so that buyers will become ready to purchase that product. There are various promotion schemes by the companies, promotion is very important in marketing as all the other efforts of the marketing manager will be useless until the public is unaware about the new product and they are not properly communicated about the product. So, the promotion schemes need to be effective enough as it plays a great role in increasing the sales of a product and same time building the image of the company.

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