

Class 12

Business Studies

Chapter 11

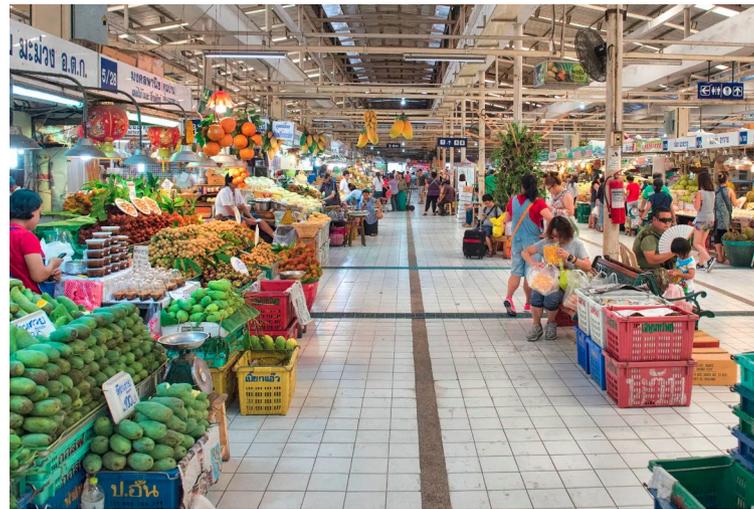
Marketing

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Marketing in Traditional Sense

Marketing in Traditional Sense

The word market is derived from a Latin word, “Marcatus”, which means a place of business



It is a location where buyers and sellers of goods assemble to facilitate exchange

Therefore, market refers to a place

Market in Different Context

Product market



Pepper market, Vegetable market, share market etc.

Market in Different Context

Geographical market



Local market, national market, international market

Market in Different Context

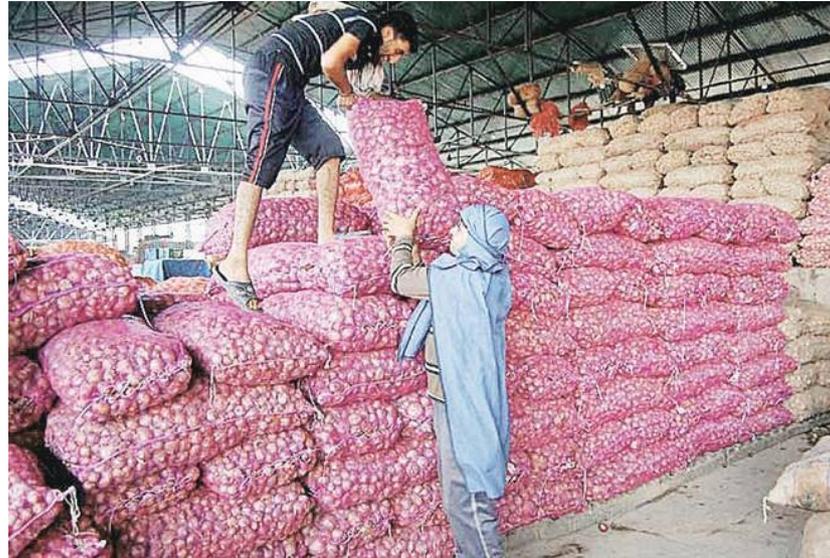
Based on types of buyers



Consumer market and industrial market

Market in Different Context

Based on quantity of goods



Wholesale and Retail market

Marketing in Modern Sense

Marketing in Modern Sense

In modern sense the term market refers to the aggregate potential demand for a product or service



Eg: Market for car is booming means the enhanced collective demand for cars

Marketing

Marketing

Marketing can be defined as an exchange transaction in between buyer and seller



All activities connected with transfer of goods and services from the producer to the consumer come within the purview of marketing

They include production, transportation, storage, advertising etc.

Marketing

Though selling and sales promotion are integral part of marketing, they are not everything



Therefore marketing is a broader term and is concerned with the identification of needs and wants of consumers and finding out ways and means for satisfying them

Marketing

Definition:

“Marketing is the performance of business activities that direct the flow of goods and services through producers to consumers or users.”

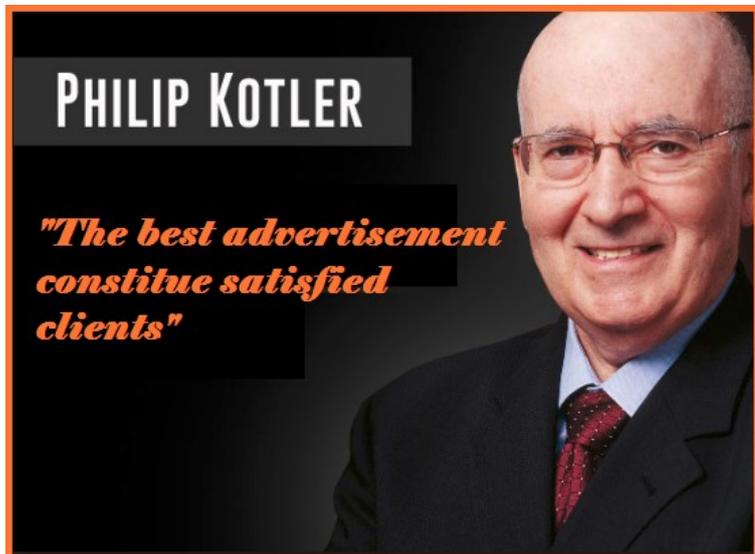
– American Marketing Association



Marketing

Definition:

“Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others”



– Philip Kotler

American Marketing Author

Features of Marketing

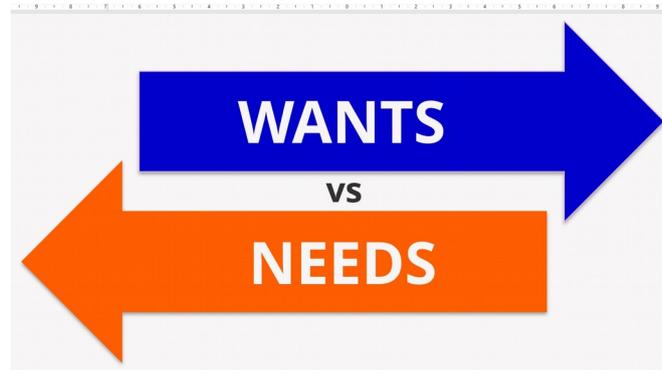
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Features of Marketing

1. Needs and Wants

Marketing process helps the people in getting what they want

The focus of marketing is on the satisfaction of their needs and wants



A marketer's job is to identify the needs of consumers and develop products or services accordingly

Features of Marketing

2. Creating a market offering

Market offering means a complete offer of a product or service



While offering products to customers, it should include the features like size, quality, taste, price, availability etc.

Features of Marketing

3. Customer value

Consumer buys a product based on its value to satisfy their need



Eg: Mouth Freshener in Toothpaste

So the marketer should always add value to his products, so that the customer prefers it

Features of Marketing

4. Exchange Mechanism

It refers to a process through which two or more parties come together to obtain the desired product or service from someone, in return making a payment to the other



Essential conditions in exchange mechanism

- **Two parties** – buyer and seller.
- **Offering something** – Seller offer a product and the buyer, money.
- **Ability to communicate** – Each party should communicate and deliver the product or service.
- **Freedom** – Each party has the freedom to accept or reject the offer.
- **Voluntary** – Acceptance or rejection of the offer must not be on compulsion.

**What can be
Marketed**

What can be Marketed ?

Usually products are marketed, in marketing literature, anything that can be value to the buyer may be termed as product



Film Star



Tourist Place

It may be tangible or intangible products
It also includes person, place, event, experience, organization etc.

What can be Marketed ?

Products	Mobile Phones, clothes, TV etc.
Services	Insurance, Health care, Service of doctors, CAs, Online trading etc.
Ideas	Blood donation by Red Cross, Polio vaccination etc.
Persons	Political parties for election of candidates.
Place	Tourist centres, Pilgrim places etc. (<i>God's own country</i> by Kerala Tourism)

What can be Marketed ?

Experience	Lunch with a celebrity, mountaineering etc.
Events	Sports events, Fashion show, Horse race, Film festival etc.
Information	Marketing information, Technology information etc. e.g., T V Channel rating
Organizations	Companies communicate with people. E.g., Philips says “Let’s make things better”

Marketer or Seller

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Marketer or Seller

Marketer refers to any person, who takes a lead role in the process of exchange

Normally it is the seller



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Marketer or Seller

Consumer seeks satisfaction by consuming products and services, whereas the marketer provides satisfaction by offering products



HMT, Hindustan Lever Ltd., Hospitals, KTDC, Travel agencies, software developers etc. are sellers or marketers

Marketer or Seller

Marketers creating new needs in the minds of consumers like use of washing machine, vacuum cleaners, cooking range, mobile phone etc.



Some of these products become the 'part and parcel' of our life, but many of them were unknown to the older generations

Marketing Management

Marketing Management

Marketing management is the functional area of management concerned with planning, organizing, directing and controlling the activities related to marketing of goods and services to satisfy customer's wants



Process of Marketing Management

Process of Marketing Management

1. Choosing a target market

If a business enterprise is producing medical equipment, the target groups will be doctors and hospitals



For a text book publisher the target market is a group of teachers and schools, colleges and universities

Process of Marketing Management

2. Create demand for the product

Here the marketing management should try to increase the demand for their products by ensuring the customer satisfaction, so that more customers will be attracted



Process of Marketing Management

3. Create superior values

In order to attract more customers, the marketing management can add more superior values to the product or service



Eg: Free insurance and maintenance on purchase of a vehicle

Process of Marketing Management

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graph LR; A[Process of Marketing Management] --- B[1. Choosing a target market]; A --- C[2. Create demand for the product]; A --- D[3. Create superior values];
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1. Choosing a target market

2. Create demand for the product

3. Create superior values

Marketing and Selling

Marketing and Selling

Marketing is a continuous process of identifying consumer needs and fulfilling such needs through product development, promotion and pricing



Marketing and Selling

Marketing begins before production and continues even after the sales



But selling is the mere transfer of ownership of goods from the seller to the buyer

Differences between Marketing and Selling

Marketing Vs. Selling

1.

Marketing

Focuses on customer's needs of want satisfying goods

Selling

Focuses on seller's needs converting his goods into cash

Marketing Vs. Selling

2.

Marketing

Marketing begins
before production

Selling

Selling takes place
after production

Marketing Vs. Selling

3.

Marketing

Emphasis given on product planning and development

Selling

Emphasis on sale of goods already produced

Marketing Vs. Selling

4.

Marketing

Customer oriented

He/she is the king

Selling

Product oriented

Marketing Vs. Selling

5.

Marketing

Aims at profits
through consumer
satisfaction

Selling

Aims at profits
through sales
volume

Marketing Vs. Selling

6.

Marketing

The principle of
caveat vendor
(let the seller
beware)
is followed

Selling

The principle of
caveat emptor
(let the buyer
beware)
is followed

Marketing Vs. Selling

7.

Marketing

Integrated approach
(Macro)– marketing
research, product
planning,
advertisement etc.

Selling

Fragmented
approach (Micro) –
attempt is made to
sell whatever is
produced

Marketing Vs. Selling

8.

Marketing

Long term perspective as it lays emphasis on growth and stability of business

Selling

Short-term perspective as it emphasizes profit maximization

Marketing Vs. Selling

Marketing

1. Customers Needs
2. Begins before production
3. Product planning and development
4. Customer oriented
5. Profits through consumer satisfaction
6. Seller beware
7. Macro approach
8. Long term perspective

Selling

1. Sellers Needs
2. Begins after production
3. Sale of goods
4. Product oriented
5. Through sales volume
6. Buyer beware
7. Micro approach
8. Short term perspective

Functions of marketing

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Functions of Marketing

1. Gathering and analyzing market information

This will help to identify the needs of customers and can take vital decisions



It is highly useful for analyzing opportunities, threats, strength and weakness of the firm

Functions of Marketing

2. Marketing plan

A proper marketing plan should be developed to achieve the marketing objectives of the firm



E.g., To increase the market share of a product in next one year by 20%

Functions of Marketing

3. Product designing and development

The product should be developed and designed to meet the customer needs



Product Design

Hand Wash

Soap



Marketing department should always be on the look out to make necessary changes in the product such as packing, price, size, colour, shape and design

Functions of Marketing

4. Standardization and grading

Standardization refers to producing goods in predetermined standards such as quality, price, packaging etc. which ensures uniformity and consistency



So that buyers need not inspect, test and evaluate such goods in their future purchases

Grading

Grading is the process of classifying products into different classes on the basis of quality, size, weight etc.



It is needed in agricultural products
This helps in realizing higher price for better quality

Functions of Marketing

5. Packaging and Labelling

Package is a container or a wrapper or a box in which a product is enclosed



It is done for protecting the goods from damage in transit and storage, now a days it is also used to establish the brand

Labelling

Labelling refers to designing and developing the label to be put on the package to give the specifications of the product in the package



Functions of Marketing

6. Branding

It is the process of giving a name or symbol to a product for identifying and differentiating it from the products of competitors



E.g., BMW, TATA, JIO, Pears, Coco-cola etc.

Functions of Marketing

7. Customer support service

These are after sales services, handling customer complaints, maintenance services, technical services and customer information



All these will provide maximum satisfaction to the customers.

Functions of Marketing

8. Pricing

Price of a product means the amount of money that have to pay to obtain a product



A sound pricing policy is an important factor for selling the products to customers

The pricing policy of a firm should attract all types of customers.

Functions of Marketing

9. Promotion

It means informing the customers about the firm's products and persuading them to buy these products



Promotion techniques include advertising, personal selling, sales promotion and publicity

Functions of Marketing

10. Physical distribution

It involves planning, implementing and controlling the flow of materials and finished goods from the origin to the point of use to meet the customer requirement at a profit

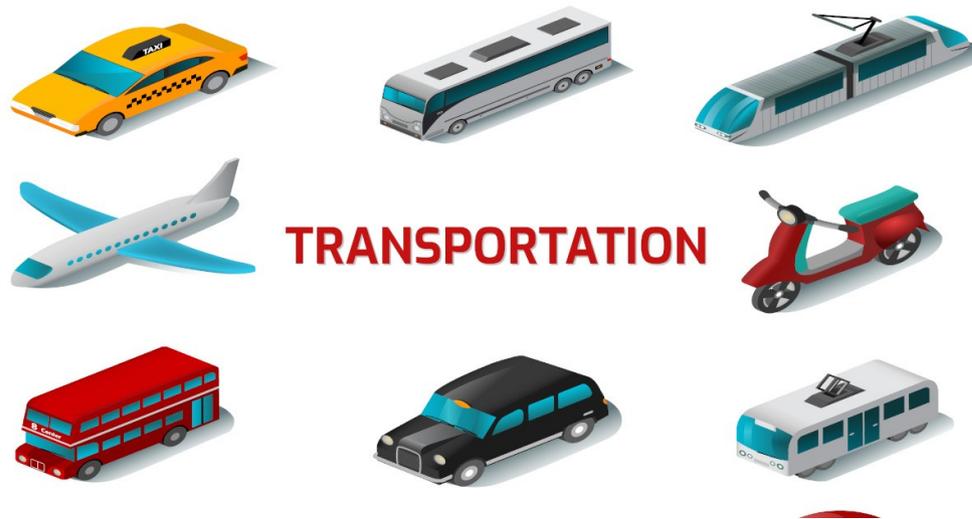


A suitable distribution channel must be selected by the marketing management in this regard

Functions of Marketing

11. Transportation

It is an integral part of marketing as it helps in making available the product at the terminal point of consumption



Functions of Marketing

12. Storage or warehousing

Goods are produced in anticipation of future demand

They have to be stored properly in warehouses to protect them from damages



Functions of Marketing

- 1. Gathering and analyzing market information**
- 2. Marketing plan**
- 3. Product designing and development**
- 4. Standardization and grading**
- 5. Packaging and Labelling**
- 6. Branding**



Functions of Marketing

7. Customer support service

8. Pricing

9. Promotion

10. Physical distribution

11. Transportation

12. Storage or warehousing



Factors affecting Marketing Decisions

Factors affecting marketing decisions

1. Controllable factors

They are internal factors which can be controlled by the firm



They are of four groups – Product, Price, Place or distribution and Promotion. They are commonly known as **four Ps** of marketing.

Factors affecting marketing decisions

2. Non-controllable factors

They are external factors such as consumer behavior, traders' behavior, competitors' behavior and government's behavior.



Marketing Mix

(Elements of Marketing)

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Marketing Mix

It is the combination of four inputs which constitute the core of the company's marketing system, the product, the price structure, the promotional activities and the place of distribution



It is also known as four '**P**'s of marketing mix, namely Product, Price, Place (distribution) and Promotion

Marketing Mix



4Ps of Marketing Mix

Marketing Mix

1. Product

Product means goods or services or anything of value which is offered for sale in the market



It is the most important component of marketing mix, which involves planning, developing and producing the right type of goods and services needed by the consumer

Marketing Mix

2. Price

The price of a product should be fixed that the firm is able to sell it profitably



It may consider credit policies, discount system, terms of delivery, payment, retail price, cost of production, competition, government regulations etc.

Marketing Mix

3. Place

It refers to marketing efforts undertaken to make the product available at the right time in the right place

There are products which are produced at one part of the country and it is consumed in different places during different seasons



Marketing Mix

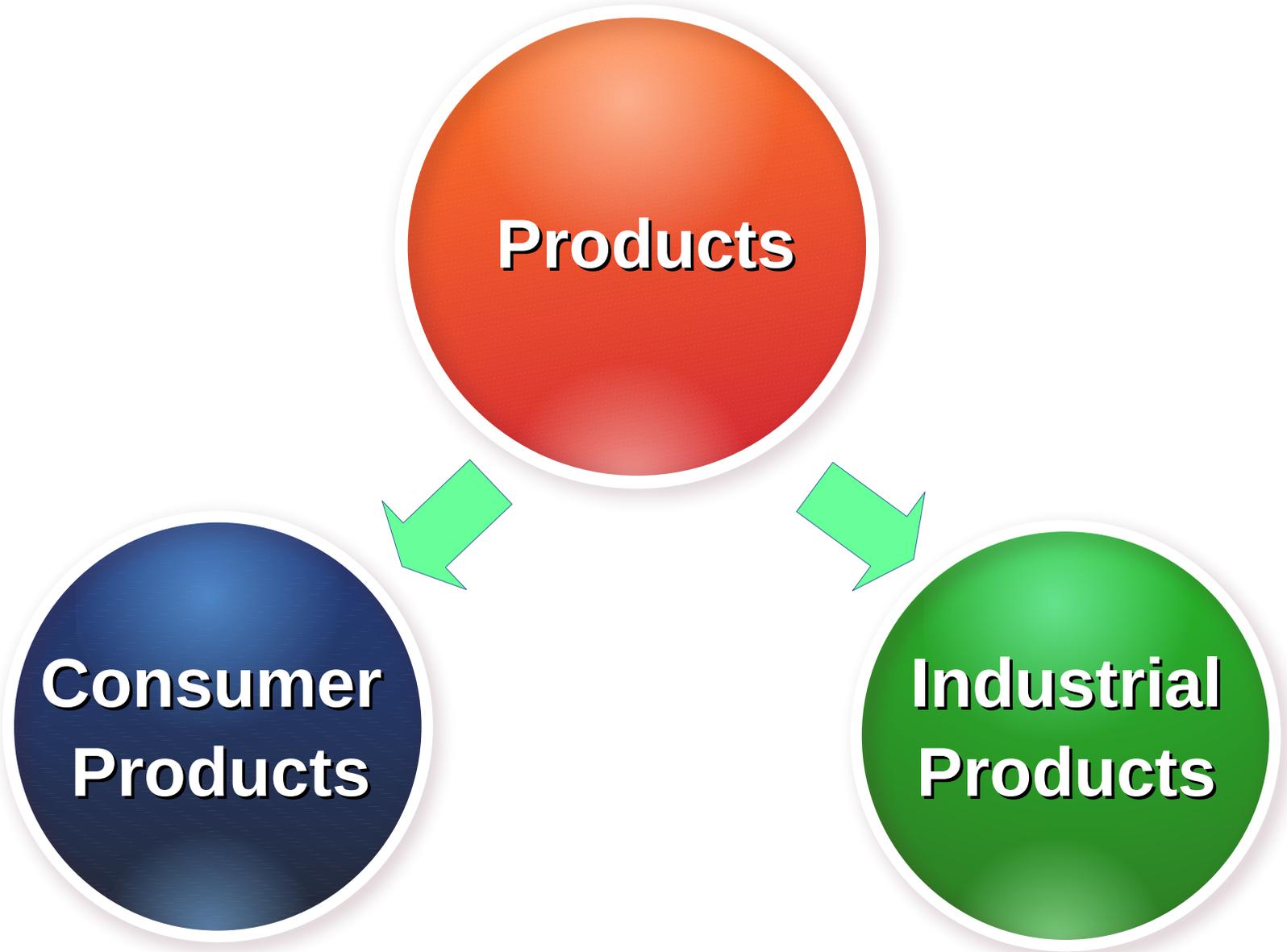
4. Promotion

All those activities undertaken to inform the consumers about the product(s) of the company and persuade them to buy



Advertising, personal selling, publicity and sales promotion are the four elements of promotion mix

1. Product



Products

**Consumer
Products**

**Industrial
Products**

Consumer Products

Products which are purchased by the ultimate consumers for personal or family use, but not for resale



E.g., soap, toothpaste, calculator, furniture, shoes etc.

Consumer Products

Based on Shopping Efforts Involved

Convenience Products

Shopping Products

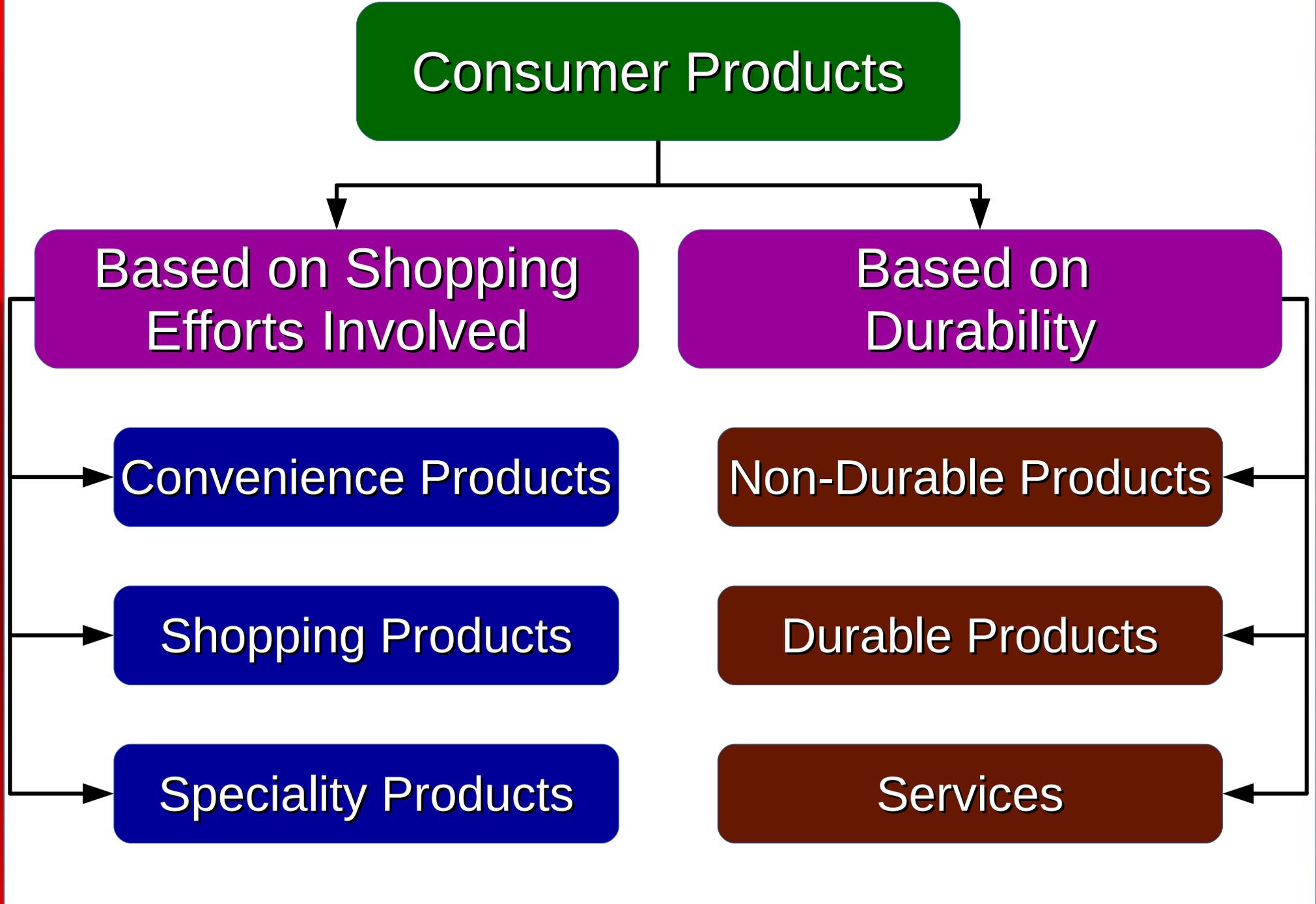
Speciality Products

Based on Durability

Non-Durable Products

Durable Products

Services



Consumer Products
Based on Shopping
Efforts Involved

Consumer Products – Shopping Efforts Involved

1. Convenience products

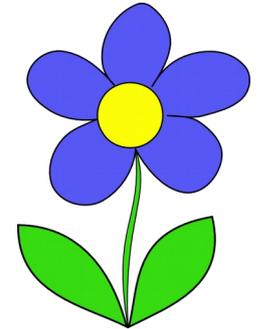
Consumer products that people usually purchase frequently, and with least purchasing efforts



Eg: soap, toothpaste, bread, magazines, biscuits etc.

Features of Convenience Products

- Purchased with least efforts and time
- Generally essential products.
- Purchase unit is small and low price.
- Standardized price and most of them are branded items.
- Heavy competition on such products, hence heavy advertisement is needed.
- Sales promotion techniques and short term incentives are needed.



Consumer Products – Shopping Efforts Involved

2. Shopping products

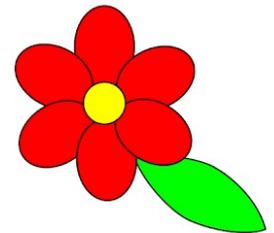
These are the products purchased by the consumers by spending considerable time in comparison of features like price, quality, size, style etc.



Eg: Home appliances, clothes, jewellery, furniture, TV, Computer, Washing machine etc.

Features of Shopping Products

- Durable in nature.
- Price and profit per unit is comparatively high.
- Since the unit price is high, consumer take much efforts before purchasing decision.
- Buying of these products is generally pre-planned but no impulse buying (without a plan).
- Generally handled by retailers.



Consumer Products – Shopping Efforts Involved

3. Speciality products

These products have unique characteristics and brand loyalty of the highest order for which consumers willing to make special purchasing effort



Eg: Paintings, artwork, antiques, idols etc

Features of Speciality Products

- Demand for such products is inelastic, even if the price increases, demand does not decrease.
- Demand for such products is limited as there will be small number of buyers.
- These products are costly.
- They are available only in specific places, so the buyers have to take extra effort.



Consumer Products

Based on Durability

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Consumer Products – Based on Durability

1. Durable Goods

These are tangible consumer products which have long period of life



E.g: TV, Car, Refrigerator, Mobile phones etc.

Features of Durable Goods

- It remains in use for a long period.
- High cost and high profit margin.
- High selling effort is needed.
- Guarantees and after sales service provided.



Consumer Products – Based on Durability

2. Non-durable Goods

These are consumer goods which are normally consumed once or for a few uses



E.g., soft drinks, soap, toothpaste, detergents, stationery items, vegetables etc.

Features of Non-Durable Goods

- Low price and low profit margin.
- Available in all areas.
- Heavy advertisement.



Consumer Products – Based on Durability

3. Services

It refers to those activities, benefits or satisfactions, which are offered for sale and are intangible in nature



E.g., services offered by a doctor, lawyer, hair cutting, dry cleaning, tailoring, repair work etc.

Features of Services

- Intangible in nature.
- Inseparable from its source (cannot separate service from the service provider)
- Services cannot be stored.
- Highly variable based on the persons providing them.



Consumer Products

Based on Shopping Efforts Involved

Convenience Products

Shopping Products

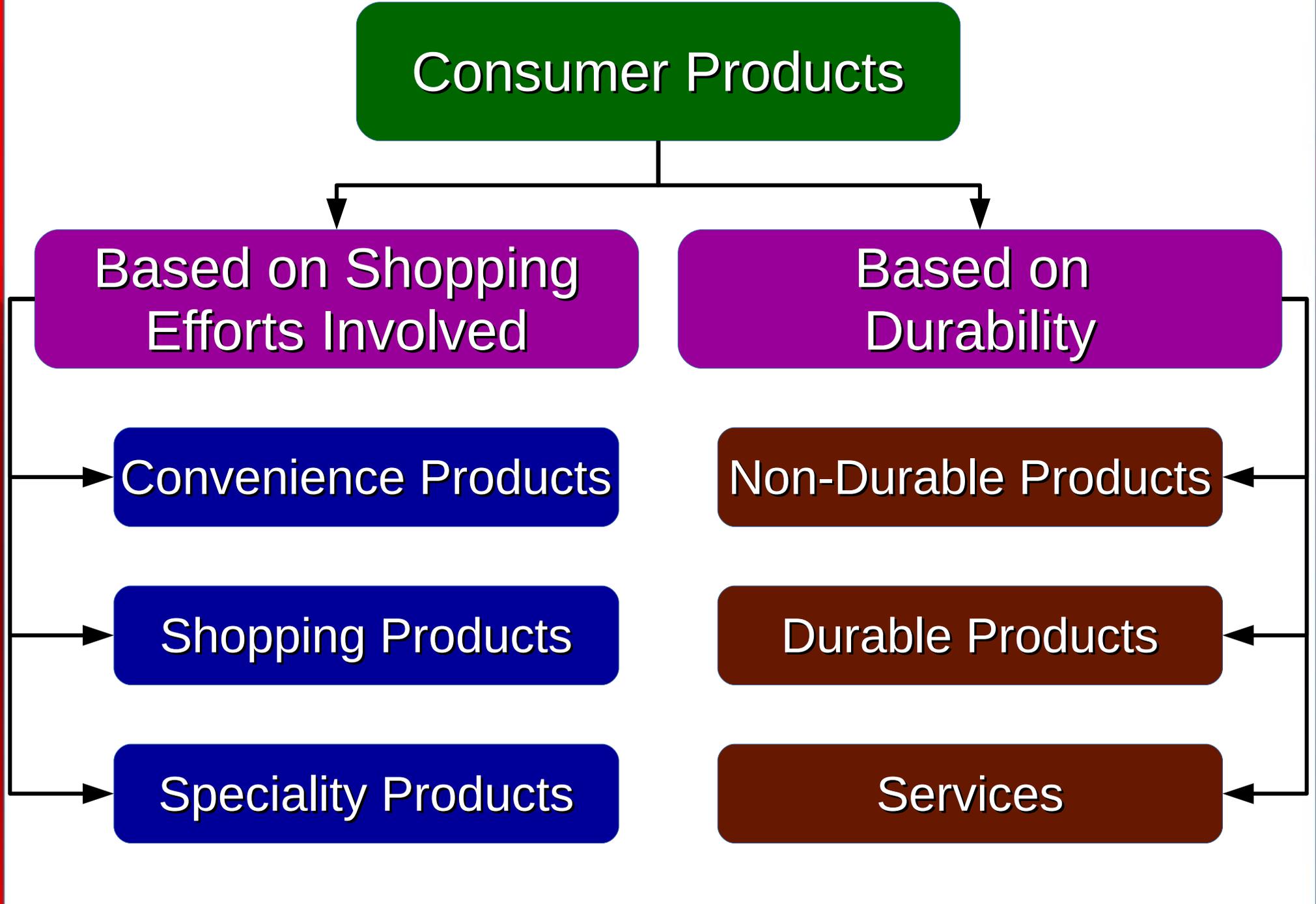
Speciality Products

Based on Durability

Non-Durable Products

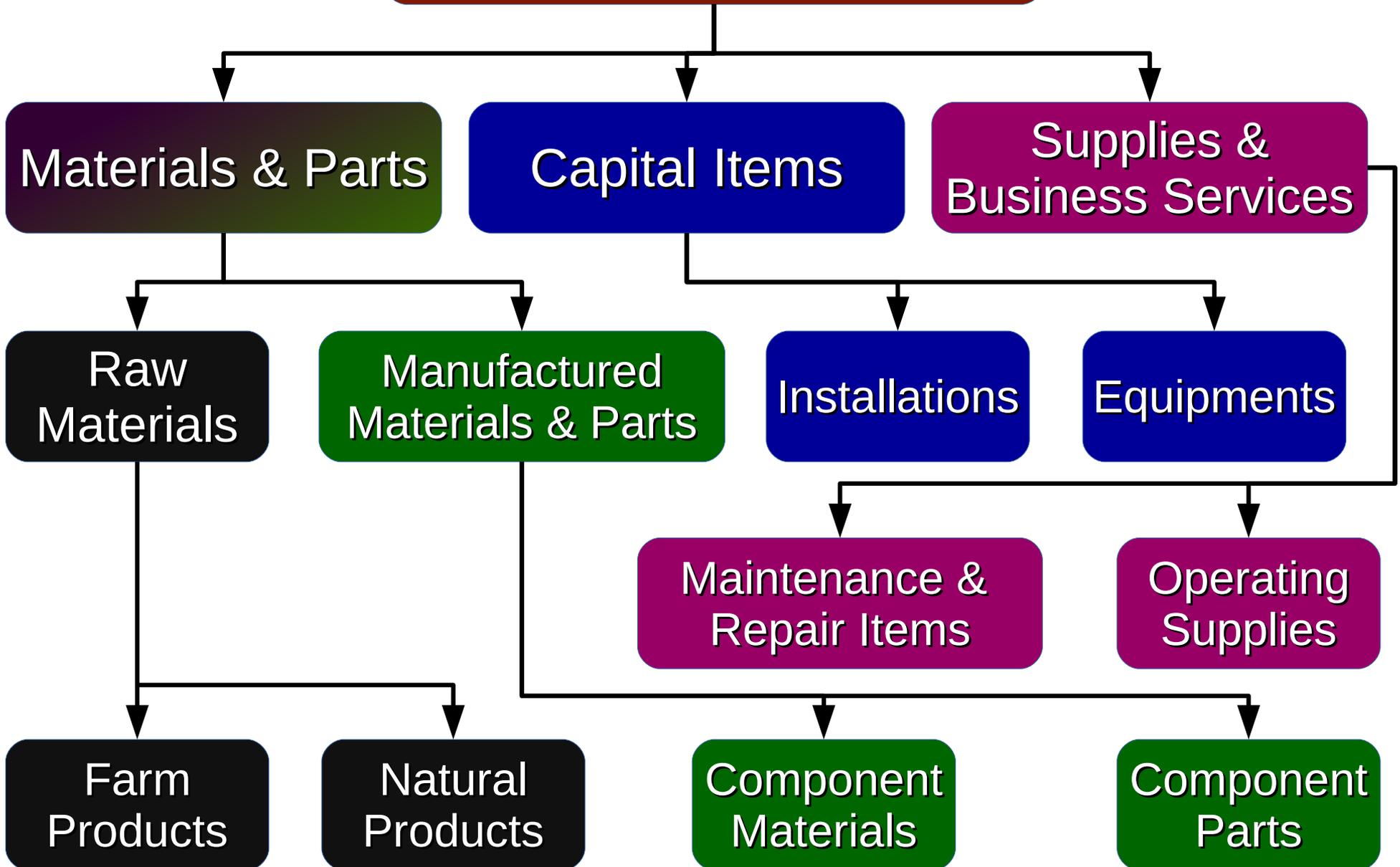
Durable Products

Services



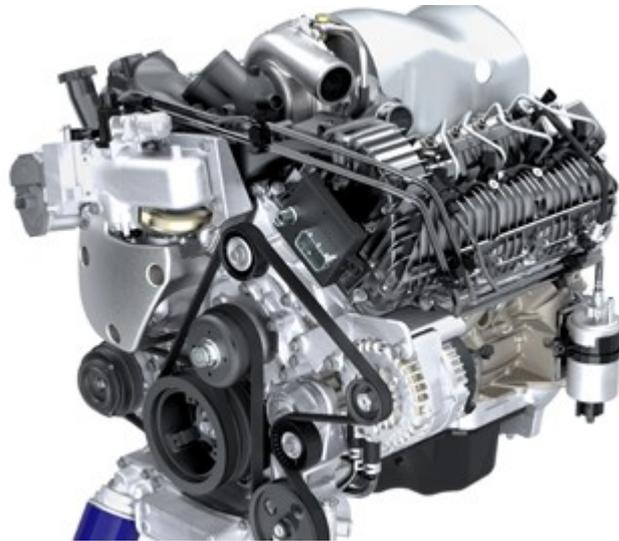
Industrial Products

Industrial Products



Industrial Products

These products are used as inputs in making other products



E.g., engines, lubricants, machines, raw materials etc.

Features of Industrial Products

a. Limited Number of Buyers

Number of buyers will be limited when compared to consumer goods



Features of Industrial Products

b. Distribution channel will be short

Direct selling or one level channel is more suitable for industrial products



Features of Industrial Products

c. Regional Demand

Industries are located in certain regions, for example, demand for power loom comes from Mumbai, Bangalore etc. where textiles industries are concentrated in India



Features of Industrial Products

d. Derived Demand

The demand for industrial products is derived from the demand for consumer products



E.g: Demand for leather is derived from the demand for shoes, bags etc.

Features of Industrial Products

e. Role of technical consideration

Technical consideration is significant in industrial products, because of it's complex nature



Features of Industrial Products

f. Reciprocal buying

It means mutual buying



Eg: TATA Motors buys tyres from MRF, which in turn buys trucks from TATA

Features of Industrial Products

g. Leasing out

Instead of outright purchase of heavy machineries, it may procure on lease basis



Features of Industrial Products

- a. Limited Number of Buyers**
- b. Distribution channel will be short**
- c. Regional Demand**
- d. Derived Demand**
- e. Role of technical consideration**
- f. Reciprocal buying**
- g. Leasing out**



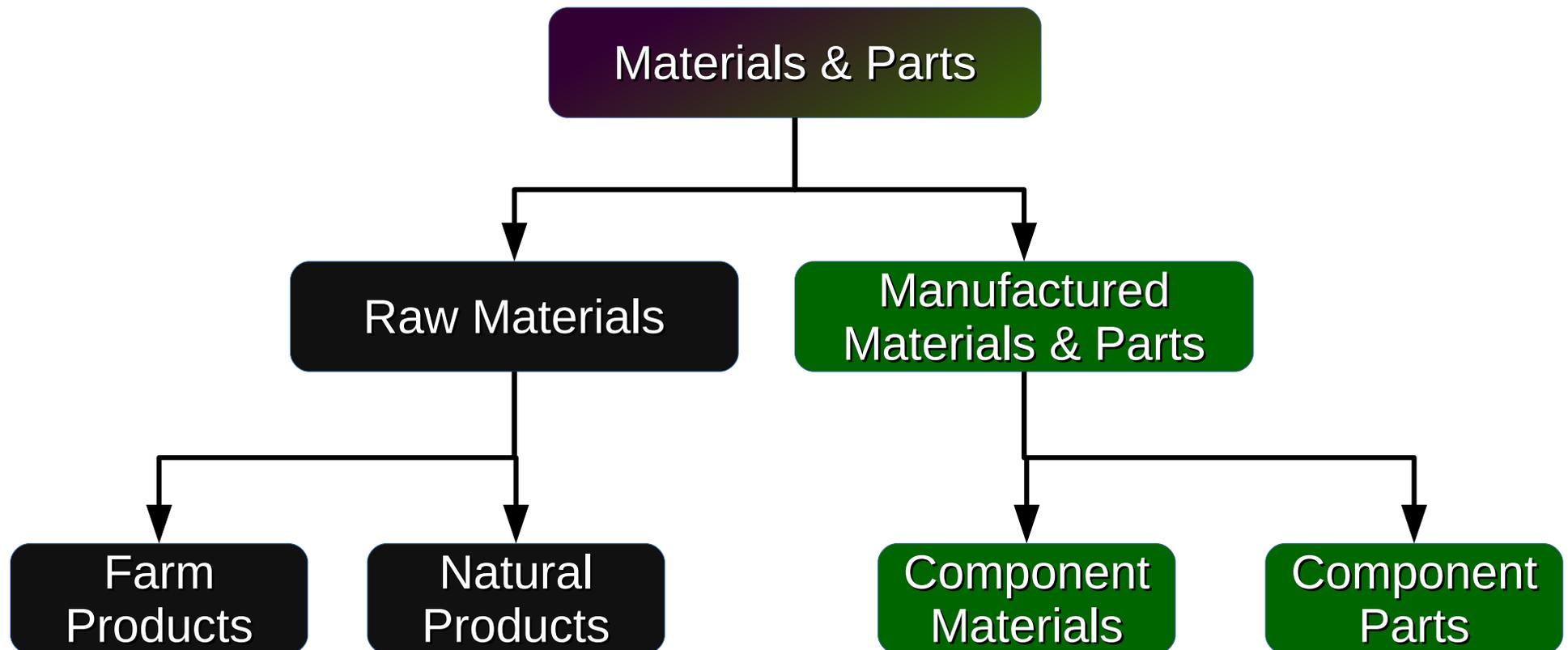
Classification of Industrial Products

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Classification of Industrial Products

1. Materials and parts

These products are used for manufacture of useful finished goods



Raw Materials

Raw materials include **farm products** like cotton, sugar cane etc. and **natural products** like crude oil, iron ore etc.



Manufactured Materials & Parts

Manufactured materials include partly processed goods which are used in making finished goods

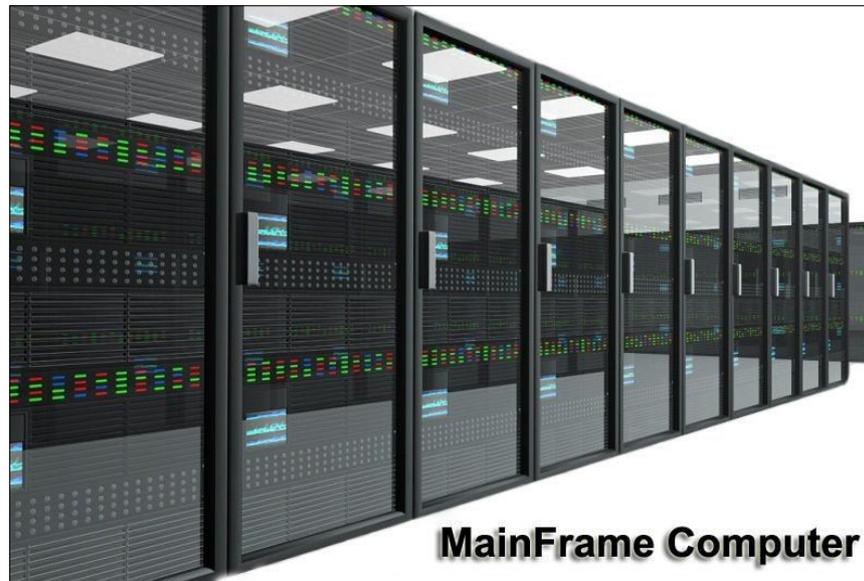


It includes **component materials** like iron, yarn, cement etc. and **component parts** like tyres, battery motors etc.

Classification of Industrial Products

2. Capital items

Installations like elevators, main frame computers etc. and equipments like tools, machinery etc.



MainFrame Computer

Classification of Industrial Products

3. Supplies and business services

They include short lasting goods for producing finished goods



Eg: Repair items like nails, paints etc. and operating supplies like lubricants, cotton waste etc.

Branding

Branding

It refers to the process of giving a name or sign or a symbol to a product for identifying and distinguishing it from competitors



Eg: Titan, Audi, Bata, Lifebouy, Pears etc.

Terms Related to Branding

Generic Name

Brand

Brand Name

Brand Mark

Trade Mark



Terms Related to Branding

Generic Name

It means the name of whole class of a product.



Eg: Soap, book, pen, camera, paracetamol etc.

Terms Related to Branding

Brand

It is a name, term, symbol or design to identify the goods or services



Eg: Pears, Classmate, Reynolds, Canon etc.

Terms Related to Branding

Brand Name

It is a part of the brand consisting of a word, letter or group of these that can be pronounced

The word "LUX" is displayed in a stylized, golden, 3D font. The letters are thick and have a metallic sheen, with the 'L' and 'U' being particularly prominent. The 'X' is formed by two intersecting lines. The overall appearance is that of a high-quality, luxury brand logo.

Eg: Lux, Reynolds etc.

Terms Related to Branding

Brand Mark

It is a part of brand that appears as a symbol, design, picture etc. which cannot be pronounced



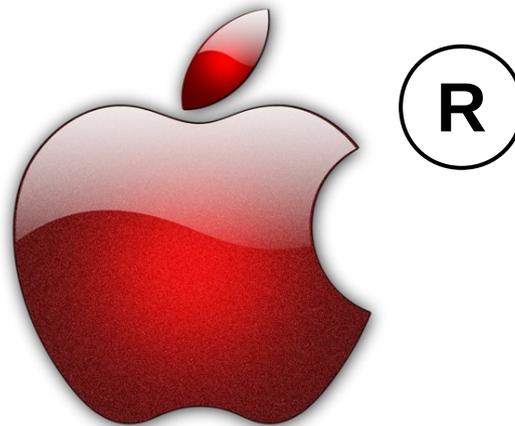
State Bank of India

Eg: Symbol of LIC, emblem of SBI etc.

Terms Related to Branding

Trade Mark

It is the legal version of a brand
It is a brand name or brand mark registered with
legal authorities



Once it is registered it is legally protected and
others cannot use this as a duplicate

Advantages of Branding

Advantages of Branding

1

To Marketers

Helps to make an
identity

To Customers

Helps in identifying
the product

Advantages of Branding

2

To Marketers

Helps in
advertising and
display programs

To Customers

Ensures quality
and confidence in
the mind of
customers

Advantages of Branding

3

To Marketers

Enables the firm to charge higher price than the competitors

To Customers

Status symbol

Advantages of Branding

4

To Marketers

Easy to introduce
new product

To Customers

Helps to increase
the level of
satisfaction

Advantages of Branding

- Make an identity
- Helps in advertising and display programs
- To charge higher price than the competitors
- Easy to introduce new product
- Helps in identifying the product
- Ensures quality and confidence in the mind of customers
- Status symbol
- Helps to increase the level of satisfaction

Characteristics of a Good Brand Name

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Characteristics of a good brand name

1. Short and simple

Brand name should be short, easy to pronounce and to remember



E.g., Hero, Maruti, VIP, Vim etc.

Characteristics of a good brand name

2. Suggests the benefit of the product

It should suggest the benefit and quality of the product



E.g., Rasika, Boost, Fair N Lovely.

Characteristics of a good brand name

3. Distinctive

It should be unique such as Liril, Sero, Titan etc.



Characteristics of a good brand name

4. Adaptable

Brand name must be suitable for packing and labelling and to suit different advertisement media and different languages

The image shows the iconic Coca-Cola logo, which is the brand name "Coca-Cola" written in a red, cursive script font. The logo is centered on the page and is a classic example of a brand name that is highly adaptable and recognizable across various media and languages.

Characteristics of a good brand name

5. Versatile

Better it is multi-purpose to adopt new products

The image shows the Acer logo, which is the word "acer" in a lowercase, italicized, green sans-serif font.

E.g., Acer, V-guard etc.

Characteristics of a good brand name

6. Legal protection

The brand should be capable of being registered



Characteristics of a good brand name

7. Staying power

The name chosen as brand name should not get outdated



Eg: 3G Mobiles” is an outdated brand

Characteristics of a good brand name

1. Short and simple
2. Suggests the benefit of product
3. Distinctive
4. Adaptable
5. Versatile
6. Legal protection
7. Staying power



Packaging

Packaging

It refers to the designing and producing the container or wrapper of a product



It has an important role in the marketing success or failure of a product

Levels of Packaging

1. Primary packaging

The immediate container of a product is called primary packet



Eg: The plastic cover of a shirt, tube for shaving cream, tooth paste etc. and a bottle for horlicks

Levels of Packaging

2. Secondary packaging

It gives an additional protection for the product



Eg: The card board box for a tooth paste tube

Levels of Packaging

3. Transportation packing

It is a further packaging of products for storage and transportation



Eg: A toothpaste manufacturer may send the goods to the retailers in a large box containing 100 pieces

Importance of Packaging

Importance of Packaging

1. Rising standards of health and sanitation

More people prefer to buy packed goods as the chances of adulteration are minimum



Importance of Packaging

2. Suitable for Self Service Outlets

Packaged goods are more suitable for self service stores like Super Markets



Importance of Packaging

3. Innovational opportunities

New ideas can be implemented in packaging which will increase the scope of marketing the products



Eg: Soft drinks, mango juices etc. in specially designed packages or foils

Importance of Packaging

4. Product differentiation

The colour, size, material etc. of the packages will help to identify the product and its quality up to a certain extent



Eg: Body spray, Shampoo etc.

Importance of Packaging

- 1. Rising standards of health and sanitation**
- 2. Suitable for Self Service Outlets**
- 3. Innovational opportunities**
- 4. Product differentiation**



Functions of Packaging

Functions of Packaging

1. Product identification

Packaging helps the customers to identify the product easily



Eg: Toothpaste, Soap etc.

Functions of Packaging

2. Product protection

It helps the product from breakage, leakage, contamination, evaporation, pilferage (theft) etc.



Functions of Packaging

3. Facilitating the use of the product

The size and shape of the product should be in such a way to use the product conveniently



Eg: Hand wash, Tooth paste, Powder tin etc.

Functions of Packaging

4. Product promotion

Beautiful packages attracts consumers, and it serves as a promotional tool for the product as it is a silent sales man



Functions of Packaging

1. Product identification
2. Product protection
3. Facilitating the use of the product
4. Product promotion



Labelling

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Labelling

Labelling refers to the designing and developing the label to be put on the package



It may be attached to the product and carries information about the product and the producer in the form of a tag, sticker etc.

Functions of Labelling

1. Describe the Product

Labels describe the products and specify its contents and it may give its usage, precautions to be taken etc.



Average qty	per serving	per 100mL
Energy	775kJ	310kJ
Protein	9.0g	3.6g
Fat -Total	10.3g	4.1g
- Saturated	6.0g	2.4g
Carbohydrate	11.8g	4.7g
- Sugars	11.8g	4.7g
Sodium	145mg	58mg
Calcium	308mg (38% RDI*)	123mg

* RDI - Recommended Dietary Intake.

INGREDIENTS: Organic full cream milk
UNHOMOGENISED PASTEURISED FULL MILK
BETWEEN 1°C AND 5°C.

Functions of Labelling

2. Identification of product or brand

Labels are helpful to identify the product and its brand



Functions of Labelling

3. To Identify the Manufacturer

It also gives information about the name and address of manufacturer, net weight, MRP etc.



Functions of Labelling

4. Grading

Labelling facilitates grading of products



Eg: Green labels for 1st quality, Yellow for 2nd quality
and Red for 3rd quality

Functions of Labelling

5. Promotion of products

A well designed label will catch the attention of consumers



Eg: “Free Tooth Brush inside”, “Save Rs.10/-“, “Free Mobile Recharge Rs.50/-” etc.

Functions of Labelling

6. Providing information required by law

Labels can be used to provide statutory information to the customers



Eg: Statutory warning on the package of cigarette, “Smoking is injurious to health” etc.

Functions of Labelling

1. Describe the Product
2. Identification of product or brand
3. To Identify the Manufacturer
4. Grading
5. Promotion of products
6. Providing information required by law



2. Price

Pricing

Price of a product is the amount of money paid by the buyer in consideration of purchase of a product or service



Pricing is the function of determining product value in terms of money before it is offered to consumers for sale

A good pricing policy enables a firm to achieve maximum sales revenue

Factors affecting price determination

1. Product cost

It includes cost of production, selling and distribution expenses

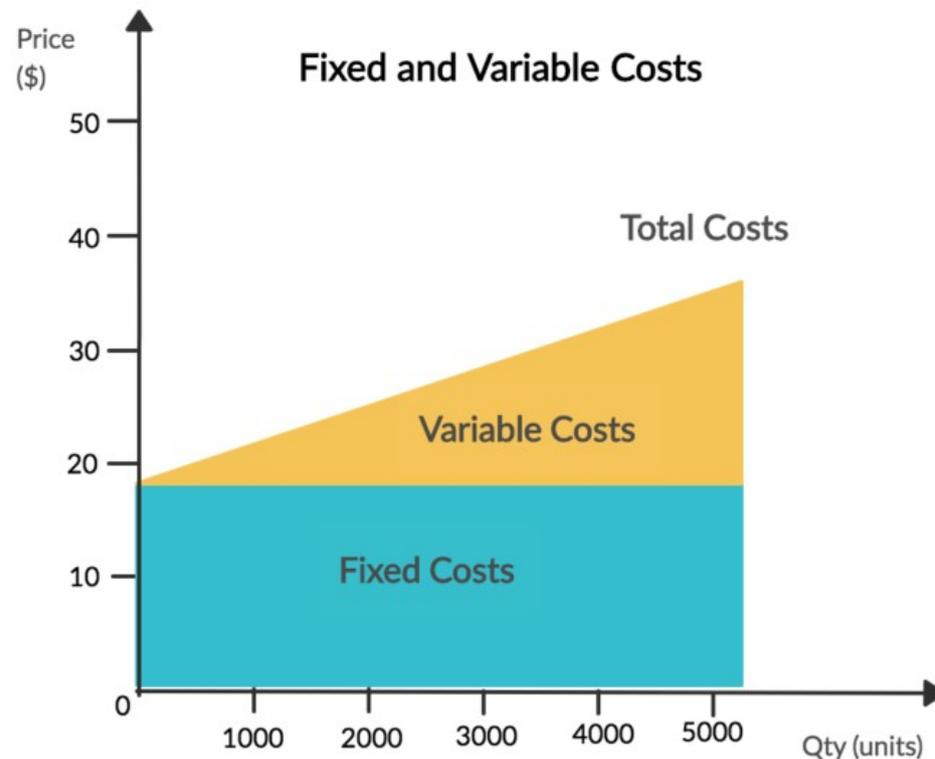


While fixing prices for the products or service, a margin of profit over the cost should be considered

Elements of Product cost

a. Fixed cost

It does not vary with the volume of production

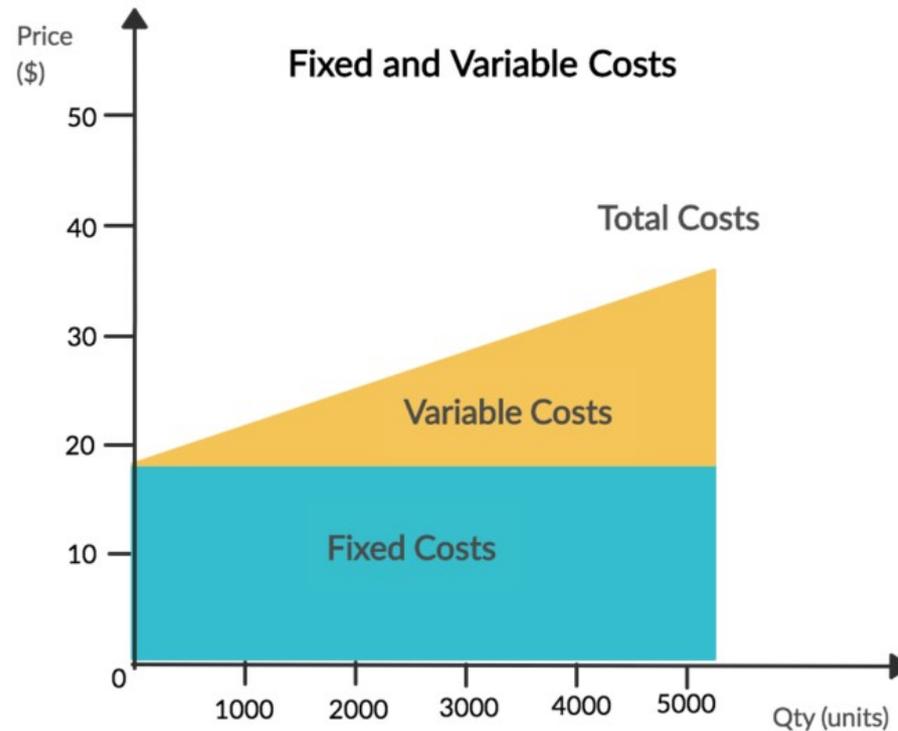


E.g., Rent, salary, insurance etc.

Elements of Product cost

b. Variable cost

Cost which vary based on the volume of production

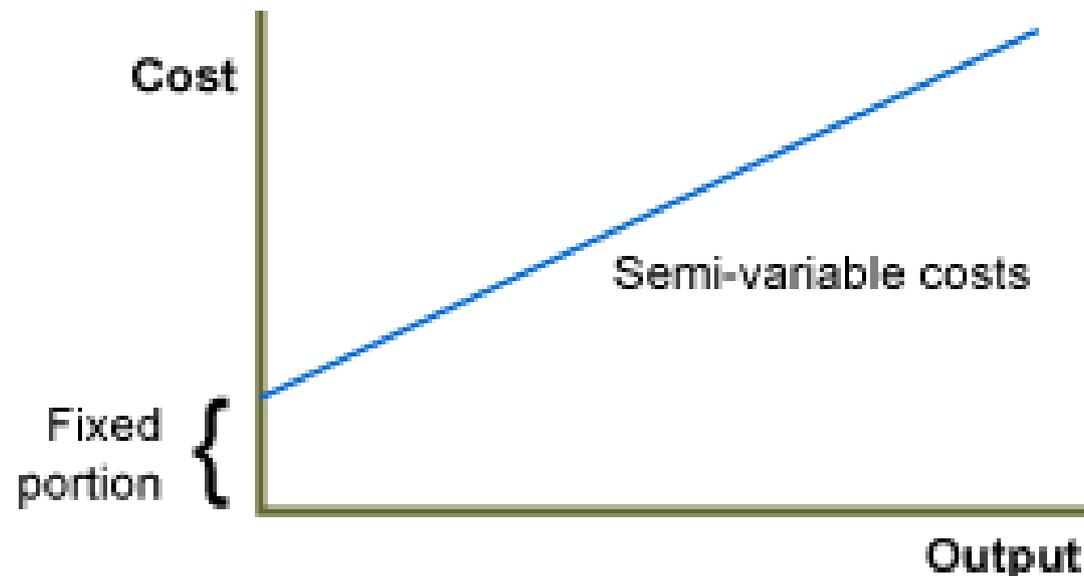


E.g., raw material cost, labour cost, power etc.

Elements of Product cost

c. Semi-variable cost

Cost which vary with the level of production, but not in direct proportion



E.g: Commission to a salesman beyond a particular level

Factors affecting price determination

2. Utility and demand

Pricing is affected by the elasticity of demand



In case of inelastic demand a firm can fix a higher price and vice versa

Factors affecting price determination

3. Extent of competition

If there is no competition in the market, a firm can fix the price for its product by its own, and they are the price makers



If the competition is very high in the market, the price should be fixed by considering the price of competitors, and they became the price takers.

Factors affecting price determination

4. Government and legal regulations

The prices of certain products are regulated by government

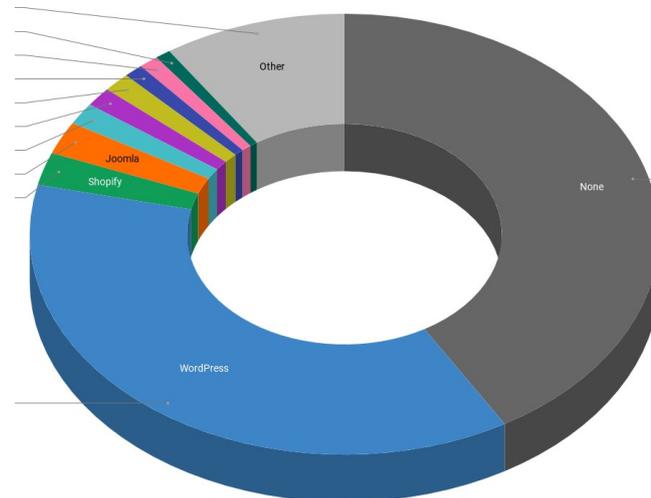


E.g., cement, sugar, etc.

Factors affecting price determination

5. Pricing objectives

If the firm wants to maximize profit in short run, it would charge high price and if it wants to capture maximum market share for its products, it would charge only a low price



Pricing Objectives

- a) To Obtaining market share leadership
- b) To Survive in a competitive market
- c) To Attaining product quality leadership (high prices may be charged for maintaining high quality)



Factors affecting price determination

6. Marketing methods used

Price fixation is also affected by various elements like distribution system, advertising, sales promotion, type of packaging, credit facilities, after sales services, guarantee etc.



3. Place (Physical Distribution)

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Place / Physical Distribution

In order to ensure availability of products at the right Place, two factors require consideration; they are Channel of distribution and Physical distribution

Place / Physical Distribution

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graph TD; A[Place / Physical Distribution] --> B[Channels of Distribution]; A --> C[Physical Distribution]
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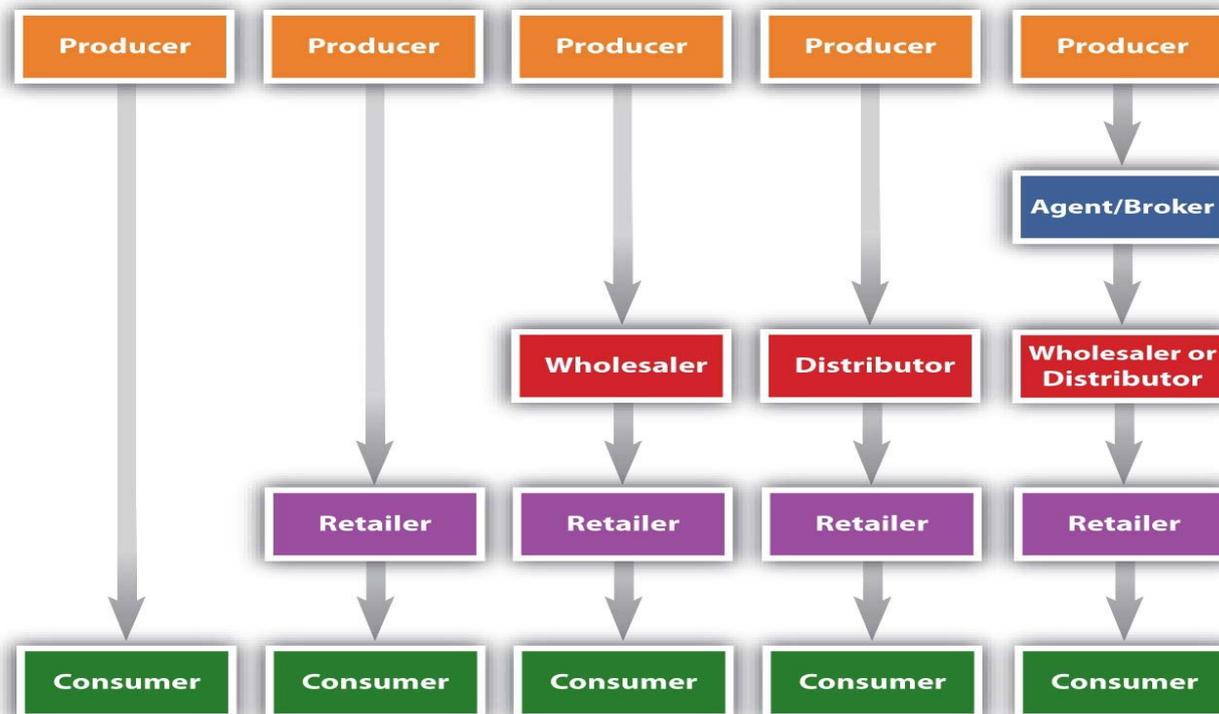
Channels of Distribution

Physical Distribution

Place / Physical Distribution

A. Channels of distribution

The path taken by the goods in their movement from the producer to the consumer is referred to as the channel of distribution



Functions of distribution channels / middlemen

1. Sorting

Sorting goods procured from various sources on the basis of size and quality



Eg: Apples, pepper, cardamom, coffee etc.

Functions of distribution channels / middlemen

2. Accumulation of goods

They are collecting a large quantity of stock in order to ensure continuous flow of supply



Functions of distribution channels / middlemen

3. Allocation

Breaking the bulk into smaller lots for distribution



Eg: Large box of pens divided into small packets containing 10 units

Functions of distribution channels / middlemen

4. Assorting

It means stocking various related products by the middlemen, to meet the customer requirements fully;
(Assorted = Mixed)



Eg: A cricketer's requirement of bat, ball, gloves, helmet, shoes, dress etc. can be fulfilled by a single sports goods dealer

Functions of distribution channels / middlemen

5. Product promotion

Middlemen also undertakes certain promotional activities like demonstrations, special displays, contests etc. to push up sales



Functions of distribution channels / middlemen

6. Risk taking

Middlemen takes the risk on account of price and demand fluctuations, spoilage, damage etc.



Functions of distribution channels / middlemen

1. Sorting

2. Accumulation of goods

3. Allocation

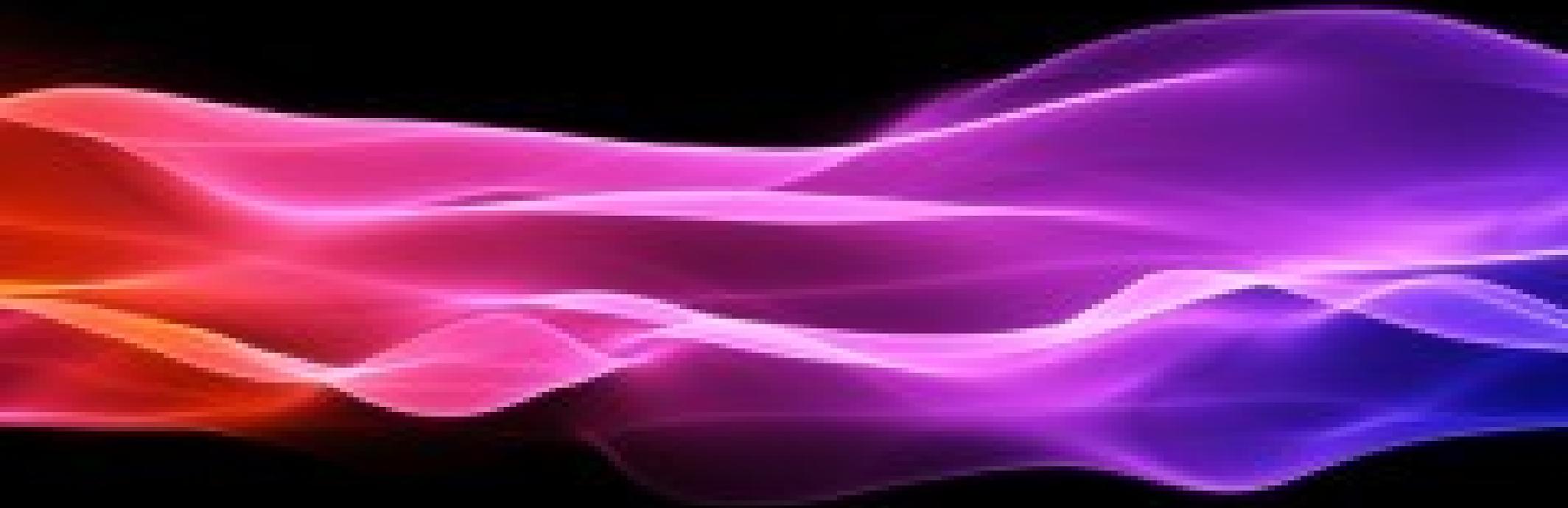
4. Assorting

5. Product promotion

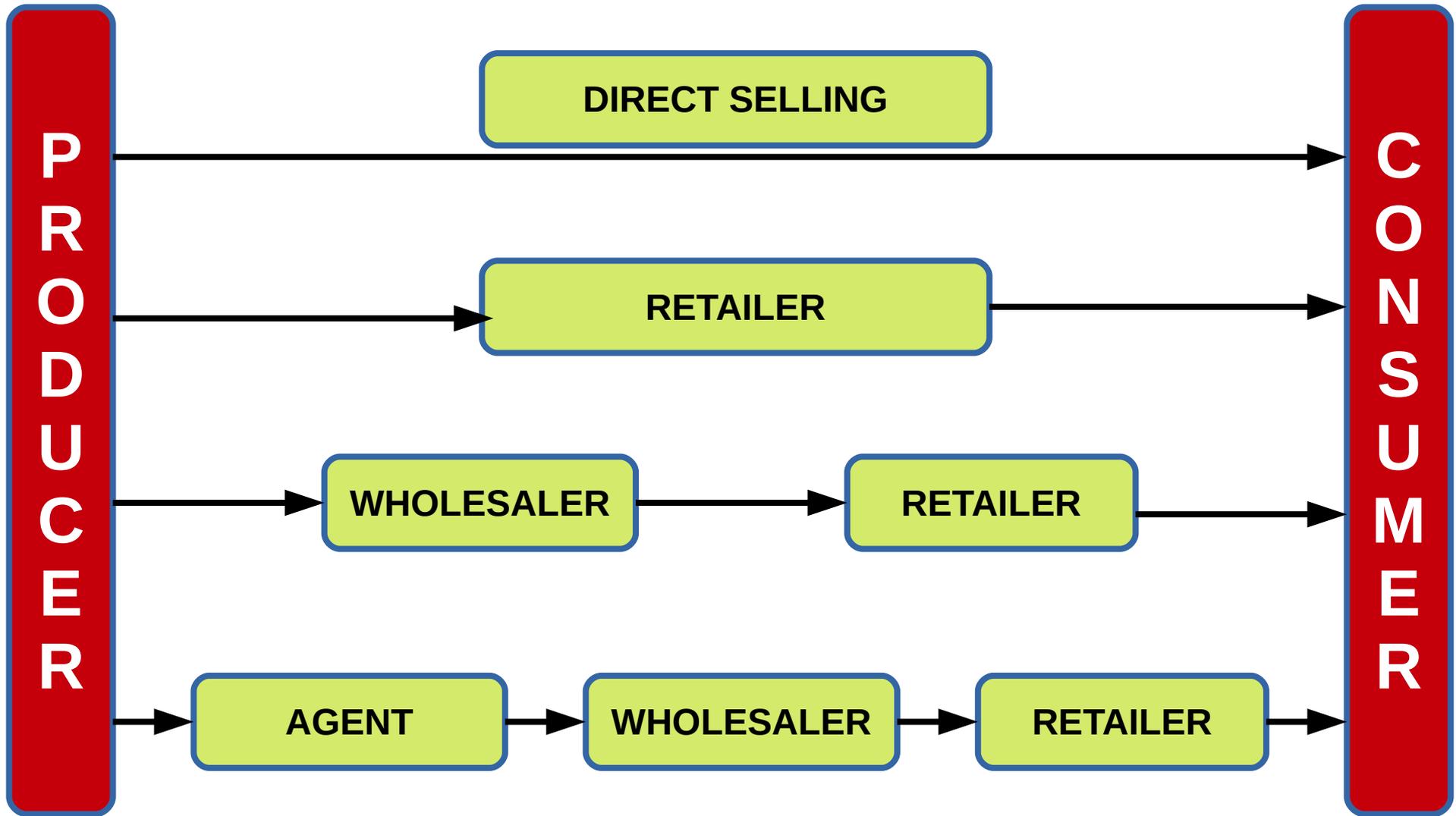
6. Risk taking



Types of Channels



Types of Distribution Channels



Types of Channels

1. Direct channel (Zero level)

In this case, no intermediary is involved
It implied direct selling of goods to the customer



PRODUCER



CONSUMER

Eg: Mail order business, internet selling, door to door selling or through own retail network etc.

Types of Channels

2. Indirect channels

The manufacturer seeks the help of one or more intermediary to move the goods from the place of production to the place of consumption is called indirect network



Indirect Channels

a. One level

Here only one intermediary is in the distribution channel, the retailer

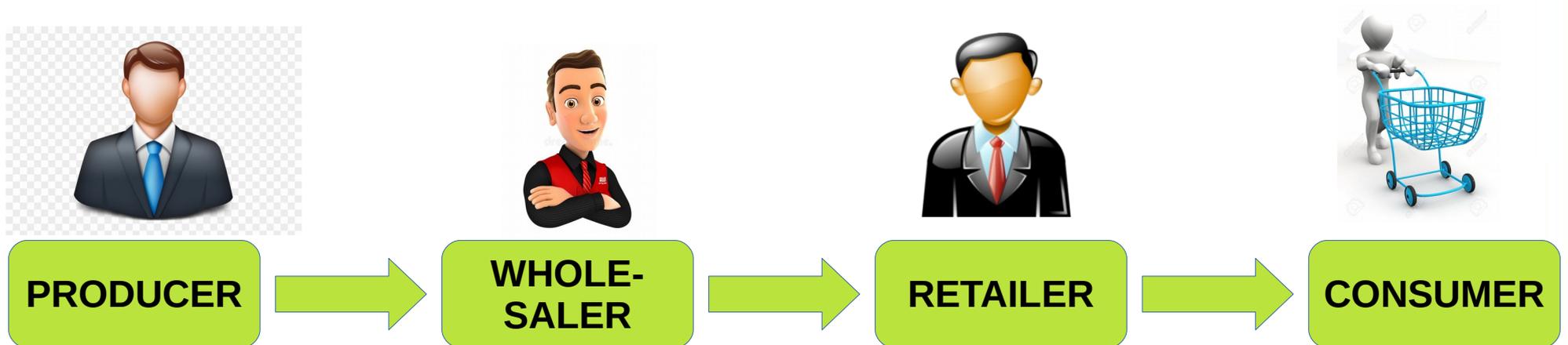


Eg: Maruthi Udyog Ltd. sells their cars through their approved retailers

Indirect Channels

b. Two level channel

Here one more middlemen, the wholesaler joins the channel along with the retailer (2 middlemen)



This channel is suitable to the products with widely scattered markets

Eg: Soap, cloth, tooth paste etc.

Indirect Channels

c. Three level channel

In this channel the producer by an arrangement hands over the entire output to his selling agent in order to relieve from the problems of distribution



Factors Determining Choice of Channels

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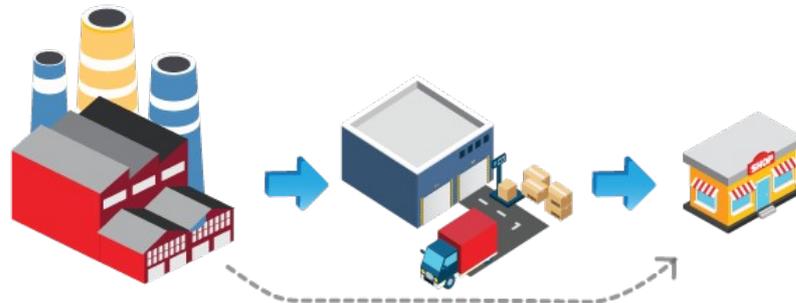
Factors determining choice of channels

1. Product related factors

a) Industrial goods – Highly expensive and with a few buyers, hence direct channel is preferred.

b) Consumer goods – Less expensive and frequently bought, hence long network is good.

c) Perishable goods – Short channel is more suitable



Factors determining choice of channels

Product related factors

d) Durable goods – Long channel is good.

e) Unit value of product – Cheaper goods are usually traded through long channels.

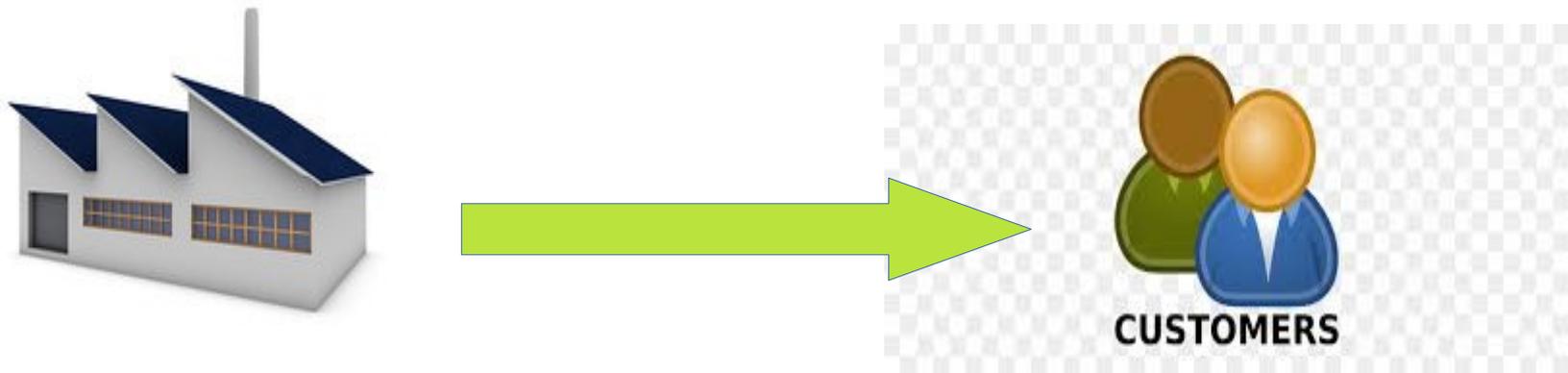
f) Complex products – requiring technical details such as industrial or engineering products may prefer short channels.



Factors determining choice of channels

2. Company characteristics

If the company is having sufficient funds, it can go for direct selling or through short channels



Likewise, if they want to maintain a control over the channel members, short channels are better

Factors determining choice of channels

3. Competitive factors

If a competitor has selected a particular channel and they are successful, sometimes we may also follow it, whereas some other companies may avoid such channels



Factors determining choice of channels

4. Market factors

- **Size of market** – Where number of buyers is small, short channel is required and for large number of customers, longer channel would give better result.
- **Geographical concentration** – Small channel is better if the buyers are only in a particular area and if they are scattered over a large area, long channel is better.
- **Size of order** – If the size of order and its value is high, shorter channel is good and in case of consumer goods long channel is better.

Factors determining choice of channels

5. Environmental factors

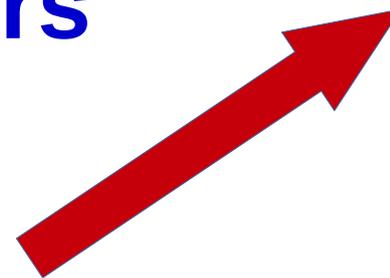
Economic condition, legal constraints etc. are considered here



Eg: In case of depression period, shorter channel is preferred

Factors determining choice of channels

1. Product related factors
2. Company characteristics
3. Competitive factors
4. Market factors
5. Environmental factors



Place / Physical Distribution

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graph TD; A[Place / Physical Distribution] --> B[Channels of Distribution]; A --> C[Physical Distribution]
```

Channels of Distribution

Physical Distribution

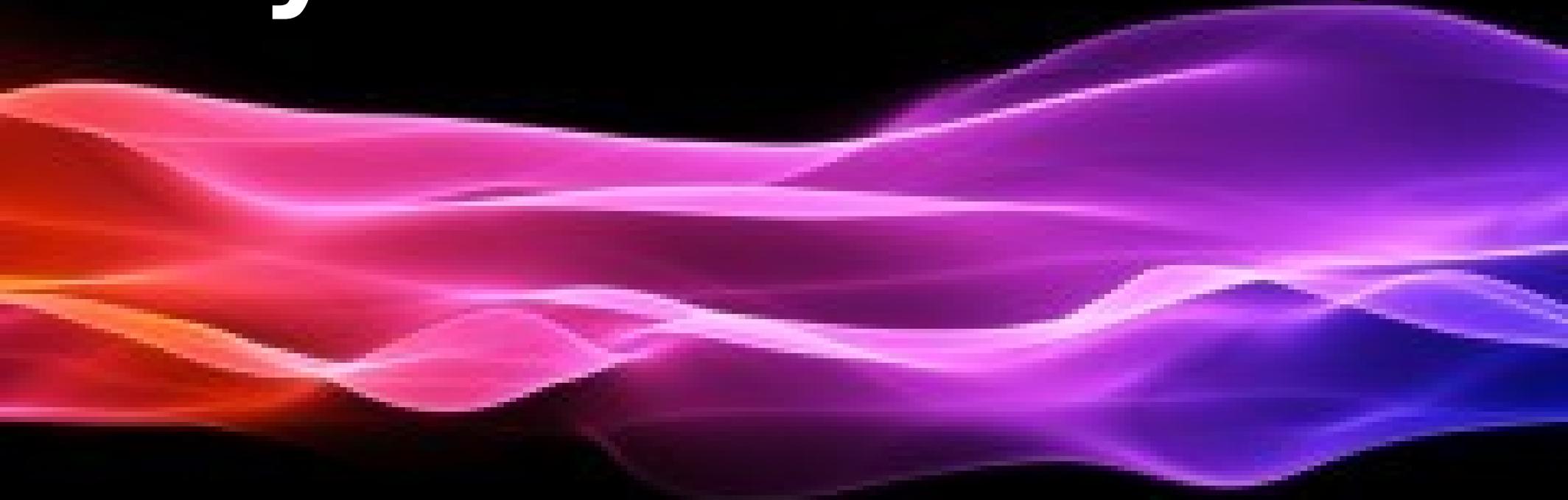
Place / Physical Distribution

B. Physical movement / Physical Distribution

Physical distribution involves the handling and movement of goods from production centre to the place of consumption



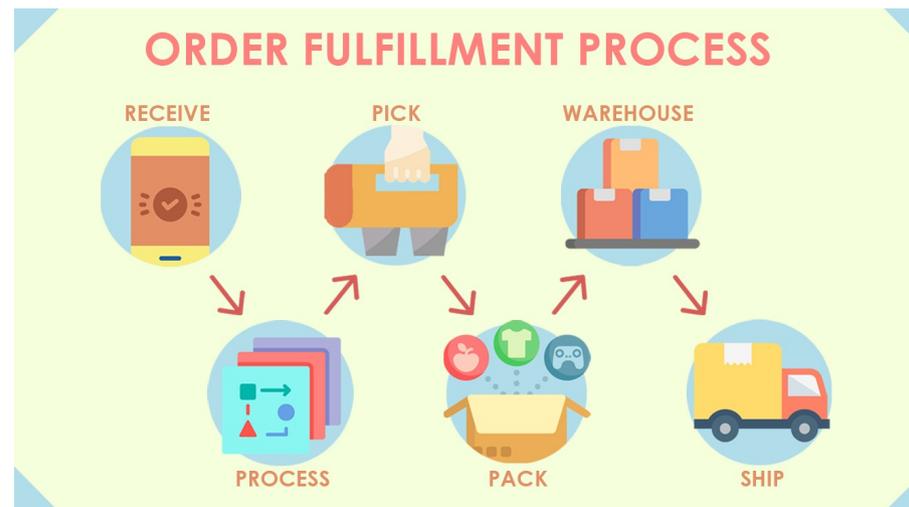
Components of Physical Distribution



Components of Physical Distribution

1. Order processing

It begins with the receipt of an order from the customer, It involves the preparation of invoice, instructions to the warehouse keeper for dispatch, granting of credit facilities, sending bills etc.



Quick processing helps to retain the customers for ever.

Components of Physical Distribution

2. Transportation

It is the means of carrying goods and raw materials from the point of production to the point of sale



It is important because unless there is no proper movement (transportation), the sale cannot be completed.

Components of Physical Distribution

3. Warehousing

It is inevitable factor in the movement of goods



It involves the decisions regarding type of warehouse (own warehouse or rented warehouse), location of warehouse, cost of warehousing etc.

Components of Physical Distribution

4. Inventory control

In order to ensure prompt supply of goods a proper inventory level must be maintained

It must not be too high or too low



High level of inventory results in blocking of capital and high management cost

Low level may lead to stock out situations

Factors determining inventory levels

a. Level of customer service

Higher the level of customer service, greater will be the need of inventories



Factors determining inventory levels

b. Accuracy of sales forecast

If the sales forecast is more accurate, the need for inventory can be minimized



Factors determining inventory levels

c. Time required to meet additional demand

If it is taking much time to meet additional or unexpected demand, the need for inventory level will be high



Factors determining inventory levels

d. Cost of inventory

It includes holding cost / carrying cost such as warehousing cost, blocked up capital cost etc.



If the cost of inventory is high, less inventory is maintained

Components of Physical Distribution

1. Order processing

2. Transportation

3. Warehousing

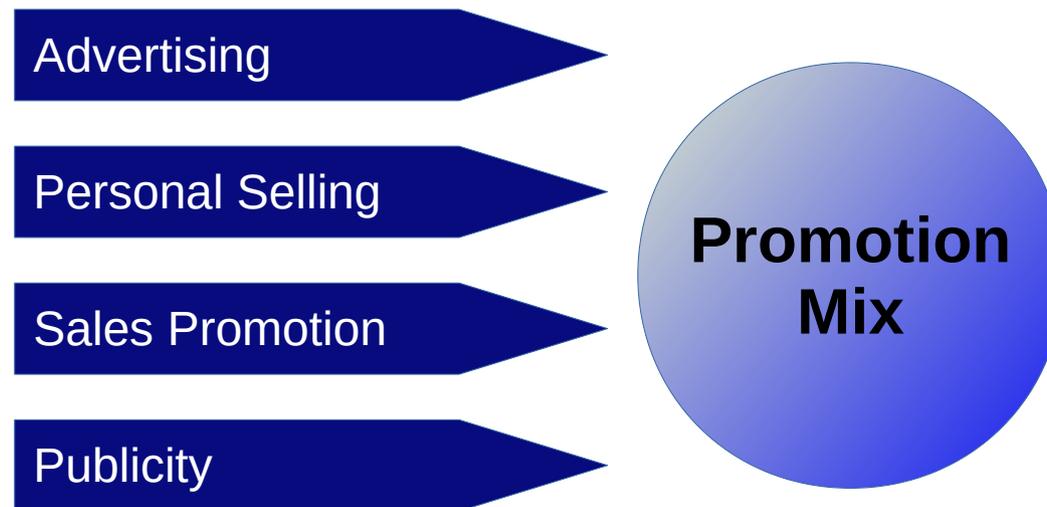
4. Inventory control

The background features several glowing, wavy lines of light in shades of blue and cyan, set against a solid black background. The lines appear to be moving or flowing, creating a sense of energy and motion.

4. Promotion

Promotion

All activities connected with informing and persuading the customers are collectively known as promotion mix



It includes Advertising, Personal selling, Sales promotion and Publicity

Promotion Mix

**M
A
R
K
E
T
E
R**

ADVERTISING

PERSONAL SELLING

PUBLICITY

SALES PROMOTION

**C
U
S
T
O
M
E
R**

Promotion Mix

1. Advertising

Advertising is any paid form of non-personal presentation and promotion of ideas, goods or service of an identified sponsor



The message which is presented or disseminated is known as advertisement

Features of Advertising

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Features of Advertising

1. Paid Form

The sponsor or marketer bears the cost of communication



Features of Advertising

2. Impersonality

No face to face contact between seller and buyer,
but through a media



Features of Advertising

3. Identified sponsor

Advertisement is done by a sponsor



Features of Advertising

1. Paid Form
2. Impersonality
3. Identified sponsor



The background features a series of vibrant, glowing blue light trails that flow and curve across a solid black field. These trails vary in intensity, with some appearing as bright cyan lines and others as softer, more diffuse blue washes, creating a sense of dynamic movement and energy.

Merits of Advertising

Merits of Advertising

a. Mass Reach

It reaches a large number of population with the help of news papers, television etc.



Merits of Advertising

b. Enhancing customer satisfaction

They feel more comfortable and assured about quality



Merits of Advertising

c. Expressiveness

Messages can be expressed in a very attractive manner with the help of modern technology



Merits of Advertising

d. Economy

It is in the sense that, it can reach millions of people

As a result the per unit cost becomes low



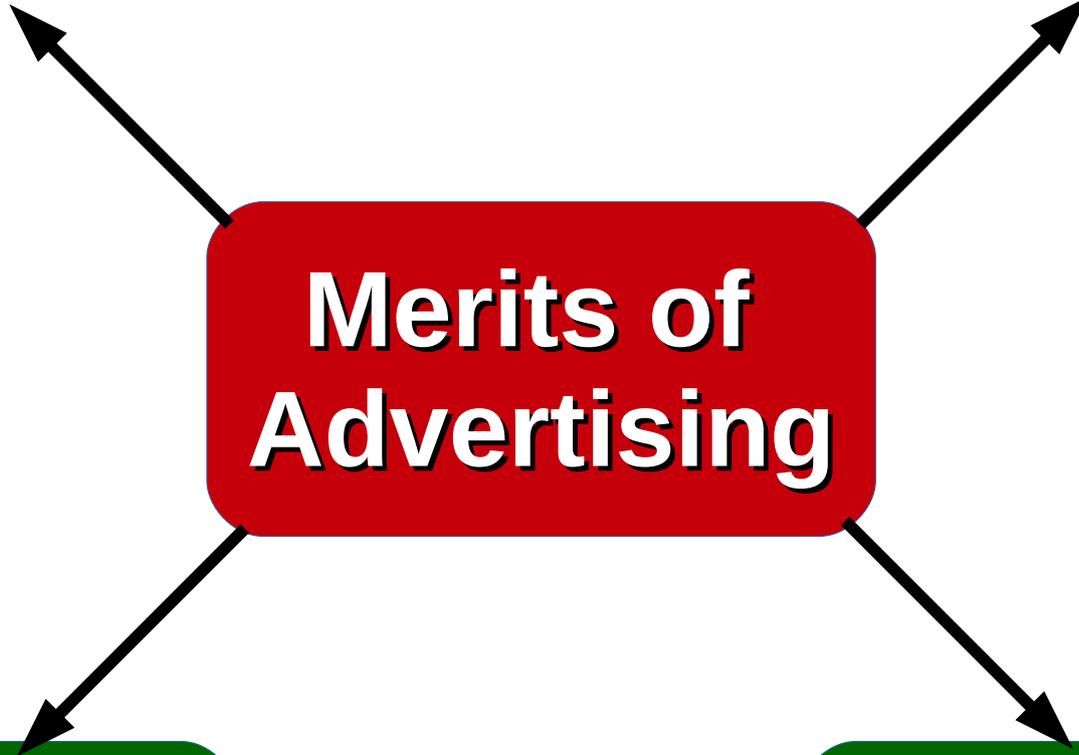
Economy

**Mass
Reach**

**Merits of
Advertising**

Expressiveness

**Customer
Satisfaction**



The background features several glowing, wavy lines of light in shades of blue and cyan, set against a solid black background. The lines appear to be moving or vibrating, creating a sense of energy and motion.

Limitations of Advertising

Limitations of Advertising

a. Less forceful

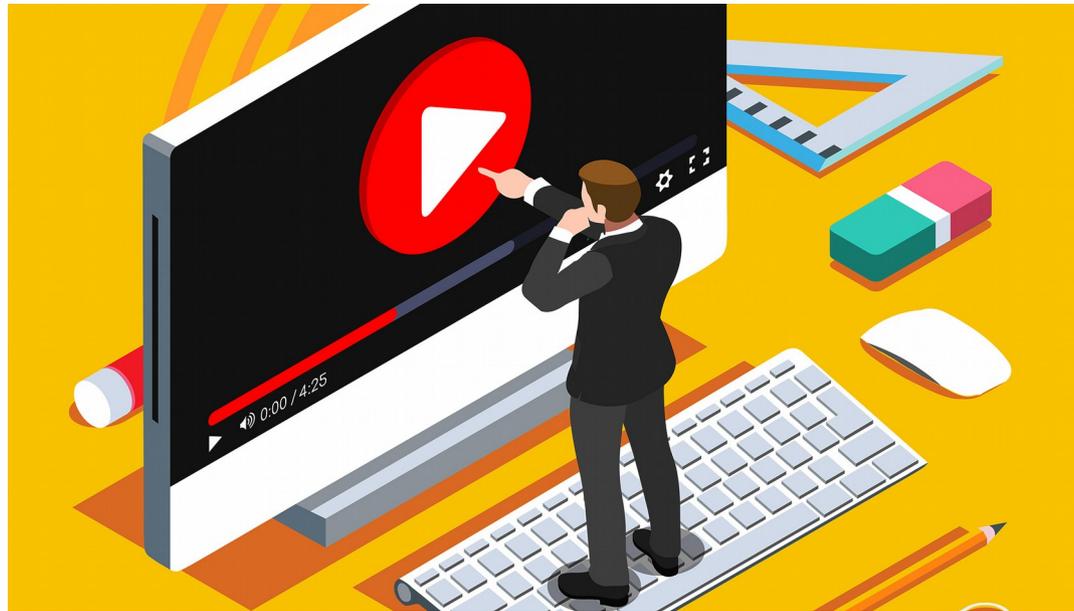
Since it is impersonal, the prospects (public) may not give attention to the message



Limitations of Advertising

b. No feedback

There is no immediate and accurate feedback



Limitations of Advertising

c. Inflexibility

The message is always standardized and not customized according the needs of different customer groups or occasions



Limitations of Advertising

d. Low effectiveness

A large number of advertisement is shown by the media, hence it may not be seen or heard by the target group



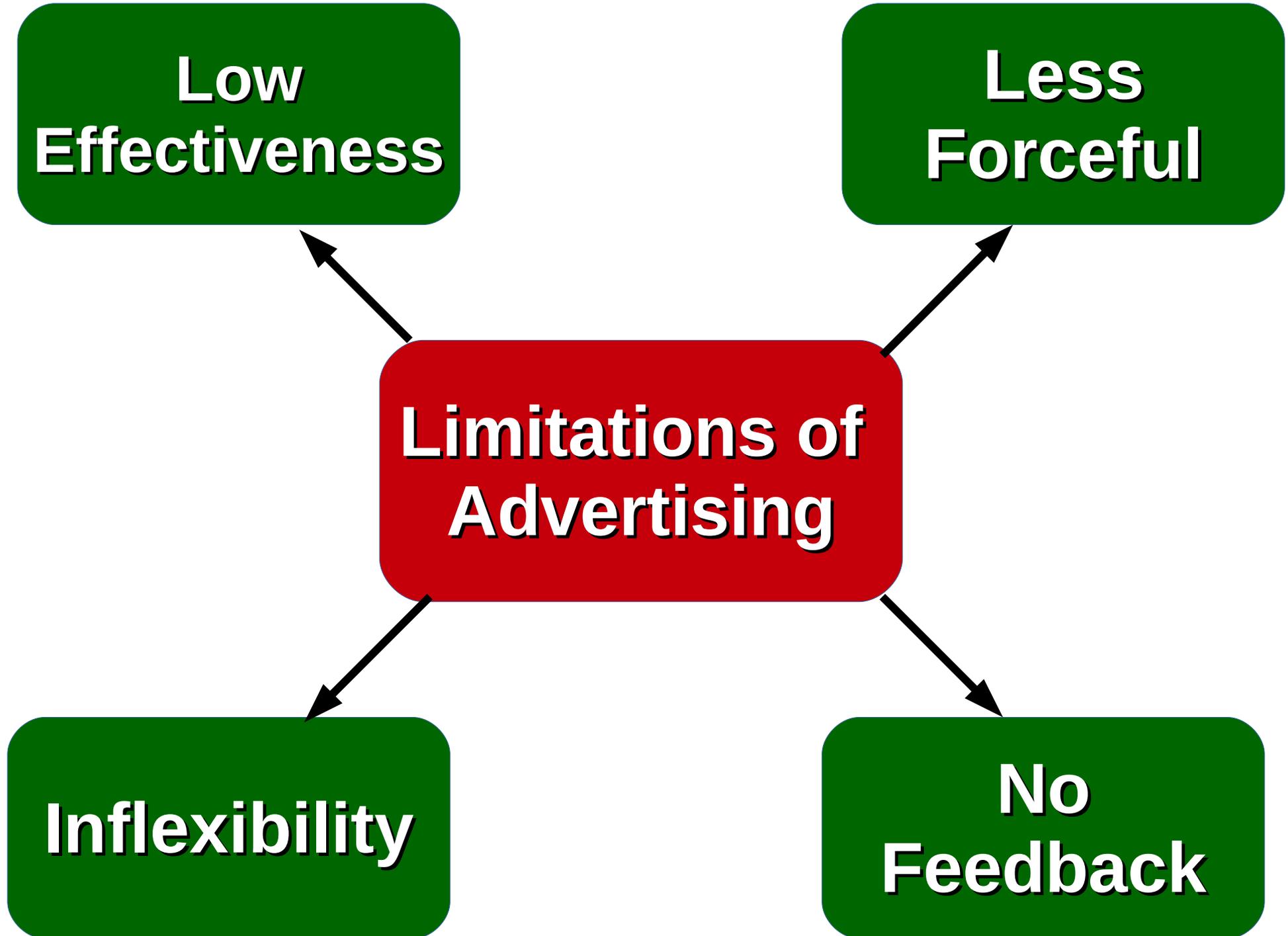
**Low
Effectiveness**

**Less
Forceful**

**Limitations of
Advertising**

Inflexibility

**No
Feedback**



The background features a black field with several bright blue, glowing, wavy lines that resemble light trails or energy flows. These lines are most prominent on the left side and curve across the frame towards the right, creating a sense of motion and depth. The text is centered over this background.

Objections to Advertising (Criticisms)

Objections to Advertising

a. Adds to cost

It is a fact that while fixing price for a product by the manufacturer, they will consider the advertisement expense too, it will increase the price



Objections to Advertising

b. Undermines social values

It is another criticism against advertisement that it demoralizes the social values



Objections to Advertising

c. Confuses the buyers

Advertisement of similar items of different firms with claiming superiority of their products will make confusion among the consumers



Objections to Advertising

d. Inferior products

Advertising encourages the sale of inferior products with the help of faulty advertisement



Objections to Advertising

e. Bad taste

Some advertisements are in bad taste for instance, women running after a man because he is using a perfume, tooth paste etc.



Objections to Advertising

- a. Adds to cost
- b. Undermines social values
- c. Confuses the buyers
- d. Inferior products
- e. Bad taste



Promotion Mix

2. Personal Selling

It implies a face-to-face contact or conversation between seller and buyer by which the consumers will be motivated to purchase the products



Features of Personal Selling

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Features of Personal Selling

a. Personal form

It has a personal touch as there is a face to face contact



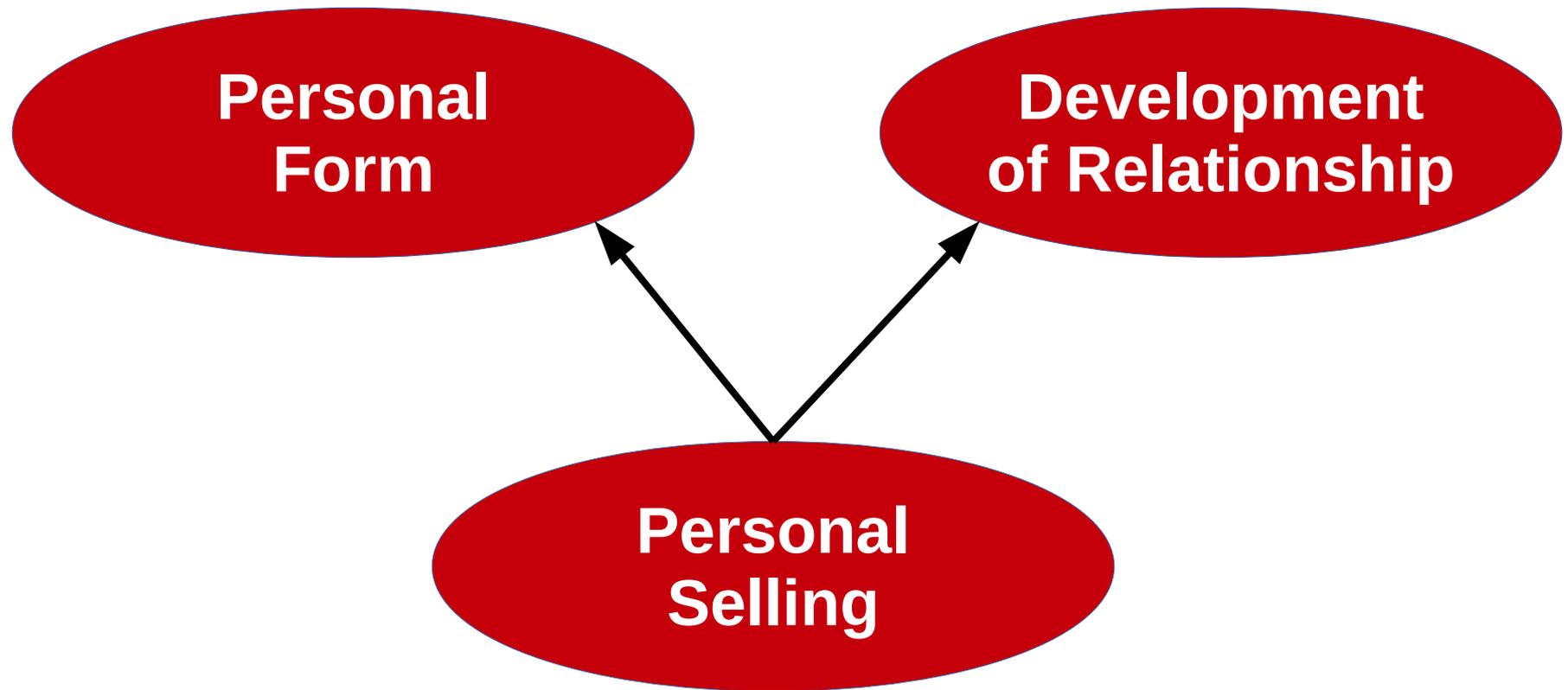
Features of Personal Selling

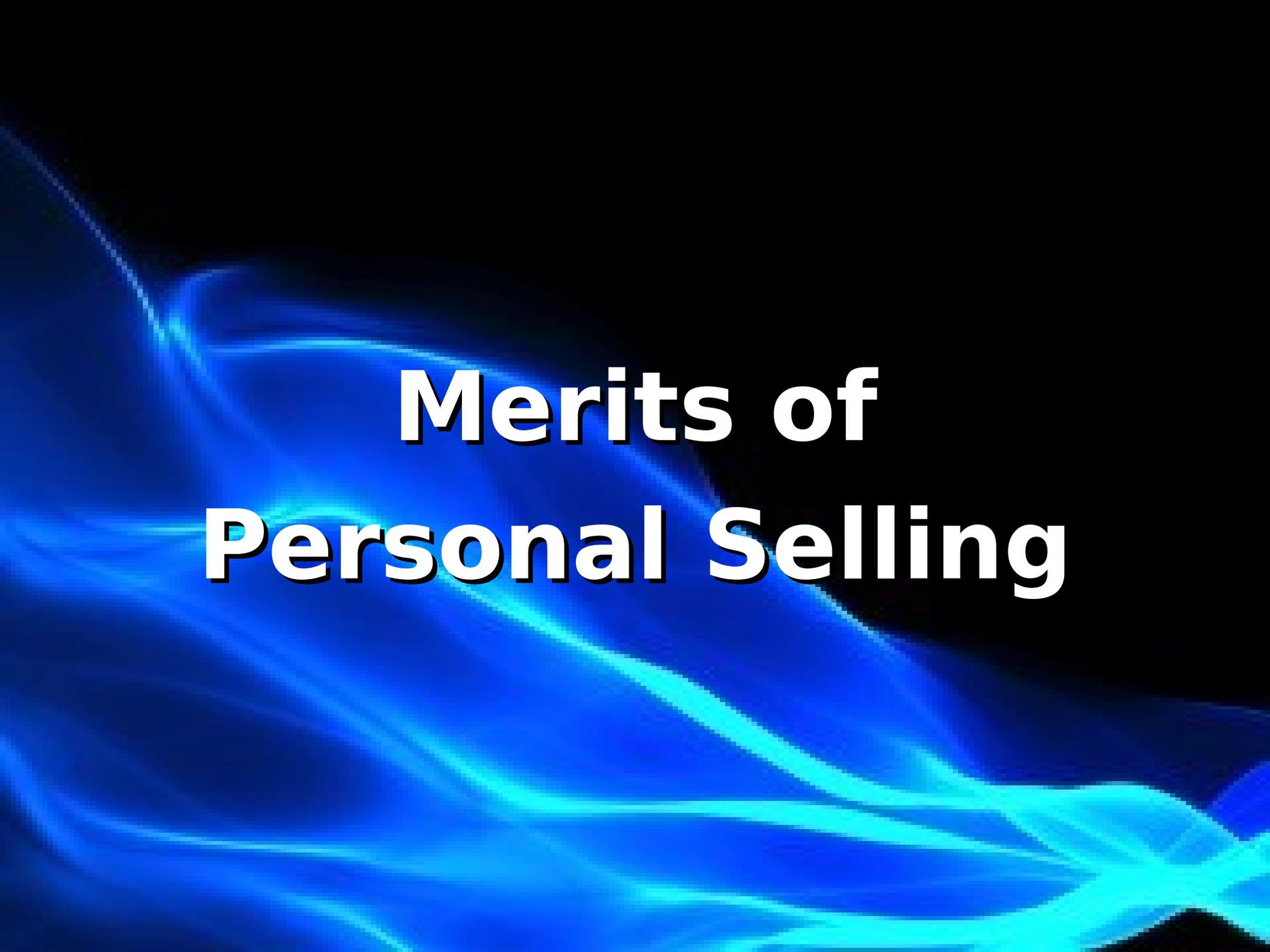
b. Development of relationship

Salesman develops a personal relationship with the customers



Features of Personal Selling



The background features a black field with several vibrant, glowing blue light trails. These trails are composed of multiple overlapping, slightly blurred lines that create a sense of motion and energy. The colors range from a deep, dark blue to a bright, almost white cyan at the most intense points of the light trails.

Merits of Personal Selling

Merits of Personal Selling

a. Flexibility

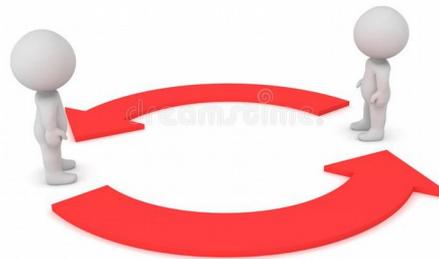
The presentation of product can be adjusted to suit the prospective buyer



Merits of Personal Selling

b. Direct feedback

Face to face communication facilitates the salesman to adapt the presentation according to the needs of customers



Merits of Personal Selling

c. Minimum wastage

This strategy can be adopted only to the targeted customers, hence the company can minimize the wastes of efforts compared to advertisement



Merits of Personal Selling

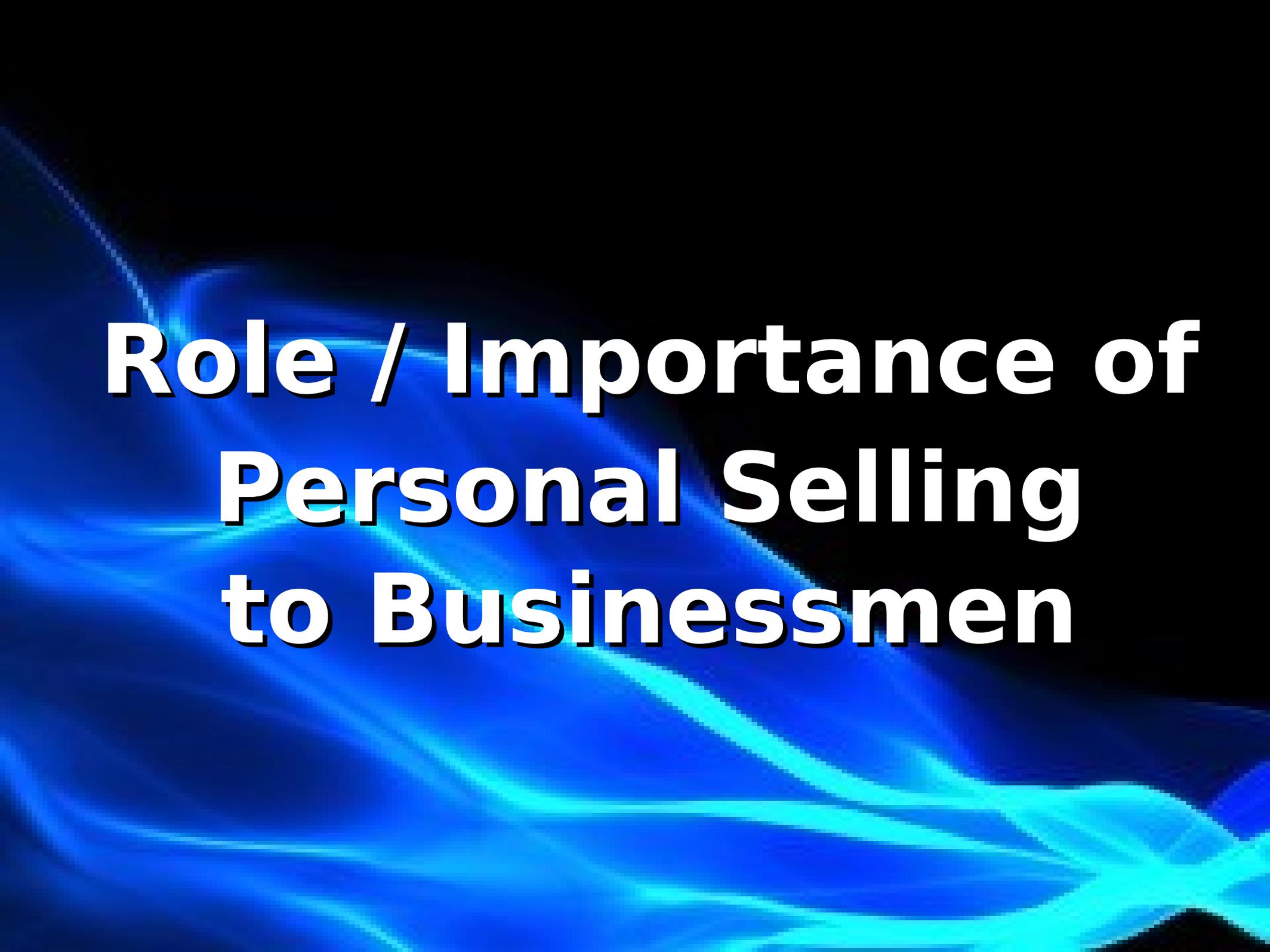
Personal Selling

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graph TD; A[Personal Selling] --> B(Flexibility); A --> C(Direct Feedback); A --> D(Minimum Wastage);
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Flexibility

Minimum Wastage

Direct Feedback

The background features a series of glowing, wavy lines in shades of blue and cyan, creating a sense of motion and energy against a solid black background. The lines vary in intensity and direction, some appearing as bright streaks while others are softer and more diffuse.

Role / Importance of Personal Selling to Businessmen

Role of Personal Selling to Business

a. Effective promotional tool

It helps to explain the merits of a product thereby increasing sales



Role of Personal Selling to Business

b. Flexible method

It is more flexible than advertising and sales promotion, as it is adaptable in accordance with the customer tastes



Role of Personal Selling to Business

c. Minimum wastage of effort

Less wastages of effort compared to advertisement



Role of Personal Selling to Business

d. Consumer attention

More consumer attention can be ensured in personal selling



Role of Personal Selling to Business

e. Lasting relationship

There is a chance for lasting relationship among the sales persons and the customers



Role of Personal Selling to Business

f. Personal rapport

Personal relationship with customers increases the strength of business



Role of Personal Selling to Business

g. Role in introduction of a new product

It helps in persuading the customers to buy new products



Role of Personal Selling to Business

h. Link with customers

Sales person acts as a link between the consumers and the business through **persuasive role, service role and informative role**



Role / Importance of Personal Selling to Business

a. Effective promotional tool

b. Flexible method

b. Flexible method

d. Consumer attention

e. Lasting relationship

f. Personal rapport

g. Role in introduction of a new product

h. Link with customers





**Role / Importance of
Personal Selling to
Customers**

Role of Personal Selling to Customers

a. Help in identifying needs

It helps in identifying the needs of customers and to satisfy them



Role of Personal Selling to Customers

b. Latest market information

Latest market information may be given to the customers such as price changes, availability of product, etc.



Role of Personal Selling to Customers

c. Expert advice

Proper guidance help customers in making better purchase



Role of Personal Selling to Customers

d. Induces customers

Personal selling Induces customers to purchase new products



Role / Importance of Personal Selling to Customers

a. Help in identifying needs

b. Latest market information

c. Expert advice

d. Induces customers





**Role / Importance of
Personal Selling to
Society**

Role of Personal Selling to Society

a. Converts latest demand into effective demand

Through personal selling the economic activities in the society is accelerated to more jobs, more income etc.



Role of Personal Selling to Society

b. Employment opportunities

It offers more employment opportunities especially for youth



Role of Personal Selling to Society

c. Mobility of sales people

Mobility of sales people promotes travel and tourism in the country



Role of Personal Selling to Society

d. Product Standardisation

Product standardization and uniformity in consumption pattern in diverse society is possible through personal selling



Role / Importance of Personal Selling to the Society

- a. Converts latest demand into effective demand**
- b. Employment opportunities**
- c. Mobility of sales people**
- d. Product Standardisation**



Differences between Advertising and Personal Selling

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Differences

1

Advertising

Impersonal
communication

Personal Selling

Personal form of
communication

Differences

2

Advertising

Standardised message
is transmitted

Personal Selling

Based on customers
needs

Differences

3

Advertising

Not flexible

Personal Selling

Highly flexible

Differences

4

Advertising

Reaches a large number of people

Personal Selling

Limited number of people only

Differences

5

Advertising

Cost per person is low

Personal Selling

It is very high

Differences

6

Advertising

It can cover the market
in a short time

Personal Selling

Take a lot of time

Differences

7

Advertising

Media is used such as
TV, Radio etc.

Personal Selling

Use of sales persons

Differences

8

Advertising

No direct feedback

Personal Selling

Direct and immediate feedback is possible

Differences

9

Advertising

Useful in consumer goods having a large number of consumers

Personal Selling

Useful in industrial products having only a limited number of customers

Differences between Advertising and Personal Selling

	Advertising	Personal Selling
1	Impersonal communication	Personal form of communication
2	Standardised message	Based on customers needs
3	Not flexible	Highly flexible
4	Reaches a large number of people	Limited number of people only
5	Cost per person is low	It is very high

Differences between Advertising and Personal Selling

	Advertising	Personal Selling
6	Cover the market in a short time	Take a lot of time
7	Media is used - TV, Radio etc.	Use of sales persons
8	No direct feedback	Direct and immediate feedback
9	Useful in consumer goods	Useful in industrial products

Sales Promotion

Sales Promotion

It refers to short-term activities, which are aimed at promoting sales such as rebates, discounts, free gifts, contests, refunds, premium etc.



Sales Promotion

Sales promotion tools are designed to promote customers, middlemen and sales persons

Customers	Free samples, discounts, contests, gifts, lucky draws, etc.
Middlemen	Cooperative advertising, dealer discounts, incentives, contests etc.
Salespersons	Bonus, salesmen contests, special offers, etc.

Advantages of Sales Promotion

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Advantages of sales promotion

1. It catches the buyers' attention.



Advantages of sales promotion

2. Useful in new product launch



Advantages of sales promotion

3. Synergy in total promotional efforts



Sales promotion supplement the personal selling and advertising efforts. Hence it gives synergy (overall effectiveness) of promotional efforts of the firm.

Advantages of sales promotion

1. It catches the buyers' attention.
2. Useful in new product launch
3. Synergy in total promotional efforts



Limitations of Sales Promotion

Limitations of sales promotion

1. It is a reflection of crisis

Frequent sales promotion activities may give an impression that the firm is not in a position to manage its sales



Limitations of sales promotion

2. Spoils the product image

Consumers may feel that incentives are offered to sell sub-standard product



Sales Promotion Techniques

Sales Promotion Techniques

1. Rebates

It is a deduction on the price to make it attractive to the buyers to buy on special occasions



Sales Promotion Techniques

2. Discount

Certain percentage of price is reduced as discount from the price of the product to attract the customers



Sales Promotion Techniques

3. Refunds

Seller offers to refund a part of price on next purchase on production of packets or wrappers etc.



Sales Promotion Techniques

4. Product combinations

It is a free offer of an article along with a product to make buyers attractive to buy more or for repeated buying



Eg: Free Pen drive with a digital camera)

Sales Promotion Techniques

5. Quantity gift

It may be an extra quantity of the same product at the same price either inside or outside the packet



Sales Promotion Techniques

6. Instant draws and gifts

Scratch card and gifts to the customers on purchase



Sales Promotion Techniques

7. Lucky draw

A coupon is given to the customers, which is to be deposited in a box at the business premises by filling the name and phone number

The winner is selected by lucky draw later



GIGAMALL
EVERYONE IS A WINNER!
ENTER to WIN

15TH DECEMBER TO 14TH JANUARY

01 Get **1 LUCKY DRAW COUPON** on the shopping of **Rs. 3,000/-**

02 Get **3 LUCKY DRAW COUPONS** on the shopping of **Rs. 6,000/-**

03 Get **5 LUCKY DRAW COUPONS** on the shopping of **Rs. 9,000/-**

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The poster features a yellow background with a white ballot box in the center. Above the box is a car and a motorcycle. The text is in various colors (red, black, white) and fonts. The Giga Mall logo is at the top left. The dates of the promotion are in a red box at the top right. The three prize tiers are listed in white boxes with red borders at the bottom.

Sales Promotion Techniques

8. Usable benefit

Eg: Purchase goods worth Rs. 5000 and get a holiday package of Rs. 2000 free



Sales Promotion Techniques

9. Full finance @ 0%

No need to pay any amount or full amount at the time of purchase but in easy instalment without interest



0%

FINANCE AVAILABLE

Sales Promotion Techniques

10. Sampling

It refers to offering a free sample of a product to the customers on the purchase of some other products or journals



Sales Promotion Techniques

11. Contests

Customers can participate in some competitive event and winners are given awards

**SNAP & WIN
CONTEST**

Win a new battery for your
Proton / Perodua

POST YOUR BATTERY PHOTO > LIKE & FOLLOW OUR PAGE > SHARE & TAG YOUR FRIENDS

CARPUT

Sales Promotion Techniques

1. Rebates
2. Discount
3. Refunds
4. Product combinations
5. Quantity gift
6. Instant draws and gifts
7. Lucky draw
8. Usable benefit
8. Usable benefit
9. Full finance @ 0%
10. Sampling
11. Contests



Publicity

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Publicity

It is similar to advertising with the difference that it is a *non paid form of communication*



It refers to favourable news about an organization and its products or service appearing in mass media

Features of Publicity

1. Unpaid form

It does not involve any direct expenditure

8 WEEKEND WORLD MOTOR SUPPLEMENT

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WEEKEND WORLD MOTOR SUPPLEMENT 9

LA FERRARI

An iconic name for a car that encompasses the very best of Prancing Horse passion, technology and exclusivity

The success to the Ferrari Enzo has officially been cemented in the 10th March 2015, the name came off and the Prancing Horse - a highly anticipated limited edition design of which only 699 were made was finally unveiled to the world.

LaFerrari also known as the F12, or by its project name, F12t is Ferrari's hybrid sports car described as the most comprehensive Ferrari ever.

"We chose to call this model LaFerrari" declared Ferrari President, Luca di Montezemolo. "Because it defines our complete excellence in terms of technological innovation, performance, history, styling and the sheer thrill of driving."

Aimed at our collectors, this is a truly extraordinary car which encompasses a balanced solution that, as the Ferrari, will find that way onto the rest of the range, and Encompasses the benchmark

for the entire automotive industry. LaFerrari is the finest expression of our company's spirit, unparalleled engineering and design know-how, including the acquired Formula 1 expertise. The development of a limited edition car like the LaFerrari represents an opportunity to experiment with all the technological solutions that will eventually bleed down into the production car, of particular significance in this context is the introduction of the hybrid system which, making full use of the Scuderia Ferrari's F1 KERS know-how, results in a solution that sets Ferrari's fundamental values - performance and changing traffic.

The hybrid technology used, known as HY-KERS, represents the perfect combination of maximum performance and lower emissions. LaFerrari in fact uses just 230 grams of CO2 per without resorting to electric-only drive which

would be the solution of this model. The HY-KERS system has been designed to fit a future application as it can be driven using exclusively electric power for slow manoeuvres and, during development testing, a full-electric version of LaFerrari achieved just 220g/l of CO2 emissions on the combined cycle.

The LaFerrari is equipped with dynamic controls that are integrated for the first time ever on a Ferrari road car with active aerodynamics and the HY-KERS system.

Thanks to Ferrari's proprietary logic which governs all the systems, the car can achieve absolute levels of performance, aerodynamic efficiency and handling without any form of compromise in any sense. A very advanced and uncompromising approach was also taken with the interior design which benchmarks an F1 inspired by F1 single-seater.



Powertrain

The LaFerrari is the first car in Ferrari's history to be powered by the HY-KERS system. The ICE represents the pinnacle of engine development and research, with a 6.262 cc V12 that punches out 800 CV and meets a maximum of 9,250 rpm, a record for an engine of this displacement. It also features a very high 15.5:1 compression ratio and a high specific output equal to 228 CV per liter. The engine is coupled with a 7D 100% CV electric motor, giving it a combined power output of 963 CV.

Styling

The Ferrari design team led by Flavio Manzoni developed the LaFerrari's styling working in close synergy with the engineers to emphasize the exacting link between form and function. The result is an extremely

innovative design which retains close links to the marque's tradition.

This is most evident in its side profile that car has a sharp, almost sculpting nose and a very low bonnet, which emphasize its muscular architecture, with a clean roof to the globally emblematic form of late 1960s Ferrari sports prototypes.

The LaFerrari's body has been given a sculptural treatment heavily influenced by the aerodynamic engineering and a tail section that evokes uncompromising sportiness.

Inside, there's a newly-designed steering wheel sporting all the rear controls, and the gear-shift paddles are now longer and more ergonomic.



Features of Publicity

2. No identified sponsor

It has no sponsor at all but message goes as a news item





Advantages of Publicity

Advantages of Publicity

1. Credibility

Usually it is more credible than the advertisement message

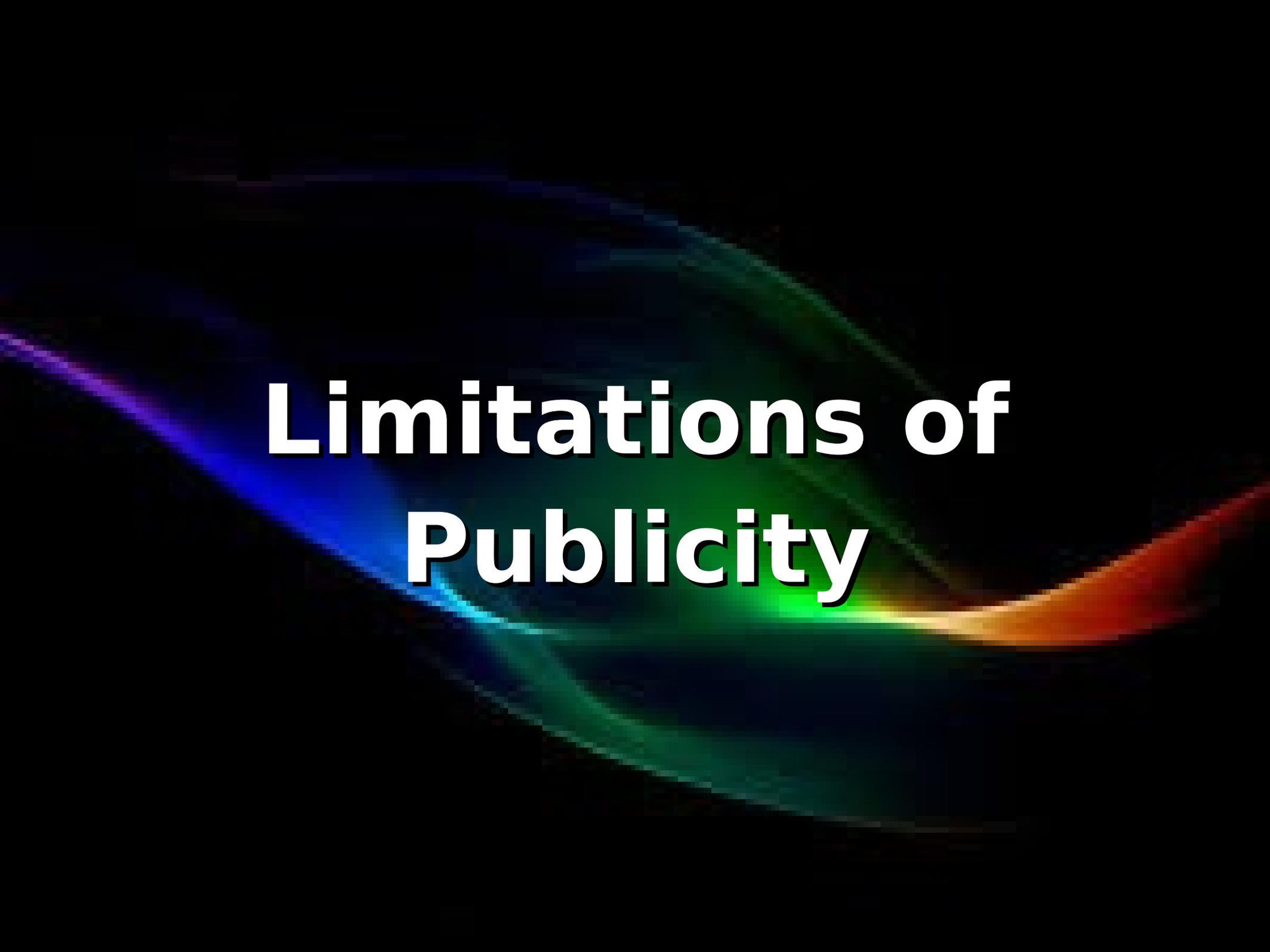


Advantages of Publicity

2. Wide reach

It can reach even those who have no chance for attending paid communication





Limitations of Publicity

Limitations of Publicity

1. No control

It cannot be controlled by the firm



NO
CONTROL

Limitations of Publicity

2. Only news value items

A firm cannot make use of publicity to promote
all its products





Public Relations

Public Relations

Public relation can be defined as publicity through media which is very important in present day business



Since they can be used very effectively to reach the most influential people, this is considered as an effective tool for promotion

Public Relation Tools

News, Speeches, Events, Written materials, Public service activities etc.





Role of Public Relations

Role of Public Relations

1. Press relations

Information about the organization or products needs to be presented in a positive manner in the press

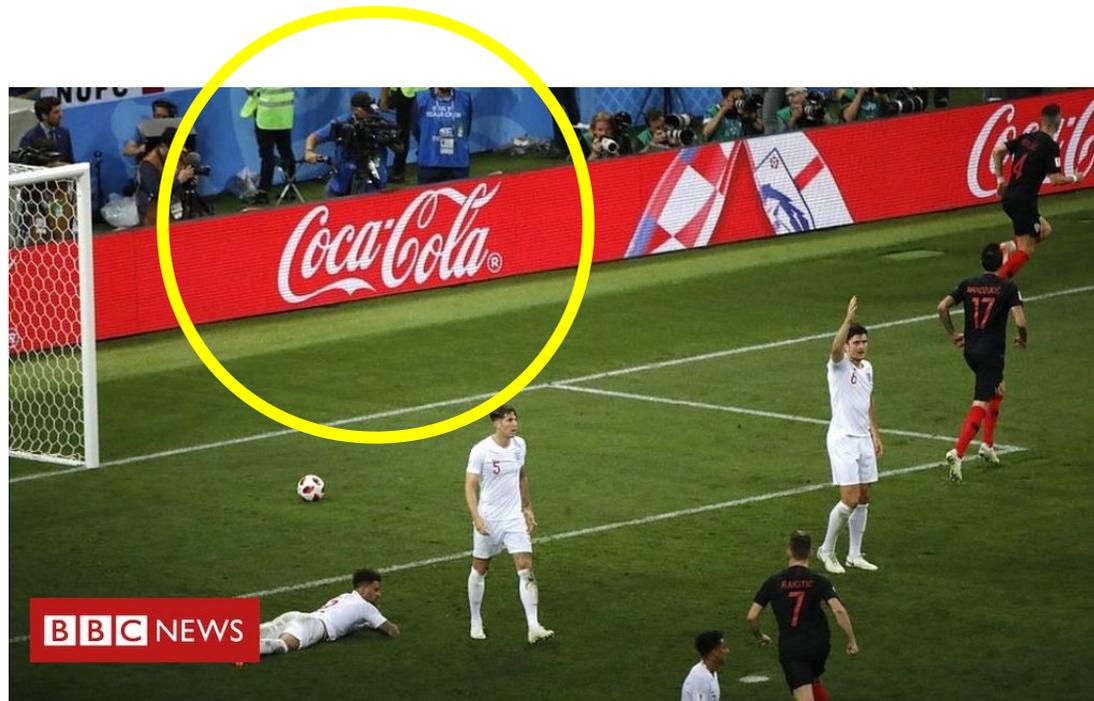


Eg; Launching a new car.

Role of Public Relations

2. Product publicity

A company can invite attention of the public on their products by sponsoring sports and cultural events, exhibitions etc.



Role of Public Relations

3. Corporate communication

It may be in the form of newsletters, annual reports, brochures, audio-visual materials etc. among the public and the employees of the organisation



Role of Public Relations

4. Lobbying

It means influencing the government officials, ministers etc. in a positive manner to formulate suitable industrial, telecom, taxation policies etc.

Lobbying

- **Lobbying:** a way to influence the lawmaking process by convincing lawmakers to vote as you want them to
- **Lobbyist:** a person who tries to influence lawmakers



Role of Public Relations

5. Counselling

The public relations department advises the management of the company to interfere into general issues which affect the public



Eg: Contributions for flood victims

Role of Public Relations

01

Press relations

02

Product publicity

03

Corporate communication

04

Lobbying

05

Counselling



Marketing Objectives of Public Relations

Marketing Objectives of Public Relations

a. Building awareness

Public relations department can place stories about the product in the media, which will help to create an excitement among the targeted customers



Eg: News reports, Interviews etc. about a film.

Marketing Objectives of Public Relations

b. Credibility

If news about a product comes in the media, it always gets credibility



Marketing Objectives of Public Relations

c. Stimulates sales force

As the product is publicized through the media, it is very easy to convince the customers



Marketing Objectives of Public Relations

d. Reduces the promotion cost

Maintaining good public relations results in less advertisement and sales effort



Marketing Objectives of Public Relations

a. Building awareness

b. Credibility

c. Stimulates sales force

d. Reduces the promotion cost

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